

**FY 2013-14: DEPARTMENT OF INSURANCE
AND FINANCIAL SERVICES**
Summary: As Passed by the Senate
Senate Bill 189 (S-1)



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	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: Senate From FY 2012-13 YTD	
						Amount	%
IDG/IDT	\$0	\$707,600	\$0	\$707,600		\$707,600	--
Federal	0	2,000,000	0	2,000,000		2,000,000	--
Local	0	0	0	0		0	--
Private	0	0	0	0		0	--
Restricted	0	61,627,900	0	61,627,900		61,627,900	--
GF/GP	0	15,000,000	0	12,000,000		12,000,000	--
Gross	\$0	\$79,335,500	\$0	\$76,335,500		\$76,335,500	--
FTEs	0.0	353.0	0.0	353.0		353.0	--

Notes: (1) FY 2012-13 year-to-date figures include mid-year budget adjustments through February 7, 2013. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as one-time. (3) Executive information in this document includes changes made by Executive Budget Revision 2014-2. (4) The House did not implement Executive Revision 2014-2 within House Bill 4328 as passed by the House.

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for licensing, evaluating, regulating, and promoting the insurance and financial industries operating within the state. DIFS is also responsible for providing consumer protection and educational services for Michigan residents by managing consumer information and inquiries and investigating consumer complaints. DIFS administers, implements, and enforces numerous state statutes pertaining to state-chartered banks, credits unions, mortgage lenders, consumer finance entities, insurance companies and agents, and health maintenance organizations. Additionally, DIFS administers the Autism Coverage Reimbursement Program created by Public Act 101 of 2012. DIFS is organized into nine principal offices: Banking, Consumer Finance, Consumer Services, Credit Unions, Insurance Evaluation, Insurance Rates and Forms, Insurance Licensing and Market Conduct, General Counsel, and Policy. DIFS was created by Executive Order 2013-1 through the transfer of the authority, powers, duties, functions, and responsibilities of the former Office of Financial and Insurance Regulation and functions of the Autism Coverage Reimbursement Program within the Department of Licensing and Regulatory Affairs.

Major Budget Changes From FY 2012-13 YTD Appropriations

1. Transfer OFIR Appropriations to DIFS

Executive transfers spending authorization and FTEs for the former Office of Financial and Insurance Regulation (OFIR) within the Department of Licensing and Regulatory Affairs (LARA) to the Department of Insurance and Financial Services (DIFS) created by Executive Order 2013-1. Executive transfers spending authorization and FTEs equivalent to the FY 2013-14 Executive Recommendation for OFIR (including overhead charges for departmental administration, rent, property management, worker's compensation, administrative hearings, and IT projects and services). House does not concur. Senate concurs.

	FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 Senate Change
FTE	N/A	347.0
Gross	N/A	\$63,627,900
Federal	N/A	2,000,000
Restricted	N/A	61,627,900

2. Transfer Autism Coverage Reimbursement Program to DIFS

Executive transfers spending authorization for the Autism Coverage Reimbursement Program (ACRP) within the Department of Licensing and Regulatory Affairs (LARA) to the Department of Insurance and Financial Services (DIFS) created by Executive Order 2013-1. Executive transfers spending authorization equivalent to the FY 2013-14 Executive Recommendation for the ACRP. House does not concur. Senate concurs in part, but reduces spending authorization by \$3.0 million from the \$15.0 million transferred by the Executive.

Gross	N/A	\$12,000,000
GF/GP	N/A	\$12,000,000

3. Appropriation IDG from LARA for Debt Management Regulation

Gross
IDG

N/A
N/A

\$707,600
707,600

Executive includes an IDG from the Department of Licensing and Regulatory Affairs (LARA), supported with revenue generated by statutory fees on individuals and entities within the financial securities industry, to reimburse the Department of Insurance and Financial Services (DIFS) for regulatory services pertaining to the Debt Management Act, 1975 PA 148. House does not concur. Senate concurs.

Major Boilerplate Changes From FY 2012-13

NOTES: (1) No boilerplate language proposed specific to FY 2014-15. (2) The section numbers referenced in this document are those assigned by the Senate, if applicable.

Various Standard Boilerplate Sections Added by Executive

Executive adds sections 201, 203, 216, 221, 223, 229, 231, 234, 21-209, 301, 801, and 802. Senate concurs in part, but does not add Sec. 21-209. House does not concur.

Various Standard Boilerplate Sections Added by Senate

Senate adds sections 202, 208, 209, 212, 215, 217, 228, 232, 1201, and 1202. House does not concur.

Sec. 301. Conservatorship and Insurance Liquidation Funds – NEW

Stipulates that funds collected by DIFS in connection with a conservatorship pursuant to section 32 of Public Act 173 or 1987 and from corporations being liquidated pursuant to Public Act 218 of 1956 shall be appropriated for expenses necessary to provide required services and shall not lapse to the general fund. Executive creates. House does not concur. Senate concurs.

Sec. 801. Autism Coverage Reimbursement Program Appropriation – NEW

Appropriates the money in the Autism Coverage Fund to be expended on the Autism Coverage Reimbursement Program as authorized by 2012 PA 101. Executive creates. House does not concur. Senate concurs.

Sec. 802. Autism Coverage Reimbursement Program Reporting Requirements – NEW

Stipulates reporting requirements pertaining to the Autism Coverage Reimbursement Program authorized by 2012 PA 101. Executive creates. House does not concur. Senate concurs.