

**IMPORTANT:** Use this form (REGS-1) to submit permanent regulations to the Legislative Regulation Review Committee. **For emergency regulations, use form REGS-1-E instead.**  
For non-substantive technical amendments and repeals proposed without prior notice or hearing as permitted by subsection (g) of CGS 4-168, as amended by PA 13-247 and PA 13-274, use form REGS-1-T instead.

Please read the additional instructions on the back of the last page (Certification Page) before completing this form. Failure to comply with the instructions may cause disapproval of proposed regulations.

State of Connecticut  
REGULATION  
of the

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NAME OF AGENCY:  
Insurance Department

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**Concerning**

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SUBJECT MATTER OF REGULATION:  
**Regulation Concerning Insurance Company Holding Act**

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Section 1. Section 38a-138-1 of the Regulations of Connecticut State Agencies is amended to read as follows:

**Sec. 38a-138-1. Forms - general requirements**

(a) Sections 38a-138-1 to 38a-138-16, inclusive, and the forms prescribed in the Appendixes A, B, C, D, E and F of Sections 38a-138-1 to 38a-138-16, inclusive, of the Regulations of Connecticut State Agencies are intended to implement the provisions of the Connecticut Insurance Holding Company System Regulatory Act, Sections 38a-129 to 38a-140, inclusive, of the Connecticut General Statutes. Appendix A of Sections 38a-138-1 to 38a-138-16, inclusive, of the Regulations of Connecticut State Agencies contains "Form A" (Statement Regarding the Acquisition of Control of or Merger With a Domestic Insurer); Appendix B of Sections 38a-138-1 to 38a-138-16, inclusive, of the Regulations of Connecticut State Agencies contains "Form B" (Insurance Holding Company System Annual Registration Statement); Appendix C of Sections 38a-138-1 to 38a-138-16, inclusive, of the Regulations of Connecticut State Agencies contains "Form C" (Summary of Registration Statement); Appendix D of Sections 38a-138-1 to 38a-138-16, inclusive, of the Regulations of Connecticut State Agencies contains "Form D" (Prior Notice of a Transaction) and Form D-1 (Prior Notice Of Dividends On Common Stock And Other Distributions); Appendix E of Sections 38a-138-1 to 38a-138-16, inclusive, of the Regulations of Connecticut State Agencies contains "Form E" (Pre-Acquisition Notification Form Regarding Potential Competitive Impact); and Appendix F of Sections 38a-138-1 to 38a-138-16, inclusive, of the Regulations of Connecticut State Agencies contains "Form F" (Enterprise Risk Report). These forms are intended to be guides in the preparation of the statements required by Sections 38a-130, 38a-135, and 38a-136 of the Connecticut

General Statutes; they are not intended to be blank forms which are to be filled in. Each form, when filed, shall contain the numbers and captions of all items, but the text of the items may be omitted provided the answers thereto are prepared in such a manner as to indicate clearly the scope and coverage of the items. All instructions, whether appearing under the items of the form or elsewhere therein, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer thereto is in the negative, an appropriate statement to that effect shall be made. Forms may be submitted electronically with the prior consent of the Commissioner but date received will be based on the date the paper copy original was received by the Insurance Department.

(b) One (1) original and five (5) complete copies of Form A statements including exhibits and all other papers and documents filed as a part thereof, and one (1) complete copy of Forms B, C, D, D-1, E, and F including exhibits and all other papers and documents filed as a part thereof, shall be filed with the Commissioner by personal delivery addressed to:

State of Connecticut Insurance Department  
153 Market Street (7th Floor)  
Hartford, CT 06103  
Attention: Financial Analysis Unit, Financial Regulation Division

or, by U.S. mail addressed to:

State of Connecticut, Insurance Department  
P.O. Box 816  
Hartford, CT 06142-0816  
Attn: Financial Analysis Unit, Financial Regulation Division

At least one (1) of the copies shall be manually signed in the manner prescribed on the form. Unsigned copies shall be conformed. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of such power of attorney or other authority shall also be filed with the statement.

(c) If an applicant requests a hearing on a consolidated basis under section 38a-132(b)(3) of the Connecticut General Statutes, in addition to filing the Form A with the Commissioner, the applicant shall file a copy of the Form A with the National Association of Insurance Commissioners (NAIC) in electronic form.

