

## **Gender Inequalities in Pricing and Coverage of Insurance Consumers**

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### **ABSTRACT**

The general presumption is that the value of similar items in similar conditions is equal and doesn't affect by the gender. But price differs for similar items such as cosmetics, beauty products etc. Even for the insurance companies it is different and they see gender an important parameter not only in the life insurance, motor/auto insurance, health insurance and other line of insurance. Insurers give their pricing and coverage differently for different genders. This paper will identify the reasons behind the gender inequalities and also whether there is a need to keep the gender as a parameter for creating price difference by the insurance companies. This paper will try to analyze whether the insurance products are developed based on the customer preferences or consumer well-being or only based on the insurer's profits only. This paper discusses the international organization initiatives taken, judicial decision that highlighted the discriminatory practices, evaluates the initiative take by different governments with a specific case study on Affordable Care Act and other laws. In the end it recommends how to take forward the movement towards the uniformity of the pricing and specifically in the insurance companies.

### **FULL PAPER**

#### **I. Introduction:**

There exists no limitation to gender inequality in society. As women were always treated differently and not "differently" in a good way, from the unequal pay to the struggle in reproductive rights along with how women are observed when they dress in a specific way.

Many sexist injustices were known by everyone, but it's time to add another discrepancy to the pile: gendered pricing.

Women already expend more compared to men in health as well as beauty products between tampons along with cosmetics. The products of women are imposed in a diverse way from men's due to gendered pricing so women are paying much more. When companies were inquired about the price variation, a representative from a deodorant company stated to a Consumer Reports a study group that the products are "completely different formulations," with dissimilarities in packaging. (It didn't matter that both the men's and women's deodorant of this specific company included the identical ingredients along with the same percentages of them.) Charging extra 30 cents for the women's product is justified by "different formula" in some way as thought by them. It is observed that no company is free from gender pricing. Manufacturers "across the board," said that this is how it goes as found by Consumer Reports, again asserting that it's much costly for making products for women. Currently, it's simply an accepted way (Chatel, 2014).

Significant macroeconomic gains could be generated by a world free of discriminative social institutions which are benefited by all. Women's rights and empowerment were not only enhanced by this equal world but also augment countries' monetary living standards, as calculated by their income per person. Substantial economic benefits are yielded by gender parity, resulting in an annual raise in the world's 0.6% points GDP growth rate by 2030. In other terms, the world GDP for each person in 2030 is calculated as USD 8 378 without a decrease in gender-centred discrimination in social institutions, contrasted to USD 9 142 if discriminative social institutions were completely exterminated. This is an impressive gain of USD 764 per person (Ferrent & Kolev, 2016, p. xx).

A study was released by the New York City's Consumer Affairs Department contrasting the prices of over 800 products which exposes, products for women and girls cost 7% greater contrasted to the merchandise for men-folk along with boys (Blasio, & Menin, 2015, P, xx). The only government that took measures to undergo comprehensive research on a major topic is the NYC government (Abdou, 2019, p. xx)

**i. The theory of price discrimination**

The price discrimination theory throws the entire emphasis on the demand side. The secondary role is played by costs. But, it is tough to enumerate demand tentatively, in business practice; the stress is on the difference in costs. Joel Dean, an expert economist claims that the difference in prices imposed by the dealer is not exactly matched by differences in costs, which causes price discrimination (Rekhi, 2016).

#### Principal forms of Price Discrimination:

Sr.No	Main Classes	Bases of Discrimination
1	Personal	Income and earning power of buyers
2	Group	Age, Sex/Gender etc
3	Product	Quality, Size and demand

#### Table:1:

Because of the gender-dissimilar life span requirements and related risks, caused by socio-economic patterns, cultural norms, along with biological differences, the financial sector is identified that the women's client profile is different as of men. A market opportunity for insurers along with intermediaries is provided by the needs of women's client segments (**Federal Ministry for Economic Cooperation and Development, 2017**).

Along with the consumer vanity and materialism, anxiety is also became an important factor for consumer gender bias. Gender is also considered as one of the socio-demographic factor that is impacting the coverage of insurance. There is a difference in the earning capabilities, where the women with equivalent education are earning less than the men on average. (Dewar, 1998, Currie, 1995). (Marquez, 1984). A Research study on influence of education on the interest in purchasing insurance, indicated that there is a weak association for gender, medium association to the age and education and strong for revenues. (Ioncica et al., 2012, p. xx)

So, it gives an inference that just by giving impressive advertisements or other the gender is not turning to insurance purchases and making the differences, it is in-fact the difference shown by the insurance industry by creating different pricing for their insurance products.

