



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, and Education

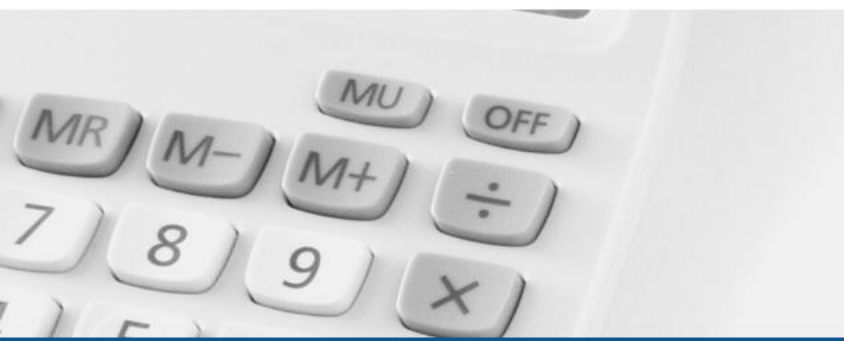




- **Innovation**
- **Talent**
- **Economy**



Regulation



Financial Services Regulation



Financial Institutions

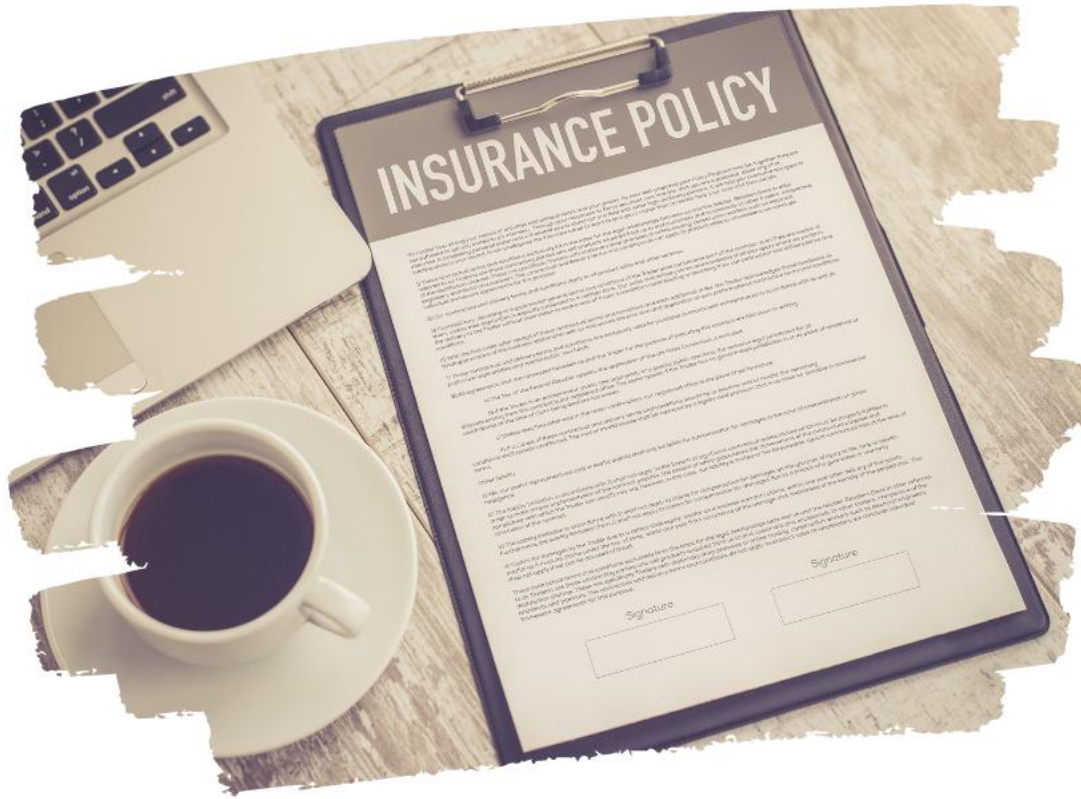
- State Chartered Banks
- State Chartered Credit Unions

Consumer Finance

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



Insurance Regulation



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



Regulation (cont.)



