



SB 755 - An Act Requiring the Insurance Commissioner to Study and Report on the National Association of Insurance Commissioners' Interstate Insurance Product Regulation Compact.

Position: Support with Modifications

Chairman Crisco and Megna, Ranking Members Kelly and Sampson, Members of the Committee:

Thank you for the opportunity to provide MassMutual's views on SB 755 -- An Act Requiring the Insurance Commissioner to Study and Report on the National Association of Insurance Commissioners' Interstate Insurance Product Regulation Compact.

MassMutual is a 163 year old mutual life insurance company headquartered in Springfield, Massachusetts with a significant facility in Enfield, Connecticut. MassMutual employs 5,200 people at our two campuses -- more than 2,300 of whom are Connecticut residents -- and we recently made a major investment to modernize and upgrade our Enfield campus. MassMutual has a long history in Connecticut, and we remain committed to Connecticut today.

One of the key components of our ability to grow is to be able to deliver new and innovative insurance products into the hands of consumers quickly and efficiently. Our customers want insurance and retirement products that help them protect their families, their businesses and their futures. The Compact helps us achieve that goal by allowing us to design new products and have them approved and ready to go to market quickly, as noted in a 2004 OLR Report (2004-R-0070) regarding the Interstate Compact, "At the same time, it would benefit consumers by promoting higher product standards and facilitating the development of new products that meet consumer needs. The Compact also would allow states to pool their collective expertise to better review products and to make more valuable use of resources."

MassMutual would encourage the Committee to amend the study legislation that is before you, and instead adopt the Interstate Compact this year for two reasons:

- First, the Compact has been well studied in Connecticut, including three Office of Legislative Research reports (2004-R-0070, 2007-R-0637, 2008-R-0210). Likewise, similar studies have been undertaken in a number of other states who have subsequently adopted the Compact via their legislative process. The Compact has been operational for almost 9 years, and currently has 44 member states, representing over 70% of the premium volume nationwide. This would suggest there are very little, if any, unknowns regarding the Interstate Compact.
- Second, MassMutual, along with a number of other insurance companies and insurance trade associations participated in numerous meetings over the last year with staff members of the Connecticut Insurance Department to discuss the Interstate Compact.

The meetings were undertaken in a spirit of collaboration, and I believe benefitted both sides and resolved a number of open issues. We greatly appreciate the experience, expertise and professionalism in the Connecticut Insurance Department and thank them for their willingness to have this dialogue.

The 2004 OLR reports opens by stating: "In an attempt to preserve state regulation of the nation's insurance industry, the National Association of Insurance Commissioners (NAIC) adopted the Interstate Insurance Product Regulation Compact Model Act in July, 2003." MassMutual has been supportive of the creation and adoption of the Instate Compact since its inception, and we view the Compact as a very successful, state-based solution to improve the life insurance regulatory environment.

The Compact works well because it includes the input of state insurance regulators, state insurance legislators like yourselves, industry representatives, and representatives of major consumer advocacy groups to create the Compact product standards. MassMutual currently holds one of four industry seats on the Compact's Industry Advisory Council, so I can speak with direct knowledge of the rigorous discussions that go in in crafting the product standards.

Importantly, if Connecticut joins the Interstate Compact, the Connecticut Insurance Department would maintain its full market conduct authority to protect the interests of Connecticut consumers. As noted in the 2007 OLR Study (2007-R-0637), "The Compact preserves the rights and authority of state attorneys general and other people to bring action against insurance companies and agents. And, the state insurance commissioner of a member state continues to oversee the insurance market regulation activities in his or her state."

Connecticut has earned the title of Insurance Capital in many ways due to the actions of the Connecticut General Assembly. Your predecessors authorized the nation's first insurer (the Hartford Insurance Group) in 1810 and the nation's first life insurer (Connecticut Mutual Life Insurance) in 1846. MassMutual was founded in 1851 by a Connecticut Mutual agent, and the two companies later merged in the 1990s. MassMutual's 163 year history is directly tied to the actions of this body.

Connecticut has long held leadership positions in insurance. Today, Connecticut has the highest percentage of insurance employment in the nation. It has the highest concentration of actuaries. It is #1 for all written life insurance premiums; and, today, is the beneficiary of a life insurance industry that generates 88,000 direct and indirect jobs. Connecticut should reassert its thought leadership, reaffirm its commitment to state-based insurance regulation, and join the Interstate Insurance Compact this year.

Thank you for your time and consideration.



Hugh J. Barrett, Jr.  
Assistant Vice President, Government Relations  
Massachusetts Mutual Life Insurance Company