

**INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION  
2011 ADOPTED BUDGET  
DETAIL REVENUE AND EXPENSES**

Description	2010					2011				%	Increase (Decrease)		
	2009 Actual	2010 Budget	6/30/2010 Actual	12/31/2010 Projected	2010 Projected Variance	2011 Budget	2011 Staffing Requests	Total 2011 Budget	Increase (Decrease) from 2010 Budget		%	Increase (Decrease)	
												from 2010 Projected	
Filing Fees	\$ 130,900	\$ 233,250	\$ 102,000	\$ 217,000	\$ (16,250)	\$ 432,500		\$ 432,500	\$ 199,250	85.42%	\$ 215,500	99.31%	
Annual Registration Fees	292,500	573,750	342,000	487,000	(86,750)	931,250		931,250	357,500	62.31%	\$ 444,250	91.22%	
Interest Income	97	300	9	69	(231)	180		180	(120)	(40.00%)	111	161.25%	
<b>Total Revenues</b>	<b>423,497</b>	<b>807,300</b>	<b>444,009</b>	<b>704,069</b>	<b>(103,231)</b>	<b>1,363,930</b>	<b>-</b>	<b>1,363,930</b>	<b>556,630</b>	<b>68.95%</b>	<b>659,861</b>	<b>93.72%</b>	
Salaries, Taxes, and Benefits	264,429	394,253	171,718	366,849	(27,404)	395,354	25,439	420,793	1,101	0.28%	28,505	7.77%	
Professional Services	503,574	657,834	265,445	572,879	(84,955)	956,777		956,777	298,943	45.44%	383,898	67.01%	
Travel	68,591	150,400	21,511	73,511	(76,889)	171,010		171,010	20,610	13.70%	97,499	132.63%	
Rental and Maintenance	3,295	4,862	855	1,995	(2,867)	4,162		4,162	(700)	(14.40%)	2,167	108.62%	
Depreciation	45,999	21,131	19,475	21,133	2	2,862	358	3,220	(18,269)	(86.46%)	(18,271)	(86.46%)	
Interest Expense	50,179	55,832	19,147	41,334	(14,498)	47,407		47,407	(8,425)	(15.09%)	6,073	14.69%	
Insurance Expense	14,675	18,200	8,434	18,016	(184)	19,924		19,924	1,724	9.47%	1,908	10.59%	
Administrative Expenses	39,274	53,000	23,070	39,453	(13,547)	44,406	1,675	46,081	(8,594)	(16.22%)	4,953	12.55%	
Meetings and General Training	20,786	20,000	5,572	10,572	(9,428)	22,000		22,000	2,000	10.00%	11,428	108.10%	
<b>Total Operating Expenses</b>	<b>1,010,802</b>	<b>1,375,512</b>	<b>535,227</b>	<b>1,145,742</b>	<b>(229,770)</b>	<b>1,663,902</b>	<b>27,472</b>	<b>1,691,374</b>	<b>288,390</b>	<b>20.97%</b>	<b>518,160</b>	<b>45.22%</b>	
<b>Revenues Over (Under) Expenses</b>	<b>\$ (587,305)</b>	<b>\$ (568,212)</b>	<b>\$ (91,218)</b>	<b>\$ (441,673)</b>	<b>\$ 126,539</b>	<b>\$ (299,972)</b>	<b>\$ (27,472)</b>	<b>\$ (327,444)</b>	<b>\$ 268,240</b>	<b>(47.21%)</b>	<b>\$ 141,701</b>	<b>(32.08%)</b>	

Estimated IIPRC Funding Analysis:

Funds Remaining	\$ 168,396	\$ 18,051
Draws on NAIC Line of Credit	200,000	100,000
Total Funding Available	368,396	118,051
Balance sheet liabilities to satisfy from cash	(33,317)	-
Revenue Over/(Under) Expense	(350,455)	(327,444)
Adjustments for Non-Cash items:		
Insurance expense	9,582	19,924
Depreciation expense	1,658	2,862
Interest expense recorded monthly	22,187	47,407
IIPRC Funding Available at Year-End	<u>\$ 18,051</u>	<u>\$ (139,200)</u>

