DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

FY 2025 PERFORMANCE PLAN

NOVEMBER 26, 2024

GOVERNMENT OF THE DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

CONTENTS

Contents 2

1 Introduction 3

2 Department of Insurance, Securities and Banking Overview 5

3 Objectives 6
- 3.1 Consumer protection for residents and businesses. 6
- 3.2 Increase financial services companies, jobs and taxes. 6
- 3.3 Increase pathways to the middle class. 6
- 3.4 Support small businesses; create and retain jobs. 7
- 3.5 Efficient, Transparent, and Responsive Government 7

4 Activities 8
- 4.1 Financial Education and Empowerment 8
- 4.2 Resiliency 8
- 4.3 Bank on DC 8
- 4.4 Market and Internet surveillance 8
- 4.5 DC BizCap 8
- 4.6 Complaint Activity 9
- 4.7 Financial Services Curriculum, Guides and Alerts and Financial Literacy 9
- 4.8 Legislative and Regulatory Review 9
- 4.9 Exams 9
- 4.10 Marketing and Promotion (Communications) 10

5 Additional Measures 11

6 Projects 12
- 6.1 Risk Finance Bureau Standard Operating Procedures Project 12
- 6.2 Consumer Complaint Intake Project 12
- 6.3 Securities Bureau Licensing and Corporation Finance Database Project 12
- 6.4 Combating Unintentional Bias in Insurance Rates Project 12
- 6.5 Banking Code Modernization Project - Regulations 13
- 6.6 Small Business Readiness Project 13
- 6.7 Cryptocurrencies Outreach Project 13
- 6.8 Office of Financial Empowerment and Education Project 13
- 6.9 Anti-Fraud Citizen's Academy Project 13
- 6.10 Marketing/Branding Project for the Office of Innovation 13

1 INTRODUCTION

This document presents the Fiscal Year 2025 Performance Plan for the Department of Insurance, Securities and Banking.

This Performance Plan is the first of two agency performance documents published each year. The Performance Plan is published twice annually – preliminarily in March when the Mayor's budget proposal is delivered, and again at the start of the fiscal year when budget decisions have been finalized. A companion document, the Performance Accountability Report (PAR), is published annually in January following the end of the fiscal year. Each PAR assesses agency performance relative to its annual Performance Plan.

Performance Plan Structure: Performance plans are comprised of agency Objectives, Administrative Structures (such as Divisions, Administrations, and Offices), Activities, Projects and related performance measures. The following describes these plan components, and the types of performance measures agencies use to assess their performance.

Objectives: Objectives are statements of the desired benefits that are expected from the performance of an agency's mission. They describe the goals of the agency.

Administrative Structures: Administrative Structures represent the organizational units of an agency, such as Departments, Divisions, or Offices.

Activities: Activities represent the programs and services an agency provides. They reflect what an agency does on a regular basis (e.g., processing permits).

Projects: Projects are planned efforts that end once a particular outcome or goal is achieved.

Measures: Performance Measures may be associated with any plan component, or with the agency overall. Performance Measures can answer broad questions about an agency's overall performance or the performance of an organizational unit, a program or service, or the implementation of a major project. Measures can answer questions like "How much did we do?", "How well did we do it?", "How quickly did we do it?", and "Is anyone better off?" as described in the table below. Measures are printed throughout the Performance Plan, as they may be measuring an objective, an administrative structure, an activity, or be related to the agency performance as a whole.

Measure Type	Measure Description	Example
Quantity	Quantity measures assess the volume of work an agency performs. These measures can describe the inputs (e.g., requests or cases) that an agency receives or the work that an agency completes (e.g., licenses issued or cases closed). Quantity measures often start with the phrase "Number of...".	"Number of public art projects completed"
Quality	Quality measures assess how well an agency's work meets standards, specifications, resident needs, or resident expectations. These measures can directly describe the quality of decisions or products or they can assess resident feelings, like satisfaction.	"Percent of citations issued that were appealed"

(continued)

