

# A Response to: European Court of Justice Ruling That Insurance Benefits And Premiums Should Be Gender Neutral

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## **Introduction**

1.1 The Women's Support Network (WSN) welcomes the opportunity to respond to this consultation.

1.2 The Women's Support Network (WSN), established in 1989, is a regional organisation that works across all areas of Northern Ireland. It includes in its membership community based women's centres, groups and organisations, with a concentration in disadvantaged areas. WSN is a charitable and feminist organisation, which adopts a community development approach. We provide a range of support and services to 63 community based women's centres, projects and infrastructure groups and 26 associate members drawn from across the community and voluntary sector who support women, families and communities. (see Appendix 1).

1.3 Our members provide a wide range of women-centred front line services across Northern Ireland, including:

- Specialist Advice
- Childcare and Family Support
- Counselling, Support and Advocacy
- Complementary Therapies
- Training & Education
- Health & Wellbeing Programmes
- Personal Development & Employment Support
- Volunteering, Leadership & Empowerment

1.4 WSN aims to achieve social, political and economic justice through the promotion of the autonomous organisation of women. The Network aims to strengthen the collective voice of women's groups and to promote and develop networking opportunities, to enable collective action and to impact upon policy and decision making processes. WSN provides an accessible, feminist, relevant and high quality support service and resource for its member groups. The Network is also an important information resource on issues relevant to community based women's organisations and for other infrastructure groups, nationally and internationally.

1.5 Over the past 30+ years, the community based women's sector has developed a range of front-line services such as childcare, support, advice, and education & training services in

response to the needs they identified at a grass roots level. Women's groups continue to meet the particular needs of women and their children living in areas considered to be some of most affected by the conflict, and recognised as some of the most disadvantaged areas across Northern Ireland today.

1.6 Network members are actively engaged with their local communities, cross-community initiatives and regional structures throughout Northern Ireland.

## **2. Comments**

2.1 The WSN welcomes the opportunity to offer feedback on the Executive's proposed response to the European Court of Justice ruling on Directive 2004/133/EC in Case C-236/09 of 1 March 2011 on gender neutrality in the pricing of insurance premiums and benefits.

### **3.0 Specific comments relating to the assumed impacts set out in the impact assessment at Annex B, and the underlying assumptions.**

3.1 On the whole, the WSN considers that the assumed impacts and the underlying assumptions, as argued in this consultation, are reasonable. However, we are disappointed that more has not been done to emphasis the extent to which women in Northern Ireland will be negatively affected when the ECJ ruling is implemented into domestic law.

3.2 It was found, in July 2012, that 18,500 women in Northern Ireland are claiming unemployment related benefits<sup>1</sup>. In June 2012, there were 196,000 economically inactive women between the ages of 16-64 because of study, illness, disability, family and retirement<sup>2</sup>. The realisation that, the 'market will stabilise with premiums at a higher level overall than they were before', and that women will be asked to pay substantially increased insurance premiums is, thus, a major concern.

3.3 WSN agrees, that it is very likely, that the Test Achats ruling may lead to certain outcomes that will adversely affect consumers, but more specifically that these outcomes will impact pejoratively on women in Northern Ireland; namely, the very real possibility of 'cross-subsidisation of premiums between the genders'. The example, given in the consultation, indicates that a careful female driver will pay the same price for insurance as her careless male counterpart. In essence, she will be subsidising the cost of his insurance. According to the PSNI Annual Report, Males aged 16-24 are the age group that are most

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<sup>1</sup> Northern Ireland Statistics & Research Agency, 2011, *'Women in Northern Ireland'*.

