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DFR Acronyms

Banking	
AML	Anti-money laundering <i>Acts and practices required of financial institutions under the Bank Secrecy Act and implementing regulations to ensure they do not aid money laundering; financial institutions must detect and report suspicious activity including transactions over \$10,000.</i>
AVCU	Association of Vermont Credit Unions <i>Vermont trade association of credit unions; Joe Bergeron is president.</i>
BSA	Bank Secrecy Act <i>Enacted in 1970 and amended by the USA Patriot Act in. 2001; requires financial institutions to engage in AML.</i>
CDD	Customer due diligence <i>Processes used by financial institutions to verify the identity of clients and assess risks.</i>
CFPB	Consumer Financial Protection Bureau <i>Federal government agency responsible for consumer protection in the financial sector; created in 2010 by the Dodd-Frank Act.</i>
CRA	Community Reinvestment Act <i>Federal law that requires the Federal Reserve to rank each bank based on how well it meets the credit needs to low- and moderate-income communities; credit unions are excluded.</i>
CSBS	Conference of State Bank Supervisors <i>National organization of state financial regulators.</i>
Dodd-Frank	Dodd-Frank Wall Street Reform and Consumer Protection Act <i>Federal law, enacted in 2010, that overhauled and reorganized financial regulation in response to the Great Recession; includes the Volcker Rule, which limits banks' abilities to engage in proprietary trading or investing or sponsoring hedge or private equity funds.</i>
FASB	Financial Accounting Standards Board <i>Independent nonprofit organization responsible for establishing accounting standards for public companies.</i>
FCRA	Fair Credit Reporting Act <i>Federal law that regulates the collection of consumer credit information and access to credit reports.</i>
FDIC	Federal Deposit Insurance Corporation <i>Independent federal agency that insures bank deposits.</i>
FHLB	Federal Home Loan Bank (of Boston) <i>Regional banks created by the federal government and owned by their financial institution members; provide financial products and services to member institutions to assist in the financing of housing and community lending.</i>

FinCen	Financial Crimes Enforcement Network <i>Bureau of the U.S. Treasury Department responsible for enforcing compliance with the BSA; collects and analyzes financial transactions data to detect and deter financial crimes.</i>
FinTech	Financial technology <i>Refers to the use of innovative technologies to supplant or supplement traditional methods.</i>
FRB	Federal Reserve Board <i>Appointed by the present to govern the central bank of the United States; sets monetary policy and oversees state-chartered banks and bank holding companies. Also known as “the Fed.”</i>
GAAP	Generally accepted accounting principles <i>Universal accounting principals for public companies; developed by FASB and GASB.</i>
GASB	Government Accounting Standards Board <i>Independent nonprofit organization responsible for establishing accounting standards for government organizations.</i>
KYC	Know your customer <i>See CDD.</i>
MLO	Mortgage loan originator <i>A licensed individual or institution that helps a consumer to obtain a mortgage.</i>
NCUA	National Credit Union Association <i>Independent federal agency that insures credit union deposits; also charters and regulates federal credit unions.</i>
NMLS	Nationwide Multistate Licensing System <i>System used by state regulators to license or register non-depository financial services.</i>
OCC	Office of the Comptroller of the Currency <i>Independent bureau within the U.S. Treasury Department; regulates federally-chartered banks.</i>
OFAC	Office of Foreign Assets Control <i>Agency of the U.S. Treasury Department; enforces economic and trade sanctions against foreign individuals, businesses, or countries that engage in prohibited financial transactions.</i>
SAFE Act	Secure and Fair Enforcement for Mortgage Licensing Act of 2008 <i>Enacted in response to 2008 mortgage crisis; sets minimum standards for licensure or registration of MLOs.</i>
SBA	Small Business Administration <i>Independent federal agency that provides support and government-backed financing (through partner institutions) to small businesses.</i>
SIFI	Systemically important financial institution <i>A financial institution (such as a bank or insurance company) that is regarded as so important to the economy that its failure could trigger an economic crisis; “too big to fail.”</i>
UDAAP	Unfair, deceptive, or abusive acts or practices <i>Acts or practices by financial institutions that harm consumers financially and that consumers cannot reasonably avoid; deemed illegal under Dodd-Frank.</i>