(d) Statements shall be prepared in conformance [to] with the requirements of the Commissioner and published on the Insurance Department website. Statements shall be submitted in paper copy. Copies of the statement may be submitted electronically with the prior consent of the Commissioner but date received will be based on the date the paper copy original was received by the Insurance Department. All copies of any paper statement, financial statements, or exhibits shall be clear, easily readable and suitable for photocopying. Copies submitted electronically shall be readily

printable. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies. Statements shall be made in the English language and monetary values shall be stated in United States currency. If any exhibit or other paper or document filed with the statement is in a foreign language, it shall be accompanied by a certified translation into the English language and any monetary value shown in a foreign currency normally shall be converted into United States currency.

Sec. 2. Appendices A and B to Sections 38a-138-1 to 38a-138-16, inclusive, of the Regulations of Connecticut State Agencies are amended to read as follows:

**APPENDIX A**  
**Form A**  
**Statement Regarding the Acquisition**  
**of Control of or Merger With A Domestic Insurer**

\_\_\_\_\_  
Name of Domestic Insurer

BY

\_\_\_\_\_  
Name of Acquiring Person (Applicant)

Filed with the Insurance Department of

\_\_\_\_\_  
(State of domicile of insurer being acquired)

Dated: \_\_\_\_\_, 20\_\_\_\_

Name, Title, address and telephone number of Individual to Whom Notices and Correspondence Concerning this Statement Should be Addressed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Item 1. Insurer and Method of Acquisition**

State the name and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired or the merger effected.

**Item 2. Identity and Background of the Applicant**

(a) State the name and address of the applicant seeking to acquire control over or to effect a merger with the insurer.

(b) If the applicant is not an individual, state the nature of its business operations for the past five (5) years or for such lesser period as such person and any predecessors thereof shall have been in existence. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries and affiliates.

(c) Furnish a chart or listing clearly presenting the identities of the inter-relationships among the applicant and all affiliates of the applicant. Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (e.g. corporation, trust, partnership) and the state or other jurisdiction of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, indicate which person, and set forth the title of the court, nature of proceedings and the date when commenced.

### **Item 3. Identity and Background of Individuals Associated With the Applicant**

On the biographical affidavit, include a third party background check by agency acceptable to Commissioner and state the following with respect to (1) the applicant if (s)he is an individual or (2) all persons who are directors, trustees, executive officers or owners, beneficial or otherwise, of 10% or more of the voting securities of the applicant if the applicant is not an individual.

(a) Name and business address;

(b) Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on;

(c) Material occupations, positions, offices or employment during the last five (5) years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith.

(d) Whether or not such person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten (10) years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case.

(e) Whether or not, during the last ten (10) years, such person has been the subject of any proceeding under the Federal Bankruptcy Code, (or in the case of an alien person, such equivalent provision) or whether or not, during the ten (10) year period, any business or organization in which such person was a director, officer, trustee, partner, owner, manager or other official has been subject to any such proceeding, (or in the case of an alien person or such equivalent provision) either during

the time in which such person was a director, officer or trustee, if a corporation, or a partner, owner, manager, joint venturer, or the official, if not a corporation, or within twelve (12) months thereafter;

(f) Whether or not, during the ten (10) year period, such person has been enjoined, either temporarily or permanently, by a court of competent jurisdiction from violating, actually or potentially, any federal or state law, or, in the case of an alien person, applicable law regulating the business of insurance, securities, or banking, together with details as to any such event; and

(g) A complete credit report on such person prepared by an independent credit rating agency acceptable to the Commissioner.

#### **Item 4. Nature, Source and Amount of Consideration**

(a) Describe the nature, source, and amount of funds or other considerations used or to be used in effecting the merger or other acquisition of control. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, including any pledge of the insurance company's stock or the stock of any of its subsidiaries or affiliates, and copies of all agreements, promissory notes, and security arrangements relating thereto.

(b) Explain the criteria used in determining the nature and amount of such consideration.

(c) If the source of the consideration is a loan made in the lender's ordinary course of business and if the applicant wishes the identity of the lender to remain confidential, he must specifically request that the identity be kept confidential.

#### **Item 5. Future Plans of Insurer**

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend or make other distributions, to liquidate such insurer, to sell its assets to or merge or consolidate it with any person or persons or to make any other material change in its business operations or corporate structure or management, or to cause the insurer to enter into material contracts, agreements, arrangements, understandings or transactions of any kind with any party. In addition, describe any plans or proposals of the applicant or any of its affiliates, including any plans or proposals for ownership or control of any of the insurer's affiliates, which may have a material effect on the insurer.

