

## Jill Burgess' Statement for Press Conference on July 21, 2005

My name is Jill Burgess. I am 33 years old. My husband, Brent and I have three children -- ages 13, 7, and 3. He is here with me today. This is our first trip to Washington. I wish we were here for a happier reason. We live in Florida and flew up here to tell you what happened to our family.

Last year we had to file for bankruptcy as a result of medical bills that we were responsible for when our insurance company, which turned out to be a phony health plan, didn't pay. We used to have a small business which we had to close as a result. Instead of living our dream -- being small business owners, my husband had to find a job that provides health benefits.

The health insurance scam destroyed our financial wellbeing, threatened our physical wellbeing (not being able to get needed medical care), and had changed our views about government ...why weren't these scamsters in jail after they were caught the first time?

This all started in October 2000 when an insurance agent came to my house to sell us insurance. He gave us several options ranging from \$433/month to approximately \$600/month to cover my family, which at the time included two kids. We chose the least expensive, which was still pretty expensive but we thought it was good coverage and we needed health insurance. The company was called Vanguard Asset Group.<sup>1</sup> It had a big network of doctors, which was important for us because of our children. The doctors were through a network called Private HealthCare Systems, one of the largest in the country. We received PHCS's provider directory, which was an inch thick. During the two years of being enrolled in Vanguard Asset Group, we paid approximately \$11,000 in premiums. We didn't realize that there was a problem until it was too late, unfortunately.

I became pregnant with our third child. They say that with each child, pregnancy gets easier. That was not true in my case. During my pregnancy I became sick, developed a virus, had heart palpitations, and developed other symptoms that required close monitoring of my baby and me. I had to get ultrasounds and other tests on a regular basis. Eight months into my pregnancy I took my youngest (at the time) daughter to her pediatrician for a routine visit. Our doctor refused to take our insurance card and told us that his bills had not been paid for one year. I was both shocked and embarrassed. This had to be a mistake. At the time it didn't even occur to me that Vanguard Asset Group could be an illegal insurance company... which I learned later. At the time all I kept thinking was that this is a mistake -- I've paid all my premiums on time, we had insurance, and that this had to be a mistake, just a mistake. I called Vanguard Asset Group and they promised to fix the problem.

Shortly thereafter I gave birth. My baby Tori was born with a health problem. She was diagnosed with Hydronephrosis -- a problem related to the kidneys. Before releasing us, the hospital did an ultrasound but more extensive tests were needed. I called Vanguard Asset Group to add Tori to our health plan. Because of my daughter's health, I wanted a medical card for her

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<sup>1</sup> Vanguard Asset Group, a.k.a. Vanguarde Asset Group.

immediately so if anything were to happen, we could get in to see a doctor and more medical tests were needed right away. The person at Vanguard Asset Group said that they will fax the enrollment form. I waited and waited and waited. The fax never came. I called Vanguard Asset Group again and this time I spoke to someone else. He laughed and said that we had no insurance, just like the employees of Vanguard Asset Group, we had no insurance. By this time I was panicked.

I called the insurance department. They told me that Vanguard Asset Group was being shut down for operating illegally. Then I saw it on the news. I found out that Vanguard Asset Group was run by a guy who pled guilty to embezzling millions of dollars from a health plan. He never had to serve jail time..he just got a slap on the wrist from the federal government, promising not to do this again. Well, he did this again. We were not the only family they defrauded and ruined. I found out that Vanguard Asset Group took in millions of dollars in premium and left families like ours stuck with the bills. Vanguard Asset Group owed millions in medical bills. I was so angry. How could the federal government allow this?

By the time all was said and done, Brent and I were left with medical bills that should have been paid by Vanguard Asset Group, approximately \$30,000. Some of my doctors offered to let us make small monthly payments. The bills continued to come, and letters and calls from collection agencies soon followed.

All our lives we tried to do the right thing. We paid our bills on time. We just did. We were not the type of people who didn't pay bills. Emotionally, this was devastating to me. You feel like there is nothing you can do...we could not afford to pay. You feel like a low-life because you can't pay. It makes you feel horrible.

Brent and I were forced to file for bankruptcy. There was no other way we could get out of this nightmare. The one bright spot in this was the help that we received from Florida's insurance department. They helped us get my baby into Healthy Kids, a program in Florida. They covered Tori immediately, covered her medial bills from birth, and continue to cover her today. If it wasn't for Healthy Kids, I am not sure how we would get Tori the medical care she needs.

Brent is now covered by his new employer. I am still without health insurance. Although his employer would cover me, it is too expensive and we just can't afford it. We need to make sure that our kids have coverage and that we pay for their medical needs. That is our top priority.

Operators of Vanguard Asset Group stole \$11,000 in premiums from us, left us with \$30,000 in medical bills, forced us into bankruptcy, and caused us to lose our business. How can this happen in America? How can the federal government allow this to happen?