

Using insurance companies' websites, Heller compared nearly 100 premium quotes provided to male and female drivers of different marital statuses and ages. The research also looked at whether the patterns changed based on geography, testing rates in both Detroit and Brighton, Michigan. Throughout the testing, other factors such as address, type of car, and annual miles were held constant. In all instances, the drivers tested had perfect records with no accidents, tickets, or claims.

"This study reveals yet another unfair factor that insurance companies use to make extra profits at the expense of Michiganders," said State Representative Donna Lasinski (D – Scio Twp). "Discriminating in rates based on sex or marital status is illegal, but also fundamentally wrong. We need to make sure that good drivers have good rates, period."

Progressive and Esurance charged between 10 percent and 38 percent more to women than men in Detroit, in one instance nearly \$1,000 per year, despite all drivers tested having a clean driving record (see Figure 1). The same pricing structure was evident in Brighton, though the penalty for "driving while female" was somewhat less with the increases on female drivers ranging from 3 percent to 26 percent.

"There is no reason to punish good drivers based on their sex, and Michigan law is right to prohibit it," said Heller. "But when gender is used as a factor, no one in or out of the insurance business thinks that young male drivers are the ones who should get the discounts, so it is very strange to see companies charging hundreds of dollars more to young women than young men."

Three companies also charged different rates to married and unmarried drivers. Liberty Mutual, Progressive, and Esurance charged widows (female drivers whose spouse is deceased), higher premiums than if their spouse were still alive. Figure 2 shows the widow penalty in both Detroit and Brighton.

Notably, the testing found that married male drivers actually saw premiums from Progressive and Esurance drop after they became widowers, though Liberty Mutual consistently applied a 5 percent surcharge on all drivers who lose a spouse, regardless of their sex.

"Women already struggle for equal pay, and here we have insurance companies piling on by charging women drivers more for auto insurance. It is a blatant violation of the law and must be stopped," said State Representative Sherry Gay-Dagnogo, who chairs the Detroit Caucus and also serves on the House Insurance Committee.

As with the widow penalty, insurers charged more to divorced and single women than married woman, as shown in Figure 3. Once again, however, Progressive and Esurance lowered rates for 35 year old men after a divorce, even as they hiked premiums for female divorcees. Liberty Mutual charged more to divorced drivers whether male or female.

"Under state law, every driver must purchase auto insurance, whether they are male or female, married or not, and good drivers should get the best prices, regardless of their sex or marital status," said Heller. "When insurance companies are allowed to slice, dice, and price Michiganders according to personal characteristics that have nothing to do with their driving, many good drivers end up paying more than they should or driving uninsured, and it's one of the reasons premiums are so high in Michigan."

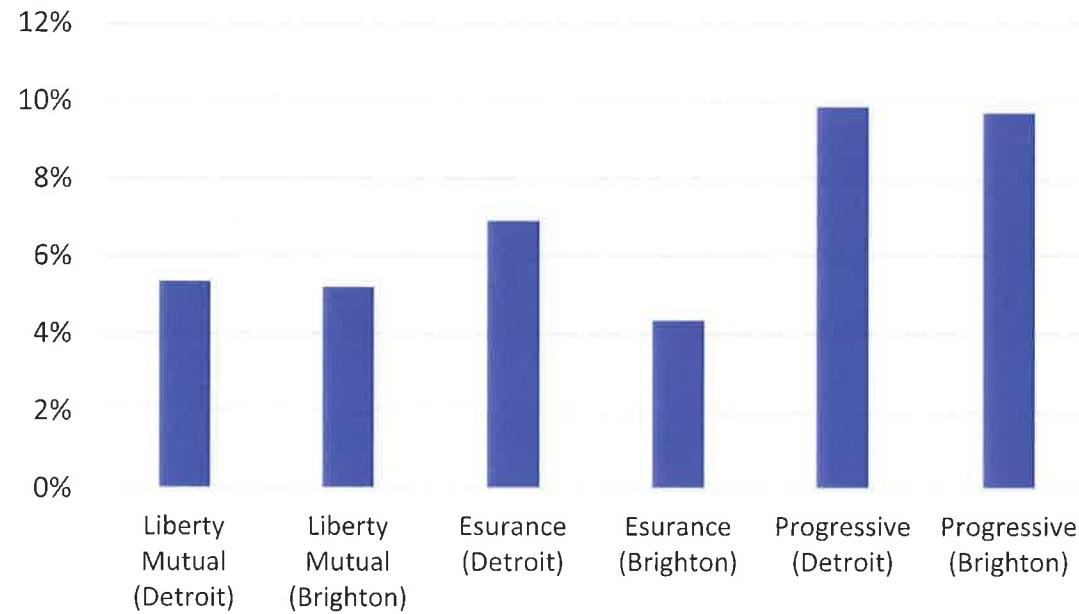
In August, CPAN issued a [report](#) highlighting socioeconomic rating factors used by auto insurance companies in Michigan – including job title, education level, and homeownership status – showing that several insurers charge substantially higher premiums to working class drivers in the state. Unlike sex and marital status, there is no explicit statutory prohibition on the use of those rating factors by insurance companies, though they may be deemed "unfairly discriminatory," according to insurance expert Heller.

