

Arkansas Insurance Department

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Governor



Jay Bradford
Commissioner

NEWS RELEASE

FOR IMMEDIATE RELEASE

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Consumer Alert: Insurance Scam Leaves Some Without Insurance

Company Sold Fraudulent Plans to Some Arkansans

LITTLE ROCK, ARKANSAS (December 17, 2009) —State Insurance Commissioner Jay Bradford cautioned Arkansas insurance consumers concerning a company called American Trade Association which has illegally offered health insurance plans via unsolicited faxes. “We have notified the thirty-nine people we know purchased these so-called insurance policies from American Trade Association, but my concern is there are more Arkansans out there we do not know about who may have purchased what they think is a standard insurance policy.”

Generally, the faxed advertisements received tout inexpensive rates to draw attention. However, the only contact information they may provide is a toll free telephone number. No physical address is ever given.

While American Trade Association is the main company selling these fraudulent health insurance plans, other company names the public should be wary of are Real Benefits Association, Serve America/Serve America Assurance Ltd., Smart Data Solutions, and Beema Insurance Group. Each of these companies was listed in a Cease and Desist Order issued by the State of Connecticut Insurance Department. Oklahoma also recently issued a Cease and Desist Order against American Trade Association as well as nearly thirty other companies in November.

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“I want to make it clear that these unlicensed companies may not pay all of your claims, if any, and do not abide by the insurance laws and regulations which are in place to protect Arkansas consumers,” Bradford said.

Warning signs exist in unsolicited advertisements. One of the most obvious is if the price is too good to be true. Others are if no health information is required or the low price is offered for a limited time only.

Consumers can easily verify that insurers are authorized to do business in Arkansas by calling the Consumer Services Division of the Arkansas Insurance Department. Anyone who feels they may have been scammed by American Trade Association or any of the other companies mentioned here should contact the Department’s Legal Division at 501-371-2820.

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