

September 29, 2009

The Honorable Herb Kohl
Chair
Special Committee on Aging
United States Senate
Washington, DC 20510

Dear Chairman Kohl:

We are writing on behalf of the National Association of Insurance Commissioners (NAIC) to express our support for the revised version of the Confidence in Long-Term Care Insurance Act of 2009 (S. 1177), which was submitted as an amendment to the America's Healthy Future Act of 2009 by Senator Ron Wyden (D-OR). We support your goal of protecting all long-term care insurance policyholders and applaud the fact that the legislation seeks to build on state laws and regulations developed by the NAIC. We are also grateful for improvements and clarifications that have been made to the legislation to accommodate concerns raised by state regulators.

As you know the NAIC represents the insurance regulators in the 50 states, the District of Columbia, and the 5 U.S. territories. In consultation with consumer representatives, the long-term care insurance industry and other stakeholders, the NAIC has developed model laws and regulations that provide extensive consumer protections to long-term care insurance policyholders. Many, but not all, of these protections are already required by federal law for tax-qualified long-term care insurance plans and long-term care partnership plans. However, the market continues to evolve and the NAIC continues to respond to this changing market by updating its models and regulations to ensure consumers remain protected. In fact, the NAIC recently completed standards for external review for claim denials.

The NAIC strongly supports the provisions in S. 1177 that would update federal consumer protection standards and institute a formal process for incorporating new NAIC-adopted protections in tax-qualified and Partnership plans. We also agree that both federal and state officials need to remain vigilant in monitoring the long-term care insurance marketplace and pledge to work with you to develop a reporting system that will retrieve the necessary information without placing an unnecessary burden on state or industry resources.

State regulators also support your efforts to improve disclosure, producer training, consumer education and information, and rate stability. The NAIC and states have made great strides in these areas and we look forward to working with you to enhance protections nationwide.

Over the coming years, long-term care costs will continue to represent a growing share of national health care spending and private long-term care insurance will play an important role in paying for that

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care. State regulators are committed to ensuring that long-term care insurance products provide value to consumers and deliver on the promises they make, and we appreciate your efforts to achieve these same goals.

Sincerely,



Roger A. Sevigny
Commissioner of Insurance
State of New Hampshire
NAIC President



Sandy Praeger
Commissioner of Insurance
State of Kansas
Chair, Health Insurance and
Managed Care (B) Committee