



**DIFS**  **DEPARTMENT OF  
INSURANCE AND  
FINANCIAL SERVICES**



# Getting to know DIFS

# Mission

**To ensure access to safe and secure insurance and financial services fundamental for the opportunity, security, and success of Michigan residents, while fostering economic growth and sustainability in both industries.**





# Consumer Protection Outreach Education



# Regulation



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# Insurance Regulation

- Insurance Companies
- HMOs
- Third Party Administrators
- Dental Insurers
- Nonprofit Dental Corporations
- Self-funded Multiple Employer Welfare Arrangements (MEWAs)



# Financial Services Regulation



## Financial Institutions

- State Chartered Banks
- State Chartered Credit Unions

## Consumer Finance

- Debt Management Companies
- Mortgage Companies
- Motor Vehicle Sales/Financing
- Deferred Presentment Companies





# Regulation (cont.)

## Licenses

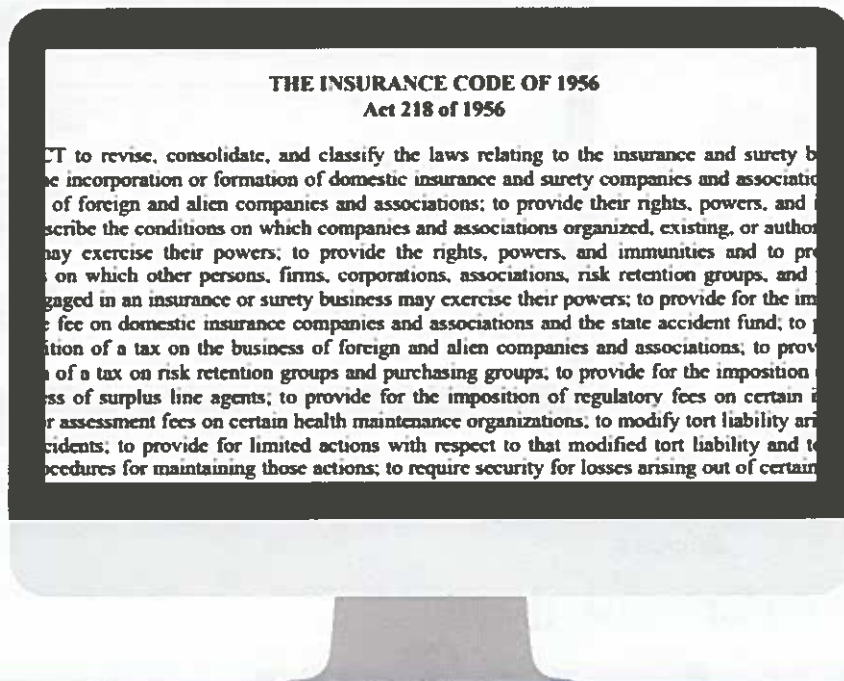
- Producers (Agents)
- Agencies
- Counselors
- Adjusters
- Solicitors
- Mortgage Brokers, Lenders, and Servicers
- Loan Officers





# Regulation Authority

Multiple state and federal statutes



<a href="#">Contracts with State and Local Government subject to Patient's Right to Independent Review</a>	495 of 2006
<a href="#">Coordination of Benefits Act</a>	64 of 1984
<a href="#">Credit Insurance Act</a>	173 of 1958
<a href="#">Emergency Insurance Legislation</a>	66 of 1933
<a href="#">Health Benefit Agent Act</a>	252 of 1986
<a href="#">Indemnification Reserve Fund Act</a>	315 of 1977
<a href="#">Insurance Code of 1956</a>	218 of 1956
<a href="#">Intergovernmental Contracts between Municipal Corporations</a>	35 of 1951
<a href="#">Interstate Insurance Product Regulation Compact</a>	679 of 2006
<a href="#">Non-Profit Dental Care Corporations</a>	125 of 1963
<a href="#">Nonprofit Health Care Corporation Reform Act</a>	350 of 1980
<a href="#">Office Agent: Set-Off For Damages</a>	143 of 1935
<a href="#">Patient's Right to Independent Review Act</a>	251 of 2000
<a href="#">Prudent Purchaser Act</a>	233 of 1984
<a href="#">Public Employees Health Benefit Act</a>	106 of 2007
<a href="#">Third Party Administrator Act</a>	218 of 1984
<a href="#">Viatical Settlement Contracts</a>	386 of 1996
<a href="#">Worker's Disability Compensation Act of 1969</a>	317 of 1969



