

January 10, 1977

SUBJECT: INSURANCE

Circular Letter No. 1 (1977)

TO: All Licensed New York Insurers

SUBJECT: Discrimination Because of Marital Status -- Cohabitation without marriage

The Attorney General of New York has recently determined that insurance carriers may not discriminate against policyholders or applicants for insurance merely because such persons reside with a person of the opposite sex to whom the policyholder or applicant is not married.

The ruling is based upon Section 40-e of the Insurance Law (Chapter 564, Laws of 1975, effective September 1, 1975) which provide as follows:

"No association, corporation, firm, fund, individual, group, order, organization, society or trust shall refuse to issue any policy of insurance, or shall cancel or decline to renew such policy because of the sex or marital status of the applicant or policyholder."

In his opinion, the Attorney General ruled that cohabitation without marriage involves a matter of "marital status" within the purview of Section 40-e. Therefore, insurers may not discriminate against policyholders or applicants in the denial of coverage or the cancellation or non-renewal of policies because of cohabitation by such policyholders or applicants.

Insurers are also warned against attempting to circumvent the intent of Section 40-e by characterizing their actions as being based upon underwriting standards, such as "mode of living".

Finally, insurers are reminded that discrimination based on sex and marital status works in subtle and invidious ways, and that heretofore accepted procedures and practices must be continually reviewed to insure full compliance with the intent of the law.

Receipt of this letter should be acknowledged by a responsible officer of your company to:

Mr. Nathan Silver, Chief  
Consumer Services Bureau  
New York State Insurance Department  
Two World Trade Center  
New York, New York 10047

Very truly yours,

[SIGNATURE]

THOMAS A. HARNETT

Superintendent of Insurance

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