

**INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
2013 ADOPTED BUDGET
DETAIL REVENUE AND EXPENSES**

Description	2012					2013			Increase (Decrease) from 2012 Budget	%	Increase (Decrease) from 2012 Projected	%
	2011 Actual	2012 Restated Budget	9/30/2012 Actual	12/31/2012 Projected	2012 Projected Variance	2013 Budget	2013 Staffing Requests	Total 2013 Budget				
Filing Fees	\$ 274,127	\$ 341,750	\$ 276,592	\$ 402,342	\$ 60,592	\$ 573,100		\$ 573,100	\$ 231,350	67.70%	\$ 170,758	42.44%
Annual Registration Fees	596,250	758,750	679,505	699,505	(59,245)	800,625		800,625	41,875	5.52%	101,120	14.46%
Interest Income	24	-	23	23	23	-		-	-	-	(23)	(100.00%)
Total Revenues	870,401	1,100,500	956,120	1,101,870	1,370	1,373,725	-	1,373,725	273,225	24.83%	271,855	24.67%
Salaries, Taxes, and Benefits (1)	389,204	420,121	319,715	417,015	(3,105)	436,611	-	436,611	16,491	3.93%	19,596	4.70%
Professional Services (2)	763,192	879,469	619,213	811,024	(68,446)	855,250	-	855,250	(24,219)	(2.75%)	44,227	5.45%
Travel (3)	69,610	84,309	50,567	71,346	(12,963)	111,234	-	111,234	26,925	31.94%	39,888	55.91%
Rental and Maintenance (4)	3,867	4,617	3,978	5,094	477	5,710	-	5,710	1,093	23.67%	616	12.09%
Depreciation (5)	1,480	2,796	1,325	1,766	(1,030)	1,764	-	1,764	(1,032)	(36.91%)	(2)	(0.14%)
Interest Expense (6)	52,295	59,978	44,864	61,398	1,420	68,484	-	68,484	8,506	14.18%	7,086	11.54%
Insurance Expense (7)	16,128	14,565	9,362	12,163	(2,403)	11,640	-	11,640	(2,925)	(20.08%)	(523)	(4.30%)
Administrative Expenses (8)	27,233	30,590	14,843	22,620	(7,970)	19,691	-	19,691	(10,899)	(35.63%)	(2,929)	(12.95%)
Meetings and General Training (9)	4,828	12,000	1,726	2,326	(9,674)	5,400	-	5,400	(6,600)	(55.00%)	3,074	132.12%
Total Operating Expenses	1,327,837	1,508,445	1,065,592	1,404,752	(103,692)	1,515,785	-	1,515,785	7,340	0.49%	111,033	7.90%
Revenues Over (Under) Expenses	<u>\$ (457,436)</u>	<u>\$ (407,945)</u>	<u>\$ (109,473)</u>	<u>\$ (302,883)</u>	<u>\$ 105,062</u>	<u>\$ (142,060)</u>	<u>\$ -</u>	<u>\$ (142,060)</u>	<u>\$ 265,885</u>	<u>(65.18%)</u>	<u>\$ 160,823</u>	<u>(53.10%)</u>
						2,889,510		2,889,510				

Estimated IIPRC Funding Analysis:

Funds Remaining	\$ (173,634)
Draws on NAIC Line of Credit	
Total Funding Available	<u>(173,634)</u>
Balance sheet liabilities to satisfy from cash	-
Revenue Over/(Under) Expense	(193,410) (142,060)
Adjustments for Non-Cash items:	
Insurance expense	2,801 11,640
Depreciation expense	442 1,764
Interest expense recorded monthly	16,534 68,484
IIPRC Funding Available at Year-End	<u>\$ (173,634)</u> <u>\$ (233,806)</u>

(1) The expenses included in this line are found on pages: E1: Salaries, E4: Payroll Taxes, E5: Employee Benefits, and E6: Employee Development.

(2) The expenses included in this line are found on page E7: Professional Services.

(3) The expenses included in this line are found on E8: Travel.

