



# Case Report

1	Case Number	0167/10
2	Advertiser	Real Life Insurance
3	Product	Insurance
4	Type of Advertisement / media	TV
5	Date of Determination	28/04/2010
6	DETERMINATION	Dismissed

## ISSUES RAISED

2.1 - Discrimination or Vilification Gender

## DESCRIPTION OF THE ADVERTISEMENT

Glen & Shayne in talk back show relating to family life cover for real peace of mind if one or both parents died unexpectedly

## THE COMPLAINT

A sample of comments which the complainant/s made regarding this advertisement included the following:

*Is that not genger discrimination? WHY does the man have to pay more? These ads are aimed at men mainly so that when the men dies his wife and kids still get money. BUT: It is just as expensive for a single father to raise kids as it is for a single mother! Consequently the man always pays for his kids more and sees them less! WHY? It is sexism actually (as the word is defined in the dictionary not in baised minds!).*

## THE ADVERTISER'S RESPONSE

Comments which the advertiser made in response to the complainant/s regarding this advertisement include the following:

## 1 SUMMARY OF FACTS

1.1 *The Complainant, has taken exception to an advertisement that highlighted the fact that Hollard's provide cheaper rates to female applicants over their male counterparts.*

1.2 *The Complainant feels that they have being unfairly discriminated against as a result of their Gender.*

## 2 *DESCRIPTION OF ADVERTISEMENT, CAD REFERENCE, MEDIA BUYER*

2.1 *The advertisement presents as an infomercial with a host and a guest discussing the relative merits of the products. (Script attached)*

2.2 *No CAD reference number, nor CAD rating is present due to the format of the advertisement contained with the Morning Show.*

## 3 *INSURER'S POSITION*

3.1 *HFS, and its underwriter, Hannover, collectively referred to as the "Provider" in this section believes it is within its rights, to treat customer in this manner.*

3.2 *The Provider relies on the exception within Section 46 of The Commonwealth Disability and Discrimination Act 1992 (the "DDA").*

3.3 *It should also be noted that this is the standard industry wide approach when rating risk, reflected across the vast majority of the market in most areas of insurance. As an example, it is widely accepted that young female drivers represent substantially less of a risk than their male counterparts and are charged accordingly.*

3.4 *The provider believes that it is reasonable based on the information below to offer our products in this manner, and a such advertise it as so.*

3.5 *A female life insurance applicant is expected to live for a significantly greater number of years than their male counterpart, hence they will pay an equal amount of premium over the life of the policy. As such a female applicant will attract a lower premium rate, on an age for age basis than a male counterpart as their contribution to the risk pool, over the life of the policy will be equal, due to their expected greater time before a claim is lodged.*

3.6 *In support of this fact we provide statistical evidence as collect by the Australian Statistics Bureau, profiling Australian Life Expectancy.*  
*Life expectancy*

*Life expectancy is the average number of additional years a person of a given age and sex might expect to live if the age-specific death rates of the given period - for example, the three years 2003 to 2005 - were to continue throughout his or her remaining lifetime.*

*Over the last century, male life expectancy at birth increased by 23.3 years, from 55.2 years in 1901-10 to 78.5 years in 2003-05. Female life expectancy at birth increased by 24.5 years, from 58.8 years to 83.3 years in 2003-05 (graph 7.33). The increase in life expectancy at birth is due to declining death rates at all ages.*

*7.33 Life expectancy at birth*

*During the 20th century life expectancy of new-born girls was consistently higher than that of new-born boys, with the difference peaking at about seven years in the 1970s and early-1980s. The difference was largely due to the significant decline in heart disease, stroke and respiratory disease mortality among women. In recent years the gap in life expectancy between new-born males and females narrowed to around five years. This can be attributed to the large reductions in death rates of males aged 45 years and over, and particularly to the reduction in heart disease deaths among males.*

*Source : Australian Bureau of Statistics ([www.abs.gov.au](http://www.abs.gov.au))*

*3.7 This data clearly demonstrates a significant evidentiary expectation that a female will outlive a male.*

*3.8 As the cover is a standardised product with a set sequence of questions, it is not possible to cater for individuals who fall outside this 'typical' profiling.*

## **5 CONCLUSION**

*5.1 A large body of medical and research evidence both statistical and evidentiary gathered over a prolonged period of time demonstrates the considerably higher life expectancy associated with females as opposed to males.*

*5.2 Under Section 46 of the DAA it is not unlawful in instance of insurance to discriminate where the discrimination is based on actuarial and statistical data. In this instance we believe that this test has been met.*

## **THE DETERMINATION**

The Advertising Standards Board ("Board") considered whether this advertisement breaches Section 2 of the Advertiser Code of Ethics (the "Code").

The Board noted the complainant's concern that the advertisement discriminated against men by offering less expensive insurance for women.

The Board considered whether the advertisement breached any part of Section 2 of the Code. The Board considered the advertisement presented factual information in the context of the product. The Board considered that the advertisement's offer of cheaper insurance in this advertisement was not discriminatory as it appeared to be based on information to justify the difference. The Board noted that if the product itself is discriminatory this is an issue that is outside the jurisdiction of the Board but that the content of the advertisement does not discriminate against men and does not breach section 2.1 of the Code.

The Board determined that the advertisement did not breach the Code on any grounds, and therefore dismissed the complaint.