DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

FY 2024 PERFORMANCE ACCOUNTABILITY REPORT

JANUARY 15, 2025

WE ARE WASHINGTON DC
GOVERNMENT OF THE
DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

CONTENTS

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 advisers, investment adviser 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 2024 ACCOMPLISHMENTS

Accomplishment	Impact on Agency	Impact on Residents
DISB completed its study of the private passenger automobile insurance market in DC to determine if insurers are engaging in unintentional bias in the development and the sale of private passenger automobile insurance.	The study of unintentional bias in private passenger auto insurance rates is the first of its kind in the US. Several insurance departments across the country have contacted DISB to learn more about our study and its findings.	DISB reviewed the data received from all insurers that offer private passenger auto insurance in DC and found that African American and Hispanic DC residents paid more for automobile insurance than white and Asian drivers. Additional work will have to be performed to understand the reasons for the differences in rates by race before corrective action can be taken.
DISB's DC BizCap program has provided $20.5 million to 43 businesses across all eight Wards.	DISB's BizCap program contributed to Mayor Bowser's comeback plan by providing much needed capital to minority and women owned businesses located in the District.	DISB's support has been used to help businesses access more than $52 million in private capital and enabled them to create or retain more than 2,100 District-based jobs.
In FY 2024 DISB's Office of the Student Loan Ombudsman assisted 85 student loan borrowers with student loan debt complaints. These efforts resulted in the elimination of more than $6.2 million in student loan debt burdening District residents and District government employees. In addition, DISB's efforts led to more than $1.6 million of Public Service Loan Forgiveness.	The work of DISB's Office of the Student Loan Ombudsman is a part of DISB's mission to assist District residents in their efforts to build generational wealth.	DISB helped District residents erase millions of dollars in student loan debt. These debt relief efforts will help residents purchase a home, save for retirement or pay for their children's education.

3 2024 OBJECTIVES

Strategic Objective
Provide high quality and efficient consumer protection services to District residents and businesses.
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.
Provide high quality services to financially empower residents and create pathways to the middle class.
Provide valuable assistance and support to District based small businesses and entrepreneurs that will create or retain jobs.
Create and maintain a highly efficient, transparent, and responsive District government.

4 2024 OPERATIONS

Operation Title	Operation Description
Provide high quality and efficient consumer protection services to District residents and businesses.	
Market and Internet surveillance: Daily Service	Conduct market and Internet surveillance and investigations to curtail illegal cyber activity, including Internet-based investment scams and unregistered securities offerings.
Complaint Activity: Daily Service	Review complaint activity to identify trends that are adverse to the interests of consumers.
Exams: Daily Service	Conduct examinations of non-depository financial institutions, domestic insurance companies, and investment firms scheduled during the fiscal year.
Regulatory Initiatives: Key Project	Review, assess and update banking, insurance, and securities regulations.
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: Daily Service	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.
Provide high quality services to financially empower residents and create pathways to the middle class.	
Bank on DC: Key Project	Reduce the number of unbanked and underbanked residents in the District.
Resiliency: Daily Service	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.
Financial Services Curriculum, Guides and Alerts and Financial Literacy: Key Project	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 provide financial literacy.
Financial Education and Empowerment: Daily Service	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.
Provide valuable assistance and support to District based small businesses and entrepreneurs that will create or retain jobs.	
DC BizCap: Daily Service	Administer DISB's DC BizCap program to provide financial support to District-based small businesses and entrepreneurs.
Create and maintain a highly efficient, transparent, and responsive District government.	
Marketing and Promotion (Communications): Daily Service	DISB will implement marketing strategies and revitalize our public engagement campaign to better align with the Department's mission and vision.

5 2024 STRATEGIC INITIATIVES

In FY 2024, Department of Insurance, Securities and Banking had 13 Strategic Initiatives and completed 100%.