VBA	Vermont Bankers Association <i>Vermont trade association of federal- and state-chartered banks; Chris D’Elia is president.</i>
VMBA	Vermont Mortgage Bankers Association <i>Vermont trade association for the mortgage lending industry; Chris Rice is VT lobbyist.</i>
Insurance/Captive Insurance	
AAIS	American Association of Insurance Services <i>Advisory organization that collects P&C insurance data and files loss costs, rates, rules, and policy forms on behalf of insurers.</i>
ACLI	American Council of Life Insurers <i>National trade association for the life insurance industry; Chris Rice is VT lobbyist.</i>
ACA	Patient Protection and Affordable Care Act <i>Federal law that overhauled and expanded health insurance coverage; known as “Obamacare.”</i>
AHIP	America’s Health Insurance Plans <i>National trade association for health insurers.</i>
APCIA	American Property and Casualty Insurance Association <i>National trade association for P&C insurers; Jamie Feehan is VT lobbyist.</i>
Big I	Independent Insurance Agents and Brokers of America <i>National trade association for insurance producers (individuals engaging in the sale of insurance – agents and brokers).</i>
BOP	Business owner’s policy <i>Type of insurance policy that combines business property and general liability insurance.</i>
CICA	Captive Insurance Companies Association <i>Domicile-neutral trade association for the captive insurance industry.</i>
CGL	Commercial general liability <i>Type of insurance policy that provides coverage to a business for bodily injury, personal injury, and property damage caused by the business’s operations or products or occurring on the business’s premises.</i>
E&O	Errors and omissions <i>Type of liability insurance that protects a professional or business against losses from negligent acts, errors, or omissions that result in financial loss (required for lawyers, insurance agents, accountants, etc.).</i>
ERISA	Employee Retirement Income Security Act of 1974 <i>Federal law that establishes minimum standards for employee benefit plans; exempts self-funded health insurance plans from state regulation.</i>
FIO	Federal Insurance Office <i>Office within the U.S. Treasury Department created by Dodd-Frank to identify gaps in insurance regulation; has authority to preempt state law only as part of a covered international agreement where state law is less favorable to non-U.S. insurers (recall Credit For Reinsurance).</i>
HIPAA	Health Insurance Portability and Accountability Act of 1996 <i>Federal law that sets health insurance privacy and protection standards, including the continuation of health insurance coverage for individuals who lose or change jobs and the protection of protected health information.</i>

HMO	Health maintenance organization <i>Network of health insurance providers that provides coverage for a fixed fee; coverage usually limited to providers in the HMO network and may be subject to other restrictions.</i>
HO	Homeowner's insurance <i>Type of insurance policy that provides property and liability coverages for homeowners and tenants.</i>
ISO	Insurance Services Office <i>Advisory organization that collects P&C insurance data and files loss costs, rates, rules, and policy forms on behalf of insurers.</i>
L&H	Life and health insurance <i>Includes, life, health, and long-term care insurance; one silo of DFR's insurance division (the other being P&C).</i>
LRRRA	Liability Risk Retention Act of 1981 <i>Federal law that permits the formation of RRGs and risk purchasing groups; requires that RRGs be licensed in at least one state but may accept liability risk in all states.</i>
LTC	Long-term care insurance <i>Type of insurance policy that provides coverage for nursing home, assisted living, or home health care services for individuals over 65 or with certain chronic conditions.</i>
Medigap/ MedSupp	Medicare supplemental insurance <i>Type of insurance policy that helps pay costs not covered by Medicare.</i>
MEWA	Multiple employer welfare arrangement <i>Procedure for employers to band together for the purposes of offering health benefits to their employees; complex regulatory history.</i>
NAIC	National Association of Insurance Commissioners <i>Standard-setting and regulatory support organization consisting of chief insurance regulators from 50 states, DC, and territories; administers state accreditation program that requires compliance with baseline solvency oversight standards.</i>
NAMIC	National Association of Mutual Insurance Companies <i>National trade association of mutual insurance companies (which are owned by policyholders)</i>
NCCI	National Council on Compensation Insurance <i>Advisory organization that has been designated by DFR to gather WC insurance data, analyze industry trends, and to file loss costs, rates, and rules.</i>
NCOIL	National Council of Insurance Legislators <i>Organization of state legislators whose main area of public policy concern is insurance legislation.</i>
NIPR	National Insurance Producer Registry <i>Nonprofit organization that provides licensing and compliance resources for insurance producers.</i>
ORSA	Own risk and solvency assessment <i>Developed by the NAIC in response to the Great Recession; internal process required to be regularly undertaken by a medium or larger insurer to assess the adequacy of its risk management and solvency positions under stress scenarios.</i>
P&C	Property and casualty insurance

