



DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

FY 2022 PERFORMANCE AND ACCOUNTABILITY REPORT

JANUARY 15, 2023

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1 DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

Mission: The mission of the Department of Insurance, Securities, and Banking (DISB) is three-fold: (1) cultivate a regulatory environment that protects consumers and attracts and retains financial services firms to the District; (2) empower and educate residents on financial matters; and (3) provide financing for District small businesses.

Services: DISB regulates the following financial services entities: (1) insurance companies, insurance producers, health maintenance organizations, captive insurance companies, and risk retention groups; (2) investment advisors, investment advisor representatives, broker-dealers, broker-dealer agents, securities offerings, issuers, and agents of issuers; and (3) District and state-chartered banks, mortgage lenders and brokers, mortgage loan originators, check cashers, money transmitters, consumer sales finance companies, money lenders, appraisal management companies, student loan servicers, and consumer credit service organizations.

2 2022 ACCOMPLISHMENTS

Accomplishment	Impact on Agency	Impact on Residents
Assisted 13 residents in receiving \$1,051,000 in Public Service Loan Forgiveness through the waiver program	The agency was positively impacted by the success of helping District residents and knowing that our efforts made a significant difference in the lives of those residents.	The PSLF helped District residents get much-needed relief from the burden of Student Loan Debt.
Helped District residents keep their homes and save \$11,713,624 in home value from foreclosure through the Foreclosure Prevention Program.	Knowing that DISB was instrumental in helping District residents remain in their homes gives our staff a sense of pride in the work that we do.	Home ownership is a major component of having a diverse city. Helping District residents avoid foreclosure and remain in their homes is a major accomplishment.
Closed 735 consumer complaints, maintained a closure rate of 99% and recovered \$1,656,837 for constituents.	DISB benefits by knowing our efforts at pursuing complaints and issuing fraud and scam alerts to consumers makes a difference in their lives; it also gives our employees a sense of accomplishment.	Consumer complaints are the way District residents let us know they have been harmed. Our ability to address those wrongs benefits residents by getting their rights restored.

3 2022 OBJECTIVES

Strategic Objective	Number of Measures	Number of Operations
Provide high quality and efficient consumer protection services to District residents and businesses.	2	4
Establish the District as a premier destination for financial services firms to increase the number of financial services industry jobs available for District residents, and to generate additional revenue for the District.	1	1
Provide high quality services to financially empower residents and create pathways to the middle class.	1	4
Provide valuable assistance and support to District based small businesses and entrepreneurs that will create or retain jobs.	2	1
Create and maintain a highly efficient, transparent, and responsive District government.	11	1

4 2022 OPERATIONS

Operation Title	Operation Description	Type of Operation
Provide high quality and efficient consumer protection services to District residents and businesses.		
Market and Internet surveillance	Conduct market and Internet surveillance and investigations to curtail illegal cyber activity, including Internet-based investment scams and unregistered securities offerings.	Daily Service
Complaint Activity	Review complaint activity to identify trends that are adverse to the interests of consumers.	Daily Service
Exams	Conduct examinations of non-depository financial institutions, domestic insurance companies, and investment firms scheduled during the fiscal year.	Daily Service
Regulatory Initiatives	Review, assess and update banking regulations.	Key Project
Establish the District as a premier destination for financial services firms to increase the number of financial services industry jobs available for District residents, and to generate additional revenue for the District.		
Legislative and Regulatory Review	Review District insurance, securities, and banking laws/regulations/policies and prepare recommendations for amendment or revision, as necessary to modernize the District's financial services regulatory regime.	Daily Service
Provide high quality services to financially empower residents and create pathways to the middle class.		
Resiliency	DISB will develop a multi-agency resiliency virtual forum and podcast, in partnership with HSEMA, DC Water and DOEE to inform residents on cross cutting issues related to flooding and natural disasters.	Daily Service
Bank on DC	Reduce the number of unbanked and underbanked residents in the District.	Key Project
Financial Education and Empowerment	DISB will develop and implement four financial education and outreach programs, specifically in Wards 7 and 8 that will increase awareness of DISB's services and inform District residents and business owners about relevant topics in a variety of issues areas, including insurance and financial education, and student loan debt management.	Daily Service
Financial Services Curriculum, Consumer Guides and Alerts and Financial Literacy	Deliver financial services curriculum that contains topics of interest and importance to all population segments in the District; provide District residents with information about financial products and services; and provide residents with information on financial services and engage in comprehensive efforts to improve financial literacy.	Key Project
Provide valuable assistance and support to District based small businesses and entrepreneurs that will create or retain jobs.		
DC BizCap	Administer DISB's DC BizCap program to provide financial support to District-based small businesses and entrepreneurs.	Daily Service
Create and maintain a highly efficient, transparent, and responsive District government.		

