

# Department of Insurance, Securities, and Banking

[www.disb.dc.gov](http://www.disb.dc.gov)

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Description	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed	% Change from FY 2012
Operating Budget	\$14,026,336	\$17,042,318	\$20,860,023	22.4
FTEs	99.6	111.8	125.6	12.4

The mission of the Department of Insurance, Securities, and Banking (DISB) is two-fold: 1) Consumer protection by providing thorough, efficient, and prompt regulatory supervision of financial services firms operating in the District of Columbia; and 2) Economic development by creating conditions that will attract and retain financial service firms to the District of Columbia.

## Summary of Services

DISB regulates the following financial services entities and financial market activities: (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, and consumer-credit-service organizations.

The agency's FY 2013 proposed budget is presented in the following tables:

## FY 2013 Proposed Gross Funds Operating Budget, by Revenue Type

Table SR0-1 contains the proposed FY 2013 agency budget compared to the FY 2012 approved budget. It also provides the FY 2010 and FY 2011 actual expenditures.

**Table SR0-1**  
(dollars in thousands)

<b>Appropriated Fund</b>	<b>Actual FY 2010</b>	<b>Actual FY 2011</b>	<b>Approved FY 2012</b>	<b>Proposed FY 2013</b>	<b>Change from FY 2012</b>	<b>Percent Change*</b>
<b>General Fund</b>						
Special Purpose Revenue Funds	14,953	13,753	17,042	17,868	826	4.8
<b>Total for General Fund</b>	<b>14,953</b>	<b>13,753</b>	<b>17,042</b>	<b>17,868</b>	<b>826</b>	<b>4.8</b>
<b>Federal Resources</b>						
Federal Grant Funds	0	115	0	2,544	2,544	N/A
<b>Total for Federal Resources</b>	<b>0</b>	<b>115</b>	<b>0</b>	<b>2,544</b>	<b>2,544</b>	<b>N/A</b>
<b>Private Funds</b>						
Private Grant Funds	0	59	0	448	448	N/A
<b>Total for Private Funds</b>	<b>0</b>	<b>59</b>	<b>0</b>	<b>448</b>	<b>448</b>	<b>N/A</b>
<b>Intra-District Funds</b>						
Intra-District Funds	60	100	0	0	0	N/A
<b>Total for Intra-District Funds</b>	<b>60</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>Gross Funds</b>	<b>15,013</b>	<b>14,026</b>	<b>17,042</b>	<b>20,860</b>	<b>3,818</b>	<b>22.4</b>

\*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to Schedule 80 Agency Summary by Revenue Source in the FY 2013 Operating Appendices located on the Office of the Chief Financial Officer's website.

## **FY 2013 Proposed Full-Time Equivalents, by Revenue Type**

Table SR0-2 contains the proposed FY 2013 FTE level compared to the FY 2012 approved FTE level by revenue type. It also provides FY 2010 and FY 2011 actual data.

**Table SR0-2**

<b>Appropriated Fund</b>	<b>Actual FY 2010</b>	<b>Actual FY 2011</b>	<b>Approved FY 2012</b>	<b>Proposed FY 2013</b>	<b>Change from FY 2012</b>	<b>Percent Change</b>
<b>General Fund</b>						
Special Purpose Revenue Funds	92.4	99.6	111.8	114.6	2.8	2.5
<b>Total for General Fund</b>	<b>92.4</b>	<b>99.6</b>	<b>111.8</b>	<b>114.6</b>	<b>2.8</b>	<b>2.5</b>
<b>Federal Resources</b>						
Federal Grant Funds	0.0	0.0	0.0	8.0	8.0	N/A
<b>Total for Federal Resources</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8.0</b>	<b>8.0</b>	<b>N/A</b>
<b>Private Funds</b>						
Private Grant Funds	0.0	0.0	0.0	3.0	3.0	N/A
<b>Total for Private Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.0</b>	<b>3.0</b>	<b>N/A</b>
<b>Total Proposed FTEs</b>	<b>92.4</b>	<b>99.6</b>	<b>111.8</b>	<b>125.6</b>	<b>13.8</b>	<b>12.4</b>

