



2022 & Beyond Strategic Roadmap

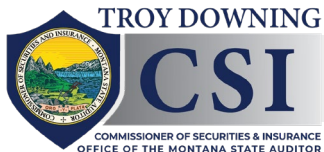
*committed to
transforming today's
vision into tomorrow's
reality*



Since 2021, CSI has understood the importance of being accountable and transparent to the people of Montana. Annually, we identify priorities, strategies, and goals. We produce an Annual Report on agency accomplishments. We use well-defined metrics – coupled with this Annual Report process – telling the story of the great work this agency continues to produce.

Overview 2022 Agency Priorities and Strategies

Legislative Effectiveness	Expanded Outreach	Legal; Prosecution & Enforcement	Intra-Agency Efficiency <small>operations regulation and compliance</small>
<p>Build and execute a successful government relations strategy to protect consumers and foster a strong insurance and securities marketplace for Montanans through fair and efficient regulation</p>	<p>Deliver meaningful communication to educate, inform and empower consumers and industry</p>	<p>Ensure adherence to state laws and regulations and hold bad actors accountable and advocate victim justice</p>	<p>Promote effective, efficient and transparent management and stewardship of state resources</p>
<ul style="list-style-type: none"> Develop and execute 2023 legislative agenda and pre-planning 	<ul style="list-style-type: none"> Enhance agency’s online presence and ergonomics/information accessibility 	<ul style="list-style-type: none"> Expand in-house agency enforcement 	<ul style="list-style-type: none"> Expand market conduct examinations
<ul style="list-style-type: none"> Complete PBM Oversight Act (SB395) implementation 	<ul style="list-style-type: none"> Promote State Trust Land stakeholder engagement 	<ul style="list-style-type: none"> Maintain CSI as the lead in white collar crime investigation and enforcement 	<ul style="list-style-type: none"> Endorse and support talent management for agency staff
	<ul style="list-style-type: none"> Expand and develop robust education series 	<ul style="list-style-type: none"> Review and simplify agency administrative rules 	<ul style="list-style-type: none"> Develop and manage IT strategy
	<ul style="list-style-type: none"> Develop project plan for 2023 documentary 	<ul style="list-style-type: none"> Participate in and support statewide elder justice councils 	<ul style="list-style-type: none"> Enhance records management program
	<ul style="list-style-type: none"> Promote Montana as a captive domicile 		<ul style="list-style-type: none"> Encourage and support process improvement opportunities
			<ul style="list-style-type: none"> Promote industry regulator organization participation



2022 – Agency Priorities and Strategies

Outcome

Legislative Effectiveness

Build and execute a successful government relations strategy to protect consumers and foster a strong insurance and securities marketplace for Montanans through fair and efficient regulation

Develop and execute 2023 legislative agenda and pre-planning

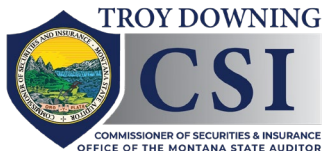
- Set agency legislative agenda with stakeholder input
- Establish legislative priorities
- Prepare 2023 legislative plan, timeline and activities
 - initiative/topic education (legislator, public, other state agencies)
 - pre-legislative/legislator community outreach, including “Coffee with the Commissioner,” roadshows
- Promote legislator industry education (NAIC, NASAA, NCOIL)

- Goal Met; Ongoing in 2023

Complete PBM Oversight Act (SB395) implementation

- Manage reported data for oversight and analysis
- Compile and publish 1st legislative public PBM report

- Completed



2022 – Agency Priorities and Strategies

Outreach: Expanded, Effective, Informative

Deliver meaningful communication to educate, inform and empower consumers and industry

Outcome

Enhance agency's online presence and ergonomics/info. accessibility

- Redesign website for optimal stakeholder experience – including value, quality, and content to drive awareness and engagement
- Improve search engine optimization
- Enhance agency's social media presence for greater visibility, engagement and effectiveness

- Goal Met; Ongoing (Relaunch: 11/2023)

