

**Department of Insurance and Financial Services
Office of Appeals, Legal Research, and Market Regulation**

1. Rule(s) to be **processed** between July 1, 2024 and June 30, 2025. [Give a brief description.]

MOAHR #2023-64 IF. Term Life and Universal Life Insurance Reserve Financing. (Authority: MCL 500.210, 500.1106.) The National Association of Insurance Commissioners (NAIC) requires accredited states to adopt *Term and Universal Life Insurance Reserve Financing Model Regulation* (#787). The model regulation is intended to establish uniform national standards for reserve financing arrangements with respect to life insurance policies containing guaranteed nonlevel gross premiums, guaranteed nonlevel benefits and universal life insurance policies with secondary guarantees, such as ensuring security is held by or on behalf of the ceding insurer in the amount and type deemed adequate under the model regulation. The proposed rules would adopt model regulation #787. This rule set was submitted to JCAR on June 20, 2024, and remains pending.

MOAHR #2023-44 IF. Debt Management. (Authority: MCL 451.432, 451.415.) This existing rule set, R 451.1221 to R 451.1246, implements and enforces the Debt Management Act (DMA), MCL 451.411 to 451.437. The proposed rules would add clarity to firms regulated under the DMA and existing rules by 1) requiring books and records to be kept current on a monthly basis, 2) updating references to a firm's "manual" under R 451.1237, 3) clarifying requirements for the licensee's budget analysis of the debtor, and 4) making other clarifying changes to the regulatory requirements under the DMA. This rule set was submitted to JCAR on May 1, 2024, and remains pending as of the date that this document was submitted.

MOAHR #2023-46 IF. Deferred Presentment Service Transactions. (Authority: MCL 487.2140, 487.2142, 487.2171.) The Deferred Presentment Service Transactions Act (DPSTA), MCL 487.2121 to 487.2173, assigns to the Director regulatory oversight of licensees entering into deferred presentment service transactions with customers. The existing rule set promulgated under the authority of the DPSTA relates only to administering the Deferred Presentment Statewide Database. See R 487.2121 to 487.2123. The proposed rules would clarify the requirements that apply when a licensee extends the "maturity date" of a deferred presentment service transaction agreement and make other amendments. The request for rulemaking was approved on September 19, 2023; this rule set remains pending.

2. Rules that are obsolete or superseded and can be **rescinded** between July 1, 2024 and June 30, 2025. Also, please identify the rules or rule sets that are least important to the mission and function of the agency or are otherwise strong candidates for rescission.

The Department has not identified any such rules.

3. Has the agency failed to promulgate any statutorily required rules or failed to utilize any statutorily required rules? Please explain.

MCL 500.836a mandates promulgation of rules containing the minimum standards applicable to the valuation of disability plans and contracts issued before the date of the NAIC valuation manual.

MCL 487.2068 mandates promulgation of rules necessary for the enforcement of the Consumer Financial Services Act, MCL 487.2051 et seq.

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MCL 500.415 mandates promulgation of rules to carry out the purposes of Sections 412 to 414 of the Insurance Code, MCL 500.412 to 500.414, which establish procedures for the transfer of an insurer's corporate domicile.

MCL 500.2080 mandates promulgation of rules to regulate life insurance solicitations to fund preneed funeral and cemetery contracts.

4. Please indicate the rules that are most problematic to industry and could be reviewed to determine the most business-friendly method of regulation.

The Department has not identified such rules.

- A. Describe whether there is a continued need for the rules.

N/A

- B. Provide a summary of any complaints or comments received from the public concerning the rules.

N/A

- C. Describe the complexity of complying with the rules.

N/A

- D. Describe whether the rules conflict with or duplicate similar rules or regulations adopted by the federal government or local units of government.

N/A

- E. Provide the date of the last evaluation of the rules and the degree, if any, to which technology, economic conditions, or other factors have changed regulatory activity covered by the rules.

N/A

5. Please provide the URL link the department or bureau is currently using to display their administrative rules.

<https://www.michigan.gov/difs/Legal/statutes-rules-regs>

6. Please provide a list of the items identified for action in the 2024 ARP that have been completed and those that remain outstanding.

Completed

MOAHR # 2023-21 IF (Holding Companies): promulgated effective March 20, 2024.

MOAHR # 2023-10 IF (Pharmacy Benefit Manager Licensure and Regulation Act): promulgated effective January 2, 2024.

MOAHR # 2023-62 IF (Surplus Lines Insurance Fees): promulgated effective June 17, 2024.

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Outstanding

MOAHR #2023-64 IF (Term Life and Universal Life Insurance Reserve Financing): see description above under Question #1.

MOAHR #2023-44 IF (Debt Management): see description above under Question #1.

MOAHR #2023-46 IF (Deferred Presentment Service Transactions): see description above under Question #1.

MOAHR # not assigned (Captive Insurance Company Rules): rulemaking was identified for action in the Department's 2023-2024 Annual Regulatory Plan but was not pursued further and is not currently outstanding.