



# Department of Insurance, Securities and Banking (DISB) FY2016 Performance Accountability Report (PAR)

## **Introduction**

The Performance Accountability Report (PAR) measures each agency's performance for the fiscal year against the agency's performance plan and includes major accomplishments, updates on initiatives' progress and key performance indicators (KPIs).

## **Mission**

The mission of the Department of Insurance, Securities and Banking is twofold: 1) protect consumers by providing equitable, thorough, efficient, and prompt regulatory supervision of the financial services companies, firms, and individuals operating in the District of Columbia, and 2) develop and improve market conditions to attract and retain financial services firms to the District of Columbia.

## **Summary of Services**

DISB regulates several financial services entities. (1) insurance companies, insurance producers, health maintenance organizations, captive insurance companies and risk retention groups; (2) investment advisers, investment advisor representatives, broker-dealers, broker-dealer agents, securities offerings and 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, and consumer-credit-service organizations.

## Overview – Agency Performance

The following section provides a summary of DISB performance in FY 2016 by listing DISB’s top accomplishments, and a summary of its progress achieving its initiatives and progress on key performance indicators.

### Top Agency Accomplishments

Accomplishment	Impact on Agency	Impact on Residents
Accomplishment: Successfully administer the State Small Business Credit Initiative (SSBCI) DISB provided \ \$3,200,501 in loans and investments to 7 small businesses in FY16.	DISB has provided \ \$8,763,199 to small businesses since the program began in 2013. More importantly, DISB is now eligible to receive an additional \ \$4.3 million from the U.S. Treasury, which will be used to provide financial assistance to businesses in the District.	DISB’s SSBCI program provides financial support for District-based small businesses, which create jobs and contribute to the District’s economy.
Accomplishment: Establishment of the Financially Fit DC Program DISB completed its creation of the Financially Fit DC initiative in FY16. Financially Fit DC is a web-based financial assessment and educational curriculum that will enable residents to assess and improve their knowledge of financial subjects, including investments and retirement, child savings accounts, credit, budgeting, and homeownership.	The Financially Fit DC initiative is a significant part of DISB’s mission of providing financial information to District residents. It will greatly improve DISB’s ability to reach more residents, track results and design new curriculum to assist the Department in its efforts to provide residents with financial education.	Financially Fit DC will improve the lives of District residents by giving them the ability to increase their knowledge of financial subjects.
Accomplishment: Establishment of the Senior Citizen Financial Literacy and Financial Fraud Abuse Prevention Program As part of the Mayor’s goal of making the District an Age-Friendly city, DISB established the Senior Citizen Financial Literacy and Financial Fraud Abuse Prevention Program.	The Senior Citizen Financial Literacy and Financial Fraud Abuse Prevention Program is an agency-wide effort that includes staffing and resources from our public affairs, consumer complaint and enforcement sections. DISB believes that this collaborative approach to education and enforcement will provide a significant consumer education and protection service to District seniors.	The Senior Citizen Financial Literacy and Financial Fraud Abuse Prevention Program will improve the lives of District residents by focusing the Department’s efforts to provide relevant financial information to District seniors. The program will also focus DISB’s resources on preventing, detecting and punishing persons who perpetrate financial crimes directed at seniors.

In FY 2016, DISB had 21 Key Performance Indicators. Of those, 3 were neutral, and another 1 were not able to be reported by the end of the fiscal year. Of the remaining measures, 76% (16 KPIs) were met, 0% (0 KPIs) were nearly met, and 5% (1 KPIs) were unmet. In FY 2016, DISB had 18 Initiatives. Of those, 89% (16) were completed and 6% (1) were nearly completed, and 6% (1) were not completed. The next sections provide greater detail on the specific metrics and initiatives for DISB in FY 2016.

