



## **FINANCE COMMITTEE** **CHARTER**

### **Committee Purposes**

1. To collaborate as regulators from Compacting States to develop recommendations for consideration, approval and adoption by the Management Committee and/or the Interstate Insurance Product Regulation Commission (Insurance Compact Commission).
2. To monitor the Commission's financial condition including the actual and projected revenues, expenses, and significant variances thereto, as well as appropriate resourcing levels.
3. To develop and recommend the annual operating budget of the Insurance Compact Commission.
4. To develop and recommend updates as necessary to the Commission filing fee structure to encompass the cost of the operations and activities of the Commission and its staff in a total amount sufficient to cover the Commission's annual budget.
5. To consider and recommend requests for new or reallocated resources including funding requests related to the Commission's administrative and product operations.
6. To provide regulatory expertise on budgeting, resourcing and fee structuring for the Commission and its operations, including responding to requests for technical expertise or special projects assigned by the Management Committee and the Insurance Compact Commission.

### **Committee Composition**

1. The Finance Committee can consist of up to 20 Compacting States appointed in accordance with the *Guidelines for Composition, Procedures, Duties and Tenure of Committees Established Under Article VIII, Section 4 of the Bylaws of the Interstate Insurance Product Regulation Commission* ("Committee Guidelines). For 2023, the Finance Committee consists of 9 Compacting States.
2. Regulators in Compacting States who are not a member of the Finance Committee may participate in all meetings of the Finance Committee.

### **Committee Responsibilities**

1. To develop an annual work plan and calendar for the development of the annual budget and Schedule of Fees, including proposed fee changes and new revenue, resource, or expense proposals.

2. To meet as often as needed to discuss and advance items on its work plan but not less than once each quarter.
3. To follow the *Committee Guidelines* to the extent applicable and practicable in carrying out Committee responsibilities.
4. To provide easy-to-follow notices, agendas, working drafts of financial and budget materials and other work product to allow Finance Committee members, other regulators, the Legislative Committee, Consumer Advisory Committee, Industry Advisory Committee and other interested parties to understand the nature of the items for discussion and the type of action requested.
5. To review and consider written and oral comments regarding Committee activities including comments, questions, and concerns regarding draft budget and fee recommendations.
6. To prepare and post call summaries of regulator-only and public Committee meetings to document the agenda items, the nature of the discussion, and next steps, as applicable.
7. To provide input on issues, questions, strategic planning, and other matters as requested by the Officers, Management Committee, and Insurance Compact Commission.

### **Committee Authority**

1. The Finance Committee is authorized under Article VIII, Section 4 of the Insurance Compact Commission Bylaws.
2. As a matter of practice, the Treasurer of the Insurance Compact Commission will serve as the Chair of the Finance Committee unless the Insurance Compact Commission determines otherwise.
3. The *Committee Guidelines* apply to the composition, procedures, duties, and tenure of the Committee.
5. Prior to making a recommendation for the Commission or Management Committee, the Finance Committee shall hold at least one, and may hold more than one, public meeting that provides an opportunity for public comment on the proposed recommendation.
6. Prior to a public meeting of the Finance Committee, the Committee shall provide notice in accordance with the Commission Bylaws.

### **Reporting**

1. The Finance Committee will report to the Insurance Compact Commission, and in certain circumstances, to the Management Committee.

**2023 Finance Committee Charter**  
**March 24, 2023**

2. The Finance Committee will provide its recommendation to the Insurance Compact Commission or Management Committee for further notice, comment, and consideration as directed by the body receiving the recommendation.
3. The Finance Committee will provide regular reporting to the Insurance Compact Commission and Management Committee as applicable including providing written reports to be included in a Consent Agenda as applicable.

**Annual Governance Effectiveness Survey and Evaluation**

1. In December of each year (or earlier or later if applicable), the members and interested regulators of the Finance Committee shall complete a survey regarding the effectiveness of the Finance Committee activities, meetings and support.
2. At one of the first three regulator-only meetings of an annual period, the Finance Committee will include an agenda item to discuss Committee Governance and Effectiveness Evaluation including review of survey results.
3. At one of the first three regulatory-only meetings of an annual period, the Finance Committee will review and update, if needed, its Charter and adopt its annual workplan and calendar.

**2023 Workplan Goals**

1. Develop and adopt 2023 Annual Workplan and Calendar.
2. Review monthly and quarterly financial statements to monitor revenues and expenses actual to budget.
3. Review budget proposal from Compact Office and develop recommendation for 2024 Annual Budget and Schedule of Fees.
4. Explore whether and how to accomplish Priority 2, Action Item 5 of the Insurance Compact Compass Strategic Plan to *develop a program to create resource groups of Compacting State regulators with form review or actuarial experience in the Insurance Compact's authorized product lines to train and be available as a resource to the Insurance Compact Office in the regulatory review process.*