

**Statement of the National Association of Mutual Insurance Companies (NAMIC)
In SUPPORT Of:**

H. 882, An Act relative to insurance holding companies

**Before the Joint Committee on Financial Services
February 27, 2014**

The National Association of Mutual Insurance Companies (NAMIC) supports H. 882 but respectfully asks the Committee to report the bill with an amendment. While this legislation closely follows the NAIC's model, it omits a key confidentiality provision. NAMIC suggests that the Committee amend Section 3 of H. 882 by adding this missing provision to Subsection (w) (1) and then renumbering the subsequent sections:

SECTION 3. Section 206C of chapter 175 of the General Laws, is hereby amended by striking out subsection (w), and inserting thereof the following subsection:

(w)(1) Documents, materials or other information in the possession or control of the Division of Insurance that are obtained by or disclosed to the commissioner or any other person in the course of an examination or investigation made pursuant to subsection (u) and all information reported pursuant to section 206C shall be confidential by law and privileged, shall not be a public record under clause Twenty-sixth of section seven of chapter four, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. However, the commissioner is authorized to use the documents, materials or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties.

The commissioner shall not otherwise make the documents, materials or other information public without the prior written consent of the insurer to which it pertains unless the commissioner, after giving the insurer and its affiliates who would be affected thereby notice and opportunity to be heard, determines that the interest of policyholders, shareholders or the public will be served by the publication thereof, in which event the commissioner may publish all or any part in such manner as may be deemed appropriate.

(2) Notwithstanding paragraph (1) above, the commissioner may only share confidential and privileged documents, material, or information with commissioners of states having statutes or regulations substantially similar to

subsection (w)(1) and who have agreed in writing not to disclose such information.

Including this paragraph will make Massachusetts law consistent with the NAIC model and provide an additional level of confidentiality protection for carriers, particularly if their information were to be shared with states whose confidentiality provisions are not as robust as those of Massachusetts. Having strong confidentiality protections in place will help ensure that the laudable goals of the supervisory colleges can be met.

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NAMIC is the largest property/casualty insurance trade association in the country, serving regional and local mutual insurance companies on main streets across America as well as many of the country's largest national insurers. The 1,400 NAMIC member companies serve more than 135 million auto, home and business policyholders and write more than \$196 billion in annual premiums, accounting for 50 percent of the automobile/homeowners market and 31 percent of the business insurance market.