

PROTECT. EDUCATE. SERVE.



Agency Overview and Introduction

Economic Affairs Interim Committee

July 22, 2025 | 9:00 AM





CSI VISION & MISSION

Vision

An accountable, responsive agency serving and safeguarding Montana consumers by regulating the insurance and securities industries, investigating fraud, and prosecuting criminals.



Our Legislative Information
csimt.gov/legislative-priorities/

Mission

- Inform consumers and industry through education and outreach
- Provide responsive and meaningful customer service
- Investigate complaints, fraud reports, and prosecute criminals
- Support Montana business by promoting industry innovation and removing unnecessary regulatory roadblocks and red tape
- Oversee management of State Trust Lands for the ongoing benefit of Montanans and public education





DIVISION OVERVIEW

INSURANCE

- **Bureaus:** Examinations, Insurance Consumer Services, Rates, Forms, Producer Licensing, and Market Conduct
- Educate consumers and industry on insurance matters
- Ensure compliance with the Montana Insurance Code
- Oversee industry conduct and insurance company financial solvency
- Investigate insurance complaints and fraud
- Assist producers, adjusters, and consultants with licensing and continuing education needs
- Review and approve certain insurance rates and policy form filings for compliance and actuarial soundness

SECURITIES

- Educate Montana's consumers and investors on securities
- Investigate securities and financial fraud
- Encourage capital investment in Montana
- Oversee the securities industry for compliance with the Montana Securities Act
- Promote securities market uniformity through industry oversight
- Oversee Securities Restitution Fund

CENTRAL SERVICES

- Includes all functions of agency support (fiscal, human resources, and IT), which in turn supports the protection of Montana consumers

LEGAL

- Advise industry and the public on the laws relating to our agency
- Serve as general counsel for the CSI

INVESTIGATIONS

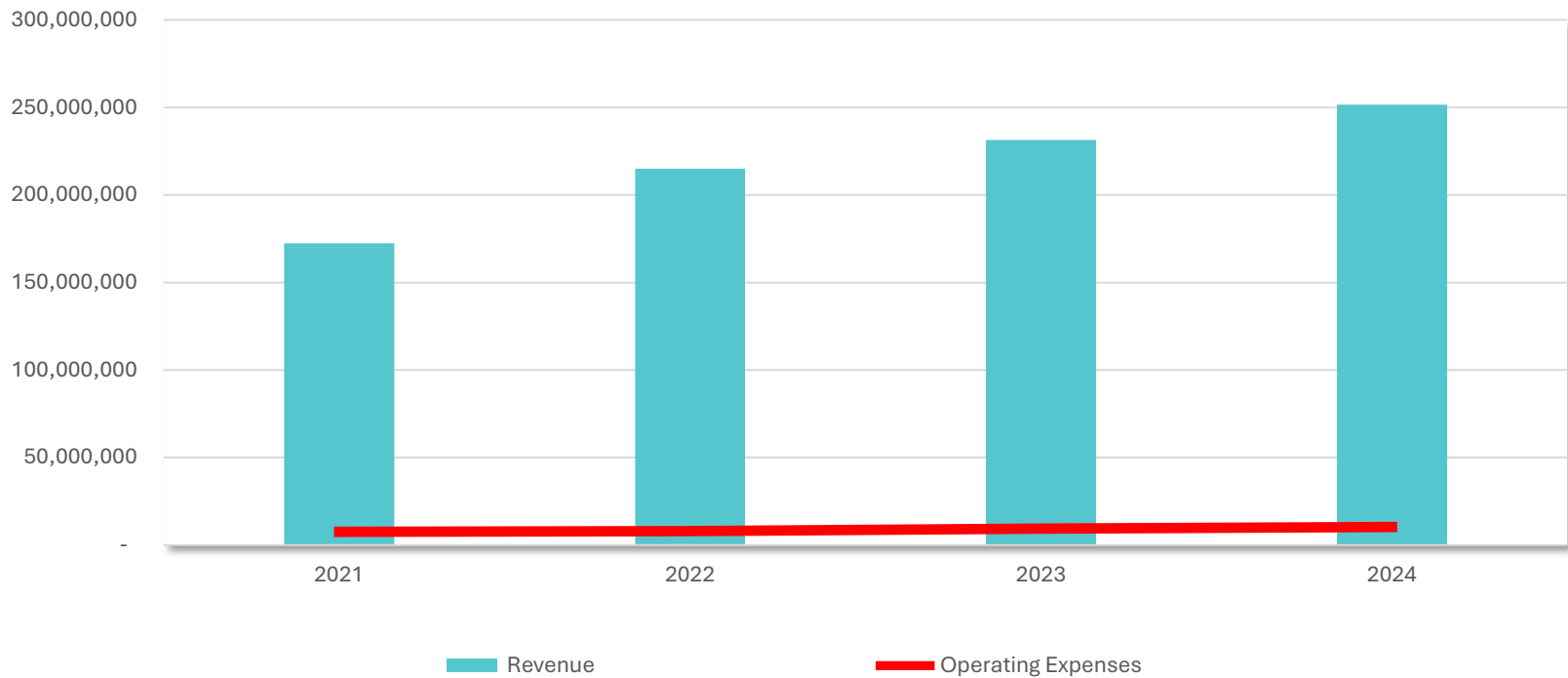
- Oversee investigations and prosecute violations of Montana's insurance and security codes





