INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
2027 BUDGET DRAFT
DETAIL REVENUE AND EXPENSES

			2026			2027						
Description	2025 Actual	2026 Budget	7/31/2026 Actual	12/31/2026 Projected	2026 Projected Variance	**2027 Budget**	**2027 Fiscal Impact Statements**	**Total 2027 Budget**	Increase (Decrease) from 2026 Budget	%	Increase (Decrease) from 2026 Projected	%
Filing Fees	$ 2,416,708	$ 2,824,450	$ 1,540,118	$ 2,630,493	$ (193,957)	**$ 2,813,200**	**$ 105,000**	**$ 2,918,200**	$ 93,750	3.32%	$ 287,707	10.94%
Annual Registration Fees	1,542,375	1,576,875	1,483,125	1,516,875	(60,000)	**1,544,375**	**-**	**1,544,375**	(32,500)	(2.06%)	27,500	1.81%
Interest Income	52,882	55,000	29,387	53,474	(1,526)	**56,560**		**56,560**	1,560	-	3,086	5.77%
Total Revenues	4,011,965	4,456,325	3,052,629	4,200,842	(255,483)	**4,414,135**	**105,000**	**4,519,135**	62,810	1.41%	318,293	7.58%
Salaries (1)	2,291,290	2,786,716	1,253,005	2,457,778	(328,938)	**2,941,044**	**83,907**	**3,024,951**	238,235	8.55%	567,173	23.08%
Payroll Taxes (2)	173,499	217,237	109,828	194,887	(22,350)	**235,567**	**6,463**	**242,030**	24,793	11.41%	47,143	24.19%
Employee Benefits (3)	436,337	513,513	259,226	452,546	(60,967)	**509,751**	**10,290**	**520,041**	6,528	1.27%	67,495	14.91%
Employee Development (4)	18,115	51,734	8,274	27,337	(24,397)	**33,524**	**50**	**33,574**	(18,160)	(35.10%)	6,237	22.82%
Professional Services (5)	533,841	414,179	161,474	317,913	(96,267)	**374,605**	**456**	**375,061**	(39,119)	(9.44%)	57,148	17.98%
Travel (6)	112,513	218,970	65,910	156,970	(62,000)	**193,849**	**2,894**	**196,743**	(22,227)	(10.15%)	39,773	25.34%
Occupancy (7)	7,170	7,632	3,830	7,010	(622)	**8,521**	**-**	**8,521**	889	11.65%	1,511	21.55%
Meetings (8)	19,319	88,800	14,965	45,665	(43,135)	**50,800**	**-**	**50,800**	(38,000)	(42.79%)	5,135	11.25%
Operational (9)	44,359	84,876	32,864	66,694	(18,182)	**63,151**	**2,815**	**65,966**	(18,910)	(22.28%)	(728)	(1.09%)
Total Operating Expenses	3,636,443	4,383,657	1,909,377	3,726,799	(656,858)	**4,410,812**	**106,875**	**4,517,687**	134,030	3.06%	790,888	21.22%
Revenues Over(Under) Expenses	$ 375,522	$ 72,668	$ 1,143,253	$ 474,043	$ 401,375	**$ 3,323**	**$ (1,875)**	**$ 1,448**	$ (71,220)	(98.01%)	$ (472,594)	(99.69%)

(1) The expenses included in this line are found on page E1: Salaries.

(2) The expenses included in this line are found on page E2: Payroll Taxes.

(3) The expenses included in this line are found on page E3: Employe Benefits.

(4) The expenses included in this line are found on page E4: Employee Development.

(5) The expenses included in this line are found on page E5: Professional Services.

(6) The expenses included in this line are found on E6: Travel.

(7) The expenses included in this line are found on page E7: Occupancy .

(8) The expenses included in this line are found on page E8: Meetings.

(9) The expenses included in this line are found on page E9: Operational.

