



DISB Bulletin

A monthly publication of news and events of the DC Department of Insurance, Securities and Banking

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News Briefs

Police Dept. Agrees to Coordinate on Fingerprint Requirements for Background Checks of Securities Professionals

DISB is one of only a handful of regulatory agencies in the nation to require criminal history checks for everyone the department licenses as securities professionals. Recently, Police Chief Cathy Lanier agreed with the agency on a process to submit applicants' prints through the police department to the FBI. All states require the background checks for individuals associated with broker-dealer firms – the Financial Industry Regulatory Authority does this directly with the FBI for all states – but the department is also requiring it for individuals associated with investment-adviser firms. Last summer, the City Council enacted legislation at DISB's request aligning our procedures with the FBI's requirements for licensing agencies.

DISB Warning to Investors About Profitable Sunrise

The department issued a press release March 19 regarding Profitable Sunrise, a company that markets itself as a short-term lender to businesses and investors. The investment offering appears to be a pyramid scheme in which the managers never actually turn a profit on the ostensible business but instead rely on constantly recruiting new investors in order to generate cash. More than twenty jurisdictions in U.S. and Canada are taking coordinated action against it. The company is not registered to sell investments in the District.

DISB Answers Flood Insurance Questions from Bloomingdale Residents

The D.C. Insurance Federation hosts town hall with DISB, city officials and the insurance industry answer resident's questions

The department and Councilmembers Kenyan McDuffie (Ward 5), Vincent Orange (At-Large) and Anita Bonds (At-Large) participated in a special informational event on flood and homeowner insurance March 5 in the Bloomingdale neighborhood.

Rainfall and storms cause flooding and sewer backups in the Bloomingdale and LeDroit Park neighborhoods. In the summer of 2012 alone, the Bloomingdale area flooded three times in 10 days, prompting the mayor to appoint a task force (including the department) to investigate the causes and propose solutions. According to District of Columbia Water and Sewer Authority, the section of

the northeast boundary trunk sewer that serves both neighborhoods does not have the capacity to handle brief but intense rain.

The flooding raised questions for residents about what's covered in their homeowner's insurance and whether they need flood insurance, offered by the federal government through the National Flood Insurance Program. At the March 5 event, insurance ex-
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Did you know?

Flooding can occur in any season, but it's most prevalent in the spring when rain falls over frozen ground and causes runoff. [Click here](#) to evaluate your flood insurance needs

Bank on DC Launches Financial Education Program for Child and Family Services

E\$CROW program focuses on financial education for youth and parents of local foster-care system

Bank on DC's Program Manager Sybongile Cook introduced a new initiative, "Establishing Savings. Creating Revenue. Obtaining Wealth," also called E\$CROW, on March 5 by hosting two kick-off sessions for the staff and contractors of D.C.'s Child and Family Services Agency.



Cook said E\$CROW was created to teach foster children and parents to make informed decisions about their finances. The program partners include EVERFI, Capital Area Asset Builders, D.C.'s Child and Family Services Agency, the D.C. Chamber of Commerce Foundation and PNC Bank. Each group gave a brief presentation at the kick-off events.

The program includes 10 on-line courses of 6-8 hours of programming aimed at teaching, assessing and certifying students in a variety of financial topics. In addition, the program includes 4-6 hours of instructor-led quarterly financial workshops, financial mentoring, eight hours of volunteer time and the opportunity to open an Individual Development Account/ Match Savings Program. The matched savings accounts enable low-income American families to save and build assets by supplementing the savings with matching funds drawn from a variety of private and public sources.

DISB Shares Insurance Information With Gallaudet University Students

Presentation covered the role of DISB and auto, home and health insurance

Insurance Operations Specialist Doug Stinson presented to an insurance class Feb. 19 at Gallaudet University. A sign-language interpreter assisted Stinson and the students in communicating during his presentation.

Stinson gave an overview of the department and explained our responsibility in regulating the insurance industry in the District. He also discussed health, auto and home insurance and the general process for consumer complaints.

Following the presentation, students asked questions such as “What does the department do when insurance companies do not comply with the regulations?” and “Does the department approve insurance premiums?” The students also asked which pre-existing conditions are covered under the Patient Protection and Affordable Care Act. The class instructor said the presentation was very informative and they may incorporate it in the student’s midterm exam.

Welcome New DISB Employees

Katrice Purdie Chief of Administration and Policy

Katrice Purdie joins the department after eight years with the Metropolitan Police Department. She worked in strategic planning and government relations, closing her career there as the director of government relations. She began in the District government as a Capital City Fellow. She was also an attorney in private practice and worked at the National Labor Relations Board. Katrice is a Virginia native and a graduate of Old Dominion University and Howard University School of Law.



