

**SUBSTITUTE FOR  
HOUSE BILL NO. 5513**

A bill to make appropriations for the department of insurance and financial services for the fiscal year ending September 30, 2025; 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, 2025, 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	395.5

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1	<b>GROSS APPROPRIATION</b>		<b>\$</b>	<b>77,771,400</b>
2	Interdepartmental grant revenues:			
3	Total interdepartmental grants and			
4	intradepartmental transfers			753,500
5	<b>ADJUSTED GROSS APPROPRIATION</b>		<b>\$</b>	<b>77,017,900</b>
6	Federal revenues:			
7	Total federal revenues			700,000
8	Special revenue funds:			
9	Total local revenues			0
10	Total private revenues			0
11	Total other state restricted revenues			76,317,900
12	<b>State general fund/general purpose</b>		<b>\$</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	23.5		
17	Unclassified salaries--FTEs	6.0	\$	955,500
18	Administrative hearings			173,700
19	Department services--FTEs	20.0		4,127,900
20	Executive director programs--FTEs	3.5		916,800
21	Property management			1,389,100
22	Worker's compensation			1,200
23	<b>GROSS APPROPRIATION</b>		<b>\$</b>	<b>7,564,200</b>
24	Appropriated from:			
25	Interdepartmental grant revenues:			
26	IDG from MDLARA, debt management			72,100
27	Special revenue funds:			
28	Bank fees			598,800



1	Captive insurance regulatory and supervision		
2	fund		57,000
3	Consumer finance fees		292,000
4	Credit union fees		985,000
5	Deferred presentment service transaction fees		265,200
6	Insurance bureau fund		2,409,700
7	Insurance continuing education fees		67,500
8	Insurance licensing and regulation fees		2,036,700
9	MBLSLA fund		778,900
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	372.0	
15	Consumer services and protection--FTEs	102.0	\$ 15,970,600
16	Financial institutions evaluation--FTEs	140.0	25,574,900
17	Insurance evaluation--FTEs	130.0	26,042,600
18	<b>GROSS APPROPRIATION</b>		<b>\$ 67,588,100</b>
19	Appropriated from:		
20	Interdepartmental grant revenues:		
21	IDG from MDLARA, debt management		656,200
22	Federal revenues:		
23	Federal revenues		700,000
24	Special revenue funds:		
25	Bank fees		6,913,100
26	Captive insurance regulatory and supervision		
27	fund		790,200
28	Consumer finance fees		2,857,800



1	Credit union fees		8,798,400
2	Deferred presentment service transaction fees		2,371,100
3	Insurance bureau fund		24,955,100
4	Insurance continuing education fees		1,022,700
5	Insurance licensing and regulation fees		11,613,400
6	MBLSLA fund		6,821,000
7	Multiple employer welfare arrangement		89,100
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	\$	2,369,100
11	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>2,369,100</b>
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	IDG from MDLARA, debt management		25,200
15	Special revenue funds:		
16	Bank fees		147,300
17	Captive insurance regulatory and supervision		
18	fund		13,700
19	Consumer finance fees		73,300
20	Credit union fees		248,900
21	Deferred presentment service transaction fees		50,000
22	Insurance bureau fund		466,400
23	Insurance continuing education fees		9,000
24	Insurance licensing and regulation fees		1,143,400
25	MBLSLA fund		191,900
26	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>
27	<b>Sec. 105. ONE-TIME APPROPRIATIONS</b>		



1	Insurance complaints and health care appeals		
2	outreach campaign	\$	250,000
3	<b>GROSS APPROPRIATION</b>	<b>\$</b>	<b>250,000</b>
4	Appropriated from:		
5	Special revenue funds:		
6	Insurance licensing and regulation fees		250,000
7	<b>State general fund/general purpose</b>	<b>\$</b>	<b>0</b>

PART 2

PROVISIONS CONCERNING APPROPRIATIONS  
FOR FISCAL YEAR 2024-2025

**GENERAL SECTIONS**

13           Sec. 201. In accordance with section 30 of article IX of the  
14 state constitution of 1963, for the fiscal year ending September  
15 30, 2025, total state spending under part 1 from state sources is  
16 \$76,317,900.00 and state spending under part 1 from state sources  
17 to be paid to local units of government is \$0.00.

