

For Immediate Release
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Contact:

Paul Murphy, A.G.'s Office:
(801) 538-1892
pmurphy@utah.gov

Jilene Whitby, Insurance Dept.:
(801)538-3803
jwhitby@utah.gov

Utah Insurance Department Issues Emergency Order Against Insurance Program

The Utah Insurance Department and Utah Attorney General's Office worked jointly to issue an emergency cease and desist order against AIM Guaranteed Issue Health Insurance after learning the plan was not underwritten by an insurer authorized to do business in Utah. Nearly 300 Utah residents have policies with AIM with premiums in excess of \$400 each month.

"This order was issued because there is an immediate and significant danger to consumers who paid for insurance that is worthless," says Utah Attorney General Mark Shurtleff. "It is unconscionable to think that someone could end up in an emergency room before discovering they don't have any insurance."

According to the March 11 order, AIM, also known as AIM Health Plans, did provide limited health insurance that was underwritten by authorized insurers until July 16, 2009. After that date the insurers ceased to underwrite the business but AIM continued to collect premiums from Utah customers. AIM is not licensed as an insurer or health discount program in Utah or any state.

On November 25, 2009, consumers received fraudulent certificates stating that the insurance would now be provided by CEO Clubs and Town & Country Life Insurance Company. However, the president of Town & Country stated his company has never issued a "limited medical" benefit product.

The Insurance Department filed the emergency order against AIM, Louis Richard Deluca III and Gary L. Karns, Jr. The order also names Insurance Resource Group, a New York third party administrator, Chief Executive Officers Club (CEO Club) and Viking Administrators LLC. None of the three companies is licensed to do business in Utah.

"We are urging consumers to obtain legitimate health insurance and contact us as soon as possible," says Acting Utah Insurance Commissioner Neal Gooch. "We take insurance fraud seriously and we are doing everything possible to make sure Utah consumers are protected."

If the people or companies do not abide by the order they could face a \$5,000 fine per violation and a penalty of \$10,000 for each day of continued violation.

Consumers who have been issued a policy through CEP Clubs and/or Town & Country policy forms for a limited medical plan can contact the Utah Insurance Department Market Conduct Division at 801-537-9162 or e-mail Sandra Halladay at shalladay@utah.gov.

Assistant Attorneys General Bryce Pettey and Gale Lemmon have been representing the Utah Insurance Department in this matter.

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