

**SUBSTITUTE FOR  
SENATE BILL NO. 872**

A bill to make appropriations for the department of insurance and financial services for the fiscal year ending September 30, 2027; 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, 2027, 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	393.5

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1	<b>GROSS APPROPRIATION</b>		\$	<b>82,583,800</b>
2	Interdepartmental grant revenues:			
3	Total interdepartmental grants and			
4	intradepartmental transfers			791,600
5	<b>ADJUSTED GROSS APPROPRIATION</b>		\$	<b>81,792,200</b>
6	Federal revenues:			
7	Total federal revenues			250,000
8	Special revenue funds:			
9	Total local revenues			0
10	Total private revenues			0
11	Total other state restricted revenues			81,542,200
12	<b>State general fund/general purpose</b>		\$	<b>0</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	21.5		
17	Unclassified salaries--FTEs	6.0	\$	1,013,800
18	Administrative hearings			173,700
19	Department services--FTEs	16.0		8,684,900
20	Executive director programs--FTEs	5.5		1,527,100
21	Property management			1,318,700
22	Worker's compensation			1,200
23	<b>GROSS APPROPRIATION</b>		\$	<b>12,719,400</b>
24	Appropriated from:			
25	Interdepartmental grant revenues:			
26	Special revenue funds:			
27	Bank fees			959,200



1	Captive insurance regulatory and supervision		
2	fund		82,700
3	Consumer finance fees		651,400
4	Credit union fees		1,488,200
5	Deferred presentment service transaction fees		282,400
6	Insurance bureau fund		5,746,500
7	Insurance continuing education fees		55,000
8	Insurance licensing and regulation fees		2,105,100
9	MBLSLA fund		1,348,900
10	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
11	<b>Sec. 103. INSURANCE AND FINANCIAL SERVICES</b>		
12	<b>REGULATION</b>		
13	Full-time equated classified positions	372.0	
14	Consumer services and protection--FTEs	108.0	\$ 18,604,400
15	Financial institutions evaluation--FTEs	132.0	24,966,000
16	Insurance evaluation--FTEs	132.0	22,413,300
17	<b>GROSS APPROPRIATION</b>		<b>\$ 65,983,700</b>
18	Appropriated from:		
19	Interdepartmental grant revenues:		
20	IDG from MDLARA, for debt management		791,600
21	Federal revenues:		
22	Federal revenues		250,000
23	Special revenue funds:		
24	Bank fees		6,734,300
25	Captive insurance regulatory and supervision		
26	fund		656,500
27	Consumer finance fees		2,514,400
28	Credit union fees		8,696,100



1	Deferred presentment service transaction fees		3,786,900
2	Insurance bureau fund		27,495,000
3	Insurance continuing education fees		555,400
4	Insurance licensing and regulation fees		8,286,400
5	MBLSLA fund		6,181,600
6	Multiple employer welfare arrangement		35,500
7	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
8	<b>Sec. 104. INFORMATION TECHNOLOGY</b>		
9	Information technology services and projects	\$	3,630,700
10	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>3,630,700</b>
11	Appropriated from:		
12	Interdepartmental grant revenues:		
13	Special revenue funds:		
14	Bank fees		289,400
15	Captive insurance regulatory and supervision		
16	fund		23,300
17	Consumer finance fees		187,600
18	Credit union fees		438,200
19	Deferred presentment service transaction fees		80,900
20	Insurance bureau fund		1,717,800
21	Insurance continuing education fees		15,800
22	Insurance licensing and regulation fees		485,400
23	MBLSLA fund		392,300
24	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
25	<b>Sec. 105. ONE-TIME APPROPRIATIONS</b>		
26	Non-drivers factors study	\$	250,000
27	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>250,000</b>
28	Appropriated from:		



1	Special revenue funds:		
2	Insurance bureau fund		250,000
3	Total other state restricted revenues		250,000
4	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

**GENERAL SECTIONS**

10           Sec. 201. In accordance with section 30 of article IX of the  
11 state constitution of 1963, for the fiscal year ending September  
12 30, 2026, total state spending under part 1 from state sources is  
13 \$81,542,200.00 and total state spending under part 1 from state  
14 sources to be paid to local units of government is \$0.00.

