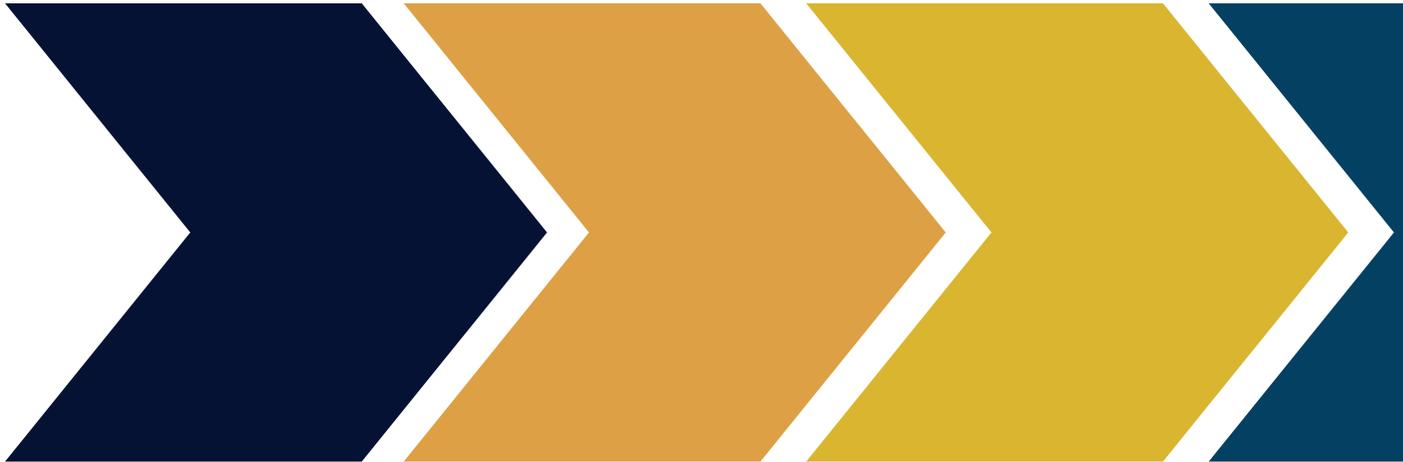


2025

ANNUAL REPORT



INSURANCE COMPACT

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SECTION 01

**THE INTERSTATE INSURANCE
PRODUCT REGULATION
COMMISSION**

LETTER FROM THE OFFICERS

As Compact Officers, we invite you to reflect with us on the year’s notable progress at the Insurance Compact. In 2025, we advanced initiatives that strengthened regulatory uniformity, deepened collaboration among states, and continued to build a durable foundation for Compact 2.0. Together, we expanded product standards, modernized rulemaking tools, and created new opportunities for meaningful state engagement.

The Commission adopted a robust suite of new and amended group Uniform Standards, including standards for contract and certificate changes, tax qualified plan provisions, graded death benefits, and waiver of premium benefits. The Commission also amended the group annuity Uniform Standards to permit non-employer group filings while preserving each member state’s authority to determine group eligibility.

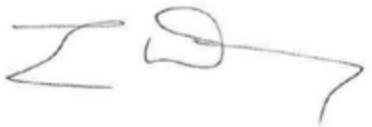
We also enhanced the Compact’s rulemaking framework by adopting a new direct final rule process. This tool provides the Management Committee with a more efficient mechanism for advancing noncontroversial rules and reinforces our commitment to clarity, transparency, and responsiveness in our rulemaking processes.

We made the continued development of the Compact Center of Expertise pilot a strategic priority under the guidance of the Adjunct Services Committee. The pilot creates a collaborative forum for early state review of emerging product concepts prior to formal filings, allowing states to leverage the Compact’s product and actuarial expertise, identify issues earlier, and reduce duplicative multistate presentations. Participation by three frequent filers, together with open engagement opportunities for all Compacting States, demonstrates strong interest in this forward looking initiative.

The Officers hosted two well-attended Compact Roundtables—a spring meeting in Washington, D.C., and a fall meeting in Omaha—each reaching capacity with participation from commissioners, state legislators, and industry and consumer representatives. These discussions emphasized early engagement, confidentiality, and coordinated multistate review as essential features of the Center of Expertise. The vignette based format used at the Omaha Roundtable illustrated how collaborative advisory processes can support more efficient and uniform outcomes, even when companies file on a state by state basis.

We extend our sincere appreciation to our members, state insurance regulators, legislators, consumer representatives, industry partners, and company filers. As we look ahead, we remain focused on strengthening the Compact’s processes and advancing the next chapter of Compact 2.0 with purpose and momentum.

2025 OFFICERS



Director Eric Dunning
Chair, Nebraska

Commissioner Allan L. McVey
Vice Chair, West Virginia



Commissioner Marie Grant
Treasurer, Maryland

Director Elizabeth Kelleher Dwyer
Past Chair, Rhode Island

MEMBERSHIP (AS OF DECEMBER 31, 2025)



Mark Fowler
Commissioner, Alabama
Department of Insurance



Holly W. Lambert
Commissioner, Indiana
Department of Insurance



Eric Dunning
Director, Nebraska
Department of Insurance



Heather Carpenter
Director, Alaska
Division of Insurance



Doug Ommen
Commissioner, Iowa
Insurance Division



Ned Gaines
Commissioner, Nevada
Division of Insurance



Maria Ailor
Interim Director, Arizona
Department of Insurance



Vicki Schmidt
Commissioner, Kansas
Insurance Department



D.J. Bettencourt
Commissioner,
New Hampshire
Insurance Department



Jimmy Harris
Commissioner, Arkansas
Insurance Department



Sharon P. Clark
Commissioner, Kentucky
Department of Insurance



Justin Zimmerman
Commissioner, New Jersey
Department of Banking &
Insurance



Michael Conway
Commissioner, Colorado
Division of Insurance



Timothy J. Temple
Commissioner, Louisiana
Department of Insurance



Alice T. Kane
Superintendent, New Mexico
Office of Superintendent of
Insurance



Joshua Hershman
Interim Commissioner,
Connecticut Insurance
Department



Robert L. Carey
Superintendent, Maine
Bureau of Insurance



Mike Causey
Commissioner, North Carolina
Department of Insurance



Trinidad Navarro
Commissioner, Delaware
Department of Insurance



Marie Grant
Commissioner, Maryland
Insurance Administration



Jon Godfread
Commissioner, North Dakota
Department of Insurance



Karima M. Woods
Commissioner, District of
Columbia Department of
Insurance, Securities and
Banking



Michael T. Caljouw
Commissioner, Massachusetts
Division of Insurance



Judith French
Director, Ohio
Department of Insurance



John F. King
Commissioner, Georgia
Office of Insurance &
Safety Fire Commissioner



Grace Arnold
Commissioner, Minnesota
Department of Commerce



Glen Mulready
Commissioner, Oklahoma
Insurance Department



Scott Saiki
Commissioner, Hawaii
Insurance Division



Mike Chaney
Commissioner, Mississippi
Insurance Department



TK Keen
Commissioner, Oregon
Division of Financial Regulation



Dean L. Cameron
Director, Idaho
Department of Insurance



Angela L. Nelson
Director, Missouri
Department of Commerce &
Insurance



Michael Humphreys
Commissioner, Pennsylvania
Insurance Department



Ann Gillespie
Director, Illinois
Department of Insurance



James E. Brown
Commissioner,
Montana Office of the
Commissioner of
Securities & Insurance



Suzette M. Del Valle,
Commissioner, Puerto Rico
Office of the Commissioner
of Insurance



Elizabeth Kelleher Dwyer
Director, Rhode Island
Department of Business
Regulation



