

CALIFORNIA ADVOCATES, INC.



August 16, 2018

The Honorable Edmund G. Brown, Jr.
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

Michael D. Belote

Dennis K. Albiani

Faith Lane Borges

Lexi Purich Howard

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SUBJECT: SB 910 (HERNANDEZ) SHORT-TERM LIMITED DURATION HEALTH INSURANCE- REQUEST FOR VETO

Dear Governor Brown:

The California Association of Health Underwriters (CAHU) must respectfully **REQUEST YOU VETO SB 910**, as amended August 9, 2018, which would prohibit the sale of short-term limited duration health insurance in California even in circumstances that would leave a consumer without any other coverage options.

While CAHU agrees with the intention of ensuring that California consumers are enrolled in comprehensive coverage, this bill will likely result in a number of unintended consequences. Short-term limited duration policies can be purchased outside of the open and special enrollment periods, and is at times a consumer's only option. For example, under **SB 910**, if an enrollee's coverage is dropped due to failure to pay their premiums, they would be forced to go without any coverage until the next open enrollment period which may be months away. This is because coverage that is lost due to failure to pay is not a qualifying event for special enrollment periods.

SB 910 removes a critical tool for coverage and leaves affected individuals with no option other than to utilize costly emergency services should any medical need arise. We would respectfully request a **veto of SB 910** which would allow us time to work with stakeholders on our request for amendments to reach a comprehensive solution to make plans available in limited instances to those who are otherwise prohibited from purchasing comprehensive coverage, limited in duration until the next open enrollment and nonrenewable. These suggested amendments would help achieve the desired policy goal of market stabilization without jeopardizing the health and financial security of those who find themselves locked out of comprehensive coverage options.

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 is proud of their role in the significant gains California has made in reducing our state's number of uninsured over the past several years.

For these reasons and more, CAHU must respectfully request your **VETO of SB 910**. To reach Faith Lane Borges, please call 916-441-5050.

Sincerely,

Faith Lane Borges
On behalf of the California Association of Health Underwriters

cc: Donna Campbell, Deputy Legislative Secretary

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