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Statement
Prudential Financial
Insurance and Real Estate Committee

March 8, 2016

**HB 5051 (Governor's Bill) AN ACT ADOPTING THE NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS' INTERSTATE INSURANCE PRODUCT
REGULATION COMPACT**

My name is Michael McCann, and I serve as Vice President, Government Affairs for Prudential Financial. Prudential supports **HB 5051 AN ACT ADOPTING THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS' INTERSTATE INSURANCE PRODUCT REGULATION COMPACT.**

Prudential, with over 2,000 employees in Connecticut, encourages and supports adoption of HB 5051 (Interstate Insurance Compact legislation).

Prudential has been filing individual life insurance forms with the Interstate Compact since 2011 and has seen this as being a game-changer in speed-to-market. Filing with the Interstate Compact gives Prudential the ability to achieve quicker approvals v. filing with individual states.

The Interstate Compact product standards provide for uniformity in the requirements and a more efficient and consistent filing review process.

With the Interstate Compact, Prudential has been able to eliminate many state variations, which has helped reduce Prudential's development costs and timeline and has increased Prudential's capacity to develop new and revised products and benefit features that better meet Prudential's customers' needs.

While there may be a few unique requirements in Connecticut's laws and regulations, the Interstate Compact product standards are largely based on the NAIC model regulations and are the same or substantially similar to what is required in the laws and regulations of the majority of states and, in some places, offer a higher consumer protection standard than what is required in many of the states. Where there are differences in state laws and regulations, it is important to note that the individual states retain complete authority for regulating market conduct activity regardless of whether products are filed with the Compact or with the state.

The Interstate Insurance Compact is an important modernization initiative that benefits state insurance regulators, consumers, and the insurance industry. The Compact enhances the efficiency and effectiveness of the way insurance products are filed, reviewed, and approved, allowing consumers to have faster access to competitive insurance products in an ever-changing global marketplace. The Compact promotes

uniformity through application of uniform product standards embedded with strong consumer protections.

The Compact established a multistate public entity, the Interstate Insurance Product Regulation Commission (IIPRC), which serves as an instrumentality of the Member States. The IIPRC serves as a central point of electronic filing for certain insurance products, including life insurance, annuities, disability income, and long-term care insurance to develop uniform product standards, affording a high level of protection to purchasers of asset protection insurance products.

The Compact is good news for both consumers and insurers. Consumer protection is the hallmark of the state-based regulatory system. Insurers may continue to rely on the extensive expertise of the states in reviewing complex products. State insurance regulators believe the state-based IIPRC is the preferred solution to enhance speed-to-market efficiencies while continuing to provide insurance consumers with strong and established protections.