

**INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION  
2024 ADOPTED BUDGET  
DETAIL REVENUE AND EXPENSES**

Description	2023					2024			Increase (Decrease) from 2023 Budget	%	Increase (Decrease) from 2023 Projected	%
	2022	2023	7/31/2023	12/31/2023	2023	2024	2024	Total				
	Actual	Budget	Actual	Projected	Projected Variance	Budget	Fiscal Impact Statements	2024 Budget				
Filing Fees	\$ 1,101,854	\$ 2,002,938	\$ 1,000,288	\$ 1,789,051	\$ (213,888)	\$ 2,066,750	\$ 100,000	\$ 2,166,750	\$ 63,812	3.19%	\$ 277,700	15.52%
Annual Registration Fees	1,424,038	1,469,375	1,459,625	1,505,250	35,875	1,520,625	-	1,520,625	51,250	3.49%	15,375	1.02%
Interest Income	21,308	6,600	46,784	80,666	74,066	50,000	-	50,000	43,400	-	(30,666)	(38.02%)
<b>Total Revenues</b>	<b>2,547,200</b>	<b>3,478,913</b>	<b>2,506,696</b>	<b>3,374,966</b>	<b>(103,947)</b>	<b>3,637,375</b>	<b>100,000</b>	<b>3,737,375</b>	<b>158,462</b>	<b>4.55%</b>	<b>262,409</b>	<b>7.78%</b>
Salaries, Taxes, and Benefits (1)	1,725,064	1,969,096	1,097,004	1,910,574	(58,522)	2,039,629	120,002	2,159,631	190,535	9.68%	129,055	6.75%
Payroll Taxes (2)	137,412	144,803	92,150	145,412	609	148,798	9,611	158,409	13,606	9.40%	3,386	2.33%
Employee Benefits (3)	341,610	383,660	192,129	338,590	(45,071)	377,447	29,939	407,386	23,725	6.18%	38,857	11.48%
Employee Development (4)	8,693	21,665	11,761	27,011	5,346	36,275	-	36,275	14,610	67.44%	9,264	34.30%
Professional Services (5)	395,702	426,740	184,773	374,307	(52,433)	383,499	907	384,238	(42,502)	(9.96%)	9,192	2.46%
Travel (6)	127,723	250,574	54,699	198,568	(52,006)	284,823	3,280	288,103	37,529	14.98%	86,255	43.44%
Occupancy (7)	5,047	9,072	3,195	5,530	(3,542)	6,840	-	6,840	(2,232)	(24.60%)	1,310	23.69%
Meetings (8)	33,858	59,000	18,296	65,296	6,296	87,600	-	87,600	28,600	48.47%	22,304	34.16%
Operational (9)	28,496	63,282	15,333	40,862	(22,420)	88,095	6,000	94,095	30,813	48.69%	47,233	115.59%
Other (10)	467	1,975	-	1,975	-	475	-	475	(1,500)	(75.95%)	(1,500)	(75.95%)
<b>Total Operating Expenses</b>	<b>2,804,072</b>	<b>3,329,868</b>	<b>1,669,340</b>	<b>3,108,124</b>	<b>(221,743)</b>	<b>3,453,481</b>	<b>169,739</b>	<b>3,623,052</b>	<b>293,184</b>	<b>8.80%</b>	<b>345,356</b>	<b>11.11%</b>
Revenues Over (Under) Expenses	\$ (256,872)	\$ 149,045	\$ 837,356	\$ 266,842	\$ 117,797	\$ 183,894	\$ (69,739)	\$ 114,323	\$ (134,722)	(90.39%)	\$ (82,948)	(31.08%)

- (1) The expenses included in this line are found on page E1: Salaries.
- (2) The expenses included in this line are found on page E2: Payroll Taxes.
- (3) The expenses included in this line are found on page E3: Employee Benefits.
- (4) The expenses included in this line are found on page E4: Employee Development.
- (5) The expenses included in this line are found on page E5: Professional Services.
- (6) The expenses included in this line are found on E6: Travel.
- (7) The expenses included in this line are found on page E7: Occupancy .
- (8) The expenses included in this line are found on page E8: Meetings.
- (9) The expenses included in this line are found on page E9: Administrative.
- (10) The expenses included in this line are found on page E10: Other.