# Regulation Authority

## Multiple state and federal statutes

### Banking

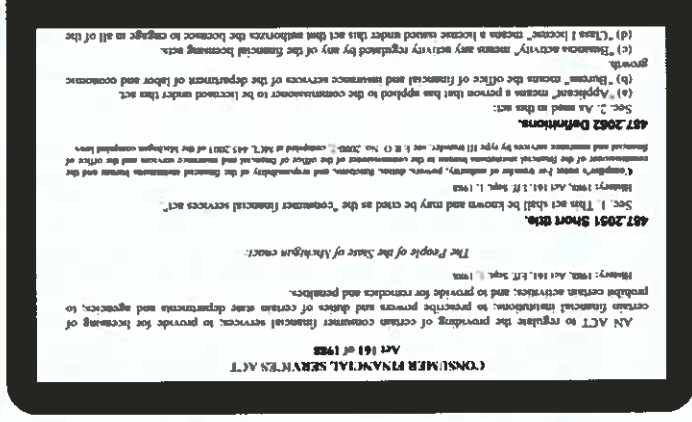
- Banking Code of 1999
- Collective Investment Funds Act
- Electronic Funds Transfer Act
- Michigan BIDCO Act
- Savings Bank Act

### Credit Union

- Credit Union Act
- Act No. 41 of the Public Acts of 1968, as amended, being Section 490,51 et seq. of the Michigan Compiled Laws (governing Credit Union Multiple-Party Accounts);
- Act No. 31 of the Public Acts of 1992, as amended, being Section 490,81 et seq. of the Michigan Compiled Laws (governing Beneficiary Accounts in Credit Unions).

### Consumer Finance

- Consumer Financial Services Act
- Consumer Mortgage Protection Act
- Mortgage, Brokers, Lenders, and Servicers Licensing Act
- Motor Vehicle Sales Finance Act
- Regulatory Loan Act of 1963
- Secondary Mortgage Loan Act
- Credit Card Arrangements
- Credit Reform Act
- Debt Management Act
- Deferred Presentment Service Transactions Act
- Guaranteed Asset Protection Waiver Act
- Act 135 of the Public Acts of 1977, as amended, being Section 445,1601 et seq. of the Michigan Compiled Laws (governing Mortgage Lending Practices).
- Mortgage Loan Originator Licensing Act
- Money Transmission Services Act



# Model Laws

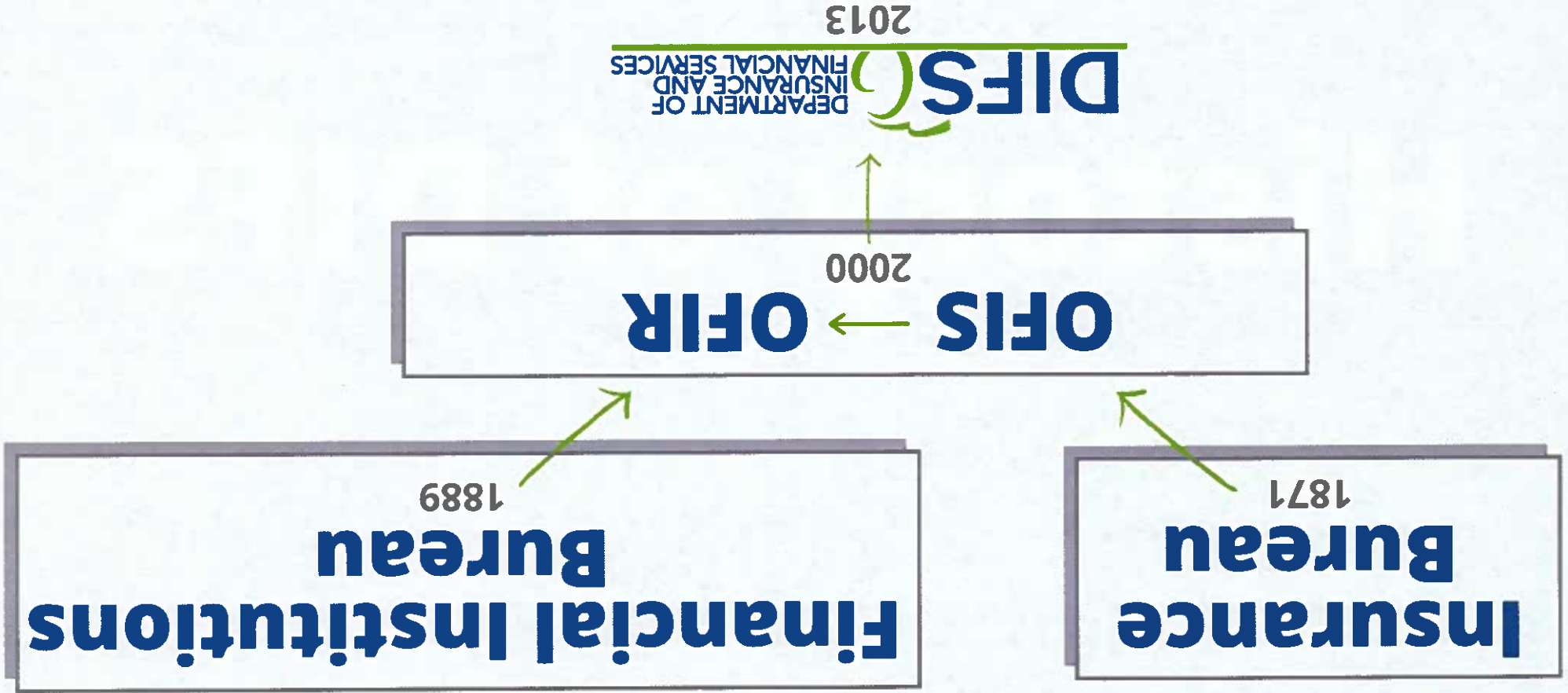
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A Brief  
**History of DIFS**





