

AGENCY ADVISOR

SPRING 2022

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On Our CALENDAR

- APR NAIC Spring National Meeting
4-8 Kansas City, MO
- APR Coffee with the Commissioner
11 Cambie Taphouse + Coffee | Missoula, MT
- APR Global Insurance Symposium
19-21 Des Moines, IA
- MAY NCCI Annual Issues Symposium
9-11 Orlando, FL
- MAY NAIC International Insurance Forum
12-13 Washington, D.C.
- MAY NASAA Spring Meeting
14-18 Palm Desert, CA
- MAY NAIFA State Conference
17-18 Fairmont, MT
- JUN NAIC Commissioner Mid-Year Roundtable
20-23 Sun Valley, ID

COMMISSIONER'S CORNER



The first quarter of 2022 has been productive at CSI. We have seen the federal No Surprises Act and our Pharmacy Benefit Manager Licensure and Transparency Act go into effect. In addition, we continue to review and refine the administrative rules under this Agency and work hard on outreach to consumers, industry, and victims of insurance and securities fraud.

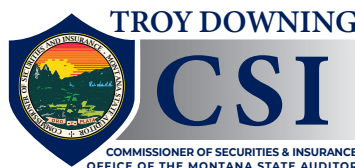
Notable milestones this quarter include a \$340,000 restitution grant from our Securities Restitution Fund to help offset financial losses for elderly Montana victims harmed by the Metals.com scam, approving the preservation of a State treasured landmark in Virginia City on the Board of Land Commissioners, and expanding outreach programs such as 'Coffee with the Commissioner' and 'Elder Exploitation BINGO' at senior living centers.

As we head into the second quarter, we are working with stakeholders to draft our 2023 legislative agenda. We also continue to build upon our platform of podcasts, social media, memoranda, press releases, and opinions to help educate Montanans and industry on protecting themselves and thriving in Montana.

As always, we welcome dialog. Please reach out with questions, suggestions, and concerns. We are here to help.

Best Regards,

Troy Downing
Commissioner of Securities and Insurance
Montana State Auditor



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HOT TOPICS



SAVE *the* DATE

We are excited to announce the 2022 Montana Insurance Summit will be held at the Copper King Convention Center in Butte, Montana on November 7th.

Early bird tickets will go on sale soon! Please visit csimt.gov/events for more information.

COVID VACCINE UPDATE

A huge thank you to those companies that donated and helped with the distribution of Covid-19 vaccination incentive gift cards!

- ▶ Blue Cross Blue Shield of Montana
- ▶ Mountain Health Co-Op
- ▶ Pacific Source

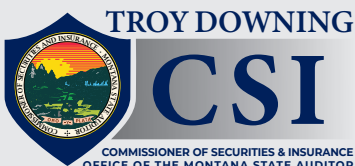
Together with their generosity, DPHHS successfully distributed \$50,000 in incentives and helped to vaccinate 1,000 Montanans.

Congratulations! COMMISSIONER DOWNING

Commissioner Troy Downing has been selected to serve on the following NAIC Committees in 2022:

- Health Insurance and Managed Care (B) Committee, Co-Vice Chair
- International Insurance Relations (G) Committee, Member
- Innovation, Cybersecurity, and Technology (H) Committee, Member
- NAIC/American Indian and Alaska Native Liason Committee, Chair

The Commissioner is excited to serve on these committees and represent Montana and the CSI.



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MONTANA LAND BOARD

MISSOULA & LINCOLN COUNTY TIMBER SALES

Among several other agenda items thus far in 2022, the State Board of Land Commissioners approved timber sales on state trust land in Missoula and Lincoln counties. **Sales are expected to bring in approximately \$283K in revenue to Montana that will benefit common schools.**

OIL AND GAS LEASE SALES

At the suggestion of Commissioner Downing, DNRC used the online marketplace EnergyNet to hold their first 2022 oil and gas lease sale on 36 tracts of state trust land in six counties. Approved by the State Board of Land Commissioners in March, **the oil and gas lease sales resulting from the online auction will net almost \$1.2 million.** This is the largest revenue producing oil and gas lease sale on State Trust Land in approximately eight years. If the leases are developed and begin to produce, additional revenue will be generated from royalties. The revenue from these sales benefit common schools in Montana.



