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Statements from Michigan's Property Casualty Companies Re: the proposed legislation to allow Blue Cross Blue Shield to expand the Accident Fund's lines of coverage beyond Worker's Compensation

At this time we have not had time to review the proposed legislation (HB 5282, 8283, 5284 & 5285) and analyze its content in detail. However, the following statements are from two of Michigan's tax-paying, property casualty companies on the prospect that Blue Cross Blue Shield is attempting to gain state approval to expand the Accident Fund's line of coverage to auto, home, property and traditional property casualty insurance. A coalition is forming to oppose the legislation.

Amerisure Companies

“Allowing Blue Cross Blue Shield to use the advantages gained through their tax-exempt status to unfairly compete in the property casualty market would have a disastrous effect on competition and eventually on consumer choice and the amount they pay for insurance,” said Kurt Gallinger, Vice President & Counsel for the Amerisure Companies.

Auto-Owners Insurance

“Michigan's property casualty companies voiced their deep concern when BCBS was permitted to buy the Accident Fund in the first place, said Bill Woodbury, Assistant Vice President and Associate General Counsel for Auto-Owners Insurance. “At that time, the legislature protected consumers by limiting the Accident Fund's authority to offering Worker's Compensation insurance only and by ensuring protections against the misuse of Blue Cross Blue Shield – its tax-exempt properties and revenues, and its special contracts with health care providers – to unfairly compete. To blow that all up now would change the competitive market for property casualty insurance in Michigan for the worse.”

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