

# Unmarried America



the promise of equality applies to everyone regardless of marital status

To: John Garamendi

From: Thomas F. Coleman  
Executive Director

*6 pages*

Re: You are in our June 2002 newsletter

Date: May 20, 2002

It was good seeing you on February 20 at the W Hotel. I gave you some materials about the Anti-Discrimination Task Force which you convened in 1993.

I was able to use the photo I took of you and me at the W Hotel event. It is part of a story in our June newsletter about marital status bias in the insurance industry. That page can be accessed through our website at:

[www.unmarriedamerica.com/members/newsletters/June2002/Page8.pdf](http://www.unmarriedamerica.com/members/newsletters/June2002/Page8.pdf)

I am faxing a copy of the article to you along with this cover letter. Perhaps you can use the article in some way. Maybe a mention on your website with a link to the article. I am sure that unmarried insurance consumers in California (and there are millions of them) would be interested in your leadership role on this issue.

We are a nonpartisan and nonprofit organization and so we may not endorse candidates. However, we can educate the public about which candidates care about unmarried consumers and which ones do not. You cared in 1993 and I hope you care now.

Would you be interested in making a statement in response to the attached article? We could post it on our website and invite the other candidates to respond.

I look forward to hearing from you soon.

# Unmarried America



the promise of equality applies to everyone regardless of marital status

To:

*THIS WAS SENT TO  
ALL 50 INSURANCE COMMISSIONERS  
THROUGHOUT THE NATION.*

From: Thomas F. Coleman  
Executive Director

Re: June 2002 newsletter (page 8)  
Story on marital status bias in insurance

Date: May 29, 2002

The most recent issue of our association's newsletter contains a story which we thought you would have an interest in reading.

The article, "Insurance Commissioners Should Review Marital Status Pricing and Surcharges," is found on page 8.

We are also enclosing the cover page and table of contents from the report entitled "A Call to End Unfair Insurance Discrimination Against Unmarried Consumers." We would be pleased to send you the entire report if you request it.

Family and household demographics have changed significantly over the years. Today, nearly half of the households in the nation are headed by unmarried adults. It is unfair to place unmarried people into one high risk category for purposes of insurance pricing. It is also unfair for companies to refuse to issue joint policies to unmarried couples.

Companies in Canada have been challenged to come up with a better method for underwriting than merely using marital status to determine risk. We believe that insurance consumers in your state would be well served if you issued a similar challenge to insurance companies regulated by your department.

We look forward to hearing from you on this issue. Your response to the story on page 8 would be most appreciated.

# Unmarried America



the promise of equality applies to everyone regardless of marital status

June 3, 2002

John Garamendi  
P.O. Box 5224  
Fair Oaks, CA 95628

Re: Outreach to unmarried insurance consumers

Dear John,

I know you have a busy schedule but I hope you will find the time to focus on this. I enjoyed working with you when you were Insurance Commissioner, and depending on how the election turns out, I may have that opportunity again.

There are more than 12 million unmarried adults in California, most of whom are consumers of various types of insurance. It would be appropriate for you to make some statement to these consumers about your past leadership in dealing with marital status discrimination as your desire to challenge the insurance industry to find ways to eliminate such bias in the future.

When you get a chance, I would like to speak with you about the issue of marital status discrimination in insurance practices in California.

Enclosed you will find:

- (1) a copy of a fax memo and attachments which I sent to your political office on May 20.
- (2) a memo which I sent to insurance commissioners in all 50 states.
- (3) a memo which I e-mailed to your office on May 30.

Please have your scheduling person contact me to set up a time for us to discuss this, probably when you are going to be in the Los Angeles area.

I look forward to hearing from you or your staff soon.

Yours truly,

Thomas F. Coleman  
Executive Director

Thomas F. Coleman  
Executive Director  
American Association for Single People  
415 E, Harvard St., Suite 204  
Glendale, CA 91205

Re: Fairness for unmarried insurance consumers

Dear Mr. Coleman:

Thank you for sending me a copy of the article which appeared in the Summer 2002 issue of Unmarried America entitled, "Insurance Commissioners should review marital status pricing and surcharges." I also read with interest the article you sent to me from Best Review entitled, "More domestic partners are requesting joint renters and home owner policies from their insurers."

These articles raise issues which need to be addressed in California, especially since the 2000 Census reports that more than 12 million unmarried men and women live in this state, and more recent Census estimates suggest that the majority of households here are now headed by unmarried adults.

Fairness for all insurance consumers is an issue with which I have had an ongoing commitment. During my previous tenure as California Insurance Commissioner, I convened an Anti-Discrimination Task Force to review problem areas and to make recommendations for reform.

In July 1993, I was pleased to stand with you as we released a report which you wrote for the Task Force entitled "A Call to End Unfair Insurance Discrimination Against Unmarried Consumers." At that time, I issued a press release and held a press conference supporting the report and its recommendations. However, my tenure as Insurance Commissioner ended in 1995 when I went to Washington to serve the President as Deputy Secretary of the Interior.

I am now back in California and running for re-election to the office of state Insurance Commissioner. With the support of California voters, married and unmarried alike, I plan to take over the helm of the Department of Insurance after I win the election in November.

I would like to assure your members, and all unmarried insurance consumers in California, that I will brush off any dust which may have collected on the 1993 report on Unfair Insurance Discrimination Against



Unmarried Consumers and move forward with the recommendations of that report. The problem of "marital status redlining" is one which will be addressed in my administration.