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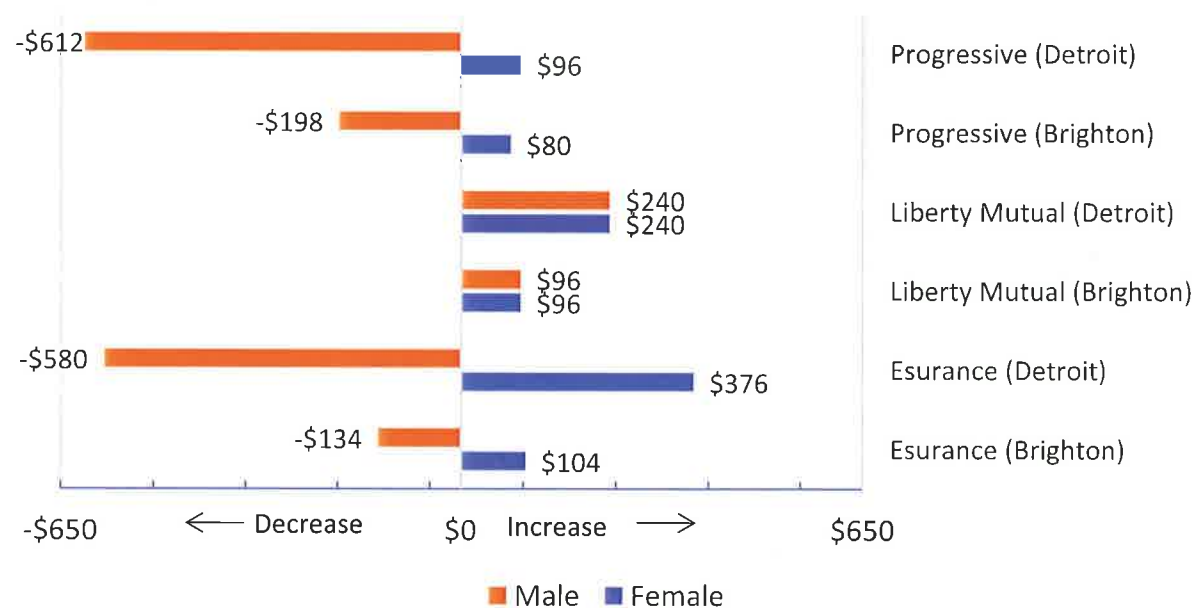
**Figure 1. Annual Premiums in Detroit Differ for Male and Female Good Drivers**



**Figure 2. Widow Penalty: Insurers Raise Premiums on Good Drivers After Spouse's Death**



**Figure 3. Increase (Decrease) After Divorce**



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## Higher Premiums for Widows, Other Single Women in Michigan Auto Insurance Market

*Study Finds Some Insurers Raise Rates on Female and Unmarried Customers Despite Michigan Law Prohibiting Use of Gender or Marital Status for Pricing Car Insurance*

**Lansing** – Widowed drivers in Michigan are charged more by some auto insurers than married drivers of the same age, even if they have perfect driving records, according to new data released today by Michigan’s Coalition Protecting Auto No-Fault (CPAN). Testing also found companies charging women significantly more for basic auto insurance than men, including young men often considered the highest risk drivers. These surcharges appear to violate Michigan law, which states: “an insurer shall not establish or maintain rates or rating classifications for automobile insurance based on sex or marital status.”

A survey of online premium quotes from several large auto insurers operating in Michigan, found that Progressive and Esurance alter rates for drivers based on their gender and marital status, and Liberty Mutual charges more to unmarried drivers.

- These three companies raise widows’ and other single women’s premiums between five and ten percent compared with married women;
- Progressive charges women with perfect driving records as much as 38 percent more than men with the same record, same vehicle, and same address;
- Esurance charges women with perfect driving records as much as 33 percent more than men with the same record, same vehicle, and same address; and
- Other insurers tested, including Allstate and AAA, appear to comply with state law and do not vary rates based on gender or marital status.

“It is both unseemly and improper to increase prices for someone when her spouse dies,” said Douglas Heller, an independent insurance expert who conducted the research for the Coalition Protecting No-Fault (CPAN). “Michigan law is supposed to prevent insurance companies from charging more to women or unmarried drivers, but some insurers seem to be ignoring the law and charging hundreds of dollars more to drivers simply because they are female, single, divorced, or widowed.”