DATE: March 23, 2021

TO: Interstate Insurance Product Regulation Commission

FROM: Insurance Compact Finance Committee

RE: Report of Committee Activities for Joint Meeting of the Management Committee and Commission

The Insurance Compact Finance Committee met on March 11th and received an update on the financials through the end of 2020 and the first two months of 2021.

The Compact ended 2020 in a strong financial position. The actual revenues of $2.76 million were 4.5% under the budgeted $2.89 million. The actual expenses were 17% under the budgeted $3.25 million. The change in net assets was a positive $77,378. The Compact carried $1.81 million cash into 2021. A large part of the cash balance is attributed to companies registering in December 2020 for the calendar year of 2021.

The actual revenues for January 2021 were 100% of budget; $1.22 million was earned. The expenses continue to be under budget in large part due to the current COVID restrictions and two open positions. Actual expenses were approximately 10% under budget.

The Finance Committee will continue to monitor the financial statements throughout the course of the year as well as look at the value of services, systems, and resources the NAIC provides to the Compact. This was a recommendation from the independent business assessment conducted by Rector and Associates. Additionally, the Finance Committee, working with the Compact Office, will develop a comprehensive professional development program for the Compact Team to ensure training in current best practices and developments in respective professional fields – a Comprehensive Professional Development Program. This is a project that stems from the Insurance Compact Compass, the Compact’s strategic plan, specifically Priority III, Action Item 5.

Please contact the West Virginia Commissioner James Dodrill, Chair of the Insurance Compact Finance Committee, or Karen Schutter, Executive Director for questions or further information.