## FY 2013 Proposed Operating Budget, by Comptroller Source Group

Table SR0-3 contains the proposed FY 2013 budget at the Comptroller Source Group (object class) level compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

**Table SR0-3**  
(dollars in thousands)

Comptroller Source Group	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
11 - Regular Pay - Continuing Full Time	8,324	7,722	9,304	11,085	1,780	19.1
12 - Regular Pay - Other	389	433	252	330	78	31.0
13 - Additional Gross Pay	251	603	113	113	0	0.0
14 - Fringe Benefits - Current Personnel	1,675	1,615	1,934	2,323	389	20.1
15 - Overtime Pay	1	2	21	21	0	0.0
<b>Subtotal Personal Services (PS)</b>	<b>10,640</b>	<b>10,375</b>	<b>11,624</b>	<b>13,871</b>	<b>2,247</b>	<b>19.3</b>
20 - Supplies and Materials	38	14	75	56	-19	-25.3
31 - Telephone, Telegraph, Telegram, Etc.	72	75	85	87	2	2.3
32 - Rentals - Land and Structures	2,013	1,643	1,763	1,868	105	5.9
33 - Janitorial Services	0	0	23	0	-23	-100.0
35 - Occupancy Fixed Costs	7	0	0	33	33	N/A
40 - Other Services and Charges	823	594	1,334	1,435	101	7.6
41 - Contractual Services - Other	10	11	200	629	429	214.5
50 - Subsidies and Transfers	1,072	1,087	1,337	2,339	1,002	74.9
70 - Equipment and Equipment Rental	338	228	602	543	-59	-9.8
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>4,372</b>	<b>3,652</b>	<b>5,418</b>	<b>6,989</b>	<b>1,571</b>	<b>29.0</b>
<b>Gross Funds</b>	<b>15,013</b>	<b>14,026</b>	<b>17,042</b>	<b>20,860</b>	<b>3,818</b>	<b>22.4</b>

\*Percent change is based on whole dollars.

### Division Description

The Department of Insurance, Securities and Banking operates through the following 9 divisions:

**Insurance Bureau** - monitors the financial solvency of insurance companies and Health Maintenance Organizations (HMO) operating in the District of Columbia; issues licenses to insurance companies, insurance producers, and related entities; resolves consumer complaints; approves rates and policy forms of insurance products marketed in the District; and monitors underwriting, policy holder services, claims, marketing, producer licensing, and the complaint handling processes of licensed insurers to ensure a viable insurance market in the District.

This division contains the following 5 activities:

- **Insurance Products** - reviews all types of insurance policy forms and actuarial memoranda to determine whether they conform to District insurance laws and regulations; analyzes rating rules, rate manuals and rating schedules; and conducts actuarial and statistical analysis of rate increase requests, maintaining a database for claims and investment experience;
- **Financial Surveillance** - provides solvency and compliance monitoring, rate approval, and technical assistance for the insurance industry, other regulators, and the public so that there is a viable insurance market in the District;

- **Health Maintenance Organization (HMO)** - provides solvency and compliance monitoring, rate approval, and technical assistance for the HMO industry, other regulators, and the public so that there is a viable managed care insurance market in the District;
- **DC Market Operations Insurance** - provides for administrative support and the required tools for the bureau to achieve operational and programmatic results; and
- **Health Insurance Review** - reviews health insurance rate filings submitted for products sold in the District to ensure compliance with District law and federal health care reform, and conducts analysis on rate filing trends and provides consumer information on health insurance rates.

**Securities Bureau** - oversees the regulatory activities of stock brokerage and investment firms in the District to proactively protect District residents against malpractice and fraud by securities professionals, and to ensure proper marketing and disclosure of securities products in compliance with the District Code.

