

# Vermont Department of Financial Regulation

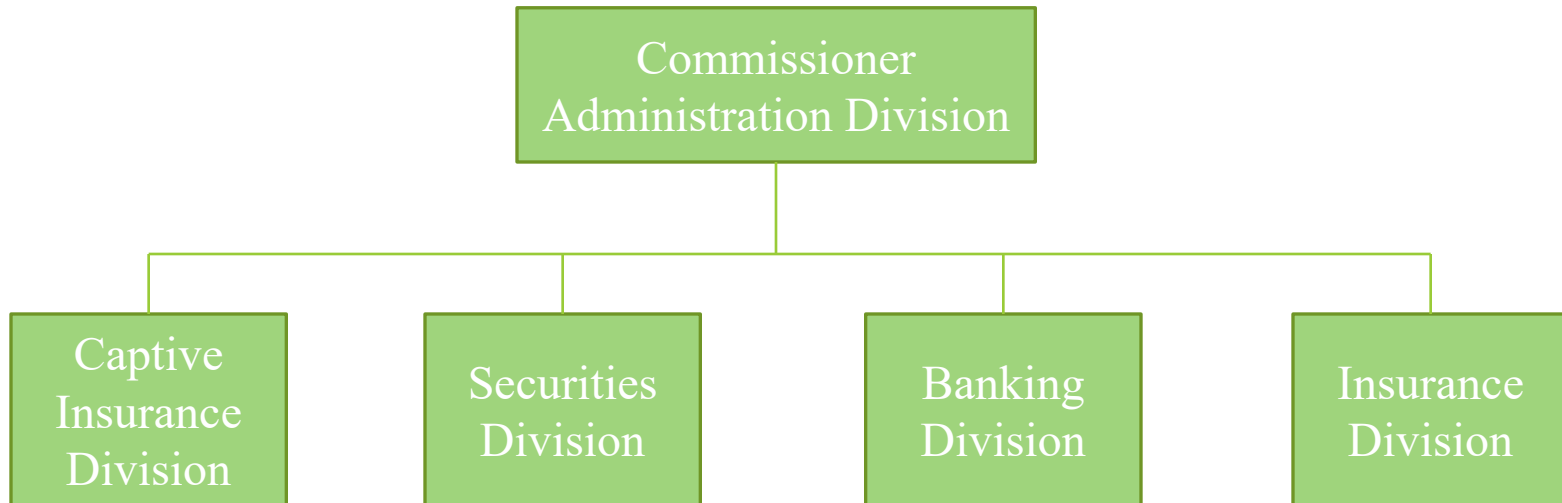
## Department Introduction and Overview

January 2025

Sandy Bigglestone, Acting Commissioner &  
Deputy Commissioner-Captive Insurance Division  
Emily Brown, Deputy Commissioner-Insurance Division  
Aaron Ferenc, Deputy Commissioner-Banking Division  
Amanda Smith, Deputy Commissioner-Securities Division



## DFR Organizational Structure



## DFR Introduction and Overview

Department of Financial Regulation (DFR)

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### Department Head Count

Division	Total Positions
	FY 2025
<b>Administration Division</b>	
Commissioner's Office	8
General Counsel's Office	10
<b>Banking Division</b>	17
<b>Captive Insurance Division</b>	32
<b>Insurance Division</b>	34
<b>Securities Division</b>	9
<b>Total</b>	110

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 – Acting Commissioner Sandy Bigglestone**

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

**-Administrative Services Director Dave Cameron**

**-Executive Director Phil Latvis**

**-Additional staff and work to support communications and policy functions**

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Department of Financial Regulation (DFR)

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

The Captive Division is charged with licensing and examining captive insurance companies domiciled in Vermont. The mission of the Division is to maintain a regulatory system that attracts quality business to Vermont, promotes the reputation of the industry, and ensures the solvency of captive insurers while recognizing the special purpose for which they are created. The number of captive insurers in Vermont continues to grow, advancing and impacting the sustainability of Vermont's captive insurance industry.