# Office of Consumer Services

- Consumer assistance activities (complaint handling)
  - Insurance Unit
  - Consumer Finance Unit
- Call Center





Phone Calls Answered in 2022

125,125



**8,517**

**Complaints Handled in 2022**



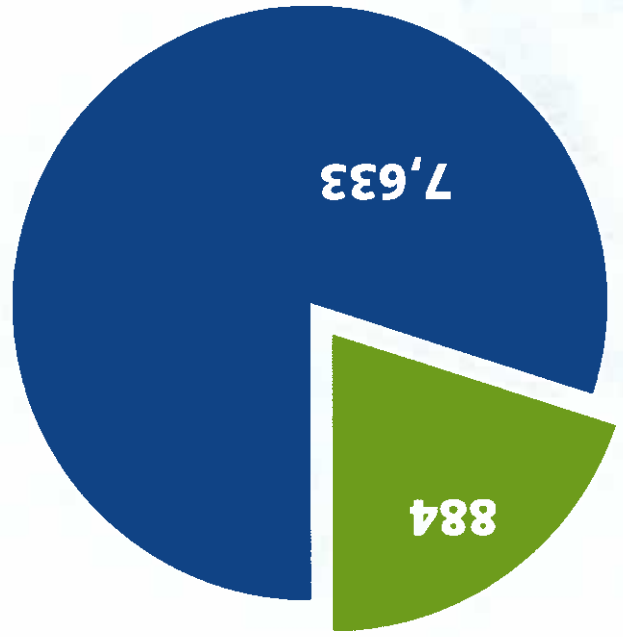


**2022**

- 8,517 Complaints
- 3,611 Written Inquiries

# Complaint Breakdown

■ Financial Institutions  
■ Insurance



**\$26 Million**

**Recovered for Michigan Residents**





# What Types of Assistance Can DIFS Provide?

## Yes

- Review complaints against persons and business entities regulated by DIFS
- Review policy language and applicable statutes

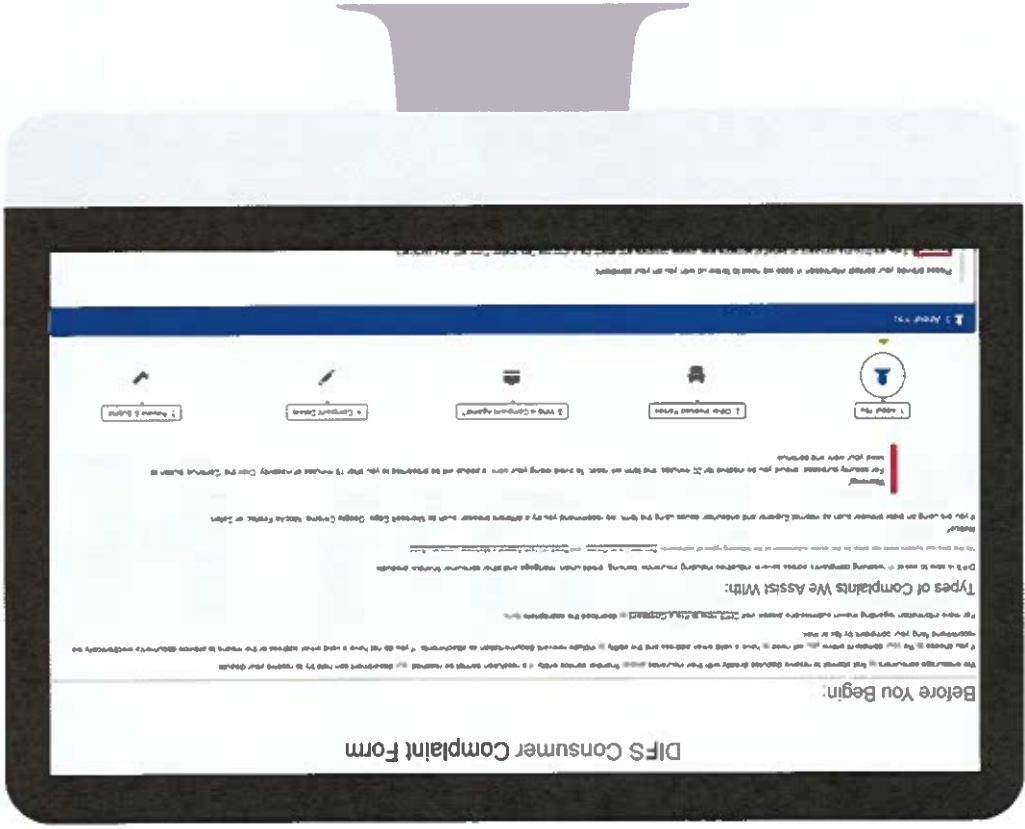
## No

- Act as a court of law
- Act as an attorney or give legal advice
- Take action in contractual matters involving businesses
- Workers' Compensation, UIA, Medicaid, Treasury (Unclaimed Property), policies/properties in another state, or pensions



# DIFS Can Help





# DIFS Consumer Complaint Form

# Office of Insurance, Financial, and Market Regulation

Responsible for monitoring  
and pursuing any market  
conduct issues.





