

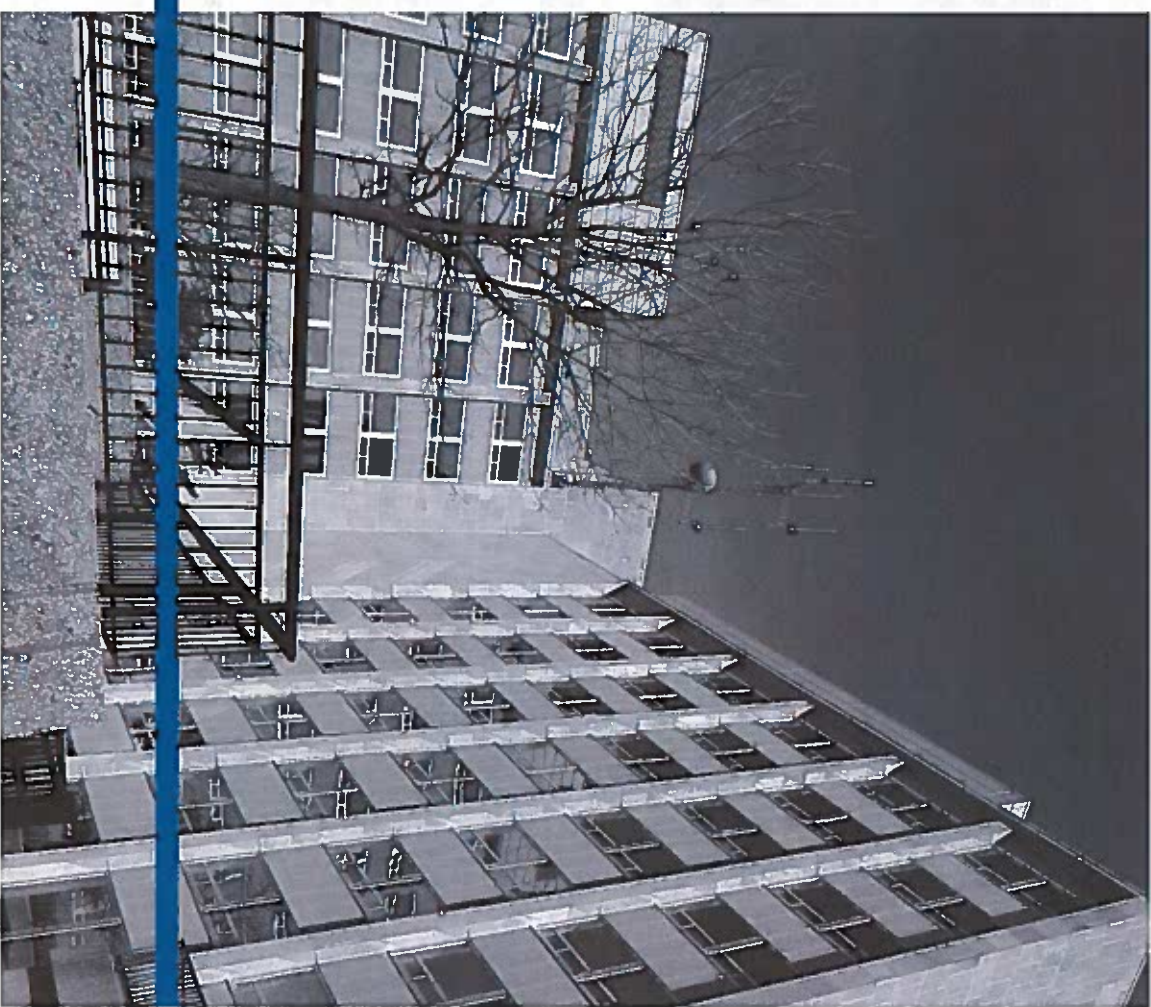


DIFS DEPARTMENT OF
INSURANCE AND
FINANCIAL SERVICES

Who We Are

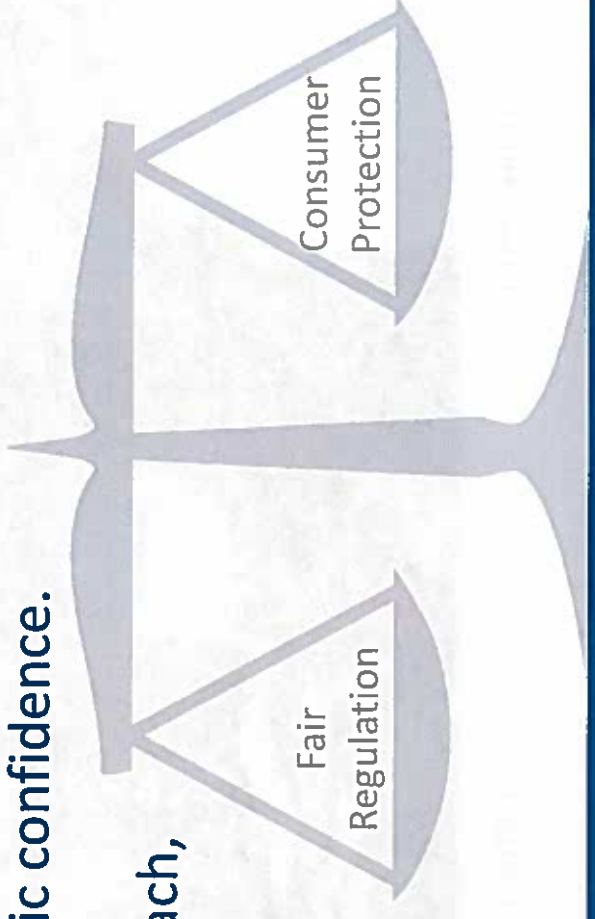
The Department of Insurance and Financial Services (DIFS) regulates Michigan's financial service industry.

We are fee-funded and do not require public tax dollars to operate.



Our Mission

- The mission of the Department of Insurance and Financial Services (DIFS) is to provide a business climate that promotes economic growth while ensuring that the insurance and financial services industries are safe, sound, and entitled to the public confidence.
- Provide consumer protection, outreach, and education services to Michigan citizens.



Our Mission (cont.)



Consumer Protection



Consumer Outreach



Financial Education



DIFS Regulates

Insurance:

- Insurance Companies
- HMOs
- Insurance Agencies
- Insurance Agents
- Adjusters
- Third Party Administrators (TPAs)
- Nonprofit Dental Care Corporations (Delta Dental)

Consumer Finance:

- Debt Management Companies
- Loan Officers
- Mortgage Companies
- Motor Vehicle Sales/Financing
- Deferred Presentment Companies (Payday Lending)

Financial Institutions:

- State-Chartered Banks
- State-Chartered Credit Unions



DIFS Does NOT Regulate

- Federally-Chartered Banks
- Federal Savings Associations
- Bank Holding Companies
- Banks Chartered By Other States
- Federally-Chartered Credit Unions
- Debt Settlement Companies
- Mortgage Modification Companies
- Securities*



History & Overview of DIFS

- Executive Order of Governor John Engler created the Office of Financial and Insurance Services (OFIS), combining insurance and financial services.
- 2000 – 2013 OFIS/OFIR operated as an agency under the department of CIS/DLEG/DELEG/LARA