Over \$31 million premium tax (an increase of almost \$8 million since 2012)  
Over \$2 million exam and registration fees



21 approved captive managers  
400+ jobs supported in Vermont  
Home to the largest trade association



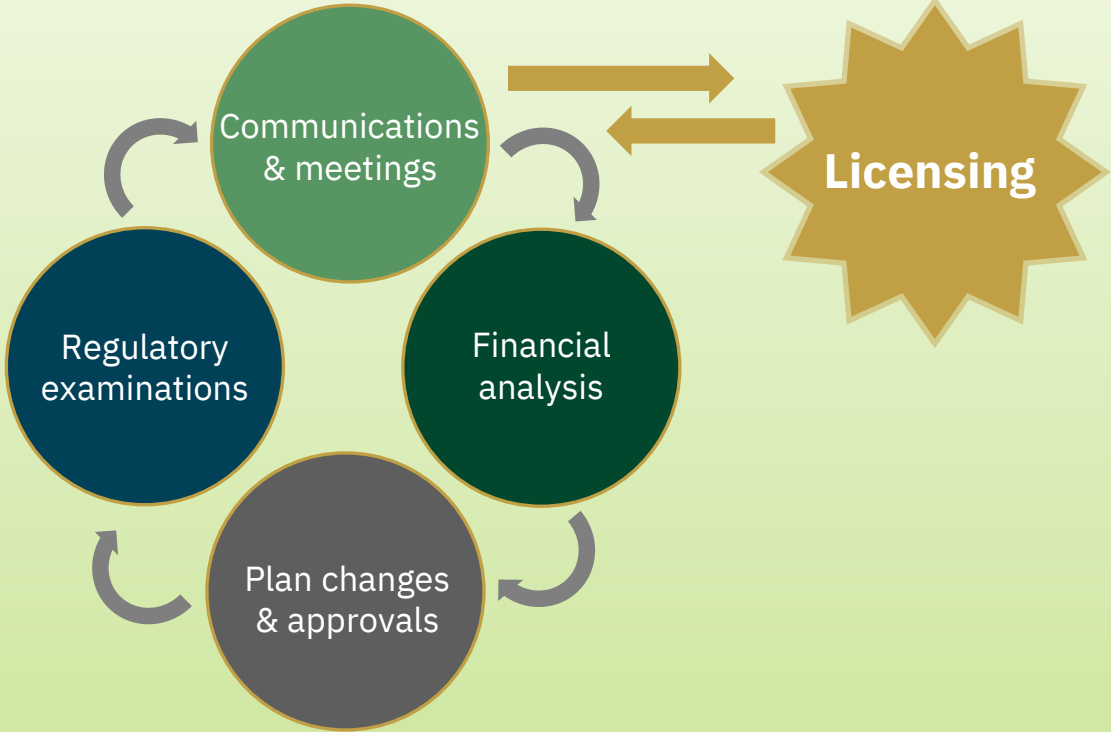
38 and 41 new captive formations in 2023 and 2022, respectively  
(39+ in 2024)  
In the top 10 highest growth years of the 43-year history  
~ 680 companies to regulate, plus 500 protected cell transactions



#1 Captive domicile worldwide  
Frequent recipient of top U.S. & International domicile awards  
Many Vermont captive professionals honored with industry awards

# Regulation of Vermont's Captive Marketplace

Cycle of  
Regulatory  
Activities



# Vermont DFR—Captive Insurance Division

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- Experienced and knowledgeable regulatory team of 30—captive insurance is our only business
- Over 300 years of combined regulatory experience
- Over 500 years of combined industry experience
- 12 Certified Public Accountants
- 26 Accredited/Certified Financial Examiners
- Many more specialists with a variety of other designations (financial, insurance, regulatory, captive/ACI)





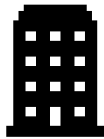
## DFR Introduction and Overview

Department of Financial Regulation (DFR)

