

**SUBSTITUTE FOR
HOUSE BILL NO. 4281**

A bill to make appropriations for the department of insurance and financial services for the fiscal year ending September 30, 2024; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of insurance and financial services for the fiscal year ending September 30, 2024, from the following funds:

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0
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Full-time equated classified positions	384.5
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1	GROSS APPROPRIATION		\$	74,647,900
2	Interdepartmental grant revenues:			
3	Total interdepartmental grants and			
4	intradepartmental transfers			732,100
5	ADJUSTED GROSS APPROPRIATION		\$	73,915,800
6	Federal revenues:			
7	Total federal revenues			1,017,100
8	Special revenue funds:			
9	Total local revenues			0
10	Total private revenues			0
11	Total other state restricted revenues			72,398,700
12	State general fund/general purpose		\$	500,000
13	Sec. 102. DEPARTMENTAL ADMINISTRATION AND			
14	SUPPORT			
15	Full-time equated unclassified positions	6.0		
16	Full-time equated classified positions	23.5		
17	Unclassified salaries--FTEs	6.0	\$	910,000
18	Administrative hearings			173,700
19	Department services--FTEs	20.0		4,065,300
20	Executive director programs--FTEs	3.5		912,400
21	Property management			1,348,100
22	Worker's compensation			1,300
23	GROSS APPROPRIATION		\$	7,410,800
24	Appropriated from:			
25	Interdepartmental grant revenues:			
26	IDG from LARA, debt management			70,600
27	Special revenue funds:			
28	Bank fees			585,400



1	Captive insurance regulatory and supervision		
2	fund		56,000
3	Consumer finance fees		285,100
4	Credit union fees		967,400
5	Deferred presentment service transaction fees		260,300
6	Insurance bureau fund		2,365,300
7	Insurance continuing education fees		67,500
8	Insurance licensing and regulation fees		1,992,300
9	MBLSLA fund		759,600
10	Multiple employer welfare arrangement		1,300
11	State general fund/general purpose	\$	0
12	Sec. 103. INSURANCE AND FINANCIAL SERVICES		
13	REGULATION		
14	Full-time equated classified positions	361.0	
15	Consumer services and protection--FTEs	91.0	\$ 13,329,100
16	Financial institutions evaluation--FTEs	137.0	25,720,300
17	Insurance evaluation--FTEs	133.0	25,343,400
18	GROSS APPROPRIATION		\$ 64,392,800
19	Appropriated from:		
20	Interdepartmental grant revenues:		
21	IDG from LARA, debt management		636,300
22	Federal revenues:		
23	Federal revenues		1,017,100
24	Special revenue funds:		
25	Bank fees		6,234,800
26	Captive insurance regulatory and supervision		
27	fund		770,900
28	Consumer finance fees		3,035,700



1	Credit union fees		9,315,900
2	Deferred presentment service transaction fees		2,350,200
3	Insurance bureau fund		22,478,900
4	Insurance continuing education fees		1,309,600
5	Insurance licensing and regulation fees		10,249,000
6	MBLSLA fund		6,906,100
7	Multiple employer welfare arrangement		88,300
8	State general fund/general purpose	\$	0
9	Sec. 104. INFORMATION TECHNOLOGY		
10	Information technology services and projects	\$	2,344,300
11	GROSS APPROPRIATION	\$	2,344,300
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	IDG from LARA, debt management		25,200
15	Special revenue funds:		
16	Bank fees		145,500
17	Captive insurance regulatory and supervision		
18	fund		13,500
19	Consumer finance fees		72,000
20	Credit union fees		246,000
21	Deferred presentment service transaction fees		49,500
22	Insurance bureau fund		459,000
23	Insurance continuing education fees		9,000
24	Insurance licensing and regulation fees		1,135,300
25	MBLSLA fund		189,300
26	State general fund/general purpose	\$	0
27	Sec. 105. ONE-TIME APPROPRIATIONS		
28	Insulin prescription drug market study	\$	500,000



1	GROSS APPROPRIATION	\$	500,000
2	Appropriated from:		
3	State general fund/general purpose	\$	500,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2023-2024

GENERAL SECTIONS

9 Sec. 201. Pursuant to section 30 of article IX of the state
10 constitution of 1963, total state spending from state sources under
11 part 1 for fiscal year 2023-2024 is \$72,898,700.00 and state
12 spending from state sources to be paid to local units of government
13 for fiscal year 2023-2024 is \$0.00.

