Senate Bill:	Senate Bill 186 – "Life and Health Insurance Guaranty Corporations Act – Revisions"
Committee:	Senate Finance Committee
	The Honorable Delores G. Kelly, Chair
Position:	SUPPORT
Date:	February 12, 2020

New York Life

On behalf of New York Life, we wanted to express our support for SB 186, legislation that updates Maryland's Life and Health Insurance Guaranty Corporation Act to address the funding of future LTC insolvencies. The changes are consistent with those made by the NAIC to its Life and Health Insurance Guaranty Association Model Act (NAIC Model).

A critical provision in the NAIC Model – and included in SB 186 – more equitably apportions LTC assessments 50-50 between life and health insurers and brings HMOs into the guaranty fund system. Given the current state of the LTC market, the life insurance industry worked with all affected stakeholders to update the NAIC Model and create a more equitable distribution of LTC assessments. While very few health insurers write LTC today, the same can be said for the life insurance industry. And yet, to strengthen the state-based guaranty fund system, the life industry agreed to step up and shoulder a greater percentage of the assessments for future LTC insolvencies. In addition, given the similarities in health products offered today, it makes sense to include HMOs as members of the guaranty association, thereby protecting HMO consumers. Adding HMOs also broadens the assessment base, furthering strengthening the backstop that provides benefits to consumers in the event of an insolvency.

As a national carrier, New York Life encourages states to enact legislation that is as uniform as possible. We support the NAIC Model and respectfully request Maryland enact SB 186 without any deviations.

CC: Senator Brian Feldman, Vice Chair

Senator Malcolm Augustine

Senator Pamela Beidle

Senator Joanne Benson

Senator Antonio Hayes

Senator Stephen Hershey

Senator J.B. Jennings

Senator Katherine Klausmeier

Senator Benjamin Kramer

Senator Edward Reilly