Title	Description	Update
Student Loan Ombudsman (SLO) Curriculum	The Banking Bureau will develop a comprehensive road map and guidance surrounding the Student Loan Ombudsman (SLO) curriculum. The curriculum will address the needs of high school students through college matriculation, graduation, and student loan repayment. The SLO webpage navigation will also be updated.	Completed to date: Complete The Student Loan Ombudsman curriculum is complete and all five modules have been added to the DISB's webpage.
Estate Planning/Foreclosure Prevention Services	The Banking Bureau will conduct outreach to seniors regarding the importance of estate planning as part of the enhanced Foreclosure Prevention Services contract to provide additional free legal assistance to seniors for estate planning, reverse mortgage assistance, and expanded legal assistance. DISB will conduct a workshop series specifically addressing reverse mortgages, estate planning, and aging in place.	Completed to date: Complete The Banking bureau held one event in Q4 specifically targeted to seniors regarding reverse mortgages and estate planning. The event was held at the Hayes Senior Wellness Center. 10 residents attended.
Banking Code Modernization	The Department will complete modernization of the District of Columbia's Banking Code and Regulations. The Department is charged with overseeing and regulating depository, non-depository, and money services businesses (MSB's) entities and creating an environment that cultivates continued growth in this sector. Modernization will revise the District's banking laws and rulemakings, making the District a more attractive jurisdiction for the chartering of banks, international representative offices, and other financial companies (ex: Fintech) while providing appropriate levels of consumer protection.	Completed to date: Complete The Banking Code Modernization Project has draft legislation and regulations that are various stages of review by the Department's Office of General Counsel. The Department has decided to move forward with the Money Transmitter Model Act (MTMA) and the Senior Safe Act as the first part of legislation for approval. Both have been reviewed internally and will be moved forward once the internal reviews are completed.

Expand the Financially Fit DC Program	The Office of Financial Empowerment and Education (OFEE) will expand the Financially Fit DC Program with a workshop series for residents including: The Fundamentals of Credit, Credit Scoring Models, and Credit Repair. The series will be tailored to the needs of a diverse community through user-friendly website resources, educational materials, and outreach.	Completed to date: Complete The OFEE team met this goal. Produced multiple workshops that covered credit. In quarter 4, there were 6 workshops on credit as webinars. The sessions included: Credit Scores July 23, Credit Workshop on Aug 6, Credit Sense Aug 29,30, and Controlling Debt Sept 26 &27. All sessions were held via Financially Fit DC outreach. All sessions were recorded and are available via Financially Fit DC.
Establish The Fundamentals of Banking Initiative	The Bank on DC Program will establish The Fundamentals of Banking initiative to meet the needs of underbanked populations. The initiative will emphasize check systems and their impact on establishing and maintaining traditional banking services.	Completed to date: Complete The OFEE team continues to engage with residents and community based organizations to provide banking access to unbanked and underbanked populations. This quarter, the program produced a series of workshops, such as Virtual Financial Literacy Hour, a 6- week series with the MBSYEP program to move the youth participants to manage bank accounts. Additionally, Bank on DC partnered with Department of Human Services to hold two (Aug 27 and Sept 9/20) banking fairs for returning citizens that provide bank accounts and financial education.
Proactive Monitoring of Cryptocur-rency to Detect Scams	The Enforcement and Consumer Protection Division (ECPD) will undertake regular proactive monitoring and quarterly onsite inspections of the District's cryptocurrency ATMs, also known as BTMs, to detect scams and violations of the District's regulatory and criminal laws, particularly money transmission licensing requirements. ECPD will collaborate with federal, state and local regulatory and criminal law enforcement authorities in the investigation and prosecution of BTM fraud, as well as other crimes perpetrated using the District's BTMs.	Completed to date: Complete ECPD initiated seven BTM investigations. The subject matter was unregistered money transmitter violations, as well as potential companywide scams. As a result, known unregistered BTM companies have stopped operating in DC. One company has been referred to Banking and OGC for consideration of enforcement actions

