

Connecticut Insurance and Financial Services Cluster

Aetna
Bank of America
ConnectiCare
The Hartford Financial Services Group
Hartford Steam Boiler Inspection & Insurance Company/MunichRE
ING Group
InSource/Virtusa
Insurity/LexisNexis
KPMG
MassMutual Financial
MetroHartford Alliance
NewAlliance Bank
Northeast Utilities
People's United Bank
The Phoenix Companies
PricewaterhouseCoopers
Prudential Retirement
Robinson & Cole, LLP
Savings Bank Life Insurance/VantisLife
TD Bank
Travelers Companies
UnitedHealthcare
United Illuminating
Webster Bank
XL Group plc

Statement on Behalf of

Connecticut's Insurance and Financial Services Cluster

in support of

House Bill 6470: An Act Adopting the National Association of Insurance Commissioners' Interstate Product Regulation Compact

Insurance and Real Estate Committee

March 1, 2011

In support of maintaining Connecticut's competitive position in the global economy, I write on behalf of the Connecticut Insurance & Financial Services Cluster, to urge passage of the Insurance Commissioners' Interstate Insurance Product Regulation Compact.

As you know, the Interstate Compact would allow our resident insurers to file their products within a streamlined, centralized system. This speed-to-market approach reduces the administrative burden and cost of marketing and production allowing consumers to get more choices of competitive products sooner and less expensively. With the enhanced efficiency, insurers can increase their ability to introduce products nationally and to compete globally.

Facts on the Compact itself:

- Thirty-eight states have already adopted the Compact, including every state in New England but Connecticut. Three states have current legislation pending.
- Compact represents 2/3 of all written premium in U.S.
- Since its commencement, not one state has divested itself from the Compact.
- 70 uniform standards have been created since 2007, *not one state* has opted out of the individual life or annuity standards and only 3 states exercised an 'opt-out' status on long term care.
- Endorsed by the National Conference of State legislators (NCSL) and National Conference of Insurance Legislators (NCOIL)

Facts on state sovereignty and regulation:

- It maintains state regulatory controls within the Dept of Insurance
- A state can opt-out of the Compact entirely or to opt-out of a uniform product standard that doesn't meet its state's requirements

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Facts on Governance:

- Each member state is represented on the Commission, has decision-making authority and a vote
- Internal controls consist of 2/3 majority approval; open meetings; published bylaws; and an established advisory committee for consumers and insurance industry reps

A case for economic development:

The States that have approved the Compact have sent a *clear message to their resident insurers* that they understand the competitiveness of their business and want to preserve their economic contribution to their states. With one of the largest concentrations of insurance and financial services companies in the United States, it's interesting that the 'Insurance Capital' is not sending that same message.

I urge you to send the message to Connecticut's sixth largest industry sector, its global companies and 70,000 employees that Connecticut is ready to compete for business by virtue of our alliance with the Compact.

Let's move Connecticut's insurance industry into the 21st century. I urge your support for the proposed Interstate Compact legislation.

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