

# Consumer Alert

## Illinois Department of Insurance Warns of Possible Fake Agents Pitching Health Care Coverage Scams

**CHICAGO**—April 10, 2010. While insurance regulators around the United States work to implement national health insurance reform, con artists are trying to scam consumers with phony health care insurance programs, according to the Illinois Department of Insurance.

Recent reports indicate that bogus insurance agents are showing up at homes throughout the country pretending to be from the federal government and selling “ObamaCare” insurance policies. The primary target of these fake insurance agents appears to be older Americans.

“Federal government employees and the Illinois Department of Insurance are working hard to implement and inform the public about national health insurance reform, some provisions of which don’t come into effect until 2014,” said Michael T. McRaith, Director of the Department. “Unsolicited contact, especially from door-to-door salespeople selling health insurance, is nothing more than a ruse to defraud you of your money. Whether it’s called ‘Obamacare’ or something else, there are currently no ‘special’ or ‘limited enrollment’ insurance policies to buy under the new law.”

While new health insurance options, such as a high-risk pool for those unable to obtain insurance coverage due to preexisting conditions, will be available to some as early as June 2010, consumers should be suspicious of policies advertised as time-limited, of limited benefits, or necessitated by health insurance reform.

The Department offers advice on dealing with offers of health insurance:

- **Beware of misleading or exaggerated promises.** Look out for phrases such as “Required by the health care reform,” “Limited enrollment,” “Guaranteed benefits,” or “Affordable health coverage.”
- **Ask questions.** Find out exactly what coverage is being offered and why. Ask for written information regarding what health care providers are included in the network and make sure your doctor, hospital, or pharmacy is included. Call your provider to make sure they are participating in the plan being offered
- **Be wary of unsolicited inquiries or offers.** Health insurance may only be sold in Illinois by a licensed insurance agent. Call the Department toll-free at (877) 527-9431 or visit <http://insurance.illinois.gov/Producer> to determine if the salesperson offering you insurance is licensed. Avoid dealing with a salesperson if he or she seems evasive, ill-informed, or if they are reluctant to send you detailed information about the insurance plan or insurance company until after you sign up.
- **Protect against possible insurance fraud or identity theft.** As always, you should take steps to protect yourself against possible [insurance fraud](#) or identity theft. Never give out personal information – including insurance-related documents, credit cards, checking or other bank account information – over the phone or internet, by email, mail, or fax unless you know the person you are dealing with.

- **Ask if the insurance company is registered with the Department and if the Department has approved the plan.** State law requires insurance companies to be licensed by the Department and prohibits a health insurance policy from being sold unless it has been approved by the Department. Call the Department toll-free at (877) 527-9431 to determine whether the insurance company offering the plan is licensed. “If it doesn’t seem right, call the Department to confirm that the agent and insurance company is licensed by the State of Illinois. Don’t make any commitments, and try to get a name and number of the person who is soliciting the business and turn the information over to us,” McRaith advised.

## **More Information**

The Department’s mission is to protect consumers by providing assistance and information, by efficiently regulating the insurance industry’s market behavior and financial solvency, and by fostering a competitive insurance marketplace. The Department assists consumers with all insurance complaints, including health, auto, life, and homeowner. Consumers in need of information or assistance should visit the Department’s Web site at <http://insurance.illinois.gov> or call our toll-free hotline at (877) 527-9431.