To insure that this issue receives proper attention, I would like to convene a Task Force on Marital Status Redlining and would be pleased if you would consider serving as a consultant to this group. Community leaders, consumer advocates, and insurance executives need to review the issue of marital status discrimination in insurance practices. The Task Force could bring the 1993 report up to date, take testimony, and suggest responsible alternatives to the use of marital status as a criterion for setting rates or issuing joint policies. The fact that the Interinsurance Exchange of the Automobile Club of Southern California stopped using marital status for such reasons more than 10 years ago suggests that other companies could do the same.

I would like to stress that while a Marital Status Redlining Task Force is conducting its study and preparing a report, I would immediately move to implement some of the recommendations of the 1993 Task Force report. For example, as soon as I am re-elected, I will assign staff at the Department of Insurance to: (1) assist the new Task Force in its study, (2) begin an audit of a representative sample of insurance companies to determine the type and extent of marital status discrimination which may be occurring in various lines of insurance; and (3) prepare an educational brochure to inform insurance agents and the public about the types of existing legal protections which currently prohibit marital status discrimination in insurance practices.

After the new Marital Status Redlining Task Force issues its report, I would review other actions which may be appropriate to address this issue, including the possibility of cease and desist orders in specific cases, follow-up litigation if necessary and appropriate, and introducing new legislation to plug any unfair loopholes in the law.

As I was before, I will be the Insurance Commissioner for all Californians, regardless of their marital status or family living arrangements.

Finally, since this issue is so important and needs national attention, after I am re-elected I will work with the National Association of State Insurance Commissioners to encourage Commissioners in all 50 states to develop task forces or other mechanisms to review this problem.

Sincerely,

A handwritten signature in black ink, appearing to read "John Garamendi". The signature is fluid and cursive, with a large loop at the end. Below the signature, the name "John Garamendi" is printed in a simple, black, sans-serif font.

John Garamendi

Email: [garamendicommittee@hotmail.com](mailto:garamendicommittee@hotmail.com) • [www.garamendi.org](http://www.garamendi.org)

Paid for by the Garamendi Committee • I.D. #1234626 • P.O. Box 5224 • Fair Oaks, CA 95628 • (916) 366-7363 • Fax (916) 966-0731



To: John Garamendi

From: Tom Coleman  
(818) 242-5100

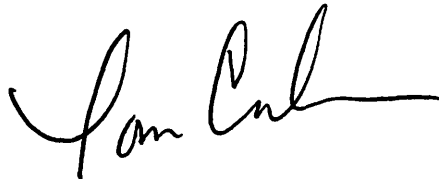
Re: Press Release

Date: August 25, 2002

8 pages

This press release and attachments will go out in the mail tomorrow (Monday) afternoon and should be in the hands of business editors at 110 newspapers in California by Tuesday or Wednesday at the latest.

I thought you would like to see this in case your office gets any calls from the media.





# NATIONAL USA WEEK

National Unmarried and Single Americans Week

September 15 - 21, 2002  
www.nationalUSAweek.org  
sponsored by AASP

37  
pm.

CELEBRATING THE LIVES AND CONTRIBUTIONS OF 82 MILLION UNMARRIED AND SINGLE AMERICANS

EMBARGOED UNTIL:  
August 28, 2002

DRAFT

Contact: Sam Orias / 818-242-5006  
Associate Director of Public Relations

## INSURANCE COMMISSIONER CANDIDATE WOOS 12 MILLION UNMARRIED CALIFORNIANS

LOS ANGELES, CA – Highlighting the growing importance of unmarried voters in California elections, candidate John Garamendi has promised to be aggressive in curbing marital status discrimination if he regains the state Insurance Commissioner post in November, 2002.

Garamendi, who was California's first elected Insurance Commissioner from 1991 to 1995, signaled his position on marital status discrimination in a letter he recently submitted to *Unmarried America*, the newsletter of the American Association for Single People. Excerpts from the letter were published in the Fall 2002 issue published last week.

The 2000 U.S. Census reported that 12 million unmarried adults live in California, while more recent Census reports estimate that a *majority* of California households are now headed by unmarried adults. Exit polls conducted during the 2000 presidential election indicated that 42 percent of voters in the Golden State were unmarried, compared to a national average of 35 percent.

"As I was before, I will be the Insurance Commissioner for all Californians, regardless of their marital status or family living arrangements," Garamendi wrote. "The problem of 'marital status redlining' is one which will be addressed in my administration," Garamendi stressed.

"For too many years, insurance companies have targeted unmarried consumers with higher insurance rates," explained Thomas F. Coleman, Executive Director of AASP. "Auto insurance and renters policies often cost more for unmarried individuals and couples than for married people," he added.

"Mr. Garamendi first addressed this problem when he was Insurance Commissioner in 1993, but after he left office in 1995 subsequent Insurance Commissioners dropped the ball," Coleman observed.

In his recent letter to AASP, Garamendi promised to:

- \* Convene a Task Force on Marital Status Redlining to find alternatives to the use of marital status;
- \* Have department staff immediately conduct an audit of insurance company practices;
- \* Prepare an educational brochure about current legal protections for unmarried consumers;
- \* Issue cease and desist orders to stop abusive practices, if necessary and appropriate;
- \* Introduce new legislation to plug any unfair loopholes in existing law.

Gary Mendoza, Republican candidate for Insurance Commissioner, was invited by AASP on August 6, 2002, to submit a statement about his position on marital status discrimination. No response has been received.

