

SECTION 7: SUMMARY OF ALL PUBLIC COMMENTS



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

SUMMARY OF ALL PUBLIC COMMENT

The Insurance Department sought comment through publication of Notice of Intent to amend the regulations and held a hearing on November 17, 2014 to solicit any additional comment. The Insurance Department received one comment from the Insurance Association of Connecticut (“IAC”) by letter dated September 27, 2014. A copy of the comment letter is attached hereto. No parties attended the public hearing and no additional comment was received through the hearing.

The IAC comment was in opposition to the proposed amendment of section 38a-138-1 to require prior consent by the Commissioner before a regulated entity could submit Holding Company filings electronically and the date received being determined by the date paper copies of filings are received rather than electronic copies. The IAC argues this requirement is not in the statute or the NAIC Model upon which the regulation is based and claims the consent ignores current practices and may result in unnecessary delay. The IAC requests that electronic submission be permitted without prior consent and that the electronic submission date be used as the date received.

The Department does not support this recommendation. While the Department is supportive of electronic submission and hopes to at some point in the future be able to adopt full electronic submission as the norm, the Department currently does not have the technical foundation to support that approach. That is one of the reasons why the Department believes it would be prudent to know the nature of the filing before it is submitted to determine if an electronic submission, which simply means attaching it to email, can be used. Many of these filings are in excess of 100 pages and filings such as a Form A dealing with changes of control can undergo multiple revisions and amendments along with many pages of attachments/exhibits. Managing these as separate email submissions could create confusion and difficulties in managing the filings. Since these filings are already being made by paper and the date received is already being determined by the date the paper copy is received, there is no change to current process and therefore, there is no additional burden on the regulated entities. When electronic filing can be used without adding an additional burden on the Department, the Department is looking forward to use that method.

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STATE OF CONNECTICUT

INSURANCE DEPARTMENT

(via email -SusanGiacalone@aol.com)

November 19, 2014

Susan D. Giacalone, Esq.
Counsel
Insurance Association of Connecticut
21 Oak Street, Suite 607
Hartford, CT 06106

Re: Proposed Amendments to the Holding Company Act Regulations

Dear Attorney Giacalone:

Thank you for your submitted comments relating to the proposed amendments to the Holding Company Act regulations. At this time, the Insurance Department ("Department") does not support this recommendation. While the Department is supportive of electronic submission and hopes to at some point in the future be able to adopt full electronic submission as the norm, the Department currently does not have the technical foundation to support that approach. That is one of the reasons why the Department believes it would be prudent to know the nature of the filing before it is submitted to determine if an electronic submission, which simply means attaching it to email, can be used. Many of these filings are in excess of 100 pages and filings such as a Form A dealing with changes of control can undergo multiple revisions and amendments along with many pages of attachments/exhibits. Managing these as separate email submissions could create confusion and difficulties in managing the filings. Since these filings are already being made by paper and the date received is already being determined by the date the paper copy is received, there is no change to current process and therefore, there is no additional burden on the regulated entities. When electronic filing can be used without adding an additional burden on the Department, the Department is looking forward to use that method.

Sincerely,

A handwritten signature in blue ink that reads "N. Beth Cook".

N. Beth Cook
Counsel

September 27, 2014

State of Connecticut
Insurance Department
Attention: N. Beth Cook
P.O. Box 816
Hartford, CT 06142-0816

Re: Proposed regulations concerning the Insurance Holding Company Act

Dear Ms. Cook:

The Insurance Association of Connecticut's (IAC) members has a concern with the proposed amendment to the Insurance Holding Company regulations.

The stated purpose of the proposed regulation is to incorporate the provisions of Connecticut's Holding Company statute (i.e., §38a-135(b)(1)(F)) into the Connecticut Holding Company Regulation. Connecticut just revised the Insurance Holding Company regulations to incorporate the changes made to the National Association of Insurance Commissioners' (NAIC) model regulations. One vital aspect of the updating of the holding company regulatory structure was to have uniform adoption. However, the change contemplated in subsection (a) of Section 38a-138-1 of this proposed regulation is not uniform, and as drafted, may be problematic and may have unintended consequences.

Subsection (a) of Section 38a-138-1 of the proposed regulation adds new language requiring prior consent of the Commissioner to submit forms electronically with the date being dependent upon the date the paper copy original was received by the department. This requirement is not part of the statute, the NAIC model regulations, and ignores current practices. First, it is unclear why the Commissioner's consent is even required before a form may be filed electronically, or why consent is dependent on a paper copy. This new requirement ignores current practices and may result in unnecessary delay. For example, in regards to Form D, electronic filing does not allow for a company to meet a filing deadline or start the thirty day approval period, thus making the Commissioner's approval moot. Furthermore, the industry's experience has been in reviewing Form Ds, the department's examiners like to have electronic copies to assist in their review. Waiting for the Commissioner's consent would only serve to delay and frustrate the process. The current practice of permitting electronic pdf copy should be permitted in lieu of the paper copy and such filings should not be dependent on prior consent. As such, the IAC respectfully requests that the proposed regulation be amended, as set forth herein.

Thank you for the opportunity to comment. We look forward to working with you further on this proposal

Sincerely,

Susan D. Giacalone