JAMES BROWN

CSI

COMMISSIONER OF SECURITIES & INSURANCE
OFFICE OF THE MONTANA STATE AUDITOR

Annual Strategic Plan

Fiscal Year 2027

September 1, 2026

(Pursuant to 2-12-104, MCA)

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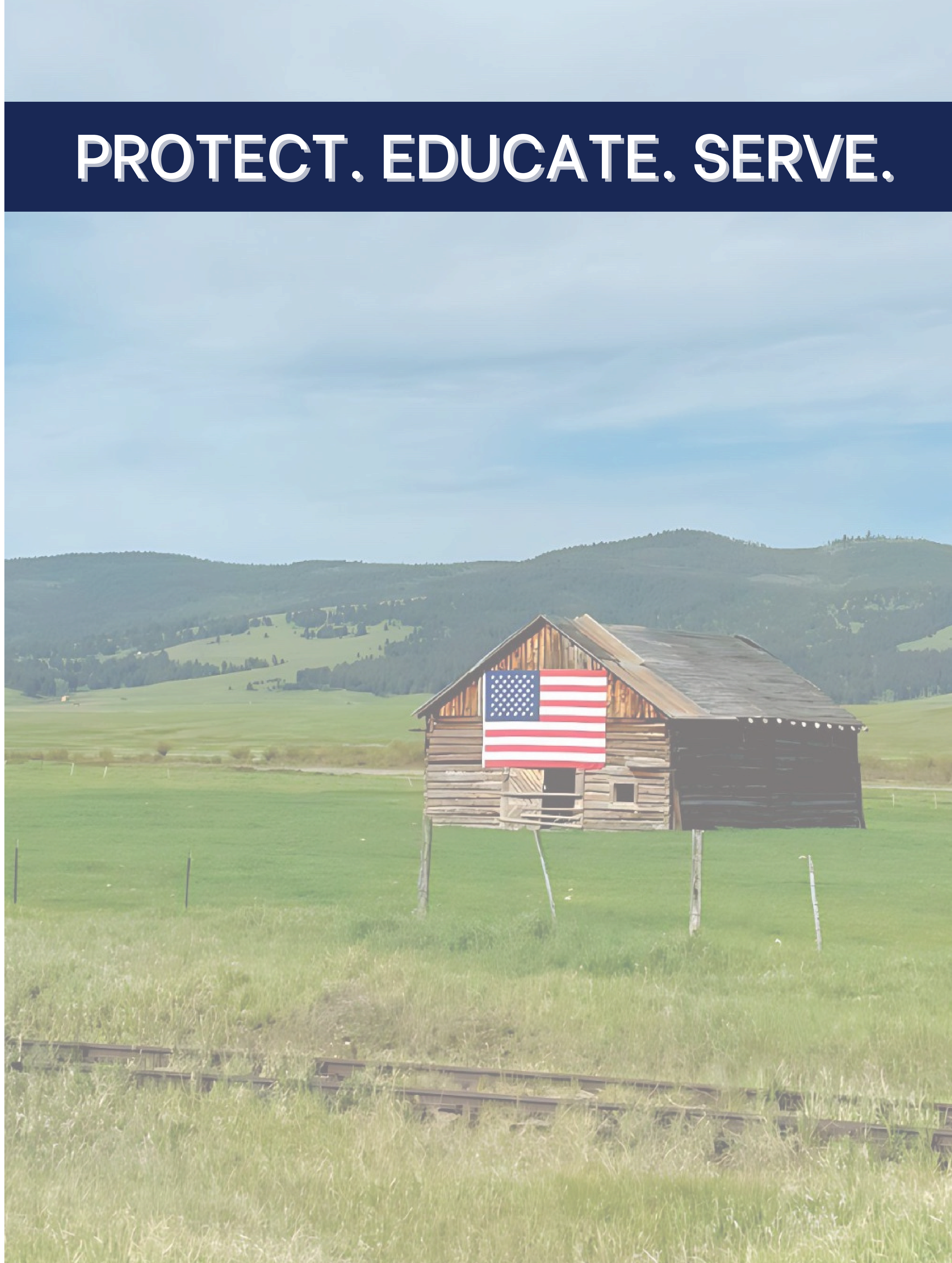

PROTECT. EDUCATE. SERVE.

