



Requiring Health Insurance Is Not Like Auto

As President Obama and Democrats in Congress try to build a case for requiring all Americans to purchase health insurance, they have compared it to mandatory auto insurance laws — but the analogy quickly breaks down.

“Unless everybody does their part, many of the insurance reforms we seek, especially requiring insurance companies to cover preexisting conditions, just can’t be achieved,” Obama told Congress in his recent address. “That’s why under my plan, individuals will be required to carry basic health insurance — just as most states require you to carry auto insurance.”



The comparison sounds reasonable at first. Most states do require drivers to have auto insurance, and the President simply wants a federal law to do the same for health insurance.

But the first difference is the difference between states requiring only those who drive automobiles to carry auto insurance and Obama’s proposal that would force every single American to buy health insurance. The auto insurance requirement can be avoided by simply not driving a car. This may be an inconvenience, but not driving allows the freedom to avoid purchasing auto insurance. The President’s plan gives no possibility of exemption.

“You can avoid the auto insurance mandate by divesting yourself of a car. The only way to avoid a health insurance mandate is by divesting yourself of a body,” said Cato Institute Director of Health Policy Studies Michael Cannon. Ironically, the only way to escape the proposed health insurance requirement is to cease to be healthy to the point of death.

The second difference is that auto insurance is required primarily to pay for any damages to other persons or property that might result from the driver’s actions. The insurance is only secondarily meant to repair or replace the driver’s vehicle, something the states have no real interest in requiring. In fact, many drivers get by without collision coverage because they are driving an older vehicle that is no longer worth the expense.

“The primary purpose of the auto insurance mandate was to provide financial protection for people that a driver may harm, and not necessarily for the driver himself,” wrote former Department of Health and Human Services officials Peter Urbanowicz and Dennis Smith in a paper for the Federalist Society for Law and Public Policy Studies.

Health insurance, on the other hand, is essentially collision coverage. With cars, it is the old, rusty vehicles that don’t need collision insurance, but with people, it is the young and healthy who don’t necessarily need coverage. Obama would twist things so that those who don’t need the insurance are the ones who pay the burden of insuring everyone else.

The third difference is that auto insurance laws originate at the state level, while Obama is proposing



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an unprecedented federal law. With state laws, people have the choice of working within their state to change the law, or they may decide to move to another state with less burdensome regulations. Federal laws allow for no escape other than leaving the country.

This brings to mind a 1994 paper prepared by the Congressional Budget Office to address President Bill Clinton's proposal for a national health insurance mandate. "A mandate requiring all individuals to purchase health insurance would be an unprecedented form of federal action," the CBO stated.

In fact, the closest comparison the CBO could make was to something that did cause some people to flee the country — the draft: "Federal mandates that apply to individuals as members of society are extremely rare. One example is the requirement that draft-age men register with the Selective Service System. The Congressional Budget Office (CBO) is not aware of any others imposed by current federal law."

So the government wants to make people who don't purchase health insurance guilty of a federal crime equivalent to draft dodging during a time of war. This is absurd. Can anyone imagine throwing people into America's already-overcrowded prisons for the federal offense of not buying health insurance and then refusing or being unable to pay the fine?

The federal government exceeded its constitutional limitations in the first place and established the managed-care system that rules America's healthcare today. Now the federal government is once again proposing more federal power as the answer to problems caused by unrestrained federal power. Americans need to get back in the driver seat by telling their elected officials to avoid colliding with any such repressive reform proposals.

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