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**COALITION FOR A  
FAIR & COMPETITIVE  
INSURANCE MARKET**

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## **Coalition Calls on the Legislature to Delay and Dump the Blues Expansion Bills**

Lansing — The Coalition For a Fair & Competitive Insurance Market is urging the Michigan Senate Health Policy Committee to cancel or delay a vote scheduled for Wednesday on the package of bills allowing the Blues to purchase new companies and expand into other lines of insurance through the Accident Fund. The Coalition is responding to news that the Michigan Attorney General's office is investigating whether Blue Cross violated so-called "firewall provisions" established when Blue Cross purchased the Accident Fund fourteen years ago. The firewall provisions prohibited BCBS from using subscriber funds to purchase additional companies or financially assist the Accident Fund.

The Coalition testified in the Senate Health Policy Committee last week that the Blues have spent more than \$470 million in the past 4 years alone to buy new companies instead of lowering subscriber rates.

The Coalition has voiced concerns that H.B. 5284 & H.B. 5285 pose negative consequences for Michigan consumers and businesses by creating the first "Bluesopoly". These two bills, which do not deal at all with individual health insurance, would enable the Blues to spend subscriber dollars to expand their monopoly rather than reduce the cost of healthcare for Blue Cross subscribers.

***Please attribute the following statement to Kurt Gallinger, Vice President and Counsel for Amerisure Companies and member of the Coalition For A Fair & Competitive Insurance Market :***

"We thank Senator Patterson for his comments in committee and Attorney General Mike Cox for launching this investigation. In light of this investigation and the myriad policy concerns that have been raised, we are asking the State Senate to suspend further consideration of these bills – at least until the investigation has concluded. Any further consideration of these bills while the investigation is pending would further erode the

public perception of, and confidence in, the legislative process. Allowing the Blues to misuse subscriber funds to purchase the Accident Fund was a mistake in 1993. Taking up bills that would compound the mistake was a bad idea in October when they were introduced – and in light of the AG’s investigation, it should now be apparent that proceeding with these bills is a worse idea today.”

*The Coalition For A Fair & Competitive Insurance Market represents Michigan based taxpaying insurance companies that employs more than 7,000 Michigan residents*

**Coalition For A Fair & Competitive Insurance Market Members include:**

| <b>Name</b>           | <b>Michigan Employees</b> |
|-----------------------|---------------------------|
| AAA of Michigan       | 4,000 Michigan Employees  |
| American Physicians   | 135 Michigan Employees    |
| Amerisure Company     | 450 Michigan Employees    |
| Auto-Owners           | 1,800 Michigan Employees  |
| Citizens Insurance    | 850 Michigan Employees    |
| Frankenmuth Insurance | 475 Michigan Employees    |
| American Community    | 400 Michigan Employees    |

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