2011 BUDGET ANALYSIS

BUDGET ITEM: Revenues

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

<u>Description</u>	2009		2010		2011		<u>Percentage</u>
	<u>Actual</u>	<u>Budget</u>	<u>6/30/10 Actual</u>	<u>12/31/10 Projected</u>	<u>Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	
Filing Fees (1)	\$ 130,900	\$ 233,250	\$ 102,000	\$ 217,000	\$ 432,500	\$ 199,250	85.42%
Annual Registration Fees (2)	292,500	573,750	342,000	487,000	931,250	357,500	62.31%
Interest Income (3)	97	300	9	69	180	(120)	(40.00%)
<b>Total</b>	<b>\$423,497</b>	<b>\$ 807,300</b>	<b>\$ 444,009</b>	<b>\$ 704,069</b>	<b>\$ 1,363,930</b>	<b>\$ 556,630</b>	<b>68.95%</b>

(1) The IIPRC charges a filing fee in the amount of \$500 per product filing or \$250 per product filing for regional insurers who file in five or less states. The IIPRC estimates it will receive 800 product filings during 2011 at \$500 per filing and 130 product filings from regional insurers at \$250 per filing.

(2) The IIPRC charges an annual registration fee for using the IIPRC as a means of self-generating revenue to fund its product operations. The amount of the annual registration fee is \$5,000 or \$2,500 in the case of a regional insurer (filing in five or less states) and is prorated to 50% as of July 1. The IIPRC estimates it will receive 135 registrations at \$5,000 and 25 regional insurer registrations at \$2,500 and after July 1, will receive 65 registrations at \$2,500 and 25 regional insurer registrations at \$1,250.

(3) Interest income is earned on IIPRC's account and is dependent upon cash flow from revenues and lines of credit. Significant declines in the overall financial markets have affected interest earned.

2011 BUDGET ANALYSIS

BUDGET ITEM: Salaries

ITEM Description: Includes salary and overtime for all IIPRC employees.

<u>Description</u>	<u>2009 Actual</u>	<u>2010 Budget</u>	<u>6/30/10 Actual</u>	<u>12/31/10 Projected</u>	<u>2011 Budget</u>	Increase (Decrease) from	<u>Percentage</u>
						<u>2010 Budget</u>	
Salaries-Existing Employees (1)(2)	\$ 207,813	\$ 300,002	\$ 141,518	\$ 289,304	\$ 326,508	\$ 26,506	8.84%
Salaries-New Employees	-	-	-	-	-	-	-
Turnover Factor (3)	-	(3,636)	-	(1,858)	(3,955)	(319)	(100.00%)
Overtime (4)	46	-	113	113	-	-	#DIV/0!
<b>Total</b>	<b>\$207,859</b>	<b>\$ 296,366</b>	<b>\$ 141,631</b>	<b>\$ 287,559</b>	<b>\$ 322,553</b>	<b>\$ 26,187</b>	<b>8.84%</b>

(1) The IIPRC has budgeted for three existing full-time employees: Executive Director, Operations Manager and Administrative Assistant. The 2011 budget includes an assumption of a combined 3.5% salary adjustment per employee for cost-of-living and possible merit-based increases.

(2) The IIPRC is requesting an additional part-time employee in 2011 to serve as an Administrative Assistant in the Kansas City Office.

(3) While the IIPRC does not anticipate turnover, the budget includes a turnover factor annually and for 2011, it is using a turnover percentage of 9% of salaries with an average vacancy duration of seven (7) weeks.

(4) The IIPRC has one non-exempt employee and does not anticipate overtime will be needed in 2011.

