

**Jacoby and Dee Insurance, Kori R. Dee****April 6, 2011**

Good Morning Mr. /Madam Chairman and members of the committee. I am Kori Dee. My partner Meg Jacoby and I own an independent insurance agency – Jacoby and Dee Insurance – here in Helena. We sell life, long-term care, health and disability insurance to individuals and small group businesses. Collectively we have over 21 years experience in the insurance industry.

My testimony relates to HB 283 and the repeal of the anti-gender discrimination law, also referred to as the unisex provision, as it relates to Life Insurance.

In our experience selling life insurance, women are penalized with this unisex provision in that they pay a higher premium than they would if they were assessed based on gender risk. The actuarial tables rate a higher premium for unisex.

We offer the following to illustrate our point: We ran a monthly premium quote for a ten –year term life insurance policy with a \$500,000 death benefit for male, female and unisex rates with Ohio National Financial Services. As an aside, these rates would be comparable with other carriers.

As you can see the female rates are lower than the unisex rates based on actuarial tables used by the insurance company. Women will pay 10% more with unisex rate than female rate at age 40, 15% more at age 50, 27% more at age 60 and 35% more at age 70. We acknowledge men will pay slightly more with male rates than unisex – 3% at age 40, 4% at age 50, 6% at age 60 and 8% at age 70. That being said I think we can conclude that the more significant dollar impact is shouldered by women with a unisex rating system.

I also offer a life example – we had a husband and wife come to our office having moved to Montana from another state. They had always carried life insurance, a policy on each of them. When we ran the numbers his rates were stable (for the

same death benefit and policy as he had had previously). The wife's rates were significantly higher due to the unisex provision. As she worked part-time and was primarily a stay at home mom they decided they would insure her for half the death benefit amount of the husband. A few years later, sadly, they died within a year of each other. There were children involved and the family wondered why her death benefit was significantly lower than his – this of course impacted the on-going care for the children and college planning. All because unisex provision drove rates higher for the wife/mom.

We ask you to consider repealing this unisex provision. It is detrimental when individuals and particularly families are looking to purchase life insurance and want to be responsible in planning for their future and that of their children but have to make difficult choices because of pricing that is discriminatory and unfair to the female.

Thank you for your time and consideration this morning.

Jacoby & Dee Insurance, Helena, MT 406-457-1243  
 Source: Rates provided by Ohio National Financial Services  
 Date of Quote: April 5, 2011

Product: Term 10 Plus  
 Coverage: \$500,000 of Death Benefit

	<u>Male</u>	<u>Unisex</u>	<u>Female</u>	<u>Female Differential Percentage</u>	<u>Male Differential Percentage</u>
Age 40	\$28.50	\$27.55	\$24.70	10.34	-3.45
Age 50	\$64.60	\$62.23	\$52.73	15.27	-3.81
Age 60	\$158.65	\$148.68	\$107.83	27.48	-6.71
Age 70	\$477.85	\$438.90	\$282.63	35.60	-8.87

Women will pay X% **less** than on  
 the Unisex Rate

Men will pay X% **more** than on  
 the Unisex Rate