# Market Regulation



# Office of Insurance Licensing, Investigations, and Audits





# Licensing

- Individual and Agency Insurance Producers (Agents)
- Solicitors
- Counselors
- Adjusters
- Premium Finance Companies
- Foreign Risk Retention Groups
- Purchasing Groups
- Reinsurance Intermediaries
- Third Party Administrators
- Pharmacy Benefits Managers (PBMs) (effective 2024)

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**452,308**

**Licensees**





License Type	Number
Resident Producer	64,570
Non Resident Producer	327,479
Resident Surplus Lines Producer	382
Non Resident Surplus Lines Producer	2,240
Business Entry Resident Producer	8,443
Business Entry Non Resident Producer	14,782
Business Entry Resident Surplus Lines Producer	172
Business Entry Non Resident Surplus Lines Producer	804
Resident Adjuster for the Insured	155
Non Resident Adjuster for the Insured	147
Resident Insurance Adjuster (Independent)	2,136
Non Resident Insurance Adjuster (Independent)	27,276
ADHS Non Resident Insurance Adjuster	35
Resident Counselor	696
Non Resident Counselor	47
Resident Solicitor	853
Non Resident Solicitor	1
Third Party Administrators	454
Foreign Risk Retention Groups	101
Purchasing Groups	260
Reinsurance Intermediaries	22
Premium Finance Companies	43
Continuing Education Instructor	3,470
Pre-Licensing Education Instructor	114
<b>TOTAL LICENSEES</b>	<b>454,682</b>

# License Type







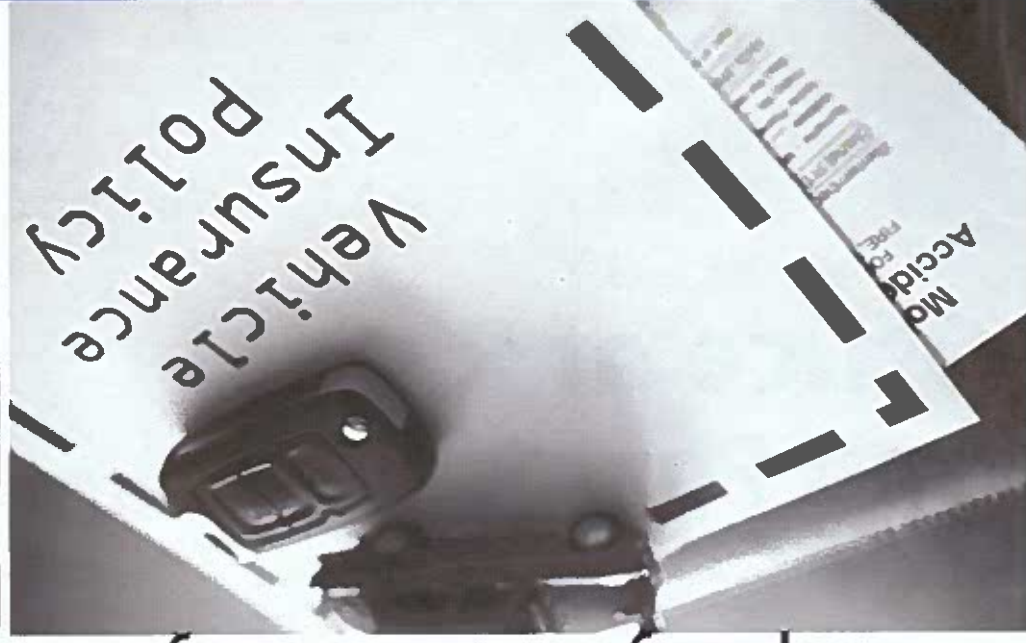


# Two Areas of Focus

Life and Health



Property and Casualty



# Property and Casualty

## Personal Lines:

- Automobile
- Homeowners
- Umbrella

## Commercial Lines:

- Workers' Compensation
- Automobile
- Commercial Multi-Peril
- Property-General Liability





# Life and Health

Life and Annuities

Health

- Individual
- Small Group
- Large Group

Applicable Regulations

- Insurance Code
- Affordable Care Act
- Mental Health Parity and Addiction Equity Act



# Only a Limited Role in the Review of:

- Medicaid HMOs
- Medicare Advantage
- Self-Insured Plans (US Department of Labor)

