

AGENCY ADVISOR

FALL 2022

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On Our CALENDAR

NOV 6-7 Montana Insurance Summit
Butte, MT

2023 Watch for details!
Montana Investment
Advisor Symposium
TBD

COMMISSIONER'S CORNER



As we move into Fall, we continue in our outreach programs to educate and to protect consumers, as well as continue to work with the Feds to make sure we maintain our first line of defense in the state of

Montana. We recently signed a collaborative enforcement agreement with Centers for Medicare & Medicaid Services regarding the No Surprises Act, and continue to work with them to ensure they understand the issues and concerns we have at the state level.

We welcomed Brett Olin to the Agency as our Deputy Securities Commissioner who hit the ground running in revamping and redefining our Securities Division.

Our focus is now shifting to the legislative session that starts in January. We are circulating draft bills and setting meetings with stakeholders and legislators. We are looking forward to a busy, but productive Fall. We look forward to working with you all. Our door is open.

Best Regards,



TROY DOWNING

CSI

COMMISSIONER OF SECURITIES & INSURANCE
OFFICE OF THE MONTANA STATE AUDITOR

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GET SOCIAL WITH US

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FAST—COMBATING ELDER EXPLOITATION

One of the biggest problems this office deals with every day is the unconscionable financial exploitation of elderly persons. Many times, we're contacted when it's too late and the money is gone.

The Financial Abuse Specialist Team (FAST) is hard at work investigating and prosecuting these crimes. If the matter is outside our jurisdiction, we make referrals to the appropriate authorities. As importantly, FAST is also dedicated to providing public education—that's why the CSI keeps beating this drum.

If you know about a scam or fraud preying on elderly persons, please REPORT it to our office. The FAST investigators and prosecutors are committed to acting on these reports within 72 hours. Financial exploitation thrives in silence. We can't help if these crimes go unreported. Call our office at 406-444-2040.

HOT TOPICS



Tickets to this year's Insurance Summit are selling quickly. Visit csimt.gov/events to purchase yours today!

We are working hard on all of the details for the November 2022 Montana Insurance Summit. Below is a sneak peak at the draft agenda. Visit our website at csimt.gov/events for more details.



AGENDA

BUTTE COPPER KING CONVENTION CENTER
4655 HARRISON AVENUE | BUTTE, MONTANA 59701

**NOV
06**

COCKTAIL RECEPTION & EARLY REGISTRATION

5-7PM | COPPER 1 & 2

Join the CSI team, Commissioner Downing, and Summit presenters for a no-host cocktail reception. You will also have the opportunity to register early for the CSI Insurance Summit!

**NOV
07**

8:00-8:30 Registration

8:30-9:00 Introduction

9:00-10:15 **The Future of Insurance & Cybersecurity (1 CE)**
Eric Fulton, Tech Entrepreneur & Information Security Expert

10:15-10:30 Break

10:30-11:20 **Combating Insurance Fraud (1 CE)**
Matthew Smith, Executive Director
Coalition Against Insurance Fraud

11:20-12:10 **Commissioners Panel**
Commissioner Troy Downing
Commissioner Glen Mulready (Oklahoma)
Commissioner John Godfred (North Dakota)

12:10 Lunch Buffet

12:30-1:30 Keynote Speaker with Lunch

1:30-2:20 Insurance Hot Topics (1 CE)

2:20-2:40 Break/Snack

2:40-3:30 Identifying and Reporting Elder Exploitation (1 CE)

3:30-4:30 2023 Legislative Session (1 CE)

4:30-5:00 Closing Remarks

This agenda is subject to change.



GET YOUR TICKETS
TODAY

\$75



RESERVE YOUR
HOTEL ROOM AT OUR
GROUP RATE OF

\$104

plus tax

MONTANA LAND BOARD



STONE WALL HALL KICK OFF

On August 25, 2022, Commissioner Troy Downing was represented by CSI staff in Virginia City at the historical Stonewall Hall Kickoff Celebration for phase 1 of the stabilization and preservation. This event was hosted by the Montana Heritage Commission and the Montana History Foundation. The project was approved in March by the Montana Board of Land Commissioners. Renovation is made possible through donation of the building by the family of the **Neal C. Lefever Trust and many generous donors who have contributed over \$900,000 to see the project through.**

*In the third quarter of the year, the State Board of Land Commissioners unanimously approved timber sales, oil/gas leases, and easements projected to produce in excess of **\$350,000 of revenue** benefiting common schools across Montana.*

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

Coming Soon

CSI TO LAUNCH A NEW WEBSITE

Same domain (csimt.gov) new and improved look! In November, the new CSI website will launch. Our goal is to make it very user friendly and easy to navigate. If you have any questions, reach out to Laura Shirliff at laura.shirliff@mt.gov or 406-444-0903.



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SECURITIES:

Lynne Egan Memorial Restitution Fund



On August 15, 2022 Governor Greg Gianforte issued a proclamation honoring the late Lynne Egan and her devotion to the people of Montana as Deputy Securities Commissioner.

The Securities Restitution Assistance Fund will now be commonly referred to as the Lynne Egan Memorial Securities Restitution Assistance Fund. Our team and Lynne's family are grateful to the Governor for helping us honor her legacy.

For almost three decades, Lynne served the State of Montana. For the last 13 years she was the Deputy Securities Commissioner. Lynne brought her wonderful sense of humor, infectious can-do attitude, and pride in a job well done in all she did.

Lynne had an unmatched work ethic and a huge heart for service and protecting the most vulnerable. She was unmatched in her work to protect seniors, combat elder exploitation, protect whistleblowers, and find avenues for restitution for victims of securities fraud.

