FROM: Phyllis Schlafly

68 FAIRMOUNT, ALTON, ILLINOIS 62002 / (618) 462-5415

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UNISEX INSURANCE SUFFERS FATAL BLOW

When Congressmen had to choose between voting for a mandate for total gender equality in insurance (the Unisex Insurance bill) and voting for an amendment to allow lower automobile accident insurance rates for women, they chose the latter. This choice put Congressmen at odds with some feminist groups who seem to have large access to the media.

But Congressmen who have to face the voters know there is no political mileage in voting for a bill that would force women to pay hundreds of dollars a year in higher car insurance rates in exchange for the psychological lift of getting equality with men's insurance rates.

In a recent dramatic all-day session in the House Energy and Commerce Committee, five amendments were added to the Unisex Insurance bill. When the amended Unisex Insurance was then voted out of Committee, sponsors Barbara Mikulski and James Florio voted "no." Chairman John D. Dingell, who had so enthusiastically welcomed this bill to his committee last year, had a look on his face that said, "How did I get myself into this donnybrook?"

In its original form, Unisex Insurance would have federally mandated gender-neutral tables for all insurance rates and benefits, even though all actuarial and accident tables prove the dramatic difference in the costs of providing insurance to men and to women. When the bill was introduced with much fanfare in early 1983, it looked like an idea whose time had come and whose momentum could not be stopped.

Even some insurance associations were willing to back the bill if only it would not be made retroactive. They thought that, if they could just avoid the horrendous costs of retroactivity, they could pass along future costs to consumers.

The gender differential in insurance costs between males and females is enormous. Young men have many times more accidents than young women, and more costly accidents, even when the comparisons are adjusted for all other factors including miles driven. In the matter of life insurance, women on the average live seven years longer than men.

Since it costs insurance companies considerably less to insure women than men against automobile accidents and against death, insurance companies pass along this saving to their female customers. Only in the last couple of years has this money-saving differential been called "sex discrimination."

The advocates of Unisex Insurance had one argument. They said, "We admit that Unisex Insurance will cost young women more for automobile and life insurance, but there is a trade-off because Unisex Insurance will benefit older women by equalizing pensions."

But the Supreme Court sex-neutralized pensions in the Arizona v. Norris case in July 1983, so nothing was left in Unisex Insurance except those provisions which would cost women more money. Making automobile insurance gender-neutral would cost women an additional $700 million per year, and making life insurance gender-neutral would cost women an additional $360 million per year.

Most pension plans were already gender-neutralized anyway because they are group plans purchased by employers. Automobile and life insurance policies, on the other hand, are usually individually purchased.

After the House Energy Committee eliminated retroactivity, an amendment was added to exclude individually-purchased insurance, thereby excluding most automobile and life insurance. Offered by Congressman W. J. Tauzin, this amendment passed 24-18.

Congressman Matthew Rinaldo explained the bottom line of his vote. He said, "a 23-year-old woman would pay $361 to $674 more a year for car insurance if the Tauzin amendment had not been adopted."

The committee next passed Congressman Tom Corcoran's amendment ensuring that no company would be forced to pay for abortions. That was followed by another amendment to guarantee consumers the option to refuse abortion coverage in health insurance, and thereby get a reduction in their rates.

If any legislation is passed in the insurance field, it should be legislation to require insurance companies to give women the full financial benefit that they are entitled to because of gender differentials in the costs of insuring men and women. Some actuaries believe that an accurate accounting of the costs would show that women are entitled to even lower rates, as compared to men, than they are now receiving.