



CONNECTICUT BANKERS ASSOCIATION

February 28, 2011

To: Members of the Judiciary Committee

Fr: Connecticut Bankers Association
Contacts: Tom Mongellow and Fritz Conway

Re: House Bill 6441, An Act Adopting the Connecticut Uniform Trust Code

Position: Support with Changes

The Connecticut Bankers Association represents all banks doing business throughout the State and is the collective voice of the industry. Banks in this State manage billions of dollars in investments, much of those in trusts, which name banks as the corporate trustee.

The CBA supports the adoption of a modified version of the Uniform Trust Code (UTC), the majority of which is contained in House Bill 6441 before the Committee today. The CBA has worked and will continue to work with all interested parties and the Committee, in an attempt to craft a mutually acceptable version of the UTC. The original version of the bill was a product of the National Conference of Commissioners on Uniform State Laws and was geared towards states that, unlike Connecticut, had a limited statutory framework of trust and estates law. We hope that the final UTC version will respect the 200 years of common law governing trusts in Connecticut, while thoughtfully undertaking a modernization of the State's trust statutes.

One goal that continues to be paramount to the CBA is to ensure that the path to creating a trust or moving a trust to Connecticut would be clear and desirable for settlors (those who have the money and wish to create a trust). Also, it is important that the settlors' expectations of privacy would continue to be respected. Other goals are to ensure that a trustee's duties in administering a trust are unambiguous, and that any additional beneficiary protections or trust flexibility would not interfere with the settlor's expectations of the permanency of the trust.

The trust market is extremely competitive, and settlors can and will easily set up or move their trusts to another state if it's perceived that Connecticut does not have a favorable set of trust laws. The strength of a state's trust laws to enforce a settlor's intent is a key factor in that location decision, as are the limits that a state sets on the duration of a trust.

With these considerations in mind, the CBA looks forward to working with the Committee and those parties interested in the bill to come up with a mutually acceptable version of the UTC that respects settlors' privacy and permanency and provides safeguards for trustees and beneficiaries.