**Attachments to this press release:** Fall 2002 issue of *Unmarried America* (see p. 6); Garamendi's letter to AASP in August 2002; Insurance Commissioner story from Summer 2002 issue of *Unmarried America*; story on auto insurance bias from Winter 2001 issue of *Unmarried America*; news articles from August 1993.

**About AASP:** The American Association for Single People is the nation's leading provider of information and resources for unmarried and single Americans. AASP is a nonprofit and nonpartisan organization advocating fairness for all 82 million unmarried workers, taxpayers, consumers and citizens, whether they live with a family member or domestic partner, are raising children, or live alone.

AMERICAN ASSOCIATION FOR SINGLE PEOPLE  
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# Unmarried America



January 30, 2003

John Garamendi  
Insurance Commissioner  
300 S. Spring Street, South Tower  
Los Angeles, CA 90013

JA

Re: Convening a Task Force on Marital Status Redlining

Dear Commissioner Garamendi:

It is good to have you back at the helm of the Department of Insurance. Now that you have had a chance to settle in a bit, I am writing to you with a request for a meeting. The purpose of the meeting is to discuss with you or appropriate staff members how and when you might convene a Task Force on Marital Status Redlining.

The summer 2002 issue of *Unmarried America*, the newsletter of the American Association for Single People, carried a story entitled "Insurance Commissioners Should Review Marital Status Pricing and Surcharges." (See page 8 of the enclosed copy of that issue of the newsletter). I sent you a letter and a copy of that newsletter in June 2002.

You responded by writing a letter to AASP in which you indicated that "The problem of 'marital status redlining' is one which will be addressed in my administration." You stated that, should you be reelected as Insurance Commissioner, that you would take several steps to address this issue, including convening a Task Force on Marital Status Redlining. (See enclosed copy of your letter to AASP and see the short summary of that letter which appeared on page 6 of the Fall 2002 issue of *Unmarried America*.)

The most recent issue of *Unmarried America* was mailed to our members last week. On page two there is a story entitled "Garamendi Sword in as Insurance Chief." A copy of that issue of the newsletter is also enclosed for your information.

I would be pleased to serve as a consultant to your staff as they move forward with the initiatives outlined in your letter to AASP. These initiatives would build on the work of the Anti-Discrimination Task Force you convened in 1993. As you recall, I wrote a report for the Task Force entitled "A Call to End Unfair Insurance Discrimination Against Unmarried Consumers." (A copy of that report and related news stories are enclosed.)

I am leaving for a trip to Michigan on February 3 and will not return to Los Angeles until February 17. I then leave on February 20 for an extended business trip. I am therefore hoping that I could meet with you and/or your staff in Los Angeles on February 18 or 19 to discuss implementation of these initiatives and what my role might be in the process.

I look forward to your reply. I can be reached anytime by fax, phone, or e-mail as listed below.

Yours truly,

Thomas F. Coleman  
Executive Director

cc: Your Sacramento Office

AMERICAN ASSOCIATION FOR SINGLE PEOPLE  
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# Unmarried America

## AN EQUAL RIGHTS ORGANIZATION

To: John Garamendi  
From: Thomas F. Coleman  
Re: Still waiting to hear from you  
Date: August 8, 2003

*4 pages*

John,

When you were running for Insurance Commissioner, you sent me a letter which outlined certain steps you would take as Insurance Commissioner, if elected, to eliminate unfair bias against unmarried insurance consumers. (See letter attached.)

After you were sworn in, I wrote to you to ask to get together with your or your staff to discuss implementation of these measures. I sent a letter to your Sacramento office as well as your Los Angeles office. I received no response.

I then sent the letter and made a phone call to the Garamendi Committee.

I have called left messages with Pam Neifert and with Judy Schmegeer, but none of these calls has produced any response.

It is now August, and I still have not heard from your or your staff about this.

The newspapers today reported that you are running for Governor in the recall election.

I am wondering if your staff ever gave you my letter, or if it was blocked by someone who did not want to deal with these issues or this constituency. Your credibility is affected when you make promises during a campaign and then fail to follow through once elected (and fail to even respond to letters, faxes, and phone calls).

I would like to hear from you. Please call me at (818) 482-4485.

Thank you.



## Insurance Commissioners Should Review Marital Status Pricing and Surcharges

Jeff Brooker was recently searching for automobile insurance. Brooker, an intern working at AASP, is 24 years old.

When Brooker received a price quote from Mercury Insurance, he asked if other discounts were available besides the good-driver discount for which Brooker qualified.

The agent told Brooker the only way he could reduce the price further would be if Brooker got married.

Brooker, who is both single and gay, wondered how he could ever qualify since same-sex marriage is not allowed. He also wondered how a brother and sister who live together could qualify since they too cannot marry each other. And why should a heterosexual couple who can marry be forced to do so to get a discount?

Auto insurance discrimination is not limited to young men such as Brooker. Some companies will not allow unmarried adults who live together to buy a joint policy for two cars to gain a multi-car discount.



*Garamendi and Coleman release marital status report in 1993*

This problem was addressed by an Anti-Discrimination Task Force convened by Insurance Commissioner John Garamendi in 1993. After studying marital status discrimination in many types of insurance, the Task Force issued a report which highlighted the comments Southern California AAA (see box in right column, this page). The report concluded:

"Consumers should not be economically rewarded or punished on the basis of a decision to marry or not to marry. Marital status discrimination should be treated for what it is – a violation of the fundamental right of privacy protected by the California Constitution."

The report of the Insurance Commissioner's Task Force was written by Thomas F. Coleman, who is now Executive Director of AASP.