2023 BUDGET ANALYSIS

BUDGET ITEM: Revenues

ITEM DESCRIPTION: Includes the revenues derived from (1) compact filings, (2) Annual Registration Fees, and (3) interest income.

Description	2022	2023	7/31/23	12/31/23	2024	2024	2024	Increase	Percentage
	Actual	Budget	Actual	Projected	Budget	Fiscal Statements	Total Budget	(Decrease) from 2023 Budget	
Filing Fees (1)	\$ 1,101,854	\$ 2,002,938	\$ 1,000,288	\$ 1,789,051	\$ 2,066,750	\$ 100,000	\$ 2,166,750	\$ 163,812	8.18%
Annual Registration Fees (2)	1,424,038	1,469,375	1,459,625	1,505,250	1,520,625	\$ -	1,520,625	51,250	3.49%
Interest Income (3)	21,308	6,600	46,784	80,666	50,000	\$ 100,000	\$ 50,000	43,400	0.00%
<b>Total</b>	<b>\$ 2,547,200</b>	<b>\$ 3,478,913</b>	<b>\$ 2,506,696</b>	<b>\$ 3,374,966</b>	<b>\$ 3,637,375</b>	<b>\$ 200,000</b>	<b>\$ 3,737,375</b>	<b>\$ 258,462</b>	<b>7.43%</b>

(1) The Insurance Compact charges a filing fee for all product filing submissions submitted across all product lines. The fee that is collected for each product filing submission is based on several factors. The first is whether or not the filing requires an actuarial review as determined by the submission requirements for the applicable Uniform Standards. The second factor is whether or not the filing company's premium volume is greater than \$50 million based on the Schedule T-Part 2 of the Annual Statement filed with the NAIC for the reporting year prior to the current annual registration period. The last factor is whether or not the filing company is registered with the Insurance Compact as a Regional Filer per the definition of Regional Filer in the IIPRC Terms and Procedures for IIPRC Filing Fees. There is a separate Filing Fee amount for product filings requiring an actuarial review of rate schedules (LTC and DI specifically). Also in this line are the filing fees for the Expedited Review Program which are double the applicable filing fees for the product to enter the queue to receive service level review times faster than regular review queue of 30 to 60 days. Included in this line are fees for the optional advanced fee calculation service.

- \*Filings Requiring an Actuarial Review for Companies w/PV Greater Than \$50 M: 683
- \*Filings Requiring an Actuarial Review for Companies w/PV Less Than \$50 M: 87
- \*Filings Requiring an Actuarial Review for Regional Companies w/PV Greater Than \$50 M: 13
- \*Filings Requiring an Actuarial Review for Regional Companies w/PV Less Than \$50 M: 9
- \*Filings Not Requiring an Actuarial Review for Companies w/PV Greater Than \$50 M: 582
- \*Filings Not Requiring an Actuarial Review for Companies w/PV Less Than \$50 M: 76
- \*Filings Not Requiring an Actuarial Review for Regional Companies w/PV Greater Than \$50 M: 14
- \*Filings Not Requiring an Actuarial Review for Regional Companies w/PV Less Than \$50 M: 8
  
- \*Rate Filings Requiring an Actuarial Review for Companies w/PV Greater Than \$50 M: 29
- \*Rate Filings Requiring an Actuarial Review for Companies w/PV Less Than \$50 M: 8
  
- \*Expedited Review Submissions: 202; an additional 50 with new resources
- \*Advanced Filing Fee Calculations: 145

(2) The Insurance Compact charges an annual registration fee for accessing the Insurance Compact's filing platform as a means of self-generating revenue to fund its product operations. The amount of the annual registration fee is based on filing company's premium volume as recorded on Schedule T Part 2 of the Annual Statement. There are four (4) categories: companies with premium volume greater than \$1 billion, companies with premium volume greater than \$50 million, companies with premium volume less than \$50 million and greater than \$10 million, and companies with premium volume less than \$10 million. All Registration fees are prorated in half for the remainder of the year for registrations submitted on October 1 or after. Regional companies will pay half of the required registration fee for each category.