Kaj Samsom
Commissioner, Vermont
Department of Financial
Regulation



Jeff Rude
Commissioner, Wyoming
Insurance Department



Larry D. Deiter
Director, South Dakota
Division of Insurance



Scott A. White
Commissioner, Virginia State
Corporation Commission,
Bureau of Insurance



Carter Lawrence
Commissioner, Tennessee
Department of Commerce
and Insurance



Patty Kuderer
Commissioner, Washington
Office of the Insurance
Commissioner



Cassie Brown
Commissioner, Texas
Department of Insurance



Allan L. McVey
Commissioner, West Virginia
Offices of the Insurance
Commissioner



Jon Pike
Commissioner, Utah
Insurance Department



Nathan Houdek
Commissioner, Wisconsin
Office of the Commissioner
of Insurance

2025 PAST MEMBERS WHO SERVED

Lori K. Wing-Heier, AK
Barbara Richardson, AZ
Alan McClain, AR
Andrew N. Mais, CT
Gordon I. Ito, HI
Scott Kipper, NV
Alexander S. Adams Vega, PR
Andrew R. Stolfi, OR
Mike Kreidler, WA

MANAGEMENT COMMITTEE

The Management Committee is formed annually during the Annual Meeting and is composed of fourteen members representing three tiers of premium volume. A Compacting State's premium volume—calculated by the National Association of Insurance Commissioners (NAIC) using the prior year's annual statement data—determines the tier in which it may serve. The first tier consists of representatives from the six Compacting States with the largest premium volume. The second tier includes four representatives from Compacting States with at least 2% of market share, selected on a rotating basis. The third tier consists of four members elected from each of the four NAIC Zones, representing Compacting States with less than 2% of premium volume.

2025 - 2026

Eric Dunning, Nebraska – Chair
Allan L. McVey, West Virginia – Vice Chair
Marie Grant, Maryland – Treasurer
Elizabeth Kelleher Dwyer, Rhode Island*
Chuck Bassett, Arizona
John F. King, Georgia
Ann Gillespie, Illinois
Grace Arnold, Minnesota
Anita G. Fox, Michigan
Susan Ochs, New Jersey
Judith French, Ohio
Michael Humphreys, Pennsylvania
Amanda Crawford, Texas
Scott A. White, Virginia
Jeff Rude, Wyoming

* Ex Officio - Past Chair

2024-2025

Eric Dunning, Nebraska – Chair
Allan L. McVey, West Virginia – Vice Chair
Marie Grant, Maryland – Treasurer
Elizabeth Kelleher Dwyer, Rhode Island*
Maria Ailor, Arizona
Ann Gillespie, Illinois
Michael T. Caljouw, Massachusetts
Anita G. Fox, Michigan
Justin Zimmerman, New Jersey
Mike Causey, North Carolina
Judith French, Ohio
Michael Humphreys, Pennsylvania
Cassie Brown, Texas
Scott A. White, Virginia
Jeff Rude, Wyoming

* Ex Officio - Past Chair

ADVISORY COMMITTEES

CONSUMER ADVISORY COMMITTEE

Anna Schwamlein Howard
American Cancer Society Cancer Action Network

Brendan Bridgeland
Center for Insurance Research

Deborah Darcy
American Kidney Fund

Jane Cline
Retired Insurance Commissioner

Eric Cioppa
Retired Insurance Superintendent

Chris Kite
Consumer Advocate

Dick Weber
Life Insurance Consumer Advocacy Center (LICAC)

Laura Arp
Arp Insurance Law, LLC

LEGISLATIVE COMMITTEE

Representative Matt Lehman, Chair
State of Indiana

Speaker Pro Tempore Brian Patrick Kennedy, Vice Chair
State of Rhode Island

Senator Laura Fine
State of Illinois

Representative Michael Pollock
Commonwealth of Kentucky

Representative David LeBoeuf
Commonwealth of Massachusetts

Representative Ellyn Hefner
State of Oklahoma

Speaker Pro Tempore James Dunnigan
State of Utah

Delegate Dean Jeffries
State of West Virginia

FORMER MEMBERS WHO SERVED:

Representative Forrest Bennett
State of Oklahoma

INDUSTRY ADVISORY

Wayne Mehlman
American Council of Life Insurers (ACLI)

Amanda Herrington
America's Health Insurance Plans (AHIP)

Sarah Wood
Insured Retirement Institute (IRI)

Roger Moore
National Association of Insurance and Financial Advisors (NAIFA)

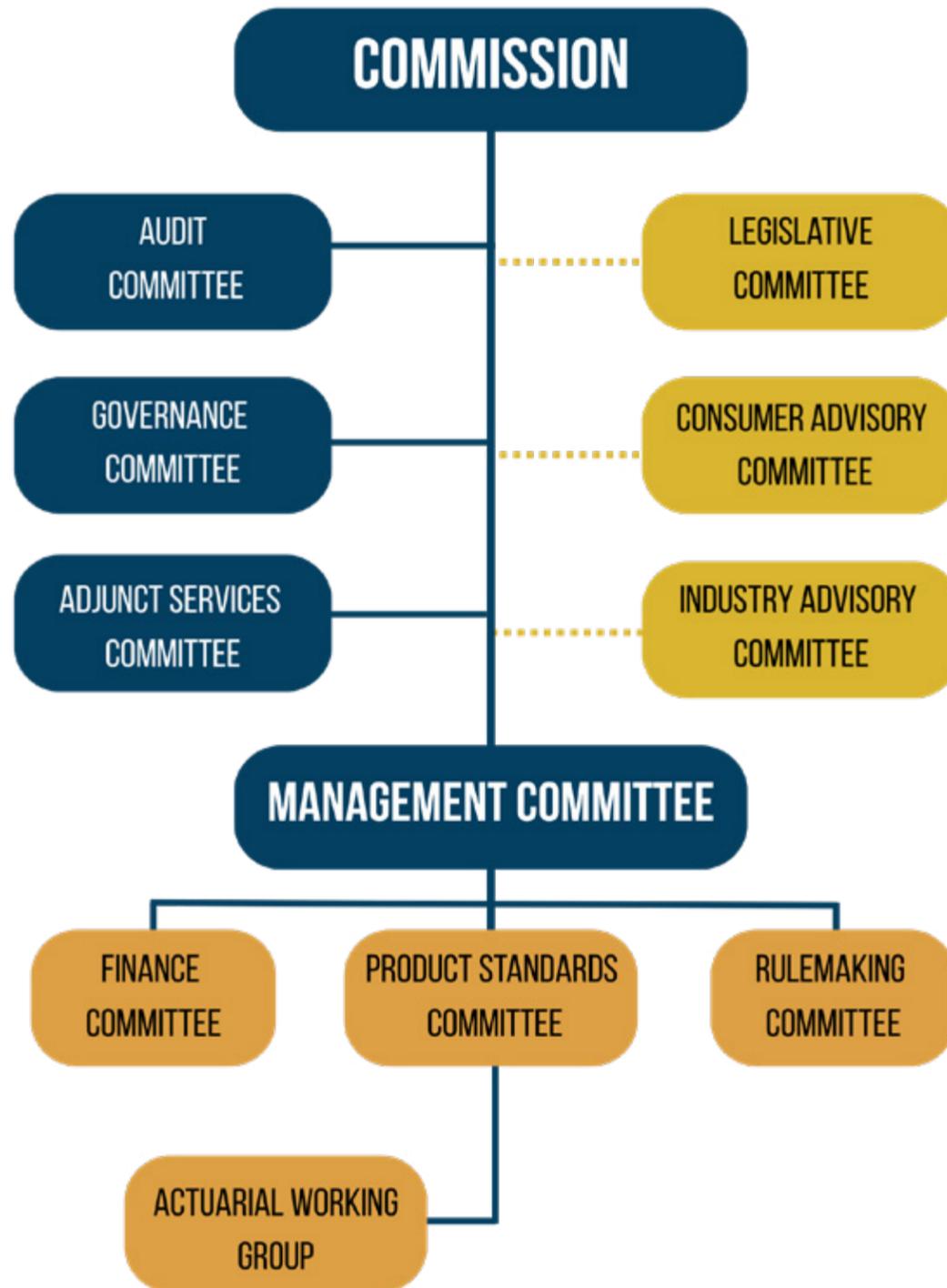
Ashley Beaudry
Brighthouse Financial

Eric Weinstein
Massachusetts Mutual Life Insurance Company

Andrea Davey
Protective Life Insurance Company

Andrew Baron
Lincoln Financial

ORGANIZATIONAL CHART



COMMITTEE ACTIVITIES

The **Audit Committee** reviews the Insurance Compact’s financial accounts and reports and oversees the independent audit process. In 2025, it reviewed the Compact’s financials and completed the annual audit process.