14 Sec. 202. The appropriations authorized under this part and
15 part 1 are subject to the management and budget act, 1984 PA 431,
16 MCL 18.1101 to 18.1594.

17 Sec. 203. As used in this part and part 1:

18 (a) "Department" means the department of insurance and
19 financial services.

20 (b) "Director" means the director of the department.

21 (c) "FTE" means full-time equated.

22 (d) "IDG" means interdepartmental grant.

23 (e) "LARA" means the department of licensing and regulatory
24 affairs.

25 (f) "MBLSLA fund" means the restricted account established
26 under section 8 of the mortgage brokers, lenders, and servicers
27 licensing act, 1987 PA 173, MCL 445.1658.

28 (g) "Subcommittees" means the subcommittees of the house of
29 representatives and senate appropriations committees with



1 jurisdiction over the budget for the department.

2 Sec. 204. The department shall use the internet to fulfill the
3 reporting requirements of this part. This requirement shall include
4 transmission of reports via email to the recipients identified for
5 each reporting requirement and it shall include placement of
6 reports on an internet site.

7 Sec. 205. Except as otherwise provided in this part, all
8 reports required under this part shall be submitted to the
9 subcommittees, the senate and house fiscal agencies, the senate and
10 house policy offices, and the state budget office.

11 Sec. 206. To the extent permissible under section 261 of the
12 management and budget act, 1984 PA 431, MCL 18.1261, all of the
13 following apply to funds appropriated in part 1:

14 (a) The funds must not be used for the purchase of foreign
15 goods or services, or both, if competitively priced and of
16 comparable quality American goods or services, or both, are
17 available.

18 (b) Preference must be given to goods or services, or both,
19 manufactured or provided by Michigan businesses, if they are
20 competitively priced and of comparable quality.

21 (c) Preference must be given to goods or services, or both,
22 that are manufactured or provided by Michigan businesses owned and
23 operated by veterans, if they are competitively priced and of
24 comparable quality.

25 Sec. 207. The department shall not take disciplinary action
26 against an employee of the department in the state classified civil
27 service because the employee communicates with a member of the
28 legislature or a member's staff, unless the communication is
29 prohibited by law and the department is exercising its authority as



1 provided by law.

2 Sec. 208. The department shall prepare a report on out-of-state
3 travel expenses not later than January 1 of each year. The travel
4 report shall be a listing of all travel by classified and
5 unclassified employees outside this state in the immediately
6 preceding fiscal year that was funded in whole or in part with
7 funds appropriated in the department's budget. The report shall be
8 submitted to the senate and house appropriations committees. The
9 report shall include the following information:

10 (a) The dates of each travel occurrence.

11 (b) The total transportation and related costs of each travel
12 occurrence, including the proportion funded with state general
13 fund/general purpose revenues, the proportion funded with state
14 restricted revenues, the proportion funded with federal revenues,
15 and the proportion funded with other revenues.

16 Sec. 209. Funds appropriated in this part and part 1 must not
17 be used by the department to hire a person to provide legal
18 services that are the responsibility of the attorney general. This
19 prohibition does not apply to legal services for bonding activities
20 and for those outside services that the attorney general
21 authorizes.

22 Sec. 210. Not later than December 15, the state budget office
23 shall prepare and transmit a report that provides estimates of the
24 total general fund/general purpose appropriation lapses at the
25 close of the prior fiscal year. This report must summarize the
26 projected year-end general fund/general purpose appropriation
27 lapses by major departmental program or program areas. The state
28 budget office shall transmit the report to the chairpersons of the
29 senate and house appropriations committees.