2027 BUDGET ANALYSIS

BUDGET ITEM: Revenues

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

Description	2025 Actual	2026 Budget	7/31/26 Actual	12/31/2026 Projected	2027 Budget	2027 Fiscal Statements	2027 Total Budget	Increase (Decrease) from 2025 Budget	Percentage
Filing Fees (1)	$ 2,416,708	$ 2,824,450	$ 1,540,118	$ 2,630,493	$ 2,813,200	$ 105,000	$ 2,918,200	$ 93,750	3.32%
Annual Registration Fees (2)	1,542,375	1,576,875	1,483,125	1,516,875	1,544,375	$ -	1,544,375	(32,500)	(2.06%)
Interest Income (3)	52,882	55,000	29,387	53,474	56,560	$ 105,000	$ 56,560	1,560	0.00%
Total	$ 4,011,965	$ 4,456,325	$ 3,052,629	$ 4,200,842	$ 4,414,135	$ 210,000	$ 4,519,135	$ 62,810	1.41%

(1) The Insurance Compact charges a filing fee for all filing submissions submitted across all product lines. The Commission annually adopts the IIPRC Filing Fee Schedule. There are no fee changes for 2027. The base filing fee that is collected for each submission is based on several factors. The first is whether or not the filing requires an actuarial review per the submission requirements for the applicable Uniform Standards. The second factor is whether or not the filing company's premium volume is greater than $50 million based on the Schedule T-Part 2 of the Annual Statement filed with the NAIC for the reporting year prior to the current annual registration period. The last factor is whether or not the filing company is registered with the Insurance Compact as a Regional Filer per the definition of Regional Filer in the IIPRC Terms and Procedures for IIPRC Filing Fees. There is a separate Filing Fee amount for filings requiring an actuarial review of rate schedules (LTC and DI specifically). Also in this line are the filing fees for the Expedited Review Program which are double the applicable filing fees for the product to enter the queue to receive service level review times faster than regular review queue of 30 to 60 days. Included in this line are fees for the optional advanced fee calculation service. In 2025, the Compact implemented a new fee in adition to the base fee for filings with multiuiple product components to address the reduction in filings and corresponding increase in forms per filing.

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

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

2027 BUDGET ANALYSIS

BUDGET ITEM: Salaries

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

Description	2025 Actual	2026 Budget	7/31/26 Actual	12/31/2026 Projected	2027 Budget	2027 Fiscal Statements	2027 Total Budget	Increase (Decrease) from 2025 Budget	Percentage
Salaries-Existing Employees (1)	$ 2,289,966	$ 2,786,716	$ 1,252,793	$ 2,457,566	$ 2,941,044	$ 83,907	$ 3,024,951	$ 238,235	8.55%
Overtime (2)	1,324	-	212	212	-	-	-	-	0.00%
Total	$ 2,291,290	$ 2,786,716	$ 1,253,005	$ 2,457,778	$ 2,941,044	$ 83,907	$ 3,024,951	$ 238,235	8.55%

(1) The Insurance Compact is budgeting for 21 full-time employees. The 2027 budget includes assumed salary adjustment for merit-based increases and promotions. The 2027 Total Budget requests a new position - a product reviewer to start in March.

(2) The Insurance Compact does not anticipate scheduled overtime will be needed in 2027.

2027 BUDGET ANALYSIS

BUDGET ITEM: Payroll Taxes

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

Description	2025 Actual	2026 Budget	7/31/26 Actual	12/31/2026 Projected	2027 Budget	2027 Fiscal Statements	2027 Total Budget	Increase (Decrease) from 2025 Budget	Percentage
FICA (1)	$ 166,470	$ 207,679	$ 104,109	$ 188,372	$ 226,251	$ 6,421	$ 232,672	$ 24,993	12.03%
Unemployment Compensation (2)	7,029	9,558	5,719	6,515	$ 9,316	$ 42	$ 9,358	(200)	(2.09%)
Total	$ 173,499	$ 217,237	$ 109,828	$ 194,887	$ 235,567	$ 6,463	$ 242,030	$ 24,793	11.41%

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

(2) Unemployment compensation is budgeted based on rates and wage limits assigned to the Insurance Compact as of June 2026 in the states where employees work, including geo-remote employees who work from their home office.