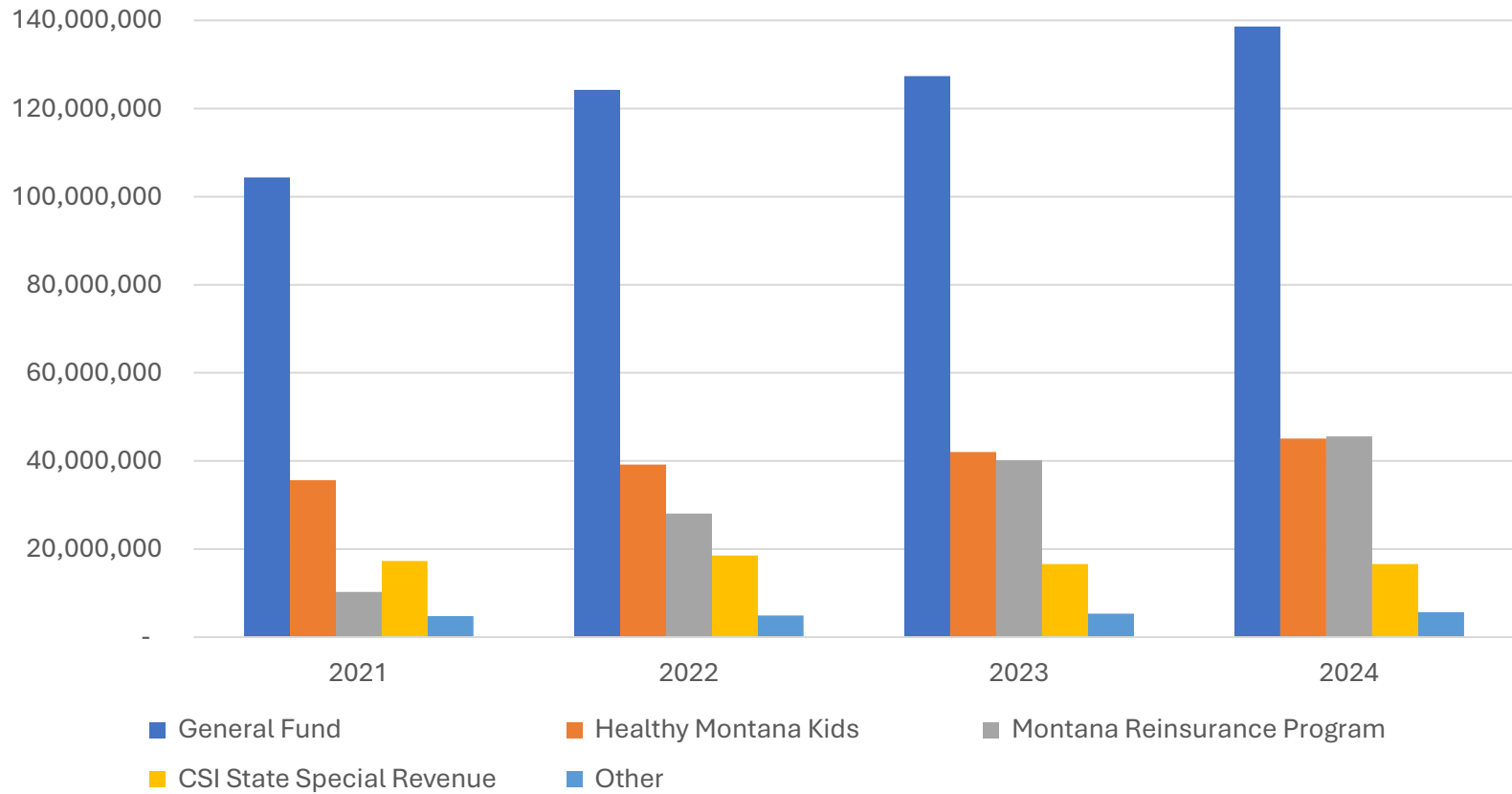
REVENUES

Revenue vs Operating Expense





REVENUES





FY 2024 BUDGET HIGHLIGHTS

CONTRIBUTIONS TO MONTANA

\$144M → General Fund

\$48M → Fire & Police Pension
(*pass-through*)

\$46M → Montana Reinsurance
Program

\$34M Federal Special Revenue

\$12M State Special Revenue

\$45M → Healthy Montana Kids
Montana's Children's Health Insurance
Program (CHIP)

3rd
largest
generator
of State
revenue





CUSTOMER SERVICE

Goals, Objectives, & Measurements

Facilitate the fair and equitable treatment of insurance and securities companies and consumers by effectively and efficiently receiving, analyzing, and resolving consumer and industry requests, inquiries, and complaints.

Insurance

Consumer insurance inquiries and complaints

1,783

Amount of money recovered for insurance consumers

\$8.16M

Insurance company annual filings processed

3,442

Company updates processed

1,014

Producer licenses approved/renewed

70,469

Pharmacy Benefit Managers (PBMs) newly licensed

4

Traditional insurance companies* newly licensed

62

Captive insurers newly licensed

47

*Includes service providers

Captives contributed
\$5 MILLION
to the Montana economy

With 272 captive insurance formations approved, Montana is one of the largest captive domiciles in the United States