<sup>2</sup> Ibid

likely to be killed or seriously injured in road traffic collisions. In 2011, the rate per 100,000 population was 120 male KSI casualties aged 16 to 24. This is followed by males aged 25 to 34 which had 94 KSI casualties per 100,000 population. Furthermore, almost half (45.9%) of drivers of motor vehicles who were killed or seriously injured were aged between 16 and 34 and almost two thirds (64.1%) of driver KSIs were male. Finally, during 2011, 'careless driving' accounted for 23 deaths and 415 seriously injured (438KSI casualties). Almost one fifth (18.9%) of these casualties were aged 16 to 24 and 63.5% were male<sup>3</sup>. All this evidence confirms that women are statistically safer drivers that cause fewer accidents, but will be charged the same amount for insurance as their less safe male counterparts and will, thus, be subsidising those drivers that are less careful. This law which, prima facie, is intended to stop discrimination based on gender, seems at a deeper level to have the potential to cause injustice in the case of young women; in the end women will pay more for insurance because young men may have questionable driving records. There is also an inherent assumption being made that women and men earn the same income and thus are equally able to afford (or not afford) car insurance/life insurance. Data, released by the Chartered Management Institute (CMI), showed that the difference between the average female and male executive salaries in Northern Ireland, for example, is larger than any other nation or region in the UK. Across the UK, men continue to be paid more on average than women doing the same jobs (£42,441 compared to £31,895), revealing a UK-wide gender pay gap of £10,546<sup>4</sup>.

3.4 The reality that many women will not be able to afford an increase in car insurance and thus, will be unable to use a car will create new barriers to transport for both employed and unemployed women. WSN wishes to emphasise that women, currently, with no car, face many barriers due to inaccessible and unaffordable transport including education, training, access to healthcare and employability<sup>5</sup>. The notion that the price of insurance may create further barriers and force more women to use the already problematic public transport cannot be ignored.

3.5 Woman, living in rural areas, face the reality that public transport is inaccessible and unaffordable. Too often, transport is offered at peak times but services outside these times, ones most likely to facilitate the unemployed, women working in the home and the older population, are non-existent. Quite often too, bus journeys, especially in rural areas, take longer than the same distance in a car. Thus, use of a car for many women becomes

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<sup>3</sup> PSNI, 2011, Annual Report

<sup>4</sup> Chartered Management Institute, 2011 National Management Salary Survey

<sup>5</sup> See OFMDFMNI *Gender Equality Strategy: A strategic framework for Action to promote gender equality for women and men 2006-2016*, Pg 21

essential. If the price of insurance augments, women, in more remote areas, may be forced to consider public transport as an alternative to the car. It is clear from research, that women are more likely to use a means of transport in order to do the shopping or take the children to school. Hamilton et al states that bus design does not address the obvious difficulties that a woman faces when a woman is accompanied by a child or the weekly shopping<sup>6</sup>.

3.6 If adverse selection operates as a result of Test Achats ruling and increases the cost of life insurance, this will also create difficulties for women. As stated in the consultation, women have a higher life expectancy than men which means men will get life insurance at a cheaper rate. According to the National Audit Office, in Northern Ireland, the life expectancy for men is 77. However, women are expected to live to 81 years of age<sup>7</sup>. This means that women across Northern Ireland, especially those in disadvantaged areas, will be less inclined to buy insurance. This enforced decision to refrain from buying life insurance because prices are too high, means that women may not have the possibility, as the primary caregivers and/or as a lone parent in the family unit, to provide protection and support for their dependents (ie children) in cases of unexpected death. Without the stability of a father's life insurance, a single mother needs to be able to afford necessary life insurance policy for relatives.

3.7 As primary caregivers, women more than men become the homemaker. Thus, for a women at home, there is little to no earning capacity. Investing in a life insurance policy, means that women can enjoy peace of mind with regards to finance in old age. The possibility that a gender neutral approach to insurance could induce stress and anxiety in so many women, especially those in an older age bracket is a concern of the WSN. Currently, 60% of women in GB have no life insurance cover and this situation will only become worse with the introduction of this new provision<sup>8</sup>.

