



K a n s a s I n s u r a n c e D e p a r t m e n t

Sandy Praeger

COMMISSIONER OF INSURANCE

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For more information, call:

Scott Holeman

785-296-7804

PRAEGER PROPOSES SCHOLARSHIPS FOR MINORITY STUDENTS *Insurance Commissioner Says Settlement Money Should Support African-Americans*

Kansas Insurance Commissioner Sandy Praeger announced today that the Kansas Insurance Department has received a settlement of nearly \$13,000 from the Monumental Life Insurance Company of Baltimore, Maryland. The payment is a result of a multi-state market conduct examination showing that companies purchased or acquired by Monumental engaged in race-based pricing of their life insurance policies. The cost of policies sold to African-Americans were significantly higher than those sold to other policyholders.

Under terms of the agreement, Monumental agreed to return or increase the amount of death benefit by approximately \$32 million in adjusted benefits for approximately 600,000 policyholders across the country to ensure that white and non-white policyholders are treated the same. In addition, the settlement includes an aggregate payment to the states, including Kansas, that participate in the settlement. That money may be donated to charities for the advancement of minorities if the states choose.

“Kansas’ portion of the settlement money should be used to help prevent future cases of race-based pricing,” said Commissioner Praeger. “One way to accomplish this is to increase the number of African-American students who pursue an education in mathematics and actuarial science. By preparing more African-American students for a potential career in insurance regulation, we can better ensure fairness in the industry. I’m requesting the money be used to create scholarships for African-American students pursuing actuarial science examinations in Kansas.”

Two universities in Kansas, K-State and Washburn, offer courses that prepare students for preliminary examinations in actuarial science. Commissioner Praeger plans to donate the Kansas settlement money to those two universities to establish scholarships for African-American students who pursue this career path.

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