#### **Item 6. Voting Securities to be Acquired**

State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement, or acquisition, and a statement as to the method by which the fairness of the proposal was

arrived at, including but not limited to, a certification by any consultant, accountant, financial advisor or other expert, used by such person, as to the accuracy and fairness of the method.

**Item 7. Ownership of Voting Securities**

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3, including any security convertible into a right to acquire a voting security whether or not such right or conversion or acquisition is exercisable immediately or at some future time.

**Item 8. Contracts, Arrangements, or Understandings With Respect to Voting Securities of the Insurer**

Give a full description of any contracts, arrangements, or understandings, whether oral or in writing, with respect to any voting security of the insurer or any security convertible into or evidencing a right to acquire a voting security whether or not such right of conversion or acquisition is exercisable immediately or at some future time, in which the applicant, its affiliates or any person listed in Item 3 is involved, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. Such description shall identify the persons with whom such contracts, arrangements or understandings have been entered into. A copy of any such written contracts, agreements, arrangements, or understandings shall be provided to the Commissioner.

**Item 9. Recent Purchases of Voting Securities**

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates, or any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this Statement. Include in such description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any such shares so purchased are hypothecated and, if hypothecated, describe the terms of such arrangement.

**Item 10. Recent Recommendations to Purchase**

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this statement.

**Item 11. Agreements With Broker-Dealers**

Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

### **Item 12. Financial Statements and Exhibits**

(a) Financial statements, exhibits, and three-year financial projections of the insurer(s) shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.

(b) The financial statements shall include the annual financial statements of the persons identified in Item 2 (c) for the preceding five (5) fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar unaudited financial information covering the period from the end of such person's last fiscal year, if such information is available. Such statements may be prepared on either an individual basis, or, unless the Commissioner otherwise requires, on a consolidated basis if such consolidated statements are prepared in the usual course of business.

The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law, unaudited financial information shall be accompanied by an affidavit or certification of the chief financial officer of the acquiring party that (1) such unaudited financial statement is true and correct, as of its date, and (2) there has been no material change in the financial statements to the date of the affidavit or certification. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the Annual Statement of such person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of such state.

(c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last two (2) fiscal years, and any additional documents or papers required by Form A or Sections 38a-138-1 and 38a-138-3 of the Regulations of Connecticut State Agencies.

### **Item 13. Agreement Requirements for Enterprise Risk Management**

Applicant agrees to provide, to the best of its knowledge and belief, the information required by [Item 9 of] Form F within fifteen (15) days after the end of the month in which the acquisition of control occurs.

**Item 14. Other Information**

(a) Attach copies of any regulatory filings of any acquiring party in connection with the proposed acquisition of control or merger including, but not limited to, filings with the Securities and Exchange Commission, the United States Department of Justice, or any other Federal or State regulatory body or commission.

(b) Provide an analysis of the competitive impact in the State of Connecticut on each line of insurance listed in the annual statements of the insurer affected by such acquisition.

(c) Provide such additional information as the Commissioner may prescribe as necessary or appropriate for the protection of policyholders of the insurance company or in the public interest.

**Item 15. Signature and Certification**

Signature and certification required as follows:

**SIGNATURE**

Pursuant to the requirements of Section 38a-130 of the Connecticut General Statutes, \_\_\_\_\_ has caused this application to be duly signed on its behalf in the City of \_\_\_\_\_ and State of \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(SEAL) \_\_\_\_\_

Name of Applicant

BY \_\_\_\_\_

(Name)

(Title)

Attest:

\_\_\_\_\_  
(Signature of Officer)

\_\_\_\_\_  
(Title)

**CERTIFICATION**

The undersigned deposes and says that (s)he has duly executed the attached application dated \_\_\_\_\_, 20\_\_, for and on behalf of \_\_\_\_\_ ; that (s)he is the \_\_\_\_\_

(Name of Applicant)

(Title of Officer)

of such company and that (s)he is authorized to execute and file such instrument. Deponent further says that (s)he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature) \_\_\_\_\_

(Type or print name beneath) \_\_\_\_\_



specified in such chart or listing indicate the type of organization (e.g., corporation, trust, partnership) and the state or other jurisdiction of domicile.

