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Buyer Beware of Health Insurance Phone Solicitations

PIERRE, S.D. – Consumers considering health insurance needs in preparation for health insurance open enrollment are warned by the South Dakota Division of Insurance not to fall victim to high-pressure sales tactics used by telemarketers offering health insurance coverage.

Consumers are encouraged to ask questions about the insurance policy considered for purchase. The plan being offered may be a type of health insurance, but may not be a comprehensive major medical policy providing complete health coverage.

Some companies soliciting business in South Dakota by telephone assert their policies are approved comprehensive coverage. However, the policies are typically a limited type or short duration product that may not meet the needs of consumers.

Consumers should follow these tips if a call is received from anyone attempting to sell health insurance over the phone:

- Check dlr.sd.gov/insurance for additional information on carriers selling insurance in South Dakota.
- Remember Healthcare.gov is the only official website for the federal Marketplace. The site has information regarding the Affordable Care Act, qualified health plans and comparisons of Marketplace plans. Be cautious of other similar sounding names or websites.
- Remember no one offering comprehensive health care coverage will ask if a pre-existing condition exists.
- Be wary of telemarketers from the “national enrollment center,” “national healthcare center” or other official-sounding names. The federal government will not call selling health insurance.
- Do not provide Social Security numbers, bank account details or health information. If a caller pressures to provide this information, hang up.
- Never agree to any request to send money over the phone.
- Purchase insurance through a licensed agent. Do not be afraid to ask for his or her license number. If he or she refuses, hang up.
- Ask the caller for written information about the policy, including premiums, if a sales call is received from someone selling health insurance. If he or she refuses, hang up.

Two health insurance carriers, Avera Health Plan and Sanford Health Plan, were approved by the Division to sell individual comprehensive health policies during the 2019 open enrollment period running from Nov. 1, 2018, through Dec. 15, 2018. Any other company offering health coverage is not approved to sell comprehensive coverage in South Dakota.

Consumers are advised to get the facts up front, before buying, to understand what the policy will and will not do. Questions or concerns can be directed to the South Dakota Division of Insurance at 605-773-3563 or insurance@state.sd.us.