

Susan Bell  
Commissioner

P.O. Box 110800  
Juneau, AK 99811-0800

[www.commerce.alaska.gov](http://www.commerce.alaska.gov)

STATE OF ALASKA

DEPARTMENT OF COMMERCE,  
COMMUNITY & ECONOMIC DEVELOPMENT

Dru Fenster  
Communications  
Coordinator

907.465.2523  
[dru.fenster@alaska.gov](mailto:dru.fenster@alaska.gov)

## Press Release

COMMISSIONER'S OFFICE

FOR IMMEDIATE RELEASE  
May 24, 2012

No. 12-19

Contact: Katie Campbell, FSA, MAAA  
Dept. of Commerce, Community, and Economic Development  
(907) 465-4607  
[katie.campbell@alaska.gov](mailto:katie.campbell@alaska.gov)

### **Consumer Alert: Limited Medical Benefit Insurance Plans/ Mini-Med Plans** *Stop, Read, and Understand*

(Juneau, AK) – **What is a Limited Medical Benefit Insurance Plan or Mini-Med Plan?**

A Limited Medical Benefit Insurance or Mini-Med Plan is **not** comprehensive major medical health insurance. Unlike a traditional insurance policy, with a Mini-Med Plan, there's no limit to how much you might have to pay for medical expenses. Not all Mini-Med Plans are the same. Some offer a very low level of health insurance coverage. If you have too little insurance, you increase the risk you'll have to borrow money or face bankruptcy if you have a costly illness or injury. Most limited medical benefit or Mini-Med Plans cap the annual amount they will pay for medical expense, leaving you responsible for paying potentially large medical bills.

**These plans come in many varieties so *READ THIS ALERT AND SHOP CAREFULLY BEFORE YOU BUY.***

#### **How Do I Know If I'm Buying a Limited Medical Benefit or Mini-Med Plan?**

These plans are sold alone or often with health discount plans, such as a medical and/or pharmacy discount card, and marketed as a "cheap alternative to major medical health insurance." Some common phrases found in advertising for Limited Medical Benefit or Mini-Med Plan or in advertising for combination health discount plan and Limited Medical Benefit or Mini-Med Plan are:

- Real Health Insurance
- Guarantee Issue or Acceptance

- No Pre-Existing Conditions
- Premium Offer is Only Good For Limited "Open Enrollment" Period
- Designed to Pay for Smaller, More Common Claims
- Affordable Health Insurance

**Look past these sales pitches.** Before you buy, be sure the policy or plan offers the benefits and protections important to *you*. **Ask the agent:**

- For the full name and address of the insurance company underwriting the coverage
- For his/her full name, address and National Producer Number ("NPN"). **Be sure the agent is licensed in your state and appointed by the insurance company**
- For a written outline of coverage
- To fully explain how much of your monthly cost is actual insurance premium vs. other fees and charges
- To fully explain all insurance benefits, limits, and exclusions as well as any health discount plan benefits

#### **What Do I Look Out For?**

- Offers for health coverage that ***might not be insurance***
- Offers that require Association Memberships
- Unsolicited calls, emails, or faxes
- Any annual limits on what the policy covers

**Many people and companies that promise health insurance for a low price don't intend or aren't able to provide coverage. Some warning signs are:**

- A health discount plan sold as insurance or a combination health discount plan and limited benefit medical policy sold as an alternative to major medical health insurance
- Terms like "Innovative" and "Cost Effective"
- Ads or websites that use the terms listed in this alert
- If it sounds too good to be true

If you have doubts or questions or if it seems too good to be true, contact the Alaska Division of Insurance by e-mail at [insurance@alaska.gov](mailto:insurance@alaska.gov) or phone at 907-269-7900.

###