### **Item 3. The Ultimate Controlling Person**

As to the ultimate controlling person in the insurance holding company system furnish the following information:

- (a) Name.
- (b) Home office address.
- (c) Principal executive office address.
- (d) The organizational structure of the person, i.e., corporation, partnership, individual, trust, etc.
- (e) The principal business of the person.
- (f) The name and address of any person who holds or owns 10% or more of any class of voting security, the class of such security, the number of shares held of record or known to be beneficially owned, and the percentage of class so held or owned.
- (g) If court proceedings involving a reorganization or liquidation are pending, indicate the title and location of the court, the nature of proceedings and the date when commenced.

### **Item 4. Biographical Information**

If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, furnish the following information for the directors and executive officers of the ultimate controlling person: the individual's name and address, his or her principal occupation and all offices and positions held during the past five years, and any conviction of crimes other than minor traffic violations. If the ultimate controlling person is an individual, furnish the individual's name and address, his or her principal occupation and all offices and positions held during the past five (5) years, and convictions of crimes other than minor traffic violations.

### **Item 5. Transactions and Agreements**

Briefly describe the following agreements in force, and transactions currently outstanding or which have occurred during the last calendar year between the Registrant and its affiliates:

- (1) loans, other investments, or purchases, sales or exchanges of securities of the affiliates by the Registrant or of the Registrant by its affiliates;
- (2) purchases, sales or exchanges of assets;
- (3) transactions not in the ordinary course of business;
- (4) guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the Registrant's assets to liability, other than insurance contracts entered into in the ordinary course of the Registrant's business;
- (5) management agreements, service contracts and cost-sharing arrangements;
- (6) reinsurance agreements;

- (7) dividends and other distributions to shareholders;
- (8) consolidated tax allocation agreements; and
- (9) any pledge of the Registrant's stock and/or of the stock of any subsidiary or controlling affiliate, for a loan made to any member of the insurance holding company system.

No information need be disclosed if such information is not material for purposes of Section 38a-135 of the General Statutes.

Sales, purchases, exchanges, loans or extensions of credit, investments or guarantees involving one-half of 1% or less of the Registrant's admitted assets as of the 31st day of December next preceding shall not be deemed material.

The description shall be in a manner as to permit the proper evaluation thereof by the Commissioner, and shall include at least the following: the nature and purpose of the transaction, the nature and amounts of any payments or transfers of assets between the parties, the identity of all parties to such transaction, and relationship of the affiliated parties to the Registrant.

#### **Item 6. Litigation or Administrative Proceedings**

A brief description of any litigation or administrative proceedings of the following types, either then pending or concluded within the preceding fiscal year, to which the ultimate controlling person or any of its directors or executive officers was a party or of which the property of any such person is or was the subject; give the names of the parties and the court or agency in which such litigation or proceeding is or was pending:

(a) Criminal prosecutions or administrative proceedings by any government agency or authority which may be relevant to the trustworthiness of any party thereto; and

(b) Proceedings which in the opinion of management may have a material effect upon the solvency or capital structure of the ultimate holding company including, but not necessarily limited to, bankruptcy, receivership or other corporate reorganizations.

#### **Item 7. Statement Regarding Plan or Series of Transactions**

The insurer shall furnish a statement that transactions entered into since the filing of the prior year's annual registration statement are not part of a plan or series of like transactions, the purpose of which is to avoid statutory threshold amounts and the review that might otherwise occur.

#### **Item 8. Financial Statements and exhibits**

(a) Financial statements and exhibits should be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.

(b) If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, the financial statements shall include the annual financial statements of the ultimate controlling person in the insurance holding company system as of the end of the person's latest fiscal year.

If at the time of the initial registration, the annual financial statements for the latest fiscal year are not available, annual statements for the previous fiscal year may be filed and similar financial information shall be filed for any subsequent period to the extent such information is available. Such financial statements may be prepared on either an individual basis, or unless the Commissioner otherwise requires, on a consolidated basis if such consolidated statements are prepared in the usual course of business.

Other than with respect to the foregoing, such financial statement shall be filed in a standard form and format adopted by the NAIC, unless an alternative form is accepted by the Commissioner. Documentation and financial statements filed with the Securities and Exchange Commission or audited financial statements prepared in accordance with generally accepted accounting principles shall be deemed to be an appropriate form and format.

