



April 18, 2011

The Honorable Ed Hernandez
Chairman, Senate Health Committee
State Capitol, Room 4085
Sacramento, CA 95814

RE: SB 810 (Leno) -- OPPOSE

Dear Senator Hernandez:

The National Association of Insurance and Financial Advisors of California (NAIFA-California), an association representing over 3,000 insurance professionals from all sectors of the industry, including life, health, property, casualty, and financial services, is respectfully **opposed** to SB 810 (Leno) relating to Single-Payer Health Care Coverage.

As an association representing health insurance agents in California, NAIFA-California understands the importance of health care coverage and the need to address the issue of the uninsured. However, the negative impacts that SB 810 (Leno) would have on the health insurance marketplace and the overall economy in California would out-weigh the benefits of creating a single-payer system.

SB 810 is a well-intentioned bill, but its unintended consequences can do incalculable harm to consumers. First, the consumer is left virtually defenseless if a decision is made not to provide health care coverage for that individual. Currently, consumers who are denied coverage by a carrier can turn to their health insurance agent. A health insurance agent is uniquely situated to successfully intervene on behalf of the consumer. Since carriers must depend on agents for the distribution of their products, the agent is in a highly leveraged position when she advocates on behalf of her consumer client. There is no such leverage in a single-payer format and the consumer is left to the mercy and sufferance of single-payer management.

SB 810 would cause those currently insured to lose their health care coverage and have it replaced with a new benefit structure determined by what government feels it can afford, not on what the consumer may want or need. Generally speaking, people do not appreciate visiting an understaffed government run bureaucracy for their personal needs. Why would they then want to utilize a government program for or go to a new governmental bureaucracy for something as important as their health care?

Finally, SB 810 is a distraction from what we believe needs to be everyone's focus: the adoption of policies, regulations, and laws that will assure the success of the federal Patient Protection and Affordable Care Act in our state.

For these reasons, NAIFA-California is regretfully opposed SB 810 (Leno). If you have any questions or concerns regarding NAIFA-California's position, please contact me at (916) 930-1993.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shari McHugh", with a stylized flourish at the end.

Shari McHugh
Legislative Advocate

CC: The Honorable Mark Leno, Author
Senate Health Committee, Members
Peter Hansel, Senate Health Committee
Joe Parra, Senate Republican Caucus
Randall Ward, Governor's Office of the Insurance Advisor