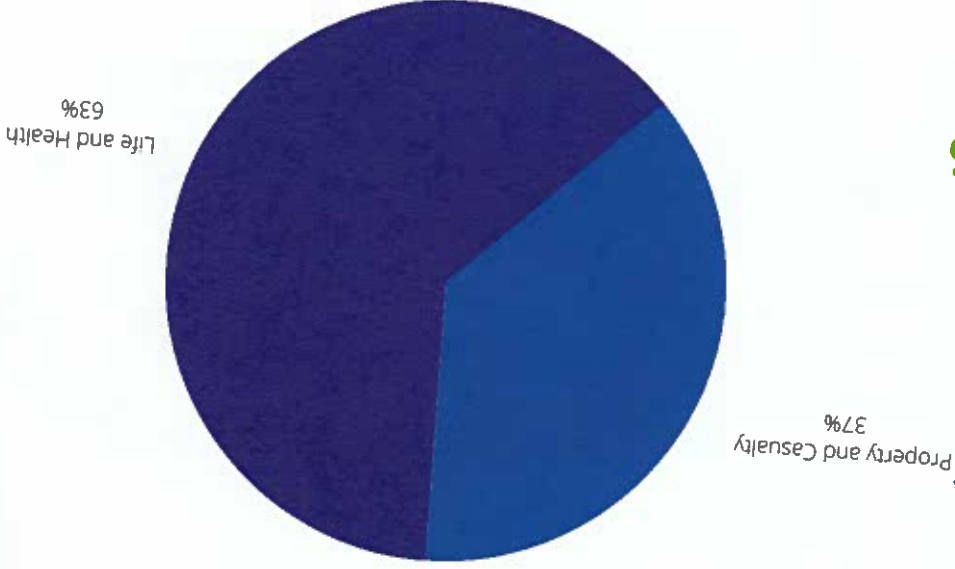




# Filings Reviewed

## Total Filings Reviewed in 2022 - 4,585

- Life and Health Filings - 2,888
  - Includes 26 individual/small group ACA
  - Includes 21 Stand Alone Dental Plans
- Property and Casualty Filings - 1,697
  - Includes 99 No Fault filings





# Office of Banking



# Office of Credit Unions

Responsible for the regulation, examination and supervision of Michigan state-chartered credit unions (not-for-profit cooperative financial institutions). Dedicated to maintaining the public confidence in Michigan state-chartered credit unions, and to ensuring Michigan state-chartered credit unions provide safe, sound, and reliable financial services to their members.



CREDIT UNION





# Office of Consumer Finance

Licensed as of 2/3/2023

## Mortgage Programs

- Mortgage Brokers, Lenders & Servicers Licensing Act, 1987 PA 173 .....1,301
- Secondary Mortgage Loan Act, 1981 PA 125 ..... 464
- Mortgage Loan Originator Licensing Act, 2009 PA 75..... 15,641

## Other Consumer Finance Programs

- Credit Card Arrangements Act, 1984 PA 379 ..... 1
- Debt Management Act, 1975 PA 148 ..... 28
- Deferred Presentment Service Transactions Act, 2005 PA 244 ..... 233
- Money Transmission Services Act, 2006 PA 250..... 184
- Motor Vehicle Sales Finance Act, 1950 PA 27..... 2,263
- Regulatory Loan Act, 1939 PA 21..... 106
- Consumer Financial Services Act, 1988 PA 161 (Omnibus Statute)..... 5



# Office of Consumer Finance



## Lending Activity Through Q3 with Volume 2022 (brokers not included)

Total Loan through Q3	97,624
Total Loan Volume	\$20,148,000,790
Average Loan Amount	\$206,384
Deferred Presentment	
Total Volume	1,242,943
Total Advance Amount	\$610,509,982
Average Advance Amount	\$491.18





Michigan.gov/DIFSOpenAccount  
Find an account today at

Take the **first step**  
toward reaching a  
secure financial future!



# Fraud Investigation Unit

Chapter 63 of the Insurance Code creates the FIU as a criminal justice agency within the Department of Insurance and Financial Services.



