

What is best for Michigan insurance industry is not what's best for drivers

May 23, 2011

Steven M. Gursten, Esq.

www.michiganautolaw.com

Michigan's auto insurance industry has been taking advantage of Michigan drivers by charging too much money, paying out too little on legitimate claims, and racking up the highest profit margins in the nation - while the state loses jobs and endures tough times.

This is the same insurance industry that has broken repeated promises about lowering insurance premiums in exchange for enacting laws to get what it wants.

For example, the insurance industry promised us we would see dramatic savings in 1995, when Michigan adopted the harshest threshold injury law in the nation for suing another driver for pain and suffering, yet premiums continued to climb while claims fell.

And now the insurance industry lobbyists sense opportunity. With all three branches of government under Republican control, the insurance industry has aggressively been pushing for No-Fault insurance "reform" (in exchange for Michigan drivers losing critical protections).

These lobbying efforts have been accepted at face value by many lawmakers, and editorial pages across the state.

But what is best for the insurance industry is not the same thing as what's best for Michigan drivers.

Lawmakers and newspapers are not looking at the record-breaking profits that the insurance industry already makes in Michigan. They're also not asking why Michigan is one of the only states where the insurance commissioner does not regulate the profit margins insurance companies can make for selling insurance that drivers are required by law to buy.

And no one is looking at the excesses and abuses taking place every day in Michigan, where insurance companies do not face bad faith laws, punitive damages, or accountability under the state's consumer protection act for outrageous conduct.

As an attorney with years of experience dealing with Michigan's auto insurance companies, I know that putting blind faith in what the insurance industry says is best for Michigan drivers is a dangerous mistake.

Based on real cases I recently blogged about, "[Top 6 Worst Auto Insurance Companies - 2011](#)," does it make sense to blindly trust any insurance company that does the following?

* Within a week of a serious auto accident, one insurance company duped its own premium-paying customer-insured into signing a full legal release to forfeit all No-Fault benefits past, present and future.

* At the trial of a seriously injured car crash victim who had to be rushed to the hospital by helicopter, the insurance company strategy was to deliberately mislead a jury into thinking the teenage negligent driver would be financially responsible for the jury's verdict, not the insurance company, in an improper attempt to hold down the amount of the verdict.

* To reduce payouts on legitimate claims by injured Michigan auto accident victims, one Michigan insurance company uses a computer software program designed to generate "low-ball" settlement offers and deter people from hiring a lawyer.

* Another insurance company included in its policy language that allowed it to subtract the medical expenses and therefore void coverage to a young woman who underwent 13 separate surgeries, making the insurance she had relied upon to protect her worthless and illusory.

* By not naming the premium-paying insured as the "Named Insured" on the policy, another auto insurance policy deliberately concocted a built-in way to deny all coverage: "Sorry, our policy only covers the named insured, and you're not the named insured, even though you pay all of the premiums."

Having seen Michigan's auto insurance companies at their worst, maybe it's time we start to ask questions when the industry says it knows what is best for Michigan drivers.

- [Steven M. Gursten](#) is partner of Farmington Hills-based Michigan Auto Law. He is past-chair of the Michigan Association for Justice Auto Accident No-Fault Committee, and holds leadership positions in several other local and national legal organizations helping auto accident lawyers with traumatic brain injury cases. www.michiganautolaw.com.