

# Vermont Department of Financial Regulation

## Department Introduction and Overview

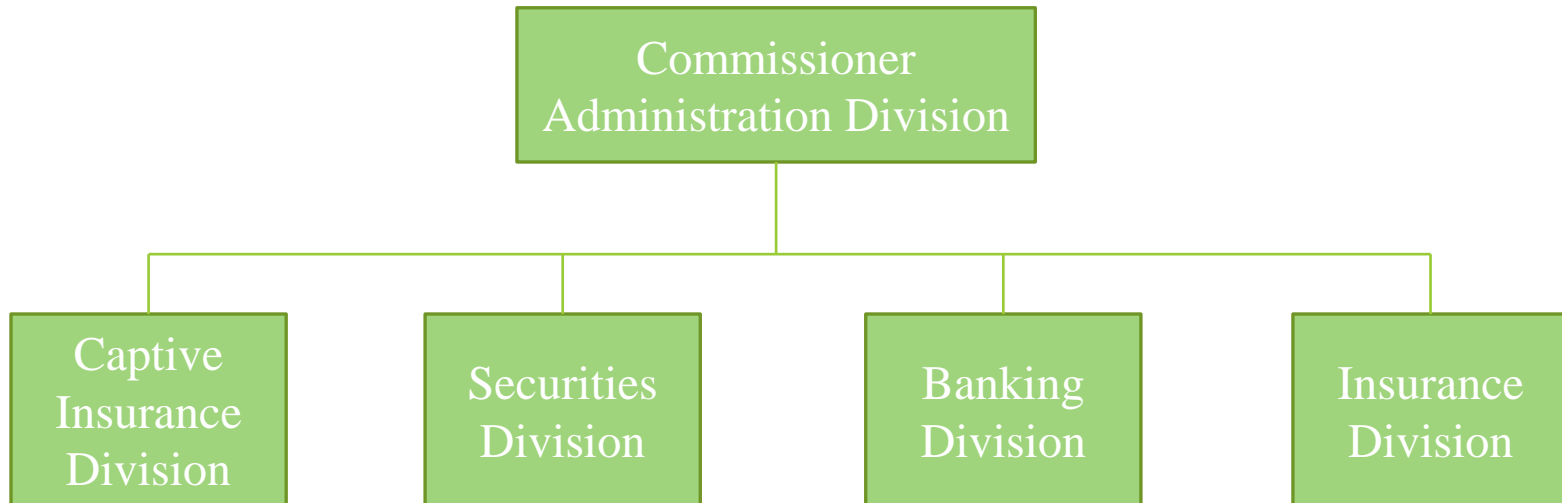
Committee Presentation

January 2023

Kevin Gaffney, Commissioner



## DFR Organizational Structure



## DFR Introduction and Overview

Department of Financial Regulation (DFR)

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### Department Head Count

Vermont Department of Financial Regulation		
Division	Total Positions	
	FY2021	FY 2022
Administration Division		
Commissioner's Office	8	8
General Counsel's Office	10	10
Banking Division		
	16	17
Captive Insurance Division		
	30	30
Insurance Division		
	29	30
Securities Division		
	8	9
Total	102	105

Department of Financial Regulation (DFR)

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## DFR Mission and Purpose

**The department's job is to protect consumers against unfair and unlawful business practices in the areas of banking, securities, insurance, and captive insurance, while ensuring that licensed entities are financially healthy.**

The ongoing work of the department on behalf of Vermonters helps consumers access financial and insurance-related services with confidence that:

- ✓ Consumers are treated fairly, according to the terms of contracts and laws.
- ✓ Regulated companies, institutions, and individuals operate within the law.
- ✓ Regulated entities operate in a financially sound manner, and remain able to deliver on consumers' earnings, benefits, claims, or other services.
- ✓ Costs and services are reasonable for the marketplace.

## **Administration Division – Commissioner Kevin Gaffney**

The Administration Division includes the Commissioner's Office, General Counsel's Office, and Administrative Services group. Collectively, this team supports the mission and functioning of the Department as a whole.

**-General Counsel's Office – General Counsel Sheila Grace;** the legal team consists of 9 attorneys who provide legal services to all Divisions

**-Director of Policy Emily Kisicki**

**-Information Management Officer Victoria Hudson**

**-Administrative Services Director Dave Cameron**

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### **Captive Insurance Division – Deputy Commissioner Sandy Bigglestone**

The Captive Division is charged with maintaining Vermont's Gold Standard in captive regulation by continually improving the regulatory framework to attract premier companies to Vermont while ensuring the solvency of captive insurers



Over \$31 million premium tax  
Over \$2 million exam and registration fees



41 new captive formations in 2022  
In the top 10 highest growth years of the 41-year history



23 approved captive managers  
644 active captive licensees  
400+ jobs supported in Vermont



#1 domicile in the U.S. & 2nd worldwide by premium volume  
Awarded top U.S. & International domicile many times  
Many Individual Honors

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### **Insurance Division – Deputy Commissioner Emily Brown**

The Insurance Division oversees the companies and individuals who participate in the Vermont insurance marketplace to ensure Vermonters have access to affordable insurance products from financially secure companies



Over \$37 million in premium tax in FY21  
25 Vermont domiciled insurance companies  
1,282 insurance companies licensed in Vermont



189 Vermont insurance agencies & 2,409 agents  
5,195 foreign agencies & 105,505 foreign agents



Last five years consumer services received:  
15,000 inquires & 1,900 complaints  
\$2,947,770 back to Vermonters



Last five years market conduct investigations:  
\$3.9 million in penalties  
\$1.7 million back to Vermonters

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**Banking Division – Interim Deputy Commissioner Aaron Ferenc**

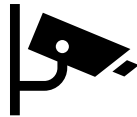
The Banking Division oversees the safety, soundness, and stability of Vermont’s Banks, Credit Unions, Trust Companies and Licensees while encouraging competition and availability of financial services across Vermont



7 state-chartered banks  
11 state-chartered credit unions  
3 state trust companies



547 companies hold 1,840 licenses  
2,463 individuals hold licenses



In 2022, we chartered the first new Bank in Vermont in 40 years!



Last five years consumer services received:  
5,936 inquires & 727 complaints  
\$420,882 back to Vermonters



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### **Securities Division – Acting Deputy Commissioner Amanda Smith**

The primary mission of the Securities Division is to protect Vermont investors from investment fraud and misrepresentation.



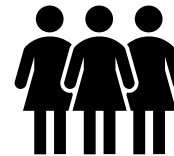
Registration:  
1,238 BD Firms & 136,345 BD Agents  
59 State Reg. IA Firms & 83 IAR's



Examinations:  
State IA Examinations Conducted, 2020-  
Present:  
44



Investigations from 2020-Present led to:  
\$1,810,400.00 in penalties/fines;  
\$191,509.43 to the VT Financial Services  
& Victim Restitution Fund



Corporate Finance:  
VT Small Business Offerings 2020-Present:  
6

# CONTACTING DFR

**For any legislative inquiries or requests for information, please contact Director of Policy Emily Kisicki (802-622-4305 or [emily.g.kisicki@vermont.gov](mailto:emily.g.kisicki@vermont.gov))**

**For constituents who may wish to file a complaint or need assistance from DFR, please direct them to our Consumer Services Division at 802-828-3302 or 800-964-1784 (toll free) and [dfr.insuranceinfo@vermont.gov](mailto:dfr.insuranceinfo@vermont.gov)**