



National Association of Insurance and Financial Advisors
Connecticut

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Members of the National Association of Insurance and Financial Advisors (NAIFA) here in Connecticut and the Connecticut Chapter of the National Association of Health Underwriters (NAHU) **highly recommend** the Insurance and Real Estate Committee pass Raised House Bill 6470, An Act Adopting The National Association of Insurance Commissioners (NAIC) Interstate Insurance Product Regulatory Compact.

The process the NAIC used a few years ago, when the Interstate Insurance Product Compact was developed included nationwide input from insurance regulators, state legislators; state attorneys general; consumers, and industry groups such as NAIFA's national organization. The Compact became operational in June 2006, after 26 states joined. Its purpose is to be "an important modernization initiative that benefits state insurance regulators, consumers and the insurance industry."

The Compact functions as a single clearinghouse where insurance companies file new life insurance, annuity, disability income and long-term care products to be reviewed and approved. Thus, Connecticut's sovereign authority to regulate all other aspects of the insurance market is preserved. This process will be good for:

- Connecticut residents who will **gain much faster access** to products. They will also benefit from the strong consumer protections, reflecting the best national practices built into the Compact process.
- Insurance industry companies, doing business in multiple states, since products can be brought to market quicker and more efficiently. This means they can compete more effectively in today's rapidly changing financial marketplace. This process results in savings, which means more economical products.

By participating in the Product Regulatory Compact:

- New asset-based insurance products, in these four areas, will have met **high and uniform national product standards**, developed by bringing together the expertise of many state insurance departments, before they become available.
- Connecticut residents will continue to benefit from the excellent work our Insurance Department does **overseeing the marketplace**.
- Connecticut's regulators will benefit from the collaboration and uniformity between participating states, which means efficiencies.
- The Insurance Department will **free up precious resources** that can be spent responding to other pressing issues affecting consumers, policyholders, and the industry.

Bottom line - becoming perhaps the 39th state, and last in New England, to join the Product Regulatory Compact will be **good for the state of Connecticut and for residents** who tell our members they want faster access to the newest products, which can protect their financial security.

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A handwritten signature in cursive script, appearing to read 'John C. Parker'.