1 Sec. 211. (1) In addition to the funds appropriated in part 1,
2 there is appropriated an amount not to exceed \$1,000,000.00 for
3 federal contingency authorization. Authorized funds are not
4 available for expenditure until they have been transferred to
5 another line item in part 1 under section 393(2) of the management
6 and budget act, 1984 PA 431, MCL 18.1393.

7 (2) In addition to the funds appropriated in part 1, there is
8 appropriated an amount not to exceed \$5,000,000.00 for state
9 restricted contingency authorization. Authorized funds are not
10 available for expenditure until they have been transferred to
11 another line item in part 1 under section 393(2) of the management
12 and budget act, 1984 PA 431, MCL 18.1393.

13 Sec. 212. The department shall cooperate with the department
14 of technology, management, and budget to maintain a searchable
15 website accessible by the public at no cost that includes, but is
16 not limited to, all of the following for the department:

- 17 (a) Fiscal-year-to-date expenditures by category.
18 (b) Fiscal-year-to-date expenditures by appropriation unit.
19 (c) Fiscal-year-to-date payments to a selected vendor,
20 including the vendor name, payment date, payment amount, and
21 payment description.
22 (d) The number of active department employees by job
23 classification.
24 (e) Job specifications and wage rates.

25 Sec. 213. Within 14 days after the release of the executive
26 budget recommendation, the department shall cooperate with the
27 state budget office to provide the chairpersons of the senate and
28 house appropriations committees with an annual report on estimated
29 state restricted fund balances, state restricted fund projected



1 revenues, and state restricted fund expenditures for the prior 2
2 fiscal years.

3 Sec. 214. The department shall maintain, on a publicly
4 accessible website, a department scorecard that identifies, tracks,
5 and regularly updates key metrics that are used to monitor and
6 improve the department's performance.

7 Sec. 215. To the extent permissible under the management and
8 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall
9 take all reasonable steps to ensure that geographically
10 disadvantaged business enterprises compete for and perform
11 contracts to provide services or supplies, or both. The director
12 shall strongly encourage firms with which the department contracts
13 to subcontract with geographically disadvantaged business
14 enterprises for services, supplies, or both.

15 Sec. 216. On a quarterly basis, the department shall submit to
16 the senate and house appropriations committees and the recipients
17 required under section 205 of this part a comparison by line item
18 of the number of FTEs authorized from funds appropriated in part 1
19 to the actual number of FTEs employed by the department at the end
20 of the reporting period.

21 Sec. 217. Appropriations in part 1 shall, to the extent
22 possible by the department, not be expended until all existing work
23 project authorization available for the same purposes is exhausted.

24 Sec. 218. The department shall receive and retain copies of
25 all reports funded from appropriations in part 1. Federal and state
26 guidelines for short-term and long-term retention of records shall
27 be followed. The department may electronically retain copies of
28 reports unless otherwise required by federal or state guidelines.

29 Sec. 219. Not later than April 1, the department shall report



1 on each specific policy change made to implement a public act
2 affecting the department that took effect during the prior calendar
3 year to the senate and house appropriations committees and the
4 joint committee on administrative rules.

5 Sec. 220. (1) From the funds appropriated in part 1, the
6 department shall do all of the following:

7 (a) Report to the senate and house appropriations committees
8 any amounts of severance pay for a department director, deputy
9 director, or other high-ranking department official not later than
10 14 days after a severance agreement with the director or official
11 is signed. The name of the director or official and the amount of
12 severance pay must be included in the report required by this
13 subdivision.

14 (b) By February 1, report on the total amount of severance pay
15 remitted to former department employees during the fiscal year
16 ending September 30, 2023, and the number of former department
17 employees that were remitted severance pay during the fiscal year
18 ending September 30, 2023.

19 (2) As used in this section, "severance pay" means
20 compensation that is both payable or paid upon the termination of
21 employment and in addition to either wages or benefits earned
22 during the course of employment or generally applicable retirement
23 benefits.