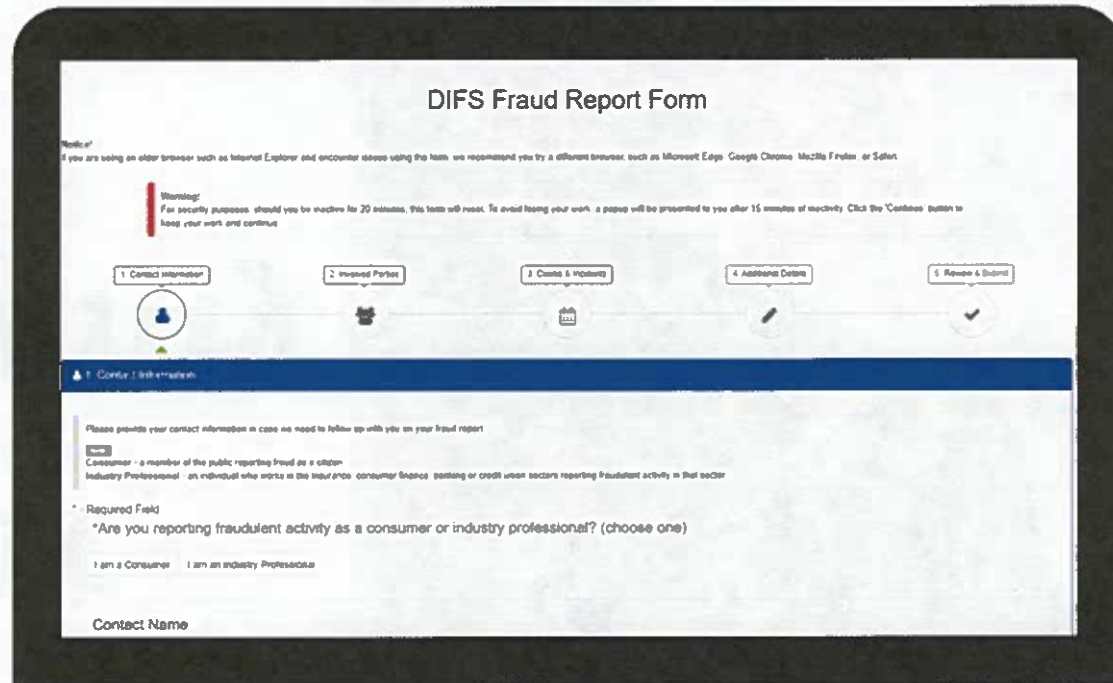


# Insurance Fraud Taskforce

- DIFS' FIU
- Attorney General
- Michigan State Police



# DIFS Online Fraud Report Form



The screenshot shows the 'DIFS Fraud Report Form' interface. At the top, it says 'DIFS Fraud Report Form'. Below that, there is a 'Notice' section with a warning icon and text: 'If you are using an older browser such as Internet Explorer and encounter issues using the form, we recommend you try a different browser, such as Microsoft Edge, Google Chrome, Mozilla Firefox, or Safari.' A 'Warning!' section follows, stating: 'For security purposes, should you be inactive for 20 minutes, this form will reset. To avoid losing your work, a popup will be presented to you after 15 minutes of inactivity. Click the "Continue" button to keep your work and continue.' A progress bar with five steps is shown: 1. Contact Information (selected), 2. Incident Details, 3. Claims & Inquiries, 4. Additional Details, and 5. Review & Submit. Below the progress bar, a blue header reads '1. Contact Information'. The main content area contains the text: 'Please provide your contact information in case we need to follow up with you on your fraud report.' Below this, there are definitions for 'Consumer' and 'Industry Professional'. A 'Required Field' section asks: '\*Are you reporting fraudulent activity as a consumer or industry professional? (choose one)'. There are two radio buttons: 'I am a Consumer' and 'I am an Industry Professional'. At the bottom, there is a text input field labeled 'Contact Name'.

[Michigan.gov/ReportFraud2DIFS](https://Michigan.gov/ReportFraud2DIFS)