- \*Companies Greater than \$1B: 73
- \*Companies Greater than \$50M: 119 + 8 pro-rated registrations
- \*Companies \$50 - 10M: 33 + 3 pro-rated registrations
- \*Companies Less than \$10M: 28 + 2 pro-rated registrations
  
- \*Regional Companies Greater than \$1B: 0
- \*Regional Companies Greater than \$50M: 15 + 2 pro-rated registrations
- \*Regional Companies \$50 - 10M: 8 + 0 pro-rated registrations
- \*Regional Companies Less than \$10M: 5 + 0 pro-rated registrations

(3) Interest income is earned on Insurance Compact's account and is dependent upon cash flow from revenues. Increases in the interest rates in the overall financial markets have affected interest earned.

2023 BUDGET ANALYSIS

BUDGET ITEM: Salaries

ITEM DESCRIPTION: Includes salary and overtime for all Insurance Compact employees.

<u>Description</u>	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>7/31/23 Actual</u>	<u>12/31/23 Projected</u>	<u>2024 Budget</u>	<u>2024 Fiscal Statements</u>	<u>2024 Total Budget</u>	<u>Increase (Decrease) from 2023 Budget</u>	<u>Percentage</u>
Salaries-Existing Employees (1)	\$ 1,723,225	\$ 1,969,096	\$ 1,096,136	\$ 1,909,706	\$ 2,039,629	\$ 120,002	\$ 2,159,631	\$ 190,535	9.68%
Overtime (2)	1,839	-	868	868	-	-	-	-	0.00%
<b>Total</b>	<b>\$ 1,725,064</b>	<b>\$ 1,969,096</b>	<b>\$ 1,097,004</b>	<b>\$ 1,910,574</b>	<b>\$ 2,039,629</b>	<b>\$ 120,002</b>	<b>\$ 2,159,631</b>	<b>\$ 190,535</b>	<b>9.68%</b>

(1) The Insurance Compact is budgeting for fifteen full-time employees. Existing positions as of December 31, 2023 include: Executive Director, Director of Product Operations, Assistant Director of Administrative Operations, Assistant Director of Product Review Operations, Communications & Outreach Coordinator, four Product Reviewers, three Actuaries, and three Administrative positions. The 2024 budget also includes an assumption of a combined 3.5% salary adjustment for cost-of-living and merit-based increases as well as possible promotions. The 2024 Total Budget requests two new product reviewers.

(2) The Insurance Compact has two non-exempt employees and does not anticipate scheduled overtime will be needed in 2024.

2023 BUDGET ANALYSIS

BUDGET ITEM: Payroll Taxes

ITEM DESCRIPTION: FICA, unemployment compensation, and FUTA costs incurred for all Insurance Compact employees and interns.

<u>Description</u>	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>7/31/23 Actual</u>	<u>12/31/23 Projected</u>	<u>2024 Budget</u>	<u>2024 Fiscal Statements</u>	<u>2024 Total Budget</u>	<u>Increase (Decrease) from 2023 Budget</u>	<u>Percentage</u>
FICA (1)	\$ 131,986	\$ 141,237	\$ 87,539	\$ 140,801	\$ 145,232	\$ 9,411	\$ 154,643	\$ 13,406	9.49%
Unemployment Compensation (2)	5,426	3,566	4,611	4,611	3,566	200	3,766	200	5.61%
<b>Total</b>	<b>\$ 137,412</b>	<b>\$ 144,803</b>	<b>\$ 92,150</b>	<b>\$ 145,412</b>	<b>\$ 148,798</b>	<b>\$ 9,611</b>	<b>\$ 158,409</b>	<b>\$ 13,606</b>	<b>9.40%</b>

(1) FICA is related to the projected FICA wage base and total salaries projected for the Insurance Compact employees. The 2024 Total Budget requests two new product reviewers.

