

February 1, 2017

Arizona House Banking and Insurance Committee Members  
Arizona State Capitol  
Phoenix, Arizona

*Via email*

**RE: Support for HB 2355**

Members of the House Banking and Insurance Committee:

The National Association of Mutual Insurance Companies (NAMIC) appreciates the efforts of the Legislature in considering HB 2355. NAMIC supports this bill.

NAMIC is the largest property/casualty insurance trade association in the country, with more than 1,400 member companies. NAMIC supports regional and local mutual insurance companies on main streets across America and many of the country's largest national insurers. NAMIC members represent 40 percent of the total property/casualty insurance market, serve more than 170 million policyholders, and write nearly \$225 billion in annual premiums. In Arizona, 176 member companies do business here, comprising a market share of 44.9%.

HB 2355 represents a significant step forward for mutual insurers wishing to improve their ability to respond to changing market conditions and make long range plans. The bill would allow mutual insurers to create a mutual holding company (MHC). This, in turn, would enable them to maintain their mutual insurer characteristics while at the same time greatly increases the mutual company's ability to raise capital and strategically diversify their operations. In addition, mutual insurers wishing to avail themselves of the options under this bill must have their reorganization plans approved by the Director of the Department of Insurance.

NAMIC supports laws and regulations that advance the continuation and health of the mutual insurance company structure. We note that many mutual insurers use the mutual insurance holding company model as a viable and long-term operating structure while retaining mutuality as a core value. NAMIC believes there is a need for legislation – like HB 2355 - that allows companies to change their organizational structure and supports their ability to pursue different options in order to remain viable.

We believe this legislation will make Arizona a more attractive place for mutual insurers to do business. HB 2355 helps mutual insurers adapt to new challenges while simultaneously providing policyholders with the benefits traditionally associated with insurance policies from a mutual company.

This legislation is a step in the right direction. We appreciate the Arizona Legislature's willingness to consider this necessary legislation. I hope you will feel free to contact me if you have questions or comments about our support for this bill.

Sincerely,

A handwritten signature in black ink that reads "Paul Martin". The signature is written in a cursive style with a large, stylized "P" and "M".

Paul Martin  
Director – State Affairs  
Southwest Region