(continued)

Operation Title	Operation Description	Type of Operation
Marketing and Promotion	DISB will develop and launch a comprehensive new rebranding program including marketing strategies and a revitalized public engagement campaign aligned with the Department's mission and vision.	Daily Service

5 2022 STRATEGIC INITIATIVES

In FY 2022, Department of Insurance, Securities and Banking had 5 Strategic Initiatives and completed 100%.

Title	Description	Completion Update to Date	Explanation for Incomplete Initiative
Financial Education and Empowerment	The Office of Financial Education and Empowerment (OFEE) will have new and expanded programming from federal funds allocated by the Mayor and City Council: (1) A new financial education program for “returning citizens” will be launched at the new Financial Empowerment Center and aims to reach at least 50 of this population in the first year. (2) The existing Opportunity Accounts program will be expanded to add an additional 75 participants to help clear the backlog of hundreds of residents currently on the waiting list for this matched savings program. These expansions will require new programming, reporting and additional staffing to implement.	Complete	FEC- Contract Modification complete. UPO has 4 counselors and 1 program assistant who were hired by Sept 9. DISB coordinated with MORCA, DHS- Ready Center and People of Promise and other groups to connect with returning citizens. The Opportunity Accounts Program is fully funded for FY22 at \$1,990,000. An additional 75 residents were able to participate in FY22.

DCReach	<p>Project REACH is a part of the Office of the Comptroller of the Currency's national minority outreach programming. Project REACH promotes financial inclusion through greater access to credit and capital. REACH stands for Roundtable for Economic Access and Change and the project brings together leaders from the banking industry, national civil rights organizations, business, and technology to reduce specific barriers that prevent full, equal, and fair participation in the nation's economy. The District was selected as the second local location for this two-year old program which is compatible with DISB's overall mission and DEI efforts. DCREACH will be comprised of three workstreams: affordable homeownership; alternative credit assessment utility; and small and minority business opportunity. Each workstream will produce a list of recommendations to the Department on an annual basis. The initiative will begin monthly meetings in 2022.</p>	Complete	<p>During Q4, DC REACH conducted monthly meetings with all workstreams to analyze barriers for wealth creation for DC residents. The affordable homeownership, credit counseling and repair, and small business workstreams each developed a list of 10 barriers. This list will inform Phase 2 of the work, when the workstreams will collect data to make decisions on the top five barriers that will be a focal point for solutions and recommendations in the final report. During the DC REACH full group meeting in September with all members, workstream co-chairs provided a report on the progress of their work, established the framework for benchmarks, a final report, and upcoming meetings. In addition, leaders of Mayor Bowser's Black Homeownership Strikeforce were invited to join the affordable homeownership workstream to provide synergy and thought leadership across the government, private and nonprofit sectors</p>	<p>This is a multi-year project</p>
Marketing and Promotion	<p>DISB will develop and launch a comprehensive rebranding program, including marketing strategies and a revitalized public engagement campaign aligned with the Department's mission and vision. The public engagement campaign will align with the agency goals of awareness, access and utilization around the agency's consumer facing programming. The rebranding and marketing will align with the agency goal of attracting and retaining financial services firms to the District and showcasing the District as a national emerging financial hub. Phase 1 of this initiative will be completed by September 30, 2022.</p>	Complete	<p>In Q4, DISB launched its comprehensive new branding program and completed its first phase of the revitalized public engagement campaign rollout. Collaborative Communications, DISB's contracted vendor for this work, held four workshops to introduce DISB employees to the new brand, logo, tagline and key messages, developed and implemented a media strategy for introducing our new look to the general public, and created a video and web content introducing the new brand.</p>	