(2) Unemployment compensation is budgeted based on rates and wage limits assigned to the Insurance Compact as of June 2023 in the states where employees work. The 2024 Total Budget requests two new product reviewers.

2023 BUDGET ANALYSIS

BUDGET ITEM: Employee Benefits

ITEM DESCRIPTION: Includes all pension, life and health insurance costs paid by Insurance Compact for its employees.

Description	2022	2023	7/31/23	12/31/23	2024	2024	2024	Increase	Percentage
	Actual	Budget	Actual	Projected	Budget	Fiscal Statements	Total Budget	(Decrease) from 2023 Budget	
Pension (1)	\$ 84,349	\$ 107,576	\$ 62,136	\$ 108,088	\$ 111,285	\$ 7,353	\$ 118,638	\$ 11,062	10.28%
Health Benefits (2)	223,394	235,585	\$ 103,633	194,740	224,821	21,956	246,777	11,192	4.75%
Group Life and Disability (3)	8,461	9,065	5,460	9,237	9,610	-	9,610	545	6.01%
Employee Relations (4)	25,406	31,435	20,900	26,525	31,731	630	32,361	926	2.95%
<b>Total</b>	<b>\$ 341,610</b>	<b>\$ 383,660</b>	<b>\$ 192,129</b>	<b>\$ 338,590</b>	<b>\$ 377,447</b>	<b>\$ 29,939</b>	<b>\$ 407,386</b>	<b>\$ 23,725</b>	<b>6.18%</b>

- (1) A 457 plan and 401(a) plan is in effect for Insurance Compact employees. In 2024, all Compact employees will be eligible for Insurance Compact matching contribution under these plans which contributes to an increase in the budget line. The 2024 Total Budget requests two new product reviewers.
- (2) In order to leverage the cost-savings and broader coverage options offered through larger groups, the Insurance Compact utilizes the NAIC employee benefit plan types pursuant to the Services Agreement. The Insurance Compact covers a portion of its employees premiums as an employee benefit. The increase is associated with new employees as well as the employer share of premium expected to increase. The 2024 Total Budget requests two new product reviewers.
- (3) In order to leverage the cost-savings and broader coverage options offered through larger groups, the Insurance Compact utilizes the NAIC employee benefit plan types pursuant to the Services Agreement. The Insurance Compact covers a portion of its employees premiums as an employee benefit. The 2024 Total Budget requests two new product reviewers.
- (4) Employee Relations has increased as the Insurance Compact has adopted a formal recognition program where both employees and managers have quarterly budgets for recognition of their direct reports and colleagues. The 2024 Total Budget requests two new product reviewers.

2023 BUDGET ANALYSIS

BUDGET ITEM: Employee Development

ITEM DESCRIPTION: Includes fees for seminars, training courses and professional association memberships paid by Insurance Compact.

<u>Description</u>	<u>2022</u> <u>Actual</u>	<u>2023</u> <u>Budget</u>	<u>7/31/23</u> <u>Actual</u>	<u>12/31/23</u> <u>Projected</u>	<u>2024</u> <u>Budget</u>	<u>2024</u> <u>Fiscal</u> <u>Statements</u>	<u>2024</u> <u>Total</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u> <u>from</u> <u>2023 Budget</u>	<u>Percentage</u>
Professional Association Dues (1)	\$ 7,076	\$ 6,415	\$ 6,851	\$ 6,851	\$ 6,275	\$ -	\$ 6,275	\$ (140)	(2.18%)
Professional Training (2)	1,617	15,250	4,910	20,160	30,000	-	30,000	14,750	96.72%
<b>Total</b>	<b>\$ 8,693</b>	<b>\$ 21,665</b>	<b>\$ 11,761</b>	<b>\$ 27,011</b>	<b>\$ 36,275</b>	<b>\$ -</b>	<b>\$ 36,275</b>	<b>\$ 14,610</b>	<b>67.44%</b>

(1) Professional association dues represent employees' membership in various professional associations, such as bar and actuary association dues and the Association of Insurance Compliance Professionals (AICP) membership for Insurance Compact employees.

