

MARCH 14, 2005

SB 209 – REGULATE POSTCLAIM UNDERWRITING
(Primary sponsor is Mike Wheat)
(Past in Senate – 3rd reading on 2/1/05 – vote was 44 to 6)

MR. CHAIRMAN (Representative Keane)
And COMMITTEE MEMBERS

My name is Denise Thompson and I am speaking on behalf of my mother-in-law, Peggy Thompson and her entire family.

SENATE BILL 209 NEEDS TO PASS BECAUSE:
It includes vital revisions that make total sense!

First, this Bill is requiring an insurer to determine a person's eligibility for coverage based upon an evaluation of the risk presented prior to the issuance of a policy.

Secondly, this Bill is requiring an insurer to exercise ordinary due diligence to determine a material misrepresentation at the time the policy is issued or the remedies provided in subsection (2) for a material misrepresentation on an application are not available to that insurer.

I AM HERE TODAY TO TELL YOU THAT IF THIS BILL WAS IN PLACE IN 2004, MY MOTHER IN LAW, PEGGY AND HER FAMILY WOULD HAVE BEEN SPARED A GREAT DEAL OF HEARTACHE, STRESS, DIFFICULT ADJUSTMENTS AND FINANCIAL HARDSHIP.

How many of you have had your lives impacted by CANCER, either through a personal battle or through a family member or friend who was diagnosed with the disease?

Peggy was diagnosed with cancer the end of July 2004. Of course, this episode threw our family into a tailspin of enormous proportion. Within 10 days Peggy and her husband, Jim, were in Zion, Illinois at one of the top Cancer Treatment Centers in America. This would be their home for nearly 4 months.

On October 26th, while receiving her chemotherapy, the already tattered Peggy received "THE CALL". Her insurance agent informed her that the health insurance policy had been rescinded due to apparent misrepresentation on question 18b. of the application.

Peggy's family went straight to work. We immediately called the State Auditors office where we received wonderful help and support from individuals such as Mr. Ron Herman. We quickly discovered which agents were concerned and competent at the

health insurance agency in charge of Peggy's policy. We surrounded ourselves with endless experts and sound advice. We sought stellar legal council from Mr. Steve Francino. And we remained diligent, persistent, positive and determined to win this health insurance war.

Within two months, we received the best Christmas present we could ever hope for. Just prior to having Peggy's lawyer file a law suit, the insurance company, interestingly, REEVALUATED the situation and reinstated her! Everyone's blood, sweat and tears overpowered a heartless giant.

If this company would have done its homework thoroughly at the onset, it would have saved itself a lot of time, energy, money, and hassle. Furthermore, this company could have been devoting it's time doing what it was formed to do – take care of people who spend an enormous portion of their hard earned money for health insurance. Millions of individuals have health insurance in hopes that when one is in need of services the insurance company will step up to the plate instead of sifting through one's life history in hopes of finding a "hangnail."

But more importantly, if this company would have been bound by Senate Bill 209 it would have saved a cancer patient, fighting for her life, and her family over \$5000.00 in lawyer fees and the fear of having to figure out how to pay for nearly \$300,000.00 in doctor bills. Livelihoods, jobs and people's hearts and souls would have been spared a tremendous amount of heartache and pain!

My stomach churns thinking about what happens to those who are too sick or who do not have the resources to fight the health insurance war. Please make a positive step in the right direction by voting for Senate Bill 209.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE - THANK YOU!

IF YOU HAVE ANY QUESTIONS, I WILL BE MORE THAN HAPPY TO ANSWER THEM.

SINCERELY,
Denise Thompson

(If they ask any questions be sure to address Mr. Chairman and the individual who asked the question.)