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

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

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

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

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

24           (d) "IDG" means interdepartmental grant.

25           (e) "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           (f) "MDLARA" means the Michigan department of licensing and  
29 regulatory affairs.



1 (g) "Standard report recipients" means the senate and house  
2 appropriations subcommittees on licensing and regulatory affairs  
3 and insurance and financial services, the senate and house fiscal  
4 agencies, the senate and house policy offices, and the state budget  
5 office.

6 Sec. 204. The department shall use the internet to fulfill the  
7 reporting requirements of this part and shall make each report  
8 readily accessible to the public and conspicuously post each  
9 required report in a single archivable location on the department's  
10 or agency's Michigan.gov website not later than the due date  
11 required for each report. In addition to placing all reports  
12 required in the current fiscal year on the department's or agency's  
13 website, the department or agency shall maintain on its website all  
14 reports placed on the website from previous years posted by fiscal  
15 year in the same archivable location. The department or agency  
16 shall also transmit all required reports for the current fiscal  
17 year to the standard recipients and any other required recipients  
18 by email.

19 Sec. 205. To the extent permissible under section 261 of the  
20 management and budget act, 1984 PA 431, MCL 18.1261, all of the  
21 following apply to the expenditure of funds appropriated in part 1:

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

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

29 (c) Preference must be given to goods or services, or both,



1 that are manufactured or provided by Michigan businesses owned and  
2 operated by veterans, if they are competitively priced and of  
3 comparable quality.

4 Sec. 206. The department shall not take disciplinary action  
5 against an employee of the department for communicating with a  
6 member of the legislature or legislative staff unless the  
7 communication is prohibited by law and the department is exercising  
8 its authority as provided by law.

9 Sec. 207. Consistent with section 217 of the management and  
10 budget act, 1984 PA 431, MCL 18.1217, the department shall prepare  
11 a report on out-of-state travel expenses not later than January 1.  
12 The report must list all travel by classified and unclassified  
13 employees outside this state in the previous fiscal year that was  
14 funded in whole or in part with funds appropriated in the  
15 department's budget. The department shall submit the report to the  
16 standard report recipients and to the senate and house  
17 appropriations committees. The report must include the following  
18 information:

19 (a) The dates of each travel occurrence.

20 (b) The total transportation and related costs of each travel  
21 occurrence and the proportions funded with state general  
22 fund/general purpose revenues, state restricted revenues, federal  
23 revenues, local revenues, private revenues, and other revenues.

24 Sec. 208. Not later than December 15, the state budget office  
25 shall prepare and submit a report that provides estimates of the  
26 total general fund/general purpose appropriation lapses at the  
27 close of the previous fiscal year. The report must summarize the  
28 projected year-end general fund/general purpose appropriation  
29 lapses by major departmental program or program area. The state



1 budget office shall submit the report to the standard report  
2 recipients and to the chairpersons of the senate and house  
3 appropriations committees.

4 Sec. 209. (1) In addition to the funds appropriated in part 1,  
5 there is appropriated an amount not to exceed \$200,000.00 for  
6 federal contingency authorization. Amounts appropriated under this  
7 subsection are not available for expenditure until they have been  
8 transferred to another line item in part 1 under section 393(2) of  
9 the management and budget act, 1984 PA 431, MCL 18.1393.

10 (2) In addition to the funds appropriated in part 1, there is  
11 appropriated an amount not to exceed \$1,000,000.00 for state  
12 restricted contingency authorization. Amounts appropriated under  
13 this subsection are not available for expenditure until they have  
14 been transferred to another line item in part 1 under section  
15 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

16 Sec. 210. The department shall cooperate with the department  
17 of technology, management, and budget to maintain a searchable  
18 website accessible by the public at no cost that includes, but is  
19 not limited to, all of the following for the department:

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

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

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

25 Sec. 211. Not later than 14 days after the release of the  
26 executive budget recommendation, the department shall cooperate  
27 with the state budget office to provide an annual report on  
28 estimated state restricted fund balances, state restricted fund  
29 projected revenues, and state restricted fund expenditures for the



1 previous 2 fiscal years. The report must be submitted to the  
2 standard report recipients and to the chairpersons of the senate  
3 and house appropriations committees.