This division contains the following 4 activities:

- **Corporate Finance** - reviews and analyzes securities offerings to investors to ensure full disclosure with the District's securities laws;
- **Securities Examinations** – provides public information and performs examinations of financial condition and regulatory compliance of securities firms and their representatives so that they can have effective measures for achieving compliance with the District Code;
- **Securities Licensing** – reviews and approves, subject to District laws, investment advisors, investment advisor representatives, broker-dealers, and broker-dealer agents doing business in the District; and
- **DC Market Operations Securities** – provides for administrative support and the required tools for the bureau to achieve operational and programmatic results.

**Enforcement Bureau** - directs programs designed to detect and take actions against individuals and companies engaged in fraudulent financial operations and services, and investigate compliance complaints.

This division contains the following 3 activities:

- **Enforcement** – ensures observance of District laws by providing remedies to individuals, insurance, securities and banking entities and other jurisdictions in order to prevent, detect, and prosecute insurance, securities and banking fraudulent activities;
- **Investigations** – responds to inquiries and complaints from consumers, and investigates and establishes the underlying facts to ensure adherence with the District's financial services and relevant consumer protection laws; and
- **DC Market Compliance Enforcement** – provides technical and administrative authority for the bureau to achieve operational and programmatic results.

**Banking Bureau** - regulates the activities of depository and non-depository financial institutions within the District to protect consumers from unfair practices by conducting timely financial examinations and providing a fair financial market that benefits District consumers and businesses.

This division contains the following 4 activities:

- **State Small Business Credit Initiative** – reviews and approves applications submitted by participating financial institutions to determine eligibility to receive federal and local SSBCI matching funds;
- **Licensing** – reviews and approves, subject to District laws, District chartered banks, mortgage lenders and brokers, loan originators, money transmitters, check cashers, money lenders, and consumer credit service organizations doing business in the District;
- **Market Services** – administers the foreclosure mediation, Certified Capital Company (CAPCO), and Capital Access (CAP) programs; and

- **DC Market Operations Banking** – provides for administrative support and the required tools for the bureau to achieve operational and programmatic results.

**Risk Finance Bureau** – reviews and approves licensing applications for the formation of captive insurance companies and maintains regulatory oversight of captive insurers and risk retention groups that operate or plan to do business in the District.

This division contains the following 4 activities:

- **Compliance** – provides solvency and compliance monitoring, and technical assistance for the captive insurance industry and other regulators to maintain a viable alternative insurance market in the District;
- **Financial Analysis** – analyzes financial and actuarial reports to ensure captive insurance companies and risk retention groups maintain capital and surplus required under District law;
- **Regulatory Review and Licensing** – reviews and approves, subject to District laws, licensing applications of captive insurance companies and risk retention groups; and provides technical assistance to other regulators; and
- **DC Market Operations Risk Finance** – provides for administrative support and the required tools for the bureau to achieve operational and programmatic results.

**Market Examinations Bureau** – conducts on-site examinations of all domiciled insurance companies; inspects District-based investment advisers and broker-dealers, District-chartered banks, and non-depository financial services institutions doing business in the District; monitors solvency of financial firms doing business in the District of Columbia; and develops comprehensive analysis of financial services market to identify current and emerging systematic issues and coordinate regulatory actions.

This division contains the following 5 activities:

- **Insurance Exams** – provides solvency and compliance monitoring of insurance companies to ensure compliance with District laws;
- **Securities Exams** – performs examinations of financial condition and regulatory compliance of securities firms and their representatives;
- **Banking Exams** – provides chartering, examination and enforcement services pertaining to District chartered banks and District licensed non-depository institutions;
- **Risk Finance Exams** – provides solvency and compliance monitoring, and technical assistance for captive insurance industry and other regulators; and
- **DC Market Compliance Exams** – provides technical and administrative authority over the Market Examinations process.

**Compliance Analysis Bureau** – provides research and analysis of industry sectors to establish best practices, and coordinates information from the Market Examinations Bureau with other Bureaus to identify and define key market factors that drive changes in each industry sector.