#### ii. Insurance Premium Pricing Patterns:

Task of insurance premium lies with the actuaries, will apply link between the risk factors and occurrence phenomenon. Some of the common models used in insurance pricing are

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*Research paper*

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econometric modeling, priori analysis and integration of posteriori component in the calculation of the insurance premium. As far considering gender a factor comes in the priori analysis where segmentation of the group is done based on the similar risk profile and actuary will apply the variable of insured risk with the existing data collection. In this manner actuary will consider gender also as a segment and try to make the insurance premium pricing (David, 2015, p. xx).

For policymakers, woman's improved the admittance to all-inclusive insurance matters as a means of risk protection mechanism. Different government shareholder interests along with perspectives are highlighted by this publication, from insurance regulators along with supervisors, social protection policymakers along with development cooperation groups. Amongst others, the crucial part of these stakeholders is highlighted in improving the gender-differentiated data collection and also financial literacy on insurance for women.

An important political issue is access to reasonable and comprehensive healthcare for women in the previous years, which particularly discusses the government's role in health care and proposed funding cuts that have achieved a fever pitch. These debates must not come as a surprise: every fifth woman in the U.S. among the ages of 18 and 64 are not insured, making issues about where women can access healthcare a serious and urgent issue. Since women are covered as dependents via working spouse's employer-sponsored plans, which are less probable to meet Medicaid qualifications, so they are at a greater danger of being not insured or underinsured and might have many health issues that lead to pre-existent conditions.

However, insurance problems aimed at women surpass the uninsured. Women with insurance might encounter uncertainty in coverage, higher prices, greater out-of-pocket costs, and even outright discrimination centred on gender alone. Many women didn't understand the risks prevalent in the existent state of the insurance market places on women to their health and financial welfare.

### **iii. Why and How Coverage for Women Varies**

Insurance coverage is one area where discriminatory practices centred on gender are still permitted while women have achieved greater equality in about each daily life aspect during the previous five decades approximately. Men along with women aren't treated equally concerning pricing, risk assessment, along with the comprehensiveness of their care. The

extreme disparities in price between coverage for men along with women are not explained often because of few reasons.

Charging higher prices for women are justified by insurers as they state (and research supports) that women's healthcare issues are far more complicated contrasted to men's. Higher-risk pregnancy complications and postpartum care are some of the medical issues among many issues which come during pregnancy for women. A greater occurrence of chronic sicknesses is possessed by women that need current medical treatment (38% women against 30% men), and they are at a greater danger of creating disparate chronic conditions, from osteoporosis to lupus to rheumatoid arthritis. Insurance companies notice dollar signs covering women since women are very possible than men to seek care for health-associated issues. They usually live longer analogized to men (Coverage, 2020, April 30).

## **II. Different Types of Insurance**

### **i. Auto Insurance:**

Still, it is unimportant that sex, age, or gender is, commonly, a significant aspect in insurance practice, relevant either to the definition of premiums or to the contractual terms' definitions and conditions. As the Civic Report reminds, "Sex is regarded by some insurers as a alternative aimed at driving behaviour, because female drivers have fewer accidents than men. They are probable to drive for a smaller total distance during a year, although this factor (distance driven in a year) is sometimes the subject of a separate question on motor insurance application forms and hence considered and priced in its own right, with no regards with sex. The dissimilarity betwixt premiums for women along with men is possible to be most marked in the case of young women along with men since evidence suggests that the former poses a risk" (Manning, 2019, March 26).

#### **a. Why insurers do utilizes gender during the planning of auto insurance rates?**

Insurance is centred on risk. Men drive more than women. They are likely to meet accidents, get tickets, and can be getting imprisoned for driving under the influence (DUI). Men are probable to drive a car that's more expensive to insure. There exist several factors that are being utilized by the car insurance company while creating rates such as Gender, Claims history and severity, Age, Residence, Credit score, Marital position and Vehicle type. Insurers don't consider them all the same. Underwrite sections differ on how much work they put on.

**b. Do females or males give more amounts for auto insurance?**

Fluctuation of Rates centred on age and company. Women drivers from 16 to 24 ages give an average of \$500 less (15%) for car insurance contrasted with their male equivalent. Rate data demonstrates age 25 to 65, rates for females and males are in 5% of one another, with rates for males a small cheaper from age 45 to 75. After age 75, a female starts once more to pay less, but only about 7%, or \$100, yearly. The numbers over the average level, but you can recognize vast dissimilarities centred on the company. Two companies namely Commerce and Amica possess similar rates despite gender but differ centred on age. Other insurers namely American Family, utilizes gender for a few ages but not others (Manning, 2019, March 26).