**Executive Order 2013-1 established DIFS – formerly
Office of Financial and Insurance Regulation (OFIR).**

“Insurance and financial service businesses are a vital part of the overall economic health of Michigan. By establishing a new department dedicated to industry sustainability, it further emphasizes the commitment to removing red tape from economic growth in Michigan.”

-Governor Rick Snyder



History & Overview of DIFS

- Recognizes industries' importance to Michigan's economic success.
 - Employs 155,000 Michigan residents, generating almost \$10 billion in payroll.
- As a department, DIFS will provide more emphasis on promoting economic growth within insurance and financial services industries.



History & Overview of DIFS

- Over 330 employees
- DIFS' operations require no general fund dollars



History & Overview of DIFS

- Chief Deputy Director: Teri Morante
 - Office of Financial and Administrative Services
 - Office of Consumer Services
 - Legislative Liaison
- Senior Deputy Director: Judy Weaver
 - Office of Insurance Evaluation
 - Office of Banking
 - Office of Credit Unions
- Senior Deputy Director: Rhonda Fossitt
 - Office of Insurance Rates and Forms
 - Office of Insurance Licensing and Market Conduct
 - Office of Consumer Finance
- General Counsel: Randy Gregg



DIFS Website

- Consumer information
- Publications
- Legal actions
- Access to insurance statutes, bulletins, etc.
- Health Insurance page
- Licensee locators

Website: <http://www.michigan.gov/difs>



Legislative Liaison

Policy and Legislation:

Pat McPharlin
Director

(517) 284-8658

mcpfarlin@michigan.gov

Teri Morante

Chief Deputy Director

(517) 284-8671 (ofc.)

morantet@michigan.gov

Chad Arnold

Insurance

(517) 284-8685 (ofc.)