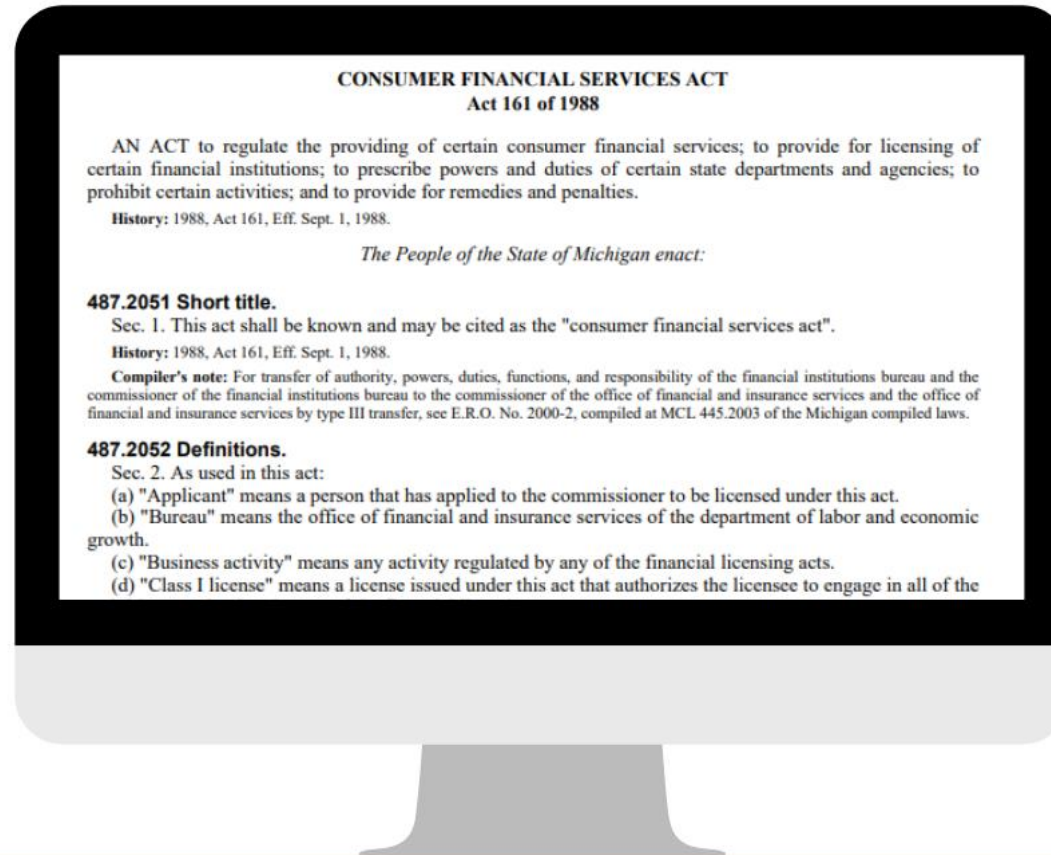
Licensees

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



Regulation Authority

Multiple state and federal statutes



CONSUMER FINANCIAL SERVICES ACT
Act 161 of 1988

AN ACT to regulate the providing of certain consumer financial services; to provide for licensing of certain financial institutions; to prescribe powers and duties of certain state departments and agencies; to prohibit certain activities; and to provide for remedies and penalties.

History: 1988, Act 161, Eff. Sept. 1, 1988.

The People of the State of Michigan enact:

487.2051 Short title.

Sec. 1. This act shall be known and may be cited as the "consumer financial services act".

History: 1988, Act 161, Eff. Sept. 1, 1988.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.

487.2052 Definitions.

Sec. 2. As used in this act:

- (a) "Applicant" means a person that has applied to the commissioner to be licensed under this act.
- (b) "Bureau" means the office of financial and insurance services of the department of labor and economic growth.
- (c) "Business activity" means any activity regulated by any of the financial licensing acts.
- (d) "Class I license" means a license issued under this act that authorizes the licensee to engage in all of the