(4) The expenses included in this line are found on page E9: Occupancy and page E11: Equipment Rental and Maintenance.

(5) The expenses included in this line are found on page E12: Depreciation.

(6) The expenses included in this line are found on page E13: Interest Expense.

(7) The expenses included in this line are found on page E14: Insurance.

(8) The expenses included in this line are found on page E15: Office Services and E16: Other Expenses.

(9) The expenses included in this line are found on page E:10 Meetings.

2013 BUDGET ANALYSIS

BUDGET ITEM: Revenues

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

Description	2011 Actual	2012 Budget	9/30/12 Actual	12/31/12 Projected	2013 Budget	Increase (Decrease) from 2010 Budget	Percentage
Filing Fees (1)	\$ 274,127	\$ 341,750	\$ 276,592	\$ 402,342	\$ 573,100	\$ 231,350	67.70%
Annual Registration Fees (2)	596,250	758,750	679,505	699,505	800,625	41,875	5.52%
Interest Income (3)	24	-	23	23	-	-	0.00%
Total	\$ 870,401	\$ 1,100,500	\$ 956,120	\$ 1,101,870	\$ 1,373,725	\$ 273,225	24.83%

(1) The IIPRC 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 IIPRC as a Regional Filer per the definition of Regional Filer in the IIPRC Terms and Procedures for Filing Fees.

	<u>Companies w/ More than</u> <u>\$50 M PV</u>			<u>Companies w/ Less than</u> <u>\$50 M PV</u>		
	Fee	Budget	Vol.	Fee	Budget	Vol.
<u>Submissions w/ Actuarial Review</u>	\$ 1,000		375	\$ 500		56
<u>Submissions w/o Actuarial Review Regional Filer</u>	\$ 500		250	\$ 250		37
<u>Submissions w/ Actuarial Review</u>	\$ 500		12	\$ 250		5
<u>Submissions w/o Actuarial</u>	\$ 250		12	\$ 125		5

(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 based on the aforementioned factors as with the filing fees. All Registration fees are prorated in half for registrations submitted on July 1 or after.

<u>Companies w/ More than</u> <u>\$50 M PV</u>			<u>Companies w/ Less than</u> <u>\$50 M PV</u>		
Fee	Budget	Vol.	Fee	Budget	Vol.

(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.

2013 BUDGET ANALYSIS

BUDGET ITEM: Salaries

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

<u>Description</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>9/30/12 Actual</u>	<u>12/31/12 Projected</u>	<u>2013 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Salaries-Existing Employees (1)	\$ 307,544	\$ 338,185	\$ 249,878	\$ 333,423	\$ 350,000	\$ 11,815	3.49%
Salaries-New Employees	-	-	-	-	-	-	-
Turnover Factor (2)	-	(4,097)	-	-	(4,240)	(143)	(100.00%)
Overtime (3)	787	-	370	370	-	-	0.00%
Total	\$ 308,331	\$ 334,088	\$ 250,248	\$ 333,793	\$ 345,760	\$ 11,672	3.49%

(1) During 2013, the IIPRC will have three full-time employees: Executive Director, Operations Manager and Administrative Coordinator; and one part-time Administrative Assistant. The 2013 budget includes an assumption of a combined 3.5% salary adjustment for cost-of-living and merit-based increases.

(2) While the IIPRC does not anticipate turnover, the budget includes a turnover factor annually and for 2013, it is using a turnover percentage of 12% of salaries with an average vacancy duration of seven (7) weeks.

(3) The IIPRC has two non-exempt employee and does not anticipate scheduled overtime will be needed in 2013.

2013 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>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>9/30/12 Actual</u>	<u>12/31/12 Projected</u>	<u>2013 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Temporary Personnel (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Interns (1)	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

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

2013 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>2011 Actual</u>	<u>2012 Budget</u>	<u>9/30/12 Actual</u>	<u>12/31/12 Projected</u>	<u>2013 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
FICA (1)	\$ 19,435	\$ 21,161	\$ 18,758	\$ 22,441	\$ 21,921	\$ 760	3.59%
FICA Turnover (2)	-	(258)	-	-	(266)	(8)	(100.00%)
Unemployment Compensation (3)	1,389	1,520	1,119	1,119	1,100	(420)	(27.63%)
Total	\$ 20,824	\$ 22,423	\$ 19,877	\$ 23,560	\$ 22,755	\$ 332	1.48%

(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.

