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For immediate release:
Sept. 21, 2009

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Beware the fax offer: Is it health insurance?

Salem, Oregon – The fax offer promises “affordable health care” at prices as low as \$369 for an entire family and the “original and largest nationwide PPO network of doctors and hospitals.” Don’t worry about pre-existing conditions, it says. “You will be enrolled.”

This fax and others like it are being blasted to Oregonians, the Oregon Insurance Division warned today. Here’s what the faxes lack: The name of an insurance company so consumers can verify that the insurer actually exists and its policies are being sold legally in Oregon.

“As the price of health insurance continues to rise, consumers are looking for ways to reduce costs,” said Teresa Miller, Insurance Division administrator. “But consumers should be very careful about unsolicited offers for low-cost health care. Many of these offers are illegitimate, or they may not offer a level of coverage that the consumer would expect.”

Some faxes reference an “association.” Some include phone numbers that work but others list numbers that are disconnected. Calls by Insurance Division staff to several working phone numbers led to such organizations as the American Trade Association and Serve America Assurance. The association is not approved by Oregon insurance regulators to buy a group policy. Serve America Assurance is not authorized to sell insurance in Oregon. In fact, its Web site describes it as an “off shore captive insurance company of Beema Insurance Company” of Pakistan.

No call to phone numbers on faxes turned up a company that is actually approved by the Insurance Division to sell health insurance in Oregon. This means that consumers have no way to verify that the company exists and is financially sound, that it is selling insurance versus some other product, or that its policies carry basic consumer protections and offer required services such as mammograms or prostate screening for certain patients.

Finding legitimate insurance companies is a key issue as consumers shop online for insurance or are directed by flyers and faxes to various Web sites. How can consumers evaluate everything from legitimate, comprehensive health insurance plans to medical discount cards to outright scams?

The Insurance Division and its consumer advocates are available to help. Here’s how to get started:

- Get the complete names of the insurance company or companies selling the plan so you can find out if they are licensed in Oregon. Legitimate, licensed insurance companies will usually display their name prominently. Also get the name of any agents who are selling the products.
- Check the names of companies and agents with the Insurance Division to see if they are licensed. To use an agency database to see if a company or agent is authorized to sell insurance in Oregon, visit <http://insurance.oregon.gov/insurer/insurer.html>. Or, call a consumer advocate for help at 503-947-7984 or toll-free at 1-888-877-4894.

- To find out if an association is filed with the state, as is required, call the division's consumer advocates at 503-947-7984 or toll-free at 1-888-877-4894.
- Know that health plans that sound too good to be true, probably are. Policies that charge less cover less. Some plans with limited benefits cap what they pay for a doctor or hospital visit at amounts far below the actual costs.
- Health plans come with wide-ranging benefits and costs but in Oregon, average monthly premiums for a group plan offered through an employer are close to \$345 for a single person and \$1,000 for a family. Individual plans for people who don't get insurance from an employer typically cost less.
- You may receive advertisements from plans offering discounts on health care for a monthly fee. These are discount medical plans, not insurance. You should thoroughly investigate any plan promising discounts for a low monthly fee and weigh the benefits against the cost. Oregon licenses medical discount plan organizations and requires these organizations to provide certain consumer protections. Learn more at: <http://insurance.oregon.gov/insurer/medical-discount-plan/medical-discount-plan-organizations.html>
- If you purchased insurance from an unlicensed company please contact the consumer advocates at 1-888-877-4894.

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The Insurance Division, part of the Department of Consumer & Business Services, helps ensure the financial soundness of insurers, the fair treatment of consumers, and the affordability and availability of insurance products. For more information, visit www.insurance.oregon.gov.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.