Measure Type	Measure Description	Example
Efficiency	Efficiency measures assess the resources an agency used to perform its work and the speed with which that work was performed. Efficiency measures can assess the unit cost to deliver a product or service, but typically these measures assess describe completion rates, processing times, and backlog.	"Percent of claims processed within 10 business days"
Outcome	Outcome measures assess the results or impact of an agency's work. These measures describe the intended ultimate benefits associated with a program or service.	"Percent of families returning to homelessness within 6-12 months"
Context	Context measures describe the circumstances or environment that the agency operates in. These measures are typically outside of the agency's direct control.	"Recidivism rate for 18-24 year-olds"
District-wide Indicators	District-wide indicators describe demographic, economic, and environmental trends in the District of Columbia that are relevant to the agency's work, but are not in the control of a single agency.	"Area median income"

Agencies set targets for most performance measures before the start of the fiscal year. Targets may represent goals, requirements, or national standards for a performance measure. Agencies strive to achieve targets each year, and agencies provide explanations for targets that are not met at the end of the fiscal year in the subsequent Performance Accountability Report. Not all measures are associated with a target. For example, newly added measures do not require targets for the first year, as agencies determine a data-informed benchmark. Additionally, change in some quantity or context measures and District-wide indicators may not indicate better or worse performance, but are "neutral" measures of demand or input, or are outside of the agency's direct control. In some cases the relative improvement of a measure over a prior period is a more meaningful indicator than meeting or exceeding a particular numerical goal, so a target is not set.

2 DEPARTMENT OF INSURANCE, SECURITIES AND BANKING OVERVIEW

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.

Summary of 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.

Objectives:

1. Consumer protection for residents and businesses.
2. Increase financial services companies, jobs and taxes.
3. Increase pathways to the middle class.
4. Support small businesses; create and retain jobs.
5. Efficient, Transparent, and Responsive Government

Activities:

1. Bank on DC
2. Resiliency
3. Market and Internet surveillance
4. DC BizCap
5. Complaint Activity
6. Financial Services Curriculum, Guides and Alerts and Financial Literacy
7. Legislative and Regulatory Review
8. Exams
9. Financial Education and Empowerment
10. Marketing and Promotion (Communications)

3 OBJECTIVES

3.1 CONSUMER PROTECTION FOR RESIDENTS AND BUSINESSES.

Provide high quality regulation of financial services companies operating in DC to ensure consumers are protected

Related Measures	Measure Type	Directionality	FY2023	FY2024	FY2025 Target
Number of cyber fraud enforcement investigations initiated	Quantity	Up is Better	84	71	**40**
Percent of insurance, securities and banking complaints closed within 45 days of receipt	Efficiency	Up is Better	99.60%	94.24%	**95%**

3.2 INCREASE FINANCIAL SERVICES COMPANIES, JOBS AND TAXES.

Make DC an attractive jurisdiction for financial services companies that offer products and services to unserved or underserved communities, create jobs and generate taxes.

Related Measures	Measure Type	Directionality	FY2023	FY2024	FY2025 Target
Number of District laws, regulations and policies reviewed for possible modernization	Efficiency	Up is Better	17	11	**3**

3.3 INCREASE PATHWAYS TO THE MIDDLE CLASS.

Provide residents with financial education and counseling, savings programs, bank accounts, foreclosure prevention services, and estate planning to help residents create and preserve wealth.

Related Measures	Measure Type	Directionality	FY2023	FY2024	FY2025 Target
Number of outreach events to provide consumer financial education on mortgage foreclosure and prevention	Quantity	Up is Better	New in 2024	57	**20**
Number of outreach events to provide consumer financial education on student loans	Quantity	Up is Better	New in 2024	41	**20**
Number of outreach events to provide financial education on consumer protection strategies	Quantity	Up is Better	New in 2024	183	**16**

3.4 SUPPORT SMALL BUSINESSES; CREATE AND RETAIN JOBS.

Provide financial support for small businesses and entrepreneurs to create new jobs and tax revenues.

Related Measures	Measure Type	Directionality	FY2023	FY2024	FY2025 Target
Number of outreach events for small businesses, financial institutions, or business organizations	Quantity	Up is Better	46	36	**30**
Percent of State Small Business Credit Initiative applications processed within 30 days of receipt	Efficiency	Up is Better	100%	100%	**100%**

3.5 EFFICIENT, TRANSPARENT, AND RESPONSIVE GOVERNMENT

Create and maintain a highly efficient, transparent, and responsive District government.

