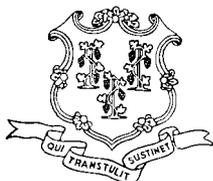


SECTION 1. INSURANCE DEPARTMENT SUBMITTAL LETTER



STATE OF CONNECTICUT
INSURANCE DEPARTMENT

Via Hand Delivery and Email (RRAgencySubmittal@cga.ct.gov)

March 1, 2013

Legislative Regulation Review Committee
Room 011
State Capitol Building
Hartford, Connecticut
Attn.: Pamela Booth, Administrator

Re: Proposed Regulation Concerning Credit for Reinsurance

Dear Senator Ayala, Representative Noujaim, and Committee Members:

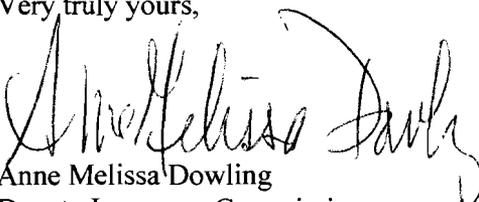
In accordance with Conn. Gen. Stat. § 4-170, I hereby submit the original of the above-referenced proposed regulation bearing the approval of the Attorney General as to legal sufficiency, together with an electronic copy thereof in the format designated by your Committee and final fiscal note prepared pursuant to Conn. Gen. Stat. § 4-168(a).

The Insurance Department is promulgating the proposed regulation concerning credit for reinsurance to implement the provisions of Public Act No. 12-139. Both the recent legislation and the proposed regulation are based on the provisions of the National Association of Insurance Commissioners' *Credit for Reinsurance Model Law and Credit for Reinsurance Model Regulation*. As more fully explained in the detailed narrative contained in the statement of purpose to the regulation, the proposed amendments will expand the options under which a U.S. insurer is allowed to take credit for reinsurance in its financial statements when risk is ceded to a "certified reinsurer".

Please note: (1) as required by Conn. Gen. Stat. § 4-168a, the Insurance Department considered the impact of the proposed regulation on small businesses and, in doing so, determined that the preparation of a regulatory flexibility analysis, as contemplated by this statute, was not needed; (2) no public hearing was requested nor was held by the Department on this regulation; (3) the Department received three written comments reflecting support for the proposed regulation in general but with certain suggested changes, as summarized in Section 7 of this submission.

Your review and approval of this regulation is respectfully requested. As always, if you have any questions concerning this proposed regulation, please do not hesitate to call me or Jim Perras, at 860-297-3864.

Very truly yours,



Anne Melissa Dowling
Deputy Insurance Commissioner

Enclosures

cc: Jon Arsenault, General Counsel
Jim Perras, Government Relations Liaison
www.ct.gov/cid

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