# Innovation Talent Economy

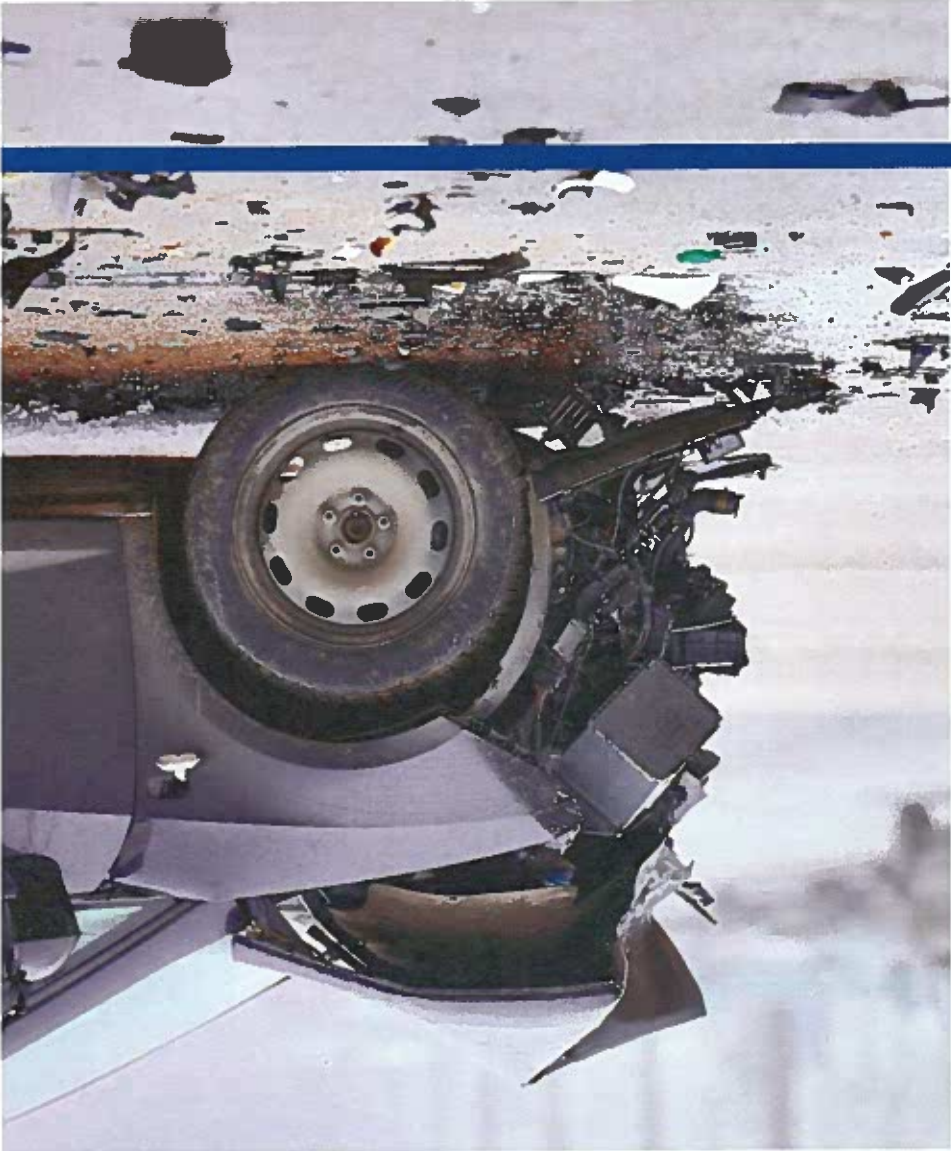


# COVID-19 Consumer Relief





# Auto Insurance Reform



# Implementation and Education



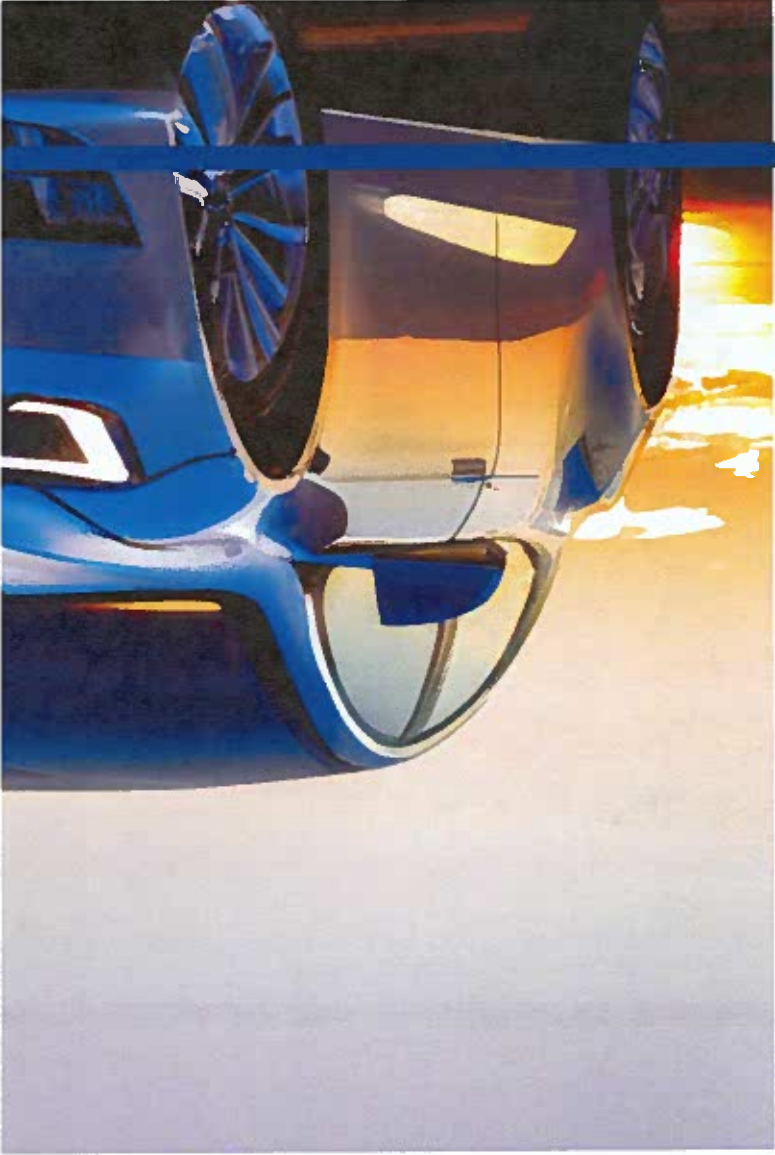




# Key changes

- Provides drivers with a choice on the level of medical coverage
- Lowers costs while maintaining the highest benefits in the nation
- Increases consumer protections

Most changes took effect for policies issued or renewed after July 1, 2020.



