

An Act Providing Equitable Coverage in Disability Insurance

H. 482 & S. 545 -- Rep. Ruth Balser and Sen. Jason Lewis

Q: Why should women pay more than men for the same disability insurance benefits?

A: They shouldn't!

Pass An Act Providing Equitable Coverage in Disability Insurance

Disability Insurance

Disability insurance is a contract in which a policyholder pays premiums in exchange for payouts to replace lost income in the event of a non-job related accident or illness.

Currently, state-regulated disability insurance is classified by sex, and filings at the Division of Insurance show different premiums for men and women with the same job classification. For example, male nurses pay less than female nurses for the same disability policy. This is discrimination and it should be fixed.

Disability insurance, like worker's compensation insurance, is gender neutral when purchased through an employer. However, in Massachusetts, individually purchased disability policies account for 11% of all disability policies. That amounts to about 189,000 people in the Commonwealth with gender-rated insurance policies.

Individual disability policies should be gender neutral just like group disability policies!

“Even a true generalization about a class cannot justify class based treatment under the law.”

--Justice Thurgood Marshall, 1983

Insurers justify their higher prices for women by citing that more claims are filed by women than men. But, the reason employer-based disability insurance is gender-neutral is because the US Supreme Court ruled that even when there are demonstrated actuarial differences, treating one class differently than another is a violation of the Civil Rights Act, which prohibits employers from discriminating by race or sex.

State-regulated individual policies should also be gender neutral!

Women pay more than men for the same disability insurance benefits.

Filings with the Division of Insurance show that women in Massachusetts pay more – *much* more – for the same disability insurance benefits than men in the same occupation class.

This is true across the board, regardless of the insurance company, the age of the purchaser, the occupation class, the duration of benefits, whether long-term or short-term disability insurance,.

In every case, women pay more. On average, women pay **23.5% more** than men. However, sometimes it is even more than that. Under some policies, women pay **61% more** than men.

“Equality under the law shall not be denied or abridged because of sex, race, color, creed or national origin.”

-- MA Equal Rights Amendment

Shortly after the adoption of the Massachusetts E.R.A. in 1976, a specially-designated legislative committee concluded that this language requires insurance policies to be gender neutral. Men and women should pay the same premiums and get the same benefits. Incrementally, Massachusetts has stopped using gender ratings for health insurance, automobile insurance, homeowners' insurance, and annuity policies.

Now is the time to end discrimination in disability insurance!

WORKING GROUP REPORT SUPPORTS THE PASSAGE OF H.482/S.545!

Two years ago, the legislature established a Working Group on Gender Equity in Disability Policies to study the costs and benefits of prohibiting insurance companies from charging women more than men. The Working Group reports that: “Currently, individual disability income products cost substantially more when purchased by women than by similarly situated men...this creates availability problems for those women looking to buy individual products who may find the product unaffordable and who forgo coverage” (pg. 4). Most other insurance types (health, automobile, annuity, homeowners) are already gender neutral. The Working Group reports that the Division noted that it “continues to receive product filings from insurance companies for offer in the Commonwealth, all of which were compliant with gender neutral rules” (pg. 14). The Working Group concluded that there was no evidence of any limitation to access when other types of insurance became gender neutral, but there is significant harm to women in gender-based pricing in disability insurance.

Organizations that support Gender Equity in Disability Insurance:

· American Association of University Women of Massachusetts · American Civil Liberties Union of Massachusetts · American Federation of Teacher-Massachusetts · Boston Mayor's Office of Women's Advancement · Boston Women's Health Collective (Our Bodies Ourselves) · Jewish Alliance for Social Action · Jewish Community Relations Council of Greater Boston · League of Women Voters Massachusetts · Massachusetts AFL-CIO · Massachusetts Association for Older Americans · Massachusetts Commission on the Status of Women · Mass NOW-National Organization for Women · Massachusetts Nurses Association · Massachusetts Teachers Association · Massachusetts Women's Political Caucus · MASSEQUALITY · MASSPIRG · National Association of Social Workers-Massachusetts · NARAL Pro-Choice Massachusetts · Progressive Massachusetts · SEIU 509 · Women's Bar Association of Massachusetts