## FY16 Objectives

Division	Objective
Banking Bureau	Encourage the expansion of banking and non-depository services available to District of Columbia residents and businesses, and increase the availability of capital to small businesses.
Banking Bureau	Improve customer service to licensed entities by promptly reviewing license applications and responding to inquiries.
Compliance Analysis Division	Enhance Consumer Protection.
Enforcement and Consumer Protection Division	Enhance ECPD'S enforcement and anti-fraud programs.
Enforcement and Consumer Protection Division	Protect the residents of the District of Columbia from financial fraud.
Insurance Bureau	Successfully maintain accreditation of our financial solvency review of insurance companies by the National Association of Insurance Commissioners (NAIC).
Insurance Bureau	Improve the insurance market in the District by ensuring that plans available for sale in the District provide appropriate benefits, reasonable prices, and transparency to enable District residents to make informed choices about their insurance. (Age-Friendly DC Goal: Domain #8).
Market Examination Division	Enhance Consumer Protection.
Office of the Commissioner (including Agency Management and Communications)	Provide oversight and support for Agency's operating bureaus and divisions to enhance consumer financial education in the District.
Risk Finance Bureau	Maintain the District's competitiveness among jurisdictions that license and regulate captive insurance companies.
Risk Finance Bureau	Ensure the solvency of captive insurers domiciled in the District.
Securities Bureau	Facilitate Capital Formation.

## FY16 KPIs

Objective: Encourage the expansion of banking and non-depository services available to District of Columbia residents and businesses, and increase the availability of capital to small businesses.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
Percentage of SSBCI funds loaned or invested with CBEs or in low income census tracts or Great Street corridors	25	Q	100		100	100	100	Met	The SSBCI program exceeded its goal of spending 80% of the \$4.3 million of the second tranche from the Treasury Department, thus enabling DISB to request the third and final tranche of \$4.4. To date the program has spent approximately \$8.7 million of our total allotment of \$13.2 million.
Number of business plan competitions held in the District annually.	1	Q	0	0	0		0	Unmet	DISB did not complete the business plan competition in FY16 because it was unable to secure a private sector partner willing to match DISB's investment. DISB cannot invest SSBCI funds without matching funds from a private sector partner.

Objective: Enhance Consumer Protection.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
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Percentage of domestic insurance company financial examinations completed during the examination cycle	100	A							<p>The number of domestic insurance company financial examinations was met. There were no required financial examinations due during FY 16. The financial examinations are required to be done every five years. In a quirk of the schedule, none of the examinations fell due during the FY.</p>
Percentage of Mortgage Lenders, Brokers, and Money Services Businesses examined during the examination cycle	100	Q	80	65.71	182.86	140	117.1	Met	<p>For 4Q2016, the non-depository team completed 26 exams of licensees. For 4Q2016, the depository team completed twenty two (22) exams of check cashers and one (1) exam of a money transmitter. For 4Q2016, both Depository and Non-Depository examination teams completed forty-nine (49) exams, exceeding its goal by forty percent (40) percent. Management has recently implemented weekly one-on-ones with examiners and bi-monthly staff meetings to discuss the status of exams and emerging issues. These meetings will help facilitate communication and ensure our quarterly goals are met.</p>

Percentage of District-based investment firm examinations completed during the examination cycle.	100	Q	100	100	100	100	100	100	Met	The Examination Division not only achieved its goal of eight examinations, but examined additional firms as well, in spite of extensive turnover. At the beginning of the year, the Division had only two examiners (Claire McHenry and Brad Kunzweiler) and one supervisor. By May, 2016, the Division had lost one experienced examiner and hired one new examiner. Between May 2016 and August 2016, the Division hired two new examiners. The Division conducted six new examinations in Q4; that quarter the examiner hired in August did not participate in any examinations. Although the Division currently has three new examiners and one experienced examiner, it expects to have increased productivity in FY 17.
Percentage of Insurance, Securities and Banking Complaints Resolved within 45 days of receipt	95	Q	98.97	99.58	100	97.49	99		Met	Compliance complaint staff met our goal of closing 95% of complaints within 45 days by closing a total of 834 consumer complaints during FY2016. 826 complaints were closed within 45 days for a closing rate of 99.025%. (826/834 = .9927 = 99.025%)

