

# FEDERATED STATES OF MICRONESIA INSURANCE BOARD



## 2023 ANNUAL REPORT



## FSM INSURANCE BOARD

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## EXECUTIVE SUMMARY

The 2023 Annual Report (“Report”) is prepared by the FSM Insurance Board (“FSMIB”) as required by Section 205 of the Insurance Act of 2006 or Title 37 of the Code of the Federated States of Micronesia (“Title 37 of the FSMC”). This Report contains information and data on the general condition and status of the insurance system in the Federated States of Micronesia (“FSM”) and other important matters covering insurance and key activities that were performed and accomplished during the year ending December 31, 2023. The Report is available on the office website at [www.fsminsuranceboard.com](http://www.fsminsuranceboard.com). Hard copies are also available at the FSMIB located at the VB Building, Suite 21A, Pohn Umpomp Place, Nett, Pohnpei.

In the FSM, there are two (2) distinctive types of insurance that are currently available in the financial market and they are the regular or conventional insurance and the captive insurance. In the following pages, the Report provides an analysis of the information and data submitted to the FSMIB by the regular insurance businesses and captive insurance businesses for the period ending December 31, 2023 and December 31, 2022, respectively.

The insurance system is an important component of the overall financial sector in the FSM. Insurance supports a stable economy and society by providing:

1. Financial protection to insured individuals, businesses and other organizations from potential losses due to unforeseen or unexpected events;
2. Reliable employment opportunities to local professionals that are necessary to properly service and administer various insurance products, and
3. Direct and indirect local taxes and fees generated by insurance companies and their respective service providers.

## ESTABLISHMENT OF THE FSMIB

The FSMIB is a regulatory agency of the FSM National Government with three Board Members (“Board”). The office’s staff consist of an Insurance Commissioner (“Commissioner”) and five (5) public service positions as shown in *Exhibit 1*. The FSM Department of Justice and outside consultants also provide legal support and other technical and professional assistances. The FSMIB was established in 2006 per PL 14-66 which is also known as the FSM Insurance Act of 2006 or Title 37 of the FSM Code. In November 2006, the FSM Insurance Act of 2006 was amended per PL 14-88 to include legislation for captive insurance. Pursuant to Title 37 of the FSMC as amended, the FSMIB oversees and regulates two types of insurance - regular or conventional insurance and captive insurance. The FSMIB implements Title 37 of the FSMC, as indicated briefly in *Exhibit 2*.

## PRINCIPAL PURPOSES

The principal purposes of the FSMIB as specified under Section 204 of Title 37 of the FSMC shall be:

- ❖ To regulate insurance business;
- ❖ To undertake the licensing and supervision of insurers, insurance agents, insurance solicitors and insurance brokers;
- ❖ To protect the interests of policy owners; and

- ❖ To promote the soundness, stability and development of the insurance system in the FSM.

