

**DATE:** October 30, 2016

**TO:** IIPRC

**FROM:** Sonja Larkin-Thorne, Brendan Bridgeland, Angela Lello, Fred Nepple, IIPRC Consumer Representatives, and Bonnie Burns, California Health Advocates

**SUBJECT: Support for the PSC recommendation to not adopt a “Non-duplication Clause” pursuant to the 5-Year Review process (Phase 6 Long-Term Care Insurance)**

We write to support the IIPRC Product Standards Committee recommendation that the IIPRC not adopt a standard that authorizes a “Non-duplication Clause” for long-term care policies. This Industry Advisory Committee (“IAC”) proposal is, for the reasons stated by the Committee, wrong for long term care policies and unsupported by data and analysis. It will leave consumer claims caught unpaid between insurers and open the door to unsuitable sales. It also lacks any standard for appropriate rating practices. These issues are not mitigated by the expedient of limiting the clause to policies originally issued by affiliated companies.

We applaud the PSC for its thoughtful consideration of this topic. For the reasons stated in the PSC report we urge the IIPRC to reject the IAC proposal.