**c. Who gives more for car insurance: women or men?**

The average car insurance rates by gender along with the age would tilt positively to women. Finally, men are much liable to meet accidents than women, they are highly liable to drive with no seatbelts, and have more speeding tickets than women overall age group. In nature, we would wait for men to give more money for auto insurance.

	Female	Male
	Full Coverage	Full Coverage
Clean Record	\$1,551	\$1,558
Speeding Ticket	\$1,863	\$1,871
Accident	\$2,125	\$2,133

**Table2: Table showing the liability by Females and Males.**

This assumption will not be supported by this data. Have a glance at the chart above. Although men pay high when it meets coverage, they won't pay high for all features of auto insurance (and the dissimilarity is insignificant at that).

**d. How does giving a speeding ticket impact rates by gender?**

Whilst there is a major dissimilarity in the possibility of women vs. men receiving a speed ticket, does it influence insurance rates in a different way by gender? Let's have a glance.

	Full coverage	Minimum liability
Clean Record	0.51%	-2.09%
Speeding Ticket	0.45%	1.79%

**Table3: Impact of speeding ticket rates based on gender**

For complete coverage, car insurance for female ranges from \$1,551 to \$1,863, there exists an 20.1% increment. A man could wait for the insurance to go up from \$1,558 to \$1,871 that is somewhat less at a flat 20% increase. As the chart above denotes, the diversity betwixt genders when it reaches a speed ticket impacting rates is relatively insignificant (.45%). ~20%

**e. How does including an accident to your record impact the rates?**

Then, let’s examine how an accident impacts car insurance premium for women and men. For complete coverage, women will observe a jump from \$1,551 to \$2,125 that is a rise of 37% in cost. Rates for men go up from an average of \$1,558 to \$2,133 (a rise of 36.9%). The dissimilarity betwixt female and the insurance rates of men diminishes from .51% to .38% with an accident prevalent on the record, so if it had been a race, it could basically be a photo finish’s equivalent. The average rate for females varies from \$551 to \$810 there is an increment of 47% for minimal liability. Averages for males rises about 47%, from \$540 to \$795, about removing the disparity betwixt genders for rates entirely.

	Full coverage	Minimum
Clean Record	0.51%	-2.09%
Accident	0.38%	-1.88%

**Table4: Impact of accident on rates of premium**

The important aspect is more frequently the kind of coverage you have and the specific incident that affects your rates, more so than gender.

**f. Adding male vs. female teens to your car insurance policy**

Variances in rate betwixt genders are considerably observed when adding a teen driver to your policy. Gender-specified accidents, unsafe driving and speeding are increased while age is an aspect. Regarding the Center for Disease Control (CDC) and prevention, teens pose a risk while driving due to the following factors such as Inexperience, Driving with no seatbelt, Speeding, Nighttime/week driving and Alcohol use. Still, the most fatal rates are greater for male teens that they are twice as liable to die in a car accident as teenage girls. In 2017, the death-rate for 16-19 aged men drivers was ‘2’ times superior to the death-rate of a similar age.”(Ward, 2020, October 28).

**ii. Life Insurance Patterns in Developing countries like India:**

Investment firm reliability declares that, while talking about money, many of the women hold back. ‘8’ of ‘10’ women admitted that they have desisted from talking about money with those near to them. In the research, approximately 56% respondents found it too personal for discussion. About one-third of them alleged that they did not desire to reveal the information concerning their investments.

Life insurance is associated with policy holders’ income and age. A housewife possessed relatively low human life value by financial contribution towards her family. As a planner for finance, the high sum made sure that their plans will not be recommended like term cover. Insurance is established as per IRDA or it will be equal to the insurance of the husband whilst the housewife doesn’t earn an income of her own.

A long term conventional plan is the perfect option for housewives that will fulfill their needs. The company is not eager on policy selling to self-working females and housewives. For insurers, the risk of the individual is resultant through the human life value (HLV) conception, with regards to the financial obligation (Verma, 2017). Actually, for females’ premium rates are ‘two’ years lower as contrasted to males because of low mortality rate:

Online Term Plans	Age: 30 Yrs and Term: 30 Yrs	
	Premium for Male	Premium for Female
ICICI Pru iProtect	10,797	9634
HDFC Life	9718	3040
Max Life Online	8378	6608

**Table5: Difference in premium rates for Male and Female.**

**a. Coverage GAP in Life insurance Plans:**

As said by a new survey through online life insurance agency Haven Life, there is an observation of the gap between life insurance and women. The survey reveals that as women and men consider that death has a “substantial” effect on their family; women are not holding life insurance as often as men. Actually, 67% women survey exposed that they owned life insurance, contrasted to 79% men. Of those who possessed individual life insurance, the women possessed an average coverage of \$231,342, contrasted to men who possessed an average of \$423,102 (Frazier, 2019).



