

An Act Providing Equitable Coverage in Disability Insurance

H.1173/S.413 — Rep. Ruth Balser & Sen. Katherine Clark

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

A: They shouldn't. Pass H.1173/S.413.

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.

Workers Compensation Insurance, which all employers are required by law to purchase, is gender-neutral. Private disability policies – which are regulated by the Commonwealth – should be gender neutral too.

It's the Next Step

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

— *MA Equal Rights Amendment*
(Art. CVI of the state constitution)

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. Since then, the legislature has taken action to carry out this mandate. Today, health insurance, automobile insurance, homeowners' insurance, and annuity policies may not use gender as an underwriting criterion.

However, disability policies are still different for men and women. *An Act Providing for Equitable Coverage in Disability Policies* would take the next step and make all disability insurance policies in Massachusetts gender neutral.

Ending Discrimination

Treating individuals differently based on group characteristics, such as race and gender, is discriminatory. There is no legitimate reason for insurance companies to consider gender in underwriting policies, just as there is no legitimate reason for insurance companies to consider race, color, religion, marital status, or national origin.

That's why the Supreme Court has said that it is illegal and discriminatory for employers to provide insurance policies with different terms for male and female employees. As Thurgood Marshall stated, "Even a true generalization about a class cannot justify class-based treatment" under the law. (*Arizona Governing Committee v. Norris*, 1983).

This legislation would bring Massachusetts disability insurance into line with all insurance provided by employers subject to federal non-discrimination law, as well as Massachusetts health insurance, automobile insurance, homeowners' insurance, and annuities.

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

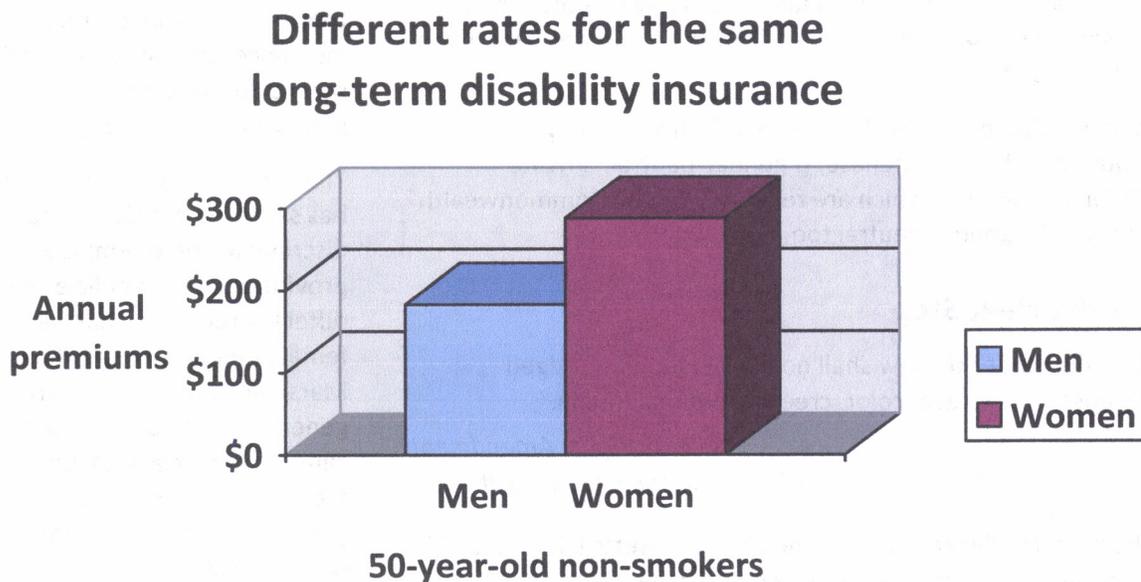
Filings with the Division of Insurance show that women in Massachusetts pay more – *much* more – for the same disability insurance benefits as men in the same occupation class.

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, etc.

In every case, women pay more. How much more? Up to 75%!

Example:¹

To purchase a disability insurance policy worth \$100 in monthly benefits, a 50 year-old² non-smoking woman must pay 57% more than a 50-year-old non-smoking man in the same occupation class.³ Here's what that looks like...



Let's end this discrimination.

¹ Based on 2011 Division of Insurance filings by Massachusetts Mutual Life Insurance Company.

² 50 is the average age of a purchaser of long-term disability insurance.

³ In this example, Class 1A – occupations involving heavy manual labor and unskilled work.