



Massachusetts Division of Insurance

# Consumer Alert

## Beware of Unlicensed Health Plans

As a Massachusetts resident age 18 or older, you are required to have health coverage or face a tax penalty - unless you are exempt or have a waiver. If you are shopping for health coverage, the Massachusetts Division of Insurance want to help you make a smart health plan choice and avoid scams.

### Unlicensed Health Plans Under Investigation

Be careful to only buy health insurance from a company that is licensed by the Massachusetts Division of Insurance. The Division of Insurance and the Attorney General are aware of certain entities that are not licensed in Massachusetts and that may have been fraudulently marketing products as insured health plans in Massachusetts.

**The following companies are under investigation both within Massachusetts and by regulators in other states:**

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

**Other unauthorized health plans are being sold by:**

- CEO Clubs
- National Association of Business Leadership (NABL)

Please be cautious when looking into coverage with any unfamiliar entity. To make sure that the plan you are considering is insurance, sold by a legitimate insurance carrier, call the Division of Insurance at 617-521-7794 or check the website at [www.mass.gov/doi](http://www.mass.gov/doi).

### Beware of Health Plan Promises That Seem Too Good to be True

Do not be fooled by bogus health plans selling on the internet or through unsolicited faxes or phone calls. You should always be careful when surfing the web. Review any website carefully and look for disclaimers such as "this is not insurance" or "not available in Massachusetts."

When you do find a health plan that looks like it meets your needs, check the Division of Insurance website or call to find out if the company is licensed to sell that type of insurance in Massachusetts before you commit to buying the product. Unsolicited faxes or phone calls should be viewed suspiciously. Be careful not to give out personal information or make a payment in response to an unsolicited fax or without checking it out first.

### Look for the Warning Signs of a Scam

#### No Company Name or Address

Beware of advertising that does not give the specific name and address of the insurance company offering the health plan.

#### Limited Time Offer

Beware of high pressure sales tactics that tell you a low monthly price is a limited time offer and will expire in a day or two.

#### Asking for Personal Information

Beware of telephone marketers who ask for your personal financial information in order to enroll you immediately.

#### Pay First, Read Later

Beware of companies that will not provide any written information about the health plan unless you pay first.

### Do not Be Fooled by Discount Plans

Do not buy a discount plan as an alternative to health plan coverage. Discount plans do not pay anything toward your medical claims. Instead, they allow you to get a discount off of some of your medical charges. Discount plans may look like a cheap health plan, but they are not health insurance and they do not meet your Massachusetts "individual mandate" requirement for health coverage. Discount plans may promise big savings, but you may end up with no savings and no way to get your money back. Discount plans are not regulated by Massachusetts or federal law, so buyers must beware and know what they are getting before signing up for a discount plan. You should check with your doctor or local pharmacist to ask whether you will receive any real savings before you give your money or your personal information to anyone offering health care discounts.

## Read the Fine Print Before Choosing a Health Plan

Always take a close look at plan benefits and limitations before you sign up or pay any fees. That way you can see in advance if the plan is right for you and your family.

Make sure you understand what the plan does and does not cover. Remember to add up how much you will have to pay out of your pocket for deductibles and co-payments and items that are not covered. High out-of-pocket costs can soon wipe out the savings of lower monthly premiums.

## Where to Find Help

Choosing a health plan is one of the most important decisions you will make. Make sure you get what you pay for. If you think you may have fallen victim to a scam or if you have questions about a health plan or insurance company, please call the Attorney General's Health Care Hotline at 888-830-6277, or the Division of Insurance Consumer Service Section at 617-521-7794. You can also find additional information on health insurance at the Division of Insurance website [www.mass.gov/doi](http://www.mass.gov/doi).