**Financial
Solvency**

**Operational
Compliance**

**Consumer
Protection**



A Brief

History of DIFS



**Insurance
Bureau**

1871

**Financial Institutions
Bureau**

1889

OFIS → OFIR

2000

DIFS  DEPARTMENT OF
INSURANCE AND
FINANCIAL SERVICES

2013



Office of Consumer Services

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



82,900

Phone Calls Answered in 2020



5,935

Complaints Handled in 2020

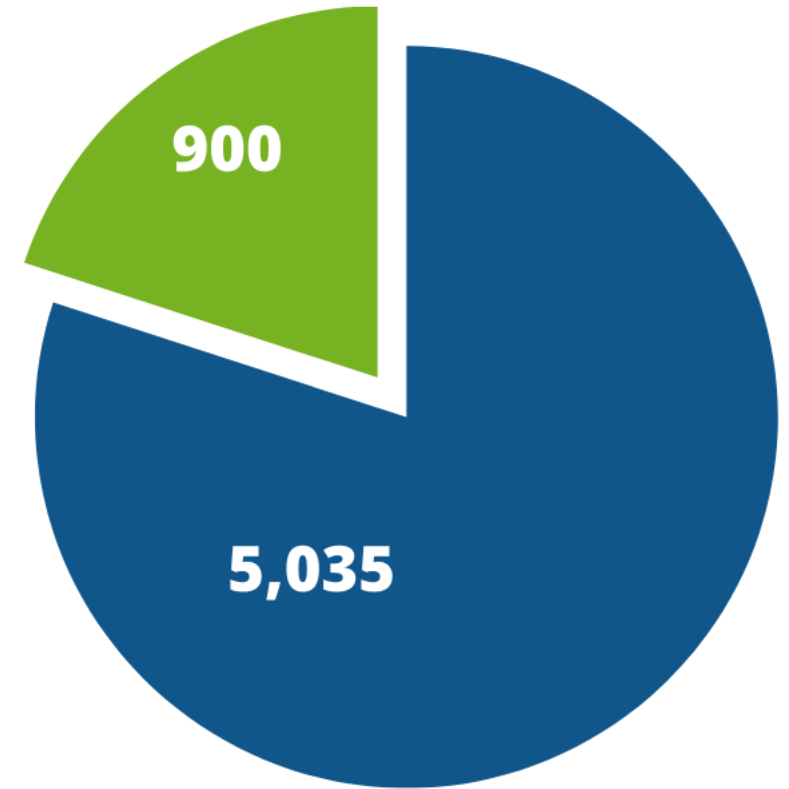


2020

- 5,935 Complaints
- 3,900 Written Inquiries

Complaint Breakdown

- Financial Institutions
- Insurance



\$8.2 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, pensions



DIFS Can Help



Office of Banking



Office of Credit Unions



Office of Consumer Finance



Office of Consumer Finance

Mortgage Programs

Licensed as of 2/5/2021

- Mortgage Brokers, Lenders & Servicers Licensing Act, 1987 PA 173 954
- Secondary Mortgage Loan Act, 1981 PA 125 302
- Mortgage Loan Originator Licensing Act, 2009 PA 75..... 16,154

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 244 441
- Money Transmission Services Act, 2006 PA 250..... 137
- Motor Vehicle Sales Finance Act, 1950 PA 27.....2,255
- Regulatory Loan Act, 1939 PA 21..... 84
- Consumer Financial Services Act, 1988 PA 161 (Omnibus Statute)..... 4



Office of Consumer Finance



Lending Activity Through Q3 with Volume 2020 (brokers not included)

| | |
|-----------------------|------------------|
| Total Loan through Q3 | 163,488 |
| Total Loan Volume | \$30,845,291,836 |
| Deferred Presentment | |
| Total Volume | 1,241,408 |
| Total Advance Amount | \$579,553,413.76 |

