**Section 903.220 General Instructions in Connection with Operating Expense Classifications**

a) Joint Expenses

1) Whenever personnel or facilities are used in common by two or more companies, or whenever the personnel or facilities of one company are used in the activities of two or more companies, the expenses involved shall be apportioned in accordance with the regulations relating to Joint Expenses, (Section 903.310) and such apportioned expenses shall be allocated by each company to the same operating expense classifications as if the expenses had been borne wholly. Any difference between the actual amount paid, and the amount of such apportioned expenses shall be included in the operating expense classification "Miscellaneous".

2) This instruction does not apply to the allocation of the following, which are covered by separate instructions herein:

A) Reinsurance commission and allowances (see Commission and Brokerage-Reinsurance Assumed and Ceded).

B) Commission and brokerage paid to managers and agents (see Commission and Brokerage-Direct).

C) Allowances to managers and agents (see Allowances to Managers and Agents).

D) Expenses allocable in accordance with the instruction "Income from Special Services".

b) Expenses for Account of Another

Whenever expenses are paid by one company for account of another, the payments shall not appear among the expenses reported by the former, and shall be included by the latter in the same expense classifications as if originally paid by it.

c) Income from Special Services

1) Whenever an insurance company receives compensation for sales or services, such as loss adjustment or inspection not related to policies written by the company, and such compensation is not calculated as a joint expense reimbursement, the amount thereof shall be included in the operating expense classification "Miscellaneous". Where an insurance company pays the compensation, allocation shall be made to the expense classification dictated by the nature of the expense.

2) This instruction is of limited applicability and does not apply to the allocation of the following, which are covered by separate instructions herein:

A) Reinsurance commission and allowances (see Commission and Brokerage-Reinsurance Assumed and Ceded).

B) Expenses incurred for the benefit of companies in the same group or fleet. Such expenses are covered by the Instruction "Joint Expenses" (Section 903.310).

d) Analogous Items

The lists of expenses includible in the operating expense classifications are representative and do not exclude analogous items which are omitted from the lists.