

CALIFORNIA ADVOCATES, INC.



May 4, 2012

The Honorable Ted Gaines
Member, California State Senate
State Capitol, Room 3056
Sacramento, CA 95814

Ralph F. Simoni

Michael D. Belote

Julianne A. Broyles

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**SUBJECT: SB 1552 (GAINES)—TAXATION: QUALIFIED LONG-TERM CARE
INSURANCE - SUPPORT
SENATE GOVERNANCE AND FINANCE COMMITTEE
SCHEDULED FOR HEARING: MAY 9, 2012**

Dear Senator Gaines:

*Robert G. Walters
of Counsel*

The California Association of Health Underwriters (CAHU) is pleased to **SUPPORT** your **SB 1552**, as amended April 17, 2012, which seeks to conform state law with federal tax requirements on long-term care insurance, among other provisions.

CAHU is the state's largest association of health insurance agents, brokers and other health insurance industry professionals. Our members help millions of individual Californians and businesses evaluate, select, purchase and use their health care coverage plans, resulting in greater health and financial security. CAHU agents and brokers also act as advocates for policyholders and their families when coverage disputes arise. CAHU agents and brokers perform many functions for small employers with respect to managing their employee benefits program-at no additional cost to the small employer.

CAHU believes that **SB 1552** will help make qualified long-term care insurance policies more affordable by conforming state tax law with federal law to ensure equal tax treatment for the consumers of these policies. CAHU also believes that the conformity proposed in **SB 1552** will lead to wider availability and use of these policies--which in turn may help relieve the strain on existing state and federal safety net programs.

CAHU looks forward to working with you and your staff in **SUPPORT** of your **SB 1552**.

Sincerely,

Julianne Broyles
On Behalf of California Association of Health Underwriters

cc: Office of Governor Brown
Members, Senate Governance and Finance Committee
Colin Grinnell, Senate Governance and Finance Committee
Scott Chavez, Senate Republican Caucus