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## EDITORIAL

# End the standoff on insurance reform

Partisan politics in the Michigan Legislature -- and resulting gridlock -- have hurt the entire state. And no issue has felt a heavier dose of it than sorely needed insurance reform.

Democrats and industry-allied Republicans have repeatedly proposed remedies that neither side will accept -- and then drawn a line in the gravel. The result: Insurance rates have become so unaffordable in Michigan that 17% of motorists drive uninsured, up from 11% in 1989. In many urban areas, paying \$4,000 a year for auto insurance isn't unusual, and more than half of the motorists drive uninsured, putting everyone at risk.

It's time -- no, way past time -- to compromise and move forward with solutions that, while imperfect, will make insurance more affordable, especially in Michigan's cities.

In October, the Republican-controlled Senate soundly rejected legislation barring insurers from using territorial ratings to help set rates.

Democrats recently introduced a package of bills to control rates, including a ban on credit scoring and giving insurance commissioners authority to deny excessive rate increases and order refunds. The bills cleared a House committee on Thursday. The insurance industry immediately called the measures a step backward toward greater regulation and litigation, and said they ignored the real problem: high insurance costs brought on by Michigan's unique unlimited no-fault system.

Legislators must work through legitimate policy differences, understanding that remedies will take compromise. The insurance industry, for example, should be willing to give up credit scoring as a risk-indicating tool. It's a political lightning rod and opens the industry to charges of racial discrimination.

On the other hand, Democrats must examine ways to control costs, even if it means bucking the medical lobby. That means rethinking Michigan's unlimited medical coverage, and considering a fee schedule for medical treatments. No other state has such a comprehensive, and costly, system.

Other no-brainers should find universal support, such as reducing fraud and arson and encouraging drivers to shop for the best rates. Peter Kuhnmuensch of the Insurance Institute of Michigan says he's interested in regional pilot programs that would provide low-cost insurance to low-income drivers. Legislators ought to work with the industry to make that happen.

Government requires people to buy insurance. It should also help control the costs. To do that, legislators will have to make compromises that ease Michigan's insurance crisis.

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