



MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

FOR IMMEDIATE RELEASE
MAY 28, 2009

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Protect Yourself Against Fake Health Insurance ***Tennessee Department of Commerce and Insurance Offers Tips for Consumers***

NASHVILLE, TN. – As the cost of health insurance rises, the number of people looking to make a profit by selling fraudulent health insurance is also on the rise. The Tennessee Department of Commerce and Insurance (TDCI) stresses that a product that seems too good to be true is too good to be true.

Unlicensed companies defraud consumers by collecting premiums for bogus insurance policies with no intention of paying claims. These companies might offer policies at costs that are significantly lower than licensed and legitimate insurance companies' prices or they might be difficult to reach by phone – if they are listed in phone directories at all. Consumers should check in advance to ensure that they are dealing with a legitimate, licensed insurer before signing an application for a policy.

“Companies that are not licensed by the state to sell insurance might lead consumers to think they are operating legitimately,” says TDCI Commissioner Leslie A. Newman, “all while attempting to evade state insurance regulations. A company selling a health discount plan, for example, might call its product insurance when it is really an unregulated, non-insurance product.”

The following are some tips to protect against fake health insurance:

- Ask hard questions and do your homework. Always read all materials and scrutinize web sites carefully. Coverage that boasts low rates and minimal or no underwriting should be a signal for consumers to look deeper.
- Make sure your insurance agent is selling a state-licensed insurance product. You can contact TDCI at insurance.info@tn.gov, 615-741-2218 or 800-342-4029 to verify.
- Deal with reputable agents. If the person trying to sell you coverage says he or she doesn't need a license because the coverage isn't insurance or is exempt from regulation, watch out.
- Also, in case you are an employee of a company selling products and want to make sure your practices and products are compliant with state law, please feel free to e-mail us at insurance.info@tn.gov or call 615-741-2218 or 800-342-4029.

The Department of Commerce and Insurance works to protect consumers while ensuring fair competition for industries and professionals who do business in Tennessee.
www.tn.gov/commerce/

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