Diversity, Equity and Inclusion	DISB will review the factors in underwriting, rating, and determining premiums (such as education and occupation) that impact affordability, accessibility, and eligibility in insurance coverage applicable to personal lines of insurance. After the review, by September 30, 2022, DISB will develop a minimum of 3 innovative products, services, and regulatory actions to bring down barriers to insurance coverage.	Complete	During Quarter 4, DISB participated in the NAIC Members Diversity Leader Forum. DISB presented on their efforts within the Financial Services Academy. The Banking Bureau produced their fireside chat video with OCTFME. It is currently in the post-production phase and DISB intends to distribute this to schools to educate high schoolers on the financial industry. The Securities Bureau completed a senior investment flyer to educate residents on potential scams and best practices. The Insurance Bureau began their dive into determining whether there is unintentional bias in the automobile industry. A public hearing was held at the end of June. Our consultant, ORCAA, will continue working with us through FY23 to advance this research with a data call.	DEI is a multi-year project.
Regulatory Initiatives	The Department will develop and implement a strategy for the implementation of the Department's proposed Regulatory Sandbox legislation. DISB's ability to launch this new initiative is contingent upon the Council enacting the regulatory sandbox legislation. The strategy will include internal processes for smooth implementation of the legislation as well as a marketing and outreach plan with a twofold purpose: 1) to ensure that innovators will participate in the sandbox and 2) to expand the District's role as a national financial services hub. Topics addressed in the sandbox will also have targeted suggestions around closing the gap between the un- and underbanked populations and increasing access to financial products for all. This initiative will be completed by September 30, 2022.	Complete	Throughout the performance period, DISB worked with Council to advance the Regulatory Sandbox legislation, however, there were insufficient votes in support of the Sandbox legislation at end of the markup by the Committee on Business and Economic Development. Rather than make additional revisions to the legislation, DISB decided to pivot its efforts and focus on the establishment of a new Office of Innovation in FY 2023 that will include the goals for the Regulatory Sandbox initiative. The research and analysis conducted by the Mayor's Regulatory Sandbox Council and the DISB team will be used to inform the direction of the Office of Innovation. During the August Virtual Career Fair, DISB interviewed and offered a position to a candidate for the director of the office of innovation position. The new director began work in December 2022.	There was insufficient support of the enabling legislation.

6 2022 KEY PERFORMANCE INDICATORS AND WORKLOAD MEASURES

Key Performance Indicators

Measure	Directionality	FY 2020	FY 2021	FY 2022 Target	FY 2022 Q1	FY 2022 Q2	FY 2022 Q3	FY 2022 Q4	FY 2022	Was 2022 KPI Met?	Explanation of Unmet KPI
Provide high quality and efficient consumer protection services to District residents and businesses.											
Percent of insurance, securities and banking complaints closed within 45 days of receipt	Up is Better	97.2%	104.4%	95%	99.5%	108.4%	107.7%	97.3%	103.2%	Met	
Number of cyber fraud enforcement investigations initiated	Up is Better	New in 2022	New in 2022	40	5	11	14	14	44	-	
Establish the District as a premier destination for financial services firms to increase the number of financial services industry jobs available for District residents, and to generate additional revenue for the District.											
Number of District laws, regulations and policies reviewed for possible modernization	Up is Better	6	7	4	4	0	4	4	12	Met	
Provide high quality services to financially empower residents and create pathways to the middle class.											
Percent increase in number of Financially Fit DC events	Up is Better	16.5%	-13.1%	5%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	6.6%	Met	
Provide valuable assistance and support to District based small businesses and entrepreneurs that will create or retain jobs.											
Percent of State Small Business Credit Initiative applications processed within 30 days of receipt	Up is Better	100%	100%	100%	100%	100%	100%	100%	100%	Met	
Number of outreach events for small businesses, financial institutions, or business organizations	Up is Better	28	20	20	7	31	6	8	52	Met	

Workload Measures

Measure	FY 2020	FY 2021	FY 2022 Q1	FY 2022 Q2	FY 2022 Q3	FY 2022 Q4	FY 2022
Complaint Activity							
Number of residents who receive in-person fraud abuse prevention, financial literacy training and/or consumer protection information	7602	13,386	1016	1502	3279	5487	11,284
Exams							
Number of examinations of non-depository financial institutions, domestic insurance companies, and investment firms completed during the fiscal year	169	175	43	40	35	42	160
Market and Internet surveillance							
Number of fraud alerts issued	23	21	4	8	4	8	24
Legislative and Regulatory Review							
Number of laws, regulations and policies reviewed	6	7	0	4	4	4	12
Bank on DC							
Number Financially Fit DC events held	191	166	19	23	57	78	177
Number of new bank accounts opened	287	125	11	58	153	153	375
DC BizCap							
Number of outreach events for small businesses, financial institutions, or business organizations, including small business assistance clinics	19	66	7	31	6	8	52