FOR IMMEDIATE RELEASE
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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 or phone at 907-269-7900.

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