*Garamendi and Coleman discuss marital status bias again in 2002*

Coleman and Garamendi met recently to discuss this ongoing problem. Garamendi is again running for Insurance Commissioner this year.

In some states, such as Montana, marital status discrimination in auto insurance is prohibited. Last year, the Legislature in Montana defeated an insurance-company-sponsored bill to legalize marital status pricing.

The issue has been brewing in Canada since 1992 when the Canadian Supreme Court ordered insurance companies to find alternative ways to assess risk. The court found that stereotyping of young males on the basis of marital status, while not absolutely illegal, was possibly a violation of the Ontario Human Rights Code. (*Zurich Ins. Co. v. Ontario Human Rights Commission*).

The court ruled that the mere fact that there is a statistical correlation between marital status and insurance losses does not fully satisfy the law's human rights values which cannot be overridden by business expediency alone. To allow discrimination simply on the basis of statistical averages would only serve to perpetuate traditional stereotypes with all their invidious prejudices. It is necessary therefore to consider whether there is a practical alternative in the circumstances.

Since there was no evidence before

the court that other reasonable criteria could be used as an alternative, the court dismissed the case. But it challenged the industry to come up with such criteria.

The issue recently surfaced in Canada again when the Ontario Human Rights Commission issued a report in February 2002 in which Chief Commissioner Keith Norton stated, "It is time to give serious consideration to human rights issues in insurance."

The report urged the insurance industry to find alternative rating criteria which do not use class stereotyping based on marital status.

Insurance Commissioners in the United States should issue a similar challenge to companies operating in this country. It's time for a review.

**"Historically, insurers have found that for some lines of insurance, particularly auto insurance, married couples generated lower losses than single persons and have priced rates accordingly. Many speculate that it is lifestyle, rather than strictly marital status, that is responsible for the difference in loss costs and suggest that insurers should explore the use of lifestyle characteristics rather than simply rely on marital status as a pricing factor. This change in philosophy and insurance pricing would address most of the concerns (raised in the Garamendi-Coleman anti-discrimination report). The Exchange does not base rates on marital status, but we believe that lifestyle and similar characteristics are legitimate and reliable indicators of risk and should be allowed as insurance rating factors."**

**Alice Bisnow, Interinsurance Exchange of the Auto Club of Southern California (AAA)**

# Unmarried America



Newsletter of the AMERICAN ASSOCIATION FOR SINGLE PEOPLE

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## Auto Insurance Program Biased Against Single Young Men in California

Young single male drivers are being penalized 25% by a "low-cost" insurance program in California. That's one of the findings of the Greenlining Institute, a San Francisco-based advocacy group that works with minorities and the disadvantaged.

The group says that a California program which was enacted in July 2000, designed to help low-income Californians in the San Francisco and Los Angeles areas to buy affordable automobile insurance, unfairly excludes many college students from obtaining the same low-cost automobile insurance. Nidhi Geevarghese, a legal intern for the Institute blew the whistle on the program after she was researching the policy this summer.

"This policy was created to help the working class and poor people in general, but it has many, many flaws," said Geevarghese. "It has ended up discriminating against thousands of college students with good driving records."

The group also accused the program of discriminating against unmarried males ages 19 to 24 because it charges the demographic group an extra 25 percent in addition to the base rate, regardless of driving records.

The pilot program, California's Low Cost Automobile Insurance Program, requires insurance companies to offer cheaper policies to low-income drivers who qualify for the program. According to state's Department of Insurance Web site, the program is intended to provide cheap automobile insurance to good drivers who demonstrate financial need.

Other eligibility restrictions require that the applicant must not have a total annual household income exceeding 150 percent of the federal poverty level, must have a privately owned vehicle with a value less than \$12,000 and must be 19 years or older.

State Senators Martha Escutia, D-Montebello, and Jackie Speier, D-San Francisco/San Mateo, who authored the original bill, said the original proposal was to provide affordable insurance to drivers who would normally not be able to buy it. The bill was signed into law in 1999.

"It is a win-win situation for everyone," Escutia said in a statement.

But officials at Greenlining say they intend to lobby for a new law that helps out needy college students. •AASP•

# Garamendi Issues Anti-Discrimination Report

By HEINZ J. PULVERMAN

LOS ANGELES — California Insurance Commissioner John Garamendi, here last Friday presented the report of the Anti-Discrimination Task Force he had appointed in July of 1992, and in addition, introduced its chairman and author of the report, attorney Thomas F. Coleman, executive director of the Family Diversity Project.

The task force consisted of 62 members from backgrounds as varied as consumer activists, representatives of the Association of California Insurance Companies, and nearly a dozen insurance companies.

The task force divided itself into subcommittees in such areas as underwriting practices and barriers to coverage, disability issues, and marital status and sexual orientation discrimination.

## Finalizing The Report

The groups met in person and via telephone conferences statewide, then produced a draft report which was again subject to criticism and recommendations by individual members. It was then voted upon by all members before being finalized by Mr. Coleman.

The report covers such topics as auto insurance regulation (saying that the use of marital status as underwriting criteria should be prohibited); domestic partner coverage in health insurance (without discrimination in favor of married couples); joint renters insurance; collection of actuarial data by DOI to counter claims of some companies that unmarried consumers constitute a higher risk than married consumers; and universal health care coverage.

While a significant number of the recommendations have already been adopted or supported by Commissioner Garamendi, he called the report, "a vital blueprint to end unjustified discrimination against the unmarried," and said he will immediately direct his Department to implement several recommendations and order others to be studied. "Consumers should not be subjected to unfounded discrimination of any kind when it comes to the purchase of insurance," Commission-

er Garamendi said.