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Identify licensee trends that are adverse to consumer interests and obtain voluntary corrective action by licensee or require corrective action plan	3	Q	1	2	0	3	Met	<p>Compliance Analysis obtained corrective action from CareFirst on complaint handling which has resulted in reduced complaints during FY2016. We analyzed complaint activity against Ocwen Loan servicing and provided a report to the Banking Bureau which contributed to the determination to conduct an examination of Ocwen which is currently in progress. We participated in a multi-state regulatory action against Homesite Insurance Company that resulted from findings that the lender placed insurer was slow in responding to claims and consumer complaints. That regulatory action is currently in progress.</p>
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Conduct trend analyses of other states and NAIC and DISB complaint activity and collaborate with PIO to develop consumer guides and informative articles	5	Q	0	3	2	0	5	Met	<p>We published the following consumer guides during FY2016:</p> <ul style="list-style-type: none"> <li>Things You Should Know When Selecting a Contractor</li> <li>Tips on How to Prevent Various Types of Identity Theft</li> <li>What You Need to Know about Renters Insurance</li> <li>Sharing Economy Exposes Summer Travelers to Insurance Risks</li> <li>FAQ: Condominium Insurance</li> </ul> <p>and contributed to the following Washington Informer articles:</p> <ul style="list-style-type: none"> <li>Facing Foreclosure? The District of Columbia Can Help, June 9, 2016</li> <li>Beware of Holiday Scams, November 20, 2015.</li> </ul>
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Objective: Enhance ECPD'S enforcement and anti-fraud programs.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
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Increase by 10% the number of scam/fraud alerts from the previous fiscal year

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Neutral Measure

A priority activity within the Division for FY 2016 was to prevent and deter the financial abuse of the elderly in the District. As the investigative arm of the Department, its operation learns of and investigates a number of financial scams and schemes operating in the District, many of which target its elderly residents. Thus in an effort to inform the residents and make them aware of these fraudulent scams and schemes, the Division developed the KPI to prepare fraud alerts for multi-media distribution in the District. The established goal was to prepare a 10% increase of alerts from FY 2015, or five alerts in FY 2016. The Division ultimately prepared eight alerts operating in the District in FY 2016.

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Increase by 10% the number of regulatory cases initiated from the previous fiscal year	10	A		Neutral Measure	In an effort to maintain a balanced fraud-regulatory enforcement operation, the Division established a goal of attaining a 10% increase in the number of regulatory investigations initiated from FY 2015. The goal was to initiate 20 new regulatory cases. In fact, the Division initiated 23 cases, which was a 35% increase from FY 2015!
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Objective: Ensure the solvency of captive insurers domiciled in the District.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
Percentage of financial analyses completed on captive risk retention groups	100	Q	100	100	100	100	100	Met	

Objective: Facilitate Capital Formation.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
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CFD achieved its FY16 KPI goal of 90% of the number of corporation finance filings processed within 30 days of receipt as a percentage of all filings processed. CFD processed nearly 28,000 securities filings during FY16, the majority of which were mutual fund notice filings on SEC Form NF. These filings – both electronic and hard copy submissions – were processed into STAR, CFD’s securities registration and tracking system. Somewhat more than 70% of these filings were processed electronically; the balance were entered into STAR manually by CFD, as described below. The Division had to overcome considerable resource challenges to meet the goal. During Q2, Q3, and Q4 of FY16, CFD had one Registration Specialist. She and Assistant Director McManus worked with extraordinary diligence to process the nearly 8.5 thousand paper filings received by CFD during that period. CFD experienced the uptick in notice filings that normally occurs each year during these quarters. As a result of its staffing limitations and the increase in filing volume, CFD accumulated a backlog in notice filings that peaked to just over

Percentage of corporation finance filings processed within 30 days of receipt	90	Q	99.27	91.49	92.14	81.23	91.4	Met
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Objective: Improve customer service to licensed entities by promptly reviewing license applications and responding to inquiries.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
Percentage of Mortgage Lender and Broker licenses and requests approved or declined within 45 days	95	Q	90.11	100	100	95.12	96.1	Met	License requests are reviewed within 5 days of submission through the NMLS Work List. If applicable, License Items(s) are placed in license record within 5 days of submitting request through the NMLS Work List. Once all deficiencies have been resolved through the NMLS Work List the application is approved within 1 day.