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

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

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

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

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

26           (d) "IDG" means interdepartmental grant.

27           (e) "MDLARA" means the Michigan department of licensing and  
28 regulatory affairs.

29           (f) "MBLSLA fund" means the restricted account established



1 under section 8 of the mortgage brokers, lenders, and servicers  
2 licensing act, 1987 PA 173, MCL 445.1658.

3 (g) "Standard report recipients" means the senate and house  
4 appropriations subcommittees on the department budget, the senate  
5 and house fiscal agencies, the senate and house policy offices, and  
6 the state budget office.

7 Sec. 204. The department shall use the internet to fulfill the  
8 reporting requirements of this part. This requirement includes  
9 transmitting reports to the standard report recipients and any  
10 other required recipients by email and posting the reports on an  
11 internet site.

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

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

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

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

26 Sec. 206. The department shall not take disciplinary action  
27 against an employee of the department for communicating with a  
28 member of the legislature or legislative staff, unless the  
29 communication is prohibited by law and the department is exercising



1 its authority as provided by law.

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

12 (a) The dates of each travel occurrence.

13 (b) The total transportation and related expenses of each  
14 travel occurrence and the proportions funded with state general  
15 fund/general purpose revenues, state restricted revenues, federal  
16 revenues, and other revenues.

17 Sec. 208. The department shall not use funds appropriated in  
18 part 1 to hire a person to provide legal services that are the  
19 responsibility of the attorney general. This section does not apply  
20 to legal services for bonding activities or to outside legal  
21 services that the attorney general authorizes.

22 Sec. 209. Not later than December 15, the state budget office  
23 shall prepare and submit a report that provides estimates of the  
24 total general fund/general purpose appropriation lapses at the  
25 close of the previous fiscal year. The 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 submit the report to the standard report  
29 recipients and to the chairpersons of the senate and house



1 appropriations committees.

2       Sec. 210. (1) In addition to the funds appropriated in part 1,  
3 there is appropriated an amount not to exceed \$200,000.00 for  
4 federal contingency authorization. Amounts appropriated under this  
5 subsection are not available for expenditure until they have been  
6 transferred to another line item in part 1 under section 393(2) of  
7 the management and budget act, 1984 PA 431, MCL 18.1393.

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

14       Sec. 211. The department shall cooperate with the department  
15 of technology, management, and budget to maintain a searchable  
16 website accessible by the public at no cost that includes, but is  
17 not limited to, all of the following for the department:

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

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

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

23       (d) The number of active department employees by job  
24 classification.

25       (e) Job specifications and wage rates.

26       Sec. 212. Not later than 14 days after the release of the  
27 executive budget recommendation, the department shall cooperate  
28 with the state budget office to provide an annual report on  
29 estimated state restricted fund balances, state restricted fund





1 projected revenues, and state restricted fund expenditures for the  
2 previous 2 fiscal years. The report must be submitted to the  
3 standard report recipients and to the chairpersons of the senate  
4 and house appropriations committees.

5 Sec. 213. (1) Funds appropriated in part 1 must not be used to  
6 restrict or impede a marginalized community's access to government  
7 resources, programs, or facilities.

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

11 Sec. 214. To the extent permissible under the management and  
12 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall  
13 take all reasonable steps to ensure that geographically  
14 disadvantaged business enterprises compete for and perform  
15 contracts to provide services or supplies, or both. The director  
16 shall strongly encourage firms with which the department contracts  
17 to subcontract with certified geographically disadvantaged business  
18 enterprises for services, supplies, or both. As used in this  
19 section, "geographically disadvantaged business enterprises" means  
20 that term as defined in Executive Directive No. 2019-8.

21 Sec. 215. On a quarterly basis, the department shall report on  
22 the number of full-time equated positions in pay status by civil  
23 service classification, including a comparison by line item of the  
24 number of full-time equated positions authorized from funds  
25 appropriated in part 1 to the actual number of full-time equated  
26 positions employed by the department at the end of the reporting  
27 period. The report must be submitted to the standard report  
28 recipients and to the senate and house appropriations committees.