Additionally, the Commissioner said he would take action to ensure that unmarried individuals are not charged unfairly discriminatory rates.

## Report's Suggestions

The report urges prohibiting the use of marital status as a factor in the setting of automobile insurance rates. The report also suggests that consumers, brokers, and agents are often unaware that marital status discrimination may violate constitutional protection, statutes, and existing regulations. It urges the commissioner to initiate an educational campaign and prepare a brochure to correct the situation.

In accepting the report from Mr. Coleman, Commissioner Garamendi complimented him and the members of the task force for an excellent job, calling it "very useful in pointing out issues that need to be addressed." He promised to instruct the DOI staff "to implement them."

He also said that some of the recommendations were contained in the Garamendi plan for health care delivery, which the California Legislature turned down last year, but which in part has found its way into the Clinton administration's proposals.

## 87 Pages

The report, 87 pages in length, is well-organized and contains statistical material and charts to illustrate the conclusions it arrives at. It also incorporates a copy of a questionnaire sent to insurance companies, some of their replies, and letters from members of the task force approving or dissenting from the results.

Earlier this month Commissioner Garamendi accused the California Insurance Group of "blatant" redlining and is seeking the maximum fine of \$2.5 million. The case is now pending an administrative hearing (Underwriters' Report, July 15).

Further information and copies of the report may be obtained from Spectrum Institute, PO Box 65756, Los Angeles, CA 90065.

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## UNDERWRITERS' REPORT

THE WEEKLY INSURANCE NEWSMAGAZINE  
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LOS ANGELES, CA 90066  
(310) 390-1966; FAX (310) 390-2255

HEINZ J. PULVERMAN  
ASSISTANT EDITOR

JULY 29, 1993

# Report: Insurers unfair to singles

By Jennifer Bjorhus  
Bee Staff Writer

California Insurance Commissioner John Garamendi Wednesday vowed to crack down on insurers that unfairly discriminate against unmarried individuals and "domestic partners," endorsing a report urging an overhaul of California insurance practices.

The report, which Garamendi called "a vital blueprint to end unjustified discrimination against the unmarried," is the product of a diverse task force of 62 organizations ranging from Life AIDS Lobby to Allstate Insurance.

It documents "pervasive" discrimination against unmarried consumers forced to pay higher premiums for all kinds of insurance simply because of their marital status and states that the problem affects singles, divorced people, widows and widowers, and has a "particularly harsh and unfair effect on gays and lesbians" precluded by law from marriage.

The report's 14 specific recommendations — some of which Garamendi said he would implement immediately — include auditing insurance companies to check for unfair discrimination based on marital status; sponsoring new legislation prohibiting discrimination on the basis of sexual orientation and marital status; and enacting a "Save at the Pump" auto insurance plan to cover all drivers through surcharges on gasoline purchases, auto registration and traffic tickets.

"It's a major step forward," said J. Craig Fong, a member of the task force and director of the Western Office of Lambda Legal Defense, a lesbian and gay civil rights legal organization.

Insurers were less enthusiastic.

The report drew some hostile responses from some insurers who were members of the task force itself. The report lists dissent from insurers on nearly all of the 14 specific recommendations and stated that Charles Martin, the Allstate Insurance representative on the task force, "strenuously opposes" the report. Martin could not be reached for further comment.

Bob Gore, a spokesperson for the Association of California Insurance Companies, said he had not seen the report, but defended current insurance rate-setting as fair and legal.

Insurance companies don't have to include domestic partners as couples, he said, since the state of California does not recognize gay and lesbian marriages.

"Couplesness needs some legal basis for insurers to deal with it," he said. "It's a Gordian knot that has to be untied very carefully," he said, adding that he doubted Garamendi had the authority to affect such fundamental changes. Gore also said that as far as car insurance is concerned, it is "statistically proven that couples have lower accident rates" and that insurers have long based policies on such statistics.

But the report's supporters argue that whether or not such statistical differences exist, to base policies on them is unfair. They said the public would not tolerate policies written according to race- or height-based statistics, for instance.

The report signals growing sensitivity to the issue of sexual orientation and marital status in rate setting. Companies in several industries have been taking steps to eliminate such discrimination.

For instance, Silicon Valley companies Apple Computer, Borland International, Silicon Graphics and Sybase now offer health benefits to the domestic partners of gay employees.

And within the insurance industry, one company — Automobile Club of Southern California — has stopped using marital status as a factor in setting rates.

Instead, it issues joint policies to unmarried couples at the same rate as married couples.

Efforts to end insurance discrimination have been made at the legislative level as well.

Last year, a bill sponsored by the State Bar of California calling for an end in all types of insurance to discrimination based on marital status and sexual orientation made it through a state Senate insurance committee but died in the fiscal committee.

Garamendi himself issued a regulation earlier in July that calls for an end to discrimination based on marital status. It will undergo an administrative hearing in the next few months and is expected to be fought vigorously by insurance companies.

"They'll sue I'm sure, to try to stop it," said Thomas Coleman, author of the new insurance discrimination report and executive director of the Spectrum Institute, a Los Angeles-based nonprofit group fighting marital status discrimination. Coleman said that such major changes in regulation could take years to take affect.

JULY 29, 1993

# Report: Insurers unfair to singles

By Jennifer Bjorhus  
Bee Staff Writer

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"It's a major step forward," said J. Craig Fong, a member of the task force and director of the Western Office of Lambda Legal Defense, a lesbian and gay civil rights legal organization.

Insurers were less enthusiastic.