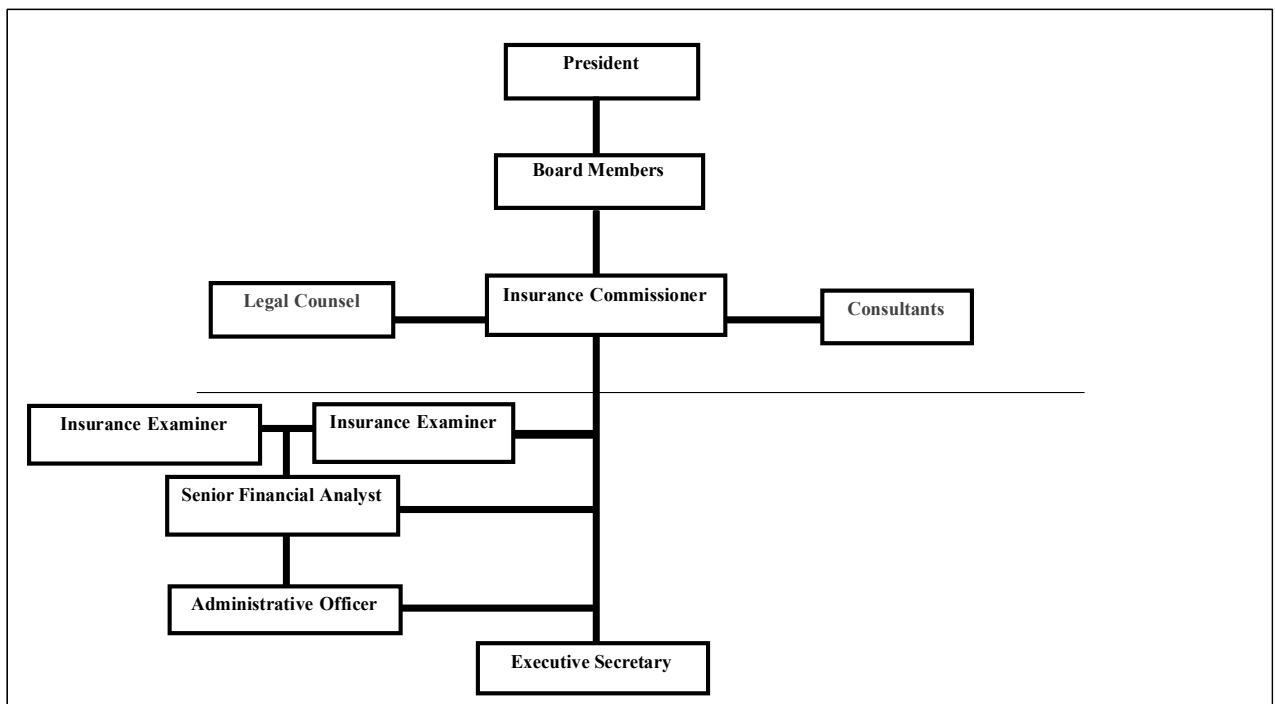
## VISION

To ensure a stable, sound and healthy FSM insurance market system that is consistent with acceptable and prudent principles for the insuring public, insurers and intermediaries.

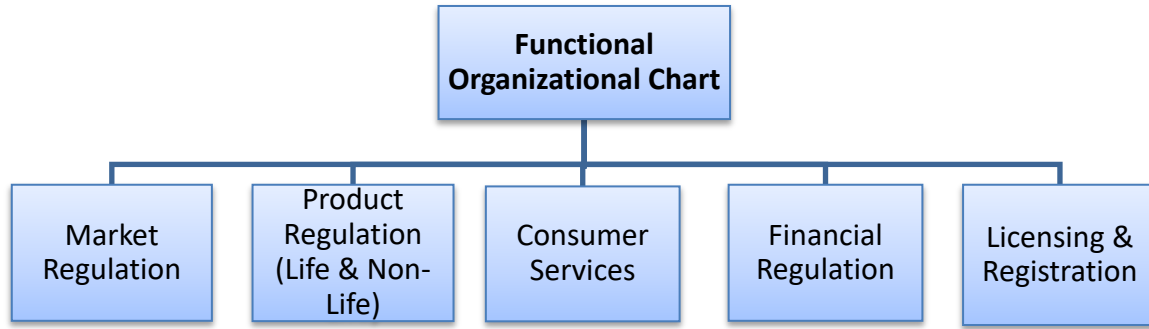
## MISSION

To equitably and efficiently administer and implement the FSM Insurance Act of 2006 or Title 37 of FSM Code and accompanying regulations keeping in mind the four principal purposes. In respect to our regulatory functions, we strive to develop and establish practical and acceptable key standards to ensure a stable, sound, and healthy insurance industry for the policyholders, intermediaries, and insurers. In respect to our licensing authority, we strive to provide transparent and quality service in helping local, regional and international businesses to understand and meet licensing and reporting requirements by applying the insurance laws and regulations with fairness and integrity to all.

### EXHIBIT 1: ORGANIZATIONAL CHART



**EXHIBIT 2: FUNCTIONAL CHARTS OF THE FSMIB**



1. To ensure fairness and reasonableness in products and trade practices, rates are not too excessive, processing complaints in respect to trade practices, verification of claim handling, and other market related issues;
2. To ensure insurance products are consistent with statutory, regulatory and prudent requirements in respect to contents, terms, standards, forms, and other specifications. Ensure and verify rates, forms and policy substance and conditions are fair, reasonable, and in compliance with legal/regulatory/prudent requirements;
3. To process complaints and undertake public education activities so policyholders, the general public, insurers, and intermediaries are well informed;
4. To compile financial and statistical data as an integral element in the monitoring process to ensure the reliability and financial soundness, safety and health of insurance companies and intermediaries, making sure annual and quarterly financial reports are filed and analyzed on a timely basis. To compile and analyze key data to determine conditions in respect to capital adequacy, risk-based profile, corporate and management quality, reinsurance, loss reserve adequacy, investment soundness, liquidity, solvency margin, risk-based capital, accounting methods and underwriting; and
5. To assist applicants to ensure applications are completed prior to filing and licensure. Ensure licensees comply with statutory, regulatory, and conditions of license. To monitor license conditions, assess and impose fines.

