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## **Michigan Residents Tell Legislature “No Bluesopoly!”**

***Statewide Poll: Blues should spend subscriber’s reserves on lowering rates instead of expanding their monopoly***

Lansing — Michigan residents overwhelmingly oppose Blues-backed legislation to expand its monopoly rather than reduce subscriber rates. A poll released today by the Coalition For A Fair & Competitive Insurance Market shows nearly nine in ten say that Blue Cross Blue Shield of Michigan (BCBSM) should use its nearly \$3 billion in cash reserves to lower rates, not to purchase other companies.

The Blues are supporting legislation to expand their monopoly by allowing them to purchase any business and by allowing the Blues and its subsidiary, The Accident Fund, sell other lines of insurance including home, life and auto. The proposed legislation would allow BCBSM to use tax-free dollars to enter into any other type of business without any geographical restrictions.

In the poll, **60 percent** of the respondents said they oppose legislation that would remove the limitation on the Blues to sell only health insurance and would allow them to own and operate any other type of business. A majority (**53 percent**) also opposes the legislation that would allow the Blues-owned Accident Fund to sell other types of insurance in addition to workers compensation insurance. Furthermore, **85 percent** of the respondents agreed that the Blues’ \$3 billion in cash reserves should not be used to purchase other companies, but should be used to lower rates for Michigan insurance subscribers and businesses.

“It’s clear that Michigan residents are not buying the Blues’ claims that this legislation will benefit consumers,” said Kurt Gallinger, Vice President and Counsel for Amerisure Companies and member of the Coalition For A Fair & Competitive Insurance Market.

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“Instead of reducing subscriber rates, Blue Cross Blue Shield is seeking to move away from the spirit of its original mission by using its tax-exempt status to unfairly compete against private businesses that pay taxes. Based on the survey results, it became clear that we should call our website *NoBluesopoly*.”

Since the introduction of the Blues “Reform” package last October, the Coalition For A Fair & Competitive Insurance Market has voiced concerns that H.B. 5284 and H.B. 5285 pose enormous 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-owned Accident Fund to expand into other lines of business rather than reduce the cost of healthcare for Blue Cross subscribers. Last month, Senator Tom George, chairman of the Senate Health Policy Committee, unveiled substitutes for the bills backed by the Blues. The Coalition supports the deliberate process established by Senator George and looks forward to testifying at the next hearing about concerns that this legislation would enable the Accident Fund to use tax-free dollars from Blue Cross to compete unfairly with private businesses that provide thousands of Michigan jobs.

Other significant findings from this survey include the following:

- A majority of respondents do not believe the Blues when they say they will use profits to lower rates and bring more jobs to Michigan.
- **Seventy-six percent** of respondents agree that as a tax-exempt company, the Blues should not be allowed to unfairly compete with taxpaying insurance companies.
- Over two-thirds (**67 percent**) of respondents agree that if the Accident Fund were allowed to sell other types of insurance, the Blues should pay the State for the value of selling those lines of insurance.
- **62%** of respondents said they were satisfied with the number of choices available to them for home and auto insurance. Only 24% thought we needed more choices.

“The findings are consistent with growing opposition to the legislative package backed by the Blues, which includes Michigan Attorney General Mike Cox, the American Association of Retired Persons (AARP), the United Auto Workers (UAW), and a coalition representing disabled citizens,” Gallinger said. “No one other than the Blues supports H.B. 5284 and H.B. 5285. The Blues are using the reform mantra to distract attention from its real goal, which is expanding its right to compete – unfairly - in new lines of insurance.”

The Coalition for A Fair & Competitive Insurance Market was formed in October to oppose H.B. 5284 and H.B. 5285. The Coalition represents Michigan-based taxpaying insurance companies employing more than 7,000 Michigan residents

The statewide poll of 600 likely voters with a margin of error of +/- 4.1 percent was conducted by Marketing Resource Group between December 4-7, 2007.

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*Please see Executive Summary for specific questions and responses.*