# PIP Medical Coverage: Your Choices

## PIP Medical Coverage Levels Available to Michigan Drivers:

- Unlimited coverage per person per accident
- Up to \$500,000 in coverage per person per accident
- Up to \$250,000 in coverage per person per accident
- Up to \$50,000 in coverage per person per accident (Medicaid)
- Medical PIP opt-out (Medicare)





# Lower Costs, Maintains Benefits

## PIP Rate Reductions - July 2, 2020

- Unlimited PIP Option - avg. 10% reduction
- \$500k PIP Option - avg. 20% reduction
- \$250k PIP Option - avg. 35% reduction
- \$50k PIP Option - avg. 45% reduction





# Lower Costs, Maintains Benefits

## Other Cost Reduction Methods:

- Fee schedule (after July 1, 2021)
- Michigan Catastrophic Claims Association (MCCA) Assessment

# Increased Consumer Protections

- Elimination of Certain Non-Driving Factors
- Fraud Investigation Unit
- Prior Approval
- Fines and Penalties



# Support for Consumers

- [Michigan.gov/AutoInsurance](http://Michigan.gov/AutoInsurance)
- [AutoInsurance@michigan.gov](mailto:AutoInsurance@michigan.gov)
- 833-Ask-DIFS







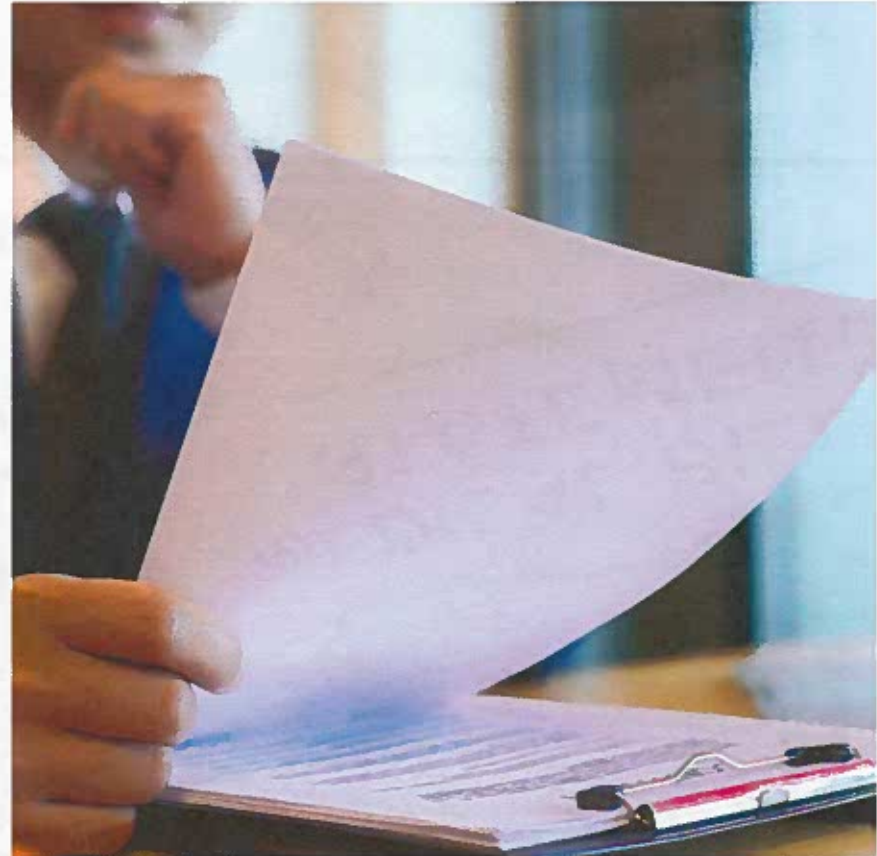
# Health Care Access and Coverage





# Patient's Right to Independent Review Act (PRIRA)

Mich. Comp. Laws 500.1901- 500.1929





# Surprise Medical Billing Act

Mich. Comp. Laws 333.24501 to 333.24517

# Pharmacy Benefit Manager (PBM) Licensure and Regulation

Mich. Comp. Laws 550.811 to 550.845





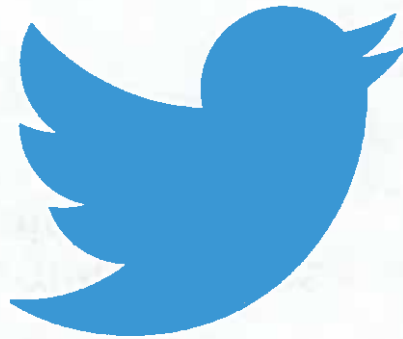
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Michigan Department of  
Insurance and Financial Service



@MichiganDIFS







# Key Legislative Contacts

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