4 Sec. 212. On a quarterly basis, the department shall report on  
5 the number of full-time equated positions in pay status by civil  
6 service classification, including a comparison by line item of the  
7 number of full-time equated positions authorized from funds  
8 appropriated in part 1 to the actual number of full-time equated  
9 positions employed by the department at the end of the reporting  
10 period. The report must be submitted to the standard report  
11 recipients and to the senate and house appropriations committees.

12 Sec. 213. To the extent possible, the department shall not  
13 expend appropriations under part 1 until all existing authorized  
14 work project funds available for the same purposes are exhausted.

15 Sec. 214. To the extent permissible under the management and  
16 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall  
17 take all reasonable steps to ensure geographically disadvantaged  
18 business enterprises compete for and perform contracts to provide  
19 services or supplies, or both. The director shall strongly  
20 encourage firms with which the department contracts to subcontract  
21 with certified geographically disadvantaged business enterprises  
22 for services, supplies, or both. As used in this section,  
23 "geographically disadvantaged business enterprises" means that term  
24 as defined in Executive Directive No. 2023-1.

25 Sec. 215. (1) Funds appropriated in part 1 must not be used to  
26 restrict or impede a marginalized community's access to government  
27 resources, programs, or facilities.

28 (2) From the funds appropriated in part 1, local governments  
29 shall report any action or policy that attempts to restrict or



1 interfere with the duties of the local health officer.

2       Sec. 216. The department shall receive and retain copies of  
3 all reports funded from appropriations in part 1. The department  
4 shall follow federal and state law and guidelines for short-term  
5 and long-term retention of records. The department may  
6 electronically retain copies of reports unless otherwise required  
7 by federal and state guidelines.

8       Sec. 217. Not later than April 1, the department shall report  
9 on each specific policy change made to implement a public act  
10 affecting the department that took effect during the previous  
11 calendar year. The report must include reference to the public act  
12 that necessitates the policy change. The department shall submit  
13 the report to the standard report recipients, to the senate and  
14 house appropriations committees, and to the joint committee on  
15 administrative rules.

16       Sec. 218. The department must provide an annual report to the  
17 standard report recipients detailing significant federal policy  
18 changes that do, or are expected to, significantly impact the  
19 operations of the department, including reductions in federal  
20 revenue, changes, or both that are likely to lead to a reduction in  
21 the department's ability to safeguard the health or welfare of the  
22 public.

23       Sec. 219. If the state administrative board, acting under  
24 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount  
25 appropriated under part 1, the legislature may, by a concurrent  
26 resolution adopted by a majority of the members elected to and  
27 serving in each house, intertransfer funds within part 1 for the  
28 particular department, board, commission, officer, or institution.

29       Sec. 220. (1) The department shall maximize the utilization of



1 its in-person state workforce. The department shall prioritize  
2 occupancy utilization of office space for each division within the  
3 department. Employees with job responsibilities that require the  
4 employees to serve in their capacities outside of an office shall  
5 be monitored each pay period to ensure all work hours reported on  
6 the timesheet were actually worked.

7 (2) The department shall comply with requirements set forth by  
8 the office of the state employer on in-person work and utilization  
9 and occupancy rates of state buildings to ensure in-person work is  
10 optimized and occupancy rates are 80% or higher, subject to market  
11 conditions.

12 (3) The department shall adhere to civil service rules and  
13 regulations that state the standard biweekly work period for a  
14 full-time employee in the classified service of this state is the  
15 equivalent of 80 hours of work. The department shall establish  
16 policies and processes to ensure all employees are working their  
17 jobs during agreed-upon business hours.

18 Sec. 222. Not later than 6 months after the state budget  
19 office issues work project letters, a department or agency shall  
20 submit an annual report that summarizes all work project accounts.  
21 The report must include all of the following:

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

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

26 (c) The amount of funds that lapsed from any previously  
27 designated work project accounts, the name and description of the  
28 work project account, and the funds that received the lapsed  
29 amounts.



