UNITED STATES OF AMERICA

★★★★★

CELEBRATING

250 YEARS OF INDEPENDENCE

★★★★★

1776 - 2026

2026 ANNUAL PERFORMANCE REPORT

Fiscal Year Ending June 30, 2026

JAMES BROWN

CSI

COMMISSIONER OF SECURITIES & INSURANCE

OFFICE OF THE MONTANA STATE AUDITOR

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FY2026 OPERATIONAL HIGHLIGHTS

Total Revenues

$288M

up from $264M in FY 2025 and a 15% increase from FY 2024

General Fund Contribution

$165M

monies sent back to General Fund, a 15% increase from $144M in FY 2024

Healthy Montana Kids (HMK)

$52.4M

for HMK of the total $58M state special revenue deposited to the state

Operating Expenses

$11.5M

a $12.7% increase from FY 2024, with 72.5 full-time employees (FTEs)

Photo Credit: Rachel Lowitt (cover image)

JAMES BROWN
State Auditor,
Commissioner
of Securities &
Insurance

MESSAGE FROM THE STATE AUDITOR

MESSAGE FROM THE STATE AUDITOR

It is the honor of my lifetime to serve as your Montana State Auditor and Commissioner of Securities and Insurance since taking office in January 2025. I'm proud of the Agency's accomplishments in that time. And it is my privilege to report on the positive impact of the hard work of the employees who dedicate their time to protect Montana consumers.

Under my leadership, the agency is more focused than ever on prosecuting fraudsters, educating the public on elder abuse, regulating the bail industry, promoting capital formation, and fostering sound insurance and investment markets for Montana families.

The dedicated staff at the Auditor's Office take seriously their duty to serve the people of Montana, whether that duty be answering questions about an insurance issue, investigating fraud and abuse complaints, or working with legislators and industry partners to adopt policies that put Montana consumers first.

The Montana Constitution also entrusts me with serving on the State Land Board. As a fourth-generation Montanan, I understand the importance of keeping our State Trust lands healthy and productive so the lands can continue to provide income for Montana public education institutions and the students they serve.

This year, I implemented a comprehensive strategic performance plan for the Agency to continuously track key metrics on how we can improve weekly and monthly to better serve Montanans. This new plan gives our team a well-defined roadmap with specific goals so the public can see what we're accomplishing and hold us accountable when not meeting expectations. Montanans deserve to know how their tax dollars are being used by government entities such as this one.

We've already had many victories here in my first 20 months in office. This year alone, the team has:

- Prevented $2.13M in fraud losses alongside financial industry partners
- Denied $18.5M in unjustified insurance rate hikes (more than $24M since taking office)
- Identified $60M in Obamacare fraud across two insurance companies
- Secured almost $60K in extra funding for the Montana securities fraud restitution fund
- Generated $8.8M for public education through Land Board activity
- Reached thousands of Montanans through 51 public educational events

In sum, given this Agency's documented record of success under my administration, I am pleased to provide to the public the CSI's 2026 Fiscal Year Annual Performance Report as required by Section 2-12-105, MCA. I look forward to securing even more wins for my fellow Montanans in the coming days and years ahead.

Best regards,

James Brown
State Auditor | Commissioner of Securities and Insurance

Note: This report is not intended to be a complete review and summation of the CSI's work over the past year. Rather, the report is intended to provide an informative and insightful guide to agency performance, objectives, and operations. We trust you will find the report informative when viewed through that lens. Finally, I thank the dedicated CSI staff for your efforts in collecting and providing the empirical information and research outlined in this Annual Performance Report.