2025: Sharon P. Clark (KY), Chair; Ned Gaines (NV), Vice Chair

The **Governance Committee** promotes strong governance and effective leadership by integrating planning, management, and quality improvement. In 2025, it sponsored governance training for members and their designated representatives.

2025: Eric Dunning (NE), Chair; Nathan Houdek (WI), Vice Chair

The **Finance Committee** monitors the Insurance Compact’s finances and develops the annual budget. In 2025, it oversaw implementation of the revenue alignment that introduced a more equitable, component-based filing fee structure aligned with product review costs.

2025: Allan L. McVey (WV), Chair; Joshua Hershman (CT), Vice Chair

The **Product Standards Committee** reviews and recommends Uniform Standards to the Management Committee. In 2025, it finalized standards for group annuity and life insurance products, expanding eligibility to non-employer groups, and completing standards including graded death benefits and waiver of premium benefits.

2025: Doug Ommen (IA), Chair; Kaj Samsom (VT), Vice Chair

The **Rulemaking Committee** develops and recommends the rules and operating procedures to the Management Committee. In 2025, it strengthened the Commission’s regulatory framework by establishing a direct final rule process that allows noncontroversial rules to take effect when no objections are received.

2025: Larry D. Deiter (SD), Chair; Robert L. Carey (ME), Vice Chair

The **Adjunct Services Committee** evaluates proposals for expanded programs and services within the Compact’s statutory framework. In 2025, it advanced a key strategic priority by launching the Compact’s first Life Insurance Product Training series to strengthen regulators’ product review expertise.

2025: Marie Ailor (AZ), Chair; Michael Humphreys (PA), Vice Chair

ROUNDTABLE SUMMARY

The Insurance Compact Officers convened two Compact Roundtables to garner stakeholder feedback on the organization’s strengths, opportunities, and shared priorities. Participants reaffirmed the Compact’s value as an efficient, expert-driven one-stop review platform that reduces duplication, promotes multi-state consistency, and accelerates speed to market. They highlighted effective communication – particularly in the areas of pre-filing engagement, clear filing guidance, and staff responsiveness – as essential to helping filers navigate the process and reduce turnaround time.

Participants also acknowledged that the Compact’s expanding workload requires sustained focus on staffing capacity, training, and process modernization. Member state regulators and industry representatives supported expanded training as Uniform Standards evolve and products become more complex products, while emphasizing the importance of maintaining consistency with appropriate flexibility. Scenario-based discussions reinforced that early engagement in product development helps companies anticipate concerns, identify gaps in compliance, and avoid unnecessary rework.

Stakeholders strongly supported collaborative, multi-state discussions led by the Compact Office, noting that coordinated feedback—through live meetings or consolidated advisory summaries—improves efficiency, enhances uniformity, and supports states with limited expertise. Industry participants emphasized the need for clear confidentiality protections for early stage and proprietary materials, a point that regulators agreed was critical to building trust and enabling productive dialogue.

Overall, the 2025 Compact Roundtables reflected a community aligned around the Compact’s core strengths and focused on continuous improvement. Stakeholders committed to advancing regulatory efficiency, supporting innovation, strengthening communication, expanding training, and enhancing multi-state coordination—while continuing to uphold consumer protection. This shared focus will guide the Compact work as it explores new initiatives.



COMPACT HISTORY

1990'S

The Gramm-Leach-Bliley Act of 1999 repealed the Glass-Steagall Act of 1933. This left insurers competing with federally regulated firms that could reach the market more quickly under national oversight. Federal preemption over insurance regulation became a serious threat.

2002

NAIC began developing modernized regulation methods for asset-based insurance products and proposed a state-based compact agreement.

2006

The Insurance Compact officially began operating after meeting the requirement of 40% participation when 27 states enacted the compact legislation. The Compact also delivered their first Uniform Standard.

2004

Colorado was the first to enact the Compact legislation and invited Utah to join.

2007

Approves its first product under the Uniform Standards.

2010

37 Compacting States; 100 registered companies; expands Uniform Standard for individual life, annuities and long-term care insurance product lines.

2013

43 Compacting States as Montana and Arkansas join; Commission adopts first set of group life Uniform Standards.

2011

New Jersey, Alabama, Nevada, and Oregon joined the Compact. Commission adopts Uniform Standards for individual disability income insurance products.

2016

Celebrated 10 years of operations with 44 Compacting States; 200 registered companies; 100 adopted Uniform Standards.

2018

46 Compacting States, adding Connecticut and District of Columbia.

2022

South Carolina enacted legislation to repeal; Commission officially recognized Compact received implied congressional consent; Held inaugural Compact Roundtable.

2020

Launched the Expedited Review Process pilot program; Commission adopted the Insurance Compact *Compass: Strategic Plan* for 2020-2022; and adopted the first group annuity Uniform Standard.

2023

North Dakota became a Member, the Adjunct Services Committee was formed; the Compact website was redesigned.

2024

Welcomed South Dakota as the 48th Member; *Compass 2.0* was adopted to communicate the vision and direction guiding the organization forward.

2025

48 Compacting States; 291 registered companies; expands Uniform Standards for non-employer groups.

TODAY

The Insurance Compact continues serving states and the insurance industry by acting as the central clearinghouse for life insurance, annuities, disability income, and long-term care insurance products according to the Uniform Standards developed and adopted by the 48 Member states.



SECTION 02

THE INSURANCE COMPACT

LETTER FROM THE EXECUTIVE DIRECTOR

2025 marked a year of forward momentum and meaningful progress for the Insurance Compact. Together, we moved to modernize our operations, strengthen regulatory support, and advance a framework that continues to deliver consistent, consumer-focused product oversight across our member states.

INTRODUCING THE REGULATORY AFFAIRS DIVISION

The Compact Office took a major step forward by launching the Regulatory Affairs Division. This strategic investment reflects how the Compact is evolving to meet the growing complexity of member needs. The new division proactively addresses emerging issues, drives progress on complex initiatives, and brings greater clarity, responsiveness, and coordination to our work. Dedicated staff works with members states to support the work of our committees, keep members up to date on product operations, and respond directly to member state questions and concerns.

ADVANCING REGULATORY TRAINING

The Compact Office also advanced its commitment to regulatory education. In 2025, we implemented life insurance product training modules under our *Insurance Compact Compass 2.0* strategic plan. These modules build foundational product knowledge and help regulators understand how Uniform Standards operate in practice. With ongoing access through NAIC Connect, regulators are better equipped as the training program continues to expand to other product lines.

EXPANDING GUIDANCE FOR NON-EMPLOYER GROUPS

The Compact Office issued Filing Information Notice 2025-1, outlining new SERFF submission requirements for group products being issued to groups other than employer groups. In 2025, the scope of group Uniform Standards were expanded to allow Compact-approved products to be used for non-employer groups while applicable state requirements for group eligibility continued to apply. This expanded framework represents another key step in strengthening uniformity, ensuring transparency for filers, and supporting regulators with clear, actionable guidance.