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STATE AUDITOR JAMES BROWN
Commissioner of Securities & Insurance

Elected on November 5, 2024, to serve as Montana's 18th State Auditor, James Brown oversees the state agency charged with protecting Montana's insurance and securities consumers and serves on the Montana Board of Land Commissioners, where he champions education funding and responsible stewardship of state trust lands.

Prior to his election, Brown served four years as President of the Montana Public Service Commission, where he successfully reformed the agency, as well as strengthened regulation of key industries such as utilities, railroads, and waste management.

A fourth-generation Montanan from Dillon, Brown graduated from the University of Montana, earned a law degree, and spent over a decade running his own law firm representing farmers, ranchers, small businesses, and working families.

As State Auditor, Brown is dedicated to transparent, fair regulation, protecting consumers, and safeguarding vulnerable groups like seniors from financial abuse and unlawful practices.

> "This performance plan gives our agency a well-defined roadmap with specific targets and metrics so that the public can see how we are doing and hold us accountable and serves as a model that other state agencies can use and adopt to improve trust in state government.
> - State Auditor Brrown

PERFORMANCE PLAN PROCESS OVERVIEW

The Office of the Montana State Auditor, Commissioner of Securities and Insurance (also known as "CSI"). The Office of the State Auditor has evolved significantly since its establishment in 1889. While no longer performing executive branch audits, the agency now focuses on regulating the securities and insurance industries and protecting Montanans from fraud and financial harm—roles that are vital to the Treasure State's economy.

The Legislature defines the agency's core mission through statute, while the independently elected Auditor sets the vision, strategic priorities, and performance measures in collaboration with the leadership team. The strategic plan builds on required annual planning and reporting to support continuous improvement and more effective, ongoing decision-making.

Our Process. Notably, our strategic plan provides the agency with a system that facilitates a new continuous improvement process as depicted graphically below:

PERFORMANCE PLAN: OVERVIEW

Purpose. The agency's strategic planning process is multi-fold: providing a framework for decision-making and resource allocation by focusing on goals that support the agency's mission and vision. This plan is not a static document, but a dynamic database accessible to all employees via a shared drive, and updated monthly with performance data. Results are reviewed quarterly to inform decisions and guide progress.

The plan

1. Defines and communicates the agency's mission, vision, strategies, and performance metrics
2. Aligns with performance management, continuous improvement efforts, and organizational structure
3. Guides both internal operations and external communication with stakeholders and the public
4. Reflects contributions from all divisions, bureaus, and staff

This strategic plan shifts our agency toward a performance-based, results-oriented approach by strengthening data-driven decision-making and continuous improvement.

It maintains a consistent focus on:

- **Core mission** defined by the legislature
- **Future vision** set by the agency's elected leader
- **Strategic goals and priorities** established by leadership
- **Performance metrics** developed by agency staff

The strategic plan will also make our agency team more:

STRATEGIC PLAN OUTCOMES

Intelligent

Where we, as an agency and employees, can learn from our own actions.

Agile

We are able to more easily adjust our strategies and actions to achieve our goals.

Empowered

Our employees can design and suggest positive changes to strategies based on real data and empirical evidence.

CSI DIVISION OVERVIEW

STATE AUDITOR'S OFFICE
COMMISSIONER OF SECURITIES & INSURANCE (CSI)

INSURANCE

- **Bureaus:** Examinations, Forms, Insurance Consumer Services, Investigations, Licensing, Market Conduct, Rates
- 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
- Administer the Montana Reinsurance Program, together with a five-person Montana Reinsurance Association Board of Directors.