(2) The Insurance Compact has implemented a Comprehensive Professional Development Program for Insurance Compact employees that includes professional, technical and new employee training. The Insurance Compact sponsors executive training and coaching for its senior team.

2023 BUDGET ANALYSIS

BUDGET ITEM: Professional Services

ITEM DESCRIPTION: Fees paid to outside resources for information systems, consulting service to process product filings, legal services consultants, and cash management and payroll services.

<u>Description</u>	2022	2023	7/31/23	12/31/23	2024	2024	2024	Increase	<u>Percentage</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>Fiscal</u>	<u>Total</u>	(Decrease) from <u>2023 Budget</u>	
Other Professional Services (1)	359,514	340,562	\$ 179,231	332,858	313,731	-	313,563	(26,999)	(7.93%)
Legal (2)	26,145	75,000	-	31,250	60,000	-	60,000	(15,000)	(20.00%)
Computer Services (3)	10,043	11,178	\$ 5,542	10,199	9,768	907	10,675	(503)	(4.50%)
<b>Total</b>	<b>\$ 395,702</b>	<b>\$ 426,740</b>	<b>\$ 184,773</b>	<b>\$ 374,307</b>	<b>\$ 383,499</b>	<b>\$ 907</b>	<b>\$ 384,238</b>	<b>\$ (42,502)</b>	<b>(9.96%)</b>

- (1) The Insurance Compact pays an annual license fees to SERFF in the amount of \$25,000 and is allotted 250 hours of SERFF development under the Services Agreement. This line item includes the NAIC Services Agreement (\$125,000); Cash Management (\$6,786); Annual Audit fees (\$15,400); service fees for insurance policies (\$1,794); and Consultant fees. Included in this line for this year is \$25,000 for an outside vendor to maintain the Insurance Compact's website. The Insurance Compact has budgeted for a full-time consultant - a Regulatory Coordinator Consultant - to support uniform standards development. Also included in this line is the adjustable administrative service fee owed to the NAIC of 7.5% on each \$25,000 of revenue over expense.
- (2) The Insurance Compact retains outside counsel to advise on legal matters for the Commission. With respect to third-party litigation involving legal issue relating to the Insurance Compact, outside counsel is expected to provide representation to the Compact to facilitate informing the parties and court of the legal principles and application of the principles to the Insurance Compact. In 2023, outside counsel was retained to provide legal guidance on governance items as part of the governance review conducted in 2020.
- (3) This line item reflects the monthly costs for processing Insurance Compact payroll. Also included in this line item are the expenses related to the remote employees and consultant's monthly internet services to connect to the SERFF filing platform and the Insurance Compact office. The reduction in this line is related to discontinuing the electronic mobile devices for the Executive Director, Director of Product Operations, and Assistant Director of Administrative Operations. The 2024 Total Budget requests two new product reviewers.

2023 BUDGET ANALYSIS

BUDGET ITEM: Travel

ITEM DESCRIPTION: Includes airfares, hotels, meals, etc., incurred by Insurance Compact staff, consultants, members and regulators.

