DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 7)

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	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$763,800	$791,600	*$27,800*	*3.6*
Federal	250,000	250,000	*0*	*0.0*
Local	0	0	*0*	--
Private	0	0	*0*	--
Restricted	78,392,600	81,292,200	*2,899,600*	*3.7*
GF/GP	0	0	*0*	--
Gross	**$79,406,400**	**$82,333,800**	***$2,927,400***	***3.7***
FTEs	396.5	396.5	*0.0*	--

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for regulating and promoting the insurance and financial services industries operating within this state. The department also provides consumer protection by managing consumer information and inquiries and investigating consumer complaints. DIFS administers and enforces state statutes pertaining to state-chartered banks and credit unions; mortgage brokers, lenders, and servicers; consumer finance entities; insurance companies, agents, and products; and health maintenance organizations.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
1. Deferred Presentment Contract Increase	**Gross**	**NA**	**$1,400,000**
Includes $1.4 million in state restricted Deferred Presentment Service Transaction Fees for contractual increases to support the operation and maintenance of a deferred presentment database.	Restricted	NA	1,400,000
	GF/GP	NA	$0
2. Staffing Increase	FTE	NA	0.0
Includes $466,000 Gross ($13,000 IDG; $453,000 multiple state restricted sources) in the Consumer Services and Protection and Insurance Evaluation line items to support additional staff. Authorization to hire up to 3.0 limited-term FTEs is included in boilerplate.	**Gross**	**NA**	**$466,000**
	IDG	NA	13,000
	Restricted	NA	453,000
	GF/GP	NA	$0
3. Technical Adjustments	**Gross**	**NA**	**$0**
Includes internal FTE adjustments, funding adjustments, and fund name changes, which have no overall impact on Gross, GF/GP, or FTE position authorization. Adjustments include a transfer of 2.0 FTEs and $348,600 between four line items and renaming of three funds.	IDG	NA	6,600
	Federal	NA	0
	Restricted	NA	(6,600)
	GF/GP	NA	$0
4. Economic Adjustments	**Gross**	**NA**	**$1,061,400**
Reflects increased costs of $1.1 million Gross ($0 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	8,200
	Federal	NA	0
	Restricted	NA	1,053,200
	GF/GP	NA	$0

INSURANCE AND FINANCIAL SERVICES

Major Boilerplate Changes from FY 2025-26

Note: Deleted boilerplate section numbers are section numbers as they appear in FY 2025-26. All other boilerplate section numbers are section numbers as they appear in FY 2026-27.

GENERAL

***Sec. 204. State Administrative Board Transfers* – RETAINED (UNENFORCEABLE)**
Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 205. Internet Reporting Requirements* – REVISED**
Requires DIFS to use the internet to fulfill reporting requirements; requires e-mail transmission and internet posting of reports. Revised to add website reporting requirements from deleted Sec. 227.

***Sec. 208. Additional Expenditures Reporting* – NEW**
Requires DIFS to report on authorized expenditure of funds not appropriated in part 1, including the type, amount, and purpose of the funding; requires reporting on expenditures from the previous fiscal year and within 60 days of receiving funding this fiscal year and on anticipated expenditures in the next fiscal year; stipulates if another required report provides substantially similar information, this reporting is not required.

***Sec. 215. Access to Government Services* – DELETED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

***Sec. 219. Work Project Usage* – RETAINED (UNENFORCEABLE)**
Prohibits appropriations that have unexpended work project authorization associated with them, to the extent possible, from being expended until all existing work project authorization for the same purpose is exhausted. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 221. E-Verify Requirement* – DELETED**
Requires DIFS to require contractors and subcontractors to use the E-Verify system to verify that all persons hired during the contract term are legally present and authorized to work in the United States; authorizes the department to verify the information directly or receive certification from the contractor; requires DIFS to submit a report describing the processes it develops and implements; defines E-Verify.

***Sec. 222. Communication with the Legislature* – RETAINED (UNENFORCEABLE)**
Prohibits DIFS from taking disciplinary action against department employees for communicating with members of the legislature or legislative staff unless the communication is prohibited by law and DIFS is exercising its authority. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 223. In-Person Work* – REVISED**
Requires DIFS to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher. Revised to require the Office of the State Employer to create and implement an occupancy utilization uniform policy on occupancy utilization and in-person and remote work.