2013 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>	2011 <u>Actual</u>	2012 <u>Budget</u>	9/30/12 <u>Actual</u>	12/31/12 <u>Projected</u>	2013 <u>Budget</u>	Increase (Decrease) from 2010 Budget	<u>Percentage</u>
Pension (1)	\$ 33,976	\$ 37,328	\$ 33,059	\$ 37,000	\$ 40,494	\$ 3,166	8.48%
Health Benefits (2)	20,997	21,387	14,109	19,505	23,188	1,802	8.42%
Group Life and Disability (3)	1,688	1,995	1,335	1,781	2,064	69	3.46%
Employee Relations (4)	3,098	1,500	872	1,162	2,000	500	33.33%
Total	\$ 59,759	\$ 62,210	\$ 49,375	\$ 59,447	\$ 67,746	\$ 5,537	8.90%

(1) A 457 plan and 401(a) plan is in effect for IIPRC employees along with a supplemental retirement plan for the Executive Director. Three IIPRC employees are eligible for IIPRC matching contribution in 2013. The third-party plan management fee is estimated at \$1,244 for 2013.

(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, team, and member recognition.

2013 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>2011 Actual</u>	<u>2012 Budget</u>	<u>9/30/12 Actual</u>	<u>Projected 12/31/12</u>	<u>2013 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Professional Association Dues (1)	\$ 290	\$ 1,400	\$ 215	\$ 215	\$ 350	\$ (1,050)	(75.00%)
Education Reimbursements			-	-		-	0.00%
Professional Training	-	-	-	-	-	-	0.00%
Total	\$ 290	\$ 1,400	\$ 215	\$ 215	\$ 350	\$ (1,050)	(75.00%)

(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.

2013 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	2011 Actual	2012 Budget	9/30/12 Actual	12/31/12 Projected	2013 Budget	Increase (Decrease) from 2010 Budget	Percentage
Professional Services-Computer (1)	\$ 25,000	\$ 25,000	\$ 18,750	\$ 25,000	\$ 25,000	\$ -	0.00%
Other Professional Services (2)	731,929	815,000	587,261	769,241	782,350	(32,650)	(4.01%)
Legal (3)	2,229	35,000	10,442	12,942	40,000	5,000	14.29%
Computer Services (4)	4,034	4,469	2,760	3,840	7,900	3,431	76.78%
Total	\$ 763,192	\$ 879,469	\$ 619,213	\$ 811,024	\$ 855,250	\$ (24,219)	(2.75%)

(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 2012, the IIPRC utilized the allotted hours to make enhancements to SERFF to better track "mix and match" filings.

(2) This line item includes the NAIC Services Agreement (\$125,000); Cash Management (\$3,600); Annual Audit fees (\$6,750); and Consultant fees (\$632,000). The IIPRC Team consists of six (6) consultants: 1) three (3) full-time Product Review Consultants; 2) a full-time Development Consultant; and 3) two (2) Actuarial Consultants - one full-time and one part-time.

(3) 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 2013 to advise on potential tax-related and organizational matters for the IIPRC.

(4) 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. In years previous, the expenses related to the cellular devices have been included in the "Telephone" expense line, in 2013, they are included in this line item. Cellular devices include electronic personal devices and wireless cards for the Executive Director and Operations Manager.

