



STATE OF HAWAII
INSURANCE DIVISION

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PRESS STATEMENT
FOR IMMEDIATE RELEASE

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Department of Commerce and Consumer Affairs
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Unauthorized Health Plan Required to Post Bond

HONOLULU – November 1, 2001 – State Insurance Commissioner Wayne Metcalf announced today that TRG Marketing, LLC (TRG), an unauthorized health insurer based in Indiana, is being asked by various state insurance regulators to post a bond in the amount of \$5 to 6 mil. within one week to forestall further regulatory action. The bond is required to cover TRG's outstanding claims.

A preliminary audit conducted by U.S. Department of Labor (USDOL) showed that TRG marketed its plan to 795 employers covering approximately 5,500 employees in 33 states, including Hawaii. No financial records or actuarial studies supporting the premiums charged by TRG or expected claims by TRG members were found during the preliminary audit.

Hawaii is cooperating with the joint investigation conducted by the USDOL and other state regulators. TRG never applied with the Hawaii Insurance Division as an admitted insurance carrier to sell insurance in the State of Hawaii.

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

If you require additional information check out our website <http://www.state.hi.us/dcca/ins/>
or call the Insurance Division at 808-586-2790.

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November 1, 2001

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. It is believed that approximately 300-400 former HHA members may have enrolled in TRG. 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.

Hawaii Insurance Commissioner Wayne Metcalf stated, "The outlook for TRG's future is very uncertain, given the amount of capital that it is required to raise in such a short period of time. Given the uncertain financial future of TRG, Hawaii consumers would be well advised to reconsider paying any additional premiums, until TRG can establish the financial strength to meet its obligation to Hawaii members," Metcalf stated.

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.

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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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