## **4.0 Conclusion**

4.1 Before any commitment is made to upholding the ruling in the Test Achats case, the government of Northern Ireland needs to fully commit to ensuring equal pay for men and women in positions of the same status. This assurance means that the introduction of gender neutral insurance policies or the indeed the introduction of any gender neutral policy, will be less detrimental to women. Furthermore, the government needs to improve

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<sup>6</sup> Hamilton, K. & Jenkins, L. (2000) 'A Gender Audit for Public Transport: A New Policy Tool in Tackling Social Exclusion', Urban Studies, 34 (10): 1793-1800.

<sup>7</sup> 2012, 'Healthcare across the UK: A comparison of the NHS in England, Scotland Wales and Northern Ireland'.

<sup>8</sup> Beagle Street Survey [www.Beaglestreet.com](http://www.Beaglestreet.com).

public transport systems to enable women to freely choose between using a car or opting for a more affordable mode of transport.

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## MEMBERSHIP 2012

	<u>Member Group</u>
1	All Ireland Mother's Union
2	An Munia Tober (Travellers)
3	Antrim & Ballymena Women's Aid
4	Ardmonagh Women's Group
5	Ardoyne Women's Group
6	ATLAS Women's Centre
7	Al Nisa Women's Group
8	Ballybeen Women's Centre
9	Ballymurphy Women's Group
10	Belfast & Lisburn Women's Aid
11	Belvoir Women's Improvement Group
12	Carrickfergus Women's Forum
13	Carew II
14	Causeway Women's Aid
15	Chrysalis Women's Centre
16	Clan Mor Women's Group (Sure Start)
17	Derry Well Woman
18	Derry Women's Centre
19	Falls Women's Centre
20	First Steps Women's Group
21	Footprints Women's Centre
22	Foyle Women's Aid
23	Foyle Women's Information Network
24	Granaghant District Women's Group
25	Greenway Women's Centre
26	Kilcooley Women's Centre
27	Lesbian Advocacy Services Initiative
28	Lesbian Line
29	Lenadoon Women's Group
30	Ligoneil Family Centre
31	Link Women's Group
32	Manor Women's Group
33	Markets Women's Group
34	NI Women's Aid Federation
35	NI Women's European Platform
36	Fermanagh Women's Network
37	Newry & Mourne Women
38	Newtownabbey Women's Group
39	Older Women's Network NI
40	Omagh Women's Aid
41	Rape Crisis Centre
42	Rasharkin Women's Group
43	Shankill Women's Centre
44	Strabane & Lifford Women's Centre
45	Strathfoyle Women's Centre

46	The Learning Lodge
47	Voices Women's Group
48	Waterside Women's Centre
49	Windsor Women's Centre
50	Women Connect Project
51	Women into Politics
52	Women's Information Group
53	Women's News
54	Women's TEC
55	Women 2 Gather
56	Women's Resource & Development Agency
57	WISPA (Women in Sport & Physical Activity)
58	Ardcarn Women's Group
59	OIYIN Women's Group
60	Mossley Women's Institute
61	Mount Vernon Women's Group
62	Coole New Opportunities
63	North Belfast Womens Initiative & Support Project
	<u><a href="#">Associate Members</a></u>
1.	Ballymena Community Forum
2.	CiNI
3.	Community Relations Forum
4.	East Belfast Community Partnership
5.	Employers for Childcare
6.	HIV Centre (Women's Support Group)
7.	Mencap
8.	National Women's Council of Ireland
9.	Playboard
10.	RNIB (Women's Group)
11.	Good Morning Newtownabbey
12.	Monkstown Community Association
13.	WAVE Trauma Centre
14.	WEA
15.	Parents Advice Centre
16.	Templemore Community Action Group
17.	Gingerbread
18.	Larne Community Development Project
19.	Community First Coaching
20.	Changing Faces
21.	Sands NI
22.	Women's Project Ashton Centre
23.	Women on Track
24.	Matt Talbot Women's Group
25.	Ulster People's College
26.	Council for the Homeless NI