Description	2022	2023	7/31/23	12/31/23	2024	2024	2024	Increase	Percentage
	Actual	Budget	Actual	Projected	Budget	Fiscal Statements	Total Budget	(Decrease) from 2023 Budget	
Staff Travel (1)	\$ 50,134	\$ 128,024	\$ 27,342	\$ 81,761	\$ 96,006	\$ 3,280	\$ 99,286	\$ (28,738)	(22.45%)
Marketing Travel (2)	24,679	12,650	\$ 9,704	48,354	46,745	-	46,745	34,095	269.53%
Non-Staff/Commissioner Travel (3)	52,910	109,900	17,653	68,453	142,072	-	142,072	32,172	29.27%
<b>Total</b>	<b>\$ 127,723</b>	<b>\$ 250,574</b>	<b>\$ 54,699</b>	<b>\$ 198,568</b>	<b>\$ 284,823</b>	<b>\$ 3,280</b>	<b>\$ 288,103</b>	<b>\$ 37,529</b>	<b>14.98%</b>

- (1) This line item includes the costs associated with travel for the Insurance Compact employees. In 2023, it is anticipated 68 trips will be incurred which will include the three (3) NAIC/Compact in-person meetings, Compact Roundtables, regulator meetings/conferences as well as any other necessary meetings in support of the Insurance Compact. Additionally, there are two meetings planned with the full Compact Team. The decrease in travel is due to a reduction in the number of trips and meetings planned for 2024 compared to previous years. The 2024 Total Budget requests two new product reviewers.
- (2) This line item includes the costs associated with travel for marketing/outreach by the Insurance Compact Team and/or Compact members. It is anticipated that there will be 37 trips made over the course of the year for marketing and outreach at a variety of industry and regulatory conferences. The increase in this budget line is associated with more Insurance Compact marketing/outreach events planned for 2024 compared to previous years.
- (3) This line item includes the costs associated with both Commissioner and non-staff travel. The Insurance Compact reimburses members of the Legislative Committee (8) and members of the Consumer Advisory Committee (8) for their costs associated with attending the Insurance Compact meetings. The Insurance Compact reimburses the consultants for travel associated with attending the Insurance Compact Meetings. This line item also includes costs associated with Commissioner travel for Insurance Compact outreach and other business. The increase in this line is attributed to an increase in the number of events and meetings being planned for the Compact Officers and Members to participate in over the course of 2024.



2023 BUDGET ANALYSIS

BUDGET ITEM: Occupancy

ITEM DESCRIPTION: Includes commuting and parking costs incurred for Insurance Compact staff.

<u>Description</u>	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>7/31/23 Actual</u>	<u>12/31/23 Projected</u>	<u>2024 Budget</u>	<u>2024 Fiscal Statements</u>	<u>2024 Total Budget</u>	<u>Increase (Decrease) from 2023 Budget</u>	<u>Percentage</u>
Occupancy (1)	\$ 5,047	\$ 9,072	\$ 3,195	\$ 5,530	\$ 6,840	\$ -	\$ 6,840	\$ (2,232)	(24.60%)

(1) This line item includes monthly commuting benefits for the DC based employees. Also, included in this line is costs associated with parking for the Kansas City based employees. The decrease is due to commuting changes post pandemic for the DC based employees.

2023 BUDGET ANALYSIS

BUDGET ITEM: Meetings

ITEM DESCRIPTION: Includes hotel services, audio visual, and other costs incurred by Insurance Compact staff and Members for Insurance Compact meetings.

<u>Description</u>	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>7/31/23 Actual</u>	<u>12/31/23 Projected</u>	<u>2024 Budget</u>	<u>2024 Fiscal Statements</u>	<u>2024 Total Budget</u>	<u>Increase (Decrease) from 2023 Budget</u>	<u>Percentage</u>
Meetings (1)	\$ 33,858	\$ 59,000	\$ 18,296	\$ 65,296	\$ 87,600	\$ -	\$ 87,600	\$ 28,600	48.47%

(1) Costs associated with the three (3) Insurance Compact in-person meetings including costs for the audio visual, telecommunications equipment, technicians, food, and beverage for meeting attendees. The increase is attributed to additional marketing/outreach events being held separate from NAIC/Insurance Compact sponsored events. The Insurance Compact Office is planning for two in-person meetings of the Commission and Management Committee separate from the NAIC in-person meetings as well as two Compact Roundtables. The increase in meeting expenses is in conjunction with the increase in travel as more Compact sponsored events are being planned in 2024.

