



ACADV Summary: Domestic Abuse Insurance Protection Act

This law, (00-595), prohibits the insurance industry from discriminating against victims of domestic violence. Developed by the ACADV, the law protects victims from losing insurance or having claims denied because their injury or loss was caused by their abusive partner.

Examples from Alabama of insurance discrimination issues:

- In Marshall County, a victim was intentionally forced off the road by her ex-husband. Her automobile insurance company refused to cover the damage to her car because the act was not an “accident.” Her car was totaled and she subsequently lost her job because she was unable to get to work without transportation.
- Employees of a domestic violence shelter were turned down for health insurance because the insurance company believed that they were “at high risk” of injury from client’s husbands or boyfriends.
- In Madison County, a gas station clerk was robbed and assaulted while on the job by her ex-boyfriend. Her worker’s compensation provider denied her claim because the injuries were not considered job related. Her health insurance provider denied her claim because her injuries were received while at the work site and were, therefore, employment related.
- In Southeast Alabama, a domestic violence victim was awarded the marital home by the divorce court. Subsequently, her ex-husband burned the house to the ground. Her homeowners insurance refused to cover the claim because the homeowner’s policy was initially purchased by both the husband and wife.

The new bill prohibits a provider from:

- Using a person’s status as a domestic violence victim as a reason to deny insurance.
- Denying insurance to an agency or individual because of their association with a victim of domestic violence.
- Denying coverage for losses because those losses resulted from domestic violence.
- Increasing premiums because the insured is a domestic violence victim or provides assistance to a victim.
- Immediately terminating a health insurance policy because a victim divorces the abuser in whose name the policy was originally issued. The insured victim must meet all other requirements for continued coverage and must pay the full premium for the policy.

The Act also does the following:

- Limits the conditions under which information about a victim of abuse or a domestic violence shelter can be released by an insurance provider.
- Allows the Insurance Commissioner to enforce the law and provides penalties for violation.
- Protects property and casualty insurance companies from fraud by limiting the continued coverage requirements to victims who have separated from their abusers and requires claimants to seek legal recourse against their abuser, in addition to insurance reimbursement.
- Permits life insurers to deny life insurance applications taken on a victim by the abuser in efforts to reduced motivation for domestic homicide.