The National Council of Insurance Legislators (NCOIL) Business Planning and Budget Committee met at the Newport Beach Marriott Hotel on Wednesday, July 10 at 6:00 p.m.

In the absence of the Chair, Sen. Morrish served as acting chair and called the meeting to order.

MEMBERS OF THE COMMITTEE PRESENT:

Sen. Jason Rapert (AR)
Sen. Dan “Blade” Morrish (LA)
Sen. Travis Holdman (IN)
Asm. Kevin Cahill (NY)
Rep. Matt Lehman (IN)

ALSO PRESENT:

Commissioner Tom Considine, NCOIL CEO
Paul Penna, Executive Director, NCOIL Support Services

Sen. Morrish called the meeting to order and asked Cmsr. Considine to go over the budget highlights in Asm. Cooley’s absence. Considine went over the proposed 2020 budget which projects revenue of $1,382,000 and expenses of $1,264,130.87 for an excess of $117,869.13.

Considine noted that the new dues structure goes into effect where dues increase from $10K to $20K and includes a legislative stipend and the budget is cautious and assumes 20% attrition most recent year paid 25 states. He also noted that the CIP increases but is consistent and based on anticipated growth. Summer mtg minor growth.

Sen. Morrish asked if the CIP had grown from 2018 to 2019 and Cmsr. Considine stated that it had.

Considine noted that revenue increased in the proposed budget to $1.38 million from the 2019 adopted budget of $1.15 M.

In reviewing the expenses, Considine noted that the legislator stipend is a new category and part of the new dues structure. For planning purposes, the budget allocates full exhaustion of funds for states to send 2 legislators per meeting. Having stipends will encourage attendance and spike interest among interested parties.

Asm. Cahill noted that if the fund is not fully exhausted that perhaps some of it could be used for legislators from non participating states. Cmsr. Considine noted that the scholarship fund still exists to support those legislators. Sen. Morrish suggested maybe having it roll over into the next year.
Considine reviewed the remaining line items noting that the annual meeting is consistent with the previous year and while the retainer with existing contract looks like a big jump but in reality, it is the same but the reallocation of funds to remain in ILF operating fund. The previous agreement had the management fee split 93% for NCOIL and 7% for ILF and that was too much on draw on ILF. The new agreement is 98% NCOIL and 2% ILF. Sen. Holdman noted that the management fees are up, but incentive payment goes down because of the new allocation will increase expenses.

Considine noted that vast majority of the remaining expenses are consistent with the previous year. Expenses are proposed at $1.26 M, an increase from the 2019 budget at $1.06 M for an excess of $117K.

A motion was made by Sen. Morrish and seconded by Rep. Lehman to approve the minutes of the Oklahoma City on December 6th, 2018. It passed unanimously on a voice vote.

There being no other business, Asm. Cahill made a motion to adjourn that was seconded by Sen. Morrish. The committee adjourned at 6:23.