***Sec. 226. Report on Federal Policy Changes* – REVISED**
Requires DIFS to report on federal policy changes that are expected to affect department operations, affect groups the department engages with, or create a regulatory gap. Revised to require reporting on federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, which do or are expected to significantly impact DIFS operations or impede DIFS' ability to safeguard health or welfare of the public.

***Sec. 227. Website Reporting* – DELETED**
Requires DIFS to make required reports readily accessible to the public and conspicuously posted in a single archivable location on the department's website; requires DIFS to maintain reports from previous fiscal years in the same archivable location.

***Sec. 227. Legislatively Directed Spending Items* – REVISED**
Requires the legislature to provide DIFS and the state budget director with a list of legislatively directed spending items; provides requirements for the administration of grants; provides requirements for grant agreements; requires grant recipients to respond to reasonable information requests; provides deadline for grant expenditure; requires DIFS to post information about grant recipients on its website. Revised to require House/Senate to provide SBO a jointly agreed upon list of legislatively directed spending items within 30 days of enactment of the budget; requires DIFS to post a report on March 15 and to update the report on June 15 and September 15.

Major Boilerplate Changes from FY 2025-26

***Sec. 228. State Fiscal Recovery Fund Expenditure* – NEW**
Requires state budget director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026 and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

***Sec. 229. State Fiscal Recovery Fund Reallocation* – NEW**
Authorizes state budget director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires state budget director to notify HAC/SAC not later than 10 days after reallocating funds.

***Sec. 230. Severance Pay* – NEW**
Requires DIFS to report on severance pay agreed to for a director or other high-ranking official not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of DIFS employees receiving severance pay in FY 2025-26; defines severance pay.

***Sec. 231. Precontract Risk Assessment Program* – NEW**
Requires DIFS to establish a policy for conducting precontract risk assessments; requires report on assessments implemented and used to evaluate contractors.

GENERAL – DIFS

***Sec. 251. Insurance Bureau Fund Use* – DELETED**
Authorizes Insurance Bureau Fund appropriations for use to support legislative participation in insurance activities coordinated by insurance and legislative associations, in accordance with Insurance Code of 1956.

***Sec. 252. Television and Radio Expenditure Report* – DELETED**
Requires DIFS to report any expenditure of funds to a third-party vendor for television or radio productions; specifies information to be included.

INSURANCE AND FINANCIAL SERVICES REGULATION

***Sec. 304. Annual Reports Transmission* – DELETED**
Requires DIFS to electronically transmit the annual report required under the Insurance Code of 1956 and the Banking Code of 1999.

***Sec. 306. Automobile Insurance Rate Filings Report* – DELETED**
Requires DIFS to report on filings received from auto insurers in the previous calendar year, including the number of auto insurance rate filings received, the average number of days to process filings, and the number of objections issued.

***Sec. 307. Customer Service Outreach and Education* – REVISED**
Requires DIFS to have at least 1.0 FTE to provide outreach and education and be trained to assist catastrophic accident survivors; requires DIFS to report on the number of consumers assisted, number of complaints received, number of utilization orders issued, and the number that upheld and reversed the insurer's decision. Revised to instead require at least 1.0 FTE to provide assistance in understanding automobile insurance coverage and options and to develop referral partnerships with community-based organizations; modify report requirements.

***Sec. 308. Consumer Services and Protection* – NEW**
Allows DIFS to use appropriated funds to hire up to 2.0 limited-term FTEs to support PRIRA appeal reviews and consumer complaint reviews and evaluations.

***Sec. 309. Insurance Evaluation* – NEW**
Allows DIFS to use appropriated funds to hire up to 1.0 limited-term FTE to support data review and analysis.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Deferred Presentment Contract Increase	**Gross**	**$1,400,000**
Includes $1.4 million in state restricted Deferred Presentment Service Transaction Fees for contractual increases to support the operation and maintenance of a deferred presentment database.	Restricted	1,400,000
	GF/GP	$0