445.2003 Creation of the office of financial and insurance services as type I agency within department of consumer and industry services; transfer of securities functions of the corporation, securities and land development bureau to the office of financial and insurance services; transfer of insurance bureau functions to the office of financial and insurance services; transfer of financial institutions bureau functions to the office of financial and insurance services.

WHEREAS, Article V, Section 1, of the Constitution of the state of Michigan of 1963 vests the executive power in the Governor; and

WHEREAS, Article V, Section 2, of the Constitution of the state of Michigan of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units which he considers necessary for efficient administration; and

WHEREAS, Article V, Section 8, of the Constitution of the state of Michigan of 1963 provides that each principal department shall be under the supervision of the Governor, unless otherwise provided by the Constitution; and

WHEREAS, in order to enhance competition in the financial services industry and allow U.S. companies to effectively compete in the global market, the United States Congress recently enacted the Gramm-Leach-Bliley Act of 1999 which provides for the affiliation of banks, securities firms, insurance companies and other financial services providers; and

WHEREAS, reorganizing the regulation of insurance, financial institutions and securities into one office within the Department of Consumer and Industry Services will ensure improved service and protection for consumers; and

WHEREAS, the consolidation of the regulation of insurance, financial institutions and securities will provide maximum regulatory flexibility to allow Michigan companies to compete effectively in the national and international marketplace.

NOW, THEREFORE, I, John Engler, Governor of the state of Michigan, pursuant to the powers vested in me by the Constitution of the state of Michigan of 1963 and the laws of the state of Michigan, do hereby order the following:

I. CREATION OF THE OFFICE OF FINANCIAL AND INSURANCE SERVICES

A. The Office of Financial and Insurance Services is hereby created as a Type I agency within the Department of Consumer and Industry Services. This Office shall be headed by a Commissioner of Financial and Insurance Services who shall be appointed by the Governor for a four-year term, commencing upon the effective date of this Executive Order.

II. TRANSFER OF SECURITIES FUNCTIONS OF THE CORPORATION, SECURITIES AND LAND DEVELOPMENT BUREAU

A. All the authority, powers, duties, functions and responsibilities of the Securities Administrator under the Uniform Securities Act, Act No. 265 of the Public Acts of 1964, as amended, being Section 451.501 et seq. of the Michigan Compiled Laws, are hereby transferred by a Type III transfer to the Office of Financial and Insurance Services, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

B. All the authority, powers, duties, functions and responsibilities of the Corporations, Securities and Land Development Bureau under the Debt Management Act, Act No. 148 of the Public Acts of 1975, as amended, being Section 451.411 et seq. of the Michigan Compiled Laws, are hereby transferred by a Type III transfer to the Office of Financial and Insurance Services, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

C. All the authority, powers, duties, functions and responsibilities of the Corporations, Securities and Land Development Bureau under the Living Care Disclosure Act, Act No. 440 of the Public Acts of 1976, as amended, being Section 554.801 et seq. of the Michigan Compiled Laws, are hereby transferred by a Type III transfer to the Office of Financial and Insurance Services, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

III. TRANSFER OF INSURANCE BUREAU FUNCTIONS

A. All the authority, powers, duties, functions and responsibilities of the Commissioner of Insurance created by Chapter 2 of Act No. 218 of the Public Acts of 1956, as amended, being Section 500.200 et seq. of the Michigan Compiled Laws, are hereby transferred by a Type III transfer to the Commissioner of the Office
of Financial and Insurance Services, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

B. All the authority, powers, duties, functions and responsibilities of the Insurance Bureau under Act No. 218 of the Public Acts of 1956, as amended, being Section 500.100 et seq. of the Michigan Compiled Laws, are hereby transferred by a Type III transfer to the Office of Financial and Insurance Services, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

C. The Insurance Bureau and the Commissioner of Insurance are abolished.

D. All the authority, powers, duties, functions and responsibilities of the Insurance Bureau and of the Commissioner of Insurance, including but not limited to the following, are hereby transferred by a Type III transfer to the Commissioner of the Office of Financial and Insurance Services and the Office of Financial and Insurance Services, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws, as applicable:


