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**Article 9**

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**PART 1**

**LINE-ITEM APPROPRIATIONS AND ANTICIPATED APPROPRIATIONS**

Sec. 9-101. Subject to the conditions set forth in this article, the amounts listed in this part for the department of insurance and financial services are appropriated for the fiscal year ending September 30, 2027, and are anticipated to be appropriated for the fiscal year ending September 30, 2028, from the funds indicated in this part. The following is a summary of the appropriations and anticipated appropriations in this part:

1 **DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

2 **APPROPRIATION SUMMARY**

3	Full-time equated unclassified positions.....	6.0		6.0
4	Full-time equated classified positions.....	393.5		393.5
5	<b>GROSS APPROPRIATION .....</b>	<b>\$ 82,333,800</b>	<b>\$</b>	<b>82,333,800</b>
6	Total interdepartmental grants and intradepartmental			
7	transfers .....	791,600		791,600
8	<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ 81,542,200</b>	<b>\$</b>	<b>81,542,200</b>
9	Total federal revenues .....	250,000		250,000
10	Total local revenues .....	0		0
11	Total private revenues .....	0		0
12	Total other state restricted revenues .....	81,292,200		81,292,200
13	State general fund/general purpose .....	\$ 0	<b>\$</b>	0
14	<i>State general fund/general purpose schedule:</i>			
15	<i>Ongoing state general fund/general purpose .....</i>	<i>0</i>		<i>0</i>
16	<i>One-time state general fund/general purpose .....</i>	<i>0</i>		<i>0</i>
17	<b>Sec. 9-102. DEPARTMENTAL ADMINISTRATION AND SUPPORT</b>			
18	Full-time equated unclassified positions.....	6.0		6.0
19	Full-time equated classified positions.....	21.5		21.5
20	Unclassified salaries-6.0 FTE positions .....	\$ 1,013,800	<b>\$</b>	1,013,800
21	Administrative hearings .....	173,700		173,700
22	Department services-16.0 FTE positions .....	8,684,900		8,684,900
23	Executive director programs-5.5 FTE positions .....	1,527,100		1,527,100
24	Property management .....	1,318,700		1,318,700
25	Worker's compensation .....	<u>1,200</u>		<u>1,200</u>
26	<b>GROSS APPROPRIATION .....</b>	<b>\$ 12,719,400</b>	<b>\$</b>	<b>12,719,400</b>
27	Appropriated from:			
28	Special revenue funds:			
29	Other state restricted revenues .....	12,719,400		12,719,400
30	State general fund/general purpose .....	\$ 0	<b>\$</b>	0
31	<b>Sec. 9-103. INSURANCE AND FINANCIAL SERVICES REGULATION</b>			
32	Full-time equated classified positions.....	372.0		372.0

	<b>For Fiscal Year Ending Sept. 30, 2027</b>	<b>For Fiscal Year Ending Sept. 30, 2028</b>
1 Consumer services and protection-108.0 FTE positions .	\$ 18,604,400	\$ 18,604,400
2 Financial institutions evaluation-132.0 FTE positions	24,966,000	24,966,000
3 Insurance evaluation-132.0 FTE positions .....	<u>22,413,300</u>	<u>22,413,300</u>
4 <b>GROSS APPROPRIATION .....</b>	<b>\$ 65,983,700</b>	<b>\$ 65,983,700</b>
5     Appropriated from:		
6     Interdepartmental grant revenues:		
7     IDG from department of licensing and regulatory		
8     affairs .....	791,600	791,600
9     Federal revenues:		
10     Other federal revenues .....	250,000	250,000
11     Special revenue funds:		
12     Other state restricted revenues .....	64,942,100	64,942,100
13     State general fund/general purpose .....	\$ 0	\$ 0
14 <b>Sec. 9-104. INFORMATION TECHNOLOGY</b>		
15     Information technology services and projects .....	<u>\$ 3,630,700</u>	<u>\$ 3,630,700</u>
16 <b>GROSS APPROPRIATION .....</b>	<b>\$ 3,630,700</b>	<b>\$ 3,630,700</b>
17     Appropriated from:		
18     Special revenue funds:		
19     Other state restricted revenues .....	3,630,700	3,630,700
20     State general fund/general purpose .....	\$ 0	\$ 0

1 PART 2

2 PROVISIONS CONCERNING APPROPRIATIONS

3 FISCAL YEAR 2027

4  
5 **GENERAL SECTIONS**

6 Sec. 9-201. Pursuant to section 30 of article IX of the state constitution of 1963,  
7 total state spending from state sources under part 1 for the fiscal year ending September  
8 30,2027 is \$81,292,200.00 and state spending from state sources to be paid to local units  
9 of government for fiscal year 2027 is \$0.00.

10 Sec. 9-202. The appropriations under this part and part 1 are subject to the  
11 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

12 Sec. 9-203. As used in this part and part 1:

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

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

15 (c) "FTE" means full-time equated position in the classified service of this state.

16 (d) "IDG" means interdepartmental grant.