EXECUTIVE TEAM

Amber Thorvilson
Deputy State Auditor

David Sanders
Chief of Staff

Kirsten Madsen
Deputy Securities Commissioner

Erin Snyder
Deputy Insurance Commissioner

Jack Connors
Chief Legal Counsel

Trevor Graff
Government Affairs Director

Ethan Holmes
Communications Director

Jenna McKinney
External Affairs Director

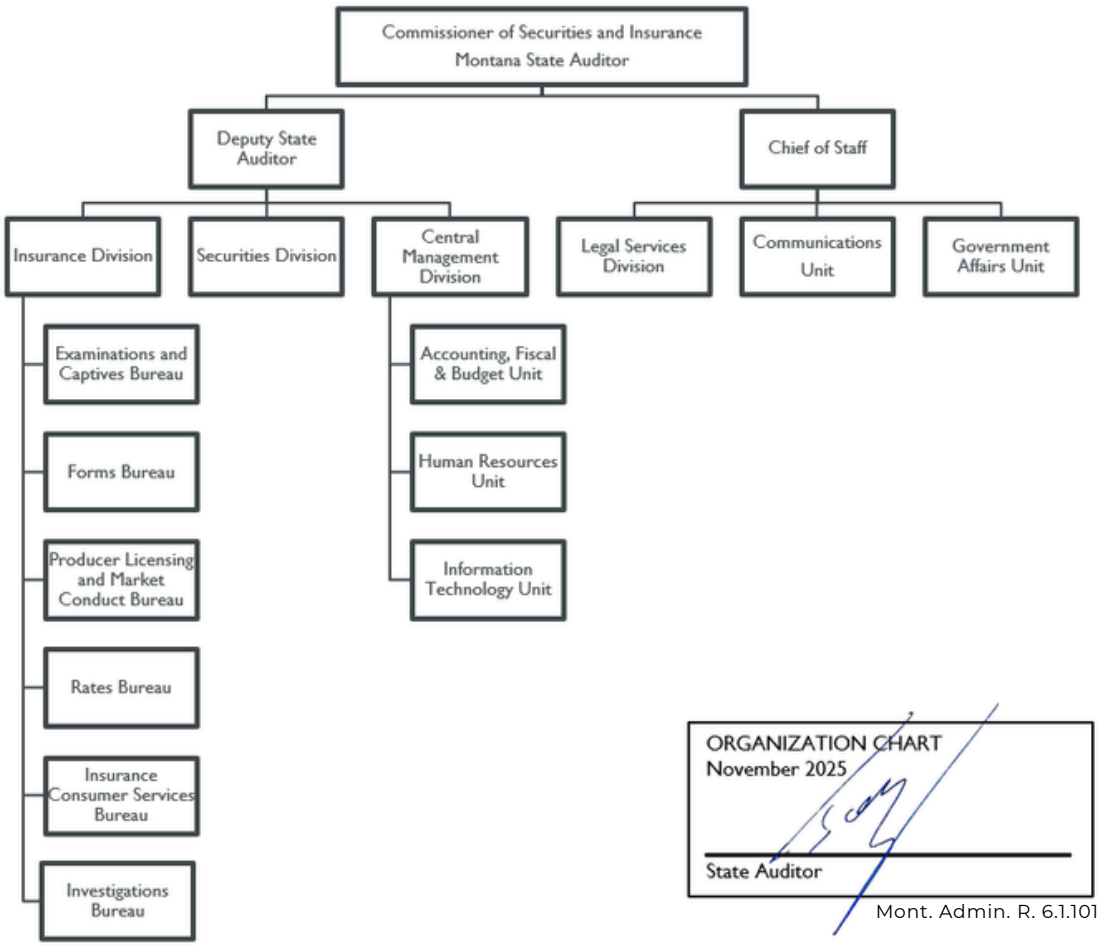
Molly Plummer
Business Manager

Heather McRae
Executive Assistant

BUREAU CHIEFS

TED BIDON Investigations Bureau Chief	**DAVID DACHS** Licensing & Market Conduct Bureau Chief	**MATTHEW EBERHARDT** Forms Bureau Chief
MARI KINDBERG Chief Actuary, Rates Bureau Chief	**BEN VUKONICH** Insurance Consumer Services Bureau Chief	**(OPEN)** Examinations Bureau Chief

ORGANIZATIONAL STRUCTURE



ORGANIZATION CHART
November 2025

State Auditor

Mont. Admin. R. 6.1.101

AGENCY OVERVIEW & VISION | MISSIONS

AGENCY OVERVIEW

INSURANCE

- Educate Montana's 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 Assistance Fund

LEGAL

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

PROTECT. EDUCATE. SERVE.

STRATEGIC PERFORMANCE PLAN

> *A well-defined roadmap with specific targets and metrics so that the public can see how we are doing and hold us accountable to improve trust in state government.* – State Auditor Brown

VISION

The Office of the State Auditor, Commissioner of Securities and Insurance (CSI), will continue to be a model state agency by:

- Being accountable to Montana citizens and to the Legislature
- Being responsive to the public it serves
- Being the financial fraud abuse watchdog
- Safeguarding the financial interests of all Montanans

CSI will achieve its missions through strong consumer advocacy, vigorously investigating fraud, prosecuting bad actors, and conducting aggressive public education campaigns. Furthermore, the agency will fairly enforce Montana's securities and insurance laws, making sure Montanans have easy access to reliable insurance products and transparent investment opportunities.

MISSIONS

- Protect securities and insurance consumers
- Provide consumers and businesses with exceptional customer service
- Enforce Montana's securities and insurance laws and regulations
- Investigate thoroughly consumer complaints, fraud reports, and prosecute bad actors
- Inform consumers and industry through comprehensive education and outreach
- Ensure securities and insurance products and services are affordable and accessible
- Improve the Montana business environment by removing unnecessary regulations
- Encourage business growth and capital formation in the Treasure State
- Support quality public education by faithfully executing the State Auditor's constitutional role as a member of the Board of Land Commissioners

STRATEGIC GOALS >>>>>>

- Protect and provide outreach and education to consumers
- Conduct legal and regulatory compliance and enforcement
- Foster safe, solvent, stable, and competitive markets
- Provide outstanding customer service
- Organizational excellence
- Promote innovation and leverage technology

Throughout this report, you will find the agency's goals associated with the section captured under the heading denoted by the [>>>] symbol.