29 Sec. 216. It is the intent of the legislature that the



1 department maximize the efficiency of the state workforce and, if  
2 possible, prioritize in-person work and post its in-person, remote,  
3 or hybrid work policy on its website.

4 Sec. 217. The department shall receive and retain copies of  
5 all reports funded from appropriations in part 1. The department  
6 shall follow federal and state guidelines for short-term and long-  
7 term retention of records. The department may electronically retain  
8 copies of reports unless otherwise required by federal or state  
9 guidelines.

10 Sec. 218. Not later than April 1, the department shall report  
11 on each specific policy change made to implement a public act  
12 affecting the department that took effect during the previous  
13 calendar year. The department shall submit the report to the  
14 standard report recipients, to the senate and house appropriations  
15 committees, and to the joint committee on administrative rules.

16 Sec. 219. To the extent possible, the department shall not  
17 expend appropriations under part 1 until all existing authorized  
18 work project funds available for the same purposes are exhausted.

19 Sec. 220. Unless prohibited by law, the department may accept  
20 credit card or other electronic means of payment for licenses,  
21 fees, or permits.

22 Sec. 221. Not later than September 30, the department shall  
23 submit a report to the standard report recipients detailing any  
24 expenditure of funds for a television or radio production that was  
25 made to a third-party vendor in the fiscal year ending September  
26 30, 2025. The report must include all of the following information  
27 for each expenditure:

28 (a) The total amount of the expenditure.

29 (b) The fund source for the expenditure.



1 (c) The name of any vendor that created the production and the  
2 amount paid to each vendor.

3 (d) The purpose of the production.

4 Sec. 222. From the funds appropriated in part 1 from the  
5 insurance bureau fund, funds may be expended to support legislative  
6 participation in insurance activities coordinated by insurance and  
7 legislative associations, in accordance with section 225 of the  
8 insurance code of 1956, 1956 PA 218, MCL 500.225.

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10 **INSURANCE AND FINANCIAL SERVICES REGULATION**

11 Sec. 301. The department shall electronically transmit the  
12 annual health insurance rate change report prepared pursuant to 45  
13 CFR 154.301(b), to the standard report recipients at the time the  
14 report is published.

15 Sec. 302. In addition to the funds appropriated in part 1, the  
16 funds collected by the department in connection with a  
17 conservatorship under section 32 of the mortgage brokers, lenders,  
18 and servicers licensing act, 1987 PA 173, MCL 445.1682, and funds  
19 collected by the department from corporations being liquidated  
20 under the insurance code of 1956, 1956 PA 218, MCL 500.100 to  
21 500.8302, must be appropriated for all expenses necessary to  
22 provide for the required services. Funds are available for  
23 expenditure when they are received by the department of treasury  
24 and must not lapse to the general fund at the end of the fiscal  
25 year.

26 Sec. 303. The department may make available to interested  
27 entities customized listings of nonconfidential information in its  
28 possession. The department may establish and collect a reasonable  
29 charge to provide this service. The revenue from this service is



1 appropriated when received and must be used to offset expenses to  
2 provide the service. Any balance of this revenue collected and  
3 unexpended at the end of the fiscal year must lapse to the  
4 appropriate restricted fund.

5 Sec. 304. The department must electronically transmit the  
6 annual report prepared under section 238 of the insurance code of  
7 1956, 1956 PA 218, MCL 500.238, and section 2108 of the banking  
8 code of 1999, 1999 PA 276, MCL 487.12108, to the standard report  
9 recipients at the time of the publication of the report.

10 Sec. 305. The department shall update examination manuals and  
11 letters of guidance to state-chartered financial institutions as  
12 necessary to reflect how the department will evaluate institutions  
13 that provide banking or other financial services to marihuana-  
14 related businesses or businesses that transport, test, grow,  
15 process, or sell marihuana, based on state statute and guidance.  
16 The department may also include guidance or information on how  
17 federal law and regulations may impact state-chartered  
18 institutions.

