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AIX Group, a member of
Hanover Insurance Group

Anthem Blue Cross/Blue
Shield of CT

Bank of America
Catlin, Inc.

ConnectiCare

Conning

First Niagara Financial
Group

The Hartford Financial
Services Group

Hartford Steam Boiler
Inspection & Insurance
Company/Munich RE

ING U.S.

Insurity

KPMG

Lincoln Financial Group

Massachusetts Mutual Life
Insurance Company

Northwestern Mutual

Nutmeg State Federal
Credit Union

People's United Bank

The Phoenix Companies

PwC

Prudential Retirement

Robinson & Cole, LLP

Travelers Companies

UnitedHealthcare

United Illuminating

Vantiv Life Insurance
Company

Webster Bank

XL Group plc

Statement in Opposition on Behalf of

Connecticut Insurance and Financial Services Cluster

Regarding

SB 249: An Act Promoting Retirement Savings

Labor & Public Employees Committee
March 11, 2014

The Connecticut Insurance and Financial Services Cluster [CT IFS], as part of the MetroHartford Alliance, supports a strong and vibrant insurance and financial services industry. We seek to protect the jobs that contribute 9% of the state's gross state product and to grow employment by creating an economic environment that is predictable and strong.

SB 249, An Act Promoting Retirement Savings, while laudable in its goals to increase retirement access and savings, raises numerous questions and areas of concern of the overall impact of the bill on the state's economy and the sustainable employment of IFS jobs, mainly:

- The state would be in direct competition with the private sector and place in jeopardy the livelihood of over 100,000 residents that are employed by the state's IFS industry today.
- The proposal creates a burden on small businesses and creates unrealistic expectations that the plan comes with no administrative requirements or costs. The plan will further subject small businesses to potential liability as plan fiduciaries.
- The plan puts the state at risk with undetermined liabilities as the plan administrator, with compliance provisions with ERISA and substantial start-up costs. This raises significant concern given that the existing state-employee pension plan is severely underfunded.
- Without a 'wait and see' approach, the State has decided that the myRA (My Retirement Account) created by President Obama's executive order is not good enough for our state residents. This plan is designed specifically for private sector workers and will offer a simple, safe and affordable way to start saving for retirement. The Treasury expects to roll out the myRA's in late 2014.

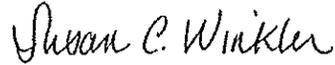
Connecticut's employers and employees already benefit from a highly competitive marketplace with a variety of plans, products and services – many providing lower costs and simplified administration. On March 4, 2014, Connecticut received a high ranking when compared to other U.S. states in comparing plans that have "superior design, management and performance" according to Judy Diamond Associates – a data intelligence provider serving the U.S. employee benefits and retirement market.

SB 249 does not fully address the real barrier to retirement planning, mainly education. Instead, Connecticut could play a viable role by encouraging private-sector plan

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coverage and employer awareness. We should continue to endorse financial literacy at all ages so that each resident understands the importance of planning for a financially sound retirement.

For all of these reasons, we urge the Committee to unanimously reject SB 249. Thank you for the consideration.



Susan Winkler
Executive Director
Connecticut Insurance & Financial Services Cluster

The Connecticut Insurance and Financial Services [IFS] Cluster, formed in 2003, is a strategic initiative of the MetroHartford Alliance that is designed to create a stronger IFS industry that is critical to sustain economic and employment growth in Connecticut. Leaders from business, state government and academia collaborate to foster growth among all of the industry's segments. The Connecticut IFS Cluster is comprised of 28 corporate sponsors whose shared vision is to create competitive advantages in business attraction and retention, to assist with recruitment and education of a trained workforce, and to increase public awareness through advocacy.