Unless the Commissioner otherwise permits, the annual financial statements shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the ultimate controlling person and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the ultimate controlling person is an insurer which is actively engaged in the business of insurance, the annual financial statements need not be certified, provided they are based on the Annual Statement of such insurer filed with the insurance department of the insurer's domiciliary State and are in accordance with requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of such state.

Any ultimate controlling person who is an individual may file personal financial statements that are reviewed rather than audited by an independent public accountant. The review shall be conducted in accordance with standards for review of personal financial statements published in the Personal Financial Statements Guide by the American Institute of Certified Public Accountants. Personal financial statements shall be accompanied by the independent public accountant's Standard Review Reporting stating that the accountant is not aware of any material modifications that should be made to the financial statements in order for the statements to be in conformity with generally accepted accounting principles.

(c) Exhibits shall include copies of the latest annual reports to shareholders of the ultimate controlling person and proxy material used by the ultimate controlling person[;]. The submission must also include a statement that the insurance company's board of directors oversees corporate governance and internal controls of such company, and that such company's officers or senior management have approved, implemented and continue to maintain such governance and controls. [and] The submission should include any additional documents or papers required by Form B or Sections 38a-138-1 and 38a-138-3 of the Regulations of Connecticut State Agencies.

## **Item 9. Form C Required**

A Form C, Summary of Changes to Registration Statement, must be prepared and filed with this Form B.

**Item 10. Signature and Certification**

Signature and certification required as follows:

**SIGNATURE**

Pursuant to the requirements of Section 38a-135 of the Connecticut General Statutes, the Registrant has caused this annual registration statement to be duly signed on its behalf in the City of \_\_\_\_\_ and State of \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(SEAL) \_\_\_\_\_

Name of Registrant

BY \_\_\_\_\_

(Name)

(Title)

Attest:

\_\_\_\_\_  
(Signature of Officer)

\_\_\_\_\_  
(Title)

**CERTIFICATION**

The undersigned deposes and says that (s)he has duly executed the attached annual registration statement dated \_\_\_\_\_, 20\_\_, for and on behalf of \_\_\_\_\_ ; that (s)he is the  
(Name of Company);

\_\_\_\_\_ of such company and that (s)he is authorized to execute and file such  
(Title of Officer)

instrument. Deponent further says that (s)he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature) \_\_\_\_\_

(Type or print name beneath) \_\_\_\_\_

## **Statement of Purpose**

*Pursuant to CGS Section 4-170(b)(3), "Each proposed regulation shall have a statement of its purpose following the final section of the regulation." Enter the statement here.*

To amend the Holding Company Act Regulations to require governance reporting consistent with section 38a-135 of the Connecticut General Statutes.

**A. The problems, issues or circumstances that the regulation proposes to address.**

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.

**B. A summary of the main provisions of the regulation.**

The proposed amendment is to require statement regarding corporate governance on the Form B - Annual Registration Statement filing and to permit at the discretion of the Commissioner for the forms to be filed electronically.

**C. The legal effects of the regulation, including all ways that the regulation would change existing regulations or other laws.**

The regulations support the Holding Company statutes.

**D. Impact on small businesses**

As required by Conn. Gen. Stat. § 4-168a, the Insurance Department considered the impact of the proposed amended regulations on small business, and in doing so, determined that the preparation of a regulatory flexibility analysis, as contemplated by this statute, was not needed. The amendments reflect activities to be undertaken by holding companies which are not small businesses.

CERTIFICATION

*This certification statement must be completed in full.*

**I hereby certify that the above Regulation(s)**

- 1) is/are (check all that apply)  adopted  amended  repealed by this agency pursuant to the following authority(ies): (complete all that apply)
- a. **Connecticut General Statutes section(s)** 38a-138.
- b. **Public Act Number(s)** \_\_\_\_\_.  
 (Provide public act number(s) if the authorizing act has not yet been codified in the Connecticut General Statutes.)