MODERNIZING INFRASTRUCTURE: LAUNCH OF THE NEW SERFF PLATFORM

A major activity this year was the successful migration of the Compact filings to the new SERFF platform. The updated platform introduces improved fee auto-calculation, enhanced user-management functionality, and revamped workflows. The Compact is committed to working with SERFF to make the new platform user friendly for regulators and filers. The new SERFF system is expected to bring greater efficiency, reduced filing errors, and better-integrated data tools going forward.

LOOKING AHEAD

The progress achieved in 2025 across organizational structure, technology, training, and guidance positions the Compact for further momentum in 2026. These efforts strengthen member services, improve customer responsiveness, and reinforce our commitment to uniformity, consistency, transparency, and high-quality work product.

Thank you to our Commissioners, regulators, legislators, consumer representatives, industry stakeholders for your dedication and support throughout this transformative year. Together, we are moving the Compact forward and continually improving collaborative, state-based insurance regulation.



Karen Z. Schutter
Executive Director



COMPACT OFFICE PERSONNEL

Karen Schutter
Executive Director

Becky McElduff
Chief of Operations & Chief Counsel

Sara Dubsky
Chief of Staff

Karen Givens
Director of Product Regulation

Dan Bradford
Director of Regulatory Affairs

Susan Ezalarab
Regulatory Coordinator Consultant

Sarah Neil
Communications & Outreach Coordinator

Cara Shackelford
Regulatory Research Specialist

Mari Jackson
Administrative Assistant III

Rachael Morisseau
Project Coordinator

Alisha Williams
Filing Intake Manager

Mindy Bradford
Senior Product Reviewer & Trainer

Nick Boukas
Actuary Reviewer

Katie Campbell
Senior Actuary

Kent Holbrook
Actuary Reviewer

Ed Charbonnier
Senior Product Reviewer & Manager

Joseph Bonfitto
Product Reviewer

Aimee Lawson
Product Reviewer

Jenny Sieben
Product Reviewer



2025 HIGHLIGHTS

SUPPORTING STATES

- ★ Arizona passed legislation to opt into the Compact for long-term care products
- ★ Supported North Dakota's GDI opt out and Oregon's ILVA opt out

UNIFORM STANDARDS

- ★ Adopted three new Group Annuity Uniform Standards
- ★ Adopted three new Group Life Uniform Standards
- ★ Adopted the 2026 Uniform Standards Development Prioritization List
- ★ Adopted three amended Group Annuity Uniform Standards

OUTREACH

- ★ Held seventh Compact Roundtable in Washington, D.C.
- ★ Held eighth Compact Roundtable in Omaha, NE, incorporating a new vignette-based format
- ★ Disseminated non-employer group guidance to Compacting states
- ★ Delivered presentations at the Association of Insurance Compliance Professionals (AICP) Annual Meeting and actively participated in local AICP chapter meetings
- ★ Published 12 monthly issues of the Compact Chronicles to members
- ★ Published two Filing Information Notices (FINs):
 - FIN 2025-2: Nonforfeiture Compliance for Adjustable Life Insurance Products with Multiple Guarantees
 - FIN 2025-1: Process for Group Filings Being Used for Non-Employer Groups
- ★ Presented at the Group Annuity Pension Compliance Association (GAPCA) Conference
- ★ Presented at Life and Health Compliance Association (LHCA) Conference
- ★ Rolled out life insurance training for member state regulators
- ★ Governance training sessions were held for members and their designated representatives

2025 HIGHLIGHTS

COMMITTEE ACTIVITIES

- ★ Amended Rulemaking Rule to allow a direct final rule process
- ★ Appointed one new member to the Consumer Advisory Committee
- ★ Hosted monthly regulator-only Product Filing Operations calls
- ★ Commission adopted the annual budget for 2026
- ★ Established infrastructure for the Center of Expertise
- ★ Welcomed three new members of the Legislative Committee

REPORTING ACTIVITIES

- ★ Prepared and published Annual Report on *Long-Term Care Insurance Rate Schedule Certifications for Reporting Year 2024*
- ★ Delivered Value of Compact Services Report for each member state
- ★ Published 2025 Annual Report

OPERATIONS

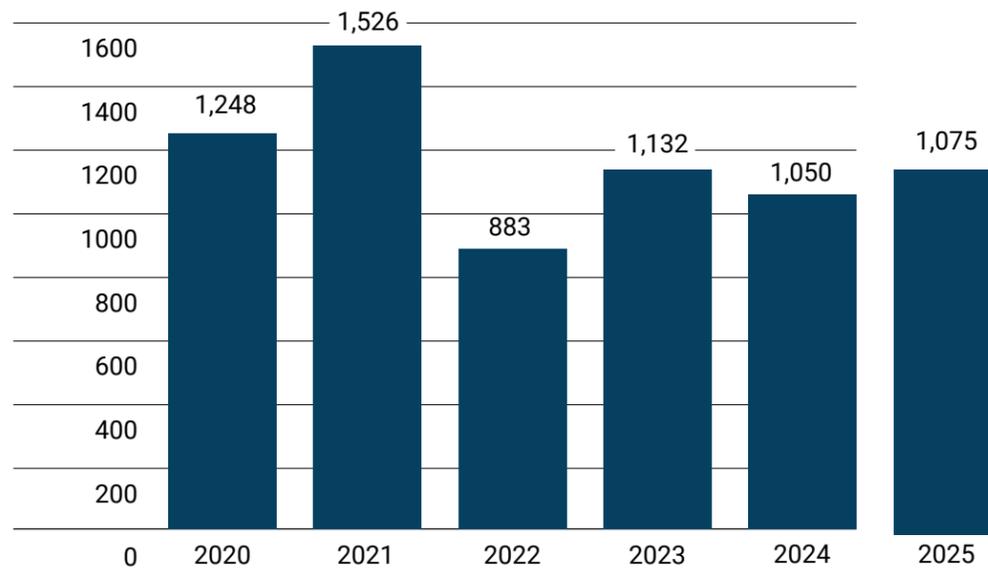
- ★ Held team meeting covering turnaround strategies, filer guidance, SERFF updates, outreach, committee support, and Center of Expertise pilot planning, goal setting, and team-building
- ★ Created the Regulatory Affairs Division with the hiring of the Director of Regulatory Affairs
- ★ Implemented a new filing fee structure aligned with review costs
- ★ Completed the transition to the new SERFF platform and established a dedicated liaison role to support ongoing system improvements
- ★ Supported transition of Officer leadership

PRODUCT FILING STATISTICS

January 1, 2020 through December 31, 2025

Please note for the current year calculations are based on submissions year to date

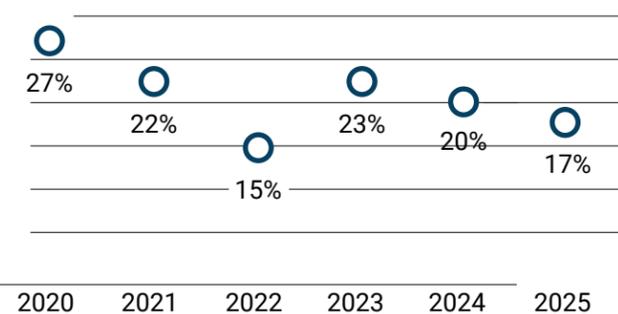
SUBMISSIONS RECEIVED



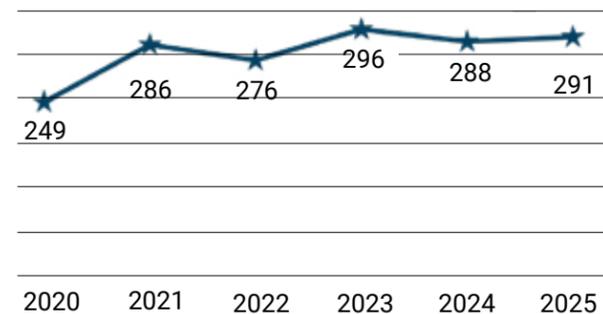
OVERVIEW

- ★ There are 48 Compacting States including Puerto Rico and the District of Columbia.
- ★ There are 20+ Types of Insurance (TOI) available for filing with over 116 adopted Uniform Standards and 140+ various sub-TOIs available
- ★ FROM JUNE 2007 - DECEMBER 2025: Over 15,770 products have been approved by the Insurance Compact; which equates to over 559,600 SERFF transactions.
- ★ 47,130 forms have been submitted for review.
- ★ \$40,837,956 in filing fees have been collected and remitted to the fee collecting member states.

