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## State warns of bogus health insurance offers

*Unlicensed Tennessee company shut down for not paying claims, 400 Oregonians affected*

**Salem, Oregon** – As Tennessee insurance regulators shut down a company that failed to deliver on its promise of affordable health care, the Oregon Department of Consumer and Business Services is warning consumers about illegitimate companies that aggressively market insurance through Internet advertising and fax blasts.

“Anyone buying insurance over the phone or Internet or as the result of an unsolicited letter or fax should proceed with caution,” said Teresa Miller, administrator of the department’s Insurance Division. “One quick phone call to the division’s consumer advocates can help you determine if the company is legitimate.”

Some Oregonians last fall received faxes offering “affordable health care” at prices as low as \$369 for an entire family. Two companies linked to the faxes, the American Trade Association (ATA) and a subsidiary called Smart Data Solutions (SDS) were not licensed to offer insurance in Oregon. Nonetheless, nearly 400 Oregonians purchased health insurance – or thought they did – through the groups.

The companies collected millions of dollars in premiums from consumers in Oregon and other states. However, when Tennessee insurance regulators investigated the companies they found boxes of unpaid medical claims. A court has since declared the companies insolvent, froze their bank accounts and placed the regulators in charge of running the companies.

The Oregon Insurance Division this week notified affected Oregon families of the problem and cautioned the families not to believe any letters saying they are automatically being moved to another health insurance plan. Tennessee regulators have not authorized any rollover to another plan or allowed any other entity to debit bank or credit card accounts.

Unfortunately, these types of scams are not unusual, Miller said. To find out if a company or agent is legitimate in Oregon, call the Insurance Division’s consumer advocates at 503-947-7984 or toll-free at 1-888-877-4894 or go to <http://insurance.oregon.gov/insurer/insurer.html>. The advocates can also tell you if an association is filed with the state, as required.

“Having a license separates real from phony insurers and also lets consumers know that the company met the minimum financial requirements to sell insurance and will be able to pay claims,” Miller said.

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