### iii. Health Insurance:

Men die in their young stage than women; they occur more troubled by sickness. They experience sickness in their little age and also get chronic illnesses analogized to females. For instance, males are almost ten times more probable to have inguinal hernias analogized to women; also '5' times more probable to possess aortic aneurysms. American men are about '4' times more probable to be strike by gout; they have been more than '3' times more probable than women to form up kidney stones, to become alcoholics, or else to possess bladder cancer. About '2' times as possible to be sick from duodenal ulcer or emphysema. So females consult doctors more frequently analogized to men; they cost our society more for medicinal need beyond age 65. For America, the gender breach is never the same. Actually, each country comprising dependable health statistics reports exhibit that female live longer analogized to men. The longevity gap prevails in developing nations and also in industrialized societies. It's a widespread observation that recommends a basic differentiation betwixt the men and women health (Harvard Health Publishing, 2019).

Whilst investing aimed at their own self, women get scared. In handling their daily budgeting, most women are confident, however are not much comfortable talking regarding money with their family. The commercials circle around women in the house. It seems like it is just the woman's concern as of mosquito repellents to hand wash and also toothpaste. The man is exhibited as an individual who yields and procures life insurance aimed at the wife for attaining the objectives that he had fixes whilst he was living.

Health insurance planning can't be evaded and also must be executed ASAP. Aimed at working and also non-working females, healthcare requirements are the same. However, it is just the opposite in reality.

Women should concentrate on their own selves prior to the alarm bell rings since they run their family in numerous ways. Women's health problems are varied as analogized to men and also require unique attention. However, sorrowfully, extremely lesser women provide value to their personal health. They stay unnoticed aimed at most of their lifetime dependant or else busy working at home and at the office (Verma, 2017).

#### a. The healthcare gender partiality: do men acquire efficient medical treatment?

Aimed at patients, the stereotype operates accordingly: men have been less aware regarding health issues analogized to women, less familiar regarding symptoms and also they do not

visit or consult the doctor frequently like women. Likewise, men are quiet stoics; women are hilarious hypochondriacs. Evidence exist aimed at this, to an extent – government’s statistics published by 2010 exhibited that women were much liable analogized to men to state that they were in bad health, however less probable to die in the subsequent ‘5’ years.

Research has detected that women have been less probable analogized to men to be offered CPR however it isn’t the one and only approach where they are provided tiny shrift in an industry in which female pain has been consecutively misdiagnosed. The federal agencies have detected and implemented steps to state any concerns regarding the gender-centred price variations. The State as well as local government has put in the effort to state the concerns concerning the gender-centred price variations (Schopen, 2017).

**III. Law made to control Gender-Based Pricing Laws Worldwide:**

Equality is a common phrase and one of the strong fundamental of natural justice. Inequality on the basis of race, sex, caste or other forms are not entertained. Universal Declaration of Human Rights by United Nations proclaimed that all the persons are eligible for all rights without of any kind of gender, colour, race, religion, property, birth or other status and the same is incorporated and made it obligatory as per the Article 18 of the declaration. Several countries worldwide have taken some steps to get-rid of gender pricing in the same lines (United Nations, 2003, p. xx).

**i. State and Local Gender-based Pricing Laws in the US:**

The below mentioned table shows how the states have taken steps to stop gender-pricing and also the exclusions provided to those laws. Insurance became one of the exclusion allowing the insurance companies to practice the gender-pricing (GAO, 2018).

US State or Locality	Law or Ordinance	Exceptions
California	Gender Tax Repeal Act of 1995: This law prohibits any variation in the pricing solely	Excludes insurance and also where there may be difference in the difficulty, time, cost etc.

	grounded on the Consumer's Gender by the establishments for a similar service.	
Miami-Dade County, Florida	Gender Pricing Ordinance, 1997. This law restrains any change in the pricing solely centred on Consumer Gender by the establishments for a similar service.	Excludes insurance and also where there may exist a difference in the difficulty, time, cost etc and discount can be given centred on gender only if they do not prohibit others out of the program.
New York City, NY	City Council Bill Number 804-A, 1998, prohibits price difference in case of dry cleaning, hair cutting basing solely on gender.	Applicable to only retail firms.

**Table6: Laws of different states prohibiting gender-pricing**

**a. Pink Tax Repeal Act:**

In 2018, Democratic Representative Jackie Speier introduced the Pink Tax Repeal Act (**H.R. 5464 (115th)**) aimed to: “For prohibiting the consumer products’ and services’ pricing, which are considerably alike whilst products or else services like this are differently priced centred on the individuals’ gender aimed at whose utility the products are targeted or else marketed or else aimed at whom the services are executed or else presented.” The bill failed (Bach, 2019). The lawmakers in the 22 states presented bills in 2019, which can eradicate the tampon tax; however, nothing was enforced into law. Each state possesses its own listing of items pondered “necessary”, which are tax exceptional. Besides a handful of states, tampons and also sanitary napkins aren’t added into this listing of professed "necessary" things (Lafferty, 2019).