1           Sec. 223. Total authorized appropriations from all sources  
2 under part 1 for legacy costs for the fiscal year ending September  
3 30, 2026 are estimated at \$6,514,000.00. From this amount, total  
4 appropriations for pension-related legacy costs for the department  
5 are estimated at \$5,875,200.00. Total appropriations for retiree  
6 health care legacy costs for the department are estimated at  
7 \$638,800.00.

8           Sec. 224. Not later than April 1, the department shall provide  
9 to the standard report recipients a copy of its annual strategic  
10 plan prepared in compliance with section 363 of the management and  
11 budget act, 1984 PA 431, MCL 18.1363. The plan must include the  
12 mission, vision, goals, strategies, and performance measures of the  
13 department.

14           Sec. 225. The department shall report on any court settlement  
15 that may require further legislative review of state statutory  
16 programs or regulations.

17           Sec. 226. Not later than November 15, the department shall  
18 disclose on a publicly accessible website private and other third-  
19 party funds received by the department in the previous fiscal year.  
20 The report must include the amount of funding received, the  
21 specific source of funding received, the purpose for which funding  
22 was expended, and the amount of any remaining funds. The report  
23 must be submitted to the standard report recipients and to the  
24 chairpersons of the senate and house appropriations committees.

25           Sec. 228. (1) Not later than 30 days after the enactment of  
26 this act, the house of representatives and senate shall provide to  
27 the state budget office a jointly agreed-upon list of legislatively  
28 directed spending items funded in part 1 as defined in section 364  
29 of the management and budget act, 1984 PA 431, MCL 18.364. The list



1 must include all information and documents pertaining to the funded  
2 items as publicly disclosed in accordance with sections 364 and  
3 364a of the management and budget act, 1984 PA 431, MCL 18.364 and  
4 18.364a.

5 (2) In accordance with section 364(4) of the management and  
6 budget act, 1984 PA 431, MCL 18.364, the department or agency  
7 administering the grant shall post a report in a publicly  
8 accessible location on its website beginning March 15 of the  
9 current fiscal year. The department or agency shall update the  
10 report and shall post an updated report not later than June 15 of  
11 the current fiscal year and again not later than September 15 of  
12 the current fiscal year. The department shall include in the report  
13 the most comprehensive information the department has available at  
14 the time of posting for grants awarded.

15 Sec. 229. The state budget director shall take steps to ensure  
16 that all state fiscal recovery funds allocated to this state under  
17 the American rescue plan act of 2021, Public Law 117-2, are  
18 expended by December 31, 2026, as required by law. Any state fiscal  
19 recovery funds that would otherwise lapse after September 30, 2026  
20 are automatically reappropriated for the same purpose as originally  
21 authorized and available for expenditure through December 31, 2026  
22 and any subsequent financial close out period.

23 Sec. 230. (1) The state budget director shall take steps to  
24 ensure that all state fiscal recovery funds allocated to this state  
25 under the American rescue plan act of 2021, Public Law 117-2, are  
26 expended by December 31, 2026, as required by law. The state budget  
27 director may reallocate appropriated funds for the purpose of fully  
28 utilizing state fiscal recovery funds that are in jeopardy of not  
29 meeting the expenditure deadline for reasons that may include, but



1 are not limited to, completed projects coming in under budget or  
 2 funds unable to be fully used by subrecipients. The state budget  
 3 director shall reallocate any of the funds reallocated under this  
 4 subsection to the programs or purposes specified in this section.  
 5 Any funds reallocated are unappropriated and immediately  
 6 reappropriated for the following purposes:

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

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

13 (2) All applicable guidance, implementation, and reporting  
 14 provisions of the American rescue plan act of 2021, Public Law 117-  
 15 2, must be followed for state fiscal recovery funds reallocated and  
 16 reappropriated under subsection (1).