2013 BUDGET ANALYSIS

BUDGET ITEM: Travel

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

<u>Description</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>9/30/12 Actual</u>	<u>12/31/12 Projected</u>	<u>2013 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Staff Travel (1)	\$ 24,146	\$ 17,109	\$ 18,264	\$ 21,543	\$ 21,658	\$ 4,549	26.59%
Marketing Travel (2)	15,203	19,800	8,873	14,373	34,650	14,850	100.00%
Non-Staff/Commissioner Travel (3)	30,261	47,400	23,431	35,431	54,926	7,526	15.88%
Total	\$ 69,610	\$ 84,309	\$ 50,567	\$ 71,346	\$ 111,234	\$ 26,925	31.94%

(1) This line item includes the costs associated with travel for the IIPRC employees. It is anticipated that four (4) IIPRC employees will travel over the course of the year for a total of 17 trips. Anticipated trips include the three (3) National Meetings which two employees will attend as well as any other necessary meetings in support of the IIPRC. The average cost for each trip is estimated at approximately \$1,400.

(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 22 trips made over the course of the year for marketing and outreach. It is also anticipated that the IIPRC will sponsor or exhibit at marketing events throughout the year. Included in this line item are the costs associated with marketing materials including "branding give-always". The average cost for each trip is estimated at approximately \$1,400.

(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 (estimated at three (3) for three consultants). This line item also includes costs associated with Commissioner travel for IIPRC outreach and other business. The average cost for each trip is estimated at approximately \$1,400.

2013 BUDGET ANALYSIS

BUDGET ITEM: Occupancy

ITEM Description: Includes parking fees incurred for IIPRC staff.

<u>Description</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>9/30/12 Actual</u>	<u>12/31/12 Projected</u>	<u>2013 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Occupancy (1)	\$ 3,867	\$ 3,900	\$ 3,713	\$ 4,829	\$ 4,815	\$ 915	23.45%

(1) This line item includes monthly commuting benefits for the DC-based employees at a cost of \$220 per month for the full year. Also, included in this line is costs associated with parking for the two (2) Kansas City-based employees.

2013 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>2011 Actual</u>	<u>2012 Budget</u>	<u>9/30/12 Actual</u>	<u>12/31/12 Projected</u>	<u>2013 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Meetings (1)	\$ 4,828	\$ 12,000	\$ 1,726	\$ 2,326	\$ 5,400	\$ (6,600)	(55.00%)

(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.

2013 BUDGET ANALYSIS

BUDGET ITEM: Equipment Rental and Maintenance

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

<u>Description</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>9/30/12 Actual</u>	<u>12/31/12 Projected</u>	<u>2013 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Equipment, Hardware and Software Maintenance (1)	\$ -	\$ 717	\$ 265	\$ 265	\$ 895	\$ 178	24.88%
Total	\$ -	\$ 717	\$ 265	\$ 265	\$ 895	\$ 178	24.88%

(1) The IIPRC has budgeted for monthly maintenance costs associated with the four (4) IIPRC computers (2 desktops and 2 laptops) and the printer in the DC Office.

2013 BUDGET ANALYSIS

BUDGET ITEM: Depreciation

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

<u>Description</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>9/30/12 Actual</u>	<u>12/31/12 Projected</u>	<u>2013 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Depreciation (1)	\$ 1,480	\$ 2,796	\$ 1,325	\$ 1,766	\$ 1,764	\$ (1,032)	(36.91%)

(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. There are no capital requests for 2013.

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	\$ 7,581	\$ 6,736	\$ 845
Laptop PC's	3,609	1,805	1,804
Printers/Peripherals	5,206	5,206	-
Computer Software:			
SERFF Software License	126,902	126,902	-
Total	\$ 143,298	\$ 140,649	\$ 2,649

2013 BUDGET ANALYSIS

BUDGET ITEM: Interest Expense

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

<u>Description</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>YTD 9/30/12 Actual</u>	<u>Projected 12/31/12</u>	<u>2013 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Interest Expense (1)	\$ 52,295	\$ 59,978	\$ 44,864	\$ 61,398	\$ 68,484	\$ 8,506	14.18%