Objective: Improve the insurance market in the District by ensuring that plans available for sale in the District provide appropriate benefits, reasonable prices, and transparency to enable District residents to make informed choices about their insurance. (Age-Friendly DC Goal: Domain No. 8).

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
Percentage of rate filings approved, accepted or rejected within 30 days of receipt.	90	Q	94.29	92.91	91.6	98.78	94.5	Met	In fourth quarter 2016, the actuarial and health actuarial divisions received a total of 576 rate filings. The divisions resolved 569 of those within the 30 day timeframe for the KPI giving a successful completion rate of 98.8%.

Number of notices issued related to prescription drugs, mental health, and other health insurance topics during the fiscal year	10	Q	0	0	3	7	10	Met
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In FY16 the Department published new consumer guides to increase transparency in the District of Columbia's health insurance marketplace for consumers. Many of these guides allow consumers to better compare the out-of-pocket costs for commonly prescribed drugs for health conditions such as HIV/AIDS, Diabetes, Cancer and other diseases and disorders. Other consumer guides seek to enhance health insurance literacy by explaining and illustrating concepts like co-pays or deductibles; or by highlighting the differences between comprehensive, major-medical health insurance and more limited, short-term health insurance products.

Objective: Maintain the District's competitiveness among jurisdictions that license and regulate captive insurance companies.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
Percentage of captive insurance company applications processed within 45 days of receipt	100	Q		100	100	100	100	Met	
Percentage of captive insurance company business plans processed within 45 days of receipt	95	Q	100	100	100	100	100	Met	

Objective: Protect the residents of the District of Columbia from financial fraud.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
Percentage of acknowledgement letters issued to complainant within two business days of receiving a enforcement referral	95	Q	80	100	100	100	95.8	Met	Customer service and consumer protection were the driving forces in the development of the Division's three Key Performance Indicators (KPI). The prior two KPIs focused on consumer protection. To highlight the Division's professionalism and caring in the eyes of the general public, and to instill confidence in the service provided by the Division, the third KPI was developed. The KPI was also intended to ease the anxiety of the complainant, by promptly responding and acknowledging the receipt of the issue. This customer service initiative successfully met its goal of 95%.

Objective: Provide oversight and support for Agency's operating bureaus and divisions to enhance consumer financial education in the District.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
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Number of consumers receiving fraud abuse prevention, financial literacy training and consumer protection information	3,000	Q	735	404	942	4,609	6,690	Met	<p>In Q4 DISB reached 4,609 residents, provided financial education campaigns/resources (e.g. DASH for the STASH for investor education; free financial health analyses; Money Smart for seniors to prevent fraud; and student financial literacy. fairs.) BankonDC's Young Money Managers reached 1,885 MBSYEP workers. DISB started two new series: Financial Services Clinics (June 21/Sept 9) and Coffee and Capital (May 6/July 28).</p>
Establish a Senior Citizen Financial Literacy and Financial Fraud Abuse Prevention Program by end of the fiscal year	1	A						Neutral Measure	

Objective: Successfully maintain accreditation of our financial solvency review of insurance companies by the National Association of Insurance Commissioners (NAIC).

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
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<p>Percentage of National Association of Insurance Commissioner accreditation recommendations adopted during the fiscal year.</p>	100	A	100	Met	<p>To address the seven NAIC recommendations the following steps were taken: 1) hired a sufficiently experienced and qualified staff person to replace a retired employee; 2) ensured that the Information Sharing' language in our statutes were sufficient; 3) manager and staff enrolled in training to ensure that the Form A database is properly used; 4) submitted edits to the language in the statutes regarding the Health RBC trend test to the Office of Legal Affairs (OLA); 5) Researched and determined that DC's laws regarding severability' comply with certain NAIC Model Laws; 6) Conferenced with OLA regarding any needed changes to the 10% risk limitation' on certain lines of business; and 7) Submitted changes to OLA regarding the Certified Reinsurer Regulations' to go in the DC Register.</p>
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# FY16 Workload Measures

