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STATEMENT IN SUPPORT OF
House Bill 6470: AAA the National Association of Insurance Commissioners'
Interstate Insurance Product Regulation Compact
Insurance & Real Estate Committee
March 1st, 2011

The MetroHartford Alliance is the region's economic development leader and Hartford's Chamber of Commerce. Our investors include businesses of all sizes, health care providers, institutions of higher education, and regional municipalities. Although diverse, all of these investors share a common interest in the full economic recovery of our state supported by the attraction and retention of jobs, capital and talent.

While we continue to face extreme fiscal challenges, we urge the legislature to make Connecticut's economic recovery its top and only priority. Consider the challenges we face in an international marketplace:

- Currently, Connecticut has the highest deficit per capita in the entire nation compounded by the highest bonded indebtedness.
- We are facing deficits in the next biennium that exceed \$7B, while unfunded public retiree pensions and healthcare hover around \$40B.

Given these enormous obstacles to growth, it is imperative that we strongly consider low or no cost options to both develop a better business climate and specifically reduce the cost of doing business, thereby retaining the jobs we have and incentivizing the creation of new jobs to reverse the unemployment rate. By enhancing speed to market for consumer choice of new insurance products, House Bill 6470 accomplishes these criteria.

As you know, the insurance industry provides high-skilled jobs to Connecticut residents living in nearly every town across the state. In fact:

- Connecticut ranks #1 in insurance jobs per capita in the entire nation, a ranking that we must not take for granted given the number of states currently vying for this title.
- The insurance and financial services industry is also known for productivity, generating 18% of the state's Gross State Product, with employment exceeding 193,500 in 2009.

The proposed compact legislation is not a novel idea and has been adopted already by 38 other states, representing over two-thirds of the nationwide premium volume. While we continue to claim the title "Insurance Capital of the World," we are now the only state in New England that has not signed on to the compact. Essentially, it modernizes state insurance regulation by creating a single point of filing for new insurance products that is protected by national standards and overseen by a Management Committee comprised of the seven largest compacting states. For insurers doing business in multiple states, this enables them the flexibility to have products approved quickly so they can compete more effectively in a rapidly evolving global marketplace.

This legislation does not infringe on state sovereignty, as states still have the ability to opt-out of any standards and can also choose to leave the compact entirely. Article 14 specifically protects the state's abilities for enforcement. Further, the state commissioner continues to oversee market regulation activities. It is important to note that none of the compacting states have ever chosen to divorce from the compact, and three states currently have legislation pending to join the compact this year.

As an economic development organization and the capital city's chamber of commerce, we ask you to work with us to help Connecticut stand out as a *premier* place to do business, retain and create jobs. Therefore, we urge your support of House Bill 6470.