**THE FSM INSURANCE SYSTEM**

The FSM Insurance market is comprised of two distinct sectors: (1) regular or conventional insurance, and (2) captive insurance.

**CONVENTIONAL INSURANCE**

The regular or conventional insurance system in the FSM is made up of foreign and domestic insurers and insurance intermediaries. It is dominated by foreign insurers who work through or are represented by the local licensed insurance agents in the country. As of calendar year ended December 31, 2023, there were six (6) registered foreign insurers, one (1) licensed domestic insurer, five (5) licensed insurance agents, two (2) licensed insurance brokers and no licensed solicitors.

By law, MiCare, the FSM National Government owned and operated health insurance provider (carrier), is not under the regulatory and supervisory purview of the FSMIB.

**FOREIGN INSURER** Section 102[3] explains that a foreign insurer is an entity constituted and licensed to conduct insurance business by a jurisdiction other than the FSM and is registered under Section 307 of Title 37 of the FSMC to undertake insurance business in the FSM. Per Section 301 of Title 37 of the FSMC, a foreign insurer who receives two million dollars or more in income from premiums collected in the FSM in each fiscal year for three consecutive fiscal years shall be required to become licensed as an insurer. *Exhibit 3* below shows a listing of currently registered and licensed insurers and their respective appointed licensed insurance agents during this reporting period. The conventional insurance market offers both life and non-life insurance products and services. Examples of life insurance products are credit life, group life, and health insurance while non-life insurance products are automobile insurance, fire, general liability, marine cargo, workers’ compensation, surety bonds and other coverages.

**EXHIBIT 3: REGISTERED FOREIGN & DOMESTIC INSURERS**

INSURER	STATUS	A.M. BEST RATINGS	DOMICILE	LOCAL AGENT
DB Insurance Company, Ltd. (Guam)	Active	A+ (Superior)	South Korea/Guam	Moylan's Insurance Underwriters (FSM), Inc.
First Net Insurance Company	Active	B++ (Good)	Guam, USA	Moylan's Insurance Underwriters (FSM), Inc
Liberty Mutual Insurance Company	Active	A (Excellent)	Massachusetts, USA	Moylan's Insurance Underwriters (FSM), Inc
NetCare Life and Health Insurance Company	Active	Not Rated	Guam, USA	Moylan's Insurance Underwriters (FSM), Inc
Pacific Indemnity Insurance Company	Active	A-(Excellent)	Guam, USA	Actouka Executive Insurance Underwriters & Moses Insurance Executives
Plateau Insurance Company	Active	A-(Excellent)	Tennessee, USA	Bank of the FSM & Bank of Guam
Individual Assurance Company (FSM), Inc.	Active	B++(Good)	Pohnpei, FSM/Oklahoma	None

**AGENT** Section 102 [3] of Title 37 of FSMC refers to an agent as “a person with the authority of an insurer to solicit applications, receive proposals, receive premiums, deliver policies, and to make contracts of insurance.” Agents represent foreign insurers or carriers. The Insurance Act of 2006 further requires that only agents transacting insurance business on behalf of licensed or registered insurer shall be eligible for a license and may conduct business on behalf of more than one insurer. However, the agent must apply for a separate license as an insurance agent for each insurer or carrier. During year 2023, there were five (5) active licensed insurance agents as shown in the following page in *Exhibit 4*.

**EXHIBIT 4: INSURANCE AGENTS**

AGENT	LICENSE STATUS	INSURER	Location
Actouka Executive Insurance Underwriters	Active	Pacific Indemnity Insurance Company	Pohnpei
Bank of the Federated States of Micronesia	Active	Plateau Insurance Company	FSM States Branches
Bank of Guam	Active	Plateau Insurance Company	FSM States Branches
Moylan's Insurance Underwriters (FSM), Inc.	Active	First Net Insurance Co., NetCare Life & Health Insurance Co., Liberty Mutual Insurance Co., and DB Insurance Co., Ltd.	Pohnpei
Moses Insurance Executives	Active	Pacific Indemnity Insurance Company	Pohnpei

**BROKER** Section 102 [5] of Title 37 of FSMC defines a broker as “a person who acts on behalf of a prospective customer and with the prospective customer’s authority to arrange insurance business with insurers, including making proposals and paying premiums.” Brokers represent the insureds or customers. During year 2023, there were two (2) licensed brokers as shown in the *Exhibit 5* below.

