



Department of Insurance, Securities and Banking

DISB (SR)

MISSION

The mission of the Department of Insurance, Securities, and Banking (DISB) is to provide fair, efficient, and fast regulatory supervision of financial services activities for the protection of the people of the District of Columbia and to create conditions that will attract and retain insurance and financial services firms to the District of Columbia.

SUMMARY OF SERVICES

DISB regulates the following financial service entities: (1) insurance companies, insurance producers, health maintenance organizations, captive insurance companies and risk retention groups; (2) investment advisers, broker-dealers, securities issuers and agents of issuers; (3) District and state-chartered banks, mortgage lenders and brokers, check cashers, money transmitters, consumer-sales-finance companies, money lenders, and consumer-credit-service organizations. DISB provides consumer protection and education services to District residents with respect to the financial services entities operating in the District.

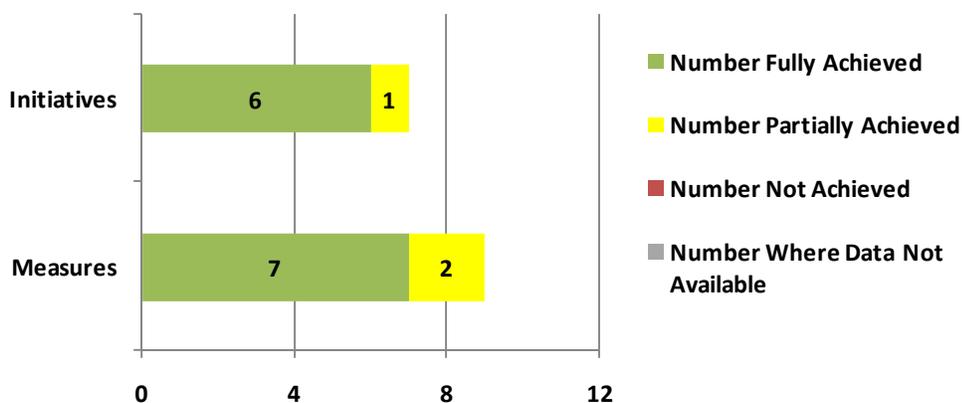
AGENCY OBJECTIVES

1. Seek innovations to address the affordability and availability of health insurance coverage.
2. Reduce insurance, securities and banking fraud through prevention, detection and enforcement.
3. Improve consumer confidence in, and increase the availability of, financial services to District residents.

3 KEY ACCOMPLISHMENTS

- ✓ Completed the establishment of a District-owned captive insurance company
- ✓ Completed development of regulatory process based on the newly enacted Pay Day Lending legislation
- ✓ Developed a foreclosure mitigation program for homeowners facing default or foreclosure

OVERVIEW OF AGENCY PERFORMANCE





Performance Initiatives – Assessment Details

Performance Assessment Key:

- Fully achieved Partially achieved Not achieved Data not reported

OBJECTIVE 1: Seek innovations to address the affordability and availability of health insurance coverage.

- INITIATIVE 1.1: Establish a District-owned captive insurance company to provide medical malpractice insurance coverage for non-profit health centers.**
Fully Achieved.

 - DISB worked with OCFO to gain access to \$8.7 million needed to capitalize the company.
 - DISB coordinated the development of operational procedures for the company as well as recommended a firm to manage the company.
 - The department developed the insurance policies used by captive insurance company.

- INITIATIVE 1.2: Propose legislation to establish a high-risk health insurance pool for District residents who cannot be medically underwritten by health insurance companies.**
Fully Achieved.

 - DISB established a working group that drafted a high risk health insurance pool bill.
 - The department worked with CareFirst to continue their open enrollment program pending enactment of the high risk pool legislation.
 - There are approximately 1,300 enrollees in CareFirst Open Enrollment Program.

OBJECTIVE 2: Reduce insurance, securities and banking fraud through prevention, detection and enforcement.

- INITIATIVE 2.1: Establish a financial crimes enforcement network to improve enforcement.**
Fully Achieved.

 - DISB has quarterly meetings with enforcement agencies throughout the city to discuss methods to better prosecute individuals that violate our financial services laws. These meetings include the FBI, Postal Service, US Department of Treasury, among others.

- INITIATIVE 2.2: Create an agent enforcement process for insurance producers.**
Fully Achieved.

 - DISB has created a committee of insurance licensing staff and investigators to expedite the administrative proceedings on producers that violate insurance laws.
 - The Department has doubled the number of administrative actions taken against producers this fiscal year.

OBJECTIVE 3: Improve consumer confidence in, and increase the availability of, financial services to District residents.

- INITIATIVE 3.1: Develop a foreclosure mitigation program for homeowners facing mortgage default or foreclosure.**
Fully Achieved.



DISB commissioned a Sub-Prime Mortgage Study that evaluated the DC mortgage defaults and foreclosure problems demographically.

- The Department completed a frequently asked questions worksheet and established a foreclosure telephone line on the District's 311 call center.
- DISB attended several community outreach programs and provided information to DC residents on who to contact if they had difficulties making their mortgage payments.

● INITIATIVE 3.2: Establish a DISB Financial Literacy Council to provide financial education to consumers.

Fully Achieved.

- DISB has met with representatives of banks, credit unions, securities firm and insurance companies to discuss the development of a Financial Literacy Council.
- The Department held several Investor Education programs at libraries throughout the city.
- DISB has provided information on our website about insurance that focus on the needs of the individual based on their life stage.

