

Exhibit No. 5
Date 2-8-05
Room 303 SB 351

SB351 – Repeal Non-gender Insurance Coverage, Testimony, Tuesday, 2/8/05,

Chairman Wheat and members of the committee. I am Tylynn Gordon, Deputy State Auditor representing John Morrison and the State Auditor's Office.

The State Auditor's Office opposes the content and premise of Senate Bill 351. Senate Bill 351 will adversely affect the insurance benefits currently in place for Montanans. Montana's women and families will face increases in health insurance costs and young men will face dramatic increases in automobile insurance costs. Pregnancy and birth will become the frightening experience of medical debt for those who cannot afford separate maternity insurance or do not expect a pregnancy.

And for those Montanans approaching retirement age, implementation of this bill will impact new insurance policies or policies renewed after Senate Bill 351 is effective. Montana women can have their retirement payout reduced, as gender equity in such plans is no longer guaranteed.

By repealing the gender protection under Title 49, Chapter 2 this bill creates a multi-tiered, jumble of health insurance coverage and retirement benefits. Revision of the state statute will not impact the federally regulated ERISA-exempt plans (Employee Retirement Income Security Act of 1974), or self-insurers. The inadequate explanation of which actuarial standards are applicable to implementing the bill and internal inconsistencies in Section 1 and 2 will result in a nightmare for insurance companies seeking compliance and for the insurance department assisting those companies.

The defining of "reproductive health care" pretends to replace the current mandatory maternity benefits that are based in Montana Supreme Court action. "A prevention or control of a condition or disease of the human reproductive system functions" could refer to prostate examinations, ovarian cancer, sperm counts, and pregnancy among other ailments. But, Senate Bill 351 prohibits the use of industry-approved actuarial standards establish premium rates on the basis of gender for these conditions and diseases.

What are the benefits of Senate Bill 351? Montana families get to pay more of their hard-earned dollars to purchase the same insurance coverage they have currently. I ask the committee to look out for the citizens of Montana. Please give Senate Bill 351 a do not pass.