2023 BUDGET ANALYSIS

BUDGET ITEM: Office Services

ITEM DESCRIPTION: Includes conference calls, office supplies, non-capital equipment, and mail.

Description	2022	2023	7/31/23	12/31/23	2024	2024	2024	Increase	Percentage
	Actual	Budget	Actual	Projected	Budget	Fiscal Statements	Total Budget	(Decrease) from 2023 Budget	
General Business Insurance (1)	\$ 18,890	\$ 22,637	\$ 11,667	\$ 19,851	\$ 21,435	\$ -	\$ 21,435	\$ (1,202)	(5.31%)
Telephone (2)	32	4,510	-	-	-	-	-	(4,510)	(100.00%)
Other Supplies (3)	2,283	300	974	1,099	1,925	-	1,925	1,625	541.67%
Non-Capital Equipment (4)	5,187	6,500	2,276	5,776	21,000	6,000	27,000	20,500	315.38%
Mail Services (5)	2,104	735	166	536	885	-	885	150	20.41%
Branding (6)	-	28,600	250	13,600	42,850	-	42,850	14,250	49.83%
<b>Total</b>	<b>\$ 28,496</b>	<b>\$ 63,282</b>	<b>\$ 15,333</b>	<b>\$ 40,862</b>	<b>\$ 88,095</b>	<b>\$ 6,000</b>	<b>\$ 94,095</b>	<b>\$ 30,813</b>	<b>48.69%</b>

- (1) General business insurance coverage and related premiums. Comprehensive errors and omissions and director/officer coverage premiums are included in this line as well.
- (2) Telephone expenses for conference calls utilizing a combination of WebEx and Chorus Call.
- (3) This line item reflects the cost of supplies for the Insurance Compact office. The increase in this expense is attributed to a clerical change and the former stand-alone Reference Materials expense has been incorporated into this expense line.
- (4) The Insurance Compact has budgeted for a \$500 annual allotment per Insurance Compact remote team employee/consultant to be reimbursed for expenses associated with the parameters of the technology platform for the Insurance Compact Office. The increase in this line is attributed to requiring additional non-capital equipment in 2024 for select Compact employees. The 2024 Total Budget requests two new product reviewers.
- (5) This line item includes expenses to mail Insurance Compact correspondence via US Postal Service or FedEx/UPS services. The increase in this line is related to an increase in shipping expenses for FedEx and UPS.
- (6) This line includes expenses for sponsorships, branded items, and then event registrations and expenses. These expenses were previously included in the marketing travel line. Due to an overall update to expenses, these were broken out from travel to be included in the Office Services expenses. The increase in expenses for 2024 over 2023 is due to an increase in overall expenses incurred for sponsorship opportunities and costs associated with participating in various marketing events.

2023 BUDGET ANALYSIS

BUDGET ITEM: Other

ITEM DESCRIPTION: Includes expenses incurred for reference materials, general training materials, and recruiting expenses.

<u>Description</u>	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>7/31/23 Actual</u>	<u>12/31/23 Projected</u>	<u>2024 Budget</u>	<u>2024 Fiscal Statements</u>	<u>2024 Total Budget</u>	<u>Increase (Decrease) from 2023 Budget</u>	<u>Percentage</u>
Reference Materials (1)	\$ -	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ (1,500)	(100.00%)
Bad Debt Expense	-	-	-	-	-	-	-	-	100.00%
Taxes	467	475	-	475	475	-	475	-	100.00%
Recruiting Expense	-	-	-	-	-	-	-	-	#DIV/0!
<b>Total</b>	<b>\$ 467</b>	<b>\$ 1,975</b>	<b>\$ -</b>	<b>\$ 1,975</b>	<b>\$ 475</b>	<b>\$ -</b>	<b>\$ 475</b>	<b>\$ (1,500)</b>	<b>(75.95%)</b>

(1) It is expected the Insurance Compact Office will purchase various reference materials for the Team as well as the Compact members in 2023.