CUSTOMER SERVICE

Securities

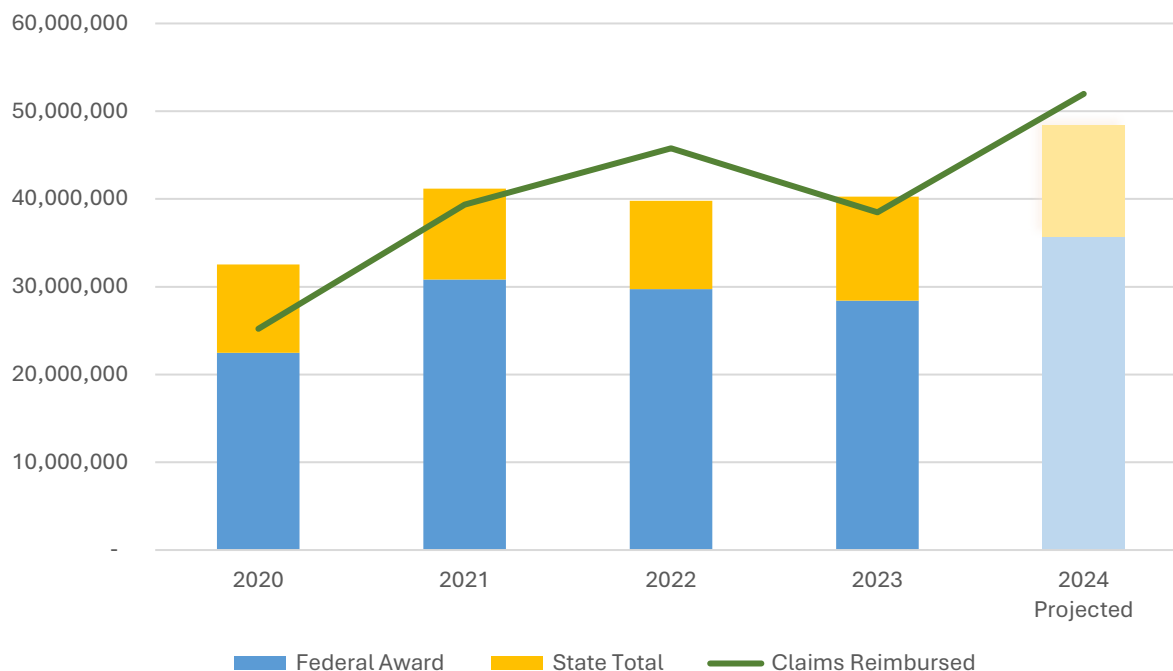
Filings Processed

Broker/dealer salespersons	156,187
Investment advisor representatives	2,691
Broker/dealer firms	1,326
Broker/dealer branch offices	615
State-registered investment advisor firms	104
Federal-covered investment advisor firms	1,152
Issuer filings	24,887





MONTANA REINSURANCE PROGRAM



The program has resulted in individual health insurance premiums being 9-10% lower for Montana consumers.

Legislative Request to provide statutory appropriation of association member assessments approved during 2025 Session.

BACKGROUND

- Montana Reinsurance Association Act enacted by the 2019 Legislature
- Works to stabilize the individual health insurance market, maintain competition, and reduce premiums
- Reimburses certain high-cost claims in the individual market using a mix of federal pass-through funding and association member assessments
- Administered by the CSI and a five-person board of directors of the Montana Reinsurance Association
- CMS approved a five-year extension through December 31, 2029





COMPLIANCE & ENFORCEMENT

Goals, Objectives, & Measurements

Facilitate the fair and equitable treatment of insurance and securities companies and consumers by effectively and efficiently receiving, analyzing, and resolving consumer and industry requests, inquiries, and complaints.

Insurance

Safe, Solvent, and Stable Markets

- Monitor insurance practices and financial stability of those doing business in Montana
- Monitor insurance market conduct and legal compliance
- Promote competitive markets; foster reliable and affordable insurance products and a stable insurance market
- Monitor the financial health of Montana's captive insurers and their compliance with state regulations
- Review rates to make sure they are not excessive, inadequate, or unfairly discriminatory

Victim Advocacy

- Investigate and prosecute unfair and illegal practices
- Support and promote CSI Financial Abuse Specialist Team (FAST) to protect Montana's seniors

Market Conduct