**b. California Laws on gender-pricing:**

In California, it is against the law to impose more for car insurance centred on gender. This legislation follows in the path of identical laws put on the books in the state for health care ten years ago. The regulation came into effect on Jan. 1, 2019. A statement is issued by California's Insurance Commissioner Dave Jones aimed at the Gender's Non-Discrimination prevalent in Automobile Insurance Rating Regulation that insurers aren't admitted aimed at utilizing gender to compute private auto insurance. The proactive regulation is stated by means of the Consumer Federation of America (CFA) together with the Consumer Federation of California (CFC). They are urging policymakers along with regulators around the earth to take similar steps in their states for ending the discriminatory practice that has permitted insurers to impose women with good driving records more, on average, than men with similar driving records.

In a declaration, J. Robert Hunter, CFA's Director of Insurance and the ex- Texas Insurance Commissioner described that the organization's research during the years has uncovered a range of discriminative pricing schemes by auto insurance companies, involving "erratic" gender-centred pricing. Hunter, stated that gender must be barred across the nation as not determinative of risk and, like race; gender mustn't be utilized in pricing auto insurance given the odd and unfair charges prevalent in the marketplace. Now, gender discrimination prevalent in auto insurance rating is prohibited by only '6' other states namely Pennsylvania, North Carolina, Hawaii, Montana, Michigan, and also Massachusetts (Ling, 2019, January 8).

**c. Changes Brought through The Affordable Care Act (ACA):**

Health insurance has arrived a much longer way recently for women in the US; large thanks to the dramatic enhancements and also the consumers' protections put forward by Obamacare. This is mostly factual in the individual market, in which the earlier mandates and reforms have been implemented rarely. At 2014's start, the majority law's provisions were applied. Earlier, most of the individual plans charged greater premiums aimed at a 40-year-old non-smoker female analogized to a 40-year-old smoker male. This practice of charging women more analogized to men for the exact same coverage had been costing women around \$1 billion per year by 2012 (Norris, 2020, P.xx). The ACA allows families and individuals with a better access to the health insurance options such as dental, medical, vision and similar other kinds of health insurance which was not available earlier (United States government, 2019, p. xx).

Prior to the ACA, women belonging to the working (19-64) age group experienced particular challenges in attaining health insurance's coverage and health care. Numerous factors caused women's experiencing uninsurance, underinsurance, and increments financial troubles linked to attaining health care. However, the present legislation can aid as a remedy aimed at such numerous problems (involving the ACA), it doesn't remove the necessity aimed at women to develop a comprehensive perception about their insurance, namely what it covers, how much it costs, and also the legislative factors, which can persuade a woman's capability to be permitted, aimed at coverage at all. Herein, a few of those basics have been addressed and provide a solid resources list aimed at women who are concerned about learning more details about where they can go to aid in looking for fair and secured coverage of their healthcare requirements.

**Prior to the progression of ACA**, the wild fluctuations observed in the private insurance market resulted in huge disparities betwixt premiums charged to men vs. women. Relying on the resource of a woman's health plan, it can be translated as substantially higher rates in numerous areas of the nation, yet whilst applicants had been healthier analogized to male peers. For instance, a survey on the available private insurance offerings in 2008 exhibited that in the capital cities of all the 50 states, above 60% insurance plans charged a non-smoking 40-year-old woman greater premiums analogized to a smoking 40-year-old man. Women who are covered beneath the employer-sponsored healthcare plans, even as dependants, are far better; the premium rates are just somewhat greater analogized to the rates aimed at men. Private insurance rates change by city and state, however, whilst a few observed just a 1% surcharge fastened on aimed at their gender, others observed rates increment till 63% aimed at the equivalent coverage. Till the ACA's progress, this gender-centred pricing type was practised by every best-selling plan prevalent in each state, still whilst most coverage regions, which only apply to women, namely maternity care, had been expelled. This means that in the mainstream places and cases, women have been paying additional, occasionally considerably more, analogized to men aimed at their coverage. This is a major concern and main contributor towards a few most recent policies that reform the health insurance industry.