2011 BUDGET ANALYSIS

BUDGET ITEM: Temporary Personnel

ITEM Description: Fees paid to outside agencies and wages paid to interns for additional personnel during peak work periods.

<u>Description</u>	2009		2010		6/30/10		12/31/10		2011		<u>Percentage</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Projected</u>	<u>Budget</u>	<u>2010 Budget</u>	<u>Increase (Decrease) from</u>		
Temporary Personnel (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Interns (1)	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

(1) It is not anticipated the IIPRC will utilize the services of temporary personnel or interns.

2011 BUDGET ANALYSIS

BUDGET ITEM: Payroll Taxes

ITEM Description: FICA, unemployment compensation, and FUTA costs incurred for all IIPRC employees and interns.

<u>Description</u>	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Budget</u>	<u>6/30/10</u> <u>Actual</u>	<u>12/31/10</u> <u>Projected</u>	<u>2011</u> <u>Budget</u>	Increase (Decrease) from		<u>Percentage</u>
						<u>2010</u>	<u>Budget</u>	
FICA (1)	\$ 15,569	\$ 18,656	\$ 10,613	\$ 18,406	\$ 20,977	\$ 2,321		12.44%
FICA Turnover (2)	-	(228)	-	-	(251)	(23)		(100.00%)
Unemployment Compensation (3)	752	898	1,061	1,061	953	55		6.12%
<b>Total</b>	<b>\$ 16,321</b>	<b>\$ 19,326</b>	<b>\$ 11,674</b>	<b>\$ 19,467</b>	<b>\$ 21,679</b>	<b>\$ 2,353</b>		<b>12.18%</b>

(1) FICA is related to the projected FICA wage base and total salaries projected for the IIPRC employees.

(2) The turnover factor that is applied to salaries is also applied to the taxes related to those salaries.

(3) Unemployment compensation has been budgeted on the first \$11,000 of each individual salary.

2011 BUDGET ANALYSIS

BUDGET ITEM: Employee Benefits

ITEM Description: Includes all pension, life and health insurance costs paid by IIPRC for its employees.

<u>Description</u>	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Budget</u>	<u>6/30/10</u> <u>Actual</u>	<u>12/31/10</u> <u>Projected</u>	<u>2011</u> <u>Budget</u>	Increase (Decrease)	<u>Percentage</u>
						from 2010 Budget	
Pension (1)	\$ 28,457	\$ 39,945	\$ 6,991	\$ 34,320	\$ 35,136	\$ (4,809)	(12.04%)
Health Benefits (2)	7,991	30,506	10,346	23,009	35,405	4,899	16.06%
Group Life and Disability (3)	1,168	2,010	917	1,835	1,770	(240)	(11.94%)
Employee Relations (4)	2,443	1,500	19	519	1,500	-	0.00%
<b>Total</b>	<b>\$ 40,059</b>	<b>\$ 73,961</b>	<b>\$ 18,273</b>	<b>\$ 59,683</b>	<b>\$ 73,811</b>	<b>\$ (150)</b>	<b>(0.20%)</b>

(1) A 457 plan and 401(a) plan is in effect for IIPRC employees along with a supplemental retirement plan for the Executive Director. All three IIPRC employees are expected to be eligible for IIPRC matching contribution in 2011. The third-party plan management fee is estimated at \$1,000 for 2011.

(2) In order to leverage the cost-savings and broader coverage options offered through larger groups, the IIPRC utilizes the NAIC employee benefit plan types pursuant to the Services Agreement. The IIPRC covers a portion of its employees premiums as an employee benefit.

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(4) The IIPRC budget includes minimal funding for employee and team recognition as well as expenses associated with an annual strategic planning retreat for the IIPRC Team.

2011 BUDGET ANALYSIS

BUDGET ITEM: Employee Development

ITEM Description: Includes fees for seminars, training courses and professional association memberships paid by IIPRC.

