

MONTANA STATE AUDITOR

Bill No. 6
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Bill No. SB 351

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STATE AUDITOR



COMMISSIONER OF INSURANCE
COMMISSIONER OF SECURITIES

Senate Bill 351 Repeal of Non-gender Insurance Coverage

This bill eliminates equal access to insurance products.

Potential Costs:

Mandatory maternity benefits will no longer be a required part of individual or group health insurance plans as one effect of the proposed language on page 2, line 12.

The cost of maternity insurance riders for women ages 18-29 are an estimated \$1,100/ year, for women 30-34, \$920/year, for women 35-39 \$590/year, for women 40-44 \$280/year and for women 45-49 \$190/year.*

Increased costs for insurance companies who must comply with the contradictory requirements of Section 1, Page 1, lines 15-17 and Section 2, lines 25-26.

Auto insurance rates for men ages 15-30 could increase if SB 351 passes. The best projections available are 10 percent or more, but less than 25 percent.

Payments or benefits of pension or retirement plans can be changed as policies renew after the bill is effective.

Constitutional Concerns:

The Federal Supreme Court held in 1983, that payment of lower monthly retirement benefits to women who made the same contribution as men is in violation of Title VII of the Civil Rights Act of 1964. **

The Federal EEOC held in 1978, that benefit discrimination on the basis of pregnancy, childbirth or related medical conditions constitutes unlawful sex discrimination under Title VII. ***

The Montana constitution, Article II Section 4 states, "...Neither the state nor any person, firm, corporation, or institution shall discriminate against any person ...on account of race, color, sex, culture, social origin or condition, or political or religious ideas."

The Montana Supreme Court held in 1993 that excluding coverage and denying benefits for normal maternity benefits unlawfully discriminated against female policyholders in violation of §49-2-309, MCA. ****

*Calculations based on projections from and assumptions in the 1998 Tillinghast health pricing manual.

**Arizona Governing Committee for Tax Deferred Annuity and Deferred Compensation Plans et al. v. Norris, 82-52

*** Federal Register, Volume 44, Number 78, 29 CFR, Part 1604

**** Number 93-363 in the Supreme Court of the State of Montana, 1993, Bankers Life and Casualty Co. v. Peterson, Barnett, Wolf, Chaidez and the Montana Human Rights Commission

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