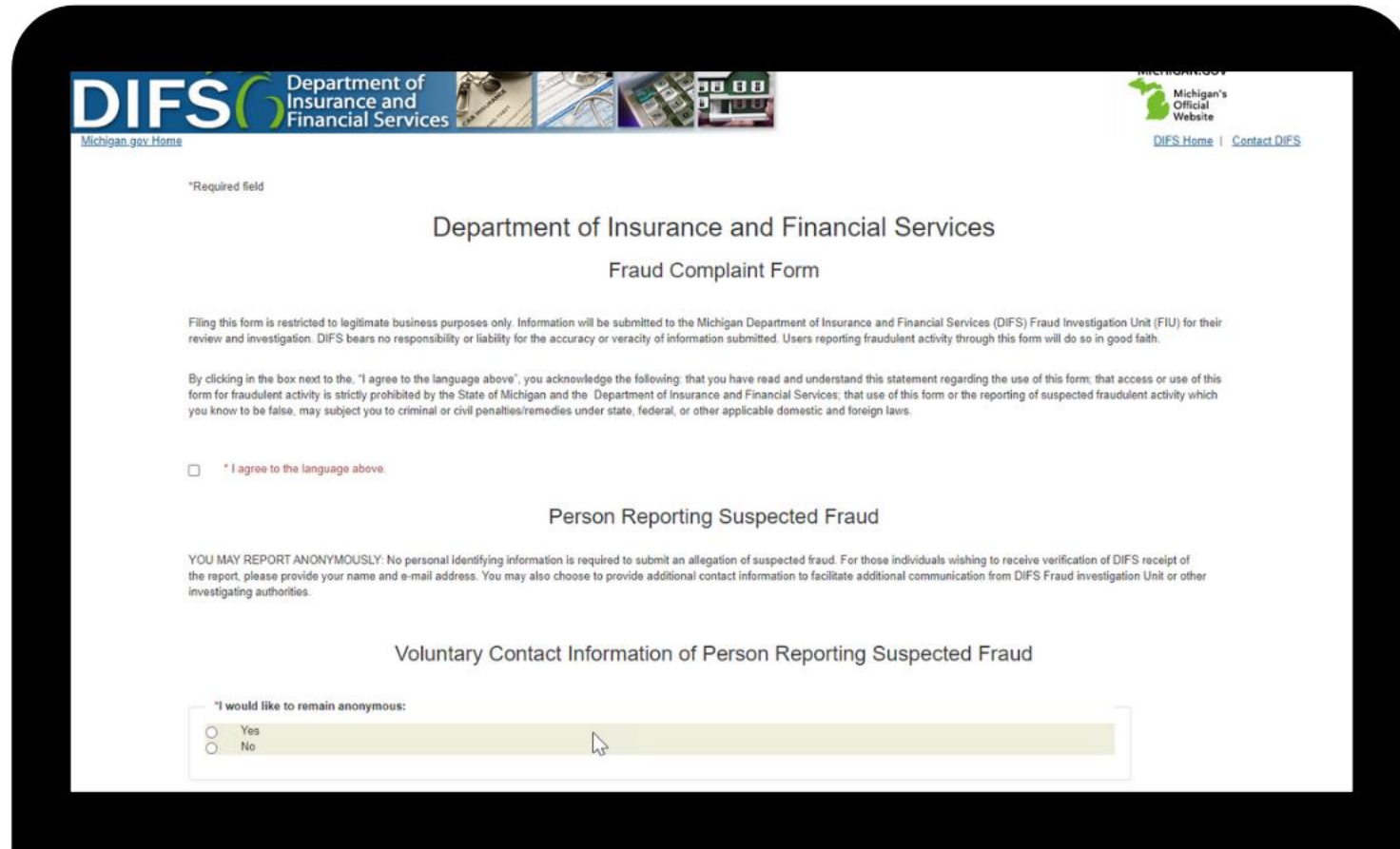


Fraud Investigation Unit

Chapter 63 of the Insurance Code creates the FIU within the Department of Insurance and Financial Services.



DIFS Online Fraud Report Form



The screenshot shows the DIFS Online Fraud Report Form on a computer monitor. The page header includes the DIFS logo (Department of Insurance and Financial Services) and the Michigan state logo. The main title is "Department of Insurance and Financial Services Fraud Complaint Form". Below the title, there is a disclaimer: "Filing this form is restricted to legitimate business purposes only. Information will be submitted to the Michigan Department of Insurance and Financial Services (DIFS) Fraud Investigation Unit (FIU) for their review and investigation. DIFS bears no responsibility or liability for the accuracy or veracity of information submitted. Users reporting fraudulent activity through this form will do so in good faith." A checkbox labeled "I agree to the language above." is present. The section "Person Reporting Suspected Fraud" includes a note: "YOU MAY REPORT ANONYMOUSLY: No personal identifying information is required to submit an allegation of suspected fraud. For those individuals wishing to receive verification of DIFS receipt of the report, please provide your name and e-mail address. You may also choose to provide additional contact information to facilitate additional communication from DIFS Fraud investigation Unit or other investigating authorities." The "Voluntary Contact Information of Person Reporting Suspected Fraud" section has a radio button for "I would like to remain anonymous:" with "Yes" selected.

