



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

EXECUTIVE ORDER

No. 2018-9

ANTI-FRAUD UNIT

CRIMINAL JUSTICE AGENCY

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

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

WHEREAS, the Department of Insurance and Financial Services is responsible for the regulation of the insurance and financial services industries in this state; and

WHEREAS, as fraudulent activity and financial crimes in the insurance and financial services markets continues to evolve with changing regulatory practices, it is necessary for the Department of Insurance and Financial Services to have access to available tools that would greatly increase its ability to perform its statutory obligations related to the prevention, investigation and prosecution of acts of fraud in the insurance and financial services markets; and

WHEREAS, the Department of Insurance and Financial Services currently has only limited ability to conduct full and complete criminal background checks for those it regulates; and

WHEREAS, the Department of Insurance and Financial Services seeks to establish an Anti-Fraud Unit dedicated to investigating insurance and financial services fraud and obtaining the information necessary to enforce Michigan law;

NOW, THEREFORE, I, Richard D. Snyder, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and the laws of the state of Michigan, order the following:

I. CREATION

A. The Director of the Department of Insurance and Financial Services (the "Department") shall create an Anti-Fraud Unit as an administrative unit within the Department.

B. The Director of the Department shall have responsibility for, and direct control of, the Anti-Fraud Unit.

C. The Director of the Department shall arrange for appropriate staffing and funding of the Anti-Fraud Unit.

II. PURPOSE

A. The Anti-Fraud Unit is a criminal justice agency and shall have full access to criminal justice information and criminal justice information systems. The Director of the Department and the Director of the Michigan State Police shall execute the appropriate agreements to adhere to state and federal laws for access to these systems. The Anti-Fraud Unit will investigate criminal and fraudulent activity related to any matter under the jurisdiction and authority of the Department pursuant to Executive Order 2013-1, including but not limited to the following:

The Insurance Code of 1956, as amended, 1956 PA 218, MCL 500.100 et seq.

The Worker's Disability Compensation Act of 1969, as amended, 1969 PA 317, MCL 418.101 et seq.

1933 PA 66, as amended, MCL 550.1 et seq (governing Emergency Insurance Legislation).

The Prudent Purchaser Act, as amended, 1984 PA 233, MCL 550.51.

The Coordination of Benefits Act, as amended, 1984 PA 64, MCL 550.251 e seq.

1963 PA 125, as amended, MCL 550.351 et seq (governing Nonprofit Dental Care Corporations).

1996 PA 386, as amended, MCL 550.521 et seq (governing Viatical Settlement Contracts).

The Credit Insurance Act, as amended, 1958 PA 173, MCL 550.601 et seq.

The Third-Party Administrator Act, as amended, 1984 PA 281, MCL 550.901 et seq.

The Health Benefit Agent Act, as amended, 1986 PA 252, MCL 550.1001 et seq.

The Nonprofit Health Care Corporation Reform Act as amended, 1980 PA 350, MCL 550.1101 et seq.

The Insurance Provider Assessment Act, as amended, 2018 PA 175, MCL 550.1751 et seq.

The Group Health Plan Act, as amended, 1995 PA 239, MCL 550.1801 et seq.

The Health Care Sharing Ministries Freedom to Share Act, as amended, 2012 PA 530, MCL 550.1861 et seq.

The Patient's Right to Independent Review Act, as amended 2000 PA 251, MCL 550.1901 et seq.

2006 PA 495, as amended, MCL 550.1951 et seq (governing Contracts with State and Local Government Subject to Patient's Right to Independent Review Act).

1951 PA 35, as amended, MCL 124.1 et seq (governing Intergovernmental Contracts between Municipal Corporations).

The Public Employees Health Benefit Act, as amended, 2007 PA 106, MCL 124.71 et seq (known as the Public Employees Health Benefit Act).

1977 PA 315, as amended, MCL 390.1121 et seq Compiled Laws (governing the Indemnification Reserve Fund).

The Michigan Consumer Protection Act, as amended, 1976 PA 331, MCL 445.901 et seq.

