



Kansas Insurance Department

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Commissioner's Corner

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Carefully evaluate the options for health care coverage

TOPEKA, Kan. — If you watch late night or cable television, you may have seen the ads that say “health insurance at a low, affordable price.” If you are without health insurance now, you may wonder if these offers would be right for you.

That's why it's important to educate yourself before purchasing any of these plans. The products usually described as discount health plans and limited benefit health insurance plans may or may not offer you the coverage you want.

The National Association of Insurance Commissioners and the Kansas Insurance Department (KID) has put together the following information to help you evaluate these options.

Discount health plans

Discount health plans *are not* insurance products; they are membership groups that may or may not have discount arrangements with local providers for services at a reduced (discounted) rate. With limited state regulation and limited state consumer protections, these programs should not be mistaken for comprehensive health insurance offered by companies which are authorized by law to be regulated by KID.

Typically, such products are sold through the Internet or advertised on TV, but they can also be distributed through “blast” faxes or by taped telephone solicitations.

Marketing for discount health plans can be similar to limited benefit plans, making it difficult to distinguish one plan from the other (for example, try reading the fine print on the TV screen, if any fine print is even shown). Our consumer assistance representatives at the insurance department receive inquiries almost daily regarding solicitations from companies such as these.

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Recently, KID joined with several other states insurance departments in issuing cease and desist orders against a group of related companies who were misleading consumers into thinking discount plans were actually comprehensive insurance coverage.

To protect yourself and your money, STOP before purchasing any type of insurance policy, CALL us at the state insurance department and CONFIRM that the company and the insurance agent you are working with are licensed in your state. Go to www.ksinsurance.org to find out more information, or call KID's Consumer Assistance Hotline, 800-432-2484.

Limited Benefit Health Insurance Plans

Limited benefit health plans are insurance products with reduced benefits intended to *supplement* comprehensive health insurance plans, *not* to be an alternative to them.

Limited benefit health insurance plans are not typically required to provide the same level of coverage, so they cover fewer types of medical expenses than a comprehensive policy. This means a limited benefit plan will set the amount of coverage the company will pay per episode of illness or procedure.

These policies also provide limited, if any, surgical, preventive care, testing and emergency benefits. And with low maximum benefit limits called "caps," it may be possible for you to reach your cap quickly, leaving you responsible for the balance of the bill.

Before deciding if a limited benefit health insurance plan is right for you, carefully consider if the plan meets your current and future needs.

Know the limitations of the coverage and understand the expenses that will and will not be covered under the policy. Also, if possible, ask your local insurance agent if there are any exclusions or limitations specifically spelled out in the policy, so expenses that fall within the coverage gaps do not surprise you.

For more tips about choosing health insurance coverage that is right for you and your family, go to our Web site, www.ksinsurance.org, or www.insureUonline.org.

Finally, when reviewing product claims, it's good to remember the old adage, "If it looks too good to be true, it probably is."