This division contains the following 3 activities:

- **Consumer Services** – Reviews consumer complaints regarding financial institutions and firms operating in the District to determine compliance with District laws and regulations, and conducts analysis and investigates matters regarding consumer issues;
- **Market Research Analysis** – provides research and analysis of industry sectors to establish “best practices” standards and guidelines for design, delivery, and results monitoring of financial products and services; and
- **DC Market Compliance Analysis** – provides technical and administrative authority over Consumer Services and Market Research Analysis.

**Agency Management** - provides for administrative support and the required tools to achieve operational and programmatic results. This division is standard for all agencies using performance-based budgeting.

**Agency Financial Operations** – provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained. This division is standard for all agencies using performance-based budgeting.

### Division Structure Change

There have been changes in the operations and compliance reporting structure within the Department aimed at providing more comprehensive analysis of market conditions and more robust consumer protection capabilities. The realignment outlining these changes was approved on November 10, 2011.

## FY 2013 Proposed Operating Budget and FTEs, by Division and Activity

Table SR0-4 contains the proposed FY 2013 budget by division and activity compared to the FY 2012 approved budget. It also provides the FY 2011 actual data.

**Table SR0-4**

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012
<b>(1000) Agency Management Program</b>								
(1010) Personnel	92	98	171	73	1.0	1.0	2.0	1.0
(1017) Labor Partnership	72	70	0	-70	1.0	1.0	0.0	-1.0
(1040) Office of Info Tech and Support	885	922	5,446	4,524	7.8	11.0	14.0	3.0
(1055) Risk Management	359	248	0	-248	4.9	2.0	0.0	-2.0
(1080) Public Affairs	310	325	785	460	2.9	3.0	5.0	2.0
(1090) Performance Management	478	569	390	-178	3.0	4.0	3.0	-1.0
(1095) Consumer Protection	111	0	0	0	2.9	0.0	0.0	0.0
<b>Subtotal (1000) Agency Management Program</b>	<b>2,307</b>	<b>2,233</b>	<b>6,792</b>	<b>4,560</b>	<b>23.5</b>	<b>22.0</b>	<b>24.0</b>	<b>2.0</b>
<b>(100F) Agency Financial Operations</b>								
(110F) Budget Operation	165	127	140	13	1.0	1.0	1.0	0.0
(120F) Accounting Operations	383	386	384	-2	3.9	4.0	4.0	0.0
(130F) ACFO	163	173	176	3	1.0	1.0	1.0	0.0
<b>Subtotal (100F) Agency Financial Operations</b>	<b>711</b>	<b>685</b>	<b>700</b>	<b>14</b>	<b>5.9</b>	<b>6.0</b>	<b>6.0</b>	<b>0.0</b>
<b>(2000) Insurance Program</b>								
(2010) Insurance Products	-13	0	981	981	0.0	0.0	7.5	7.5
(2015) Financial Surveillance	0	0	670	670	0.0	0.0	5.3	5.3
(2020) Consumer and Prof Licensing	-16	0	0	0	0.0	0.0	0.0	0.0
(2030) Financial Examination	-12	0	0	0	0.0	0.0	0.0	0.0
(2040) Forms Analysis	2,318	3,149	0	-3,149	5.9	6.0	0.0	-6.0
(2045) Market Conduct	238	177	0	-177	1.0	1.0	0.0	-1.0
(2050) HMO	483	623	918	295	1.0	3.0	8.8	5.8
(2055) Consumer Services	569	1,071	0	-1,071	5.9	11.0	0.0	-11.0
(2060) Professional Services	460	521	0	-521	4.9	6.0	0.0	-6.0
(2065) Financial Regulatory	589	683	0	-683	5.7	7.3	0.0	-7.3
(2070) Actuarial Analysis	311	379	0	-379	3.9	4.5	0.0	-4.5
(2080) DC Market Operations Insurance	0	0	131	131	0.0	0.0	0.2	0.2
(2090) Health Insurance Review	115	0	1,325	1,325	0.0	0.0	7.0	7.0
<b>Subtotal (2000) Insurance Program</b>	<b>5,041</b>	<b>6,603</b>	<b>4,026</b>	<b>-2,577</b>	<b>28.1</b>	<b>38.8</b>	<b>28.8</b>	<b>-10.0</b>
<b>(3000) Securities Program</b>								
(3010) Corporate Finance	1,346	0	627	627	4.4	0.0	5.5	5.5
(3020) Securities Examination	580	0	1	1	5.1	0.0	0.0	0.0