<u>Description</u>	<u>2009 Actual</u>	<u>2010 Budget</u>	<u>6/30/10 Actual</u>	<u>Projected 12/31/10</u>	<u>2011 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Professional Association Dues (1)	\$ 190	\$ 600	\$ 140	\$ 140	\$ 250	\$ (350)	(58.33%)
Professional Training (2)	-	4,000	-	-	2,500	(1,500)	(37.50%)
Total	<u>\$ 190</u>	<u>\$ 4,600</u>	<u>\$ 140</u>	<u>\$ 140</u>	<u>\$ 2,750</u>	<u>\$ (1,850)</u>	<u>(40.22%)</u>

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

(2) Professional training represents the registration fees for professional seminars, trade workshops and education programs for IIPRC employees.

2011 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.

Description	2009 Actual	2010 Budget	6/30/10 Actual	12/31/10 Projected	2011 Budget	Increase (Decrease)	Percentage
						from 2010 Budget	
Professional Services-Computer (1)	\$ 25,000	\$ 50,000	\$ 12,500	\$ 26,498	\$ 50,000	\$ -	0.00%
Other Professional Services (2)	459,096	529,050	231,846	497,394	827,825	298,775	56.47%
Prof Services-Marketing/Sales (3)	-	-	-	-	-	-	-
Legal (4)	16,170	75,000	19,000	44,714	75,000	-	0.00%
Computer Services (5)	3,308	3,784	2,099	4,273	3,952	168	4.44%
<b>Total</b>	<b>\$503,574</b>	<b>\$ 657,834</b>	<b>\$ 265,445</b>	<b>\$ 572,879</b>	<b>\$ 956,777</b>	<b>\$ 298,943</b>	<b>45.44%</b>

(1) The IIPRC 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. In 2011, the IIPRC expects to utilize the allotted hours to make enhancements to SERFF to enhance user functionality. The IIPRC has budgeted an additional \$25,000 for enhancements that may arise during 2011 that exceed the allotted SERFF hours in order to be more responsive to member initiatives.

(2) This line item includes the NAIC Services Agreement (\$125,000); Cash Management (\$3,600); Annual Audit fees (\$9,200); and Consultant fees (\$415,025). The IIPRC Team consists of four (4) consultants: two (2) Product Review Consultant; a Development Consultant; and an Actuarial Consultant. At the recommendation of the Finance Committee, the 2011 proposed budget includes additional monies for professional services to further support the standards development and implementation process.

On December 20, 2010, at the recommendation of the Finance Committee, the Management Committee and Commission voted to amend the adopted Budget to add in additional funding for additional review resources to further support the standards development and implementation process.

(4) The IIPRC retains the outside counsel to advise on structural and related legal matters for the Commission. It is anticipated that the outside counsel retainer will continue in 2011 to advise on continuous start-up issues, potential tax-related and organizational matters for the IIPRC.

(5) This line item reflects the monthly costs for processing IIPRC payroll. Also included in this line item are the expense related to the Consultants monthly internet services to connect to the SERFF filing platform and the IIPRC office.



2011 BUDGET ANALYSIS

BUDGET ITEM: Travel

ITEM Description: Includes airfares, hotels, meals, etc., incurred by IIPRC staff, consultants, members and regulators.

<u>Description</u>	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Budget</u>	<u>6/30/10</u> <u>Actual</u>	<u>12/31/10</u> <u>Projected</u>	<u>2011</u> <u>Budget</u>	Increase (Decrease)	<u>Percentage</u>
						from 2010 Budget	
Staff Travel (1)	\$ 26,425	\$ 24,000	\$ 7,108	\$ 17,608	\$ 26,850	\$ 2,850	11.88%
Marketing Travel (2)		32,700	\$ 2,785	\$ 10,785	26,500	(6,200)	100.00%
Non-Staff/Commissioner Travel (3)	42,166	93,700	11,618	45,118	117,660	23,960	25.57%
<b>Total</b>	<b>\$ 68,591</b>	<b>\$ 150,400</b>	<b>\$ 21,511</b>	<b>\$ 73,511</b>	<b>\$ 171,010</b>	<b>\$ 20,610</b>	<b>13.70%</b>