The report drew some hostile responses from some insurers who were members of the task force itself. The report lists dissent from insurers on nearly all of the 14 specific recommendations and stated that Charles Martin, the Allstate Insurance representative on the task force, "strenuously opposes" the report. Martin could not be reached for further comment.

Bob Gore, a spokesperson for the Association of California Insurance Companies, said he had not seen the report, but defended current insurance rate-setting as fair and legal.

Insurance companies don't have to include domestic partners as couples, he said, since the state of California does not recognize gay and lesbian marriages.

"Couplessness needs some legal basis for insurers to deal with it," he said. "It's a Gordian knot that has to be untied very carefully," he said, adding that he doubted Garamendi had the authority to affect such fundamental changes. Gore also said that as far as car insurance is concerned, it is "statistically proven that couples have lower accident rates" and that insurers have long based policies on such statistics.

But the report's supporters argue that whether or not such statistical differences exist, to base policies on them is unfair. They said the public would not tolerate policies written according to race- or height-based statistics, for instance.

The report signals growing sensitivity to the issue of sexual orientation and marital status in rate setting. Companies in several industries have been taking steps to eliminate such discrimination.

For instance, Silicon Valley companies Apple Computer, Borland International, Silicon Graphics and Sybase now offer health benefits to the domestic partners of gay employees.

And within the insurance industry, one company — Automobile Club of Southern California — has stopped using marital status as a factor in setting rates.

Instead, it issues joint policies to unmarried couples at the same rate as married couples.

Efforts to end insurance discrimination have been made at the legislative level as well.

Last year, a bill sponsored by the State Bar of California calling for an end in all types of insurance to discrimination based on marital status and sexual orientation made it through a state Senate insurance committee but died in the fiscal committee.

Garamendi himself issued a regulation earlier in July that calls for an end to discrimination based on marital status. It will undergo an administrative hearing in the next few months and is expected to be fought vigorously by insurance companies.

"They'll sue I'm sure, to try to stop it," said Thomas Coleman, author of the new insurance discrimination report and executive director of the Spectrum Institute, a Los Angeles-based nonprofit group fighting marital status discrimination. Coleman said that such major changes in regulation could take years to take affect.

# Garamendi Issues Anti-Discrimination Report

By HEINZ J. PULVERMAN

LOS ANGELES — California Insurance Commissioner John Garamendi, here last Friday presented the report of the Anti-Discrimination Task Force he had appointed in July of 1992, and in addition, introduced its chairman and author of the report, attorney Thomas F. Coleman, executive director of the Family Diversity Project.

The task force consisted of 62 members from backgrounds as varied as consumer activists, representatives of the Association of California Insurance Companies, and nearly a dozen insurance companies.

The task force divided itself into subcommittees in such areas as underwriting practices and barriers to coverage, disability issues, and marital status and sexual orientation discrimination.

## Finalizing The Report

The groups met in person and via telephone conferences statewide, then produced a draft report which was again subject to criticism and recommendations by individual members. It was then voted upon by all members before being finalized by Mr. Coleman.

The report covers such topics as auto insurance regulation (saying that the use of marital status as underwriting criteria should be prohibited); domestic partner coverage in health insurance (without discrimination in favor of married couples); joint renters insurance; collection of actuarial data by DOI to counter claims of some companies that unmarried consumers constitute a higher risk than married consumers; and universal health care coverage.

While a significant number of the recommendations have already been adopted or supported by Commissioner Garamendi, he called the report, "a vital blueprint to end unjustified discrimination against the unmarried," and said he will immediately direct his Department to implement several recommendations and order others to be studied. "Consumers should not be subjected to unfounded discrimination of any kind when it comes to the purchase of insurance," Commission-

er Garamendi said.

Additionally, the Commissioner said he would take action to ensure that unmarried individuals are not charged unfairly discriminatory rates.

## Report's Suggestions

The report urges prohibiting the use of marital status as a factor in the setting of automobile insurance rates. The report also suggest that consumers, brokers, and agents are often unaware that marital status discrimination may violate constitutional protection, statutes, and existing regulations. It urges the commissioner to initiate an educational campaign and prepare a brochure to correct the situation.

In accepting the report from Mr. Coleman, Commissioner Garamendi complimented him and the members of the task force for an excellent job, calling it "very useful in pointing out issues that need to be addressed." He promised to instruct the DOI staff "to implement them."

He also said that some of the recommendations were contained in the Garamendi plan for health care delivery, which the California Legislature turned down last year, but which in part has found its way into the Clinton administration's proposals.

## 87 Pages

The report, 87 pages in length, is well-organized and contains statistical material and charts to illustrate the conclusions it arrives at. It also incorporates a copy of a questionnaire sent to insurance companies, some of their replies, and letters from members of the task force approving or dissenting from the results.

Earlier this month Commissioner Garamendi accused the California Insurance Group of "blatant" redlining and is seeking the maximum fine of \$2.5 million. The case is now pending an administrative hearing (Underwriters' Report, July 15).

Further information and copies of the report may be obtained from Spectrum Institute, PO Box 65756, Los Angeles, CA 90065.

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## UNDERWRITERS' REPORT

THE WEEKLY INSURANCE NEWSMAGAZINE  
3330 COLBERT AVENUE  
LOS ANGELES, CA 90066  
(310) 390-1966; FAX (310) 390-2255

HEINZ J. PULVERMAN  
ASSISTANT EDITOR

6-14-02

Tom -

I'm working  
on a statement  
of the issues. Can  
you assist with  
a draft letter to  
your newsletter?