Design and Implement a Standardized Reporting Template	The Compliance and Analysis Division (CAD) will design and implement a standardized reporting template that can be used to capture information related to licensing, consumer complaints, investigations, financial empowerment, and administration. CAD will collaborate with IT to explore technology solutions and maximize MS Office tools.	Completed to date: Complete Not an initiative. As indicated in 2Q 2024 this is no longer an initiative that CAD is pursuing.
DC REACh to Produce a Final Report Providing Recommenda-tions to Close the Wealth Gap for District Residents	The DC REACh initiative, developed in partnership with DISB and the Office of the Comptroller of Currency, will produce a final report on recommendations to close the wealth gap for District residents. The recommendations will provide education and resources surrounding affordable home ownership, credit counseling and repair, and small businesses growth and access to capital for small and disadvantaged businesses.	Completed to date: Complete In Q2 we developed and published our annual report which includes the progress made to date and the focus of the individual workstreams moving forward. The report should was posted on our website in March. The three workstreams (Small Business, Credit, and Affordable Homeownership) have all identified their top 5 barriers, and put forth recommendations for products, policy, and program enhancements and development. The report also captured progress made to date and short and long-term goals for the individual workstreams. In partnership with the OCC and workstream members the initiative will continue in FY24 with additional reporting.
Low Income Housing Tax Credit	The District implemented a new Low Income Housing Tax Credit program. The initial cohort of eligible properties are about to access their credits. The Insurance Bureau will revise the premium tax forms to incorporate a process to apply the credits, and coordinate efforts with the Office of Tax and Revenue to address credits transferred between insurers and non-insurers.	Completed to date: Complete We are able to process the tax credits. OTR is working with the insurers claiming credits to make sure everything is reconciled.
Investor Education and Protection	The Securities Bureau will further its efforts to scale the Investor Education and Protection Program by hiring a Coordinator who will develop securities-specific community outreach initiatives. Investor education outreach efforts will include the development of user-friendly websites, educational materials, and a variety of programs.	Completed to date: Complete Securities staff worked with other units to staff and facilitate three events: National Night Out; Reality Fair at Jackson Reed Financial Academy; Senior and The Investor Basics Workshop for the Martha's Table Strong Families, Strong Futures program. Securities DEI Committee members helped develop materials for the Martha Table's program. Securities DEI Committee members assisted Comms in identifying several new social media posts related to investments and scams derived from SAA investor education resources and updating previous alerts for new social media postings.

Design and Launch a Comprehensive Marketing Initiative	DISB will retain a consulting firm to assist the Office of Innovation (OOI) in designing and launching a comprehensive marketing initiative that includes the development of strategies and stakeholder engagement campaigns that are aligned with the OOI Plan of Operation. OOI will ensure that its marketing strategies and campaigns further the Department's goal of establishing the District as an emerging financial hub for financial technology firms, while ensuring that OOI's activities are aligned with the Department's overall regulatory initiatives and programs.	Completed to date: Complete DISB retained PBJ Marketing to conduct market research and prepare a marketing plan for the Office of Innovation. PBJ provided DISB with extensive research and a comprehensive marketing plan that DISB will will use to increase the number of FinTechs, RegTechs and InsureTechs operating in DC.
DC Flood Task Force	As part of the DC Flood Task Force, the Department developed an initiative to conduct outreach to District residents about water damage and the need for flood insurance. DISB will develop and implement its own outreach plan and metrics to measure its success.	Completed to date: Complete DISB presented Flood Awareness/Mitigation presentation in coordination with MOWPI. Also, tabled an additional event at a sorority focused forum to distribute flood related (and other financial resiliency) educational material.
Captive Insurance Code and Regulations Modernization	The Risk Finance Bureau will review the District's captive insurance code and regulations and modernize them to ensure that the Department's captive insurance program is able to accommodate the needs of the captive insurance industry. The code modernization project will focus on licensing, business plan changes, capital requirements, financial analysis, and corporate structures. Having modern law and regulations will ensure that the Risk Finance Bureau is able to meet the needs of companies and organizations that form captive insurers in the District.	Completed to date: Complete RFB Initiative is complete. RFB completed proposed revisions to the captive law and sent the revisions to DISB OGC for drafting on 7-23-2024. OGC sent the draft legislation to RFB on 7-25-2024 and on 8-5-2024 RFB completed a review of the draft.