(1)The NAIC Executive (EX) Committee 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 then current prime rate of 3.25% minus 1%; (2) accrual of interest on current debt and future borrowings from the NAIC at 2.25%; 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 from operations of \$500,000 excluding funds from draws. The deferral of debt repayment reduced IIPRC draws on the \$850,000 line of credit approved for 2010 to \$450,000. Outstanding interest since the January 1, 2010 payment has been capitalized and the current portion of the three notes payable has been reclassified to long-term debt. A \$400,000 line of credit was approved for 2011 by the NAIC at the Spring National Meeting with the first draw occurring in August 2011. Additionally, another \$400,000 line of credit was approved for 2012 by the NAIC at the Fall 2011 National Meeting. The IIPRC took its first draw on October 1, 2012 in the amount of \$250,000 and does not anticipate needing additional draws from the 2012 Line of Credit. The IIPRC expects to request a Line of Credit in 2013 based on its cash flow analysis at year end.

2013 BUDGET ANALYSIS

BUDGET ITEM: Insurance

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

<u>Description</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>9/30/12 Actual</u>	<u>12/31/12 Projected</u>	<u>2013 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
General Business Insurance (1)	\$ 5,867	\$ 4,260	\$ 2,985	\$ 3,954	\$ 3,100	\$ (1,160)	(27.23%)
Professional Liability Insurance (2)	9,108	9,080	5,301	6,724	5,880	(3,200)	(35.24%)
Errors and Omissions (3)	1,153	1,225	1,076	1,484	2,660	1,435	100.00%
Total	\$ 16,128	\$ 14,565	\$ 9,362	\$ 12,163	\$ 11,640	\$ (2,925)	(20.08%)

(1) General business insurance coverage and related premiums. The IIPRC experienced a decrease in premium at renewal associated with having to change carriers and is budgeting for a 5% increase at renewal in 2013.

(2) Comprehensive errors and omissions and director/officer coverage premiums. At renewal, the IIPRC enhanced its coverage causing an increase in premium and is budgeting for a 5% increase at renewal in 2013.

2013 BUDGET ANALYSIS

BUDGET ITEM: Office Services

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

<u>Description</u>	2011 <u>Actual</u>	2012 <u>Budget</u>	9/30/12 <u>Actual</u>	12/31/12 <u>Projected</u>	2013 <u>Budget</u>	Increase (Decrease) from 2010 Budget	<u>Percentage</u>
Telephone (1)	\$ 17,445	\$ 20,000	\$ 13,992	\$ 18,492	\$ 12,144	\$ (7,856)	(39.28%)
Other Supplies (2)	3,413	3,358	185	685	3,200	(158)	(4.71%)
Non-Capital Equipment (3)	2,313	5,732	140	2,742	2,847	(2,885)	(50.33%)
Mail Services (4)	1,210	1,500	525	700	1,500	-	0.00%
Printing	-	-	-	-	-	-	0.00%
Total	\$ 24,381	\$ 30,590	\$ 14,843	\$ 22,620	\$ 19,691	\$ (10,899)	(35.63%)

(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. In previous years, the expenses related to cell phone use and the monthly costs for wireless cards were 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 and device upgrades during 2013.

(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.

2013 BUDGET ANALYSIS

BUDGET ITEM: Other Expenses

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

<u>Description</u>	<u>2011 Actual</u>	<u>2012 Budget</u>	<u>9/30/12 Actual</u>	<u>12/31/12 Projected</u>	<u>2013 Budget</u>	<u>Increase (Decrease) from 2010 Budget</u>	<u>Percentage</u>
Reference Materials (1)	\$ 458	\$ -	\$ -	\$ -	\$ -	\$ -	-
Training Expenses (2)	-	-	-	-	-	-	0.00%
Recruiting Expense (3)	2,394	-	-	-	-	-	-
Total	\$ 2,852	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

(1) It is expected that the IIPRC Office will not purchase various reference materials for the Members as well as IIPRC Team Members.

(2) It is not anticipated that the IIPRC Office will offer any training for IIPRC Members, staff, or consultants.

(3) Recruiting expenses in 2011 were related to the retention of additional consultants, namely the full-time actuarial consultant.