INTELLIGENT. AGILE. EMPOWERED.

learn by our own actions adjust positive, continuous improvements

CENTRAL SERVICES DIVISION

>>>ORGANIZATIONAL EXCELLENCE | INNOVATION & TECHNOLOGY | COMPLIANCE & ENFORCEMENT

The Central Services Division consists of: (i) accounting, budget, and fiscal, (ii) human resources, and (iii) information technology (IT).

THE NUMBERS

FISCAL, ACCOUNTING & BUDGET

Central Services unit is responsible for all agency financial decisions and establishing, implementing, and overseeing the financial administration and budgeting for the CSI. The unit is also responsible for the oversight and management of CSI federal grants, including the 1332 Innovation Waiver (Montana Reinsurance Program), to ensure compliance with state and federal regulations as well as the grant terms.

PEOPLE

HUMAN RESOURCES (HR)

Human Resources (HR) provides support, oversight, and direction to all CSI staff in the areas of recruitment and retention, staff recognition, payroll, personnel policies and procedures, HR programs, employee safety, and the CSI internship program.

SYSTEMS & DATA

INFORMATION TECHNOLOGY (IT)

IT provides reliable technology services and support that ensure the CSI can carry out its mission effectively. By maintaining secure systems, facilitating efficient operations, and fostering innovation, IT plays a vital role in supporting both internal staff and the public. With a focus on adaptability and continuous improvement, the IT team remains committed to delivering dependable solutions that strengthen the agency's overall performance.

CSI BUSINESS MODERNIZATION INITATIVE

The Business and Systems Modernization Initiative is a broad effort to modernize the myriad of business processes and supporting technology systems the CSI uses to regulate the securities and insurance industries.

The initiative continues to strengthen CSI's core operations by turning prior planning and system design work into measurable improvements across agency processes. This included the deployment of SLIP+, a modern and easy-to-use reporting and payment portal for surplus lines insurers in Montana. The CSI also piloted the use of AI to organize and disseminate vital information to consumers following a major industry data breach. FY 2026 further saw the CSI emerge as a leading agency in utilizing AI to streamline and improve the accuracy, consistency, and speed of forms filings and approvals.

INTERNSHIP PROGRAM

The CSI internship program helps recruit and develop future public servants by offering students in colleges, trade schools, and other qualifying educational institutions a paid opportunity to gain real-world experience while completing their education. Interns can apply classroom learning in part-time or full-time roles, explore careers in public service, and may earn academic credit aligned with their school's term schedule.

A SPECIAL THANK YOU TO OUR INTERNS & PARTICIPATING COLLEGES!

INSURANCE DIVISION REPORT

MONTANA REINSURANCE PROGRAM

>>>SAFE, SOLVENT & STABLE MARKETS | CUSTOMER SERVICE

Established in 2019, the Montana Reinsurance Program (MRP) reimburses health insurance exchange insurers for certain high-cost claims in the individual market using a mix of federal pass-through funding and association member assessments. Under the law, eligible health insurers are reimbursed for a portion of the costs associated with certain high-cost claimants.

The CSI, inconjunction with a five-person Montana Reinsurance Association Board of Directors administer the MRP.

MRP reimbursement soared to a record amount in FY 2026 and reimbursement is expected to increase by more than 25% in FY 2027. In FY 2028 and beyond, reimbursement levels are expected to decline sharply due to the elimination of federal enhanced premium tax credits.

11-12% LOWER
individual health insurance premiums for Montana consumers with the MRP

$52 Million
Reimbursed by the MRP in 2026 to eligible health insurers for certain claims incurred in the 2024 benefit year.

- $37.8M from federal funding
- $14.2M from insurer assessments

INSURANCE CONSUMER SERVICES

>>>CUSTOMER SERVICE

Insurance Consumer Services (ICS) is responsible for responding to and resolving consumer complaints involving all lines of insurance and surety products marketed in Montana. ICS is often on the front lines of uncovering unfair trade practices, failures to perform as required by policy, or violations of law committed by insurance companies – resulting in the recovery of millions of dollars for Montana insurance consumers. Our goal is to provide Montana consumers with direct access to assistance for most insurance-related issues.

ICS also plays a crucial educational role in the agency by providing Montanans with a resource for answers to their important insurance-related questions.

ICS employees are dedicated to helping Montana consumers. They are passionate about insurance and regulating the insurance industry to ensure fair and honest treatment for all consumers.

OVER LAST 5 YEARS

50% ↑
increase in total insurance consumer inquiries/ complaints – *with ICS assisting in the recovery of more than*
$46M
for Montana consumers
(in benefits and/or dollars)

FISCAL YEAR 2026

LIFE & HEALTH

1,496	Consumer insurance inquiries and complaints
$10.1M	Recovered for Montana Consumers

PROPERTY & CASUALTY

633	Consumer insurance inquiries and complaints
$872K	Recovered for Montana Consumers

Feedback from our valued consumers

I first want to say that I don't think I would have been able to settle the claim without your expert help. Thank you from the bottom of our hearts.

I just wanted to thank you for your help. You guys do amazing work!!

We are so grateful for your assistance, I am sure we wouldn't have got resolution without your efforts. You have done a great service, righting a wrong.

