

THE STATE



OF WYOMING

Insurance Department

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PRESS RELEASE

FOR IMMEDIATE RELEASE

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Health Insurance Consumer Alert **Advertised "Health Plans" are not insurance**

Cheyenne–Wyoming Insurance Commissioner Ken Vines warns consumers about advertisements for "health plans" that have been faxed to many potential Wyoming consumers. These plans generally do not provide insurance coverage and do not directly pay hospital or doctor bills.

Advertisements for health plans may make claims, such as:

- "New Health Plan! Designed for employees, individuals, and families"
- Offered to "an entire family for only \$89.95 per month for a limited time only."
- Refers to "Medical, Dental and Vision" and includes a "\$15.00 generic prescription card co-pay"
- States that "all preexisting conditions accepted, no limitations on usage, no age restrictions"
- Claims that other benefits in the plan include doctor visits, hospital stays, emergency room and "much more."

These advertisements typically offer discounts in a preferred provider organization (PPO). For example, if a person participating in the "health plan" visits a physician participating in the PPO, they pay for the services at the time they are rendered. The "health plan" would make no payment to the physician on behalf of the patient. This so-called "health plan" could easily be confused with a health insurance policy," said Commissioner Vines. "Very few if any Wyoming medical providers agree to provide

services under these plans. The Wyoming consumer may be required to drive hundreds of miles to find a participating medical provider, making the discount valueless.”

The Department of Insurance offers the following consumer tips:

Potential signs of unauthorized insurance and possible insurance fraud include:

- A policy costs far less than what other companies are charging. If it is too good to be true, it probably isn't legitimate.
- An agent or company becomes evasive when you ask about state insurance licenses.
- An agent or company insists on cash payments.
- An agent or company tells you that this is a “one-time deal” or your “last chance for this special savings.”
- A company boasts that they will insure everyone, regardless of history or risks.
- An agent or company asks for detailed personal information that is not needed to write health insurance.

When buying any type of insurance:

- Contact the Wyoming Department of Insurance to make sure the insurance company and/or agent are licensed to conduct business in the state. Never pay for insurance until you are certain the agent and company are legitimate.
- Fraudulent policies are most often sold through direct mail solicitations or over the Internet. Be especially wary when responding to these solicitations.
- Always pay by check or money order, and write your policy number on the check.
- If you don't receive your policy within 30 days, call the insurance company to make sure you are covered.
- Ask for a receipt for all payments. The receipt should include your policy number, the date of payment and the name of the insurance company.
- Finally, read the policy when you receive it. If you have any questions or concerns, contact your agent, the company or the Wyoming Department of Insurance.

The Wyoming Department of Insurance provides consumer information at (307) 777-7401 or at its Website: <http://insurance.state.wy.us>.