Promote State Trust Land stakeholder engagement

Increase statewide stakeholder engagement and awareness

- Goal Met; Ongoing; Participated in DNRC tours with media posts

Expand and develop robust education series

- Develop consumer/industry information, education and outreach using effective technology, media outlets, and resources on topics to include:
- capital formation - completed
 - financial fluency education (general, underserved, reservations and schools) – in development
 - investment advisor workshops
 - investment education – ongoing, MCEE board member
 - post-prosecution/enforcement insurance public awareness – completed (via media and press)
 - insurance producer education and insurance industry relations – completed (2022 Insurance Summit)
 - auto insurance 101 for young drivers - completed
 - “Coffee with the Commissioner” - completed
 - 2023 legislative opportunities and stakeholder engagement - completed
 - podcast/op-ed topics – completed; 9 agency podcasts, with 2 commercials; 7 op-eds

- Goal Met; Ongoing

Develop plan for 2023 documentary

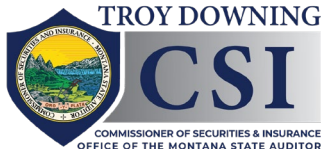
Formalize planning, preparation and schedule

- Postponed (due to staffing)

Promote Montana as a captive domicile

Promote Montana as a leading captive domicile

- Goal Met; Ongoing (31% increase in insurance company annual filings processed from 2021)



2022 – Agency Priorities and Strategies

Legal; Prosecution and Enforcement

Ensure adherence to state laws and regulations and hold bad actors accountable and advocate victim justice

		Outcome
Expand in-house agency enforcement	<ul style="list-style-type: none"> • Increase in-house legal representation in agency enforcement and prosecution • Allocate agency resources 	<ul style="list-style-type: none"> • Goal Met; Ongoing (from 2021: filed 92 enforcement actions – 46% increase; and fines & fees collected were up 87%)
Maintain CSI as the lead in white collar crime investigation and enforcement	<ul style="list-style-type: none"> • Provide training presence at Montana County Attorneys Association - completed • Facilitate Elder Justice Councils – completed (created CSI FAST) • Explore expanding agency expertise in forensic accounting 	<ul style="list-style-type: none"> • Goal Met; Ongoing
Review and simplify agency administrative rules	Complete administrative rule review for changes (update/amend/rescind) – completed, changes filed with Secretary of State	<ul style="list-style-type: none"> • Goal Met
Support of and participate in statewide elder justice councils	Support and promote the interdisciplinary, multi-agency Elder Justice Task Force through allocation of agency resources to expanded statewide regional councils (eastern, central, southcentral and western), education and outreach	<ul style="list-style-type: none"> • Goal Met; Ongoing (created CSI Financial Abuse Specialist Team (FAST))

2022 – Agency Priorities and Strategies

Intra-Agency Efficiency: operations | regulation & compliance

Promote effective, efficient and transparent management and stewardship of state resources

Outcome

Expand market conduct examinations	<ul style="list-style-type: none"> • Develop insurer examination multi-year schedule • Commence scheduled exam(s), including timeline and resource(s) commitment 	<ul style="list-style-type: none"> • Goal met; Ongoing
Endorse and support talent management for agency staff	<p>Formulate bureau strategy to ensure agency fulfills its mission and charges:</p> <ul style="list-style-type: none"> • Identify key agency operational activities and positions, including relevant knowledge, skills, abilities and competencies • Develop and maintain staff plan in support of short- and long-term bureau progression through mentoring, professional growth/training, and knowledge sharing 	<ul style="list-style-type: none"> • Ongoing
Develop and manage IT strategy	<p>Prepare strategy plan to include the following initiatives:</p> <ul style="list-style-type: none"> • Develop an agency enforcement database • Replace physical servers with hosted/virtual servers • Implement PC management tools (SCCM) • Formulate PC replacement plan • Replace current agency Help Desk ticketing and inventory management • Contribute resources in support of website initiative 	<ul style="list-style-type: none"> • Goal met; Ongoing
Enhance records management program	<p>Review and implement identified enhancements to agency’s internal program and documentation to ensure compliance</p>	<ul style="list-style-type: none"> • Goal met; Ongoing
Encourage and support process improvement opportunities	<ul style="list-style-type: none"> • Streamline HR new hire/onboarding communication process; create Commissioner welcome video; enhance agency specific training material - completed • Review bureau policies and procedures for updates – ongoing 	<ul style="list-style-type: none"> • Goal met; Ongoing
Promote industry regulator organization participation	<p>Actively participate in and identify agency staff representation with role expectations:</p> <ul style="list-style-type: none"> • Montana NAIC leadership roles: Health Insurance and Managed Care Committee; American Indian and Alaskan Native Liaison Committee • Other NAIC and NAIC Western Zone assigned committees, taskforces, workgroups • NASAA; NCOIL 	<ul style="list-style-type: none"> • Goal met; Ongoing