### **Policies That Impact the HealthCare Rates and Coverage for Women**

Fortunately, the ACA disallowed numerous practices, which permit the insurance companies aimed at charge women greater rates analogized to men. Whilst, there exist a few state-centred laws, which help in protecting women from gender discrimination regarding health insurance's coverage; so far no legislation has done quite this much to the operating field at least in this respect. The major reforms are taking place now, whilst a few of these alterations already have implemented to effect. Every woman choosing health insurance as of an employer, a private insurer, or else as of the ACA's healthcare exchanges may expect the subsequent alterations to occur by Jan. 1, 2014.

**The ACA's major approaches that can shape women's healthcare and insurance coverage:**

Insurance companies ought to charge the equivalent rates aimed at coverage, despite the gender or else pre-existent conditions. It implements limitations on premium pricing centred on age and also bans pricing centred on gender. A huge advantage for women is that from now on they won't be charged a premium just for being female, or else aimed at every other pre-existent circumstance. This can forbid insurers against charging superior rates or else being denied coverage aimed at things such as earlier comprising breast cancer, a Caesarean section, or else being the victim of sexual assault or else domestic violence. The ACA presently forbids gender-centred pricing in individual and also small group plans. Whilst larger group plans aren't needed aimed at offering competitive pricing for women, those that don't are let off as of the substantial federal tax credits, subsidies, contracts and also the other incentives; economically, it relies on the major big group plans' finest interest to provide equivalent pricing to both men and women.

**Insurance will become more affordable:**

Both women and men can acquire a break as of the insurance prices by the ACA. At the commencement of 2014, families and also small businesses received tax credits centred on a sliding scale aimed at making insurance much affordable. The credits concern for the individuals yielding lesser than \$43,000 and also will differ relying on the family size (for illustration, a family of four yielding lesser than \$92,200 is eligible) ( Lee, 2020).

**There exist other benefits also.**

The ACA's health insurance reforms stay not available to women for all whom health insurance itself is not viable. The case was heard by the Supreme Court in November 2020, comprising an association of 21 attorney generals defending the ACA.

## **ii. United Kingdom Scenario on Gender-Pricing:**

**Some judgments will change the course of the history and** Test Achats Judgment (Association Belge des Consommateurs Test-Achats ASBL and Others v Conseil des ministers) ((EUR-LEX, 2009, p. xx) is also such kind of judgments that revolutionized and forced the governments to make necessary changes to the laws on the gender discrimination and pricing. Initially, relevant consequences of Test Achats Judgment signified that the Member States are not permitted to place any rule allowing the utilization of sex-associated data, yet if they have been in proportion and accurate.

In conclusion, the Test Achats Judgment will have a great effect not only on private pensions but on all the pension systems. The eradication of the utilization of sex as an aspect in calculations will be a great challenge and an important step forward in the fight against discrimination. In this perspective, the outcomes of the Judgment will be significant also for the adequacy of pensions and the conflicts against social elimination and poverty, which are much superior for old women.

**The Test Achats doctrine** has an expansive effect on other portions related to those straightly concerned in the compound context of European wellbeing. The judgment is known to have straight effects on the social security sector (welfare effect) and on discrimination factors other than gender (horizontal consequence). Concerning the first profile, it is worth denoting that the assessment on the exemption validities as of the equal treatment principle is meant to inevitably reopen the debate on the validity of other exemptions allowed in the other gender directives. The references go to:

– Art. 9, Directive 2006/54/EC, which at letters h) and j) permits to set diverse stages of premiums and benefits in occupational social security schemes of sex as it is required to consider actuarial computation factors (Her Majesty's Stationery Office, 2006, p. xx);

### **The Judgment impact on existing insurance contracts**

Assumed that the 2011 Judgment will apply to future insurance contracts (those concluded after December 21 of 2012), the consequence of the Judgment on existing contracts is all but defined.

**As well, there are four probable solutions to Test Achats.**

The same treatment ruling could apply:

- a. only on contracts concluded after 21.12.12;
- b. to all premiums and benefits paid or payable after 21.12.12;
- c. to all benefits payable for the initial time after 21.12.12, regardless of the premium paid before that date;
- d. to all benefits payable after 21.12.12.

**Impact of Equality Act 2010 of United Kingdom on Insurance Price Discrimination:**

Equality Act 2010 of United Kingdom incorporated provision 20 (1) and (2) allowing the discrimination of gender under the “relevant discrimination” if there is reasonable data to rely upon and if it is reasonable to do it (EURLex, 2010). But the Test Achats case had changed a lot and paved way for the implementation in the Equality Act 2010 (Amendment) Regulations 2012. This had direct impact on the motor insurance premiums and insurance companies are no longer use the gender as price differential dependent. So, the insurance companies is not allowed to use history or statistical expertise to fix prices that are perceived as more serious discrimination issues in the society (Barry, 2020).