17 (3) The state budget director shall notify the senate and the  
 18 house appropriations committees not later than 1 business day after  
 19 making any reallocations under subsection (1). The notification  
 20 must include the authorized program under which funds were  
 21 originally appropriated, the amount of the reallocation, the  
 22 program, or programs, or purpose, and the department to which the  
 23 funds are being reallocated under subsection (1), and the amount  
 24 reallocated to each program or purpose.

25 Sec. 231. (1) In addition to any other requirements under this  
 26 part, if the department is authorized under this part to expend  
 27 funds in addition to those appropriated in part 1, the department  
 28 must do all of the following:

29 (a) Not later than November 1, provide a report to the



1 chairpersons of the house and senate appropriations committees, the  
 2 house and senate fiscal agencies, and the state budget office that  
 3 details all of the following:

4 (i) The type of funding received during the previous fiscal  
 5 year that was authorized in part 2 of the article that made  
 6 appropriations for the department in the previous fiscal year.

7 (ii) When the funding was received.

8 (iii) The amount of funding received.

9 (iv) How much of the funding was spent and for what purpose or  
 10 purposes.

11 (b) Not later than 60 days after receipt of funds authorized  
 12 under this part, provide a report to the chairpersons of the house  
 13 and senate appropriations committees, the house and senate fiscal  
 14 agencies, and the state budget office that details all of the  
 15 following:

16 (i) The type of funding received.

17 (ii) When the funding was received.

18 (iii) The amount of funding received.

19 (iv) The anticipated or actual amount to be spent and the  
 20 specified purpose or purposes.

21 (c) Not later than February 15, provide a report to the  
 22 chairpersons of the house and senate appropriations committees, the  
 23 house and senate fiscal agencies, and the state budget office with  
 24 an estimate of funding authorized by this part that the department  
 25 anticipates it will receive in the subsequent fiscal year,  
 26 identifying all of the following:

27 (i) The type or types of funding anticipated.

28 (ii) The amount or amounts of funding anticipated.

29 (iii) The purpose or purposes of the funding.



1 (2) If another reporting requirement under this part would  
 2 provide substantially similar information on a substantially  
 3 similar time frame as would be reported under subsection (1),  
 4 subsection (1) does not apply.

5 Sec. 250. Unless prohibited by law, the department may accept  
 6 credit card or other electronic means of payment for licenses,  
 7 fees, or permits. Not later than February 1, the department shall  
 8 report on fees collected from credit card payments for licenses,  
 9 fees, and permits in the previous year.

10 Sec. 251. From the funds appropriated in part 1 from the  
 11 insurance bureau fund, funds may be expended to support legislative  
 12 participation in insurance activities coordinated by insurance and  
 13 legislative associations, in accordance with section 225 of the  
 14 insurance code of 1956, 1956 PA 218, MCL 500.225. Not later than  
 15 February 1, the department shall report on funds expended to  
 16 support legislative participation in insurance activities  
 17 coordinated by insurance and legislative associations.

18

19 **INSURANCE AND FINANCIAL SERVICES REGULATION**

20 Sec. 301. The annual health insurance rate change report  
 21 prepared pursuant to 45 CFR 154.301(b) shall be transmitted  
 22 electronically to the standard report recipients and must include  
 23 the following:

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

25 (b) The number of denials issued by the department.

26 (c) The number of objections issued by the department.

27 (d) The percentage of rate filings processed within the  
 28 applicable statutory time frames.

29 (e) The average number of calendar days to process rate



1 filings.

2 Sec. 302. In addition to the funds appropriated in part 1, the  
3 funds collected by the department in connection with a  
4 conservatorship under section 32 of the mortgage brokers, lenders,  
5 and servicers licensing act, 1987 PA 173, MCL 445.1682, and funds  
6 collected by the department from corporations being liquidated  
7 under the insurance code of 1956, 1956 PA 218, MCL 500.100 to  
8 500.8302, must be appropriated for all expenses necessary to  
9 provide for the required services. Funds are available for  
10 expenditure when they are received by the department of treasury  
11 and must not lapse to the general fund at the end of the fiscal  
12 year. The total amount appropriated under this section and section  
13 303 must not exceed \$600,000.00.