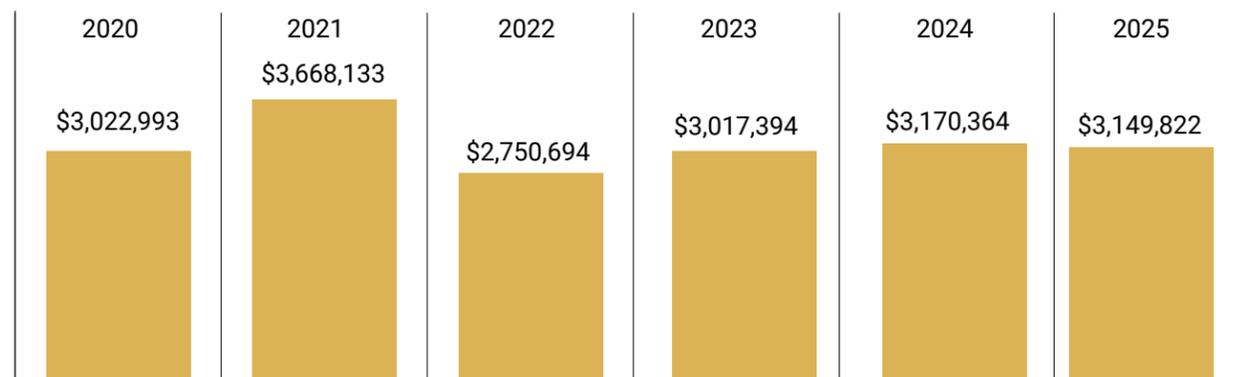
MIX & MATCH PERCENTAGE



REGISTERED COMPANIES



STATE FILING FEES COLLECTED AND REMITTED



EXPANDING TOOLS AND TRAINING FOR STATE REGULATORS

In 2025, the Compact continued to prioritize meaningful engagement with member regulators, delivering focused webinars and educational opportunities that deepened understanding of Compact processes and supported day-to-day regulatory responsibilities. The Compact also expanded access to key resources by strengthening its presence on NAIC Connect, making it easier for regulators to find the tools and guidance they need. With strong participation from state insurance departments, these efforts reflect the Compact's ongoing commitment to equipping regulators with clear, consistent, and consumer-focused product review support.

351

Spring Webinar Attendees

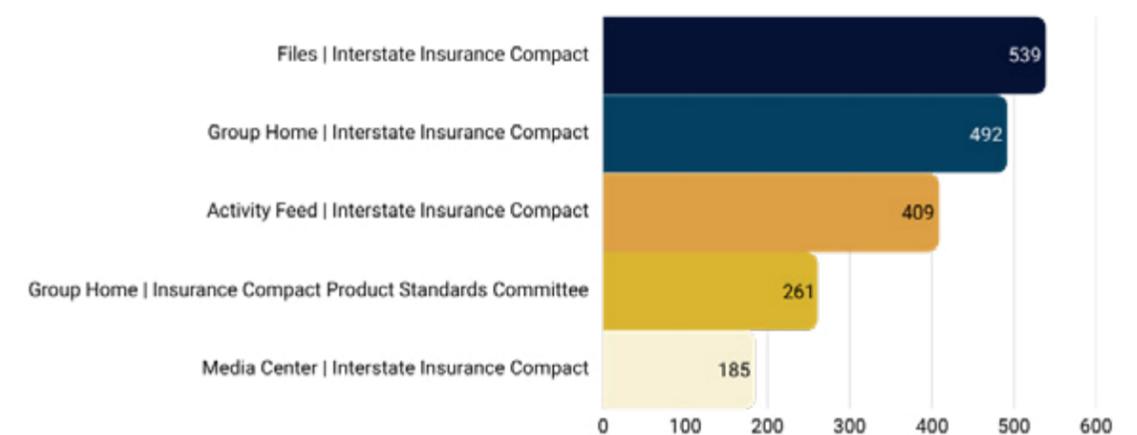
450

Life Insurance Product Training Attendees

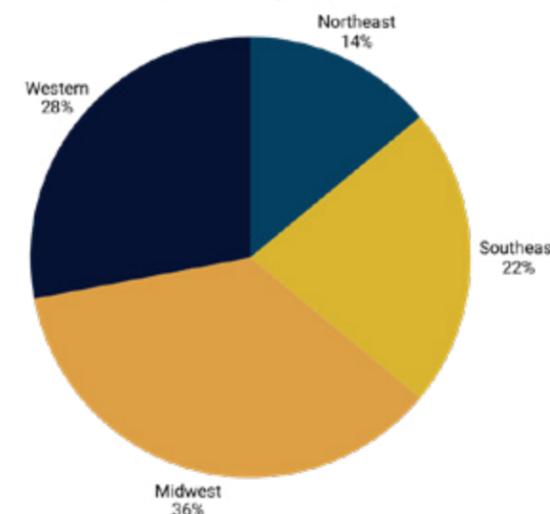
5,373

NAIC Connect Engagements

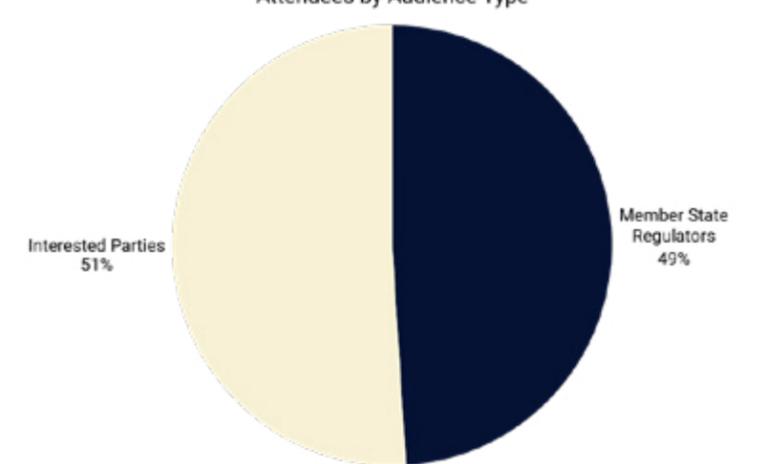
NAIC Connect Top 5 Most Engaged Pages



Life Insurance Product Training Attendees by Zone



Spring Webinar Attendees by Audience Type



MANAGEMENT'S DISCUSSION & ANALYSIS

Please Note: The Interstate Insurance Product Regulation Commission's management discussion and analysis is separate from and not a part of its basic financial statement nor included in its Independent Auditors' Report. Rubin Brown has not audited this information and expresses no opinion on the information contained herein.

Introduction

The Interstate Insurance Product Regulation Commission (Insurance Compact) is a public entity and instrumentality of its member states charged with carrying out regulatory insurance product reviews for asset-based insurance products under Uniform Standards adopted by its membership. 2025 marked the Insurance Compact's eighteenth full year of revenue-generating operations. The Insurance Compact's 2025 Annual Report includes the independent auditors' report with information on the actual financial results of the organization. This Management Discussion & Analysis report is not a part of the annual external audit examination and is included to provide management's analysis of the organization's financial performance in 2025 and 2024.