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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 \$42 million in premium tax in FY24  
25 Vermont domiciled insurance companies  
1,302 insurance companies licensed in Vermont



Last five years consumer services received:  
12,445 inquires & 1,744 complaints  
\$741,044 back to Vermonters



189 Vermont insurance agencies & 2,332 agents  
5,896 foreign agencies & 112,567 foreign agents



Last five years market conduct investigations:  
\$2.9 million in penalties  
\$3.1 million back to Vermonters

# Insurance Division Overview

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## Company Licensing

- Licensing, registration, and financial oversight duties
- Insurance Companies, Third Party Administrators, Pharmacy Benefit Managers, Service Contract Providers, Rating Organizations, and many more...

## Producer Licensing

- Licensing and education requirement oversight for producers and agents
- Producer, Limited Line Producer, Title Agents, Business Entities, Limited Line Business Entities, Managing General Agents, Portable Electronics, Self-Storage and Consultant License Holders

## Rates and Forms

- Policy and rate review for compliance with state and federal law

# Insurance Division Overview

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## Consumer Services

- Complaint and inquiries for Vermont policyholders.
- <https://dfr.vermont.gov/consumers/file-complaint/insurance/insurance-complaints>

## Market Conduct

- Conducts investigations and examinations of regulated entities

## What's New?

- Regulation of Pharmacy Benefit Managers
- S. 95 Auto Study
- Flood Data Call

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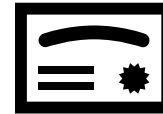
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**Banking Division – Deputy Commissioner Aaron Ferenc**

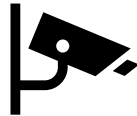
The Banking Division oversees the safety, soundness, and stability of Vermont’s Banks, Credit Unions, Trust Companies and Licensees while encouraging competition and availability of financial services across Vermont



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!