- Insurance company financial reviews performed **338**
- Market conduct exams completed **1**
- Pharmacy Benefit Managers (PBMs) renewed **22**
- Fines assessed **\$2M**
- Restitution Ordered **\$5.2M**

Rates & Forms

- Rate filings reviewed/closed **4,299**
- Rate increase requests denied **\$24.3M**
- Montanans benefitting from denied rate increase requests **113,830**
- Form filings reviewed **6,084**

Premium tax collected

- Traditional Insurers **\$135.3M**
- Surplus Lines insurers **\$10.6M**
- Captive insurers **\$1.8M**

Investigations

- Investigations conducted **418**
- Legal matters referred (internally) **304**
- Enforcement actions filed (includes 5 criminal actions) **66**
- Restitution ordered **\$296,020**
- Fines assessed **\$115,000**





COMPLIANCE & ENFORCEMENT

Securities



Financial Abuse Specialist Team (FAST)

All referrals to FAST were reviewed within 72 hours

- Total FAST referrals: **34**
- Of the 34 FAST referrals, **16** were determined to be within the purview of the CSI and were handled accordingly
- Referrals to FAST that were determined to not be in the purview of the CSI were referred to the appropriate agency

Securities Oversight

Oversee Montana's securities industry with federal partners

- Number of investigations conducted **85**
- Number of registered entity examinations conducted **12**
- Restitution ordered **\$247,000**
- Fines Assessed **\$502,000**

Crypto/Digital Assets Fraud

Calendar Year 2024

- Crypto Complaints **6**
- Areas affected **4**
- Total reported loss **\$836,900**
- Average loss **\$139,493.33**

Q1 of 2025

- Crypto Complaints **11**
- Areas affected **8**
- Total reported loss **\$2,011,876.42**
- Average loss **\$182,897.76**





INSURANCE COMPACT COMMISSION

The Insurance Compact is a multi-state public entity which serves as an instrumentality of the Member States. The Compact serves as a central point of electronic filing for certain insurance products and enhances the efficiency and effectiveness of the way insurance products are filed, reviewed, and approved.



