



**For Immediate Release**

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## **MADIGAN SETTLES WITH MEDICAL DISCOUNT CARD PROVIDER**

### ***CONSUMERS CAN APPLY FOR REFUNDS***

Chicago - Attorney General Lisa Madigan announced that her office has reached a settlement agreement with a Texas company over allegations the company deceptively marketed its health-related cash discount card in a way that confused consumers into believing the card would provide access to health insurance when, in fact, it only provided access to discounts with certain health care providers and institutions.

Under this consent decree, Madigan said consumers who purchased a card from International Association of Benefits (IAB) will have until February, 2007 to file complaints to be mediated by her Health Care Bureau.

Madigan's suit alleged that IAB contacted Illinois consumers through unsolicited faxes, circulars and radio advertising using terms such as "affordable healthcare," "health care for the entire family only \$89.98 a month," and "PPO Hospital Network," that most consumers associate with traditional medical insurance. When consumers called to seek more information, IAB allegedly required them to provide a credit card or bank account number to receive detailed information. IAB then electronically charged consumers \$100 enrollment fee and a monthly debit ranging from \$89 to \$130. IAB also allegedly told consumers that they could cancel the plan within 30 days of purchase.

In addition, IAB allegedly falsely offered consumers higher savings than were available and falsely represented to consumers that the company was selling an insurance product, which the discount cards are not. IAB's advertisements also used words and phrases to falsely imply that the consumers needed to act fast because this was a limited time offer, Madigan's lawsuit alleged.

As part of the consent decree, filed in Cook County Circuit Court, IAB has agreed to reform its business practices by (1) not using solicitations that make it appear as if its product is health insurance; (2) increasing its oversight of its marketers; (3) not suggesting that there is an urgency to an offer if there is not; (4) and not making a savings claim without being able to substantiate the claim.

In addition, IAB has agreed to pay \$100,000 to the state and to make additional payments to reimburse consumers who had previously complained to the Attorney General's Office.

IAB's agreement to the provisions of the consent order does not constitute an admission of liability. Assistant Attorney General Susan Danial handled the case for Madigan's Health Care Bureau.

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