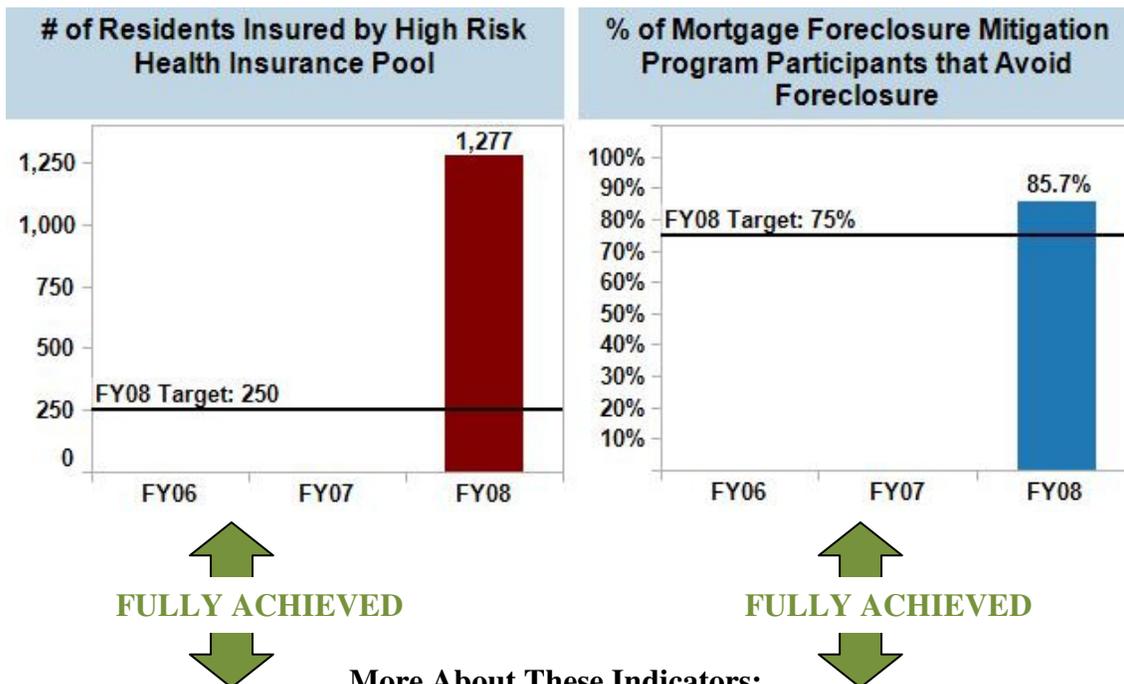
● INITIATIVE 3.3: Implement new pay day lending law.

Fully Achieved.

- The Payday Loan Consumer Protection Amendment Act, which came into effect January 9, 2008.
- DISB established procedures for licensing and examining pay day lenders.
- The department performed examinations on all check cashers that provided pay day lenders services.
- DISB worked with pay day lenders that decided not to continue operating in our jurisdiction to establish easy payment plans with customers, which included no additional penalties or interest.



Key Performance Indicators – Highlights



More About These Indicators:

How did the agency's actions affect this indicator?

- Established a Working Group to draft High Risk Pool legislation
- Required Carefirst to maintain Open Enrollment Program to provide health insurance to medically uninsurable population until the high risk pool legislation is enacted

What external factors influenced this indicator?

- Legislation was postponed due to the introduction of the Healthy DC bill.
- Statistics include enrollees in Carefirst Open Enrollment Program.
- Since the Healthy DC bill was not enacted by Council, DISB will re-establish the Working Group to finalize the High Risk Pool bill.

How did the agency's actions affect this indicator?

- Held community events in several wards addressing foreclosure issues.
- Helped citizens avoid foreclosures through restructuring on payment or loan provisions.
- Developed a foreclosure mitigation kit that we provided to community leaders.

What external factors influenced this indicator?

- DISB's focus has been on providing education and counseling to Consumers, while DCHD has focused on providing affordable housing to citizens who may have been affected by foreclosures.
- After discussions with representatives of the OCA and the staff of Deputy Mayor Neal Albert, it was decided that the DISB's plan shouldn't include a foreclosure moratorium.
- The foreclosure hotline was rolled into 311.



Key Performance Indicators – Details

Performance Assessment Key:

- Fully achieved
 ● Partially achieved
 ● Not achieved
 ● Data not reported

	FY06 Actual	FY07 Actual	FY08 Target	FY08 Actual	FY09 Projection
OBJECTIVE 1: Seek innovations to address the affordability and availability of health insurance coverage.					
● # of captive insurance policies issued to Non-profit health centers	N/A	N/A	5	5	8
● # of health care providers receiving medical Malpractice insurance from the captive Insurance company	N/A	N/A	15	55	20
● # of residents insured by high risk health Insurance pool	N/A	N/A	250	1277	500
OBJECTIVE 2: Reduce insurance, securities and banking fraud through prevention, detection and enforcement.					
● % of written complaints resolved within 45 days.	82.1%	81.2%	85.0%	82.4%	90%
● % of agent enforcement referrals investigated and referred to OLA or Insurance Bureau within 60 days	N/A	N/A	80%	90%	85%
● % of open investigative cases reviewed within 90 days.	96.4%	98.1%	97%	100%	98%
OBJECTIVE 3: Improve consumer confidence in, and increase the availability of, financial services to District residents.					
● % of mortgage foreclosure mitigation program participants that avoid foreclosure.	N/A	N/A	75.0%	85.7%	80.0%
● # of customers receiving financial literacy training.	N/A	N/A	400	732	500
● % of DC based investment advisor firms examined with 12 months	28.2%	33.6%	35%	29.4%	40%