

News

For immediate release

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Patterson: Leonard, Duggan Wrong On Auto Insurance

Pontiac, Michigan – Oakland County Executive L. Brooks Patterson released the following statement in response to Detroit Mayor Mike Duggan and Michigan House Speaker Tom Leonard's irresponsible and regressive auto insurance plan that benefits big insurance companies over people:

"I've taken a thorough look at Leonard-Duggan-Insurance Plan. Conclusion: The greatest robbery since the Great Train Robbery in 1855. And behind the curtain today will be smiling conductors on the train: the auto insurance providers. Insurance providers in Michigan are some of the highest paid corporate officials, and yet they still want more. How do you spell greed?

"I ask the motoring public to take a close look at some of the hype contained in their introductory brochure. Have a gag bag nearby. Their proposal is jam packed with guaranteed reductions: If 'A' occurs then 'B' will be your benefit, basically a guaranteed lower price. Didn't Senate Majority Leader Arlan Meekhof say if you send him in the senate a bill with legislative price controls, it is DOA? Was nobody listening?"

To the motoring public, to the senators and representatives in Lansing still on the 'no' side, consider the misstatements issued today by Tom Leonard (who, by the way, is running for attorney general and finds the insurance debate to be a safe launching pad. Nobody likes root canals. Nobody likes a colonoscopy. Nobody likes paying for auto insurance. In other words, it is a safe battle to wage because you are on the side of the angels... until you read the fine print.)

"In their press release today, proponents of the Leonard-Duggan-Insurance Plan say: 'Michigan is the only state that forces drivers to buy unlimited lifetime healthcare through their car insurer, even if they already have health insurance.' Michigan voters should be reminded that in 1992 and again in 1996, they were offered a chance to totally drop auto no-fault or restrict it. And 63 percent and 61 percent of the electoral voters respectfully told the legislature to keep their hands off auto no-fault. So it's not the 'state' who forced drivers to pay for lifetime healthcare. It is, in fact, the voters themselves who found this to be a very acceptable insurance standard.

"The Leonard-Duggan-Insurance Plan press release goes on to say: 'Michigan will join the other 49 states that are allowing drivers to choose a level of personal injury protection (PIP) that you can afford: (1) \$250,000; (2) \$500,000; or (3) unlimited lifetime coverage (what we enjoy today).

The insurance industry knows, and I'm sure the drivers know, that if you are catastrophically injured, \$500,000 might last you two weeks, probably eaten up in emergency room costs. And then where are you? Eventually headed for a Medicaid-funded hospital where the coverage is substantially less; and constitutes an egregious shift of cost to the taxpayer.

“Mayor Duggan and Speaker Leonard are always suggesting that Detroit drivers are negatively impacted by the cost of auto no-fault. Perhaps they should listen to the voice of Mayor Duggan’s appointed Corporation Counsel Butch Hollowell when he spoke over four years ago to the members of the Detroit caucus. He admitted publicly that the high cost of auto insurance in Detroit was directly attributable to the costs associated with theft, collision, and using zip codes, credit scores, occupation, an educational attainment to set rates. This allows insurance companies to redline much of the City of Detroit, thus jacking the rates up. There is enough hypocrisy in this proposed Leonard-Duggan-Insurance Plan to gag the most committed auto no-fault opponent. This proposed bill, Duggan-Leonard insurance plan, says it’s all about reducing premiums... but there are no guarantees of reduction. A false promise. (Remember ‘You can keep your doctor. You can keep your plan?’)

“Warning: If you choose the \$250,000 coverage, or even the \$500,000 coverage, such costs of a catastrophic accident will eat that insurance up within a matter of weeks. Then what’s your future? You can go virtually bankrupt or you can go on Medicaid and be taken care of at taxpayers’ expense. Once again, the taxpayers are left on the hook. This is not reform, this is a crude shift of costs to the taxpayer.

“One last rebuttal point: The people of the State of Michigan in 1992 and again in 1994 told the legislature to leave auto no-fault alone. In 1992, there was a question on the ballot to repeal auto no-fault and 63 percent of the voters emphatically said no. And then in 1994 there was an attempt to cap the benefits, like the current proposal. In that attempt, 61 percent of the public said no. So after being told by the voters to leave auto no-fault alone, along comes Leonard, on his way to the attorney general’s office, and says, ‘Well, we can’t get it done on the ballot, so we’ll do it ourselves in the legislature, and we don’t have to worry about the damned public.’ This is arrogance run amuck.

“P.S. This is a dire warning: The Leonard-Duggan-Insurance plan represents the most egregious money grab by the insurance industry in over three decades. Should you opt out of auto no-fault (which you will have the opportunity to do under this ill-conceived plan), it is a decision you and your family may regret for years to come. The plan being offered today, as Duggan said in his own words, ‘is similar to Obamacare.’ Let’s not make the same mistake twice. With all due respect, you have been warned.”