DIFS Department of Insurance and Financial Services

Michigan.gov Home

Michigan's Official Website
DIFS Home | Contact DIFS

*Required field

Department of Insurance and Financial Services Fraud Complaint Form

Filing this form is restricted to legitimate business purposes only. Information will be submitted to the Michigan Department of Insurance and Financial Services (DIFS) Fraud Investigation Unit (FIU) for their review and investigation. DIFS bears no responsibility or liability for the accuracy or veracity of information submitted. Users reporting fraudulent activity through this form will do so in good faith.

By clicking in the box next to the, "I agree to the language above", you acknowledge the following: that you have read and understand this statement regarding the use of this form; that access or use of this form for fraudulent activity is strictly prohibited by the State of Michigan and the Department of Insurance and Financial Services; that use of this form or the reporting of suspected fraudulent activity which you know to be false, may subject you to criminal or civil penalties/remedies under state, federal, or other applicable domestic and foreign laws.

* I agree to the language above.

Person Reporting Suspected Fraud

YOU MAY REPORT ANONYMOUSLY: No personal identifying information is required to submit an allegation of suspected fraud. For those individuals wishing to receive verification of DIFS receipt of the report, please provide your name and e-mail address. You may also choose to provide additional contact information to facilitate additional communication from DIFS Fraud investigation Unit or other investigating authorities.

Voluntary Contact Information of Person Reporting Suspected Fraud

*I would like to remain anonymous:

Yes
 No

Michigan.gov/ReportFraud2DIFS



Financial Literacy



www.Michigan.gov/DIFS





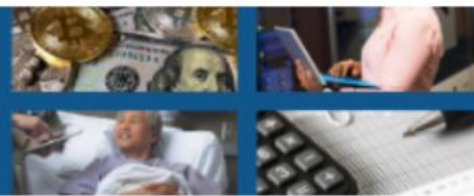
- About DIFS
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- Licensing - Consumer Finance and Mortgage
- Statutes, Rules and Regulations
- Hearings and Decisions
- Bulletins
- Forms
- FAQs
- FOIA
- Auto Insurance Reform**

Sign up for email

Click Here to Learn More About
Michigan's New Auto Insurance Law



COVID-19
Information relating to Insurance and Financial Services



Need to talk to DIFS now?
Call us toll free at 1-877-999-6442



Contact the Department of Insurance and Financial Services

Consumers

- How to File a Complaint
- Information for Incoming Economic Impact Payments (Stimulus Checks)
- Medicare Supplement Policies
- Securing Mi Financial Future
- Purchasing Auto Insurance
- Publications
- Rate Filing Search
- Health Insurance Information
- DIFS Consumer Education Program
- Financial Literacy
- More Consumer Information

Industry

- Insurance
- Consumer Finance and Mortgage
- Credit Unions
- Banking
- Licensing
- Receiverships
- Auto Insurance Utilization Review

Locate

Quick Links

- About DIFS
- Who We Regulate
- Employment Opportunities at DIFS
- Doing Business with DIFS
- DIFS Biographies and Public Officials
- Statutes, Rules & Regulations
- Related Links
- Prior Authorization Request Form for Prescription Drugs
- Service of Process (Insurance)
- Service of Process



Toll-free

877-999-6442



Key Legislative Contacts

Constituent Inquiries

Legislative Matters

| | |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
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| | <p>Joseph Sullivan Insurance Legislative Liaison Office of Innovation and Research SullivanJ15@michigan.gov 517-449-9515</p> |



Find us on Social Media



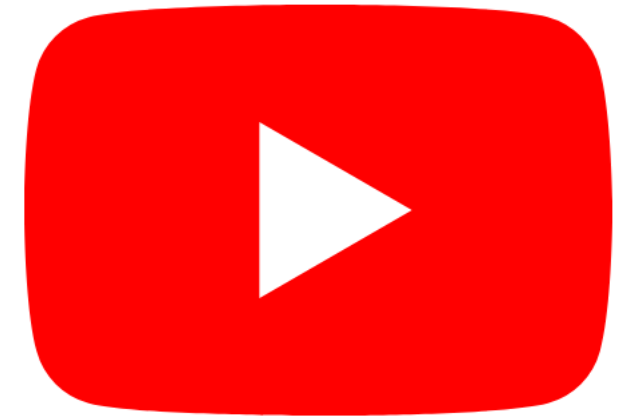
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Michigan Department of
Insurance and Financial Service



@MichiganDIFS



Questions?

