



STATE OF HAWAII
INSURANCE DIVISION

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PRESS STATEMENT
FOR IMMEDIATE RELEASE

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Unauthorized Health Plan Shutting Down

HONOLULU – November 28, 2001 – State Insurance Commissioner Wayne Metcalf announced today that TRG Marketing, LLC (TRG), an unauthorized health insurer based in Indiana, has voluntarily agreed to shut down the TRG health plan as early as November 30, 2001.

The TRG health plan has been marketed and sold illegally in the State of Hawaii. Since it was an unauthorized insurer, there is no state guaranty fund to ensure the payment of claims, if TRG is financially insolvent.

The Hawaii Insurance Division, along with other federal and state agencies, has been investigating the activities of TRG. TRG marketed its health plan as a federal ERISA plan that was exempt from state regulation. TRG now admits that its health plan is not a valid ERISA plan and that it is subject to state regulation.

TRG never applied with the Hawaii Insurance Division as an admitted insurance carrier to sell insurance in the State of Hawaii. As of November 2001, TRG reports that there were approximately 293 members from Hawaii enrolled in the TRG health plan.

State Insurance Commissioner Wayne Metcalf stated, "It is imperative for anyone who has TRG health insurance to find new health insurance coverage immediately in order to avoid any lapse in coverage."

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Hawaii is working with several other states to reach a settlement agreement with TRG. Although the proposed agreement is still in the early planning stage, all TRG health plans are being terminated as early as November 30, 2001.

In October 2000, the Hawaii Insurance Division seized the Hawaii HealthCare Alliance (HHA). HHA was insolvent, unable to pay claims, and financially hazardous to policyholders, creditors, and the public. HHA was headed by Darren Larson, HHA's President. Following the seizure of HHA, Mr. Larson sent a letter to HHA enrollees offering health insurance coverage through TRG.

In January 2001, the court entered the written order granting the liquidation of HHA. In July 2001, the court issued a preliminary injunction against health care providers who provided services to HHA enrollees, barring providers and their agents from taking collection action against former HHA members for any covered services.

Those who have claims against HHA are required to file their claims with the HHA Liquidator by March 29, 2002. The HHA claims form packet was mailed to all former HHA members and health care providers in September 2001. A notice alerting TRG members to call the Hawaii Insurance Division was included with the HHA claims packet.

The Hawaii Insurance Division notified various state and federal regulators about TRG's operations, when it learned that former HHA members may have signed up with TRG.

Those who enrolled in TRG or health care providers who treated TRG members may call the Hawaii Insurance Division at (808) 586-2790 for more information. For more information about the HHA liquidation or the HHA claims process, please call the HHA Liquidator at (808) 536-1771.

The Hawaii Insurance Division oversees the Hawaii insurance industry, issues licenses; examines the fiscal condition of Hawaii-based companies; reviews rate and policy filings; and investigates insurance related complaints.

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