

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of Financial and Insurance Services

In the matter of appointments,
delegations, and designations
by the Commissioner

Order No. 07-058-M

Issued and entered
this 31st day of October 2007
by Linda A. Watters
Commissioner

ORDER MAKING AND REVOKING
APPOINTMENTS, DELEGATIONS, AND DESIGNATIONS

I
BACKGROUND

The Commissioner of the Office of Financial and Insurance Services ("OFIS") is charged with implementing and enforcing several regulatory laws, principally respecting insurance, securities, and financial institutions ("regulatory laws"). These laws are identified in Executive Order No. 2000-4 ("Executive Order"). The public interest is greatly affected by these laws.

These laws have as their primary purpose the protection of the public. They establish standards of conduct for thousands of persons and legal or business entities licensed under them. The purpose of this Order is to ensure the effective implementation and enforcement of these laws.

II
ANALYSIS

Several statutory provisions authorize the Commissioner to appoint, delegate, and designate ("appoint") persons who may, along with the Commissioner, exercise duties and powers. The Commissioner may revoke these appointments at the Commissioner's discretion.

Principal among these statutory provisions are section 212 of the Insurance Code of 1956, as amended, MCL 500212 ("Insurance Code"), and section 2104 of the Banking Code of 1999, as amended, MCL 487.12104 ("Banking Code"). Furthermore, in section V.E. of the Executive Order, the Governor conferred upon the Commissioner broad authority to delegate duties and powers.

Certain duties and powers warrant formal appointments. For clarity and administrative efficiency, all appointments in this agency are set forth in this Order.

III FINDINGS OF FACT

The scope and significance of the regulatory laws warrant the delegation of certain duties and powers of the Commissioner. Several persons within OFIS are qualified for such appointments by reason of their training and experience. Based upon these considerations, the Commissioner finds that:

1. Frances K. Wallace should be appointed Chief Deputy for Regulatory Compliance and Consumer Assistance. She should also be appointed as a Special Deputy to perform any act or duty that the Commissioner may perform under the regulatory laws administered within the Office Regulatory Compliance and Consumer Assistance.
2. Peggy Bryson should be appointed Acting Chief Deputy for Financial Evaluation. She should also be appointed Acting Chief Deputy under the Banking Code. She should also be appointed as an Acting Special Deputy to perform any act or duty that the Commissioner may perform under the regulatory laws administered within the Office of Financial Evaluation.
3. Kenneth M. Ross should be appointed First Deputy under the Insurance Code.

4. Catherine J. Kirby should be appointed Second Deputy under the Insurance Code.
5. John R. Schoonmaker should be appointed as a Special Deputy to perform the following duties: (1) take actions in response to petitions for contested cases; (2) issue orders with respect to interlocutory appeals; (3) issue final decisions in contested cases in the absence of the filing of exceptions to proposals for decisions or where disposition is made by default, settlement, or withdrawal of petition; and (4) approve denials under the Freedom of Information Act.
6. Joan Moiles should be appointed as a Special Deputy to perform the following duties: (1) approve or disapprove rates, forms, and other materials and proposals filed by nonprofit health care corporations, nonprofit dental care corporations, multiple employer welfare arrangements, commercial health insurers, and life insurers; and (2) approve or disapprove rates and other materials and proposals filed by health maintenance organizations.
7. Judith A. Weaver should be appointed as a Special Deputy to perform the following duties: (1) disapprove applications for admission as insurers in Michigan made by foreign or alien insurers; (2) deny applications for the formation of domestic insurers; (3) deny applications for recognition as eligible surplus lines insurers; (4) deny applications for health maintenance organization licenses; (5) approve health maintenance organization trust indentures; (6) approve payment of extraordinary dividends; (7) approve payment of dividends from other than earned surplus; (8) approve certificates of valuation; (9) approve stipulation or settlement agreements; (10) approve applications for membership; and (11)

approve or disapprove forms and other materials filed by health maintenance organizations.

