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Testimony of the American Council of Life Insurers  
before the Insurance and Real Estate Committee  
Thursday, February 26, 2015

Senate Bill 755 – An Act Requiring the Insurance Commissioner to Study and Report on the National Association of Insurance Commissioners' Interstate Insurance Product Regulation Compact

Senator Crisco, Representative Megna and members of the Insurance and Real Estate Committee, the American Council of Life Insurers (ACLI) appreciates the opportunity to offer the following comments asking the committee to amend Senate Bill 755 – An Act Requiring the Insurance Commissioner to Study and Report on the National Association of Insurance Commissioners' Interstate Insurance Product Regulation Compact. ACLI strongly supports the enactment of a complete Compact bill to allow Connecticut to enter into an agreement with the other compacting states to correct the biggest problem life insurance companies have with the state regulatory system today – differing state product filing standards and regulatory requirements which slows the speed to market time of life insurance products.

Life insurance, annuities, disability income, and long-term care insurance – the products sold by ACLI members – must be approved by each state before they can be marketed and sold. As is true about many facets of state law and regulation, states have developed divergent standards for these products. Therefore, life insurance contracts must be revised based on each state's particular criteria before they can be approved. The task is often very expensive and time-consuming for insurance companies. Compared with our competitors in the financial services marketplace who are federally regulated (and generally not subject to system of prior regulatory approval), insurers are disadvantaged in the marketplace because of the slower pace of insurance product approval. We would urge the committee to amend the bill and pass it out of committee with the full Compact uniform legislation.

The Compact offers the best opportunity to modernize state regulation of life insurance by providing a streamlined and efficient regulatory review process for product filings. National product standards and a single point of filing for life insurance products benefits consumers, insurers, and government alike.

Colorado was the first state to adopt this legislation in 2004. Since that time, 44 states have joined the Compact representing 72 percent of premium volume nationwide. Over the last 11 years, the IIPRC has adopted over 90 uniform life insurance product standards. The Compact has also been endorsed by several state legislative groups, including the National Conference of State Legislators (NCSL) and the National Conference of Insurance Legislators (NCOIL).

We commend the committee for sponsoring this bill and recognizing the inherent benefits that will accrue from joining the IIPRC. We hope that you will amend the legislation to permit Connecticut to join the Compact.

Thank you for the opportunity to comment on this proposed legislation. Please contact John Larkin at (860) 508-9924 or Kate Kiernan at (202) 624-2463 with any questions.

*The American Council of Life Insurers (ACLI) is a national trade association with approximately 300 member companies operating in the United States and abroad. 221 member companies serve Connecticut consumers. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers' products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing more than 90 percent of industry assets and premiums in Connecticut. Learn more at [www.acli.com](http://www.acli.com).*