



# Health Insurance Bulletin

Number 2010-4

## Consumer Alert:

### **Beware of Limited Benefit or Discount Health Insurance Scams**

Scam health insurance products have been sold in Rhode Island by or through various companies including the following:

- AIM Healthplans, Inc.
- American Trade Association, Inc.
- Association of Independent Managers
- Beema Insurance Company Beema-Pakistan, Ltd.
- Beema Insurance Company-Pakistan
- Beema-Pakistan Company Limited
- CEO Clubs, Inc.
- CEO Club Benefits
- Hudson Valley Consultants, LLC
- Insurance Resource Group
- Integrated Insurance Marketing, Inc.
- National Association of Business Leadership
- Nationwide Administrators, LLC
- Real Benefits Association
- Serve America Assurance, Ltd.
- Smart Data Solutions, LLC
- SouthEast Insurance Advisors, LLC
- United States Contractors Trust
- Viking Administrators, LLC
- Wilshire Holding, LLC
- Worldwide Family Benefits Association, Inc.

***None of these companies are licensed to do business in Rhode Island.***

If you are contacted by any of these companies, please exercise extreme caution. Several states including Texas, South Carolina, and Utah have recently taken action against these companies. Four of these companies, American Trade Association, Inc., American Trade Association, LLC; Serve America Assurance, and Smart Data Solutions have been forced into liquidation by the state of Tennessee.

These companies call consumers directly to offer limited benefit medical plans backed by nonexistent insurance companies. They also advertise these plans on affiliated company websites (such as <http://www.ahahealthplans.com>) or offer benefits through membership of related associations.

**If you have purchased insurance through any of these companies, please contact OHIC at 462-9613. Please consult OHIC Bulletin 2010-5 if you have purchased insurance from any of the following companies:**

**American Trade Association, Inc.  
American Trade Association, LLC  
Serve America Assurance  
Smart Data Solutions**

***In general, consumers should observe the following precautions when considering the purchase of any limited benefit medical plan, association-sponsored health insurance plan, or health plan that is marketed directly by telephone, fax, or email:***

**1. Be wary of any company calling to inform you that your current insurance is changing or ending and that you must purchase their coverage.**

Scam health insurance companies will call individuals to tell them there is a problem with their current insurance. They will then solicit the consumer for his or her personal banking information. The companies will then pretend to enroll the consumer in a limited benefit plan for which no coverage actually exists. NEVER provide any financial information over the phone or in an e-mail to someone contacting you about health insurance coverage.

**2. Be suspicious of any company requiring membership in any organization as a prerequisite for access to coverage.**

Scam health insurance companies often require consumers to become members of umbrella organizations in order to collect membership fees in conjunction with insurance premiums. Most legitimate insurance companies will not require enrollees to become members of peripheral organizations in order to be eligible for benefits.

### **3. Research the company selling the insurance.**

Consumers can contact local consumer protection and advocacy organizations to inquire about the legitimacy of any company. Additionally, you can contact the Rhode Island Attorney General, the Office of the Health Insurance Commissioner, or the local Better Business Bureau with any concerns.

### **4. Check the benefits.**

Scam health insurance companies often claim to be able to access any provider network, have a nationwide network, or have no co-payment requirements. If you are contacted by someone making such claims in connection with the sale of health insurance or medical coverage, be alert. Also take note if any company uses overly general statements or promises regarding its coverage capabilities. *If it seems too good to be true, it probably is.*

### **5. Be on the lookout for RED FLAG behaviors:**

Beware of the following. These are the warning signs of a possible fraudulent medical plans:

- The company calls the consumer directly, unexpectedly, and without any previous contact.
- The company claims that your existing insurance coverage is changing or ending.
- The insurance company solicits personal financial information from the consumer.
- The company says it is not subject to network restrictions.
- The company claims to provide coverage without requiring co-payments.
- The company makes overly general and grandiose statements about its health plans.
- The company tells you that its products are connected to, or part of, or required by new federal health reforms.
- The company claims that you only have a limited amount of time to enroll.

Christopher F. Koller  
Health Insurance Commissioner  
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