**EXHIBIT 5: INSURANCE BROKERS**

BROKER	LICENSE STATUS	LOCATION
Oceania Insurance Company	Active	Chuuk
Micronesia Insurance Brokers Company, Ltd.	Active	Pohnpei

**SOLICITOR** Section 102 [24] refers to a solicitor as an individual who solicits insurance applications or negotiates insurance business on behalf of an insurer or an agent and earns commissions for each successful sale, but is neither an insurer, or insurance agent, nor an employee of an insurer or agent. During year 2023, there were no licensed solicitors in the FSM.

Based on available data, the conventional insurance companies, through their respective insurance agents and brokers, sold 2,329 policies and generated a total premium of \$5.9 million for life and non-life insurance businesses for 2023. *Exhibit 6, 7 and 8* below show the number of active policies, premium collected and other data for life and non-life insurance businesses.



**EXHIBIT 6: FINANCIAL PERFORMANCE OF THE REGULAR INSURANCE INDUSTRY**

	AGENT			BROKER			GRAND TOTAL
	LIFE	NON-LIFE	TOTAL	LIFE	NON-LIFE	TOTAL	
<b>POLICY</b>	1,266	972	<b>2,238</b>	40	51	<b>91</b>	<b>2,329</b>
<b>PREMIUM (\$)</b>	1,457,699	3,721,472	<b>5,179,171</b>	164,805	553,691	<b>718,496</b>	<b>5,897,667</b>
<b>CLAIMS INCURRED (\$)</b>	520,976	342,819	<b>863,795</b>	30,000	433,771	<b>463,771</b>	<b>1,327,566</b>
<b>CLAIMS PAID (\$)</b>	720,750	79,164	<b>799,914</b>	20,000	-	<b>20,000</b>	<b>819,914</b>
<b>O/C CLAIMS (\$)</b>	144,934	263,654	<b>408,588</b>	10,000	432,759	<b>442,759</b>	<b>851,347</b>

**EXHIBIT 7: ACTIVE POLICY FOR LIFE INSURANCE BUSINESS**

COVERAGE	AGENT	BROKER	TOTAL
Credit Life	1,265	-	<b>1,265</b>
Group Life	1	4	<b>5</b>
Individual life (UL & Term)	-	36	<b>36</b>
<b>Total</b>	<b>1,266</b>	<b>40</b>	<b>1,306</b>

**EXHIBIT 8: ACTIVE POLICIES FOR NON-LIFE BUSINESS**

COVERAGE	AGENT	BROKER	TOTAL
Accident & Health	116	-	<b>116</b>
Automobile	356	9	<b>365</b>
Aviation	1	-	<b>1</b>
Burglary	4		<b>4</b>
Compensation Business Package	29		<b>29</b>
Crime	1	1	<b>2</b>
Fire	127	12	<b>139</b>
General Liability	53	6	<b>59</b>
Homeowners	7		<b>7</b>
Marine Cargo	6		<b>6</b>
Marine Hull	10	3	<b>13</b>
Special Risk	4		<b>4</b>
Surety	10	-	<b>10</b>
Travel	177	-	<b>177</b>
Worker's Compensation	61	9	<b>70</b>
Typhoon (Allied)	7	-	<b>7</b>
Marine Protection	3	-	<b>3</b>
Protection & Indemnity		2	<b>2</b>
Personal Accident		3	<b>3</b>
Bonding		6	<b>6</b>
<b>Total</b>	<b>972</b>	<b>51</b>	<b>1,023</b>

Agents and brokers received a total of \$1,005,276 in commission, of which \$805,320 was received by the agents and \$199,956 by the brokers in 2023. One of the registered insurers did

not submit their 2023 data and therefore were not included in this Report. *Exhibit 9* below shows the commissions received by the agents and brokers for 2023.