I appreciate all your help you were amazing to work with.

FORMS BUREAU

>>>SAFE, SOLVENT, STABLE & COMPETITIVE MARKETS | COMPLIANCE & ENFORCEMENT | CUSTOMER SERVICE

The Forms Bureau is responsible for reviewing insurance contracts, policies, certificates, endorsements, amendments, and other forms, as required by statute, to ensure that the requested filings comply with Montana regulatory requirements prior to issuance to consumers.

LICENSING & MARKET CONDUCT BUREAU

>>>SAFE, SOLVENT, STABLE & COMPETITIVE MARKETS | COMPLIANCE & ENFORCEMENT | CUSTOMER SERVICE

The Licensing Bureau handles all licensing transactions of insurance producers, adjusters, consultants, and insurance agencies. Maintaining high-quality licensure standards supports insurance industry professionalism. The Licensing Bureau oversees the quality of continuing education courses for licensees. Consumers benefit from enhanced knowledge of insurance professionals.

The Market Conduct Bureau monitors the insurance marketplace to ensure insurance companies comply with state laws and regulations. The bureau also responds to consumer complaints.

> *Thank you. The customer interaction was superb; Brittany brought wonderful professionalism.*
>
> *- Agency Customer*

- Surplus Lines Premium Tax Collected **$14,994,296**
- Insurance Licenses Approved or Renewed **77,658**
- Licensing/CE Fees Collected **$5,561,950**
- New Continuing Education Courses Reviewed **2,747**
- New Pharmacy Benefit Managers (PBMs) Licensed **9**
- Renewal PBM License **34**
- Renewal Independent Review Organizations **14**
- Annual Market Conduct Statements Received **559**
- Data Breaches Reported **55**

Effective January 1, 2026: Montana surplus lines premium tax reporting transitioned to an enhanced processing platform—*SLIP+ for States*. While taxes remain due annually, quarterly tax payments are now accepted through SLIP+ rather than only once per year under the prior system.

INSURANCE DIVISION REPORT

RATES BUREAU

>>>SAFE, SOLVENT, STABLE & COMPETITIVE MARKETS | COMPLIANCE & ENFORCEMENT

The Rates Bureau reviews insurer rate changes in Montana to ensure the rates are not inadequate, excessive, or unfairly discriminatory, and comply with Montana statutes and administrative rules.

Rate filings reviewed & closed

3,937

Rate increase requests denied – *benefiting 127,855 Montanans*

$18.5M

EXAMINATIONS & CAPTIVES BUREAU

>>>SAFE, SOLVENT & STABLE MARKETS | COMPLIANCE & ENFORCEMENT | CUSTOMER SERVICE

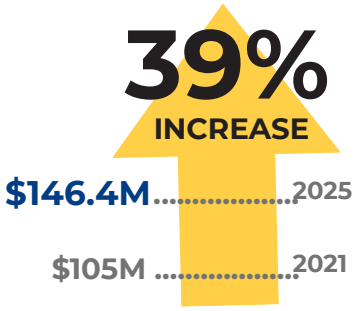
The Examinations Bureau has three main responsibilities: monitoring the solvency or claim paying ability of insurance companies operating in Montana; licensing insurance companies; and collecting premium taxes. The Examinations Bureau maintains strict procedures in the review of insurance companies in accordance with the National Association of Insurance Commissioners (NAIC) accreditation standards.

3,048
insurance company annual filings processed

1,150
company updates processed

92
traditional insurance companies newly licensed

46
captive insurers newly licensed



Premium Tax Audited/Collected
2024 Tax Audited/Collected in 2025 (compared to tax collected in 2021)

INSURANCE DIVISION REPORT

MONTANA CAPTIVE INSURANCE PROGRAM

The Montana Captive Insurance Program is the fifth-largest captive domicile in the U.S. The CSI Captive Management Services Division contributed approximately $5 million to the Montana economy.

289
CAPTIVE INSURANCE FORMATIONS

Montana is one of the largest captive domiciles in the United States.

Montana Captive Insurance Program —
Naturally Captivating

Captives contribution
$5M
to the Economy

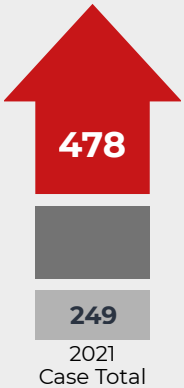
INSURANCE INVESTIGATIONS

>>>COMPLIANCE & ENFORCEMENT

The Investigations Bureau enforces the Montana Insurance Code by investigating alleged violations and pursuing civil and criminal insurance fraud involving consumers, producers, and insurers. The bureau initiates investigations when there is reason to believe fraud has occurred and collaborates with state, local, and federal partners to identify trends and coordinate enforcement efforts. Through this work, the bureau helps protect consumers and maintain the integrity of Montana's insurance marketplace, while also administering required reporting such as the state's Bail Bonds Arrest and Surrender filings.