6 2024 KEY PERFORMANCE INDICATORS AND WORKLOAD MEASURES

Key Performance Indicators

Measure	Directionality	FY 2022	FY 2023	FY 2024 Q1	FY 2024 Q2	FY 2024 Q3	FY 2024 Q4	FY 2024	FY 2024 Target	Was 2024 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	103.2%	99.6%	86.9%	90.3%	99.2%	98.2%	94%	95%	Nearly Met	The number of complaints increased significantly in FY 2024. The agency's goal was to close 95% of the complaints within 45 days of receipt, and were able to close 94.2% of the complaints within 45 days of receipt.
Number of cyber fraud enforcement investigations initiated	Up is Better	New in 2022	New in 2022	13	17	13	28	71	40	Met	
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	12	17	1	3	3	4	11	3	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	6.6%	62.7%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	0%	0%	Met	
Number of outreach events to provide consumer financial education on student loans	Up is Better	New in 2024	New in 2024	11	6	16	8	41	30	Met	
Number of outreach events to provide consumer financial education on mortgage foreclosure and prevention	Up is Better	New in 2024	New in 2024	13	15	17	12	57	50	Met	
Number of outreach events to provide financial education on consumer protection strategies	Up is Better	New in 2024	New in 2024	8	5	20	150	183	16	Met	
Provide valuable assistance and support to District based small businesses and entrepreneurs that will create or retain jobs.											

Key Performance Indicators *(continued)*

Measure	Directionality	FY 2022	FY 2023	FY 2024 Q1	FY 2024 Q2	FY 2024 Q3	FY 2024 Q4	FY 2024	FY 2024 Target	Was 2024 KPI Met?	Explanation of Unmet KPI
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	52	46	4	9	17	6	36	30	Met	
Create and maintain a highly efficient, transparent, and responsive District government.											
Percent of new hires that are District residents	Up is Better	New in 2023	36.4%	Annual Mea-sure	Annual Mea-sure	Annual Mea-sure	Annual Mea-sure	53.8%	-	-	
Percent of new hires that are current District residents and received a high school diploma from a DCPS or a District Public Charter School, or received an equivalent credential from the District of Columbia	Up is Better	New in 2023	25%	Annual Mea-sure	Annual Mea-sure	Annual Mea-sure	Annual Mea-sure	0%	-	-	
Percent of employees that are District residents	Up is Better	New in 2023	46.3%	Annual Mea-sure	Annual Mea-sure	Annual Mea-sure	Annual Mea-sure	47.2%	-	-	
Percent of required contractor evaluations submitted to the Office of Contracting and Procurement on time.	Up is Better	New in 2023	10%	Annual Mea-sure	Annual Mea-sure	Annual Mea-sure	Annual Mea-sure	42.9%	-	-	
Percent of agency staff who were employed as Management Supervisory Service (MSS) employees prior to 4/1 of the fiscal year that had completed an Advancing Racial Equity (AE204) training facilitated by ORE within the past two years.	Up is Better	New in 2023	New in 2023	Annual Mea-sure	Annual Mea-sure	Annual Mea-sure	Annual Mea-sure	100%	-	-	

Workload Measures

Measure	FY 2022	FY 2023	FY 2024 Q1	FY 2024 Q2	FY 2024 Q3	FY 2024 Q4	FY 2024
Complaint Activity							
Number of complaints received within the quarter	Not Available	793	206	245	277	265	993
Number of complaints resolved within the quarter	Not Available	709	179	278	256	284	997
Number of residents who receive in-person fraud abuse prevention, financial literacy training and/or consumer protection information	11,284	19,710	1,426	4,372	3,057	3,865	12,720
Exams							
Number of examinations of non-depository financial institutions, domestic insurance companies, and investment firms completed during the fiscal year	160	172	34	31	50	91	206
Market and Internet surveillance							
Number of fraud alerts issued	24	21	3	5	2	7	17
Legislative and Regulatory Review							
Number of laws, regulations and policies reviewed	12	17	1	3	3	4	11
Bank on DC							
Number of new bank accounts opened	375	1,616	142	348	46	0	536
Number Financially Fit DC events held	161	288	52	61	83	20	216
DC BizCap							
Number of outreach events for small businesses, financial institutions, or business organizations, including small business assistance clinics	52	46	4	77	26	6	113