VALUE OF SERVICES FOR MONTANA IN 2024

Product Filing Activity

661 Total Filing Submissions Received and Reviewed for Montana

- 341 Life Insurance Product Filings
- 320 Annuity Insurance Product Filings

Filing Company Activity

Top Filing Companies for Montana:**

- Pacific Life Insurance Company
- Fidelity & Guaranty Life Insurance Company
- Life Insurance Company of the Southwest
- John Hancock Life Insurance Company (U.S.A.)
- The Lincoln National Life Insurance Company
- Transamerica Life Insurance Company
- Symetra Life Insurance Company
- Midland National Life Insurance Company
- North American Company for Life and Health
- American National Insurance Company

171

Total Insurers Filing in Montana via Compact





INSURANCE COMPACT COMMISSION



Value of Services

Type of Expense	Actual Compact Expenses	Compact Member Projected Savings
Product Form Filing Review	\$1,112,734	\$701,023 [^]
Actuarial Review	\$639,295	\$402,756 [^]
Supporting Services	\$1,490,587	\$31,054 ^{^^}
TOTAL	\$3,242,616	\$1,134,832
Compact assessment to the State	\$0	
VALUE OF SERVICES^{^^^}	\$1,134,833	

** A full listing of all companies is available upon request

[^] Member Savings calculated based on percentage of overall Compact filings that included Montana, which is 63%.

^{^^} Member Savings calculated based on equal percentage among the 48 members which is 2.08%.

^{^^^} "Value of Services" is the sum of the Compact Member projected savings plus any state filing fees collected and remitted.





SECURITIES RESTITUTION ASSISTANCE FUND

Lynn Egan Memorial Restitution Assistance Fund
(Renamed by Legislature in 2022)

Total Restitution:
\$2.2 Million Dollars
141 Claimants

The Restitution Fund uses no General Fund or tax dollars.

BACKGROUND

- The Fund was created in 2011 and is subject to periodic review by the Legislature. The Fund was last reviewed in 2021, when it was reauthorized until June 30, 2027.
- The money for the Fund comes from the fees paid by registered firms doing business with Montana investors and from settlements the CSI Securities Division has entered.
- The Fund provides victim restitution up to \$50,000 if the victim is a senior citizen or any other Montanan defined in state law as a “vulnerable person.”





2025 STATE AUDITOR'S APPROVED BUDGET REQUESTS

NO NEW FTE

Insurance Division

- Insurer Examination & Rate Review
 - ▶ \$1.675M for the biennium from state special revenue
- Montana Reinsurance Program
 - ▶ \$26.8M for the biennium from federal special revenue

Securities Division

- Investigations Tracking & Management System
 - ▶ \$60,000 for the biennium from state special revenue
- Outreach and Education
 - ▶ \$100,000 per year from state special revenue

Central Services Division

- Systems & Business Modernization
 - ▶ \$600,000 for the biennium from state special revenue





2025 STATE AUDITOR'S LEGISLATIVE RECAP

Priority Legislation Passed:

SB 60

Revise insurance premium taxes for certain captive insurers

- Additional \$598,760 of premium tax from captive insurers to the General Fund for the 27 biennium

HB 60

Generally revise state auditor laws

- Additional \$240,625 of premium tax to the General Fund for 27 biennium

HB 78

Adopt Pet Insurance Model Act

HB 114

Generally revise consumer protection laws





2025 STATE AUDITOR'S INTERIM AGENDA

Looking Ahead:

Economic Affairs Interim Committee

HJ 61

Interim study on the property insurance market in Montana

SJ 33

Interim study of the prescription drug supply chain





REACH OUT

**For any questions,
comments or
concerns, please
reach out to our
office.**



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