Tiwana Hicks Licensing Manager Banking Bureau

Tiwana Hicks was a program manager for the Licensing Division of the Alcoholic Beverage Regulation Administration. Tiwana and her team issued more than 2,000 alcoholic-beverage licenses annually. Earlier, Tiwana worked as a development manager for a boutique real-estate-development firm and as an attorney with the Office of the Attorney General for the District. Tiwana enjoys reading and spending time with family and friends. She is a graduate of Howard University and Georgetown University Law Center.



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Adrienne Doyle Staff Assistant Office of the General Counsel

For the past three years, Adrienne Doyle was a staff assistant at the D.C. Water and Sewer Authority. She holds a Bachelor of Science in criminal justice from Trinity University of Washington and an Associate’s Degree from Strayer University in computer information systems. Adrienne also has paralegal and legal secretary certificates from USDA. She enjoys Broadway plays, reading and traveling.



DISB Answers Flood Insurance Questions in Bloomingdale Neighborhood

(Continued from page 1)

perts including the department’s Deputy Commissioner Chester McPherson and General Counsel Thomas Glassic answered questions from residents such as how long it takes for a flood policy to take effect and how long it lasts. They explained that there is a 30-day wait for the policies to take effect, and they run for one year.

However, the panel explained, flood policies only cover water from the surface or above ground; and said Bloomingdale residents should consider sewer and back-up coverage as part of their homeowner’s policy. Water that comes from a pipe in the home would be covered by a homeowner’s policy, but if the water came from above-ground, only a flood policy would cover those damages.

Confusion about what’s included in insurance policies prompted Council member McDuffie to introduce the District Of Columbia Fire and Casualty Amendment Act of 2013 requiring insurance companies to disclose that a typical homeowners policy does not cover flooding and to make sure homeowners know flood insurance is available through the National Flood Insurance Program. The department testified in support of the legislation.

In December 2012, the Mayor and DC Water announced a plan to fix the sewer problems through the Northeast Boundary Neighborhood Protection Project, which will start next year and finish in 2022.

DISB Continues Series of Consumer Protection Articles for the Washington Informer

Articles are written by DISB staff members Lucy Drafton-Lowery, public affairs specialist, and Idriys Abdullah, consumer protection advocate

The *Washington Informer* this month published its eighth in a series of department articles on consumer protection issues facing D.C. residents. The most recent article, [“Don’t Leave Tax Refunds on the Table: Understand, Use, Earned Income Tax Credits, March 12, 2013”](#) informs readers that these credits can cut your federal income tax by as much as \$6,200 if you fall in the low-to-moderate income bracket. As many as a fifth of DC households are eligible for these credits but don’t claim them. [“What to Do If Your Health Insurance Is Too High, March 8 2013”](#) informs readers why their health insurance premiums increase, and what you can do to hold your insurance cost down. The department’s past articles include: (Click on links to read the full article; read rates as of March 14.)

[“More Complaints From Consumers Means More Predators Are Prowling The Mortgage Market, Feb. 2, 2013”](#) (Read 548 times)

[“Beware of Deceptive Ads in Search of Home Loan, Jan. 4, 2013”](#) (Read 825 times)

[“Don’t Let a Financial Scam Ruin Your Holidays, Dec. 6, 2012”](#) (Read 770 times)

[“What You Should Know About Reverse Mortgages, Nov. 2, 2012”](#) (Read 953 times)

[“Targets for Scam Artists: The Elderly Must Be Extra-Careful When Investing, Oct. 3, 2012”](#) (Read 1204 times)

[“Here’s a “Top Ten List” Investors Should Not Listen To, Oct. 3, 2012”](#) (Read 1553 times)

The communications office will continue to contribute timely and pertinent articles for the *Washington Informer* and we welcome staff suggestions for article topics to lucy.drafton-lowery@dc.gov.

Calendar of Events

2013 Senior Financial Fraud Prevention Presentation — Wednesday, March 27, 2013, 1—3 p.m., Model Cities Senior Wellness Center, 1901 Evarts Street, NE.

2013 Senior Financial Fraud Prevention Presentation — Thursday, April 11, 2013, 2—3 p.m., Congress Heights Senior Wellness Center, 3500 MLK, Jr. Avenue., SE

Senior Financial Fraud and Insurance Workshop — Wednesday, April 17, 2013, 1—3 p.m., Congress Heights Senior Wellness Center, 3500 MLK, Jr. Avenue., SE

DISB Publishes 2012 Annual Report “Regulating Evolving Financial Markets”

The 2012 annual report for the Dept. of Insurance, Securities and Banking is now available in print and also [online at this link](#). The report includes news from the department’s bureaus and divisions plus an update following a realignment of the department. The report highlights our consumer protection and enforcement efforts as well as our response to the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 and the Patient Protection and Affordable Care Act of 2010. The report can also be found at disb.dc.gov under Public Affairs. Come by Kate Hartig’s office on the 7th floor if you would like a printed copy.



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Contact us at kathryn.hartig@dc.gov or lucy.drafton-lowery@dc.gov with your questions.
810 First St., NE Suite 701 • Washington, DC 20002
<http://disb.dc.gov>