

May 10, 2012

Senator Ron S. Calderon
State Capitol, Room 5066
Sacramento, CA 95814

RE: SB 1449 OPPOSE

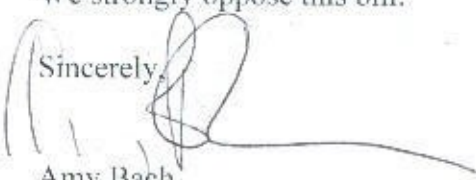
We are writing to respectfully register our strong opposition to Senate Bill 1449. SB 1449 will dangerously erode important consumer protections in California by exempting long-term care benefits provided through a life insurance or annuity product from all of the standards and rules in Chapter 2.6 the California Insurance Code. This Chapter applies to all long-term care benefits sold in California. It provides some of the highest quality long-term care insurance consumer protections in the nation. Allowing long-term care benefits provided through a life insurance or annuity policy to avoid the requirements of that Chapter would leave consumers without those protections and allow companies to establish standards of their own choosing.

Long-term care benefits in life and annuity products are available and sold today that do comply with the current requirements of Chapter 2.6. There is no valid reason to allow companies the right to avoid those standards and protections in return for quicker approval and less oversight of those benefits. It is indefensible that consumers would have less protection when insured for their long-term care expenses through a life insurance or annuity product than if they bought those benefits separately.

We want long term insurance (whether provided via a stand alone policy or a benefit that's part of an annuity) to be both affordable *and* valuable for consumers. Regulation of insurance products ensures the value of those products. Without regulation, consumer confidence erodes. The purpose of Long Term Care Partnerships has been to lessen long term care cost burdens on government entities by increasing consumers' investment in their own future care. This bill will erode consumer confidence and undermine that purpose.

We strongly oppose this bill.

Sincerely,


Amy Bach
Executive Director

cc: Hon. Insurance Commissioner David Jones

Board of Directors

Amy Bach

Executive Director

Alice J. Wolfson

Chair, Board of Directors

David Baria

Mississippi State Senator

Hon. Stanley G. Feldman

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Deborah Senn

Insurance Commissioner (1998-2001)
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