**EXHIBIT 9: AGGREGATED EARNED COMMISSIONS**

INTERMEDIARIES	COMMISSIONS LIFE POLICIES	COMMISSIONS NON-LIFE POLICIES	TOTAL
Agent	126,321	678,999	805,320
Broker	15,217	184,739	199,956
<b>Total</b>	<b>141,538</b>	<b>863,738</b>	<b>1,005,276</b>

**CAPTIVE INSURANCE**

Captive insurance companies are a specialized type of insurance company. A captive insurance company can only issue an insurance policy to its owner or another affiliated company. This type of arrangement, a form of self-insurance, is used by large corporations to better manage their risks and set aside funds to pay for future losses. Since each captive insurance structure is unique, and the general public or other unrelated businesses are not able to buy an insurance policy from a captive insurance company, the details and activity of each captive insurance company are treated as confidential pursuant to Section 1004 of Title 37 FSMC.

The FSM has made a strategic decision to focus its captive insurance outreach efforts on Japan-based businesses. Businesses headquartered in Japan have unique insurance compliance requirements that place most other international captive insurance domiciles impractical. By focusing exclusively on Japan, the FSM can build strong and lasting ties with key insurance professionals and maximize the benefits returning to the FSM for a minimum cost.

Based on available and reported data, in 2022, the captive insurance sector earned more than \$530 million in total premium. During year 2023, there were twenty-five (25) licensed companies, as shown in *Exhibit 10*. It is not uncommon for captive insurance companies to elect to close down as their parent company reorganizes or changes their risk management strategies. In 2022, FSM captive insurance companies continued to write less premium than in the year prior but continued to increase in aggregate net worth. FSM domiciled captives crossed over the threshold of having more than \$1.5 billion in assets under their control in 2022. In spite of the small decrease in annual premium, FSM captive insurance companies continue to pay a consistent amount of income tax to the National Government in excess of \$15 million.

The FSMIB cooperates with the FSM Captive Insurance Council, a trade association made up of captive insurance owners and service providers who work with FSM-based captive insurance companies. The Captive Insurance Council sponsors an annual seminar in Japan where current and prospective captive insurance owners and service providers can learn about captive insurance in the FSM. The 2023 seminar was held in Tokyo with more than 150 participants from across Japan.



2023 FSM Captive Insurance Seminar in Tokyo, Japan

The FSMIB is committed to building the FSM’s reputation as a reliable and stable captive insurance partner for Japanese-owned captives. Other captive domiciles continue to make significant investments of time and resources in Japan. Nevertheless, the FSM remains a premier domicile of choice for Japan businesses. As the alternative risk management and captive insurance market in Japan matures and grow, the FSM remains well positioned to capture much of this growth.

**EXHIBIT 10: LICENSED CAPTIVE INSURANCE COMPANIES (in alphabetical order)**

NO.	CAPTIVE INSURANCE COMPANIES	LICENSE DATE
1	ABLE Overseas Reinsurance Company, Ltd.	March 13, 2018
2	au Reinsurance Corporation	December 23, 2016
3	Eastern Pacific Insurance, Ltd.	October 29, 2013
4	Global Micronesia Insurance Corporation	May 29, 2015
5	Grand Cru Insurance Company Limited	February 20, 2018
6	Green Sun Insurance, Inc.	March 16, 2015
7	Hanwa Reinsurance Corporation	December 15, 2017
8	HS Insurance Co., Ltd.	February 16, 2017
9	Island Reinsurance Corporation	June 23, 2011

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10	IX Micronesia Reinsurance Corporation	February 1, 2018
11	Ks Insurance Inc.	September 17, 2021
12	Marble Reinsurance Corporation	September 23, 2009
13	MIMOSA Insurance Company Limited	August 08, 2022
14	MP Insurance Corporation	June 28, 2013
15	Nitto Reinsurance Micronesia Co., Ltd.	July 18, 2017
16	NRI Reinsurance Micronesia Ltd.	July 27, 2017
17	Permcure Insurance Co., Ltd.	March 1, 2010
18	Rainbowseeker Insurance, Inc.	March 29, 2011
19	SKK Insurance Company Limited	March 13, 2018
20	Sojitz Reinsurance Company Limited	September 16, 2015
21	Sumida Insurance Company	December 23, 2015
22	Thanks Insurance Corporation	April 24, 2012
23	Toyota Tsusho Reinsurance Micronesia Corporation	September 28, 2010
24	TriFork Reinsurance Corporation	June 25, 2013
25	Three Point Five Reinsurance Co., Ltd.	January 17, 2022