STONEWALL HALL VIRGINIA CITY, MT

The State Board of Land Commissioners made a landmark vote to approve the acquisition of the Stonewall Hall in Virginia City. The historic building was generously donated by the Neal C LaFever

Trust. The Montana Heritage Commission and the Montana History Foundation together have raised close to \$750K thus far from private donations for the stabilization and preservation of Stonewall Hall. With the acquisition approved by the State Board of Land Commissioners, the Montana Heritage Commission is one step closer to beginning the process of stabilizing, restoring, and preserving Stonewall Hall for future generations.

Visit csimt.gov/land-board for meeting details or to watch live!

SECURITIES: ACHIEVE MONTANA

WHAT IS ACHIEVE MONTANA?

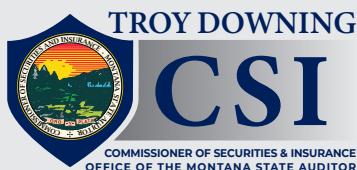
The CSI, through its Securities Department, serves as an ex officio member of the Montana Family Education Savings Program now called Achieve Montana. This 529 plan features a year-of-enrollment option, five asset allocation portfolios, and three individual fund portfolios, including the Capital Preservation Portfolio invested in the New York Life Guaranteed Investment Account. Underlying funds are from Vanguard, DFA, iShares, and Schwab.

WHAT IS A 529 PLAN?

A 529 plan is a great way to save for your children or grandchildren's college, technical school, even private K-12 tuition. Money invested in a 529 college savings plan grows tax-deferred, and qualified distributions are tax-free. Contributors to the plan may be eligible for a state income tax deduction for 529 plan contributions, depending on where you live.

If you have children or grandchildren that you want to help ensure they have the ability to attend college, consider opening an account. The minimum contribution is \$15 or \$25 through payroll deduction.

Visit www.achievemontana.com or call 1-877-486-9271 for more information. You can also download the app—Ready Save 529—to manage your account.



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INSURANCE 101

UNINSURED/UNDERINSURED MOTORIST

WHAT IS IT?

Uninsured Motorist coverage provides bodily injury coverage to you if you are injured in an accident where the person at fault is not insured for bodily injury liability. This coverage will pay up to the chosen limit for injury to you and passengers in your vehicle. It is there to take the place of the bodily injury coverage that should be carried by all drivers but, as we know, that is not always the case. This coverage will pay for your medical bills, lost wages, and pain and suffering up to the amount you choose to purchase. In Montana, insurance companies are required to offer you this coverage and may require you sign a form acknowledging the coverage was offered if you choose to reject it.

DO I HAVE TO HAVE IT?

Underinsured motorist coverage provides bodily injury coverage to you if you are injured in an accident where the person at fault DOES have insurance for bodily injury liability but when the limits of their policy may not be enough to cover all of your injury related damages. For example: The minimum required liability limits in Montana are currently 25/50/20—this means the policy will cover injuries up to \$25,000 per person/up to \$50,000 for all injured persons, and up to \$20,000 for property damage. Let's say you are involved in an accident and the person who is at fault only has this minimum required coverage. If you are seriously injured, you might exhaust the entire \$25,000 available under the liability policy and still have medical bills left unpaid. In this instance, you could turn these remaining bills into your own insurance company and they would pay them with your underinsured motorist coverage up to the limit of that coverage that you chose to purchase. In addition, your underinsured motorist coverage could also help with lost wages and compensation for pain and suffering.

Montana does not currently require this coverage to be offered and it is not necessary to sign or formally reject it if you choose not to purchase it.

One more thing you should know—neither Uninsured nor Underinsured Motorist coverage generally includes coverage for “property damage.” If you are in an accident and your vehicle is damaged by someone who is uninsured; you will need to claim damages through your own insurance policy under collision coverage to have your vehicle damage repaired. The same is true if your vehicle is damaged by someone who has insurance, but just not enough to cover the cost of repairs or replacement. With the current high vehicle values, it is important to remember the minimum limit for “Property Damage Liability” coverage is just \$20,000. If your vehicle is damaged and the repair or replacement is greater than the property damage limit carried by the at-fault driver, you will need to claim the remaining damages under your own collision coverage. In Montana, there are few insurance companies offering Uninsured or Underinsured motorist property damage coverage. Those that do offer it, the coverage often has certain specific restrictions you should be aware of before you buy it.