**And I further certify**

- 2) that **Notice of Intent** to adopt, amend or repeal said regulation(s) was electronically submitted to the Secretary of the State on \_\_\_\_\_, and posted to the Secretary's regulations website on \_\_\_\_\_; (Insert dates notice was (a) emailed to the Secretary of the State and (b) posted on the Secretary's website, if notice and posting were required by CGS 4-168, as amended by PA 13-247 and PA 13-274.)
- 3) and that a public hearing regarding the proposed regulation(s) was held on \_\_\_\_\_ or  that no public hearing was held; (Insert date(s) of mandatory public hearing(s) held pursuant to CGS 4-168(a), as amended, or other applicable statute, and/or voluntary hearing, or if no hearing was held, check the box for that statement.)
- 4) and that notice of **Decision to Take Action** on said regulations was electronically submitted to the Secretary of the State on \_\_\_\_\_, and posted to the Secretary's regulations website on \_\_\_\_\_; (Insert dates notice was (a) emailed to the Secretary of the State and (b) posted on the Secretary's website, if notice and posting were required by CGS 4-168, as amended by PA 13-247 and PA 13-274.)
- 5) and that said regulation(s) is/are **EFFECTIVE** (check one, and complete as applicable)
- When posted online by the Secretary of the State.
- OR**  on (insert date) \_\_\_\_\_.

<b>6) SIGNED (Head of Board, Agency or Commission)</b>	OFFICIAL TITLE, DULY AUTHORIZED	DATE
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**APPROVED by the Attorney General as to legal sufficiency in accordance with CGS Section 4-169, as amended.**

DATE	SIGNED (Attorney General or AG's designated representative)	OFFICIAL TITLE, DULY AUTHORIZED
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Proposed regulations are **DEEMED APPROVED** by the Attorney General in accordance with CGS Section 4-169, as amended, if the Attorney General fails to give notice to the agency of any legal insufficiency within thirty (30) days of the receipt of the proposed regulation.

**(For Regulation Review Committee Use ONLY)**

APPROVED  in WHOLE or WITH  technical corrections  deletions  substitute pages

DEEMED APPROVED, pursuant CGS 4-170(c), as amended.

Rejected without Prejudice  Disapproved, pursuant to CGS 4-170(c), as amended.

By the Legislative Regulation Review Committee in accordance with CGS Section 4-170, as amended	DATE	SIGNED (Administrator, Legislative Regulation Review Committee)
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**In accordance with CGS Section 4-172, as amended by PA 13-247 and PA 13-274, one certified paper copy and one electronic copy with agency head certification statement received on the date(s) specified below.**

DATE	SIGNED (Secretary of the State)	BY
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**(For Secretary of the State Use ONLY)**

Date Posted to SOTS Regulations Website:

Date Electronic Copy Forwarded to the Commission on Official Legal Publications:

**SOTS file stamp:**

## GENERAL INSTRUCTIONS

1. All regulations proposed for adoption, amendment or repeal, *except* emergency regulations, must be presented to the Attorney General for determination of legal sufficiency. (See CGS Section 4-169.)
2. After approval by the Attorney General, the original and one electronic copy (in Word format) of all regulations proposed for adoption, amendment or repeal must be presented to the Legislative Regulation Review Committee for its action. (See CGS Section 4-168, as amended by PA 13-247, section 28, and PA 13-274, and CGS Section 4-170.)
3. Each proposed regulation section must include the appropriate regulation section number and a section heading. (See CGS Section 4-172.)
4. New language added to an existing regulation must be in underlining or CAPITAL LETTERS, as determined by the Regulation Review Committee. (See CGS 4-170(b).)
5. Existing language to be deleted must be enclosed in [brackets]. (See CGS 4-170(b).)
6. A completely new regulation or a new section of an existing regulation must be preceded by the word "(NEW)" in capital letters. (See CGS Section 4-170(b).)
7. The proposed regulation must have a statement of its purpose following the final section of the regulation. (See CGS Section 4-170(b).)
8. The *Certification Statement* portion of this form must be completed, including all applicable information regarding notice submission and website posting date(s) and public hearing(s). (See more specific instructions below.)
9. Additional information regarding rules and procedures of the Legislative Regulation Review Committee can be found on the Committee's web site: <http://www.cga.ct.gov/rr/>.
10. A copy of the Legislative Commissioners' Regulations Drafting Manual is located on the LCO website at [http://www.cga.ct.gov/lco/pdfs/Regulations\\_Drafting\\_Manual.pdf](http://www.cga.ct.gov/lco/pdfs/Regulations_Drafting_Manual.pdf).