17 (e) "Standard report recipients" means the senate and house appropriations  
18 subcommittees on licensing and regulatory affairs and insurance and financial services, the  
19 senate and house fiscal agencies, the senate and house policy offices, and the state budget  
20 office.

21 Sec. 9-204. A department or agency shall use the internet to fulfill the reporting  
22 requirements of this part and shall make each report readily accessible to the public and  
23 conspicuously post each required report in a single archivable location on the department's  
24 or agency's Michigan.gov website not later than the due date required for each report. In  
25 addition to placing all reports required in the current fiscal year on the department's or  
26 agency's website, the department or agency shall maintain on its website all reports placed  
27 on the website from previous fiscal years posted by fiscal year in the same single  
28 archivable location. The department or agency shall also transmit all required reports for  
29 the current fiscal year to the standard recipients and any other required recipients by  
30 email.

31 Sec. 9-205. To the extent permissible under section 261 of the management and budget  
32 act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds

1 appropriated in part 1:

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

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

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

10 Sec. 9-206. (1) The department shall maximize utilization of its in-person state  
11 workforce. The department shall prioritize occupancy utilization of office space for each  
12 division within the department. Employees with job responsibilities that require the  
13 employees to serve in their capacities outside of an office shall be monitored each pay  
14 period to ensure all work hours reported on the timesheet were actually worked.

15 (2) The department shall comply with requirements set forth by the office of the  
16 state employer on in-person work and utilization and occupancy rates of state buildings to  
17 ensure in-person work is optimized and occupancy rates are 80 percent or higher, subject to  
18 market conditions.

19 (3) The department shall adhere to civil service rules and regulations that state the  
20 standard biweekly work period for a full-time employee in the classified service of this  
21 state is the equivalent of 80.0 hours of work. The department shall establish policies and  
22 processes to ensure all employees are working their jobs during agreed upon business hours.

23 Sec. 9-207. Consistent with section 217 of the management and budget act, 1984 PA  
24 431, MCL 18.1217, each department and agency receiving appropriations in part 1 shall  
25 prepare a report on out of state travel expenses not later than January 1. The report must  
26 list all travel by classified and unclassified employees outside this state in the previous  
27 fiscal year that was funded in whole or in part with funds appropriated in the department's  
28 or agency's budget. The department or agency shall submit the report to the standard report  
29 recipients and to the house and senate appropriations committees. The report must include  
30 all of the following information:

31 (a) The dates of each travel occurrence.

32 (b) The total transportation and related expenses of each travel occurrence and the

1 proportions funded with state general fund/general purpose revenues, state restricted  
2 revenues, federal revenues, and other revenues.

3 Sec. 9-208. Not later than 6 months after the state budget office issues work project  
4 letters, a department, agency and the legislature shall submit an annual report that  
5 summarizes all work project accounts. The report must include all of the following:

6 (a) A list of all work project accounts.

7 (b) The status of all work project accounts, including amounts expended, amounts  
8 encumbered, and available balances for each account.

9 (c) The amount of funds that lapsed from any previously designated work project  
10 accounts, the name and description of the work project account, and the funds that received  
11 the lapsed amounts.

12 Sec. 9-209. Not later than December 15, the state budget office shall prepare and  
13 submit a report that provides for estimates of the total general fund/general purpose  
14 appropriation lapses at the close of the previous fiscal year. The report must summarize  
15 the projected year-end general fund/general purpose appropriation lapses by major  
16 departmental program or program areas. The state budget office shall submit the report to  
17 the standard report recipients and the chairpersons of the senate and house appropriations  
18 committees.

19 Sec. 9-210. (1) In addition to the funds appropriated in part 1, there is  
20 appropriated an amount not to exceed \$300,000.00 for federal contingency funds. These funds  
21 are not available for expenditure until they have been transferred to another line item in  
22 this article under section 393(2) of the management and budget act, 1984 PA 431, MCL  
23 18.1393.

24 (2) In addition to the funds appropriated in part 1, there is appropriated an amount  
25 not to exceed \$5,000,000.00 for state restricted contingency funds. These funds are not  
26 available for expenditure until they have been transferred to another line item in this  
27 article under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

28 Sec. 9-211. A department or agency shall cooperate with the department of technology,  
29 management and budget to maintain a searchable website accessible by the public at no cost  
30 that includes, but is not limited to, all of the following for each department or agency:

31 (a) Fiscal year-to-date expenditures by category.

32 (b) Fiscal year-to-date expenditures by appropriation unit.

1 (c) Fiscal year-to-date payments to a selected vendor, including the vendor name,  
2 payment date, payment amount, and payment description.

3 Sec. 9-212. (1) Funds appropriated in part 1 must not be used to restrict or impede a  
4 marginalized community's access to government resources, programs, or facilities.

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

7 Sec. 9-213. To the extent permissible under the management and budget act, 1984 PA  
8 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving  
9 appropriations in part 1 shall take all reasonable steps to ensure geographically  
10 disadvantaged business enterprises compete for and perform contracts to provide services or  
11 supplies, or both. Each director shall strongly encourage firms with which the department  
12 or agency contracts to subcontract with certified geographically disadvantaged business  
13 enterprises for services, supplies, or both. As used in this section, "geographically  
14 disadvantaged business enterprises" means that term as defined in Executive Directive No.  
15 2023-1.