From 21st December 2012, insurers will not be able to utilize gender as a factor for the computation of premiums and also benefits, pursuing a rule by the European Court of Justice. In the UK, the Gender Directive was enforced into law via the Sex Discrimination Act 1975 Regulations 2008. Exceptions connecting to insurance have been covered in Schedule 3, Part V that hasn't still been implemented. Consequently, the schedule offers that the variation in treatment centred on sex won't violate the prohibition, provided that they are proportionate and centred on related and accurate actual and statistical data that are frequently updated and accessible aimed at the public. There occurs no necessity aimed at the data to be published for the policies implemented previously to 6th April 2008.

Pondering the Test-Achats case, though, it seems probable that this segment of the schedule won't be enforced, and that the existent regulations continue to prevail till 21st December 2012. The 2008 regulations won't be amended to reflect the European Court's decision. New policies written past 21st December 2012 must be gender-neutral. However, it isn't yet clear how the ruling can be implemented to policies written prior to that date. The act was procured



by Belgian consumer association Test-Achats and concerned Belgium's adoption of Article 5(2) aimed at life insurance.

#### **Some of the Regulations brought by other States:**

Barclays Official California Code of Regulations has brought important laws that can marginalize the gender bias based on the identity as follows:

- (a) An admitted insurer shall not, discriminate insured on the basis on perceived gender identity. (As per Section I (6).
- (b) Discrimination based on the gender is void for limiting, cancelling, denying or refusing while issuing new policy or at the time of renewal.
- (c) Prohibition on requiring part or whole of insurance premium on high based on the insured's gender identity.
- (d) Prohibition on the line of perceived identity and on the ground of pre-existing condition for issuing insurance policy.
- (e) Limiting or denying coverage through insurance policy or the claims based on the perceived gender identity is limited or denied (Westlaw, 2021).

#### **IV. Gender-Pricing will be win-win situation to all.**

Rather than seeing the each product or an area, if the overall industries take a major shift by avoiding the pricing based on the gender it will not have major impact to the companies and members states also should look it on positive direction leaving small marginal benefits to some business units.

##### **i. Why gender equality concerns aimed at insurance**

There exists well-built proof that gender equality enhances economic potential. Also, it is estimated by the Swiss Re Institute that a 26% incrementation in the universal GDP in a situation of labour market gender parity yields an added USD 2.1 trillion in the global insurance premiums by the year 2029. It also determines that gender equality can decrease the existent health protection gaps prevalent in Asia by 11%.

##### **ii. Challenges and opportunities for insurers heading towards gender equality**

Insurers must get ready aimed at reforms and also regulations, which are more and more being implemented aimed at upgrading gender equality. Significantly, insurers should

acknowledge the gender variations in precedence and also understand what solutions can be offered how and where. Financial inclusion and its literacy are also significant. Researches exhibit that financial inclusion brings out greater insurance demand. Till now, insurers are able to assist numerous female consumers to develop their understanding regarding the advantages of insurance and the risk protection products' particulars. In every specification on gender, it is found that demand aimed at insurance is considerably lesser aimed at women. Gender includes the explanatory power, although limiting the reality that women are more than men as of financial matters.

### iii. Enough Insurance Coverage to Women:

Women are gradually more acknowledged as a “un- and underserved” market aimed at inclusive insurance comprising high growth potential. For instance, IFC, AXA and Accenture have estimated that by 2030 the annual women’s market opportunity aimed at the insurance industry globally can be signified betwixt \$ 1.45 and \$ 1.7 trillion. Women are eager in spending betwixt their income’s 10-15% on insurance, particularly on health insurance concerning the equivalent study. Moreover, it is acknowledged well that women again invest up to their income’s 90% back aimed at their children’s education, health, and nutrition needs. It is in a perspective where the determined gender inequalities stay on a global level, with women encountering higher levels of drawbacks and also poverty. Likewise, the women’s inclusive insurance client profile is different as of the male clients; several women’s risks and wants need particular approaches.

**Amidst the uninsured, the women have been more regardless of the actuality that the premiums are less in auto and health insurance. There exist numerous reasons aimed at less reach of the insurance amidst women.**

### Key Findings

- (a) There is a wide gap between the genders who takes some kind of insurance if it is not mandatory from the government.
- (b) Vulnerable sections of society try to opt out the insurance which is not necessary and less risk is there for not taking insurance. Each gender thinks upon on their perspectives.
- (c) The customer profiles of the men and women are different.

- (d) There are some specific problems and that needs to load premium to the specific gender that are generally difficult to replicate.
- (e) Another important finding is that even the customers are not having proper information that they are being biased based on the gender.