## CERTIFICATION STATEMENT INSTRUCTIONS

*(Numbers below correspond to the numbered sections of the Certification Statement page)*

1. a) Indicate whether the regulation contains newly adopted sections, amendments to existing sections, and/or repeals of existing sections. **Check all cases that apply.**  
b) Indicate the specific legal authority that permits or requires adoption, amendment or repeal of the regulation. If the relevant public act has been codified in the most current biennial edition of the *Connecticut General Statutes*, indicate the relevant statute number(s) instead of the public act number. If the public act has not yet been codified, indicate the relevant public act number.
2. An agency must electronically submit notice of its intent to adopt the regulation to the Secretary of the State at [regulations.sots@ct.gov](mailto:regulations.sots@ct.gov) for posting on the Secretary's regulations website. Enter both the date notice of intent was submitted to the Secretary of the State *and* the date the notice was posted on the Secretary's website. For emergency regulations, use Form Regs-1-E instead of this form. For non-substantive technical amendments and repeals adopted without prior notice or hearing as permitted by subsection (g) of CGS 4-168, use Form REGS-1-T instead of this form.
3. CGS 4-168(a), as amended by PA 13-247 and PA 13-274, prescribes requirements for holding a public hearing on proposed regulations. Enter the date(s) of all hearing(s) held under that section, if any, also enter the date(s) of any hearing(s) the agency was required to hold under the provisions of any other law; and enter the date(s) of any public hearing(s) the agency elected to hold voluntarily. If no public hearing was held, mark (X) the check box.
4. **NEW REQUIREMENT:** CGS 4-168(d), as amended by PA 13-247 and PA 13-274, prescribes requirements electronically submitting notice of decision to take action (proceed with adoption) of a proposed regulation for posting to the Secretary's regulations webpage. Enter both the date notice of decision was submitted to the Secretary of the State *and* the date the notice was posted on the Secretary's website.
5. As applicable, enter the specific effective date of the regulation; or indicate that it is effective upon posting online by the Secretary of the State. **Please note the important information below.**

Permanent regulations adopted after July 1, 2013 are effective upon posting online by the Secretary of the State (SOTS), or at a *later* date specified by the agency, or at a *later* date if required by statute. See CGS 4-172(b). An effective date may not precede the date of posting online by SOTS, and it may not precede the effective date of the public act requiring or permitting the regulation.

6. Submit the original proposed regulation to your agency commissioner for signature.

September 27, 2014

State of Connecticut  
Insurance Department  
Attention: N. Beth Cook  
P.O. Box 816  
Hartford, CT 06142-0816

Re: Proposed regulations concerning the Insurance Holding Company Act

Dear Ms. Cook:

The Insurance Association of Connecticut's (IAC) members has a concern with the proposed amendment to the Insurance Holding Company regulations.

The stated purpose of the proposed regulation is to incorporate the provisions of Connecticut's Holding Company statute (i.e., §38a-135(b)(1)(F)) into the Connecticut Holding Company Regulation. Connecticut just revised the Insurance Holding Company regulations to incorporate the changes made to the National Association of Insurance Commissioners' (NAIC) model regulations. One vital aspect of the updating of the holding company regulatory structure was to have uniform adoption. However, the change contemplated in subsection (a) of Section 38a-138-1 of this proposed regulation is not uniform, and as drafted, may be problematic and may have unintended consequences.

Subsection (a) of Section 38a-138-1 of the proposed regulation adds new language requiring prior consent of the Commissioner to submit forms electronically with the date being dependent upon the date the paper copy original was received by the department. This requirement is not part of the statute, the NAIC model regulations, and ignores current practices. First, it is unclear why the Commissioner's consent is even required before a form may be filed electronically, or why consent is dependent on a paper copy. This new requirement ignores current practices and may result in unnecessary delay. For example, in regards to Form D, electronic filing does not allow for a company to meet a filing deadline or start the thirty day approval period, thus making the Commissioner's approval moot. Furthermore, the industry's experience has been in reviewing Form Ds, the department's examiners like to have electronic copies to assist in their review. Waiting for the Commissioner's consent would only serve to delay and frustrate the process. The current practice of permitting electronic pdf copy should be permitted in lieu of the paper copy and such filings should not be dependent on prior consent. As such, the IAC respectfully requests that the proposed regulation be amended, as set forth herein.

Thank you for the opportunity to comment. We look forward to working with you further on this proposal

Sincerely,

Susan D. Giacalone



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

### **NOTICE OF INTENT TO AMEND A REGULATION**

In accordance with section 4-168(a) of the Connecticut General Statutes, notice is hereby given that the Insurance Commissioner, pursuant to the authority of sections 38a-8 and 38a-138 of the Connecticut General Statutes, proposes to adopt amended regulations concerning the Insurance Holding Company Act.

Statement of purpose: 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.