Related Measures	Measure Type	Directionality	FY2023	FY2024	FY2025 Target
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	Outcome	Up is Better	NA	100%	**No Target Set**
Percent of employees that are District residents	Outcome	Up is Better	46.27%	47.24%	**No Target Set**
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	Outcome	Up is Better	25%	0%	**No Target Set**
Percent of new hires that are District residents	Outcome	Up is Better	36.36%	53.85%	**No Target Set**
Percent of required contractor evaluations submitted to the Office of Contracting and Procurement on time	Outcome	Up is Better	10%	0%	**No Target Set**

4 ACTIVITIES

4.1 FINANCIAL EDUCATION AND EMPOWERMENT

DISB will develop and execute four financial education and outreach programs specifically for economically disadvantaged communities, including in Ward 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.

No Related Measures

4.2 RESILIENCY

DISB will develop education material including a podcast and an FAQ document related to resilience against flood/water damage and natural disasters.

No Related Measures

4.3 BANK ON DC

Reduce the number of unbanked and underbanked residents in the District.

Related Measures	Measure Type	Directionality	FY2023	FY2024	FY2025 Target
Number Financially Fit DC events held	Quantity	Up is Better	288	216	*
Number of new bank accounts opened	Quantity	Neutral	1,616	536	*

*Specific targets are not set for this measure

4.4 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.

Related Measures	Measure Type	Directionality	FY2023	FY2024	FY2025 Target
Number of fraud alerts issued	Quantity	Neutral	21	17	**14**

4.5 DC BIZCAP

Administer DISB's DC BizCap program to provide financial support to District-based small businesses and entrepreneurs.

No Related Measures

4.6 COMPLAINT ACTIVITY

Review complaint activity to identify trends that are adverse to the interests of consumers.

Related Measures	Measure Type	Directionality	FY2023	FY2024	FY2025 Target
Number of complaints received within the quarter	Quantity	Neutral	793	993	**800**
Number of complaints resolved within the quarter	Quantity	Neutral	709	997	**800**
Number of residents who receive financial literacy training and consumer protection information	Outcome	Up is Better	19,710	12,720	*

*Specific targets are not set for this measure

4.7 FINANCIAL SERVICES CURRICULUM, 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 provide financial literacy.

No Related Measures

4.8 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.

Related Measures	Measure Type	Directionality	FY2023	FY2024	FY2025 Target
Number of laws, regulations and policies reviewed	Quantity	Neutral	17	11	*

*Specific targets are not set for this measure

4.9 EXAMS

Conduct examinations of non-depository financial institutions, domestic insurance companies, and investment firms scheduled during the fiscal year.

No Related Measures

4.10 MARKETING AND PROMOTION (COMMUNICATIONS)

DISB will implement marketing strategies and revitalize our public engagement campaign to better align with the Department's mission and vision.

No Related Measures

5 ADDITIONAL MEASURES

Measure	Measure Type	Directionality	FY2023	FY2024	FY2025 Target
Insurance Examinations	Quantity	Neutral	New in 2025	New in 2025	**New in 2025**
Non-Depository Examinations	Quantity	Neutral	New in 2025	New in 2025	**New in 2025**
Investment Firm Examinations	Quantity	Neutral	New in 2025	New in 2025	**New in 2025**

6 PROJECTS

6.1 RISK FINANCE BUREAU STANDARD OPERATING PROCEDURES PROJECT

Proposed Completion Date: September 30, 2025

The Risk Finance Bureau will develop detailed standard operating procedures for the various duties and tasks such as financial analysis, financial examinations, business plan changes, application reviews, licensing activities, revenue and fee collection, and outreach activities. This Project will enable staff to complete their tasks and duties more efficiently, enabling the Bureau to better respond to the needs of captive insurers licensed in DC. This Project will attract more captive insurers to DC, which will increase tax revenues and provide guidance for new employees.

