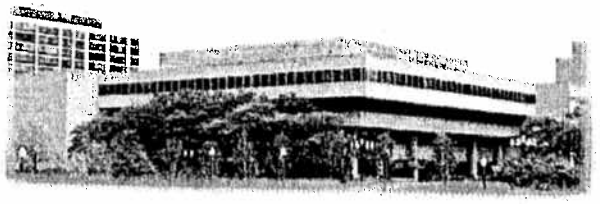
Office of Financial and Insurance Regulation



Ottawa Building, 611 W. Ottawa St. Lansing, Michigan

WHAT IS OFIR?

- OFIR is a Type I agency housed in the Michigan Department of Licensing and Regulatory Affairs (LARA)
- OFIR is a fee funded financial service regulator. Industry assessments and fees pay for our regulatory and consumer assistance activities.
- OFIR currently has 362 employees, who are responsible for the regulation of a wide variety of financial service entities and individual licensees.

WHAT DOES OFIR DO?

Licensing

Insurance

- 171 domestic (Michigan based) insurance companies
- 1,458 foreign insurance companies
- 194,835 insurance agents
- 16,425 insurance agencies
- 8,116 insurance adjusters
- 1,453 insurance solicitors
- 931 insurance counselors

Securities

- 9,214 investment advisor representatives
- 1,778 investment advisors
- 1,969 securities broker-dealers
- 131,194 securities agents

WHAT DOES OFIR DO?

Licensing

Consumer Finance

- 3,958 mortgage licensees and registrants
- 656 deferred presentment companies
- 2,387 other consumer finance-related entities.

Regulatory Oversight also includes:

- Blue Cross Blue Shield of Michigan
- 25 HMOs
- 114 state-chartered banks
- 202 state-chartered credit unions

WHAT DOES OFIR DO?

Rate & Form Review

- BCBSM
- HMOs
- Commercial Health, Life & Annuities (Individual & Group)
- Medicare Supplement
- Long-Term Care
- Casualty
- Auto (Individual and Group)
- Workers Compensation
- Title
- Property

WHAT DOES OFIR DO?

Monitor Financial Solvency

- Off-site financial analysis
- On-site examinations
- Statutory accounting principals for insurance
- Review of investments

WHAT DOES OFIR DO?

Market Conduct Analysis and Examinations

- Examine insurance companies based on Market Conduct Annual Statement and complaint statistics
- Investigate allegations of wrongdoing on part of licensees based upon complaints.
- Refer violations of the Insurance Code to the Office of General Counsel for administrative actions

WHAT DOES OFIR DO?

Consumer Assistance

In 2010, OFIR Staff:

- Answered more than 100,000 consumer calls
- Resolved more than 3,000 consumer complaints
- Recovered more than $27 million on behalf of consumers: $8 million related to insurance and securities matters, $19 million involved mortgage and banking products

WHAT DOES OFIR DO?

Consumer Education

- Consumer presentations, town halls and workshops
- Educational guides and pamphlets, many found at: www.michigan.gov/ofir
- Press releases and media interviews
  Example on next slide →

Consumers Need to Know Their "Stuff" to Ensure Homeowners Policy Protects Possessions

OFIR Lists Ten Steps to Complete a Home Inventory

LANSING - When choosing homeowners insurance, most Michigan consumers may think more about the value of the home than about their prized possessions inside. When you're deciding out how much coverage you need, it is important to know all the "stuff" in your home that warrants special protection. Certain valuables might be better covered with an insurance rider or additional policy, depending on the circumstances. The Office of Financial and Insurance Regulation (OFIR) today offered tips to complete a home inventory.

"The first step toward figuring out how much coverage you need is to take stock of what you have," OFIR Commissioner Kevin Clinton said. "Documenting possessions allows you to fully protect and replace your valuables if something happens."

OFIR's Ten Steps to Complete a Home Inventory:

- Make a list of possessions, including "celebration" purchases, such as jewelry and fine art.
- Think about family heirlooms, collections and furniture. Also, consider items related to everyday leisure time, from flat-screen televisions to custom guitars.
- Take note of commonplace items, such as toys, CDs and clothing. And, do not forget items you may only use occasionally, such as holiday decorations, sports equipment, tools, and high-ticket items kept outside your home, such as landscape and swing sets.
- Attach copies of original sales receipts and/or appraisal documents to your inventory. Be sure to note model and serial numbers.
- Group your possessions into logical categories, i.e., by hobby, by room in your home.
- Carefully photograph or videotape each item and document a brief description, including age, purchase price and estimated current value.
- Remember to open drawers and closets to document what is inside.
- Store your home inventory and related documents in a safe, easily accessible place, such as a secured site/file online, a fire-proof box or in a safe deposit box. You may want to share a copy with your insurance provider to make necessary updates to your coverage.
- Review and update your inventory annually and anytime you make a significant purchase.
- To get started, you can out the National Association of Insurance Commissioner's simple home inventory checklist at www.insureuonline.org/home_inventory_checklist.pdf

OFFICE OF REGULATORY REINVENTION

- Housed within LARA
- Will simplify MI's regulatory environment by reducing unnecessary rules that are limiting economic growth
- An Insurance and Finance Advisory committee has been created to obtain input from a variety of stakeholders

HOT INSURANCE TOPICS

- PPACA
  - Insurance Exchange Planning Process
  - Michigan Exchange – run by state or feds?
  - Medical Loss Ratios (MLR)
- Anti-Fraud Initiatives
- PIP Choice
- Medical Fee Schedule
- Credit Scoring
- Non-Admitted and Reinsurance Reform Act/Dodd- Frank Act (Surplus Lines Insurance)