(1) This line item includes the costs associated with travel for the IIPRC employees. It is anticipated that two (2) IIPRC employees will travel over the course of the year for a total of 26 trips. Anticipated trips include the three (3) National Meetings which both employees will attend as well as any other necessary meetings in support of the IIPRC. Each trip is estimated at the cost of \$1,100 per trip. One IIPRC employee will travel locally to attend two (2) IIPRC Team Meetings and one Annual Meeting at the cost of \$100 per meeting.

(2) This line item includes the costs associated with travel for marketing/outreach by IIPRC staff, consultants and/or members. It is anticipated that there will be 19 trips made over the course of the year for marketing and outreach. It is also anticipated that the IIPRC will have the opportunity to have exhibit booth space at eight (8) venues throughout the year. Included in this line item are the costs associated with marketing materials including "branding give-always".

(3) This line item includes the costs associated with both Commissioner and non-staff travel. The IIPRC reimburses members of the Legislative Committee (8) and members of the Consumer Advisory Committee (8) for their costs associated with attending the IIPRC meetings. The IIPRC reimburses the consultants for travel associated with attending the IIPRC Meetings and trips they make on behalf of the IIPRC (estimated at four (4) per consultant). This line item also includes costs associated with Commissioner travel for IIPRC outreach and other business as well as hotel expenses, if needed, for the Annual Meeting.

2011 BUDGET ANALYSIS

BUDGET ITEM: Occupancy

ITEM Description: Includes parking fees incurred for IIPRC staff.

<u>Description</u>	<u>2009 Actual</u>	<u>2010 Budget</u>	<u>6/30/10 Actual</u>	<u>12/31/10 Projected</u>	<u>2011 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Occupancy (1)	\$ 1,786	\$ 3,420	\$ 855	\$ 1,995	\$ 3,060	\$ (360)	(10.53%)

(1) This line item includes monthly commuting benefits for the IIPRC employees at a cost of \$95 per month for the full year.

2011 BUDGET ANALYSIS

BUDGET ITEM: Meetings

ITEM Description: Includes hotel services, audio visual, and other costs incurred by IIPRC staff and Members for IIPRC meetings.

<u>Description</u>	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Budget</u>	<u>6/30/10</u> <u>Actual</u>	<u>12/31/10</u> <u>Projected</u>	<u>2011</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u> <u>from</u>		<u>Percentage</u>
						<u>2010</u>	<u>Budget</u>	
Meetings (1)	\$ 10,812	\$ 10,000	\$ 5,572	\$ 10,572	\$ 12,000	\$ 2,000		20.00%

(1) Costs associated with the three (3) IIPRC in-person meetings including costs for the audio visual, telecommunications equipment, technicians, food, and beverage for meeting attendees.

2011 BUDGET ANALYSIS

BUDGET ITEM: Equipment Rental and Maintenance

ITEM Description: Rental and maintenance fees for hardware and software.

<u>Description</u>	<u>2009 Actual</u>	<u>2010 Budget</u>	<u>6/30/10 Actual</u>	<u>12/31/10 Projected</u>	<u>2011 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Equipment, Hardware and Software Maintenance (1)	\$ 1,509	\$ 1,442	\$ -	\$ -	\$ 1,102	\$ (340)	(23.58%)
Total	\$ 1,509	\$ 1,442	\$ -	\$ -	\$ 1,102	\$ (340)	(23.58%)

(1) The IIPRC has budgeted for monthly maintenance costs associated with the four (4) IIPRC laptops and the printer in the DC Office.

2011 BUDGET ANALYSIS

BUDGET ITEM: Depreciation

ITEM Description: Includes depreciation for all computer software owned as of June 30, 2009.

