

**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:

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**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

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**APPROPRIATION SUMMARY**

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Full-time equated unclassified positions	6.0
Full-time equated classified positions	384.5

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1	<b>GROSS APPROPRIATION</b>		\$	<b>74,647,900</b>
2	Interdepartmental grant revenues:			
3	Total interdepartmental grants and			
4	intradepartmental transfers			732,100
5	<b>ADJUSTED GROSS APPROPRIATION</b>		\$	<b>73,915,800</b>
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	<b>State general fund/general purpose</b>		\$	<b>500,000</b>
13	<b>Sec. 102. DEPARTMENTAL ADMINISTRATION AND</b>			
14	<b>SUPPORT</b>			
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	<b>GROSS APPROPRIATION</b>		\$	<b>7,410,800</b>
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	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
12	<b>Sec. 103. INSURANCE AND FINANCIAL SERVICES</b>		
13	<b>REGULATION</b>		
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	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>64,392,800</b>
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	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
9	<b>Sec. 104. INFORMATION TECHNOLOGY</b>		
10	Information technology services and projects	\$	2,344,300
11	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>2,344,300</b>
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	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
27	<b>Sec. 105. ONE-TIME APPROPRIATIONS</b>		
28	Insulin prescription drug market study	\$	500,000

1	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>500,000</b>
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2 Appropriated from:

3	<b>State general fund/general purpose</b>	<b>\$</b>	<b>500,000</b>
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PART 2

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PROVISIONS CONCERNING APPROPRIATIONS

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FOR FISCAL YEAR 2023-2024

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**GENERAL SECTIONS**

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

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

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

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

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

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

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(d) "IDG" means interdepartmental grant.

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

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

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

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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.