2027 BUDGET ANALYSIS

BUDGET ITEM: Employee Benefits

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

Description	2025 Actual	2026 Budget	7/31/26 Actual	12/31/2026 Projected	2027 Budget	2027 Fiscal Statements	2027 Total Budget	Increase (Decrease) from 2025 Budget	Percentage
Pension (1)	$ 123,985	$ 144,770	$ 66,098	$ 127,332	$ 159,786	$ -	$ 159,786	$ 15,016	10.37%
Health Benefits (2)	255,015	277,814	$ 151,377	270,120	301,549	9,860	311,409	33,594	12.09%
Group Life and Disability (3)	11,333	13,079	6,005	11,598	13,816	430	14,246	1,167	8.93%
Employee Relations (4)	46,004	77,850	35,747	43,497	34,600	-	34,600	(43,250)	(55.56%)
Total	$ 436,337	$ 513,513	$ 259,226	$ 452,546	$ 509,751	$ 10,290	$ 520,041	$ 6,528	1.27%

(1) A 457 plan and 401(a) plan is in effect for Insurance Compact employees. In 2027, all Compact employees will be eligible for Insurance Compact matching contribution under these plans which contributes to an increase in the budget line.

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

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

(4) Employee Relations, the formal recognition program where both employees and managers have quarterly budgets for recognition of their direct reports and colleagues.

2027 BUDGET ANALYSIS

BUDGET ITEM: Employee Development

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

Description	2025 Actual	2026 Budget	7/31/26 Actual	12/31/2026 Projected	2027 Budget	2027 Fiscal Statements	2027 Total Budget	Increase (Decrease) from 2025 Budget	Percentage
Professional Association Dues (1)	$ 8,092	$ 6,734	$ 6,624	$ 6,937	$ 8,524	$ 50	$ 8,574	$ 1,840	27.32%
Professional Training (2)	10,023	45,000	1,650	20,400	25,000	-	25,000	(20,000)	(44.44%)
Total	$ 18,115	$ 51,734	$ 8,274	$ 27,337	$ 33,524	$ 50	$ 33,574	$ (18,160)	(35.10%)

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

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

2027 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	2025 Actual	2026 Budget	7/31/26 Actual	12/31/2026 Projected	2027 Budget	2027 Fiscal Statements	2027 Total Budget	Increase (Decrease) from 2025 Budget	Percentage
Other Professional Services (1)	521,889	359,537	$ 155,662	305,469	336,359	-	336,359	(23,179)	(6.45%)
Legal (2)	-	40,000	-	-	25,000	-	25,000	(15,000)	(37.50%)
Computer Services (3)	11,952	14,642	$ 5,812	12,444	13,246	456	13,702	(940)	(6.42%)
Total	$ 533,841	$ 414,179	$ 161,474	$ 317,913	$ 374,605	$ 456	$ 375,061	$ (39,119)	(9.44%)

(1) The Insurance Compact pays an annual license fees to SERFF in the amount of $25,000 and is allotted 250 hours of SERFF maintenance under the Services Agreement. This line item includes the NAIC Services Agreement ($125,000); Cash Management; Annual Audit fees; service fees for insurance policies; and Consultant fees. Included in this line are funds for an outside vendor to maintain the Insurance Compact's website. The Insurance Compact has budgeted for a full-time consultant - a Regulatory Coordinator Consultant - to support uniform standards development. Also included in this line is the adjustable administrative service fee owed to the NAIC of 7.5% on each $25,000 of revenue over expense.

(2) The Insurance Compact retains outside counsel to advise on legal matters for the Commission. In 2027, it is anticipated outside counsel will be retained to continue governance projects.

(3) This line item reflects the monthly costs for processing Insurance Compact payroll. Also included in this line item are the expenses related to the remote employees and consultant's monthly internet services to connect to the SERFF filing platform and the Insurance Compact office.

2027 BUDGET ANALYSIS

BUDGET ITEM: Travel

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

Description	2025 Actual	2026 Budget	7/31/26 Actual	12/31/2026 Projected	2027 Budget	2027 Fiscal Statements	2027 Total Budget	Increase (Decrease) from 2025 Budget	Percentage
Staff Travel (1)	$ 75,971	$ 115,330	$ 33,750	$ 81,080	$ 104,265	$ 2,894	$ 107,159	$ (8,171)	(7.08%)
Non-Staff/Regulator Travel (3)	36,542	103,640	32,160	75,890	89,584	-	89,584	(14,056)	(13.56%)
Total	$ 112,513	$ 218,970	$ 65,910	$ 156,970	$ 193,849	$ 2,894	$ 196,743	$ (22,227)	(10.15%)

(1) This line item includes the costs associated with travel for the Insurance Compact employees. In 2027, it is anticipated travel will include the three (3) NAIC/Compact in-person meetings, two (2)Compact Roundtables, regulator meetings/conferences as well as any other necessary meetings in support of the Insurance Compact. Additionally, there is an in-person meeting planned with the full Compact Team.