Measure	Freq	Q1	Q2	Q3	Q4	Total
Number of consumers receiving financial literacy training and consumer protection information	Q	735	404	942	4,609	6,690
Number of accounts opened through Bank on DC	Q	142	185	193	1,191	1,711

## FY16 Initiatives

**Title: Administer the licensing of non-depository financial institutions in accordance with Title 26 of the DC Code, the S.A.F.E. Act and the requirements of the Nationwide Mortgage Licensing System.**

**Description:** DISB currently licenses more than 3,000 individuals and non-depository financial institutions, including mortgage companies, money transmitters, check cashers, money lenders, retail sellers and sales finance companies. Beginning September 3, 2014, DISB required that all non-depository licensees in the District submit their license applications through the Nationwide Mortgage Licensing System (NMLS). This transfer was completed through legislation that included a two-year sunset provision. In FY16, the Banking Bureau intends to draft permanent legislation that will include the requirements of the NMLS expansion as well as the addition of two new licensing categories: debt collectors and third party servicers to provide additional protection to consumers.

**Complete to Date:** Complete

**Status Update:** The Banking Bureau has fully implemented licensing of the non-depository institutions in accordance with the Secure and Fair Enforcement for Mortgage Licensing Act and Nationwide Mortgage Licensing System

**Title: Administer, manage, and market the District State Small Business Credit Initiative.**

**Description:** DISB administers a small business access to capital program known as the State Small Business Credit Initiative (SSBCI). DISB has received approximately \$8.6 million from the U.S Treasury Department that has been used to provide funding to District-based businesses who qualify. Funds received from the SSBCI program are not grants; instead program funds are used to assist borrowers who are creditworthy, but lack sufficient collateral to satisfy a bank's lending requirements. In FY16, the Banking Bureau plans to continue marketing the SSBCI programs in a manner that creates jobs for District residents, invests in low income census tracts and Great Streets corridors and diversifies the tax base of the District of Columbia. The Department is working to receive the third tranche of funds (\$4.3M) from the U.S. Treasury prior to the end of FY16.

**Complete to Date:** Complete

**Status Update:** The SSBCI program exceeded its goal of spending 80% of the \$4.3 million of the second tranche from the Treasury Department, thus enabling DISB to request the third and final tranche of \$4.4. To date the program has spent approximately \$8.7 million of our total allotment of \$13.2 million

**Title: Increase employment and entrepreneurial enterprises in the District.**

**Description:** To support the Mayor's goal of increasing employment and entrepreneurial enterprises, DISB proposes to create an annual small business plan competition designed to showcase the District as a model city for social and urban innovation and entrepreneurship. The competition will seek to support District entrepreneurs and attract entrepreneurs with emerging and innovative companies to the District. DISB intends to partner with a commercial bank or venture capital fund, which will provide half of the funding. The DISB will fund the other half using funds from the State Small Business Credit Initiative Program, which is authorized to make debt and equity investments in District businesses. The competition may be further refined in a manner that increases certain types of jobs for District residents, enhances investments in low-income census tracts, or in businesses located on Great Streets corridors.

**Complete to Date:** 0-24%

**Status Update:** DISB did not complete the business plan competition in FY16 because it was unable to secure a private sector partner willing to match DISB's investment. DISB cannot invest SSBCI funds without matching funds from a private sector partner

**If Incomplete, Explanation:** DISB did not complete the business plan competition in FY16 because it was unable to secure a private sector partner willing to match DISB's investment. DISB cannot invest SSBCI funds without matching funds from a private sector partner.

**Title: Research and analyze trends occurring in the financial services markets and recommend best practices, enforcement actions and guidance,**

**legislation, and regulations to prevent and correct licensee violations.**

**Description:** Consumers rely on the Compliance Analysis Division (CAD) to ensure that companies DISB licenses fulfill their legal obligations to consumers and comply with District law. The CAD develops proactive capabilities to monitor market activities and develops guidelines and recommendations that lead to best practices within industry sectors. The CAD will research unethical, unprincipled or unresponsive business practices and make recommendations on how to provide incentives to reduce undesirable business practices. The CAD will seek to identify financial products and services that fall into regulatory gaps and propose legislative and regulatory remedies to address market transaction problems. The CAD will review complaint ratios, licensee complaint handling procedures for response to consumer concerns and internal company policies regarding the handling of consumer concerns. The CAD will also identify issues of concern to consumers and assist in developing consumer guides on those issues. The purpose of this initiative is to identify company activity that adversely affects consumer interests, and require a plan from the companies describing the steps they will take to discontinue or modify that activity.