24 Sec. 221. It is the intent of the legislature that the
25 department maximize the efficiency of the state workforce and,
26 where possible, prioritize in-person work. The department must post
27 its in-person, remote, or hybrid work policy on its website.

28 Sec. 222. (1) No funding appropriated in part 1 shall be used
29 to restrict or interfere with actions related to diversity, equity,



1 and inclusion (DEI); to restrict or impede a marginalized
 2 community's access to government resources, programs, or
 3 facilities; or to diminish, interfere with, or restrict an
 4 individual's ability to exercise the right to reproductive freedom.

5 (2) From the funds appropriated in part 1, local governments
 6 shall report any action or policy that attempts to restrict or
 7 interfere with the duties of the local health officer.

8 Sec. 223. Unless prohibited by law, the department may accept
 9 credit card or other electronic means of payment for licenses,
 10 fees, or permits.

11 Sec. 224. From the funds appropriated in part 1 from the
 12 insurance bureau fund, funds may be expended to support legislative
 13 participation in insurance activities coordinated by insurance and
 14 legislative associations, in accordance with section 225 of the
 15 insurance code of 1956, 1956 PA 218, MCL 500.225.

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17 **INSURANCE AND FINANCIAL SERVICES REGULATION**

18 Sec. 301. The department shall provide a report by September
 19 30 based on the annual rate filings from health insurance issuers
 20 that includes all of the following:

21 (a) The number that are approved by the department.

22 (b) The number that are denied by the department.

23 (c) The percentage of rate filings processed within the
 24 applicable statutory time frames.

25 (d) The average number of calendar days to process rate
 26 filings.

27 Sec. 302. In addition to the funds appropriated in part 1, the
 28 funds collected by the department in connection with a
 29 conservatorship under section 32 of the mortgage brokers, lenders,



1 and servicers licensing act, 1987 PA 173, MCL 445.1682, and funds
2 collected by the department from corporations being liquidated
3 under the insurance code of 1956, 1956 PA 218, MCL 500.100 to
4 500.8302, must be appropriated for all expenses necessary to
5 provide for the required services. Funds are available for
6 expenditure when they are received by the department of treasury
7 and must not lapse to the general fund at the end of the fiscal
8 year. The total amount appropriated under this section and section
9 303 must not exceed \$1,000,000.00.

10 Sec. 303. The department may make available to interested
11 entities customized listings of nonconfidential information in its
12 possession. The department may establish and collect a reasonable
13 charge to provide this service. The revenue from this service is
14 appropriated when received and must be used to offset expenses to
15 provide the service. Any balance of this revenue collected and
16 unexpended at the end of the fiscal year must lapse to the
17 appropriate restricted fund. The total amount appropriated under
18 this section and section 302 must not exceed \$1,000,000.00.

19 Sec. 304. The department must electronically transmit the
20 annual report prepared pursuant to section 238 of the insurance
21 code of 1956, 1956 PA 218, MCL 500.238, and section 2108 of the
22 banking code of 1999, 1999 PA 276, MCL 487.12108, at the time of
23 the publication of the report.

24 Sec. 305. The department must update examination manuals and
25 letters of guidance to state-chartered financial institutions as
26 necessary to reflect how the department will evaluate institutions
27 that provide banking or other financial services to marijuana-
28 related businesses or businesses that transport, test, grow,
29 process, or sell marijuana, based on the most recent state laws and



1 guidance. The department may also include guidance or information
2 on how federal law and regulations may impact state-chartered
3 institutions.

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5 **ONE-TIME APPROPRIATIONS**

6 Sec. 401. From the funds appropriated in part 1 for the
7 insulin prescription drug market study, the department must conduct
8 a study of the insulin market in this state and submit
9 recommendations to the legislature to lower the price of insulin
10 for individuals. The study must include information and data
11 regarding insurers, pharmacy benefit managers, pharmacies, insulin
12 consumers, and any other relevant stakeholders when creating
13 recommendations to lower the price of insulin for individuals.