**iv. Recommendations to overcome Gender-Pricing:**

**i. Recommendations for Insurance Regulators:**

**Regulators need to take steps for investigation and verification of the decision of insurance companies that are:**

- (a) Due to the gender price discrimination how many are impacted.
- (b) **The differences between prices for which the cost is incurred in providing the service or product to which the insured/consumer is paying.**
- (c) How vulnerable are the section of insured/customer for taking that service/product despite price discrimination.
- (d) Whether the pricing models and strategies are leading the insurance companies to take advantage of it against the customers/Insured.
- (e) Whether the pricing practices are able to access the products properly
- (f) Whether the existing pricing practices that is driving the present structure of competition leading to enhance or decline in purchasing of the insurance products

**ii. Recommendations for the Insurance Sector**

- (a) Create the policy and regulatory environment favourable aimed at gender-sensitive inclusive insurance.
- (b) Offer technical support aimed at gathering and analyzing the inclusive insurance sex-disaggregated data amongst both supply and demand side.
- (c) Take part in addressing the legal and policy constraints that indirectly put constraints on women corresponding to their admittance to and also utility of insurance.
- (d) Stimulate gender diversity in the insurance industry. Build-up the stakeholders' capability on gender and inclusive insurance.
- (e) Promote market research aimed at inclusive insurance and innovation concerning novel product and distribution channels aimed at targeting women clients.
- (f) Produce financial literacy programs much responsive to women clients.

- (g) Launch the “good practice coalition” amongst insurance supervisors and also policymakers, development cooperation agencies, the insurance industry and so on.

It is finalized that all the others equivalent, efficient approaches where financial intermediaries or else policymakers can increment the added insurance demand is by incrementing the financial planning’s awareness via the financial literacy or else the financial market inclusion (Luciano, Rossi, & Sansone, 2015).

### iii. Recommendations in General:

- (a) **By educating the consumers** that there exist no federal limits currently on gender price discrimination and tariff discrimination regarding gender, added societal unrest can and will generate true alteration. With no education of female consumers, society can’t demolish and build-up new societal norms, which permit equality amidst consumers.
- (b) For **covering women:** Inclusive insurance is the stratagem aimed at promoting broad-centred admittance to insurance aimed at the “un- and underserved” and also involves diverse insurance classes. Inclusive insurance is a strategy to promote broad-based access to insurance for the “un- and underserved” and includes different classes of insurance.
- (c) Whilst there exists a necessity aimed at something and that requirement is spoken, it will come out in the market as a consequence of innovation and the entrepreneurial attitude of those prevalent in the business world. New products can be forced to be produced with adequate demand.
- (d) Women sharing posts that exhibit the price differences experienced directly comprise an immense effect, even though it seems like an easy solution. Activist organizations are also performing their role in educating women. Several hash-tags occur spreading the word. #PinkTax and #GenderTax are successful on outlets like Twitter in spreading the hidden tax’s knowledge all around the globe in countries like Spain and also Ireland (Lafferty, 2019).
- (e) Take initiatives the way the pricing for the products is done based on gender.
- (f) Take steps to limit the differences in prices among the different consumers.
- (g) Use technology based and innovative solutions rather than creating models based on the gender

## **V. Conclusion:**

The consumer price disparity's persistence against women is detected and is not rationalized. Via the spread of education and its awareness, proper change might start to occur and promote gender equalization. Owing to the extensive marketing and packaging requirements, the price differentiation's subduing will aid to eliminate the pink tax. Several taxes which have been generated aimed at diverse reasons throughout history have often been the discrimination cause of a sect of society. Taxes like this are eliminated with time and are currently observed as inconceivable in today's society regarding their ludicrous intents. Soon one day, an individual will interpret about the gender pricing discrimination and pink tax in the history book and ponder that it is absolutely inconceivable in their modern society.

The possible entry points aimed at the gender-sensitive insurance techniques are identified by this compendium and it presents approaches to execute them much efficiently. It is assumed that every stakeholder employs these suggestions aimed at promoting further women's admittance to inclusive insurance towards the vast objectives of financial inclusion as well as sustainable growth. It should be remembered that in the insurance services and other relevant financial services supply the general practice of utilizing various actuarial factors occur in accordance with gender. The pondering of sex to be an actuarial factor mustn't result in differences in individual premiums and also benefits aimed at guarantying equal treatment between men and women. As of a legal viewpoint, differentiation and discrimination are '2' much diverse conceptions. Discriminations are illegal differences, as they infringe – as in the case at hand – European Union law in its entirety. In contrast, differentiations are allowed until they are similar to the regulatory framework in force and they don't turn into illegal differences.

The progress towards the marginalizing the gender-based pricing is in slow pace and there is a need by the regulators to act fast and states also should be proactive in bringing uniformity on the laws and overcome the inequality on the basis of gender is a need of hour.

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