



House Bill 5343 - An Act Adopting the National Association of Insurance Commissioners' Interstate Insurance Product Regulation Compact.

Position: Support with Modifications

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

Thank you for the opportunity to provide MassMutual's views on House Bill 5343 - An Act Adopting the National Association of Insurance Commissioners' Interstate Insurance Product Regulation Compact.

MassMutual is a 164 year old mutual life insurance company headquartered in Springfield Massachusetts with a significant facility in Enfield Connecticut. MassMutual has a long history in Connecticut and we remain committed to Connecticut today.

We applaud the committee's consideration of joining the Interstate Insurance Compact. As MassMutual has testified previously before this committee, the Compact helps us achieve our goal of helping more people secure their future and protect the ones they love by allowing us to quickly bring the new products our customers want to market.

While we appreciate the committee's consideration, we are very concerned with the modification of the Model Compact language in Article XVII, specifically the reference to the recently adopted section 38a-430(b) of the Connecticut General Statutes.

When adopting the Interstate Compact Model, the state is accepting an offer to join the Compact. In 2014, the Florida legislature adopted Interstate Compact legislation with a number of state specific variations. Working with outside legal counsel, and the NAIC legal Division the Interstate Compact convened a committee of Regulatory Counsel from the Compact member states to review the legal question if such state specific variation constituted acceptance of the offer to join. The minutes of a Joint Meeting of the Management Committee and the Interstate Insurance Product Regulation Commission from August 15, 2014 conclude: "The Regulatory Counsel Committee recommends that the Commission recognize that the acceptance of the offer to join the Interstate Insurance Product Regulation Compact and participate in the Interstate Insurance Product Regulation Commission is through the enactment of the Model Compact. The Committee further recommends that the Commission find that the Florida Compact Statute contains several material variances from the Model Compact and because of these material variances, the Florida Compact does not constitute an acceptance of the offer to join the Compact." (*emphasis added*)

It is our belief that should the language in HB 5343 become law, a similar process and conclusion would be the likely outcome. Such an occurrence would be both a reputational black eye to the state and set back the ultimate adoption of the Compact in Connecticut for many, many more years to come.

If Connecticut feels strongly about certain provisions in Compact standards, the state can raise those issues within the Compact during the drafting of standards or during the mandatory 5-year review the Compact undertakes of all adopted product standards. As we have testified before, the Compact's standard development and review process is very transparent, with significant notice and comment

periods and includes the input of many state legislators, state regulators, consumer representatives, and industry representatives.

MassMutual would strongly encourage the committee to amend HB 5343 with the language from Governor's Bill 5051, which seeks to adopt the Interstate Compact without the material variance. This will ensure Connecticut's entry into the compact will go smoothly.

Thank you for your time and consideration.

A handwritten signature in black ink, appearing to read "Hugh Barrett", with a long horizontal line extending to the right.

Hugh Barrett  
Assistant Vice President, Government Relations  
MassMutual