(517) 599-7108 (cell)

arnoldc1@michigan.gov

Jenita Moore

Financial Services

(517) 284-8669 (ofc.)

(517) 490-7593 (cell)

moorej5@michigan.gov

Constituent Inquiries:

Cathy Kirby, Director
Office of Consumer Services
(517) 284-8784
kirbyc@michigan.gov



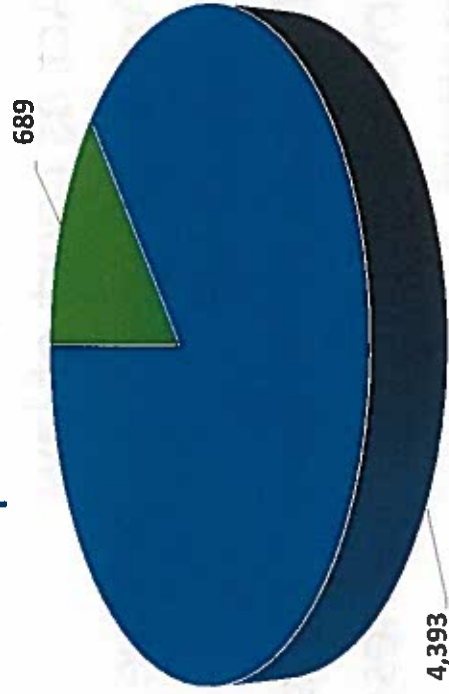
DIFS Office of Consumer Services

- Consumer assistance activities (complaint handling)
- Call Center
- Investigations of insurance entities
- Department's website and social media channels
- Consumer Outreach Program (Free Educational Workshops)
 - Insurance
 - Money Management (Securing Mi Financial Future)
 - Banking
 - Credit & Debt
 - Consumer Protection



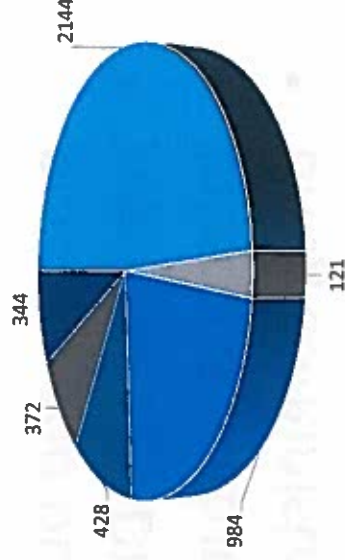
Working for Michigan Consumers

- In 2016, DIFS responded to more than 5,000 consumer complaints!

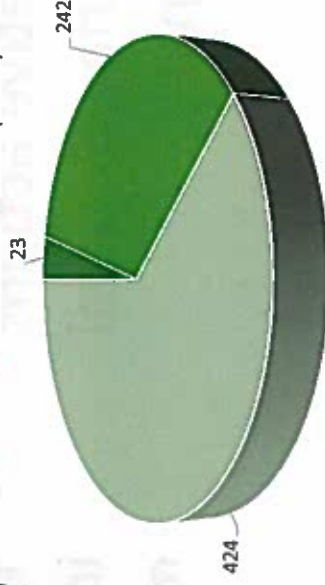


■ Financial Institutions ■ Insurance

Insurance
■ Accident and Health ■ Annuity ■ Auto ■ Homeowners ■ Life ■ Other



Financial Institutions
■ Banks ■ Credit Unions ■ Non-Depository



As of December 31, 2016



What DIFS Can/Cannot Do

CAN

- Investigate complaints against persons and business entities regulated by DIFS
- Interpret statute
- Bring administrative actions or refer to Attorney General for civil or criminal prosecution

CANNOT

- Determine questions of fact
- Act as court of law
- Act as an attorney or give legal advice
- Take action on complaints involving internal business matters