John



**Tom Coleman**

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**From:** Thomas F. Coleman [tomcoleman@earthlink.net]  
**Sent:** Sunday, July 14, 2002 8:57 AM  
**To:** 'garamendi@hotmail.com'; 'garamendicommittee@hotmail.com'  
**Subject:** letter to AASP newsletter from John Garamendi

4  
pages

Dear John,

Last month I sent you a copy of Unmarried America, the newsletter of the American Association for Single People. In it there was an article I wanted you to review, asking that you make a statement about marital status discrimination against unmarried insurance consumers.

The article is entitled "Insurance Commissioners should review marital status pricing and surcharges."

On June 14, you sent me a note which stated, "I'm working on a statement of the issues. Can you assist with a draft letter to your newsletter?"

Below, you will find a draft letter as you requested. I am sorry that it took so long for me to get to this.

Please review it and revise it as you wish. I would appreciate receiving your letter by July 29, since we will go to print in early August.

Thanks.



Thomas F. Coleman  
Executive Director  
American Association for Single People  
www.unmarriedAmerica.org  
(818) 242-5100  
(818) 242-5103 FAX

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Draft letter from John Garamendi to Unmarried America

Date

Thomas F. Coleman  
Executive Director  
American Association for Single People

Re: Fairness for unmarried insurance consumers

Dear Mr. Coleman:

Thank you for sending me a copy of the article which appeared in the Summer 2002 issue of Unmarried America entitled, "Insurance Commissioners should review marital status pricing and surcharges." I also read with interest the article you sent to me from Best Review entitled, "More domestic partners are requesting joint renters and home owner policies from their insurers."

These articles raise issues which need to be addressed in California, especially since the 2000 Census reports that more than 12 million unmarried men and women live in this state, and more recent Census estimates suggest that the majority of households here are now headed by unmarried adults.

Fairness for all insurance consumers is an issue with which I have had an ongoing commitment. During my previous tenure as California Insurance Commissioner, I convened an Anti-Discrimination Task Force to review problem areas and

~~7/17/2002~~

to make recommendations for reform.

In July 1993, I was pleased to stand with you as we released a report which you wrote for the Task Force entitled "A Call to End Unfair Insurance Discrimination Against Unmarried Consumers." At that time, I issued a press release and held a press conference supporting the report and its recommendations. However, my tenure as Insurance Commissioner ended in 1995 when I went to Washington to serve the President as Deputy Secretary of the Interior.

I am now back in California and running for re-election to the office of state Insurance Commissioner. With the support of California voters, married and unmarried alike, I plan to take over the helm of the Department of Insurance after I win the election in November.

I would like to assure your members, and all unmarried insurance consumers in California, that I will brush off any dust which may have collected on the 1993 report on Unfair Insurance Discrimination Against Unmarried Consumers and move forward with the recommendations of that report. The problem of "marital status redlining" is one which will be addressed in my administration.

To insure that this issue receives proper attention, I would like to convene a Task Force on Marital Status Redlining and would be pleased if you would consider serving as a consultant to this group. Community leaders, consumer advocates, and insurance executives need to review the issue of marital status discrimination in insurance practices. The Task Force could bring the 1993 report up to date, take testimony, and suggest responsible alternatives to the use of marital status as a criterion for setting rates or issuing joint policies. The fact that the Interinsurance Exchange of the Automobile Club of Southern California stopped using marital status for such reasons more than 10 years ago suggests that other companies could do the same.

I would like to stress that while a Marital Status Redlining Task Force is conducting its study and preparing a report, I would immediately move to implement some of the recommendations of the 1993 Task Force report. For example, as soon as I am re-elected, I will assign staff at the Department of Insurance to: (1) assist the new Task Force in its study, (2) begin an audit of a representative sample of insurance companies to determine the type and extent of marital status discrimination which may be occurring in various lines of insurance; and (3) prepare an educational brochure to inform insurance agents and the public about the types of existing legal protections which currently prohibit marital status discrimination in insurance practices.

After the new Marital Status Redlining Task Force issues its report, I would review other actions which may be appropriate to address this issue, including the possibility of cease and desist orders in specific cases, follow-up litigation if necessary and appropriate, and introducing new legislation to plug any unfair loopholes in the law.

As I was before, I will be the Insurance Commissioner for all Californians, regardless of their marital status or family living arrangements.

Finally, since this issue is so important and needs national attention, after I am re-elected I will work with the National Association of State Insurance Commissioners to encourage Commissioners in all 50 states to develop task forces or other mechanisms to review this problem.

Very truly yours,

John Garamendi

7/14/2002



November 15, 2003

John Garamendi  
Insurance Commissioner  
300 Capitol Mall, Suite 1700  
Sacramento, CA 95814

Re: Proposals for action by Department of Insurance

Dear Commissioner Garamendi:

I am responding to your letter to Unmarried America dated October 9, 2003. (See attached copy.) Shortly after I received your letter, BusinessWeek magazine ran a cover story on Unmarried America. I am enclosing a copy of that story since it mentions "marital status redlining" by insurance companies as one of the penalties experienced by unmarried Americans.

In your October 9 letter, you asked me to send proposals to you for action by the Department of Insurance to deal with unfair treatment of unmarried insurance consumers.

My recommendation would be for your to follow through on the actions you promised to take which were contained in a letter you sent to me last year when you were a candidate for the position of Insurance Commissioner. (See attached copy.)