ADDENDUM A

AGENCY OVERVIEW: OFFICIAL

► Montana Legislative Audit Division: State Auditor's Office

State Auditor's Office works to assure compliance with the Montana insurance and securities laws, promote captive insurance formations, support capital formation in the state, and assist consumers with complaints involving the securities and insurance industries.

The State Auditor is charged with licensing, registering, and regulating insurance companies and producers, securities issuers, salespeople, broker-dealers, investment advisors, and investment adviser representatives within the state.

The State Auditor also serves as a member of the Board of Land Commissioners and the Crop Hail Insurance Board.

The Office of the State Auditor is authorized under Article VI of the Montana Constitution and is designated the Commissioner of Securities in 2-15-1901, MCA and the Commissioner of Insurance in 2-15-1903, MCA.

The State Auditor's duties are generally defined in Title 30, Part 10 and Title 33 of the Montana Code Annotated. Other statutes related to the State Auditor's Office include:

- State special revenue generated by fees and taxes that support the office are identified and defined in 33-2-705 through 708, MCA
- Unspent collections from securities licenses and permits are deposited into the general fund in accordance with 30-10-115, MCA
- The office manages the Fire and Police Retirement Program through 33-2-705, MCA and 50-3-109, MCA

The State Auditor's Office consists of three programs with the following functions:

Central Management Division

- Provides administrative, personnel, budgeting and accounting functions
- Provides support in fulfilling the duties as a member of the State Land Board and Hail Insurance Board
- Acts as conduit for the distribution of the state Fire and Police Retirement program

Insurance Division

- Responsible for resolving insurance consumer inquiries and complaints involving agents, coverage, and companies
- Investigates insurance code and rules violations, including possible criminal violations, and refers cases to the county attorneys for prosecution
- Monitors the financial solvency of insurance companies operating in Montana through financial analysis and financial examination
- Collects premium taxes and company fees paid by insurance companies operating in Montana
- Reviews rate and form filings to ensure compliance with applicable insurance code
- Licenses and provides continuing education to insurance agents, agencies, and adjustors

Securities Division

- Responsible for registering security issuers, salespeople, broker-dealers, investment advisors, and investment adviser representatives
- Investigates unregistered or fraudulent securities transactions
- Promote capital formation

► MT Organizational Rule 6.1.101: State Auditor

(a) **Insurance Department.** The Insurance Department is headed by the Deputy Insurance Commissioner and is **responsible for providing protection for Montana insurance consumers.** The department authorizes and examines insurers; collects and distributes premium taxes and other fees; reviews insurance forms and rates; examines and licenses insurance producers, solicitors, and adjustors; regulates insurance trade practices; and investigates and resolves consumer inquiries and complaints.

(b) **Securities Department.** The Securities Department is headed by the Deputy Securities Commissioner and is **responsible for administration of the Securities Act of Montana.** The department licenses broker-dealers, salespersons, investment advisors, and investment adviser representatives, encourage capital formation, and registers securities that are offered for sale in Montana. The Securities Department also investigates and enforces violations of the Securities Act of Montana.