Lynne was a fierce advocate and a fighter on behalf of investors. She was key in the development of model laws that have been adopted across the country, with her fingerprints sprinkled over many Montana securities laws that continue to protect Montanans. This will be a meaningful part of her legacy.

For Lynne, public service was a lifestyle, a way of being, who saw public service as the highest form in which to express and give of the best in us.

Brett Olin returned to CSI as the Deputy Securities Commissioner. Many of you may remember Brett from his previous tenure with the CSI, wherein he served as an enforcement attorney and Chief Counsel for the Securities Division. He considers Lynne a mentor and hopes to continue her legacy.



Governor Gianforte, Commissioner Downing, Lynne's husband and daughter, and CSI staff at the proclamation honoring her dedication to Montana.

INSURANCE 101



BEFORE



AFTER

THE IMPACT OF WILDFIRE RISK SCORES ON MONTANANS

Montana wildfires were tame this summer compared to nearby states, yet property owners are feeling the pressure of increased premiums. Fires can happen any time of year, as demonstrated by the 2021 December Denton, Montana fire.

Montana consumers are facing stricter underwriting standards and sizable premium increases. In some cases, insurance is not available or cost prohibitive due to wildfire concerns. Explaining to a property owner that insurance is a "pool of risk" provides little comfort when the premiums are dramatically increasing, due to fire activity nationwide.

WHAT CAN INSURANCE PROFESSIONALS DO TO HELP THEIR CLIENTS?

Informing and educating property owners on wildfire risk scores.

In most cases, insurance companies contract with third-party vendors to evaluate wildfire exposure on specific properties. These third-party vendors, such as Verisk and Core Logic, consider many factors in determining a risk score.

- ▶ Timber density
- ▶ Surface composition
- ▶ Wind patterns
- ▶ Slope of land
- ▶ Road access
- ▶ Fuel sources

Informing property owners of mitigation options. Mitigation efforts create a defensible space, which is important to insurance companies. Mitigation strategies may include thinning timber, removing brush, eliminating debris from roofs and gutters, and maintaining other structures including decks and patios. When a home is built, consideration should be given to fire resistant siding and roofs.

Property owners can learn more about mitigation strategies from various resources including state and local organizations. In some cases, grants may be available to assist in wildfire mitigation.

WILDFIRE EXPOSURE & MITIGATION RESOURCES

- ▶ **Fire Safe Montana**—firesafemt.org
- ▶ **Verisk**—verisk.com/insurance/products/fireline/
- ▶ **Core Logic Wildfire Risk Score**—corelogic.com



LEGAL & LEGISLATIVE LOOK



CSI FILED ACTIONS AGAINST SEVERAL DENT REPAIR COMPANIES ACROSS THE NATION

Commissioner Troy Downing recently filed actions against several vehicle dent repair companies who were trying to unfairly compete with Montana businesses.

The Commissioner filed actions against four out-of-state vehicle dent repair companies for illegally waiving or offering to waive insurance deductibles. Montana law prohibits this practice because, in many cases, the dent repair company overcharges insurance companies to recoup the loss of paying the deductible—leading to higher premiums for all insureds.

The following companies were each issued a \$1,000 fine:

- ▶ **Hail Repair A1 LLC of Tucson, Arizona**
- ▶ **Prestige Hail Damage Corporation of Royse City, Texas**
- ▶ **SBM Ventures LLC of Castle Rock, Colorado**
- ▶ **National Dent Busters of South Boardman, Michigan**

REIGNING IN THE BAIL BONDS INDUSTRY

The Commissioner recently issued final orders fining two out of state bail bond producers who were operating illegally in Montana.

ALEC SPENSIERI, INC. (also known as Bail City Bail Bonds, Montana Bail Bonds, ASAP Bail Bonds, and the Alec Spensieri Agency) agreed to pay a fine of \$20,000 for soliciting bail bonds in Montana without a license and falsely claiming to have several in state business locations.

LIPSTICK BAIL BONDS was issued a default order by Commissioner Downing. Lipstick Bail Bonds was fined \$5,000 and ordered to cease and desist from soliciting insurance in Montana without a license.

LEGISLATIVE UPDATE

AIR AMBULANCE & EMERGENCY SERVICES

CSI is looking to see what statutes need to be changed in Montana to comply with the enacted Federal No Surprises Act.

AGENT CONTINUING EDUCATION (CE)

CSI will be advocating for changes to the current statute to streamline the CE approval process and provide a better and more consistent process for agents.

STATE CABIN AND HOMESITE SALES

As a member of the State Land Board, the Commissioner proposes changes to the current sale process which will help the Board achieve their legally required role to “secure the largest measure of legitimate and reasonable advantage to the state.”

REINSURANCE PROGRAM UPDATES

The Reinsurance Program is a program administered by the CSI. The program has helped lower health insurance premiums for Montana consumers. The CSI is considering changes to enhance the program to help lower premiums further and insure more Montanans.

BAIL BONDS

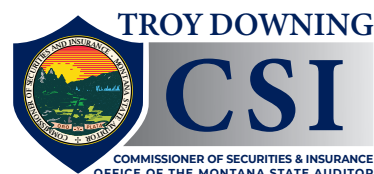
Considering recent incidents across the state, this bill will allow the CSI to regulate fugitive recovery.

PET INSURANCE MODEL ACT

CSI is considering proposing a new National Association of Insurance Commissioners’ (NAIC) Model Act regarding the sale of pet insurance. The act would help protect Montana consumers who wish to purchase insurance on their pets.

TRAVEL INSURANCE MODEL ACT

In light of the recent issues and challenges we have seen surrounding commercial travel, the CSI is considering proposing the NAIC Model Act regarding travel insurance. This act will help protect Montana consumers who wish to purchase travel insurance.



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