IV. TRANSFER OF FINANCIAL INSTITUTIONS BUREAU FUNCTIONS

A. All the authority, powers, duties, functions and responsibilities of the Commissioner of the Financial Institutions Bureau, created under Chapter 2 of Act No. 319 of the Public Acts of 1969, as amended, being Section 487.311 et seq. of the Michigan Compiled Laws, and its successor, Section 2101 of Act No. 276 of the Public Acts of 1999, being Section 487.12101 et seq. of the Michigan Compiled Laws, are hereby transferred by a Type III transfer to the Commissioner of the Office of Financial and Insurance Services, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

B. All the authority, powers, duties, functions and responsibilities of the Financial Institutions Bureau, created under Act No. 319 of the Public Acts of 1969, as amended, being Section 487.301 et seq. of the Michigan Compiled Laws, and its successor, Act No. 276 of the Public Acts of 1999, being Section 487.11101 et seq. of the Michigan Compiled Laws, are hereby transferred by a Type III transfer to the Office of Financial and Insurance Services, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.
amended, being Section 16.103 of the Michigan Compiled Laws.

C. The Financial Institutions Bureau and the Commissioner of the Financial Institutions Bureau are abolished.

D. All the authority, powers, duties, functions and responsibilities of the Financial Institutions Bureau and the Commissioner of the Financial Institutions Bureau, including but not limited to the following, are hereby transferred by a Type III transfer to the Commissioner of the Office of Financial and Insurance Services and the Office of Financial and Insurance Services, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws, as applicable:


13. Act No. 379 of the Public Laws of 1984, as amended, being Section 493.101 et seq. of the Michigan Compiled Laws (known as the Credit Reform Act).


V. MISCELLANEOUS

A. The Director of the Department of Consumer and Industry Services shall provide executive direction and supervision for the implementation of all transfers of authority under this Order.

B. The Director of the Department of Consumer and Industry Services shall immediately initiate coordination with the Commissioner of Insurance, the Commissioner of the Financial Institutions Bureau and the Securities Administrator to facilitate the transfer and develop memoranda of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved related to the authority to be transferred.

C. The Director of the Department of Consumer and Industry Services and the Commissioner of the Office of Financial and Insurance Services shall administer the assigned functions transferred by this Order in such ways as to promote efficient administration and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

D. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in the state's financial management system for the remainder of the year.

E. The Commissioner of the Office of Financial and Insurance Services may by written instrument delegate a duty or power conferred by law or this Order and the person to whom such duty or power is so delegated may perform such duty or exercise such power at the time and to the extent such duty or power is delegated by the Commissioner of the Office of Financial and Insurance Services.

F. All records and personnel affected by this Order are hereby transferred to the Office of Financial and Insurance Services.
Insurance Services.

G. All property, grants and unexpended balances of appropriations, allocations and other funds used, held, employed, available or to be made available for the activities, power, duties, functions and responsibilities transferred by this Order are hereby transferred to the Department of Consumer and Industry Services.

H. All rules, orders, contracts and agreements relating to the functions transferred to the Office of Financial and Insurance Services by this Order by the responsible state agency shall continue to be effective until revised, amended or rescinded.

I. Any suit, action or other proceeding lawfully commenced by, against or before any entity transferred to the Office of Financial and Insurance Services by this Order, shall not abate by reason of the taking effect of this Order. Any suit, action or other proceeding may be maintained by, against or before the appropriate successor of any entity affected by this Order.

J. The budgeting, human resource, procurement, technology, and related functions of the Office of Financial and Insurance Services shall be performed under the direction and supervision of the Director of the Department of Consumer and Industry Services.

K. The invalidity of any portion of this Order shall not affect the validity of the remainder thereof.

In fulfillment of the requirement of Article V, Section 2, of the Constitution of the state of Michigan of 1963, the provisions of this Executive Order shall take effect April 3, 2000.


For references to office of financial and insurance regulation to be deemed as department of insurance and financial services, and abolishment of office of financial and insurance regulation, see E.R.O. No. 2013-1, compiled at MCL 550.991.

For references to commissioner of office of financial and insurance regulation to be deemed as references to director of department of insurance and financial services, and abolishment of office of commissioner of office of financial and insurance regulation, see E.R.O. No. 2013-1, compiled at MCL 550.991.