<u>Description</u>	2009		2010		2011		Increase (Decrease) from 2010 Budget	<u>Percentage</u>
	<u>Actual</u>	<u>Budget</u>	<u>6/30/10 Actual</u>	<u>12/31/10 Projected</u>	<u>Budget</u>	<u>2010 Budget</u>		
Depreciation (1)	\$ 45,999	\$ 21,131	\$ 19,475	\$ 21,133	\$ 3,220	\$ (17,911)	(84.76%)	

- (1) Depreciation is calculated on a straight-line basis over the useful life of the capital assets owned by IIPRC, which is five years for computer software licenses and four (4) years for computer hardware. It is anticipated that the IIPRC will make some capital purchases in 2011 to include: three (3) laptops, (1) desktop, and upgrade the color, network printer.

IIPRC Capital Assets Owned as of June 30, 2009:

<u>Asset Classification</u>	<u>Cost</u>	<u>Life-To-Date Depreciation</u>	<u>Net Book Value</u>
Computer Hardware:			
Desktop PC's	\$ 6,678	\$ 3,102	\$ 3,576
Laptop PC's	1,439	600	839
Printers/Peripherals	2,981	1,883	1,098
Computer Software:			
SERFF Software License	126,902	88,127	38,775
Total	<u>\$ 138,000</u>	<u>\$ 93,712</u>	<u>\$ 44,288</u>

2011 BUDGET ANALYSIS

BUDGET ITEM: Interest Expense

ITEM Description: Interest expense represents accrued interest payments on amounts owed to the NAIC.

<u>Description</u>	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Budget</u>	<u>YTD</u> <u>6/30/10</u> <u>Actual</u>	<u>Projected</u> <u>12/31/10</u>	<u>2011</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u> <u>from</u>		<u>Percentage</u>
						<u>2010</u>	<u>Budget</u>	
Interest Expense (1)	\$ 50,179	\$ 55,832	\$ 19,147	\$ 41,334	\$ 47,407	\$ (8,425)		(15.09%)

(1) The NAIC Executive Committee (EX) and Internal Administration (EX1) Subcommittee approved the restructure of the 2007, 2008, and 2009 notes payable into one note payable at the NAIC 2010 Spring National Meeting. The Management Committee of the IIPRC approved this restructure on April 26, 2010. The restructure terms include (1) rolling all debt into one note payable effective January 1, 2010, at the current prime rate of 3.25% minus 1%; (2) accrual of interest on current debt and future borrowings from the NAIC at 2.25% (current prime rate 3.25% minus 1%); and (3) the deferral of principal and interest payments from the IIPRC until the year following the year in which the IIPRC achieves a profit of \$250,000 or an accumulated cash balance of \$500,000 excluding funds from draws. As a result, the outstanding interest since the January 1, 2010 payments, has been capitalized and the current portion of the three (3) notes payable has been reclassified to long-term debt.

Additionally, an \$850,000 line of credit for the IIPRC to cover expenses in excess of revenue during 2010 was approved in December 2009. The first draw of \$250,000 on this line of credit occurred in June, and the second draw of \$150,000 is anticipated in November.

2011 BUDGET ANALYSIS

BUDGET ITEM: Insurance

ITEM Description: Includes expenses for all general business and liability insurance policies for IIPRC.

<u>Description</u>	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Budget</u>	<u>6/30/10</u> <u>Actual</u>	<u>12/31/10</u> <u>Projected</u>	<u>2011</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u> <u>from</u>		<u>Percentage</u>
						<u>2010</u>	<u>Budget</u>	
General Business Insurance (1)	\$ 5,268	\$ 5,980	\$ 2,561	\$ 6,671	\$ 8,548	\$ 2,568		42.94%
Professional Liability Insurance (2)	9,407	12,220	4,954	9,856	10,196	(2,024)		(16.56%)
Errors and Omissions (3)	-	-	919	1,489	1,180	1,180		100.00%
<b>Total</b>	<b>\$ 14,675</b>	<b>\$ 18,200</b>	<b>\$ 8,434</b>	<b>\$ 18,016</b>	<b>\$ 19,924</b>	<b>\$ 1,724</b>		<b>9.47%</b>

(1) General business insurance coverage and related premiums. The IIPRC experienced an increase in premium at renewal in 2010.