6.2 CONSUMER COMPLAINT INTAKE PROJECT

Proposed Completion Date: September 30, 2025

The Consumer & Analysis Division will revise and publish a new Consumer Complaint Intake Form/Interface to incorporate student loan and foreclosure consumer complaints. This will establish a primary point of contact for consumers sending complaints to DISB, assist in the design of backend metrics reporting, and improve coordination and monitoring of complaints. Update the Form/Interface so that income ranges are consistent with the State Based System (SBS) used by the NAIC.

6.3 SECURITIES BUREAU LICENSING AND CORPORATION FINANCE DATABASE PROJECT

Proposed Completion Date: September 30, 2025

The Securities Bureau, in coordination with an outside contractor engaged in September 2024, will develop and deploy a replacement of its existing corporation finance and licensing database system that will provide improved interfaces with all third-party systems and databases used by the Bureau.

6.4 COMBATING UNINTENTIONAL BIAS IN INSURANCE RATES PROJECT

Proposed Completion Date: September 30, 2026

The Insurance Bureau will address the findings in the Unintentional Bias in Private Passenger Automobile Insurance report. The Bureau will:

(1) Develop a process for identifying rating factors that are correlated with both losses and race and have no rational explanation for the relationship with losses and determining thresholds for balancing the impacts of both correlations on premiums.

(2) Evaluate the differences in types and severity of claims between racial groups to look for ways to reduce the significant disparity in losses by Black and Hispanic drivers compared to white drivers.

(3) Consider ways to address the benefits of wealth on insurance premiums that impact the Black/white average premium gap. These benefits may include better road conditions, secure parking and the availability of discounts.

(4) Evaluate the reasons why quotes from agents were lower than direct online otherwise and Black drivers are less likely to get quotes from agents.

6.5 BANKING CODE MODERNIZATION PROJECT - REGULATIONS

Proposed Completion Date: September 30, 2025

The Department will draft regulations implementing the Banking Code Modernization legislation. The Department is charged with both overseeing and regulating depository, non-depository and money services businesses (MSB's) entities and creating an environment that cultivates continued growth in this sector. Regulations will make the District a more attractive jurisdiction for the chartering of banks, establishing and operating MSB's and other financial services companies while ensuring adequate consumer protection.

6.6 SMALL BUSINESS READINESS PROJECT

Proposed Completion Date: September 30, 2025

The Department, through its DC BizCAP program, will develop a new program called the DC Capital Readiness Program, which will assist small businesses in their efforts to obtain capital including grants, loans and investments.

6.7 CRYPTOCURRENCIES OUTREACH PROJECT

Proposed Completion Date: September 30, 2025

The Banking Bureau will create an outreach program to inform residents of the risks associated with investing in cryptocurrencies, including volatility, fraud, lack of regulations, technical complexity of the transactions and cybersecurity threats. The outreach efforts will include public service announcements, outreach events and advertising (social media and traditional print).

6.8 OFFICE OF FINANCIAL EMPOWERMENT AND EDUCATION PROJECT

Proposed Completion Date: September 30, 2025

OFEE will develop Standard Operation Procedures for the Bank on DC program and the Financial Empowerment Center. The SOPs will provide guidance for staff on the work of each program.

6.9 ANTI-FRAUD CITIZEN'S ACADEMY PROJECT

Proposed Completion Date: September 30, 2026

Victims of fraud frequently are embarrassed to report that they have been victimized. DISBs' Enforcement division will provide information to residents about protecting themselves from scams creating an Anti-Fraud Citizen's Academy. Through a series of enlightening virtual and live presentations, we will present real-life examples of scams that have been perpetrated. We will emphasize the red flags of fraud that people often miss when they become victims. Those completing the Citizen's Academy will receive a Certificate of Completion signed by DISB's Commissioner. This will also improve the willingness of victims to promptly report suspicious activities involving potential scams.

6.10 MARKETING/BRANDING PROJECT FOR THE OFFICE OF INNOVATION

Proposed Completion Date: September 30, 2025

The Office of Innovation will implement a marketing and branding campaign to increase the District's visibility as an attractive location for financial technology businesses, especially those companies that support economic inclusion through socially impactful missions. This project aligns with the Mayor's Comeback Plan and will contribute to the District's broader economic recovery efforts.