16 Sec. 9-214. The department must provide an annual report to the standard report  
17 recipients detailing significant federal policy changes that do, or are expected to  
18 significantly impact the operations of the department, including reductions in federal  
19 revenue and/or changes that are likely to lead to a reduction in the department's ability  
20 to safeguard the health or welfare of the public.

21 Sec. 9-215. (1) Within 30 days of enactment of this act, the house and senate fiscal  
22 agencies shall provide to the state budget office a jointly agreed upon list of  
23 legislatively directed spending items funded in part 1 as defined in Public Acts 32 and 33  
24 of 2025. The list must include all information and documents pertaining to the funded items  
25 as publicly disclosed in accordance with Public Acts 32 and 33 of 2025.

26 (2) In accordance with section 364(4) of the Management and Budget Act, the  
27 department or agency administering the grant shall post a report in a publicly accessible  
28 location on its website beginning March 15 of the current fiscal year. The department or  
29 agency shall update the report and shall post an updated report not later than June 15 of  
30 the current fiscal year and again not later than September 15 of the current fiscal year.  
31 The department shall include in the report the most comprehensive information the  
32 department has available at the time of posting for grants awarded.

1           Sec. 9-216. On a quarterly basis, a department or agency receiving appropriations in  
2 part 1 shall report on the number of FTEs in pay status by type of staff and civil service  
3 classification, including comparison by line item of the number of FTEs authorized from  
4 funds appropriated in part 1 to the actual number of FTE positions employed by the  
5 department or agency at the end of the reporting period. The report must be submitted to  
6 the senate and house appropriations committees and to the standard report recipients.

7           Sec. 9-217. The state budget director shall take steps to ensure that all state  
8 fiscal recovery funds allocated to this state under the American rescue plan act of 2021,  
9 Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal  
10 recovery funds that would otherwise lapse after September 30, 2026, are automatically  
11 reappropriated for the same purpose as originally authorized and available for expenditure  
12 through December 31, 2026, and any subsequent financial close out period.

13           Sec. 9-218. (1) The state budget director shall take steps to ensure that all state  
14 fiscal recovery funds allocated to this state under the American rescue plan act of 2021,  
15 Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget  
16 director may reallocate appropriated funds for the purpose of fully utilizing state fiscal  
17 recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons  
18 that may include, but are not limited to, completed projects coming in under budget or  
19 funds unable to be fully used by subrecipients. The state budget director shall reallocate  
20 any of the funds reallocated under this subsection to the programs or purposes specified in  
21 this section. Any funds reallocated are unappropriated and immediately reappropriated for  
22 the following purposes:

23           (a) To reclassify general fund/general purpose appropriations for payroll and covered  
24 benefits for eligible public health and safety employees at the department of corrections.

25           (b) To reclassify general fund/general purpose appropriations for payroll and covered  
26 benefits for eligible public health and safety employees at the department of state police.

27           (2) All applicable guidance, implementation, and reporting provisions of Public Law  
28 117-2 must be followed for state fiscal recovery funds reallocated and reappropriated under  
29 subsection (1).

30           (3) The state budget director shall notify the senate and house appropriations  
31 committees not later than 10 business days after making any reallocations under subsection  
32 (1). The notification must include the authorized program under which funds were originally

1 appropriated, the amount of the reallocation, the program, or programs, or purpose, and the  
2 department to which the funds are being reallocated under subsection (1), and the amount  
3 reallocated to each program or purpose.

4 Sec. 9-220. Unless prohibited by law, the department may accept credit card or other  
5 electronic means of payment for licenses, fees, or permits.

6

7 **INSURANCE AND FINANCIAL SERVICES REGULATION**

8 Sec. 9-301. The annual health insurance rate change report prepared pursuant to 45  
9 CFR 154.301(b) must include the total number of objections issued by the department.

10 Sec. 9-302. In addition to the funds appropriated in part 1, the funds collected by  
11 the department in connection with a conservatorship under section 32 of the mortgage  
12 brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, and funds  
13 collected by the department from corporations being liquidated under the insurance code of  
14 1956, 1956 PA 218, MCL 500.100 to 500.8302, must be appropriated for all expenses necessary  
15 to provide for the required services. Funds are available for expenditure when they are  
16 received by the department of treasury and must not lapse to the general fund at the end of  
17 the fiscal year. The total amount appropriated under this section and section 9-303 must  
18 not exceed \$600,000.00.

19 Sec. 9-303. The department may make available to interested entities customized  
20 listings of nonconfidential information in its possession. The department may establish and  
21 collect a reasonable charge to provide this service. The revenue from this service is  
22 appropriated when received and must be used to offset expenses to provide the service. Any  
23 balance of this revenue collected and unexpended at the end of the fiscal year must lapse  
24 to the appropriate restricted fund. The total amount appropriated under this section and  
25 section 9-302 must not exceed \$600,000.00.