Fiscal Year 2026 Investigations Overview

Consumer	374
Medical Provider	38
Producer	45
Bail Bonds	8
Contractor	6
Company	3
Title Insurance	3
Public Adjuster	1
Total	**478**



+92%
2021 - 2026

INSURANCE INVESTIGATIONS

>>>COMPLIANCE & ENFORCEMENT

Fraud Scheme
Montana

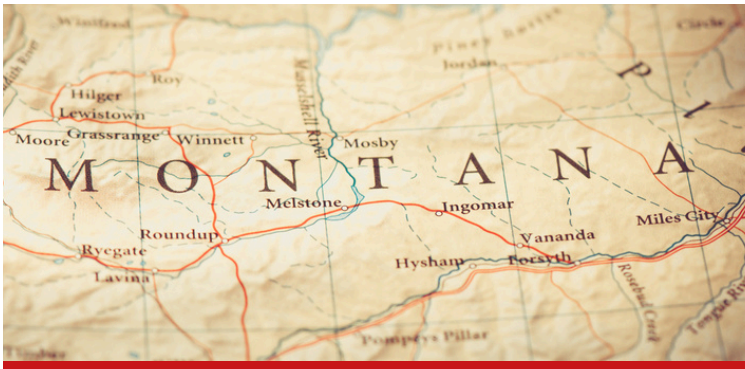
FRAUDULENT TREATMENT "SOBER-LIVING" CENTERS

Exploitation of Montana's Tribal Communities and Health Insurance System

In January of 2026, Montana State Auditor and Insurance Commissioner James Brown announced the office had uncovered a multi-million-dollar health care fraud scheme that targeted vulnerable members of Montana's tribal communities.

The scheme involves "body brokers," or recruiters, targeted Native Americans residing at homeless shelters or on the street, on or near reservations. The brokers made false promises of free luxury inpatient rehabilitation services, transportation, housing, and cash incentives. Instead of receiving mental health or addiction treatment, the individuals found themselves in overcrowded homes with little to no care in California. Some were left on the streets after a few weeks, while the fraudulent clinics billed insurance companies up to $9,000 per day per person.

Our office wishes to extend a special thank you to the tribal communities and members, the FBI, other law enforcement agencies, insurers, HHS/CMS, and NAIC member states for their collaboration and commitment to combating this egregious fraud scheme.



WARNING SIGNS

- **Unsolicited offers of treatment or recovery services**
- **Pressure to switch health insurance coverage**
- **Promises of free transportation to out-of-state facilities**
- **Unfamiliar individuals with large vans visiting communities**

➤ ***To those who have been victimized by this fraudulent treatment scheme, you have our continued support and assistance. Reach out to our office for information.***

OVERVIEW

13 separate meetings between CSI and Montana's **12 tribal nations** leaders and **American Indian health representatives**

$50+ MILLION
FRAUDULENT MONTANA PROVIDER PAYMENTS HALTED
with CSI support & collaboration

National attention received, including National Association of Insurance Commissioners (NAIC) review due to numerous states affected

Extensive collaboration with tribal communities and members, the FBI, other law enforcement agencies, insurers, HHS/CMS, and NAIC member states

Scheme impacted mulitple insurers —*including Pacific Source, Montana Health Co-op, & BCBSMT*

200+
More than 200 known cases impacting Montana tribal communities

12
Scheme targeted members of all 12 Montana tribal nations

Pursuing multiple unlicensed insurance producers—*a violation of Montana law* —with investigations still ongoing. *The penalty range for conviction can include a fine up to $50,000 and/or imprisonment up to 10 years.*

LEGAL SERVICES DIVISION REPORT

>>>COMPLIANCE & ENFORCEMENT

I am proud of what our incredible group of paralegals and lawyers accomplished over the past year. We filed almost three times as many enforcement actions as in 2025, resulting in more than $2 million in fines and restitution awards. Meanwhile, we significantly improved our accessibility and responsiveness to everyone in this agency.

—Jack Connors, Chief Legal

The Legal Services Division enforces Montana insurance and securities laws, holds bad actors accountable through the prosecution of criminal and civil cases, and represents the Commissioner and agency in legal matters.

The team advises the industry and the public on the laws relating to our agency and serves as general counsel for the CSI. Public record requests are also coordinated by the team.

The CSI legal team had a productive FY 2026. Greater focus this year was given to violations of the Securities Act, which led to more than $60,000 in voluntary payments to the restitution fund that compensates Montanans who fall victim to securities fraud.

INDUSTRY OVERSIGHT

Criminal Actions	**1**
Administrative Enforcement Actions	**49**
Total Referrals to Legal	**261**

	FINES ORDERED	RESTITUTION ORDERED
Insurance	**$766,500**	**$25,558**
Securities	**$255,000**	**$1.3M**

RIGHT TO KNOW

Public Record Requests	**76**
Average Days to Research & Respond	**32**

CONSTITUTION

Article II, Section 9

The Montana Constitution contains an explicit right to know, including the right to examine documents of public agencies.