Financial Highlights

The Insurance Compact's financial statements are prepared using the accrual basis of accounting. Revenues, expenses, assets, and liabilities are recognized during the period in which the activity occurs rather than when it is received or paid.

Balance Sheet

Normal operating activities have resulted in cash and cash equivalents balance of \$1,518,491 as of December 31, 2025. This is an increase of \$51,665 compared to 2024 due in part to the new filing fee realignment put into effect as of January 1, 2025 as well as prudent expense management.

Accounts receivables were \$19,570 in 2025 and \$34,981 in 2024; a difference of \$15,411, which means there were fewer filings submitted on the last day of 2025 than 2024. Prepaid expenses were roughly the same year over year with \$9,171 in 2025 and \$10,245 in 2024; a difference of \$1,074.

Total current liabilities are \$1,545,904, or \$66,629 below 2024 which is due to lower deferred revenue. In 2025, the Insurance Compact received \$827,950 in deferred revenue, which was \$130,725 less than in 2024. Deferred revenue represents the annual registration fee paid in the previous year for the upcoming annual period in the subsequent year. Fewer companies registered before the due date of January 1, 2025 due date than registered before January 1, 2024. In 2025, the Insurance Compact made the sixth consecutive annual payment on the note payable to the NAIC in the amount of \$274,013. The amounts for accounts payable and accrued expenses were due to the timing of payments to vendors, employees, and consultants, which fluctuates each year.

The Insurance Compact is revenue neutral to the Compacting States. In 2025, the amount of \$3,149,822 was collected and remitted to states, which was a decrease of 1% or \$35,180 compared to 2024. In other words, the amount of state filings fees collected on Compact filings remained roughly the same year over year.

Statement of Revenues, Expenses, and Changes in Net Assets

The Insurance Compact is a public entity and an instrumentality of its member states, and it generates its revenue on a per transaction basis, not under any specific taxing authority. The Insurance Compact does not receive revenue from its members states but rather derives revenue from value-added services performed on behalf of the member states.

Operating revenues were \$4,011,966 which was \$855,769 over 2024 operating revenues with an actual-to-budget revenue ratio of 89%.

Revenue is earned when an insurance company registers with the Insurance Compact and submits product filings to the Insurance Compact through the NAIC's System for Electronic Rate and Form Filing (SERFF). The *IIPRC Terms and Procedures for IIPRC Filing Fees* provides that the Insurance Compact adopts its Schedule of Fees in conjunction with the adoption of its annual budget. The Insurance Compact is revenue neutral to Compacting States. The filers continue to pay the applicable state filing fees for submissions in addition to the Insurance Compact fees.

The Insurance Compact requires an annual registration fee, which provides access to the filing platform. There are eight main categories of filing fees for companies based on the reported premium volume and the number of states in which the company is currently licensed. A company's asset-based premium volume is 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. As of October 1, all companies are eligible to register at the pro-rated rate of 50% of their applicable registration fee for the remainder of the annual period.

There are two main categories of product filing fees based on whether an actuarial review is required and within those two categories, there are additional sub-categories based on the reported premium volume. Companies making submissions without an actuarial review pay less per submission than those requiring an actuarial review. Submissions inclusive of a rate review have a higher product filing fee due to the time and resources required to review the submissions. Regional companies licensed to do business in 12 or fewer Compacting States pay a reduced registration and per-filing fee. Introduced in 2025 was a new filing fee applicable to product components included in the filing submission. These fees also follow the graded schedule based on actuarial review requirements and the company's premium volume. The new fee was adopted to address the trend of decreased filings with increased forms.

Product filing fees were \$2,146,709 in 2025, compared to \$1,605,978 in 2024, an increase of \$540,731. A total of 3,332 products were received in 2025 compared to 1,601 products in 2024, an 8% growth. However, the number of forms submitted per submission increased. Mix and match filings continue to remain low, which demonstrates the companies' commitment to filing under the available Uniform Standards. At the end of 2025, mix and match percentage remained at 17%, a 3-point reduction as demonstrated in 2024.

Annual registration fees were 101% of budget for 2025 at \$1,542,375 for 291 companies. The registrations were relatively the same as 292 companies registered in 2024. The use of the Compact is voluntary for the filing companies, which means companies may not register in a year when they do not have Compact filings.

The operating expenses of \$3,636,445 for 2025 were under budget by \$401,581, or 11%, and \$393,827 over 2024's operating expenses. The 2025 budget included operating expenses for two new positions of Director of Regulatory Affairs and Regulatory Coordinator. The variance in 2025 actual-to-budget is a result of the timing of hiring open positions and savings from not having an in-person meeting in Spring 2025. In 2025, the Compact Office hired one new resource. The Insurance Compact ended 2025 with net assets of \$375,521 compared to net assets of (\$86,419) in 2024.

Debt

On June 1, 2007, the Insurance Compact signed a services agreement with the National Association of Insurance Commissioners (NAIC) to provide certain administrative, technical, staffing, and accounting services to the Insurance Compact. The NAIC receives an annual administrative fee of \$125,000 for these services. The Insurance Compact also pays an annual license/maintenance fee in the amount of \$25,000 for the use of SERFF and 250 hours of maintenance support. The Services Agreement includes an additional adjustable administrative fee equal to 7.5% of every \$25,000 of net revenue in excess of expenses earned by the Commission. In 2025, the Commission incurred the adjustable administrative fee in the amount of \$26,250 due to the positive net revenue.

The note payable to the NAIC totals \$1,534,776 as of the end of 2025. This is a \$274,013 decrease over the prior year due to the loan payment in March 2025. From 2007 through 2012, the Insurance Compact borrowed against lines of credit provided by the NAIC to fund operational needs.

In 2010, the NAIC and Insurance Compact entered a note payable for all outstanding and future borrowing with an interest rate of 2.25% equal to the prime rate of 3.25% on January 1, 2010, less 1%. Principal and interest payments were deferred until the year following the year in which the Insurance Compact achieved a profit of \$250,000 or an accumulated cash balance from operations of \$500,000 excluding funds from draws. Outstanding interest was capitalized monthly.

As of December 31, 2019, the Insurance Compact triggered the repayment of principal and interest by achieving a net positive revenue of \$646,204, which exceeded the \$250,000 threshold.

In 2020, the Insurance Compact and the NAIC restructured the repayment terms, as the parties recognized the Insurance Compact would not be able to service the full amount of the note payable over five years without causing a negative cash balance. The updated repayment agreement extends the repayment term from five to 10 years with the first payment due in 2020 and the final payment due in 2029. Repayment will be made only on the principal balance of \$2,740,134. Payments of \$274,013 will be made no later than March 31 of each year unless extended by mutual agreement between the Insurance Compact and the NAIC. If during the 10-year repayment period the Commission's cash balance is less than \$250,000 as reflected in the annual audited financial statements, the required payment for the year following the financial statement date will be deferred and the repayment period extended accordingly. Upon the final payment that completely repays the principal balance, the imputed interest balance of \$712,733 will be treated as a contribution to the Commission. There is no accrued interest during the repayment period including any extended periods beyond the initial 10-year repayment period. The first annual payment was made in May 2020 and the sixth annual payment was made in March 2025 totaling \$1,644,078 to date. With a cash balance of \$1,518,491 as of December 31, 2025, the Insurance Compact is scheduled to make the seventh annual payment in March 2026.

Economic Factors

The Insurance Compact accepted its first product filings in June 2007. Since then, the Insurance Compact has approved 15,770 products which would have translated into roughly 559,630 individual state filing transactions. There are 48 Compacting Members, including 46 states, the District of Columbia, and Puerto Rico.