	<i>Includes homeowners, auto, farm, and business insurance; one silo of DFR's insurance division (the other being L&H).</i>
PPO	Preferred provider organization <i>Similar to an HMO, a network of health insurance providers that provide coverage for a fixed fee; usually subject to fewer restrictions than an HMO.</i>
QHP	Qualified health plan <i>Under the ACA, a health insurance plan that is sold on the exchange; must be guaranteed issue, follow the ACA's cost-sharing guidelines, and cover essential health benefits with no lifetime or annual coverage maximums; also eligible for advanced premium tax credits.</i>
RBC	Risk-based capital <i>The minimum amount of capital required for a financial institution to support its overall business operations in consideration of its size and risk profile.</i>
RRG	Risk retention group <i>Risk-bearing entity that is owned by its members (which must be engaged in similar businesses or activities) and chartered as a liability insurance company; regulated by DFR as a captive insurance company.</i>
SAP	Statutory accounting principles <i>Accounting rules developed by the NAIC and required to be used by insurance companies; more conservative than GAAP.</i>
TRIA	Terrorism Risk Insurance Act <i>Enacted in response to dearth of affordable terrorism coverage after 9/11, federal program that allows the federal government to share terrorism-related P&C losses with insurers.</i>
UM/UIM	Uninsured motorist/underinsured motorist coverage <i>Insurance coverage that protects a policyholder when the responsible party does not have auto liability insurance or has too little to cover all costs; VT mandates \$50,000/\$100,00 in bodily injury coverage and \$10,000 in property coverage.</i>
VIAA	Vermont Insurance Agents Association <i>Vermont trade association for insurance producers.</i>
VCIA	Vermont Captive Insurance Association <i>National trade association for the captive insurance industry; Richard Smith is president.</i>
WC	Workers' compensation <i>Type of insurance that provides wage replacement and medical benefits to an employee injured in the course of employment.</i>
Securities	
CRD	Central Registration Depository <i>Program established by FINRA to support electronic licensing and registration filing requirements for the securities industry; includes the BrokerCheck investor protection tool.</i>
EDGAR	Electronic Data Gathering, Analysis, and Retrieval system <i>Database for collection, validation, and indexing of SEC forms required to be filed by public companies.</i>
FINRA	Financial Industry Regulatory Authority

	<i>Independent self-regulatory organization for broker-dealers (which are required to be members); promulgates and enforces rules for, and licenses, supervises, and examines broker-dealers.</i>
NASAA	North American Securities Administrators Association <i>Association of state and territorial securities regulators; allows for information-sharing, advocacy on federal issues, and multi-state enforcement actions.</i>
NSMIA	National Securities Markets Improvement Act of 1996 <i>Federal law intended to promote capital formation and the efficient regulation of securities markets; transferred regulatory authority from the states to the SEC with respect to “covered securities” that are traded on a national exchange.</i>
PCAOB	Public Company Accounting Oversight Board <i>Nonprofit organization established by Congress to protect investors by overseeing audits of public companies and broker-dealers.</i>
SEC	U.S. Securities and Exchange Commission <i>Independent federal agency with primary responsibility for enforcing the federal securities laws and regulating the securities industry.</i>
SOX	Sarbanes-Oxley Act of 2002 <i>Enacted in response to highly publicized financial scandals such as Enron; sets strict standards for public company boards, managers, and accountants, including enhanced financial disclosure, limitations on conflicts of interest, and increased accountability for fraud.</i>