All interested persons are invited to submit written data, views or arguments in connection with the proposed action within thirty days following publication of this notice on the Secretary of State's regulations webpage to the State of Connecticut, Insurance Department, Attention: N. Beth Cook, P.O. Box 816, Hartford, CT 06142-0816.

A copy of the proposed regulation is available for public inspection during regular business hours at the Insurance Department at 153 Market Street, 7<sup>th</sup> floor, Hartford, CT 06103. An electronic copy of this Notice, the proposed regulation, the fiscal note and small business impact statement are available for public inspection on the Insurance Department website at [www.ct.gov/cid](http://www.ct.gov/cid). (Laws and Regulations/List of Proposed Regulations/Notice of Intent to Amend Holding Company Act).

The Insurance Department does not discriminate on the basis of disability in admission to, access to, or operation of its programs, services or activities, in accordance with Title II of the Americans with Disabilities Act of 1990. Individuals requiring auxiliary aids for communication or other accommodation are invited to make their needs known to Patty Tiberio at (860) 297-3932.

A handwritten signature in blue ink that reads "Thomas B. Leonardi".

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Thomas B. Leonardi  
Insurance Commissioner

## Small Business Impact Statement

Prior to adopting a new section or amendment, Section 4-168a of the Connecticut General Statutes (C.G.S.) requires that each state agency consider the affect of such action on small businesses as defined in C.G.S. Section 4-168a. When such a regulatory action may have an adverse affect on small businesses, C.G.S. Section 4-168a directs the agency to consider regulatory requirements that will minimize the adverse impacts on small businesses if the addition of such requirements (1) will not interfere with the intended objectives of the regulatory action and (2) will allow the new section or amendment to remain consistent with public health, safety and welfare.

State Agency submitting proposed regulations: Insurance Department

Subject matter of Regulation: Holding Company Act

In accordance with C.G.S. Section 4-168a, staff analyzed the affect on small businesses of the proposed regulations and determined the following:

True   False (Check all appropriate boxes):

- |                                     |                          |   |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The regulatory action will not have an affect on small businesses.  |
| <input type="checkbox"/>            | <input type="checkbox"/> | The regulatory action will have an affect on small businesses, but will not have an adverse affect on such small businesses.  |
| <input type="checkbox"/>            | <input type="checkbox"/> | The regulatory action may have an adverse affect on small businesses, and no alternative considered would be both as effective in achieving the purpose of the action and less burdensome to potentially affected small business. Alternatives considered include the following:<br><ol style="list-style-type: none"><li>(1) The establishment of less stringent compliance or reporting requirements for small businesses;</li><li>(2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;</li><li>(3) The consolidation or simplification of compliance or reporting requirements for small businesses;</li><li>(4) The establishment of performance standards for small businesses to replace design or operational standards required in the new section or amendment; and</li><li>(5) The exemption of small businesses from all or any part of the requirements contained in the new section or amendment.</li></ol> |
| <input type="checkbox"/>            | <input type="checkbox"/> | The regulatory action will have an adverse affect on small businesses that cannot be minimized in a manner that is consistent with public health, safety and welfare.   |

The State agency listed above notified the Department of Economic and Community Development of its intent to take the proposed action and completed the Agency Fiscal Estimate of Proposed Regulations.

**AGENCY FISCAL ESTIMATE OF PROPOSED REGULATION**

Agency Submitting Regulation: Insurance Department Date: June 12, 2014

Subject Matter of Regulation: Regulations Concerning the Holding Company Act

Regulation Section No.: 38a-138-1 through 38a-16 inclusive Statutory Authority: Conn. Gen. Stat. 38a-138

Other Agencies Affected: none

Effective Date Used In Cost Estimate: January 1, 2015

Estimate Prepared By: Beth Cook, Counsel Telephone No.: 860-297-3998

**SUMMARY OF COST AND REVENUE IMPACT OF PROPOSED REGULATION**

Agency: Insurance Department Fund Affected: Insurance Fund

	First Year	Second Year	Full Operation
Number of Positions			
Personal Services			
Other Expenses			
Equipment			
Grants			
Total State Cost or (Savings)			
Estimated Revenue Gain or (Loss)			
Total Net State Cost or (Savings)	0	0	0

**Explanation of State Impact of Regulation:**

none

**Explanation of Municipal Impact of Regulation:**

none

**Explanation of Small Business Impact of Regulation:**

none