In that letter, you promised to take the following actions if you won the election in November 2002. Here are quotes from the letter which explain these actions:

**#1** – "I would like to assure your members, and all unmarried insurance consumers in California, that I will brush off any dust which may have collected on the 1993 report on Unfair Insurance Discrimination Against Unmarried Consumers and move forward with the recommendations of that report. The problem of 'marital status redlining' is one which will be addressed in my administration."

**#2** – "To insure that this issue receives proper attention, I would like to convene a Task Force on Marital Status Redlining and would be pleased if you would consider serving as a consultant to this group."

**#3** – "[A]s soon as I am reelected, I will assign staff at the Department of Insurance to: (1) assist the new Task Force in its study, (2) begin an audit of a representative sample of insurance companies to determine the type and extent of marital status discrimination which may be occurring in various lines of insurance; and (3) prepare an educational brochure to inform insurance agents and the public about the types of existing legal protections which currently prohibit marital status discrimination in insurance practices."

**#4** – "[S]ince this issue is so important and needs national attention, after I am re-elected I will work with the National Association of State Insurance Commissioners to encourage Commissioners in all 50 states to develop task forces or other mechanisms to review this problem."



Commissioner Garamendi  
November 14, 2003  
Page Two

These four action areas as just as important today as they were when you promised last year to focus on them if you won the election in November.

I am enclosing two photographs which will remind you of some of our previous meetings. The first was taken when you stood with me and other members of the Anti-Discrimination Task Force when we released our report in 1993. You issued a written statement commending the report and promising to take action to implement its recommendations. That report, and your statement, received widespread publicity in newspapers throughout California. (See documents enclosed.)

The second photograph was taken in February 2002 when you and I met at the W Hotel in Westwood during your campaign. We discussed what you could do to refresh and reactivate the 1993 report and recommendations if you regained the helm of the Department of Insurance.

A year has passed since the voters returned you to the position of Insurance Commissioner. It is time to formulate specific plans to implement the four areas you promised to concentrate on after the election.

You will need to involve key staff members of the Department of Insurance as you move forward with items #1 through #4 described on page one of this letter. Therefore, I am taking the liberty of sending a copy of this letter to your Deputy Commissioners.

John, I know that you were sincere in 2002 when you promised to take these actions and that your sincerity continues with your current solicitation of my proposals for action by your Department. I look forward to meeting with you and your staff in the near future to discuss plans and timetables for this implementation to begin in earnest.

Please contact me so that we can arrange for a mutually agreeable time and place for such a meeting.

Very truly yours,  
  
Thomas F. Coleman  
Executive Director



JOHN GARAMENDI  
*Insurance Commissioner*

October 9, 2003

Thomas F. Coleman  
Executive Director  
Unmarried America  
P.O. Box 11030  
Glendale, CA 91226

Dear Tom:

As you know, my staff and I have been incredibly busy organizing the Department, dealing with homeowners insurance, workers' compensation problems, and a host of other issues. All of these problems affect all Californians, married and unmarried.

The recall has diverted the attention of everyone and the outcome has dramatically affect my ability to protect all consumers. Therefore, I would appreciate your ideas and proposals for legislation and action by my Department.

Sincerely,

A handwritten signature in cursive script that reads "John Garamendi".

JOHN GARAMENDI

JG:vov/jg

## Tom Coleman

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**From:** Thomas F. Coleman [tomcoleman@earthlink.net]  
**Sent:** Tuesday, January 13, 2004 9:33 AM  
**To:** 'Hogen@insurance.ca.gov'  
**Subject:** doing a marital status survey of insurance companies

Nettie Hoge  
Deputy Commissioner  
California Department of Insurance

Nettie,

I am pleased that Commissioner John Garamendi has authorized you to work with me on various projects focusing on the use (or misuse) of marital status by California insurance companies.

It seems logical that the first step would be a survey of insurance companies regulated by California Department of Insurance, perhaps limited to the following lines of insurance:

- life
- homeowners
- renters
- automobile
- other property, casualty, liability
- health (even though there are only a few companies in this category)
- long term care

### Questions could be asked about:

1. Inquiries about marital status
  - in which lines of insurance does the company ask an applicant or insured about his or her marital status
  - which categories of marital status are options for the applicant or insured to select:  
married, single, divorced, widowed, separated, domestic partner
  - how are these terms defined by the company
2. Is the marital status of an applicant or insured used by the company to:
  - grant or deny coverage in any line of coverage (if yes, indicate which line)
  - increase or decrease rates (if yes, indicate which lines)
  - allow or disallow jointly owned policies
  - other manner in which terms or conditions of the insurance depend in part on the marital status of the insured, applicant, or beneficiary
3. How do domestic partners fit into the marital status scheme:
  - are couples who are registered with the State of California or other state as domestic partners considered by the company to be the same as spouses or different than spouses? If different, how are they treated differently?
  - are couples who are registered with a California municipality (San Francisco, Los Angeles, Sacramento, etc) or out of state municipalities considered by the company to be the same as spouses or different than spouses? If different, how are they treated differently?
4. Does the company use the term "dependent" or "family" in any line of insurance? If so, are domestic partners included in the definition of either or both of these terms?

It was good speaking with you today. I liked the ideas you brought up about working with legislators and perhaps trying for a legislative mandate for a survey about the use of marital status by insurance companies, especially in light of the new domestic partner legislation which has been enacted.

Also, let me know about any opportunities for testimony or written input to the Insurance Commissioner which would focus on the use of marital status by auto insurance companies.

1/13/2004

Thanks. I look forward to working with you on these important issues.

Tom Coleman  
Executive Director  
Unmarried America  
(818) 482-4485