**Complete to Date:** Complete

**Status Update:** We published the following consumer guides during FY2016: Things You Should Know When Selecting a Contractor Tips on How to Prevent Various Types of Identity Theft What You Need to Know about Renters Insurance Sharing Economy Exposes Summer Travelers to Insurance Risks FAQ: Condominium Insurance and contributed to the following Washington Informer articles: Facing Foreclosure? The District of Columbia Can Help, June 9, 2016 Beware of Holiday Scams, November 20, 2015

**Title: Implement a rulemaking to provide protection to consumers when a homeowner insurance provider limits or restricts coverage in renewal policies extending the term of a policy beyond its policy period.**

**Description:** At the end of a policy period an insurer may send a renewal policy to a policyholder with material changes that limit or restrict coverage that was available in the previously delivered policy. Consumers often do not open renewal letters at the beginning of a new policy period and are not aware of the changes in their coverage until they make a claim and discover that they have a higher out of pocket cost than anticipated. DISB will implement a rulemaking to address this issue.

**Complete to Date:** 75-99%

**Status Update:** Compliance Analysis finished the proposed rule in early September. A determination was made to vet the prescribed regulation through the insurance advisory committee which occurred in early October. The industry raised concerns with the proposed language and the agency is considering the comments and the next step to take with respect to the matter.

**If Incomplete, Explanation:** Compliance Analysis finished the proposed rule in early September. A determination was made to vet the prescribed regulation through the insurance advisory committee which occurred in early October. The industry raised concerns with the proposed language and the agency is considering the comments and the next step to take with respect to the matter.

**Title: Increase by 10% over the prior fiscal year the total number of regulatory enforcement cases initiated by engaging in networking and surveillance activities to detect violations of District laws and regulations.**

**Description:** ECPD's Investigation and Compliance Sections employs a balanced approach to investigate allegations of financial services fraud, as well as regulatory violations by financial businesses in the District to protect its residents. ECPD will closely work with financial regulators at the federal and local level, as well as with District and federal law enforcement agencies to identify and prosecute criminal actors. ECPD will continue its work of ensuring that financial firms that conduct unregulated business in the District are presented for enforcement under DISB's administrative process.

**Complete to Date:** Complete

**Status Update:** In an effort to maintain a balanced fraud-regulatory enforcement operation, the Division established a goal of attaining a 10% increase in the number of regulatory investigations initiated from FY 2015. The goal was to initiate 20 new regulatory cases. In fact, the Division initiated 23 cases, which was a 35% increase from FY 2015

**Title: Increase by 10% over the prior fiscal year the number of fraud alerts prepared from the previous fiscal year on the DISB website and other media.**

**Description:** ECPD will alert consumers to potential fraudulent scams for their personal safety and financial welfare. These alerts will educate District residents on the type of financial threats operating in the metropolitan area and how to avoid them, as well as provide consumers with the opportunity to verify with DISB the legitimacy of any financial transaction they plan to conduct.

**Complete to Date:** Complete

**Status Update:** A priority activity within the Division for FY2016 was to prevent and deter the financial abuse of the elderly in the District. As the investigative arm of the Dept, its operation learns of and investigates a number of financial scams and schemes operating in the District, many of which target its elderly residents. Thus, to inform the residents of these fraudulent scams and schemes, the Div. developed this KPI for multi-media distribution. The Division's established goal was exceeded with eight alerts prepared in FY16

**Title: Improve ECPD'S response to financial fraud victims in the District of Columbia by promptly responding to all financial fraud issues reported by the general public, and keeping them informed of the progress of the investigation.**

**Description:** ECPD investigators will promptly telephone, visit or otherwise electronically contact each complainant, and keep them apprised of the progress of the investigation of their complaint. Improved communication will enhance the residents' interaction with DISB. ECPD management will carefully supervise the division's investigators to ensure that all matters are appropriately and thoroughly investigated with the goal of resolving complaints in a timely manner, and keeping the complainant informed.