State of Montana

CSI FAST FINANCIAL ABUSE SPECIALIST TEAM

COMMISSIONER OF SECURITIES & INSURANCE
OFFICE OF THE MONTANA STATE AUDITOR

FINANCIAL ABUSE SPECIALIST TEAM

Established in 2022, the mission of the CSI Financial Abuse Specialist Team (FAST) is to coordinate responses to elder exploitation referrals with a time-sensitive, targeted evaluation by securities and insurance specialists. The FAST group includes a dedicated securities investigator, an insurance investigator, and at least one prosecutor to coordinate responses.

This CSI team partners with industry stakeholders and other state agencies to provide resources to vulnerable persons while formulating real-time, remedial strategies, including:

- Adult Protective Services (APS)
- Department of Justice (DOJ)
- Office of Consumer Protection (OCP)
- Federal Bureau of Investigations (FBI)
- Federal Trade Commission (FTC)
- Local law enforcement

72 HOURS

92% of the FAST referrals were **reviewed within 3 days**

76% **increase in FY 2026 FAST referrals** (65 in FY2026, up from 37 in FY2025)

15 of the FAST referrals were **within the jurisdiction of the CSI**

Referrals determined not to be in the purview of CSI are referred to the appropriate agencies.

SECURITIES DIVISION REPORT

>>>COMPLIANCE & ENFORCEMENT | OUTREACH & EDUCATION | CUSTOMER SERVICE

The Securities Division educates consumers and investors, investigates fraud, encourages economic development, and generally oversees the Montana Securities Industry with both federal and self-regulatory partners. This year, given the high number of fraudsters using romance scams, the promise of giant profits within the crypto industry, and the boom of artificial intelligence, we refocused our outreach efforts in the investor protection space.

$137.4 M

Capital approved for Montana business formation

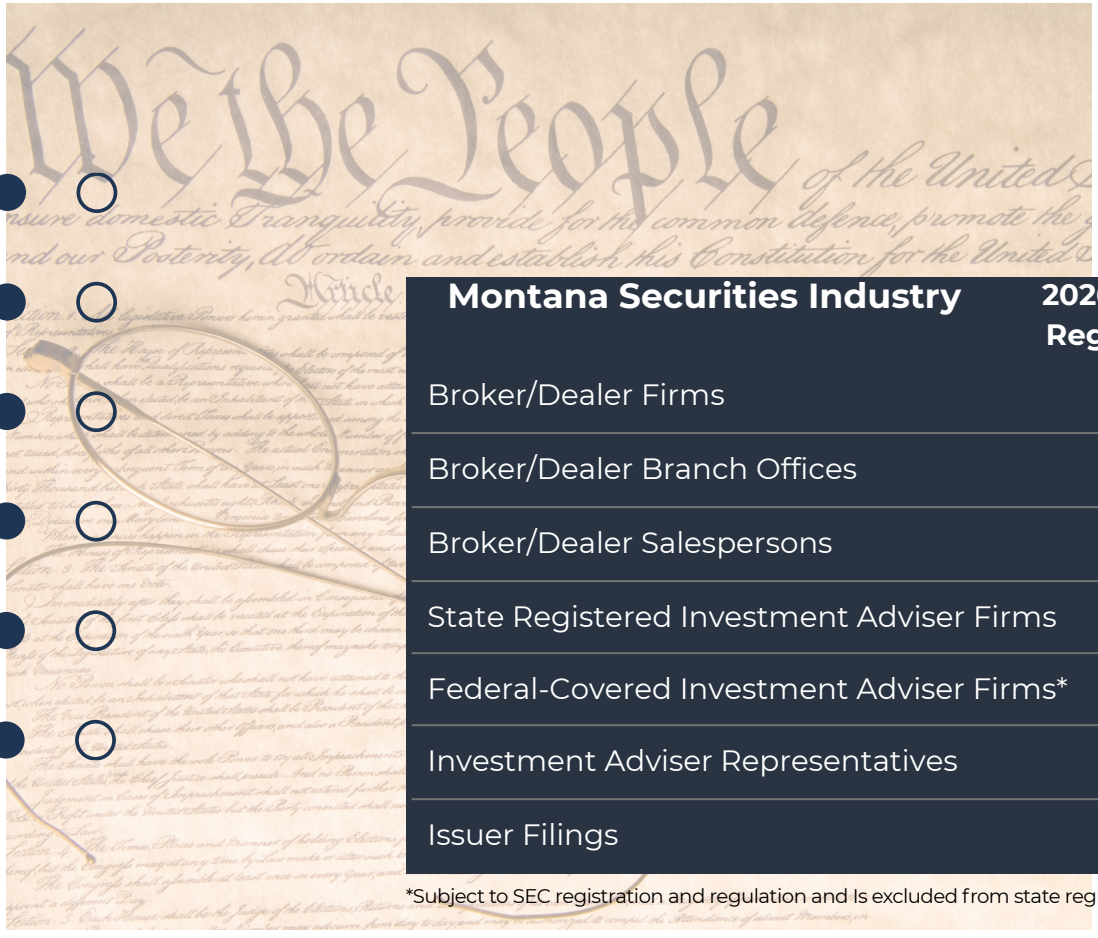
Montana communities thrive when our entrepreneurs thrive. It's an honor to host the Investing in Montana Summit and watch the synergistic energy created by attendees.

