

Mr. Chairman and Members of the Committee:

My name is Marie Almond. I appreciate the opportunity to take part in this hearing to share my experience as a victim of the health insurance scam created and operated by Employers Mutual. In 2001, I owned a small medical consulting firm with two other individuals. In March of that year, our company purchased a small business health insurance plan from Employers Mutual and began paying premiums. My life quickly turned upside down within the next four months when I learned that I had breast cancer in July. I was devastated and suffered tremendous emotional stress. Unfortunately, my stress would later be compounded when I realized that Employers Mutual was not paying claims for my medical expenses. To date, there are outstanding medical bills of approximately \$71,000 that I incurred for procedures related to my breast cancer and treatments for other medical emergencies during the time that Employers Mutual should have been paying for claims.

Soon after discovering that I had breast cancer in July 2001, I underwent surgery, chemotherapy, and radiation treatments. As expected, these were costly procedures, totaling over \$65,000. As soon as I received my medical bills, I sent them to Employers Mutual for payment. Acting under the façade of a legitimate health insurer, Employers Mutual promptly responded by sending me a notice stating that my claim was being processed. Since Employers Mutual was purporting to be a legitimate company and there was no indication at that time that it was operating a health insurance scam, I believed that these and any future claims would be paid. Unfortunately, I would soon learn that Employers Mutual's claims of processing my bills were nothing more than a front to bide time for the company to receive premiums.

I instinctively felt that something was wrong when I learned that the medical bills had still not been paid during the next three months. Clearly, it did not take that long to process claims. I desperately needed answers, so I contacted the Tennessee Insurance Commissioner's Office to find out about Employers Mutual. To my horror, I learned that Employers Mutual was a Nevada corporation and was not licensed to sell insurance in Tennessee. My heart sank. Still needing answers to my questions about Employers Mutual, I decided to contact the Nevada Insurance Commissioner's Office to learn more. I learned that the state of Nevada had ordered Employers Mutual to stop operating its sham business.

Unfortunately, I soon learned that my problems with Employers Mutual would escalate when my doctor told me that I needed to have an operation immediately for another medical problem. My doctor strongly recommended that I receive treatment at a hospital in Germantown, Tennessee. I feared that I would ultimately be responsible for paying this procedure. The hospital subsequently refused to admit me because of the outstanding medical claims related to my breast cancer. With no other options and as a last resort, I reluctantly agreed to allow the procedure to be performed in my doctor's office. I simply had no other choice. My frustration with Employers Mutual mounted because the cost of this procedure was over \$6,000. I was at wit's end.

All during this time, Employers Mutual continued to purport to be a legitimate health insurance provider, claiming that my outstanding claims of \$71,000 were being processed. Employers Mutual carried this charade on into January 2002. However, the curtain fell on January 21, 2002

when the company finally admitted that a temporary restraining order had been issued against it and told me that I would not receive any benefits until the lawsuit against it was resolved.

At my age, the prospect of being uninsured is daunting. As a small business owner, I knew that the cost of coverage for my business would be exorbitant. Yet, I needed insurance and I needed it quickly. With no other recourse, I had to leave my company and start working for one of my company's competitors just to get insurance. I can't begin to explain the emotional turmoil that I suffered when I had to leave the company that I started and where I forged meaningful relationships ... just to obtain health insurance. To me, I was paying the ultimate price for Employers Mutual's sham operation.

Between January 2002 and October 2002, I was uninsured. Fortunately, there were no medical emergencies during this time. If there had been any, I would have been financially responsible for them. As of October 2002, Blue Cross/ Blue Shield of Georgia became my insurer. After my experiences with Employers Mutual, I was happy to be insured by a reputable company. However, for almost a year, I feared that I would be financially responsible for any medical problems that existed before my coverage with Blue Cross/ Blue Shield. These fears subsided in November 2003, when Blue Cross/ Blue Shield began paying for claims associated with pre-existing conditions.

Again, thank you for the opportunity to share my experience with you concerning Employers Mutual. I would be happy to answer any questions you might have.