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**Table SR0-4 (Continued)**

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012
(3030) Securities Licensing	340	0	515	515	4.2	0.0	4.5	4.5
(3080) DC Market Operations Securities	0	0	180	180	0.0	0.0	0.2	0.2
<b>Subtotal (3000) Securities Program</b>	<b>2,266</b>	<b>0</b>	<b>1,323</b>	<b>1,323</b>	<b>13.7</b>	<b>0.0</b>	<b>10.2</b>	<b>10.2</b>
<b>(4000) Enforcement Program</b>								
(4010) Compliance	9	0	0	0	0.0	0.0	0.0	0.0
(4020) Investigative	54	0	0	0	0.0	0.0	0.0	0.0
(4050) Enforcement	184	207	417	210	2.5	1.5	3.5	2.0
(4060) Investigations	677	821	812	-8	6.4	7.5	7.5	0.0
(4080) DC Market Compliance Enforcement	0	0	86	86	0.0	0.0	0.3	0.3
<b>Subtotal (4000) Enforcement Program</b>	<b>924</b>	<b>1,028</b>	<b>1,316</b>	<b>288</b>	<b>8.8</b>	<b>9.0</b>	<b>11.4</b>	<b>2.3</b>
<b>(5000) Banking</b>								
(5010) Depository	-7	0	0	0	0.0	0.0	0.0	0.0
(5015) SSBCI	0	0	1,219	1,219	0.0	0.0	1.0	1.0
(5020) Non Depository	66	0	0	0	0.0	0.0	0.0	0.0
(5055) Examination	1,576	0	0	0	7.3	0.0	0.0	0.0
(5060) Licensing	0	0	389	389	5.4	0.0	4.5	4.5
(5070) Market Services	0	0	811	811	0.0	0.0	5.5	5.5
(5080) DC Market Operations Banking	0	0	168	168	0.0	0.0	0.2	0.2
<b>Subtotal (5000) Banking</b>	<b>1,635</b>	<b>0</b>	<b>2,587</b>	<b>2,587</b>	<b>12.7</b>	<b>0.0</b>	<b>11.2</b>	<b>11.2</b>
<b>(6000) Risk Finance</b>								
(6010) Compliance	-3	0	323	323	0.0	0.0	2.5	2.5
(6020) Financial Analysis	1,145	1,511	1	-1,510	6.8	8.0	0.0	-8.0
(6030) Regulatory Review and Licensing	0	0	240	240	0.0	0.0	2.5	2.5
(6080) DC Market Operations Risk Finance	0	0	79	79	0.0	0.0	0.2	0.2
<b>Subtotal (6000) Risk Finance</b>	<b>1,142</b>	<b>1,511</b>	<b>643</b>	<b>-867</b>	<b>6.8</b>	<b>8.0</b>	<b>5.2</b>	<b>-2.8</b>
<b>(7000) Securities and Banking</b>								
(7010) Corporate Finance	0	2,951	0	-2,951	0.0	7.5	0.0	-7.5
(7020) Securities and Banking Examination	0	1,226	0	-1,226	0.0	11.2	0.0	-11.2
(7030) Securities and Banking Licensing	0	805	0	-805	0.0	9.2	0.0	-9.2
<b>Subtotal (7000) Securities and Banking</b>	<b>0</b>	<b>4,983</b>	<b>0</b>	<b>-4,983</b>	<b>0.0</b>	<b>28.0</b>	<b>0.0</b>	<b>-28.0</b>
<b>(8000) Market Examinations</b>								
(8010) Insurance Exams	0	0	341	341	0.0	0.0	3.2	3.2
(8020) Securities Exams	0	0	509	509	0.0	0.0	4.2	4.2
(8030) Banking Exams	0	0	583	583	0.0	0.0	5.2	5.2
(8040) Risk Finance Exams	0	0	424	424	0.0	0.0	3.2	3.2
(8080) DC Market Compliance Exams	0	0	166	166	0.0	0.0	0.3	0.3
<b>Subtotal (8000) Market Examinations</b>	<b>0</b>	<b>0</b>	<b>2,023</b>	<b>2,023</b>	<b>0.0</b>	<b>0.0</b>	<b>16.3</b>	<b>16.3</b>
<b>(9000) Compliance Analysis</b>								
(9010) Consumer Services	0	0	733	733	0.0	0.0	7.0	7.0
(9020) Market Research Analysis	0	0	542	542	0.0	0.0	5.0	5.0
(9080) DC Market Compliance Analysis	0	0	174	174	0.0	0.0	0.3	0.3
<b>Subtotal (9000) Compliance Analysis</b>	<b>0</b>	<b>0</b>	<b>1,449</b>	<b>1,449</b>	<b>0.0</b>	<b>0.0</b>	<b>12.3</b>	<b>12.3</b>
<b>Total Proposed Operating Budget</b>	<b>14,026</b>	<b>17,042</b>	<b>20,860</b>	<b>3,818</b>	<b>99.6</b>	<b>111.8</b>	<b>125.6</b>	<b>13.8</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's divisions, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2013 Operating Appendices** located on the Office of the Chief Financial Officer's website.