Speak to your agent or company about this coverage and they can help you decide if you need it and how much coverage you should have. You can always call CSI at 406-444-2040 for additional information.



LEGAL LOOK

METALS.COM

In January 2022, Commissioner Downing settled with Metals.com over allegations the company manipulated and lied to investors. The settlement allowed the Montana victims, who collectively invested more than \$2.9 million in precious metals, to apply to the Montana Securities Restitution Assistance Fund (SRAF). The SRAF is a fund unique to Montana to help victims of securities fraud.

"Receiving these funds from the Securities Restitution Fund has been tremendously helpful. It really has made an impact. These con artists were professional liars—even claiming losses in my investment were purposeful to save money on taxes." Walter Henderson, a victim in Belgrade, continued, "I wish I had known all I had to do was call the Commissioner's office to better understand the risks of this investment and check to see if these folks were even licensed in the first place."

Commissioner Downing awarded payments to all eligible Montana Metals.com victims that applied to the SRAF. Victims who are no longer Montana residents are ineligible to apply. Victims who have not yet applied have two years to do so. The SRAF is funded by fees collected from the securities industry and contributions from bad actors – there is no cost to Montana taxpayers.

"Getting taken advantage of is a stressful time. The people selling precious metals in this scheme were professional scammers who acted like friends." A victim in Anaconda said, "It's easy to get caught up in gold fever when the economy is in bad shape, and you're promised precious metal prices will continue to rise. The ability to recover some losses has relieved a lot of financial stress for me and my loved ones."

The following list includes the victim's location and award amount—

County	Award Amount
Deer Lodge	\$14,676.80
Flathead	\$28,494.71
Gallatin	\$50,000.00
Lake	\$50,000.00
Lake	\$25,775.44
Lake	\$25,775.44
Silver Bow	\$50,000.00
Silver Bow	\$50,000.00
Yellowstone	\$29,232.32
Yellowstone	\$17,751.28

"All investments carry risk. If you receive unsolicited financial advice or promises of high returns, call our office first before handing over your hard-earned money," says Commissioner Downing.

CSI is a criminal justice agency that regulates, licenses, investigates complaints, and prosecutes bad actors in the securities industry. Our team can be reached at 406-444-2040 or by visiting our website at csimt.gov.

BAIL BONDSMEN

The CSI recently suspended the license of a surety producer named Jay Steven Hubber for allegations arising, in part, out of a fugitive recovery operation that resulted in deliberate homicide charges against Mr. Hubber in Butte-Silver Bow County. This is not the first time Montana has witnessed bail recovery operations gone bad, nor will it be the last. This update gives some background as to how our office regulates these types of activities.

Bail bondsmen provide appearance bonds to those who find themselves or a trusted one on the wrong side of the law. The CSI regulates this business in a manner similar to how we would regulate any other insurance producer.

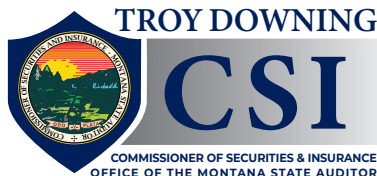
In Montana there are no laws or regulations governing how or when a bondsman can arrest his principle and return them to jail. Montana's code permits the surety to, at any time, arrest and surrender the defendant to any peace officer "in any case in which the surety feels insecure in accepting liability for the defendant."

Our office becomes involved in these situations when we discover evidence that a bail bondsman improperly uses his producer license to engage in recovery.

BLOCKFI

On February 28, 2022, CSI and BlockFi Lending LLC (BlockFi), a digital-asset financial services company, agreed to settlement terms to resolve BlockFi's offers and sales of unregistered securities to Montana residents.

BlockFi agreed to pay a \$600,000 fine and \$343,396.22 in restitution to the Montana Securities Restitution Fund. BlockFi also settled with 30 other State Securities Regulators and the SEC.



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