



February 15, 2008

Assembly Member Joe Coto
Chairman Assembly Insurance
Room 2013 State Capitol
10th & L Streets
Sacramento, CA 95814

RE: AB 2464—Oppose-Duvall

Dear Chairman Coto:

I am writing on behalf of United Policyholders (UPH) to register our opposition to AB 2464. United Policyholders is a not-for-profit corporation founded in 1991 as an educational resource for the public on insurance issues and insurance consumer rights. UPH is based in California but operates nationwide and is funded by donations and grants from individuals, businesses, and foundations and is governed by an eight member Board of Directors. UPH contributes on an ongoing basis to the formulation of insurance related public policy at both the national and state level.

UPH exists to help level the playing field between insurance consumers and insurance companies. Businesses and individuals rely on the insurance they buy to protect themselves, their property and their individual livelihoods against the risk of loss. Insurance companies are in business to earn profits by assuming that risk. Insurance is a regulated industry because of this dynamic and the fact that the financial security insurance policies provides is an integral part of the fabric of our society and economy.

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Our interest in AB 2464 is directly related to our consumer protection work. It is our opinion that AB 2464 is detrimental to seniors because it conflicts with existing California statutory disclosures and consumer protections. The NAIC model which AB 2464 adopts does not discuss California law. California currently has greater consumer protections than those contained in the NAIC model. In fact, the proposed NAIC model is a bare bones national generic approach which actually undermines the rights of California's citizens.

It is imperative that consumers know as much as possible about these confusing and heavily marketed products before purchasing an annuity. In its current form, AB 2464 will limit a consumer's ability and right to know while at the same time negating the industry's obligation to educate consumers in all but the most limited of circumstances.

United Policyholders strenuously opposes AB 2464 and urges you to vote "No!"

Sincerely,

Amy Bach
Executive Director

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