– State Auditor Brown

INVESTING in MONTANA
RAISING CAPITAL & FINDING INVESTMENT OPPORTUNITIES

4TH ANNUAL SUMMIT

Premier annual event for those who believe in what is possible—where Montana business owners, entrepreneurs, investors focus on opportunity, business formation, and job creation.



Montana Securities Industry	2026 Filings & Registrations
Broker/Dealer Firms	1,229
Broker/Dealer Branch Offices	613
Broker/Dealer Salespersons	172,095
State Registered Investment Adviser Firms	102
Federal-Covered Investment Adviser Firms*	1,271
Investment Adviser Representatives	2,794
Issuer Filings	24,936

*Subject to SEC registration and regulation and Is excluded from state registration and regulation

SECURITIES DIVISION REPORT

>>>COMPLIANCE & ENFORCEMENT | OUTREACH & EDUCATION | CUSTOMER SERVICE

CRYPTOCURRENCY & DIGITAL ASSETS FRAUD

The Securities Division continues to see increased complaints of fraud related to digital assets. Although our office has seen a sharp increase in reported complaints and financial losses, this trend also reflects meaningful progress with more victims coming forward as a result of expanded outreach and public awareness efforts. Scammers rely on fear and shame to keep victims silent. When people speak out publicly, they deny criminals those tools—and help protect others from becoming victims.

Regulated industry, like registered investment adviser representatives, continues to be an impactful partners in preventing fraud-related losses. Their close, longer-term relationships with clients can provide an important line of defense by helping spot unusual activity, raising timely concerns with a designated trusted contact person, and even pausing a disbursement.

	FISCAL YEAR		
	2024	**2025**	**2026**
Crypto Complaints	9	20	**44**
Total Reported Losses	$1.3 million	$3.2 million	**$7.4 million**
Average Loss	$141,485	$159,399	**$140,661**

75% of total reported losses were **known or suspected to involve cryptocurrency fraud—or $5.6M**.

ON THE RISE

FY 2025 – FY 2026

231%

Increase in reported CSI fraud complaints—from 26 in FY25 to 86 in FY26.

Of the 86, 40 individuals were over the age 60.

Prevented Fraud-Related Losses

$2.13M

JAN 2026 - JUNE 2026

CSI with its financial industry partners **prevented** fraud-related losses for **16 Montanans.**

Of the 16, 15 individuals were over the age 60.

JAN 2026 - JUNE 2026

61%

Of all reported securities fraud complaints involved **overseas digital assets fraud**.

> *Scammers rely on fear and shame to keep victims silent. When people speak out, they deny criminals those tools—and help protect others from becoming victims.*
>
> - State Auditor Brown

MONTANA RESTITUTION FUND

Montana is one of only seven states that have a securities restitution fund – the Lynne Egan Memorial Securities Restitution Assistance Fund—established in 2011. The fund helps eligible victims of investment fraud recover part of their losses when full restitution is not possible. It is financed by a small portion of securities registration fees and certain settlements entered by the CSI Securities Division.

Payments are limited to victims in cases prosecuted or administered by the CSI Securities Division, or cases it investigated and referred (typically to the U.S. Attorney's Office). Victims must have been Montana residents at the time of the fraud. In FY 2025, CSI paid $344,540 in restitution to qualifying applicants.

Senior citizens and other "vulnerable persons" under state law may receive up to the lesser of $50,000 or 50% of their losses. Other victims may receive up to the lesser of $25,000 or 25% of their losses. Additional limits apply if the fund balance falls below $1,000,000.

FY 2026

$345K

Total Restitution Assistance Provided to Qualifying Applicants during FY 2026

$2.24M

Total Restitution Assistance Provided to Defrauded Montanans since inception (2011 - 2026)

The restitution fund uses no General Fund or tax dollars.

> *We saw this repeatedly over the past year: the personal relationship between an individual and their financial adviser can be the difference between losing a couple of thousand dollars and losing everything they've invested for retirement.*
>
> - Kirsten Madsen, Deputy Securities Commissioner

OUTREACH & EXTERNAL AFFAIRS REPORT

GOVERNMENT AFFAIRS

>>>COMPLIANCE & ENFORCEMENT | OUTREACH & EDUCATION | CUSTOMER SERVICE | SAFE, SOLVENT, STABLE & COMPETITIVE MARKETS

The CSI Government Affairs Team serves as the primary liaison between the agency and Montana's elected officials. The team works closely with members of the Montana Legislature, providing expertise, research, and policy recommendations to support legislation that strengthens consumer protections in both the securities and insurance markets. In addition to tracking and analyzing proposed bills, government affairs communicates the potential impacts of legislation on Montana residents, businesses, and the broader financial landscape.

Interim Legislative Activities

Montana Blockchain & Digital Innovation Task Force

The Commissioner and staff participated in the group's work to build expertise and recommend policy that supports and appropriately regulates blockchain technology, cryptocurrency, and digital innovation in the state.

