



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

NOTICE OF DECISION TO TAKE ACTION ON PROPOSED REGULATIONS

In accordance with section 4-168(a) of the Connecticut General Statutes, as amended, notice is hereby given that the Insurance Commissioner, pursuant to the authority of sections 38a-8 and 38a-138 of the Connecticut General Statutes, has decided to proceed with proposed amended regulations concerning the Insurance Holding Company Act. Notice of Intent to amend these regulations was posted to the regulations webpage of the Secretary of the State on August 28, 2014. A hearing was held on November 17, 2014 to provide an opportunity for public comment on the proposed changes. The Insurance Department received one written comment. No public attended the November 17, 2014 hearing.

As required by the Freedom of Information Act and Conn. Gen. Stat. §4-168(d), the following items are available for copying at the address specified below and, if applicable, by the alternate methods detailed:

(A) The final wording of the proposed regulation

A copy of the proposed regulation is available for public inspection during regular business hours at the Insurance Department at 153 Market Street, 7th floor, Hartford, CT 06103. An electronic copy of the entire regulation making file including the Notice of Intent to Amend the Regulation, the proposed regulation, fiscal note, small business impact statement, comments received and this Notice of Decision to proceed are available for public inspection on the Insurance Department website at <http://www.ct.gov/cid>. Click on Laws and Regulations and then click on Proposed Regulations.

(B) A statement of the principal reasons in support of this intended action

The proposed amendment is to permit, at the discretion of the Commissioner, electronic filing of all Forms and to require a statement regarding corporate governance on the Form B - Annual Registration Statement filing. While this governance statement is required pursuant to section 38a-135 of the Connecticut General Statutes, there is no provision for it in the Form B. The amendment also corrects a typo in Item 13 of Form A.

(C) A statement of the principal considerations in opposition to this intended action

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. The 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.

(D) A statement of the agency's reasons for accepting or rejecting such considerations.

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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.

Address where copies of items (A) through (D) above can be made or obtained:

Connecticut Insurance Department
153 Market Street
7th Floor
Hartford, CT 06103

In addition, these items are available for viewing and printing on the following website:
<http://www.ct.gov/cid>. Click on Laws and Regulations and then click on Proposed Regulations.

Regulations may also be obtained by contacting Beth Cook, Counsel at beth.cook@ct.gov.



Thomas B. Leonardi
Insurance Commissioner