



State of Connecticut

Insurance Department

THOMAS R. SULLIVAN
COMMISSIONER

OFFICIAL NEWS RELEASE

FOR IMMEDIATE RELEASE

CONTACT: Dawn McDaniel
(860) 297-3958

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dawn.mcdaniel@ct.gov

Connecticut Insurance Department Warns Consumers to be on alert for Health Care Reform Scams.

Insurance Commissioner Thomas R. Sullivan announced today that fellow regulators across the nation are receiving complaints about scam artists going door-to-door selling “ObamaCare” insurance policies or claiming there is a limited open-enrollment period to buy health insurance. Some of these scam artists have even set up bogus toll-free numbers to sell policies.

Consumers searching for health insurance coverage since the passage of the Patient Protection and Affordable Care Act of 2009 (PPACA) should be on the lookout for scammers hoping to take advantage of the complexity surrounding the details of the new law. Connecticut is not exempt from questionable activity and the Connecticut Insurance Department has been monitoring the situation within the state.

“While no Connecticut consumers have been harmed by such scams, to date, it is important for consumers to remain vigilant in their pursuit of quality insurance policies,” said Commissioner Sullivan.

Commissioner Sullivan went on to warn consumers who have been offered a policy that is a “limited-time offer,” has limited benefits, or is advertised as necessitated by health insurance reform, to **STOP** before making a payment, **CALL** 800-203-3447, and **CONFIRM** the policy, agent, and company are legitimate.

The Connecticut Insurance Department continues to update their website at www.ct.gov/cid with the latest information available.

Don't Be Misled – Watch out for these “Red Flags”

1. The agent or salesperson says the premium offer is only good for a limited enrollment period.

There is no open enrollment period currently associated with the new health care law, so if the salesperson is pressuring you to buy the policy because the price or option is only good for a short time, be wary. Before you write a check or sign a contract for one of these policies, call the Connecticut Insurance Department to verify the insurance company and agent are licensed in this state. Also, carefully read the contract to make sure you understand the coverages and limitations of the policy.

2. *The agent or salesperson says the coverage is necessitated or required by the health care reform law.*

You may have heard that all Americans will be required to purchase health insurance under the new law, but this requirement does not go into effect until 2014 for most people. If an agent or salesperson implies you have to purchase coverage now, stop and call the Connecticut Insurance Department.

3. *The agent or salesperson does not explain the coverages included in the policy or does not provide a full list of the coverages.*

Limited benefit health insurance policies may be approved in Connecticut, but they are required to contain detailed and prominent disclosure wording as follows:

“THIS LIMITED HEALTH BENEFITS PLAN DOES NOT PROVIDE COMPREHENSIVE MEDICAL COVERAGE. IT IS A BASIC OR LIMITED BENEFITS POLICY AND IS NOT INTENDED TO COVER ALL MEDICAL EXPENSES. THIS PLAN IS NOT DESIGNED TO COVER THE COST OF SERIOUS OR CHRONIC ILLNESS. IT CONTAINS SPECIFIC DOLLAR LIMITS THAT WILL BE PAID FOR MEDICAL SERVICES WHICH MAY NOT BE EXCEEDED IF THE COST OF SERVICES EXCEEDS THOSE LIMITS. THE BENEFICIARY AND NOT THE INSURER IS RESPONSIBLE FOR PAYMENT OF THE EXCESS AMOUNTS. THE SPECIFIC DOLLAR AMOUNTS ARE AS FOLLOWS:”
(INSURER TO SPECIFY SUCH AMOUNTS).

If the policy, marketing materials, and enrollment form do not contain this wording, it is not approved in Connecticut, and we strongly recommend you not purchase the policy. You are urged to call the Connecticut Insurance Department if you have questions.

4. *The agent or salesperson claims the coverage will be "grandfathered" or exempted from changes required by the health care reform law.*

Only policies purchased before President Obama signed the PPACA on March 23, 2010, will be "grandfathered" or exempted from changes required by the law. Any policy purchased now must comply with all of the changes required by the bill to satisfy the individual mandate in 2014. If an agent or salesperson claims otherwise, stop and call the Connecticut Insurance Department.

More Information

Many of the provisions of the bill do not take effect until the year 2014; however, the Connecticut Insurance Department has developed a Web page to keep the public informed of the changes, as we know about them. Check our website at www.ct.gov/cid often for the most recent information and updates.

The Connecticut Insurance Department's Consumer Affairs Unit offers consumer outreach programs on a number of insurance topics, at no charge. Speakers are available to address groups or organizations on an insurance topic of their choice and will answer any general questions the group has about insurance.

Consumers interested in filing a complaint or who have an inquiry are encouraged to visit the Insurance Department website at www.ct.gov/cid, or call toll free 1-800-203-3447, or direct at 860-297-3900 for more information.

ABOUT THE CONNECTICUT INSURANCE DEPARTMENT

The mission of the Connecticut Insurance Department is to serve consumers in a professional and timely manner by providing assistance and information to the public and to policy makers, by regulating the insurance industry in a fair and efficient manner which promotes a competitive and financially sound insurance market for consumers, and by enforcing the insurance laws to ensure that consumers are treated fairly and are protected from unfair practices. For more information, visit the Connecticut Insurance Department at www.ct.gov/cid.

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