(2) Comprehensive director/officer coverage and related premiums. At renewal, the IIPRC experienced a decrease in its premium over the prior coverage year.

(3) Comprehensive errors and omissions and related premiums.

2011 BUDGET ANALYSIS

BUDGET ITEM: Office Services

ITEM Description: Includes conference calls, office supplies, non-capital equipment and mail and printing services.

<u>Description</u>	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Budget</u>	<u>6/30/10</u> <u>Actual</u>	<u>12/31/10</u> <u>Projected</u>	<u>2011</u> <u>Budget</u>	Increase (Decrease)	<u>Percentage</u>
						from 2010 Budget	
Telephone (1)	\$ 29,255	\$ 37,700	\$ 17,196	\$ 30,246	\$ 32,428	\$ (5,272)	(13.98%)
Other Supplies (2)	2,728	8,000	2,734	3,834	6,100	(1,900)	(23.75%)
Non-Capital Equipment (3)	2,461	1,500	216	216	1,953	453	30.20%
Mail Services (4)	1,432	1,000	746	1,479	1,900	900	90.00%
Printing (5)	-	500	-	-	1,200	700	140.00%
<b>Total</b>	<b>\$ 35,876</b>	<b>\$ 48,700</b>	<b>\$ 20,892</b>	<b>\$ 35,775</b>	<b>\$ 43,581</b>	<b>\$ (5,119)</b>	<b>(10.51%)</b>

(1) Telephone expenses for conference calls for: the Commission; Management Committee; sub-committees; advisory committees for the IIPRC; and webinars for industry education; long distance expenses for the DC office; as well as cell phone use for two (2) employees and three (3) consultants. The monthly costs for the three (3) wireless cards are included in this line.

(2) This line item reflects the cost of supplies for the IIPRC office including paper, toner and miscellaneous supplies.

(3) The IIPRC has budgeted for potential software upgrades during 2011.

(4) This line item includes expenses to mail IIPRC correspondence via US Postal Mail or FedEx/UPS services; the costs to mail the Annual Report to all Commissioners and Governors, as well as the members of the Legislative Committee and the two advisory committees.

(5) This line item includes the expenses related to the printing of any materials to be distributed by the IIPRC Office to include, but not limited to: the Annual Report and meeting materials and handouts.



2011 BUDGET ANALYSIS

BUDGET ITEM: Other Expenses

ITEM Description: Includes expenses incurred for reference materials, personal property taxes, and recruiting expenses.

<u>Description</u>	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Budget</u>	<u>6/30/10</u> <u>Actual</u>	<u>12/31/10</u> <u>Projected</u>	<u>2011</u> <u>Budget</u>	Increase (Decrease)	<u>Percentage</u>
						from 2010 Budget	
Reference Materials (1)	\$ -	\$ 4,300	\$ 2,178	\$ 3,678	\$ 2,500	\$ (1,800)	-
Training Expenses (2)	9,974	10,000	-	-	10,000	-	0.00%
Recruiting Expense (3)	3,398	-	-	-	-	-	-
<b>Total</b>	<b>\$ 13,372</b>	<b>\$ 14,300</b>	<b>\$ 2,178</b>	<b>\$ 3,678</b>	<b>\$ 12,500</b>	<b>\$ (1,800)</b>	<b>(12.59%)</b>

(1) It is expected that the IIPRC Office will purchase for the Members as well as IIPRC Team Members various reference materials.

(2) It is anticipated that the IIPRC Officers and select IIPRC members will participate in a media/message development training seminar.

(3) Recruiting expenses in 2009 were related to the Executive Director search.