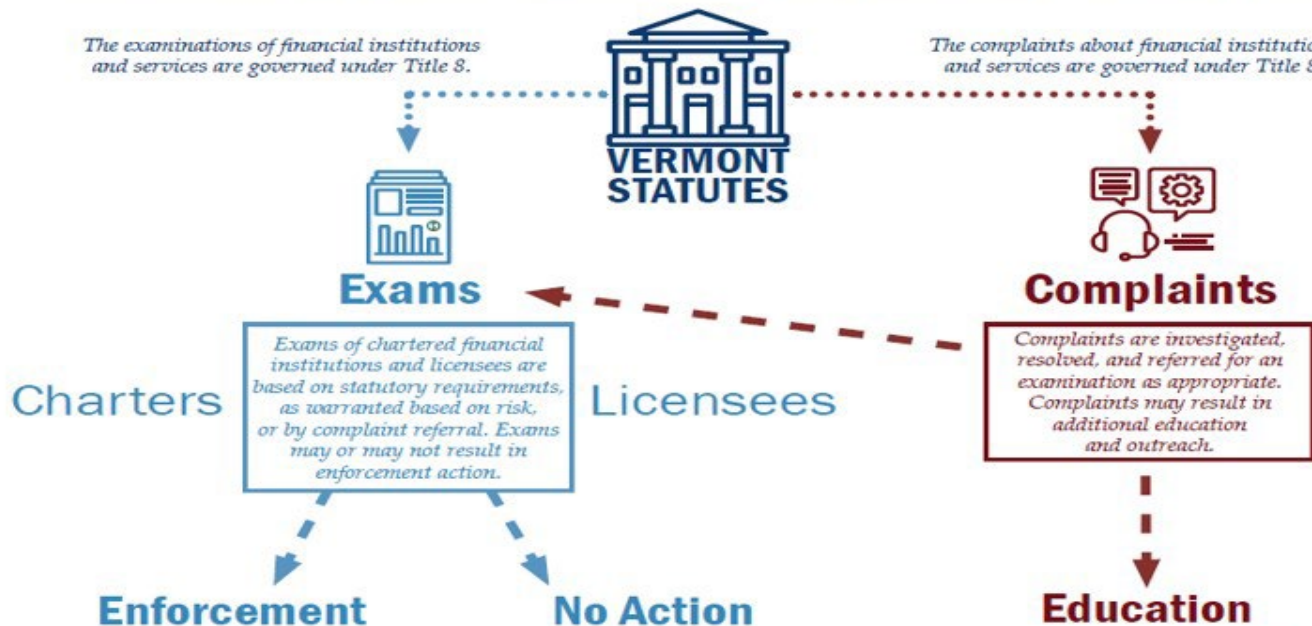


Last five years consumer services received:  
289 complaints and assisted returning \$416,430 back to consumers

# Banking Division Overview

## Department of Financial Regulation - BANKING DIVISION

To ensure the safety and soundness of financial institutions and the availability of financial services, while protecting Vermont consumers, the Department of Financial Regulation Banking Division functions in the following manner.



# Banking Division Overview

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- Chartering Authority and Primary Regulator of Vermont's Banks, Credit Unions, and Trust Companies.
  - Licenses and examines non-bank financial services: Mortgage Lending, Brokering & Servicing; Money Transmission; Retail Installment Financing; Consumer and Commercial Lending; Debt Adjusting; Mortgage Loan Originators
- Emerging Trends:
- Cryptocurrency
  - Financial Industry Consolidation
  - Cybersecurity

# Securities Division Overview

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## **Registrations**

- Registration required of broker-dealer firms (Morgan Stanley), investment adviser firms (\$100 mill in AUM or less) and associated financial professionals that seek to conduct securities business in Vermont.

## **Examinations**

- Examine our state registered investment adviser firms and broker-dealer firms.

## **Facilitate Capital Formation**

- Review securities offering materials.

# Securities Division Overview

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## Investigations

- Vermont investors may submit complaints to the Division if they encounter problems with a regulated entity or person (e.g. broker-dealer or investment adviser) or if they suspect they may be the victim of securities fraud.
- Collaborate with other state regulators to investigate multi-state matters.
- Communicate with firms to delay disbursement when fraud is suspected, and account holder is (i) an adult age 65 or older or (ii) any adult with a mental or physical impairment that renders them unable to protect their interests.



# Securities Division Overview

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## **Enforcement**

- DFR may pursue administrative or civil actions for violations of VT's securities laws
- DFR prioritizes restitution to investors and disgorgement of ill-gotten gains

## **Education and Outreach**

- Use of department socials and engaging with VT communities in person.

Department of Financial Regulation (DFR)

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**Securities Division – Deputy Commissioner Amanda Smith**

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



Registration:  
1,211 BD Firms & 136,345 BD Agents  
57 State Reg. IA Firms & 1,922 IARs



Examinations:  
State IA Examinations Conducted, 2022-  
Present:  
24



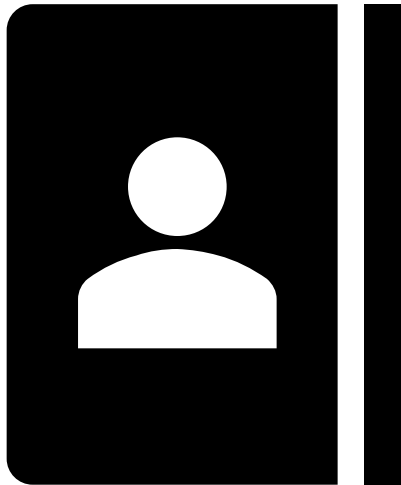
Investigations/Enforcements 2022-Present  
led to:  
\$2,001,265.52 in penalties/fines;  
\$397,039.20 to the VT Financial  
Services & Victim Restitution Fund



Corporate Finance:  
Securities Registration & Exemption  
Requests Revenue, \$120,585,000

# DFR Contacts:

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