

Matthew Denn
Insurance Commissioner



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AGENTS BULLETIN NO. 14

**RE: MEDICARE ADVANTAGE/MEDICARE PRESCRIPTION DRUG
 PLAN MARKETING IN DELAWARE**

DATED: May 7th, 2007

It has come to the attention of the Commissioner that producers have engaged in marketing Medicare Advantage and/or Medicare Prescription Drug Plans to senior citizens in a manner that could be considered a violation of Title 18, Chapter 23 **Unfair Practices in the Insurance Business**.

The Centers of Medicare and Medicaid Services (CMS) has the primary legal authority over the products offered to Medicare Beneficiaries and its regulations require that producers be licensed in the state. Delaware Department of Insurance expects that producers will adhere to the Delaware Code and regulations with regard to the marketing of all products including the Medicare Advantage (MA) and Medicare Prescription Drug Plans (PDP).

The CMS Marketing Guidelines for Medicare Advantage and Medicare Prescription Drug Plans prohibit door to door solicitation of Medicare beneficiaries for health-related or non health-related services and/or benefits prior to receiving an invitation from the beneficiary to provide assistance in the beneficiary's residence.

Title 18, §2304 (1) *Unfair methods of competition and unfair or deceptive acts or practices* stipulates, " No person shall make, issue, circulate, or cause to be made, issued, or circulated, any estimate, circular, statement, sales presentation, omission or comparison which:

- (a) Misrepresents the benefits, advantages, conditions or terms of any insurance policy;...
- or
- (f) Is a misrepresentation for the purpose of inducing or tending to induce to the lapse, forfeiture, exchange, conversion or surrender of any insurance policy

Some producers have incorrectly told Medicare beneficiaries that providers have to accept a Medicare Advantage plan if the provider accepts the original Medicare plan. The result was a change by the beneficiary to the plan presented only to learn too late that the beneficiary's provider(s) do not accept the new plan in which the beneficiary enrolled. Any producer who

induces Medicare beneficiaries to change plans based on false and or inaccurate information provided by the producer may face action by the Department.



A handwritten signature in black ink, appearing to read "Matthew Denn", is written over a horizontal line.

Matthew Denn
Insurance Commissioner