In 2025, 291 companies registered with the Insurance Compact, representing over \$637 billion, or 85%, of nationwide asset based insurance premium volume. Repeat filers accounted for 96% of registrations, and 95% registered before the October 1 prorated date. Annual registration revenue reached 101% of budget.

In the 2025 budget, the Insurance Compact adopted a per filing fee realignment in response to a 2024 trend of fewer filings with more product components. That trend continued in 2025, with more forms submitted per filing and a 147% increase in the volume of product components despite fewer total filing submissions. Previously, the Compact charged the same fee for single component and multi component filings. Beginning in January 2025, the Compact assessed an additional fee for filings with multiple components. This change aligned review fees with review effort, improved equity among filers, and increased filing fee revenue in 2025.

In 2025, the Insurance Compact recorded 3,332 product filings, up from 1,601 in 2024. This increase largely reflects a change in how the Compact accounted for filing transactions. The total includes 1,120 primary product filings and additional forms subject to the new transaction fee implemented in 2025. Despite higher volume, actual filings reached only 75% of budget, and product filing fees fell \$520,541 below budget. Variances reflect differences in filing fee category utilization, with some categories meeting budget expectations and others underperforming. Per filing fees remain a volatile revenue source, driven by insurer product cycles, regulatory changes, and emerging products outside existing Uniform Standards.

In 2025, the Compact Office paused the Expedited Review Program for an extended period, contributing to underperformance in this filing fee category. The Office received complex Individual Index Linked Variable Annuity (ILVA) filings that included a high volume of forms—an average of 12 per submission—resulting in longer than normal review times. To manage workload and review quality, the review team closed the expedited review queue for periods throughout the year. In May, the Compact Office had an open actuary position and retained a consulting actuary by mid year. Implementation of the new SERFF system further affected turnaround times. These issues are not expected to impact 2026.

In 2025, operating expenses increased 12% over 2024, driven by higher salaries and related costs. The Compact managed expenses to finish the year \$401,581 under budget through delayed hiring, fewer in person meetings, and savings in professional services. The Compact added a Director of Regulatory Affairs, and salaries, benefits, and professional services accounted for 95% of total operating expenses.

Contacting the Insurance Compact's Financial Management

This financial report is designed to provide a general overview of the Insurance Compact's finances and to show accountability for the funds received in 2024 and 2025. Questions about this report and requests for additional financial information should be directed to Karen Schutter, Insurance Compact Executive Director, at kschutter@insurancecompact.org or (816) 783-8024.



SECTION 03 AUDIT REPORT

INDEPENDENT AUDITORS' REPORT



AUDIT COMMITTEE
 INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
 WASHINGTON, DC

Opinion

We have audited the financial statements of Interstate Insurance Product Regulation Commission (the Insurance Compact), which comprise the statement of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Insurance Compact as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of the Insurance Compact and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Insurance Compact's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Insurance Compact's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Insurance Compact's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

RubinBrown LLP

March 3, 2026

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
STATEMENT OF FINANCIAL POSITION

	December 31,	
	2025	2024
Assets		
Cash and cash equivalents	\$ 1,518,491	\$ 1,466,826
Accounts receivable	19,570	34,981
Prepaid expenses	9,171	10,245
Total Assets	\$ 1,547,232	\$ 1,512,052
Liabilities And Net Deficit		
Current Liabilities		
Accounts payable	\$ 88,689	\$ 43,853
Accrued expenses	355,252	335,692
Deferred revenue	827,950	958,675
Current portion of note payable to the NAIC	274,013	274,013
Total Current Liabilities	1,545,904	1,612,233
Long-Term Liabilities		
Note payable to the NAIC	1,534,776	1,808,789
Total Liabilities	3,080,680	3,421,022
Net Deficit		
Without donor restrictions	(1,533,448)	(1,908,970)
Total Liabilities And Net Deficit	\$ 1,547,232	\$ 1,512,052

See the notes to financial statements.

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
STATEMENT OF ACTIVITIES

	December 31,	
	2025	2024
Revenues		
Annual registrations	\$ 1,542,375	\$ 1,483,331
Product filing fees	2,416,708	1,605,978
Interest income	52,882	66,888
Total Revenues	4,011,965	3,156,197
Expenses		
Salaries	2,291,289	2,103,455
Employee benefits	627,951	538,231
Professional services	533,841	375,351
Travel	112,513	146,318
Rental and maintenance	7,170	4,452
Insurance	22,065	19,287
Office services	22,295	27,649
Meeting expenses	19,319	27,873
Total Expenses	3,636,443	3,242,616
Change In Net Deficit Without Donor Restrictions	375,522	(86,419)
Net Deficit - Beginning Of Year	(1,908,970)	(1,822,551)
Net Deficit - End Of Year	\$ (1,533,448)	\$ (1,908,970)

See the notes to financial statements.

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
STATEMENT OF CASH FLOWS

	For The Years Ended	
	December 31,	
	2025	2024
Cash Flows From Operating Activities		
Change in net deficit without donor restrictions	\$ 375,522	\$ (86,419)
Adjustments to reconcile change in net deficit without donor restrictions to net cash from operating activities:		
Changes in assets and liabilities:		
Accounts receivable	15,411	(28,164)
Prepaid expenses	1,074	3,069
Accounts payable	44,836	(26,179)
Accrued expenses	19,560	59,640
Deferred revenue	(130,725)	62,050
Net Cash Provided By (Used In) Operating Activities	325,678	(16,003)
Cash Flows Used In Financing Activity		
Principal payment to NAIC	(274,013)	(274,013)
Net Increase (Decrease) In Cash And Cash Equivalents	51,665	(290,016)
Cash And Cash Equivalents - Beginning Of Year	1,466,826	1,756,842
Cash And Cash Equivalents - End Of Year	\$ 1,518,491	\$ 1,466,826

See the notes to financial statements.

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

1. Summary Of Significant Accounting Policies

Nature Of Operations

The Interstate Insurance Product Regulation Commission (the Insurance Compact) formed in June 2006, is a multistate commission creating a central point of electronic filing for certain insurance products, including life insurance, annuities, disability income, and long-term care insurance. The Insurance Compact provides its member states with the ability to collectively use its expertise to develop uniform national product standards, affording a high level of protection to purchasers of asset protection insurance products. The Insurance Compact had 48 member states as of December 31, 2025 and 2024.

Basis Of Accounting

The accompanying financial statements of the Insurance Compact have been prepared on the accrual basis of accounting.

Basis Of Presentation

The financial statement presentation follows the requirements of accounting principles generally accepted in the United States of America by presenting assets and liabilities within similar groups and classifying them in ways that provide relevant information about their interrelationships, liquidity, and financial flexibility. As a result, the Insurance Compact is required to report information regarding its financial position and activities according to the following classes of net assets:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions but may be subject to board designations. At December 31, 2025 and 2024, there were no board designated net assets.

Net Assets With Donor Restrictions - Net assets are subject to donor-imposed restrictions that may or will be met either by actions of the Insurance Compact and/or the passage of time. Also included within this category are net assets subject to donor-imposed restrictions to be maintained in perpetuity by the Insurance Compact. At December 31, 2025 and 2024, the Insurance Compact does not have any net assets with donor restrictions.

Estimates And Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash And Cash Equivalents

The Insurance Compact considers all liquid investments with original maturities of three months or less to be cash equivalents. As of December 31, 2025 and 2024, cash and cash equivalents consisted of a checking account and a money market account. The Insurance Compact, at times, maintains deposits with banks in excess of the insured limits, but has not experienced any losses in such accounts.

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
NOTES TO FINANCIAL STATEMENTS *(Continued)*

Accounts Receivable

Accounts receivable are stated at the amounts billed. Delinquent and/or uncollectible receivables are written off based on individual evaluation and specific circumstances. As of December 31, 2025 and 2024, there was no allowance for current expected credit losses.

