



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Friday, Feb. 27, 2004

## Grassley to Convene Hearing on Growing Problem of Fake Health Insurance

Hearing: "Health Insurance Challenges: Buyer Beware"

Date/time: Wednesday, March 3, 2004, at 9:30 a.m.

Location: 215 Dirksen Senate Office Building, Washington, D.C.

Description: Factors including the rising cost of legitimate health insurance policies have created a environment ripe for fraud by unauthorized firms that offer lower-cost health insurance. Thousands of small-business owners and individuals are falling victim to these scams, ending up with millions of dollars in unpaid medical bills. The scams are especially cruel because the victims often don't find out their insurance is bogus until they're desperately ill, facing expensive but necessary treatment such as chemotherapy or organ transplants.

Alarmed by growing evidence of these scams across the country, Sen. Chuck Grassley, chairman of the Committee on Finance, and key colleagues asked the General Accounting Office to study the extent of the problem and what's being done to stop it. The GAO's report shows the problem is mushrooming nationwide. Grassley will release the GAO's report at his hearing.

In addition to witnesses from the GAO, the hearing will include victims of the now-defunct Employers Mutual LLC, an unauthorized company that scammed thousands of people. Among the ploys it used to attract its victims was to have people confuse it with a reputable Iowa insurer, the Employers Mutual Casualty Company.

A witness list follows.

Marie Almond, Victim of unauthorized health insurance plan, Albemarle, N.C.;

Joan Piantadosi, Wife of Albert Piantadosi, victim of unauthorized health insurance plan, Deerfield Beach, Fla.;

Kathryn G. Allen, Director, Healthcare -- Medicaid and Private Health Insurance Issues, U.S. General Accounting Office, Washington, D.C;

Robert J. Cramer, Managing Director, Office of Special Investigations, General Accounting Office, Washington, D.C.;

Ann L. Combs, Assistant Secretary, Department of Labor, Washington, D.C.;

Fred Nepple, Chair of ERISA Working Group, National Association of Insurance Commissioners, Madison, Wis.;

Jose Montemayor, Commissioner of Insurance, Texas Department of Insurance, Austin, Texas;

Mila Kofman, Assistant Research Professor, Health Policy Institute, Georgetown University, Washington, DC.