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## **Insurance Division Warns Consumers about Non-Traditional Health Insurance Policies**

**PIERRE, S.D.** – The Department of Labor and Regulation’s Division of Insurance warns consumers about non-traditional health insurance policies such as limited medical benefit insurance or mini-med plans.

Such policies are not comprehensive major medical health insurance and offer a low level of coverage. There is no limit to how much consumers might have to pay for medical expenses.

“These plans are often sold as a cheap alternative and seem too good to be true,” said State Insurance Director Merle Scheiber. “The limited coverage plan may cost less than a major comprehensive plan. However, a person may have to pay for more expenses on their own.”

Common phrases consumers should beware of include:

- Real health insurance
- Guarantee issue or acceptance
- No pre-existing conditions
- Premium is only good for limited “open enrollment” period
- Designed to pay for smaller, more common claims
- Affordable health insurance

To protect themselves, insureds should also ask the agent for their National Producer Number and be sure they are licensed in South Dakota.

“Consumers are at risk if they don’t fully understand the actual insurance benefits, limits and exclusions,” said Director Scheiber. “A costly illness or injury could lead to having to borrow money or face bankruptcy.”

To learn more about limited medical benefit insurance plans and mini-med plans, read the Division of Insurance consumer alert at [http://dlr.sd.gov/insurance/consumer\\_alerts.aspx](http://dlr.sd.gov/insurance/consumer_alerts.aspx).