Revenues

Revenue from contracts with customers is derived primarily from annual registration fees and product filing fees.

The Insurance Compact's annual registration revenue arrangements are recognized over time and consist of performance obligations that are satisfied ratably over a period of no more than one year. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. For the years ended December 31, 2025 and 2024, annual registration revenue was \$1,542,375 and \$1,483,331, respectively.

The Insurance Compact's product filing fees revenue is recognized at a point in time and consists of performance obligations that are satisfied when insurance companies process filings through the National Association of Insurance Commissioners' (the NAIC) System for Electronic Rates and Forms Filing (SERFF) and in accordance with the standards established by the Insurance Compact for its member states. The SERFF system provides a cost-effective method of handling insurance policy rate and form filings between regulators and insurance companies. Prices are distinct to a performance obligation. For the years ended December 31, 2025 and 2024, product filing fees revenue was \$2,416,708 and \$1,605,978, respectively.

The Insurance Compact records deferred revenue when amounts are invoiced but the revenue recognition criteria has not been met. Such revenue is recognized when all criteria are subsequently met. Deferred revenues for revenue from contracts are included as current liabilities on the statement of financial position and as of December 31, 2025 and 2024, were \$827,950 and \$958,675, respectively. As of January 1, 2024, deferred revenues were \$896,625. Associated accounts receivable for revenue from contracts as of December 31, 2025 and 2024, was \$15,500 and \$31,000, respectively. As of January 1, 2024, accounts receivable for revenue from contracts was \$5,282. There were no changes in annual registrations and product filing fees that would affect economic seasonality of the statement of financial position.

The Insurance Compact did not have any impairment or credit losses on any receivables arising from contracts with customers. There are no incremental costs of obtaining a contract and no significant financing components. Finally, there are no significant changes in judgments affecting the determination of the amount and timing of revenue from contracts with customers.

Income Tax Provision

The Insurance Compact has been organized as a joint cooperative of the compacting states and is therefore generally exempt from federal and state income taxes pursuant to section 115(1) of the Internal Revenue Code. However, the Insurance Compact is subject to federal income tax on any unrelated business taxable income. The Insurance Compact filed a Private Letter Ruling (PLR) Request with the IRS, dated January 22, 2015, with respect to exclusion of its income from gross

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
NOTES TO FINANCIAL STATEMENTS *(Continued)*

income pursuant to section 115(1) of the Internal Revenue Code. The IRS did not issue a ruling on the PLR Request. Uncertain tax positions, if any, are recorded in accordance with ASC Topic 740, Income Taxes. ASC 740 requires the recognition of a liability for tax positions taken that do not meet the more-likely-than not standards that the position will be sustained upon examination by the taxing authorities. There is no liability for uncertain tax positions recorded at December 31, 2025 or 2024.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available for issue, which is the date of the Independent Auditors' Report.

2. Line Of Credit From And Notes Payable To The NAIC

The Insurance Compact used lines of credit from the NAIC to fund operational needs from 2007 to 2012. Interest accrued throughout this period at a rate of 2.25%. Interest does not accrue during the repayment period. Payment on these borrowings was triggered on December 31, 2019. Terms from the 2020 renegotiation of this agreement include a 10-year repayment period with the first payment due in 2020 and the final payment due in 2029. Repayment will be on the outstanding principal balance at the time of the negotiation in 2020 of \$2,740,134, with payments of \$274,013 made no later than March 31 of each year unless extended by mutual agreement between the Insurance Compact and the NAIC. If during the 10-year repayment period the Insurance Compact's cash balance is less than \$250,000 as reflected in the annual audited financial statements, the required payment for the year following the financial statement date will be deferred and the repayment period extended accordingly. Upon the final payment that completely repays the principal balance, the imputed interest balance of \$712,733 will be treated as a contribution to the Insurance Compact. The imputed interest of \$712,733 is included in the long-term portion of the note payable due to the NAIC as of December 31, 2025 and 2024. As of December 31, 2025 and 2024, the outstanding principal and interest balance on the note payable is \$1,808,789 and \$2,082,802, respectively.

Aggregate maturities of long-term outstanding principal as of December 31, 2025, are as follows:

Year	Amount
2026	\$ 274,013
2027	274,013
2028	274,013
2029	274,017
	\$ 1,096,056

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
NOTES TO FINANCIAL STATEMENTS *(Continued)*

3. Related-Party Transactions

Effective June 2007, the Insurance Compact entered into a service agreement with the NAIC, whereby the NAIC provides certain administrative services to the Insurance Compact. The NAIC is also providing a nonexclusive license to the SERFF system. The NAIC received an administrative fee of \$125,000 and an annual license and maintenance fee in the amount of \$25,000 for the use of SERFF. The Insurance Compact also pays an adjustable administrative fee of every \$25,000 of net revenue in excess of expenses. This fee was 7.5% for the year ended December 31, 2025. No adjustable administrative fee was due in 2024. The administrative fees, license fees, and adjustable administrative fees are included in professional services in the statement of activities. Additionally, certain expenses are paid on behalf of, and reimbursed by, the Insurance Compact.

Amounts charged during the year and amounts owed at year-end for the Insurance Compact are as follows:

	2025	2024
Administrative services provided by and paid to the NAIC	\$ 125,000	\$ 125,000
License fee paid to the NAIC	\$ 25,000	\$ 25,000
Adjustable administrative fee	\$ 30,000	\$ —
Amounts owed to the NAIC included in accounts payable	\$ 87,437	\$ 42,878

4. Defined Contribution Plan

The Insurance Compact has a 401(a) defined contribution plan, which covers substantially all employees. Each year the Management Committee determines the contribution for the next year. For the years ended December 31, 2025 and 2024, the Insurance Compact agreed to match up to 3.5% of compensation of employees who contribute to the plan and contributed 2.0% of all employees' annual compensation. The Insurance Compact made contributions of \$123,985 and \$111,736 for the years ended December 31, 2025 and 2024, respectively.

5. Liquidity And Availability Of Resources

The Insurance Compact regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of December 31, 2025 and 2024, the following financial assets are available to meet general operating expenditures of the subsequent fiscal year:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	\$ 1,518,491	\$ 1,466,826
Accounts receivable	19,570	34,981
	\$ 1,538,061	\$ 1,501,807

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
NOTES TO FINANCIAL STATEMENTS *(Continued)*

6. Statement Of Functional Expenses

Expenses for the years ending December 31, 2025 and 2024 are presented in the following tables according to both functional and natural classifications. Certain expenses including salaries, benefits, and payroll taxes are allocated on the basis of time and effort. Expenses including professional services and travel are split based upon the review of the underlying nature of the expense.

The following table provides both functional and natural classifications for the year ending December 31, 2025:

	Program Services	Management And General	Total Expenses
Salaries, benefits and payroll taxes	\$ 2,671,734	\$ 247,506	\$ 2,919,240
Professional services	319,075	214,766	533,841
Travel	103,505	9,008	112,513
Rental and maintenance	5,231	1,939	7,170
Insurance	22,065	—	22,065
Office services	—	22,295	22,295
Meeting expenses	19,319	—	19,319
	\$ 3,140,929	\$ 495,514	\$ 3,636,443

The following table provides both functional and natural classifications for the year ending December 31, 2024:

	Program Services	Management And General	Total Expenses
Salaries, benefits and payroll taxes	\$ 2,350,009	\$ 291,677	\$ 2,641,686
Professional services	159,297	216,054	375,351
Travel	139,915	6,403	146,318
Rental and maintenance	2,603	1,849	4,452
Insurance	19,287	—	19,287
Office services	—	27,649	27,649
Meeting expenses	27,873	—	27,873
	\$ 2,698,984	\$ 543,632	\$ 3,242,616



INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION

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