Owners of FSM licensed captive insurance companies operate in a diverse range of domestic and international markets and industries including but not limited to the following categories:

<b>Trade and Commerce</b>	<b>Manufacturing</b>
<b>Financial Services</b>	<b>Transportation</b>
<b>Real Estate and Construction</b>	<b>Information Technology and Communications</b>

The strong financial condition and stable performance of captives continue to dominate the FSM insurance sector. The aggregated summary of the financial highlights of the FSM captive insurance industry as reported by licensees for their respective fiscal and calendar years ending in 2018 to 2022 as shown in *Exhibit 11 and 12 below*. The aggregated 2023 results are not available at this time because some of the captives with a calendar year-end are not required to file their audited financial information until June 2024, at which time is after the due date of this Report.

### EXHIBIT 11: AGGREGATE FINANCIAL HIGHLIGHTS OF CAPTIVE INSURANCE MARKET

CAPTIVE AGGREGATE	2022	2021	2020	2019	2018
<b>Cash &amp; Investments</b>	334,707,469	251,378,474	359,255,357	402,712,322	441,865,005
<b>Total Assets</b>	1,507,009,190	1,444,788,160	1,271,198,283	1,031,586,910	665,626,050
<b>Total Capital &amp; Surplus</b>	460,282,756	460,756,154	457,359,289	439,185,984	402,663,435
<b>Earned Premiums</b>	530,118,376	586,458,032	642,431,983	740,147,073	476,285,302
<b>Total Taxes</b>	15,652,521	15,305,674	16,465,277	15,847,168	13,801,411
<b>Net Income</b>	62,884,445	55,201,262	62,010,632	58,608,146	51,942,595

**EXHIBIT 12: TOTAL ASSETS OF FSM CAPTIVE INSURANCE COMPANIES**



Since 2019, FSM domiciled captives have, each year paid over \$15 million in direct taxes to the FSM National Government. Additionally captive insurance companies support regular direct economic activity in the FSM, including the employment of FSM based accountants, attorneys, captive managers, and their support staff. FSM captive owners and captive insurance company board members regularly make visits to the FSM to meet with regulators and local service providers and to conduct board meetings and other business activity here. All captives are required by Section 1003 of Title 37 FSMC to maintain a principal local office, designate a local principal representative and physically hold its annual board of directors meeting in the FSM. The local expenditures incurred for these requirements include payments directly made to professional service providers like attorneys, captive managers, as well as, FSM’s hospitality industry that include hotels, rental car companies, restaurants, and other related services. These direct expenditures in turn flow into other sectors of the local economy through wages, rents, taxes and other expenses.

Prudent regulatory oversight of the captive insurance industry and administration of applicable laws require consistent and timely actions by the Commissioner and his staff. Based on available information, the office expects to receive approximately 3-5 new requests each month, as well as mandated annual financial filings and reports made by each licensed captive. Depending on the nature of the request or filing, the Commissioner and his staff undertake different types of quantitative and qualitative evaluations and activities which include, but are not limited to the following:

- ❖ Review and analysis of mandated annual filings made by each captive licensee;
- ❖ Evaluation of new captive insurance company applications and voluntary terminations;
- ❖ Evaluation and approval or disapproval of business plan changes to operations, funding, governance, underwriting criteria, service providers, and any other material changes to

the application and business plan that was initially approved by the Board and Commissioner; and

- ❖ Coordination and/or administration of regulatory examinations

## ACTIVITIES OF THE INSURANCE BOARD

During the year ended December 31, 2023, the FSMIB performed and accomplished the following tasks and activities:

- ❖ Held 3 regular quarterly board meetings;
- ❖ Reviewed and approved 25 business plan changes, 1 Change Notification and 1 agent license;
- ❖ Renewed contract for Captive Insurance Consultant (“CIC”) whose main duties were to assist the staff in reviewing technical requests and proposals from licensed captive insurers, review captive insurance licensing applications, provide training sessions and capacity building for staff, and other technical supports;
- ❖ Renewed contract for regular insurance consultant whose main responsibilities include reviewing new filed applications from agents, brokers or foreign insurers; provide trainings for the staff, and other supports;
- ❖ Completed joint visit and briefing with all states on banking and insurance issues and matters;
- ❖ Captive Insurance Consultant attended Hawaii 2023 Annual Captive Insurance Conference, Grand Opening of the FSM Embassy in Tokyo, Japan and FSM Captive Insurance Seminar in Tokyo, Japan on behalf of FSM Insurance Board;
- ❖ Examiners attended the Captive Insurance Companies Associations (CICA) 2023 International Conference in Palm Springs, California;
- ❖ Commissioner attended NAIC 2023 Summer Meeting in Seattle, Washington;
- ❖ Staff attended APIPA 2023 Annual Conference in Majuro, Marshall Island as part of their training and capacity building; and
- ❖ Submitted 2022 Annual Report to President and Speaker as specified by law.