**Complete to Date:** Complete

**Status Update:** Customer service and consumer protection were the driving forces in the development of the Division's 3 KPIs, and while two focused on consumer protection, this one sought to ensure professional responsiveness and confidence in the service provided by the Division, beginning with promptly acknowledging receipt of the issue to the complainant. This Division successfully met its goal of 95%.

**Title: Develop a new and improved Affordable Care Act (ACA) rate review process to review health insurance rate filings to determine compliance with the ACA. The new process will enable the Department to review rate filings more efficiently and accurately.**

**Description:** DISB staff reviews all health insurance rates to ensure compliance with District of Columbia laws and regulations, as well as the requirements of the Affordable Care Act (Obamacare). Previously each health insurance carrier developed their own method and format for filing rates with DISB. This has made it difficult to develop a consistent review methodology and compare rates and assumptions between carriers. DISB staff will work with the health insurance carriers in the ACA market in the District through joint and individual conference calls and meetings to develop more specific and detailed filing requirements. The results of this work will be included in a revision to the ACA Carrier Reference Manual, which is used by health insurance carriers in the preparation of their rate filings with the DISB.

**Complete to Date:** Complete

**Status Update:** DISB completed the review of the 2017 ACA under the revised process that led to a robust review of the rates and identified several areas of concern that were raised with the insurers. The actuarial consultants used to support the in-house actuarial staff also developed recommendations for additional enhancements for the rate review process going forward

**Title: Audit Qualified Health Plans offered for sale on DC Health Link.**

**Description:** DISB will monitor Qualified Health Plans' (QHPs') compliance with District and federal law. The DISB will monitor plan coverage and benefit design for discriminatory practices in the areas of prescription drug coverage, mental health parity, and other areas.

**Complete to Date:** Complete

**Status Update:** DISB staff has conducted analysis on prescription drug pricing and identified one area of potential discrimination that is currently under additional review. Several prescription drug guides have been developed and will be updated for 2017. Draft network adequacy standards have been developed and will be exposed for stakeholder comment after internal review

**Title: National Association of Insurance Commissioners Accreditation Recommendations.**

**Description:** DISB will review the NAIC accreditation review team's findings and recommendations, and fully implement all relevant recommendations into DISB's financial examination and analysis processes.

**Complete to Date:** Complete

**Status Update:** DISB 1) Hired experienced and qualified employee; 2) Ensured sufficiency of Info Sharing language in statutes; 3) Mngr and staff enrolled in training to ensure proper use of Form A database; 4) submitted language edits in statutes ref the Health RBC trend test to OLA; 5) Researched and determined that DC's laws ref severability comply with certain NAIC Model Laws; 6) Conferred with OLA ref needed changes to 10% risk limitation on certain lines of business; and 7) Submitted changes to OLA so the Certified Reinsurer Regulations go in the DC Register

**Title: Conduct examinations of all regulated entities and persons as required by applicable District laws and regulations.**

**Description:** The MED will conduct financial and compliance examinations of all regulated entities and persons operating in the District to protect consumers of financial services products by ensuring compliance with all applicable District and federal insurance, securities and banking laws and regulations, and all applicable federal laws.

**Complete to Date:** Complete

**Status Update:** All scheduled insurance, securities and banking exams have been successfully completed

**Title: Engage in comprehensive efforts to provide financial literacy to the residents of the District.**

**Description:** DISB will engage in various efforts to enhance the financial fitness of residents. By enhancing the financial education of residents, DISB is supporting the Administration's efforts to promote education and financial wellness for residents and families as a pathway to the middle class. These efforts will include outreach campaigns to provide residents with information that will help them make informed choices about financial service offerings. The education effort will cover a range of topics from basic information through steps that can be taken to avoid financial fraud. The subject matter will be tailored to the audience and will include in person presentations as well as online information and print material. DISB will continue to promote its Speakers Bureau with experts on consumer finance topics to speak at community events; publish financial capability resources and consumer guides on financial services topics; and will partner with other District agencies and public and private organizations to expand its financial education efforts.