8. Peggy Bryson should be appointed as a Special Deputy to perform any act or duty of the Commissioner identified in the Banking Code, the Savings Bank Act, the Michigan BIDCO Act, and the Savings and Loan Act, with the exception of instituting enforcement actions, approving de novo applications, and issuing final decisions in contested cases.
9. Barbara J. Strefling should be appointed as a Special Deputy to perform any act or duty of the Commissioner identified in the Banking Code, the Savings Bank Act, the Michigan BIDCO Act, the Savings and Loan Act, and the Credit Union Act, with the exception of instituting enforcement actions, approving de novo applications, and issuing final decisions in contested cases. She should also be appointed as a special deputy to deny applications for premium finance company licenses. In matters arising under the acts identified above and arising under the Insurance Code, she is specifically appointed to perform the following duties: (1) approve the payment of extraordinary dividends; (2) approve the payment of dividends from other than earned surplus; (3) approve the quarterly surplus lines list; (4) approve permitted practices; (5) approve stipulation and settlement agreements; (6) as to requalifications under Section 405 of the Insurance Code, issue denial letters and no application received letters; (7) suspend or revoke registrations, censure registrants, and take other actions respecting broker-dealers, agents, investment advisors, and other persons under Parts I and IV of the Uniform Securities Act; (8) issue orders of registration or exemption and take other actions respecting the registration of securities and the review of

related filing under Parts III and IV of the Uniform Securities Act; (9) issue orders of registration or exemption under Part II of the Uniform Securities Act; (10) suspend a license under the Debt Management Act; (11) issue licenses or exemption orders and deny or postpone a license under the Debt Management Act; and (12) issue orders of registration or rejection and issue notices of deficiencies under the Living Care Disclosure Act.

10. Roger W. Little should be appointed as a Special Deputy to perform any act or duty of the Commissioner identified in the Credit Union Act, the Credit Union Multiple-Party Accounts Act, and the Credit Union Beneficiary Accounts Act, with the exception of instituting enforcement actions, approving de novo applications, and issuing final decisions in contested cases.
11. Frances K. Wallace should be appointed as a Special Deputy to perform the following duties: approve or disapprove rates, rules, or forms in accordance with Public Act 173 of 1958, as amended, and with Chapters 20, 21, 22, 23, 24, 26, 27, 28, 30, 30A, 31, 32, 33, 34, 36, 37, 40, 42, and 44 of the Insurance Code. She should also be appointed as a Special Deputy to perform the following duties: (1) approve or disapprove rates, forms, and other materials and proposals filed by property and casualty insurers; (2) approve, deny, restrict, revoke, suspend, grant, and limit licenses for agents, solicitors, adjusters, and counselors under Chapter 12 of the Insurance Code; (3) issue written consents respecting prohibited persons engaging in the business of insurance pursuant to U.S. Code Title 18 Sec. 1033; and (4) approve license and registration applications and annual renewals; approve transfer or assignment of a license or registration; approve merger and acquisition requests of

licensees and registrants; approve amendments to existing licenses and registrations; and, set bond limitation or waiver of bond requirements under the consumer finance laws. Those laws are: the Credit Card Act, the Consumer Financial Services Act, the Mortgage Brokers, Lenders, and Servicers Licensing Act, the Motor Vehicle Sales Finance Act, the Regulatory Loan Act, the Sale of Checks Act, and the Secondary Mortgage Loan Act.

IV CONCLUSIONS OF LAW

Based upon a review of applicable laws and the Executive Order, the Commissioner concludes that:


1. The Commissioner may appoint a Chief Deputy for Financial Evaluation and a Chief Deputy for Regulatory Compliance and Consumer Assistance.
2. The Commissioner is required to appoint a Chief Deputy under the Banking Code. The Commissioner may appoint a First Deputy and a Second Deputy under the Insurance Code.
3. The Commissioner may appoint Special Deputies who may perform specified duties and exercise specified powers.

V ORDER

Therefore, it is ORDERED that:

1. Frances K. Wallace is appointed Chief Deputy for Regulatory Compliance and Consumer Assistance.
2. Peggy Bryson is appointed Acting Chief Deputy for Financial Evaluation. She is also appointed Acting Chief Deputy under the Banking Code.

3. Kenneth M. Ross is appointed First Deputy under the Insurance Code.
4. Catherine J. Kirby is appointed Second Deputy under the Insurance Code.
5. Frances K. Wallace, , John R. Schoonmaker, Joan Moiles, Judith A. Weaver, Peggy Bryson, Barbara J. Strefling, and Roger W. Little are appointed as Special Deputies.
6. Persons receiving authority under this Order shall perform their duties and powers as specified in the preceding sections of this Order.
7. Any appointment not specified above is revoked.
8. Nothing in this order shall affect any appointment by the Commissioner of any person to act as a hearing officer or to act as a deputy in a receivership matter.
9. Nothing in this Order shall diminish the authority of an employee of this agency from carrying out his or her duties as set forth in his or her position description.


Linda A. Watters
Commissioner