



# *The Commonwealth of Massachusetts*

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October 10, 2007

The Hon. Stephen J. Buoniconti, Senate Chair  
Committee on Financial Services  
The State House, Rm. 309  
Boston, MA 02133

The Hon. Ronald Mariano, House Chair  
Committee on Financial Services  
The State House, Rm. 254  
Boston, MA 02133

Re: S. 622, "An Act Relative to Equitable Coverage for Annuity Policies"  
H. 901, "An Act Relative to Equitable Coverage for Annuity Policies"

Dear Chairman Buoniconti and Chairman Mariano:

Thank you for the opportunity to offer testimony in support of "An Act Relative to Equitable Coverage for Annuity Policies." I have long supported this important legislation, which aims to correct a decades-long disparity in annuity policy rates in the Commonwealth. I hope that the Committee will report favorably on this bill.

For too long, women have either paid larger premiums than men for equivalent monthly annuity payments, or paid the same premium for smaller monthly annuities. This is in direct contradiction to the Equal Rights Amendment, which was ratified by Massachusetts voters in 1976. "An Act to Provide for Equitable Coverage in Annuity Policies" requires that state-regulated policies sold to residents of the Commonwealth must be gender-neutral in their terms and conditions, including premiums and benefits.

This bill makes illegal the current practice of charging men and women the same price for an annuity policy while granting women a lower monthly payout upon retirement, because of the expectation that women generally live longer. In fact, 84% of men and women have matched ages at death, with 8% of men dying earlier and 8% of women dying later.

Clearly, all women, regardless of how long they live, are penalized with a reduced standard of living, while men are provided a larger monthly benefit, even though only 8% actually have a

shorter life span. We do not take into account the race of the insured in determining payout rates, despite the fact that this factor is also a significant predictor of mortality. To do so would be illegal and unacceptable, as is the gender-based system.

Thank you for your kind consideration of this testimony. As always, should you have questions or require additional information, please do not hesitate to contact me.

Very truly yours,  
Gale D. Candaras  
State Senator