**Complete to Date:** Complete

**Status Update:** In Q4 DISB reached 4609 residents. DISB provided financial education campaigns/resources (e.g. DASH for the STASH for investor education; free financial health analyses; Money Smart for seniors to prevent fraud; and student financial literacy. fairs.) BankonDC's Young Money Managers reached 1,885 MBSYEP workers. DISB started two new series: Financial Services Clinics (June 21/Sept 9) and Coffee and Capital (May 6/July 28)

**Title: Establish a Senior Citizen Financial Literacy and Financial Fraud Abuse Prevention Program**

**Description:** To support the Mayor's goal of establishing the District as a World Class Age-Friendly City, DISB will create the DISB Elder Financial Education and Financial Fraud Abuse Prevention Program (Program). The Program will increase the level of financial fitness of District seniors to reduce their vulnerability to financial fraud and other abuses, and assist them in purchasing financial services products. DISB will conduct outreach and educational programs in all eight

wards of the City covering such topics as reverse mortgages, long-term care insurance, life insurance, annuities, and investment products. DISB also will increase its enforcement efforts in this area to ensure that persons and firms that prey on District seniors will be aggressively pursued and prosecuted.

**Complete to Date:** Complete

**Status Update:** DISB completed the process of establishing a senior citizen financial literacy and financial fraud abuse prevention program in FY16

**Title: Process captive insurance company applications within 45 days of receipt.**

**Description:** There is stiff competition among jurisdictions (in the US and offshore) that license and regulate captive insurers. Captive insurers are generally licensed and regulated in one jurisdiction, unlike commercial insurers which must be licensed in each jurisdiction where it sells insurance. To maintain its reputation as a first-class captive domicile, the District must be responsive to the needs of the captive insurance industry by processing applications in a timely manner, while maintaining high standards for regulation.

**Complete to Date:** Complete

**Status Update:** The Risk Finance Bureau completed processing of four captive applications in 4Q16, and completed all within 45 days of receipt.

**Title: Process captive insurance company business plans changes within 45 days of receipt.**

**Description:** There is stiff competition among jurisdictions (in the US and offshore) that license and regulate captive insurers. Captive insurers are generally licensed and regulated in one jurisdiction, unlike commercial insurers which must be licensed in each jurisdiction where it sells insurance. To maintain its reputation as a first-class captive domicile, the District must be responsive to the needs of the captive insurance industry by processing business plan changes in a timely manner, while maintaining high standards for regulation.

**Complete to Date:** Complete

**Status Update:** The Risk Finance Bureau completed processing 19 business plan changes in 4Q16, and completed all of them within 45 days of receipt

**Title: Complete financial analyses on captive risk retention groups domiciled in the District of Columbia.**

**Description:** The financial analysis processes is an important activity and the primary method DISB uses to determine whether insurers are in compliance with the District's solvency laws and regulations. DISB's ultimate goal is to ensure that all insurers licensed in the District remain solvent so they can meet their financial obligations to policyholders. The financial analysis of captive risk retention groups is particularly important because other jurisdictions where the companies sell insurance rely on DISB to function as the regulator of these companies. Captive insurance companies have paid over \$11 million in taxes and fees to the District since 2001.

**Complete to Date:** Complete

**Status Update:** The Risk Finance Bureau completed 23 analyses of risk retention groups in 4Q16, and completed all according to the DISB's policies and procedures.

**Title: Facilitate Capital Formation by District entrepreneurs and small business owners by streamlining the review of corporate finance filings to ensure compliance with District law and regulations.**

**Description:** DISB adopted regulations that established a new exemption from the registration requirement applicable to securities offerings in the District pursuant to Section 301 of the Securities Act. DISB will review requirements for exempt reporting investment advisers and other license categories to ensure DISB's corporation finance filings process is reasonable and efficient.

**Complete to Date:** Complete

**Status Update:** DISB has issued an order that exempts investment advisers to Venture Capital Funds from the licensing requirements.