## **FY 2013 Proposed Budget Changes**

The Department of Insurance, Securities and Bankings' (DISB) proposed FY 2013 gross budget is \$20,860,023, which represents a 22.4 percent increase over its FY 2012 approved gross budget of \$17,042,318. The budget is comprised of \$17,868,052 in Special Purpose Revenue funds, \$2,544,319 in Federal Grant funds, and \$447,652 in Private Grant funds.

### **Initial Adjusted Budget**

**Create:** In FY 2013, DISB has been awarded Federal Grant funding for the State Small Business Credit Initiative (SSBCI) and Health Insurance Rate Review (HIRR). Funds from the SSBCI grant may be used to guarantee loans from District banking institutions made to small businesses. The agency will allocate these funds in the Banking program by budgeting \$1,000,000 in Subsidies and Transfers, \$142,318 for 1.0 FTE in personal services, and \$76,145 for Supplies, Equipment, and Other Services and Charges. Funds from the HIRR grant will be used to support activities associated with the Affordable Care Act, which aims to improve the current health care system by increasing access to health coverage for Americans. HIRR funds, budgeted in the Insurance division, will include \$827,164 for 7.0 FTEs in personal services, \$250,856 in Other Services and Charges and Equipment, and \$245,000 in Contractual Services.

**Enhance:** DISB will dedicate \$238,428 in personal services for 3.0 FTEs and \$208,616 in contracts from Private Grant funding. These funds were not available during FY 2012 and will be used to enhance services provided in the Banking division.

**Cost Increase:** The budget proposal includes an additional 2.8 FTEs and \$999,273 in Special Purpose Revenue funds to cover projected step increases, increases in the Fringe Benefit rate, and alignment of the budgets based on historical spending patterns. The provisional fixed costs assessment from the Office of the Chief Technology Officer will increase by \$117,073 in Special Purpose Revenue funds.

**Cost Decrease:** The proposed budget includes several adjustments to Special Purpose Revenues to partially offset the proposal for cost increases. DISB will reduce its purchases of computers and equipment for savings of \$197,999. The agency will save an additional \$84,159 by reducing its postage and printing needs. Other efforts to streamline operations will result in decreases of \$24,550 in consulting and Contractual Services and \$21,931 in Supplies and Materials.

### **Additionally Adjusted Budget**

**Technical Adjustment:** Adjustment of Fringe Benefits to restore the District Government contribution for employee health insurance from 72 percent, implemented in the FY 2011 budget, to 75 percent in FY 2013, resulting in increases of \$2,836 in Federal Grant funds, \$608 in Private Grant funds, and \$36,428 in Special Purpose Revenue funds.

