

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 1108 (NW1230E)**

**DATE OF PUBLICATION: 01 APRIL 2011**

**Dr D T George (DA) to ask the Minister of Finance:**

Whether he intends introducing amending legislation to align insurance legislation with the European Court of Justice ruling that insurance premiums may not be determined on the basis of gender; if not, why not; if so, what are the relevant details?

NW1230E

**REPLY:**

1. To date, no significant evidence has been provided to suggest that our insurance legislation is not consistent with our Constitution.
2. Pricing risk and insurance premiums differently for different gender groups can be considered fair and justifiable discrimination if based on and justified by the statistical analysis of risk profiles between females and males. Insurance is a form of risk management primarily used to hedge against the risk of a contingent or uncertain loss. Insurance premiums are, therefore, calculated to reflect the risk profile of individuals and gender groups. This calculation will, inter alia, take into consideration factors such as statistical trends in age and gender groups. This is to ensure that risk is correctly priced and the problem of adverse selection is minimised.
3. No, the Minister of Finance does not intend introducing legislation to align with the European Court of Justice. Section 9(5) of the *South African Constitution and the Promotion of Equality and Prevention of Unfair Discrimination Act*, allows for discrimination that is reasonable, justifiable and fair.
4. However, if there is evidence that there is gender discrimination which contradicts the SA Constitution, further steps will be considered.