CENTRAL MANAGEMENT

- Includes all functions of agency support (Units: Accounting, Fiscal and Budget; Human Resources; and Information Technology), which in turn supports the protection of Montana consumers

SECURITIES

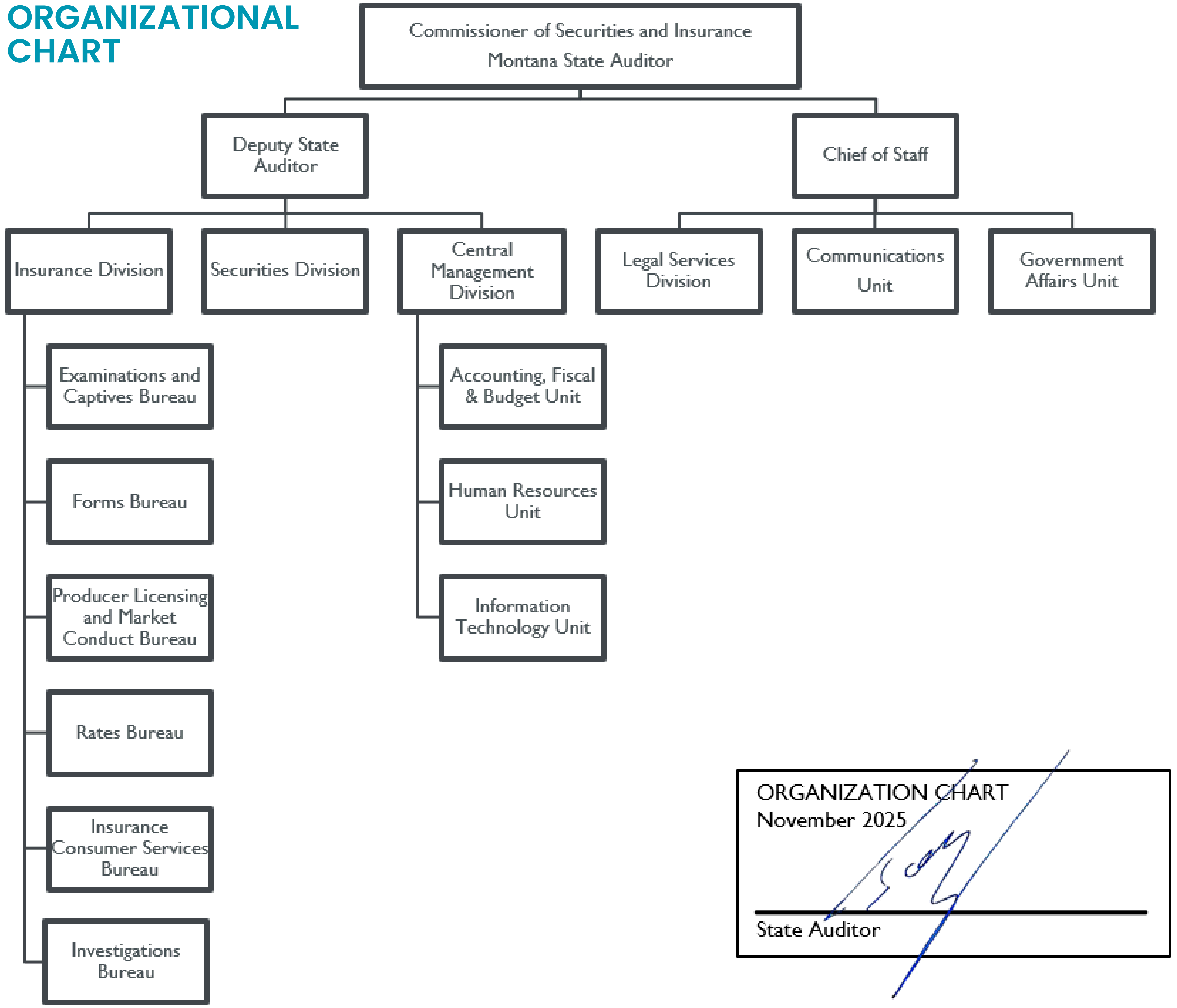
- Educate Montana's consumers and investors on securities
- Investigate securities and financial fraud
- Encourage capital investment in Montana
- Oversee the securities industry for compliance with the Montana Securities Act
- Promote securities market uniformity through industry oversight
- Oversee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

