



## Consumer Alert

Nebraska Department of Insurance  
402-471-2201 ~ Toll-free Consumer Hotline 1-877-564-7323  
[www.doi.ne.gov](http://www.doi.ne.gov)

### LIMITED BENEFIT MEDICAL INSURANCE PLANS / MINI-MED PLANS *Stop, Read, and Understand*

*These plans come in many varieties so **READ THIS ALERT AND SHOP CAREFULLY BEFORE YOU BUY.** If you have doubts or questions or if it seems too good to be true, contact the Nebraska Department of Insurance.*

#### **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 expenses, leaving you responsible for the rest.

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

These plans are often sold as a "cheap alternative to major medical health insurance." Some common phrases often found in advertising for Limited Medical Benefit or Mini-Med plans 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 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.

### **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:**

- Medical Discount Cards or Pharmacy Discount Cards that are sold as insurance.
- Terms like "Innovative" and "Cost Effective."
- Ads or websites that use the terms listed in this alert.

### **More Information**

If you have questions about your insurance, contact the Nebraska Department of Insurance at 402-471-2201; on the toll-free consumer hotline at 1-877-564-7323; or visit the website at ***[www.doi.ne.gov](http://www.doi.ne.gov)***.