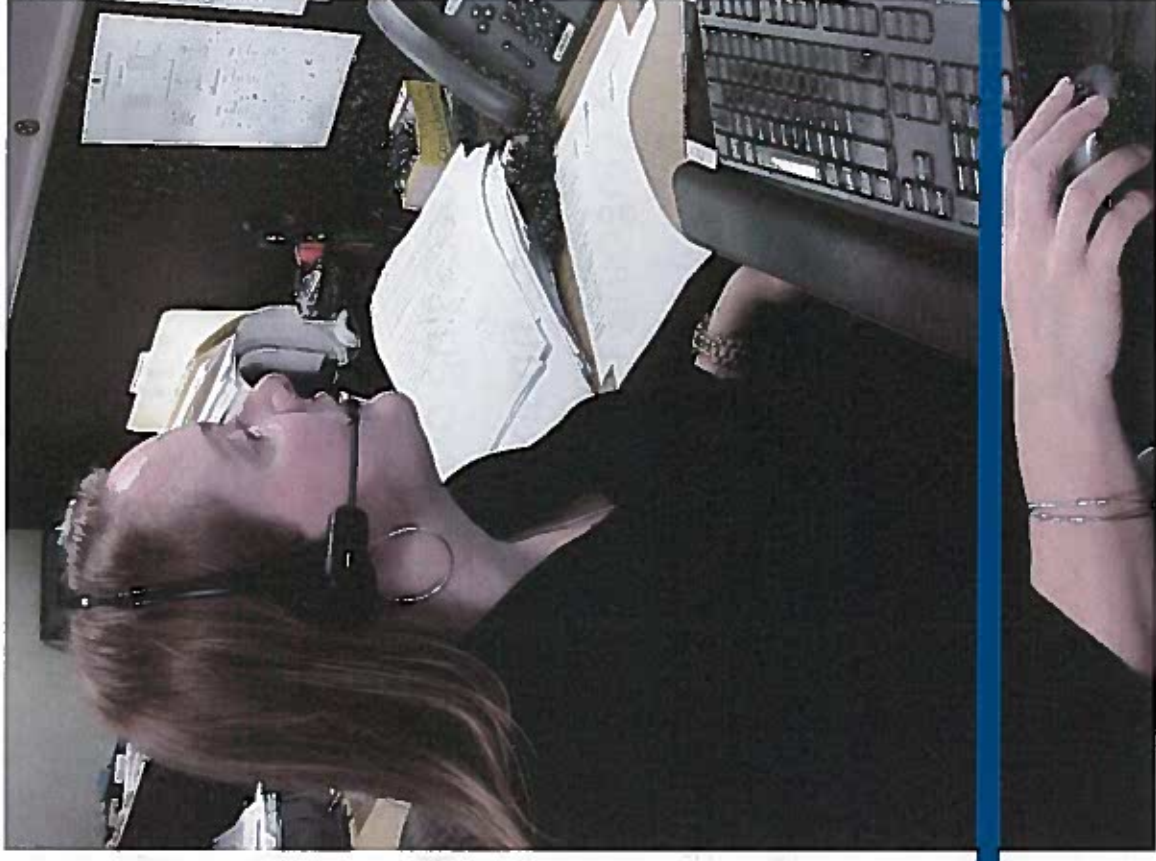


DIFS' Regulated Entities and You

Everyday DIFS' regulated entities have an impact on your life. When you have questions, DIFS has answers!

Call us toll free at 877-999-6442

**Or visit our website at
www.Michigan.gov/DIFS**



Office of Insurance Evaluation

Responsible for the financial condition of risk-bearing insurance entities.

- Processing of applications for licensure
- On-site financial examination
- Ongoing financial monitoring
- Working with insurers to correct negative trends
- License, monitor, and examine captive insurers.



Office of Insurance Licensing and Market Conduct

- Licensing
 - Individual and agency insurance producers (agents), solicitors, counselors, adjusters, premium finance companies, foreign risk retention groups, purchasing groups, reinsurance intermediaries, and third party administrators
- Market Conduct
 - Market conduct examinations of insurers and audits of insurance agencies/agents
 - Monitoring of all surplus lines tax filings and payments



Office of Rates and Forms

- Reviews insurance policy forms and rates for compliance with state and federal statutory requirements
- Two areas
 - Property & Casualty
 - Life & Health



Property & Casualty

- Personal Lines
 - Homeowners
 - Automobile
 - Umbrella
- Commercial Lines
 - Workers' Compensation
 - Automobile
 - Commercial Multi-Peril
 - Property-General Liability



Health: Medical & Dental

- Health
 - Individual
 - Small Group
 - Large Group
- Regulation
 - Michigan Insurance Code
 - Federal Regulation
 - ACA
 - Mental Health Parity & Addiction Equity Act



This is Not Us

- Medicaid (DHHS)
- Self-Insurance (DOL)
- Medicare Advantage (Federal)



Regulate Insurance Industry

- Two-way communication
- Send out frequent communication & guidance
 - Bulletins
 - State Messages
 - Emails
- Meet on regular basis



QUESTIONS?



www.michigan.gov/DIFS

877-999-6442



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MIDIFS