LEGAL

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

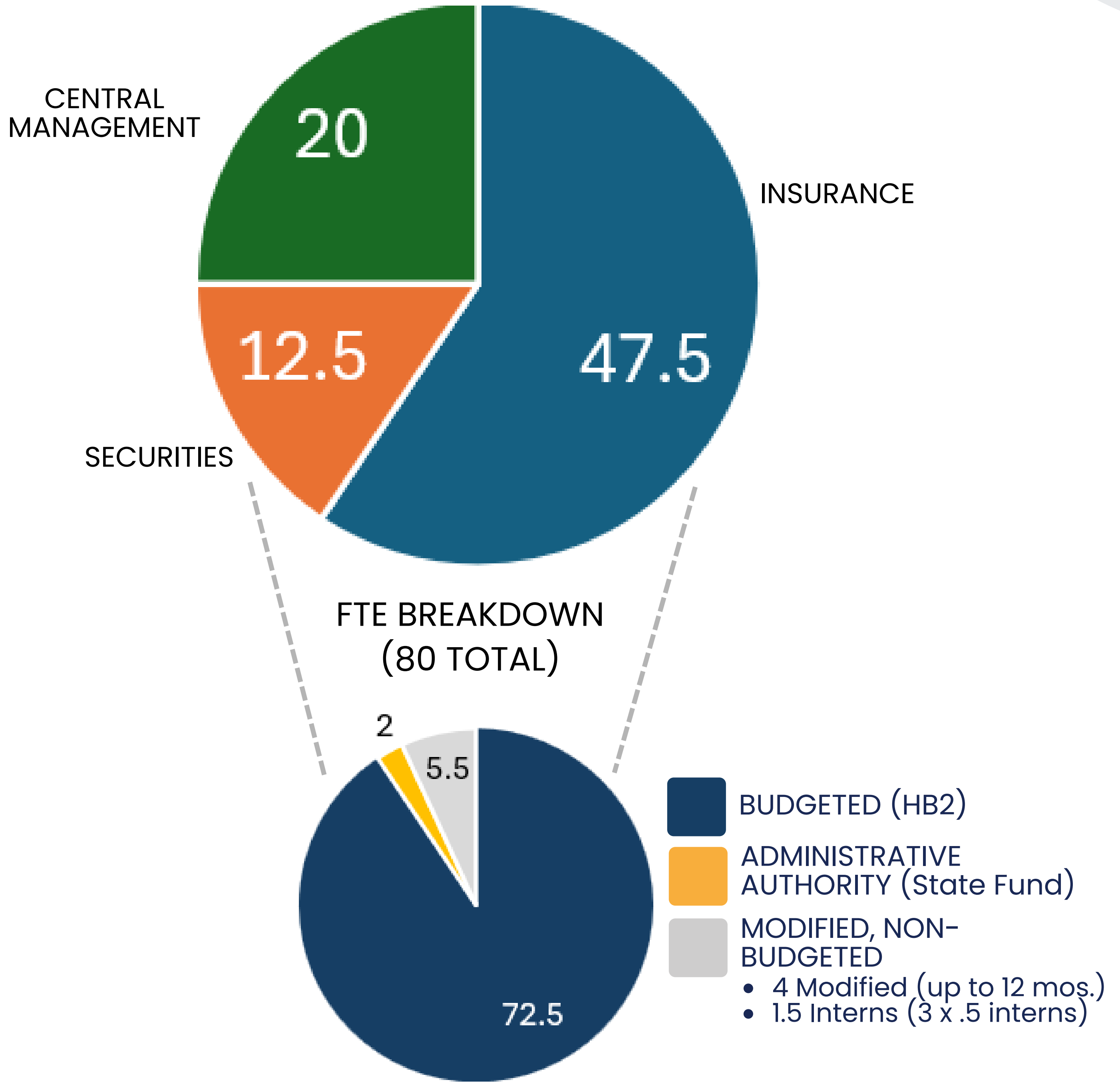
CSI DIVISION OVERVIEW: Staffing

ORGANIZATIONAL CHART



BUDGETED & APPROVED FTE

(data as of 08/14/2026)



OFFICE OF THE MONTANA STATE AUDITOR

OUR PURPOSE

To empower every Montana citizen by ensuring access to fair, reliable insurance products and by protecting the security and transparency of investment and capital opportunities while upholding the highest standards of integrity and excellence in operations.

