



# K a n s a s I n s u r a n c e D e p a r t m e n t

**Sandy Praeger** COMMISSIONER OF INSURANCE

**FOR IMMEDIATE RELEASE**

July 1, 2004

*For more information, call:*

Scott Holeman

785-296-7804

## **COMMISSIONER PRAEGER AND ATTORNEY GENERAL KLINE UNITE TO FIGHT FRAUD**

Attorney General Phill Kline filed suit today against a Florida company for alleged violations of the Kansas Consumer Protection Act and the Kansas Discount Card Act. The suit is the result of an investigation by Attorney General Kline's Consumer Protection and Antitrust Division and the office of Kansas Insurance Commissioner Sandy Praeger.

HealthCare Advantage of Plantation, Florida, was named in the suit filed in Shawnee County District Court seeking civil penalties of \$10,000 for each violation involving approximately 280 customers in Kansas, and an additional \$10,000 for each violation involving elder or disabled Kansans.

"By filing this action today we are serving notice that we will use all resources necessary to aggressively protect Kansas citizens from this type of activity," Attorney General Kline said. "I appreciate Commissioner Praeger's leadership and look forward to working with her office."

The suit alleges that HealthCare Advantage made misleading, deceptive or fraudulent representations as to the discounts available through the use of the card and that consumers received no material benefit because no local health care providers accepted the card. The company is also alleged to have taken unauthorized payments from consumers and told consumers that its program was insurance when it was not.

The suit further alleges that HealthCare Advantage failed to register an in-state resident agent with the Secretary of State's Office and failed to maintain a surety bond or account in the amount of \$50,000.

"Government agencies on the local, state and federal levels must work together to fight insurance fraud through criminal prosecution," said Kansas Insurance Commissioner Sandy Praeger. "Consumers are the beneficiaries of this joint effort because insurance fraud takes money out of their pockets at the rate of \$120 billion dollars a year."

The lawsuit also asks that HealthCare Advantage be permanently enjoined from these practices and pay damages and fees.

###