### **Policy Initiative**

An initiative that will enhance the captive insurance company program, which will attract more captive insurance companies to the District, is reflected in an increase of \$1,600 in Special Purpose Revenue funds.

## FY 2012 Approved Budget to FY 2013 Proposed Budget, by Revenue Type

Table SR0-5 itemizes the changes by revenue type between the FY 2012 approved budget and the FY 2013 proposed budget.

**Table SR0-5**  
(dollars in thousands)

	PROGRAM	BUDGET	FTE
<b>FEDERAL GRANT FUNDS: FY 2012 Approved Budget and FTE</b>		<b>0</b>	<b>0.0</b>
Create: Subsidies and Transfers for the State Small Business Credit Initiative (SSBCI)	Banking	1,000	0.0
Create: SSBCI personal services projection	Banking	142	1.0
Create: Supplies, Equipment, and Other Services and Charges for SSBCI	Banking	76	0.0
Create: Health Insurance Rate Review (HIRR) personal services projection	Insurance Program	827	7.0
Create: Other Services and Charges and Equipment for HIRR	Insurance Program	251	0.0
Create: Contractual Services for HIRR	Insurance Program	245	0.0
<b>FY 2013 Initial Adjusted Budget</b>		<b>2,541</b>	<b>8.0</b>
Technical Adjustment: Health insurance contribution	Multiple Programs	3	0.0
<b>FY 2013 Additionally Adjusted Budget</b>		<b>2,544</b>	<b>8.0</b>
<b>FEDERAL GRANT FUNDS: FY 2013 Proposed Budget and FTE</b>		<b>2,544</b>	<b>8.0</b>
<b>PRIVATE GRANT FUNDS: FY 2012 Approved Budget and FTE</b>		<b>0</b>	<b>0.0</b>
Enhance: Salary and Fringe Benefits	Banking	238	3.0
Enhance: Contractual Services	Banking	209	0.0
<b>FY 2013 Initial Adjusted Budget</b>		<b>447</b>	<b>3.0</b>
Technical Adjustment: Health insurance contribution	Multiple Programs	1	0.0
<b>FY 2013 Additionally Adjusted Budget</b>		<b>448</b>	<b>3.0</b>
<b>PRIVATE GRANT FUNDS: FY 2013 Proposed Budget and FTE</b>		<b>448</b>	<b>3.0</b>
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2012 Approved Budget and FTE</b>		<b>17,042</b>	<b>111.8</b>
Cost Increase: Align personal services with projected expenses	Multiple Programs	999	2.8
Cost Increase: Adjustments for fixed costs based on assessments from the Office of the Chief Technology Officer	Agency Management Program	117	0.0
Cost Decrease: Computer and equipment purchases	Agency Management Program	-198	0.0
Cost Decrease: Savings derived from improved technology and reductions in Postage and Printing	Multiple Programs	-84	0.0
Cost Decrease: Consultant and Contractual Services	Multiple Programs	-25	0.0
Cost Decrease: Supplies and Materials	Agency Management Program	-22	0.0
<b>FY 2013 Initial Adjusted Budget</b>		<b>17,830</b>	<b>114.6</b>
Technical Adjustment: Health insurance contribution	Multiple Programs	36	0.0
<b>FY 2013 Additionally Adjusted Budget</b>		<b>17,866</b>	<b>114.6</b>
<b>FY 2013 Policy Initiatives</b>			
Cost Increase: Align with additional resources	Agency Management Program	2	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2013 Proposed Budget and FTE</b>		<b>17,868</b>	<b>114.6</b>
<b>Gross for SR0 - Department of Insurance, Securities, and Banking</b>		<b>20,860</b>	<b>125.6</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)

## Agency Performance Plan

The agency's performance plan has the following objectives for FY 2013:

### 1. Agency Management

**Objective 1:** Increase the affordability and availability of health insurance coverage.

**Objective 2:** Protect DC citizens from insurance, securities and banking fraud through prevention, detection and enforcement.