The Banking Code of 1999, as amended, 1999 PA 276, MCL 487.11101 et seq.

The Collective Investment Funds Act, as amended, 1941 PA 174, MCL 555.101 et seq.

The Electronic Funds Transfer Act, as amended, 1978 PA 322, MCL 488.1 et seq.

The Michigan BIDCO Act, as amended, 1986 PA 89, MCL 487.1101 et seq.

The Savings Bank Act, as amended, 1996 PA 354, MCL 487.3101 et seq.

The Credit Union Act, as amended, 2003 PA 215, MCL 490.101 et seq.

1968 PA 41, as amended, MCL 490.51 et seq (governing Credit Union Multiple-Party Accounts).

1992 PA 31, as amended, MCL 490.81 et seq (governing Beneficiary Accounts in Credit Unions).

The Consumer Financial Services Act, as amended, 1988 PA 161, MCL 487.2051 et seq.

The Consumer Mortgage Protection Act, as amended, 2002 PA 660, MCL 487.2051 et seq.

The Mortgage, Brokers, Lenders, and Servicers Licensing Act, as amended, 1987 PA 173, MCL 445.1651 et seq.

The Motor Vehicle Sales Finance Act (Ex Sess), as amended, 1950 PA 27, MCL, 492.101 et seq.

The Regulatory Loan Act of 1963, as amended, 1939 PA 21, MCL 493.1 et seq.

The Secondary Mortgage Loan Act, as amended, 1981 PA 125, MCL 493.51 et seq.

1984 PA 379, MCL 493.101 et seq (governing Credit Card Arrangements).

The Credit Reform Act, 1995 PA 162, MCL 445.1851 et seq.

The Debt Management Act, as amended, 1975 PA 148, MCL 451.411 et seq.

The Deferred Presentment Service Transactions Act, as amended, 2005 PA 244, MCL 487.2121 et seq.

The Guaranteed Asset Protection Waiver Act, as amended, 2009 PA 229, MCL 492.21 et seq.

1977 PA 135, as amended, MCL 445.1601 et seq (governing Mortgage Lending Practices).

The Mortgage Loan Originator Licensing Act, as amended, 2009 PA 75, MCL 493.131 et seq.

The Money Transmission Services Act, as amended, 2006 PA 250, MCL 487.1001 et seq.

B. To execute its responsibilities under this Order, the Anti-Fraud Unit may engage in any or all of the following:

1. Conduct background checks on applicants for licenses and current licensees in accordance with state and federal laws; and
2. Collect and maintain claims of criminal and fraudulent activities in the insurance and financial services industries; and
3. Investigate claims of criminal and fraudulent activity in the insurance and financial services markets that, if true, would constitute a violation of applicable state or federal law, including but not limited to: the Michigan Penal Code, the Michigan Insurance Code, the Michigan Banking Code, or the Michigan Credit Union Act; and
4. Maintain records of its criminal investigations; and
5. Share records of its investigations with other criminal justice agencies; and

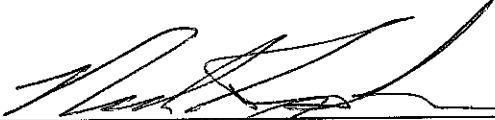
6. Review information from other criminal justice agencies to assist in the enforcement and investigation of all matters under the authority of the Director of the Department of Insurance and Financial Services; and

7. Conduct outreach and coordination efforts with local and state law enforcement and regulatory agencies to promote investigation and prosecution of criminal and fraudulent activities in the insurance and financial services industries.

This Executive Order shall become effective upon filing.

Given under my hand and the Great Seal of the state of Michigan this 11th day of September, in the Year of our Lord Two Thousand Eighteen.





RICHARD D. SNYDER
GOVERNOR

BY THE GOVERNOR:



SECRETARY OF STATE

FILED WITH SECRETARY OF STATE

ON 9/11/18 AT 3:34 P.M.