

## **New gender rule to hit insurance customers**



**A European Court of Justice ruling came into effect yesterday that makes it illegal for insurers to sell policies which calculate premiums based on gender.**

The ruling has led to confusion among providers of motor cover, life insurance and annuities, all of whom must now avoid calculating prices based on gender.

Simon Douglas, director of AA Insurance, warned: "Insurers are stepping into the unknown.

"It has led motor insurers to reassess how they take other aspects of risk into account – such as their age, occupation and postcode, as well as the model of car they drive."

However, despite warnings that female motorists could be hit by soaring premiums, Mr Douglas said the difference will be less than anticipated.

That's because car-insurance premiums are falling while legal changes due in April, including measures to control whiplash-injury claims, will reduce insurer costs, allowing them to cut premiums further.

When it comes to annuities the impact is also less than expected, judging by a report from Legal & General.

The insurer said that its introduction of gender-neutral pricing saw a reduction in male rates of around 3 per cent and a rise in female rates of 3.2 per cent.

Tim Gosden of L&G explained: "Gender is only one factor that we use. Other factors such as health and lifestyle can have a much greater impact on life expectancy."

