FOR IMMEDIATE RELEASE: Thursday, May 29, 2008
CONTACT: Sara Rabern, (605) 773-3215

Attorney General’s Office and South Dakota Division of Insurance Warn of Health Care Scam

PIERRE, S.D. - Attorney General Larry Long and Merle Scheiber, Division of Insurance Director, South Dakota Department of Revenue & Regulation, want to warn South Dakota consumers and small business owners of health plan scams that are showing up on fax machines.

These faxes are purporting to offer health benefits or discounted health services. Please be advised that these entities are not licensed health insurance companies nor registered discount medical plan organizations with the South Dakota Division of Insurance.

In a recent example the fax itself does not have a company name, but offers a health care plan with monthly premiums ranging from $199 for single coverage to $359 for families. When the consumer calls the toll-free number on the fax they are given the hard sell on an affordable health care plan.

Here are a few red flags on how to spot and avoid health insurance scams:

• They ask for personal identifying information over the phone.
• The premiums are drastically lower for a similar product on the market. Remember, that if it sounds too good to be true, it probably is.
• The entity will not give you a list of providers until after you purchase the plan.
• The company uses high-pressure marketing tactics like telling you “to act now”, “this is a one-time offer” or “enrollment ends”.

Before purchasing any health insurance or medical discount plan, consumers should check with the Division of Insurance at 605-773-3563 to verify that the company is licensed to do business in South Dakota. You may also view a listing of licensed companies on the Division of Insurance website at http://www.state.sd.us/drr2/reg/insurance/consumer/major_medical.htm and registered discount plans at http://www.state.sd.us/drr2/reg/insurance/companies/discountmedicalplan.htm. If you feel you have been a victim of this scam or would like additional information contact the Consumer Protection Division at 1-800-300-1986 or consumerhelp@state.sd.us.