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

**Objective 4:** Support agency bureaus through effective management.

## Agency Performance Measures

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Number residents insured by high risk health insurance pool	285	314	1,692	0.00	2,200	Not Available
Number medical malpractice insurance premium rate filings > 10 percent increase reviewed	Not Available	Not Available	0.00	0.00	0.00	0.00
Percentage of written Insurance complaints resolved within 45 days of receipt	96%	90%	100%	95%	95%	95%
Percentage of open investigative cases reviewed within 90 days for correctness and compliance to investigative procedures	100%	100%	100%	95%	96%	97%
Number of administrative hearings conducted regarding violations of producer licensing laws	34	28	28	0	21	20
Number of District residents receiving financial literacy training and information	1,118	700	1,746	800	900	1,000
Percentage of CAPCOs examined	100%	100%	100%	100%	100%	100%
Percentage of DC residents who participated in the Foreclosure Mediation program	97%	85%	100%	85%	25%	25%
Percentage of DC based investment firms examined annually	6.63%	25%	100%	95%	100%	100%
Percentage of banking complaints resolved within 45 days of receipt	98%	85%	Not Available	95%	85%	85%
Number of Captive Insurance Company applications processed within 30 Days of receipt	100%	100%	100%	100%	100%	100%
Percentage of scheduled financial examinations completed annually on Captive Insurance Companies	100%	100%	100%	100%	100%	100%
Percentage of Security Notice filings processed within 30 days of receipt	53%	90%	99%	85%	80%	80%

## 2. Banking Bureau

Objective 1: Improve consumer confidence.

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### Banking Bureau

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of DC Residents who participated in the Foreclosure Mediation Program	97%	85%	100%	85%	25%	25%
Percentage of written complaints resolved within 45 days of receipt	98%	85%	100%	85%	85%	85%

## 3. Enforcement and Investigation Bureau

Objective 1: Improve the DISB insurance, securities and banking consumer protection anti-fraud program.

Objective 2: Protect DC Residents from Fraudulent Insurance Producer activities.

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### Enforcement and Investigation Bureau

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of open investigative cases reviewed within 90 days for correctness and compliance with investigative procedures	100%	90%	100%	90%	96%	97%
Percentage of agent enforcement investigations completed within 60 days	Not Available	Not Available	0.00	85%	86%	87%
Percentage of written complaints resolved within 45 days of receipt	98%	85%	100%	95.00%	95.00%	95%

#### 4. Compliance Analysis Division (CAD)

Objective 1: Improve the overall consumer protection capabilities of the Compliance Analysis Division.

Objective 2: Improve the DISB Consumer Advocate - Anti-fraud Program.

#### 5. Insurance Bureau

Objective 1: Increase the affordability and availability of health insurance coverage.

Objective 2: Post consumer insurance information to DISB website.

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### Insurance Bureau

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of rate and form filings approved, accepted or rejected within 30 days of receipt	92.7%	95%	94.73%	87.50%	90.00%	90.00%

#### 6. Office of the Communications

Objective 1: Improve the DISB Anti-fraud Consumer Protection.

Objective 2: Increase the amount of consumer insurance information available on the DISB website.

Objective 3: Improve consumer confidence.

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### Office of the Communications

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Number of District residents receiving financial literacy training and consumer protection information	1,118	700	1,746	800	900	1,000

## 7. Risk Finance Bureau

Objective 1: Improve consumer confidence.

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### Risk Finance Bureau

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of Captive Insurance Company applications processed within 30 days of receipt	100%	100%	100%	100%	100%	100%
Percentage of scheduled financial examinations completed annually on Captive Insurance Companies	100%	100%	100%	100%	100%	100%
Percentage of CAPCOs examined annually	100%	100%	100%	100%	100%	100%

## 8. Securities Bureau

Objective 1: Improve consumer confidence.

Objective 2: Improve securities industry awareness and compliance with conduct and disclosure requirements to better serve District residents.

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### Securities Bureau

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of DC based investment firms examined for compliance within 12 months	92%	90%	101%	95%	100%	100%
Percentage of securities notice filings processed within 30 days	53%	90%	100%	85%	80%	80%