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

23 Sec. 306. (1) Not later than March 30, the department shall  
24 provide a report to the standard report recipients and the  
25 chairpersons of the senate and house standing committees that  
26 address financial and insurance issues based on filings received  
27 from insurers for automobile insurance, as that term is defined in  
28 section 2102 of the insurance code of 1956, 1956 PA 218, MCL  
29 500.2102, in the previous calendar year that includes all of the



1 following:

2 (a) The number of automobile insurance rate filings received  
3 by the department.

4 (b) The number of objections issued by the department for  
5 automobile insurance rate filings.

6 (c) The average number of calendar days to process rate  
7 filings.

8 (d) Pursuant to section 2111f of the insurance code of 1956,  
9 1956 PA 218, MCL 500.2111f, the weighted average aggregated  
10 personal protection insurance rate change for policies subject to  
11 the coverage limits under section 3107c(1)(a) to (d) of the  
12 insurance code of 1956, 1956 PA 218, MCL 500.3107c.

13 (e) Personal automobile insurance rating territories used in  
14 Michigan.

15 (f) Number of rating territories used statewide and their  
16 geographic boundaries.

17 (g) A map of the rating territories used statewide marking  
18 their geographic boundaries.

19 (h) The range of base rates charged across each territory for  
20 a standard coverage package, expressed as a ratio of highest to  
21 lowest territory.

22 (i) For each territory, the following from publicly available  
23 consensus data:

24 (i) The median household income.

25 (ii) The percentage of residents below the poverty line.

26 (iii) The racial and ethnic makeup of the territory.

27 (2) The department is not required to make any determination  
28 regarding actuarial justification or legal compliance of territory  
29 boundaries or rates.



1           Sec. 307. (1) From the funds appropriated in part 1 for  
 2 consumer services and protection, at least 1.0 FTE must provide  
 3 direct assistance in understanding automobile insurance coverage  
 4 and identifying available coverage options. Assistance must be  
 5 provided to households 300% of the federal poverty level or below.  
 6 The FTE must develop referral partnerships with not fewer than 10  
 7 community-based organizations serving low-income households.

8           (2) Not later than September 30, the department shall submit a  
 9 report to the standard report recipients and the chairpersons of  
 10 the senate and house standing committees that provides all of the  
 11 following:

12           (a) The number of consumers assisted.

13           (b) The barriers encountered to obtaining coverage,  
 14 maintaining coverage, or both.

15           (c) The geographic distribution of need.

16           (d) The partner community organization.

17           (e) The legislative or departmental, or both, recommendations  
 18 based on barrier patterns identified.

19           (f) Average income level of those assisted.

20           Sec. 401. (1) From the funds appropriated in part 1 for non-  
 21 driving factors study, by April 30, 2028, the department must  
 22 contract with a university or research institute that has a  
 23 specialty in automobile insurance research to conduct a study of  
 24 non-driving factors used in calculations or formulas in personal  
 25 automobile insurance rate setting. The contract must be established  
 26 through a competitive bidding process and the contract with a  
 27 university or research institute must not have any current or  
 28 previous relationship with automobile insurance companies. The  
 29 study must include the following:



1 (a) A model of the impact of non-driving factors on personal  
2 automobile insurance rate setting, including the use of these  
3 embedded into rate or premium setting calculations and formulas.

4 (b) A model if each individual factor was removed as well as  
5 if all factors were removed.

6 (c) The relationship of non-driving factors to uninsured  
7 motorist numbers in the state.

8 (d) The relationship of uninsured motorists on statewide  
9 rates.

10 (e) A comparison with other states and the impact on their  
11 rates that have eliminated non-driving factors.

12 (f) A clear outline of methods and assumptions made in the  
13 report.

14 (2) Non-driving factors that the report must study include,  
15 but are not limited to, the following:

16 (a) Credit scores or insurance scores.

17 (b) Gender or sex.

18 (c) Occupation.

19 (d) Income level.

20 (e) Geographic location.

21 (f) Age.

22 (g) Education level attained.

23 (h) Homeownership.

24 (i) Territories more impacted by the use of non-driving  
25 factors.