Our legal obligations to Montanans

Consumer Protection Mandate

We advance our consumer protection mission by enforcing unfair trade practices laws under the Montana Insurance Code and antifraud provisions of the Montana Securities Act. We focus on empowering and protecting Montanans by ensuring fairness, transparency, and trust. [Title 33, ch. 18; Title 30, ch. 10]

Trust & Integrity

We foster trust and integrity in Montana's financial markets by enforcing licensing and conduct standards for insurance producers and securities professionals. This includes licensing, investigating, enforcing laws, and prosecuting violators who threaten the public. [33-17-214; 33-30-311; Title 33, ch. 25; Title 30, ch. 10]

Access to Reliable Services

We ensures access to fair and reliable insurance and transparent investment opportunities to meet its statutory responsibility to regulate insurance products, producers, and securities registration to maintain market stability and consumer access. [Title 33, ch. 2; ch. 30; ch. 19]

Advocacy & Accountability

We deliver advocacy and accountability by investigating complaints and enforcing insurance and securities laws serving as the official advocate for Montana consumers in disputes with insurers. We are committed to empowering Montanans financially and protecting their well-being in the face of a complex financial marketplace. [33-15-338; Title 33, ch. 25, part 4; Title 30, ch. 10]

OUR MISSIONS & VISION

Missions

This strategic plan reflects the agency's unique structure, as it operates under multiple missions rather than a single mission statement. These missions—nine (9) in total—are provided for in the Montana Constitution and state statutes.

1. **Protect** Montana Securities and Insurance Consumers;
2. Provide **Exceptional Customer Service** to Consumers and Businesses;
3. **Enforce** Montana's Securities and Insurance Laws and Regulations;
4. **Investigate** Consumer Complaints, Fraud Reports, and **Prosecute** Bad Actors;
5. **Inform** through Education and Outreach to Montana Consumers and Industry;
6. Ensure **Affordable and Accessible** Securities and Insurance Products;
7. **Remove Unnecessary Regulation** to Improve the Montana Business Environment;
8. **Encourage Economic Growth and Capital Formation** in the Treasure State; and
9. **Support Public Education** through the State Auditor's Role as a Member of the Board of Land Commissioners.

Vision

Remain a model state agency for the people of Montana:

- **Being accountable to Montanans and the Legislature**
- **Responding effectively to the public**
- **Preventing fraud**
- **Protecting the financial interests of Montanans**

We achieve this through strong consumer advocacy, effective enforcement, public education, and fair, accessible regulation of insurance and securities markets.

OUR STRATEGIC GOALS

The agency's missions and unifying vision are supported by six **(6) strategic goals**, many of which support multiple agency missions.

1. **Protect and Provide Outreach and Education to Consumers**
2. **Conduct Legal and Regulatory Compliance and Enforcement**
3. **Foster Safe, Solvent, Stable, and Competitive Markets**
4. **Provide Outstanding Customer Service**
5. **Organizational Excellence**
6. **Promote Innovation and Leverage Technology**

Performance Indicators

- Progress toward achieving these organizational strategic goals is measured through **77 key performance indicators (KPIs)**.
    - The KPIs represent the agency's **four (4) diverse divisions** with **14 business units/bureaus** – *an average of just over five (5) KPIs per functional area.*
- The KPIs track key inputs and outputs across every division and unit/bureau within the agency.

INTELLIGENT. AGILE. EMPOWERED.

