



AUTO BULLETIN NO. 23

**TO: ALL INSURERS WRITING AUTOMOBILE INSURANCE COVERAGE
IN DELAWARE**

RE: Widow's Penalty – Increased Auto Rates for Widows and Widowers

DATED: October 6, 2015

This Bulletin is directed to all insurers writing automobile insurance coverage in Delaware.

It has come to the attention of the Delaware Department of Insurance that some insurers are using a "widow's penalty," under which a widow or widower is charged a higher rate solely based on the change in his or marital status after losing a spouse.

Insurance Commissioner Karen Weldin Stewart will not approve auto insurance rate filings that cannot provide actuarially-supported statistics for including widows and widowers in a higher single rate category.

The Department recognizes that marital status is not the only reason why auto insurance premiums can change following the loss of a spouse; that there could also be other rating differences impacting the rate. For example, when a couple is on a policy, their driving records are considered together when determining the premium. If one spouse dies, the premium will change to reflect the risk of the driver remaining on the policy. If that driver has a better driving record than their spouse, the premium may go down; but, the premium could go up if that driver has a worse driving record with more accident claims filed in the past. Additionally, discounts may have been offered for families combining multiple types of policies, such as a life and an auto policy. If one of those policies ends, such as a life insurance policy after a spouse dies, that discount may be cancelled. These types of rating changes would be justifiable. However, Commissioner Stewart will not allow unjustified rate increases for widows and widowers going forward.

This Bulletin shall be effective immediately and shall remain in effect unless withdrawn or superseded by subsequent law, regulation or bulletin.

Karen Weldin Stewart, CIR-ML
Delaware Insurance Commissioner