## OVERVIEW OF THE FY 2023 & 2022 OPERATIONAL BUDGET AND REVOLVING FUND

### GENERAL FUNDS (OPERATIONAL BUDGET)

Every fiscal year, each national government agency, office, department, or component unit responds to the presidential budget call and submits a proposed budget that best reflect its priorities and relevant operational activities for each fiscal year. For FSMIB, the FY2023 approved budget was \$632,831 compared to \$550,842 in FY2022. The overall jump was due to the salary increase for public service employees and travel supplemental budget necessary for the biennial joint-state visits to the four FSM States to meet with state leadership and relevant stakeholders. During the fiscal years ending 2023 and 2022, the expenditures were \$519,846 and \$468,468, respectively. *Exhibit 13* shows the budget and expenditures for the 2-year period.

**EXHIBIT 13: GENERAL FUNDS APPROVED BUDGET VS. ACTUAL EXPENSES**

ACCOUNT DESCRIPTION	FY2023		FY2022	
	APPROVED BUDGET	ACTUAL EXPENSES	APPROVED BUDGET	ACTUAL EXPENSES
Personnel	200,232	143,306	151,355	131,322
Travel	63,620	53,747	9,308	8,496
Other Current Expenses (OCE)	33,804	29,674	43,504	37,449
Contractual Services	335,175	293,119	346,675	291,191
Fixed Assets	-	-	-	-
<b>Total</b>	<b>632,831</b>	<b>519,846</b>	<b>550,842</b>	<b>468,468</b>

**REVOLVING FUNDS**

The FSMIB Revolving Fund (“Revolving Fund”) was created in 2014 and became effective on June 25, 2014 per PL 18-71. The Revolving Fund’s mandated purpose is to support expenses relating to the regulation and supervisory oversight of FSM captive insurance companies. A complete and comprehensive report on the Revolving Fund is also required to be included into the annual report to the President and Speaker.

Annual *deposits* into the Revolving Fund are comprised of: (1) application fees, license fees, annual fees, and premium tax fees collected from captive insurance companies; (2) charges collected from captive insurance companies for costs incurred by the FSMIB for engaging the professional services of consultants and experts to assist in the examination of captive insurance companies. At the end of each fiscal year, the threshold of the Revolving Fund is capped at \$50,000, and funds in excess of the threshold amount shall be transferred to the General Fund.

Since the establishment of the Revolving Fund account, FSMIB has maintained the minimum threshold amount of \$50,000 and ensured that funds were strictly used for captive insurance activities and purposes. Hence, over the years, the Board has procured services of various experts for technical assistance in areas of captive insurance and information technology to assist with the growing captive portfolio. During fiscal year ending 2023, FSMIB contracted the services of the Captive Insurance Consultant for examinations to assist and conduct examinations on three captive companies. All three examinations were completed prior to September 30, 2023. During the fiscal year ending 2023, the total amount of fees collected and deposited into the Revolving Fund was about \$44,040 and total expenses incurred amounted to \$2,418. *Exhibit 14* summarizes the activities that happened during the fiscal years ending 2023 and 2022.

**EXHIBIT 14: REVOLVING FUNDS REVENUE COLLECTIONS AND CASH TRANSFERS**

ACCOUNT DESCRIPTION	FY2023	FY2022
Revenues	44,040	17,399
Expenditures	2,418	-
Transfer Out	-	17,399

## CONCLUSION

The insurance industry in the FSM continues to play a significant role in the financial sector. The benefits being derived from the insurance activities from both regular and captive insurance businesses are substantial and contributed to the growth of the economy for the year ended 2023. It is the ultimate goal of the FSMIB to collaborate with the insurance partners and stakeholders for the development of the FSM insurance industry and to ensure that the system is sustainable for the benefits of the policyholders and citizens of the FSM.