PERFORMANCE PLAN: METRICS SUMMARY

1 Outreach and Education

- Deliver responsive and efficient service to consumers and industry professionals.
- Promote and effectively communicate all initiatives and actions taken by the CSI to support and enhance the agency's ability to serve Montana.
- Maximize efficiency and resource allocation, modernize business processes, and enhance transparency.
- Increase legal outreach, education, and engagement to industry and consumers, including Financial Abuse Specialist Team (FAST) awareness.
- Engage community stakeholders and promote fraud awareness and financial literacy, particularly among youth, vulnerable, and underserved populations.
- Advocate for victims of insurance and securities fraud through increased public awareness of insurance fraud and its impact on premiums, insurers, and consumers.
- Educate and engage the legislature through realtime information and policy support.

2 Compliance and Enforcement

- Ensure compliance with applicable laws and regulations and hold bad actors accountable; advocate for victims of insurance and securities fraud.
- Ensure compliance with applicable laws and regulations through the use of form checklists and form review.
- Ensure that submissions comply with Montana law and that insurance rates are not inadequate, excessive, or unfairly discriminatory.
- Monitor the market conduct and compliance with Montana laws of companies writing business in Montana with (i) Pharmacy Benefit Manager oversight, (ii) Independent Review Organization review activities, and (iii) health insurer grievance and external appeals report monitoring.
- Efficiently license qualified persons as insurance producers, adjusters, bail agents, and other licensees.
- Complete timely industry form review.
- Advocate for victims of insurance and securities fraud by reducing costs and losses to the public and the insurance industry arising from insurance fraud.
- Develop insurance fraud investigation and prosecution strategies in conjunction with Legal.
- Timely acknowledgment and processing of public records requests (PRRs).
- Advocate for victims of securities fraud by strengthening FAST (Fraud and Securities Taskforce) response and engagement.
- Enact the agency's legislative agenda.

PERFORMANCE PLAN: METRICS SUMMARY (cont.)

3 Safe, Solvent, & Stable Markets

- Monitor the financial stability and legal compliance of insurance and securities institutions.
- Promote competitive, reliable, affordable insurance markets through:
  - Completion of annual and quarterly analysis and examinations of multistate companies.
  - Effectively and efficiently receive, analyze, and resolve Captive operations contacts and requests, including tracking and monitoring.
- Completion of securities examinations.
- Tracking and timely response to securities-related complaints and inquiries.
- Timely review of securities product/offering registrations.

4 Customer Service

- Effectively and efficiently receive, analyze, and resolve consumer and industry contacts and complaints.
- Deliver responsive and efficient service to consumers and industry professionals.
- Complete timely examinations of regulated insurance industry entities.
- Provide timely review and response on securities registrations and product/offering filings.
- Monitor the financial stability and legal compliance of insurance and securities institutions.
- Promote competitive, reliable, affordable insurance markets.

INTELLIGENT. AGILE. EMPOWERED.

PERFORMANCE PLAN: METRICS SUMMARY (cont.)

5 Organizational Excellence

- Support and enhance the agency's ability to serve Montana; maximize efficiency and resource allocation, modernize business processes, and enhance transparency.
- Improve contract coordination, compliance, and efficiency across all CSI bureaus and ensure compliance with CSI procurement policy and Level One Procurement Delegation Agreement, utilizing eMACS/TCM system for tracking.
- Strengthen workforce engagement and recruitment to support an effective, motivated, and high-performing team.
- Enhance technology systems, security, and user support to strengthen operational efficiency and data integrity agency-wide.
- Promote staff cyber security awareness.
- Ensure timely, accurate, and effective legal services that promote compliance, transparency, and support for CSI operations.
- Deliver responsive and efficient service to consumers and industry professionals through quarterly website review and updates.
- Ensure forms filing checklists are current and available on the website to support industry compliance with applicable laws and regulations.

6 Promote Innovation and Leverage Technology

- Strengthen core agency operations by turning prior planning and system design work into measurable improvements across agency processes.
- Investigate tools and technology to improve processes and service delivery.
- Develop implementation and deployment strategy for technology/innovation projects.
- Implementation of Surplus Lines reporting and payment portal (SLIP+).
- Streamline and improve the accuracy, consistency, and speed of forms filings and approvals.
- Utilize techology to effectively organize and disseminate time-sensitive, vital information to consumers.