Homeowners Insurance Taskforce

The agency supported work on the House Joint Resolution 61 study of homeowners insurance alongside the Economic Affairs Interim Committee. The group discussed the dynamics of the Montana insurance market as well as options to promote affordability and availability in the state.

Study Resolution on Wildfire Safety

Agency staff supported the House Joint Resolution 62 study of wildfire safety in the state. Environmental Quality Council members received an overview of insurance industry considerations relating to wildfire as part of their larger discussion of fire impacts.

Interim Budget Committee Updates

The Commissioner and staff provided updates on healthcare fraud, homeowners' insurance, title insurance, and the agency's strategic planning process to multiple interim budget committees during the interim.

Rulemaking and Public Hearings

The agency conducted several rulemakings to implement the following bills including:

- **Senate Bill 335 (2025)** the Montana Dental Insurance Transparency and Accountability Act;
- **House Bill 740 (2025)** relating to pharmacies and pharmacy benefit managers;
- **House Bill 332 (2023)** establishing the Bridged Health Alliance Trust for public school employees; and
- Temporary bail bond agent rules.

OUTREACH & COMMUNICATIONS REPORT

>>>OUTREACH & EDUCATION | CUSTOMER SERVICE

EDUCATE
INFORM
EMPOWER

157
Social Media Posts

33
Press Releases

38
Interviews

51
Public Consumer Education Events connecting with **thousands of Montanans** on matters important to them

2
Hosted Industry Professional Conferences

OUTREACH, EVENTS & INDUSTRY CONFERENCES

We are committed to serving Montanans by keeping you informed about our agency goals, plans, and activities in a clear and accessible manner. Through various communication channels, we strive to share information that matters to you and your community.

Our goal is to provide clear, helpful resources that educate, inform, and empower both consumers and industry partners.

We continue to build out our website and social media presence with new tools and fresh content: making it easier for you find what you need; report fraud or file a complaint; or submit documents quickly and conveniently.

New consumer resources added to csimt.gov/outreach, including Understand Your Homeowner's Policy, Insurance After the Storm, and a new Indian Country Resource page.

Annually, CSI hosts educational forums on relevant, vital topics for industry and professionals, providing access to staff to answer questions and participate in dialogue on matters affecting Montanans.

- **Annual 2025 Insurance Summit** (101 attendees) — Featuring industry experts from across the state and country.
- **Annual 2026 Investing in Montana Summit** (66 attendees) — Exploring the investment landscape for Montana businesses.

  To watch full Investing in Montana sessions, visit **www.youtube.com/@MTCSI**, including that of keynote speaker, Chef Eduardo Garcia, founder Montana Mex and Big Sky Kitchen!
- **Montana Realtor Association Protecting Property & Insurance Insights** (164 attendees) — The sessions held in Helena and Hamilton discussed the state's evolving homeowners insurance market, particularly in wildfire-prone areas.

Outreach staff traveled continuously throughout Big Sky Country to meet with Montanans—sharing the agency's roles and responsibilities, discussing insurance issues facing Montanans, providing securities and insurance fraud awareness, and educating Montanans on schemes targeting their communities.

DIVERSE INFORMATION PLATFORMS

CSI delivers important agency information and resources across various channels to ensure access to a broad audience.

MONTANA LAND BOARD

State Auditor Brown participates on the Montana Land Board as one of five board members. The composition of the board includes:

- **Governor**
- **Attorney General**
- **Secretary of State**
- **State Auditor**
- **Superintendent of Schools**

$14.7M

TOTAL REVENUE GENERATED FOR PUBLIC LAND TRUST & SCHOOLS

$3.8M

TIMBER SALES

The Land Board has stewardship of over

5.2M acres

of public lands held in trust for the perpetual yield of revenues to benefit schools.

The Land Board continues to deliver on the promise made in Montana's Constitution: to generate income for schools while protecting the natural resources that make the state unique.

$2.9M

OIL, GAS & ENERGY LEASES

$425K

EASEMENTS

$341K

AGRICULTURE & GRAZING LEASES

$141K

CABIN & HOME-SITE REVENUES

The Montana Land Board has been managing public trust lands for the benefit of schools for over

100 YEARS

(The first state forests were created in 1925.)

MONTANA LAND BOARD APPROVED AN ESTIMATED $8.8M TO SUPPORT OUR SCHOOLS & COLLEGES

ADOPTION OF NEW LAND EXCHANGE POLICY (MAY 2026)

State Auditor Brown's revisions reflect the principle that decisions about the people's land should be made by elected officials accountable to voters under the Montana Constitution, not bureaucrats.

- Board-Centric Oversight
- Formalized Public Engagement
- Applicant Guidance
- Process Transparency
- Closing Completeness
- Fiduciary Framing

Together, the Land Board members are investing in Montana's future—one school, one student, and one community at a time.
-State Auditor Brown

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We the People
of the United
common defence, promote
for the
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and establish this
and our Posterity, do ordain
Article. I.

JAMES BROWN
CSI
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OFFICE OF THE MONTANA STATE AUDITOR

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