

## 7.3 ISSUES REGARDING EQUAL OPPORTUNITY

### 7.3.1 Legislation Addressing Discrimination

An **Equal Opportunities Commission** ('EOC') exists to implement four Ordinances, whose objectives are to eliminate discrimination on grounds of:

- (a) *sex, marital status or pregnancy* (the *Sex Discrimination Ordinance*, 1995);
- (b) *disability* (the *Disability Discrimination Ordinance*, 1995);
- (c) *family status* (the *Family Status Discrimination Ordinance*, 1997); and
- (d) *race* (the *Race Discrimination Ordinance*, 2008).

### 7.3.2 'Fair' Discrimination in Insurance

The insurance industry, like every other area of our society, must respect the law regarding anti-discrimination. That said, in the practice of insurance business, insurers will in certain circumstances differentiate between proposers in ways that are legitimate, insofar as that is permitted by the Ordinances mentioned above. An identical provision is contained in each of the first three Ordinances (not including the Race Discrimination Ordinance) to the effect that the treatment of a person in relation to insurance is not outlawed where the treatment (a) was effected by reference to actuarial or other data from a reliable source, and (b) was reasonable having regard to the data and any other relevant factors. The following are instances of 'discrimination' in insurance that are generally considered to be legitimate:

- (a) **Life insurance:** The premium charged for a life insurance is very much affected by the life expectancy of the life insured at the time the insurance is arranged. It is a biological fact that women, on average, live *longer* than men. From this, insurers may:
  - (i) charge a *lower* premium rate for *life insurances* on women than for men of the same age, health condition, etc., because on average the policy benefit will not be paid so soon and/or more premium payments are expected in the case of women; and
  - (ii) offer higher *annuity benefit payments* to men than to women of the same age, health condition, etc., because on average fewer payments will be made to men.
- (b) **Personal accident insurance:** A person with a disability, such as impaired eyesight or other serious medical condition, clearly represents a very different risk from a person with a normal healthy body. This difference could mean that insurers *decline* (refuse to insure) such persons, or impose various *underwriting measures* (higher premium, additional policy limitations, etc.).