

Connecticut Insurance and Financial Services Cluster

Aetna
ConnectiCare
Department of Economic & Community Development
GlobeOp Financial
The Hartford Financial Services Group
Hartford Steam Boiler Inspection & Insurance Company/AIG
ING Group
InSource, LLC
Insurity
KPMG
MassMutual
MetLife
MetroHartford Alliance
NewAlliance Bank
Northeast Utilities
People's United Bank
The Phoenix Companies
PricewaterhouseCoopers
Prudential
Savings Bank Life Insurance
Sovereign Bank
Sun Life Financial
TD Banknorth
Travelers Companies
UBS Wealth Management
UnitedHealth Group/Uniprise
United Illuminating
Webster Bank
XL Insurance

Statement on Behalf of

Connecticut's Insurance and Financial Services Cluster

in support of

Senate Bill 456: An Act Adopting the National Association of Insurance Commissioners' Interstate Product Regulation Compact

Insurance and Real Estate Committee

January 27, 2009

In support of maintaining Connecticut's competitive position in the global economy, I write on behalf of the Connecticut Insurance & Financial Services Cluster, to ask your support 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 in 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.

Thirty states have already adopted the Interstate Compact, including every state in New England but Connecticut. The Compact proposal is a simple one:

- *It allows for systematic and controlled product regulation from a national commission in which each member state has decision-making authority
 - *It maintains state regulatory controls
 - *It is governed by a number of internal controls: from a 2/3 majority approval; to open meetings; to published bylaws; and to an established advisory committee for consumers and insurance industry reps
 - *It allows for a state to opt-out at anytime of the Compact or to opt-out of a uniform product standard that doesn't meet its state's requirements
- And most importantly,
- *It allows for our resident insurers to do business more efficiently and effectively

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What a strong message to send to Connecticut insurers who contribute over \$8 billion in payroll annually, employ over 70,000 employees and contribute over \$230m in corporate premium taxes annually. Factor in the personal and corporate property taxes that contribute to the State's economy, and you have an even stronger argument for approving the Compact.

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 of the World' is not sending that same message.

Let's not allow the opportunity for Connecticut's 'title' to be usurped in the global marketplace by not allowing our insurance companies to take advantage of the way to do business in the 21st century. I urge your support for the proposed Interstate Compact legislation.

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