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CSI
Montana Commissioner of Securities & Insurance

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2013 Commissioner of Securities & Insurance Legislative Agenda

1) Constitutional Referendum to rename the State Auditor as the Commissioner of Securities & Insurance - The CSI is a law enforcement agency charged with protecting Montanans from insurance and investment fraud and abuse. The title *State Auditor* does not accurately reflect the office's duties and is confusing and misleading. To better inform Montanans about where they can turn to for assistance with insurance and investment concerns, the Commissioner proposes changing the name of the office from the *State Auditor* to the *Commissioner of Securities & Insurance*. The office title is set in the Montana Constitution, which requires a Constitutional Amendment to change.

2) Housekeeping Bill – The Commissioner will propose non-substantive changes to statute that allow for greater efficiency and clarity in administering insurance and securities law.

Insurance

3) Protect Consumers through State-Based Health Insurance Premium Rate Review- Legislation will give the Commissioner the ability to review health insurance premium rates before the rates go into effect. Montana is one of three states that are powerless to review rates for health insurance. State-based review will allow the Commissioner to further protect consumers by determining if rates are excessive, inadequate, unjustified or unfairly discriminatory.

4) Patient Centered Medical Homes- Legislation for Patient Centered Medical Homes (PCMH) will set clear standards for a sustainable, statewide PCMH program. The bill creates the Commission for the Montana Patient Centered Medical Home Program, which includes representatives of health plans, consumers, primary care providers, and the CSI. The bill defines PCMH and outlines the powers and duties of the Commissioner and the PCMH Commission.

5) Interstate Insurance Product Regulation Compact- The Commissioner will introduce legislation to join the Compact, providing more benefits to the insurance industry and consumers while maintaining strong consumer protections in state law. The Compact allows for more efficient regulation of asset-based insurance products, including life insurance, annuities, disability income, and long-term care insurance. Currently, 41 states are members of the Compact. The Compact promotes uniformity of national product standards while continuing strong consumer protections and regulation at the state level. Montana would have the ability to "opt out" of any of the Compact's more than 80 uniform standards if the state feels a standard does not protect Montana consumers.

6) Unclaimed Life Insurance Benefits Act– Legislation will require life insurers to check the U.S. Social Security Death Master File (DMF) to confirm an insured or account holder's death, locate any beneficiaries, and provide claims forms and instructions. In the event that benefits go unclaimed, the bill sets procedures for insurers to notify the state and turn over the funds as unclaimed property.

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7) Improve Efficiency in Insure Montana- The Commissioner will request legislation to remove the statutory spending limit of 95% of appropriated funds for the Insure Montana program. Removing the limit will allow administrators of the program to use the full appropriation for the program, allowing more Montana small businesses and employees to benefit from Insure Montana.

The legislation will also remove the 90% threshold requirement for when Insure Montana's board can transfer appropriated funds between subsidy and tax credit accounts for Insure MT. Right now, the program must spend at least 90% of funds in subsidy or tax credit accounts before the board can transfer funds between accounts. The initial 95% and 90% limits were put in place when the Insure Montana program was created because it was difficult to estimate participation and the rate at which Insure Montana appropriations would be exhausted. Eight years after its creation, program staff has the experience along with sophisticated accounting and administrative systems that make the limits unnecessary.

8) Improve Flexibility in Insure Montana- The Commissioner seeks to expand the definition of "eligible small employer." Through rules, the Commissioner can set eligibility within the statutory range, which is currently 2 to 9 employees. This change will give the Commissioner the flexibility to fill potential market gaps and allow small businesses greater access to the program when resources allow.

9) Address Insure Montana Waiting List- The Commissioner will ask for an additional appropriation to address the Insure Montana wait list of over 400 small businesses.

10) Define the CSI's Insurance Crime Investigators as Public Safety Officers - The Commissioner will request legislation to allow CSI Crime Investigators to be considered public safety officers. This would allow CSI Crime Investigators access to additional training opportunities through the Montana Law Enforcement Academy, give the Crime Investigators the ability to initiate and serve search warrants, and properly maintain evidence seized as a result of those searches.

Securities

11) Securities Restitution Assistance Fund- The Securities Restitution Assistance Fund was established by the 2011 Legislature to provide partial restitution (25% of ordered restitution or $25,000, whichever is less) to Montana victims awarded restitution in a final order issued by the Commissioner or in a final order resulting from legal action initiated by the Commissioner. Currently, the sole source of revenue for the fund comes from individuals and firms who have violated the Montana Securities Act, or from individuals who voluntarily contribute to the fund. Since it was established, the fund has accumulated approximately $258,000. At the same time, more than $14,000,000 in restitution has been ordered to be paid to victims, but has not, and likely will never be paid. By creating a stable revenue source from a percentage of existing fees collected from securities issuers, the Securities Restitution Fund will be able to help more Montana victims.

12) Further Protect Consumers from Pyramid Schemes- The Securities Act of Montana attempts to regulate the multi-level marketing (MLM) industry by requiring companies to provide notice to the Commissioner's office before obtaining Montana participants. To further protect consumers, the Commissioner proposes changing the state law to require MLMs to pay a fee and to register with the CSI. Approval of an MLM registration would be contingent upon the MLM meeting established criteria. The Commissioner also proposes changing state law to provide a penalty section for MLM's that fail to properly register before obtaining Montana participants.