(3) This line item includes the costs associated with both Commissioner and non-staff travel. The Insurance Compact reimburses members of the Legislative Committee (8) and members of the Consumer Advisory Committee (8) for their costs associated with attending the Insurance Compact in-person meetings and events. The Insurance Compact reimburses the consultants for travel associated with attending the Insurance Compact Meetings. This line item also includes costs associated with travel for Commissioners and State Regulators to attend the Insurance Compact Roundtables (two per year) and an in-person Officer planning meeting.

2027 BUDGET ANALYSIS

BUDGET ITEM: Occupancy

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

Description	2025 Actual	2026 Budget	7/31/26 Actual	12/31/2026 Projected	2027 Budget	2027 Fiscal Statements	2027 Total Budget	Increase (Decrease) from 2025 Budget	Percentage
Occupancy (1)	$ 7,170	$ 7,632	$ 3,830	$ 7,010	$ 8,521	$ -	$ 8,521	$ 889	11.65%

(1) This line item includes monthly commuting and parking benefits for the office-based employees.

2027 BUDGET ANALYSIS

BUDGET ITEM: Meetings

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

Description	2025 Actual	2026 Budget	7/31/26 Actual	12/31/2026 Projected	2027 Budget	2027 Fiscal Statements	2027 Total Budget	Increase (Decrease) from 2025 Budget	Percentage
Meetings (1)	$ 19,319	$ 88,800	$ 14,965	$ 45,665	$ 50,800	$ -	$ 50,800	$ (38,000)	(42.79%)

(1) Costs associated with the three (3) Insurance Compact in-person meetings including costs for the audio visual, telecommunications equipment, technicians, food, and beverage for meeting attendees. The decrease in the year-to-year budgeted amount is to reflect one less budgeted interim meeting.

2027 BUDGET ANALYSIS

BUDGET ITEM: Operational

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

Description	2025 Actual	2026 Budget	7/31/26 Actual	12/31/2026 Projected	2027 Budget	2027 Fiscal Statements	2027 Total Budget	Increase (Decrease) from 2025 Budget	Percentage
General Business Insurance (1)	$ 22,065	$ 25,131	$ 10,564	$ 21,213	$ 23,653	$ -	$ 23,653	$ (1,478)	(5.88%)
Other Supplies (2)	1,553	1,800	1,385	2,135	1,800	-	1,800	-	0.00%
Non-Capital Equipment (3)	10,200	24,228	18,288	18,803	14,948	2,815	17,763	(6,465)	(26.68%)
Mail Services (4)	560	1,000	1,560	1,977	2,400	-	2,400	1,400	140.00%
Branding (5)	9,514	32,250	600	22,100	19,875	-	19,875	(12,375)	(38.37%)
Taxes	467	467	467	467	475	-	475	8	1.71%
Total	$ 44,359	$ 84,876	$ 32,864	$ 66,694	$ 63,151	$ 2,815	$ 65,966	$ (18,910)	(22.28%)

(1) General business insurance coverage and related premiums. Comprehensive errors and omissions and director/officer coverage premiums are included in this line as well.

(2) This line item reflects the cost of supplies for the Insurance Compact office.

(3) The Insurance Compact has budgeted for an annual allotment per Insurance Compact team employee/consultant to be issued for expenses associated with the parameters of the technology platform for the Insurance Compact Office. The decrease in this line is attributed to select Compact employees requiring planned updates to Compact-issued laptops which is in-line with technical services provided by the NAIC.

(4) This line item includes expenses to mail Insurance Compact correspondence via US Postal Service or FedEx/UPS services.

(5) This line includes expenses for sponsorships, branded items, and event registrations and expenses. These expenses were previously included in the marketing travel line. Due to an overall update to expenses, these were broken out from travel to be included in the Office Services expenses. The decrease in expenses in 2027 aligns wiht the actual expected cost of sponsorship opportunities.