

In Australia genetic information, which includes your personal medical history and results of genetic tests and information about the health of your first degree relatives (parents, children, brothers, sisters) can have implications for life insurance policies.

In summary

- **Private health insurance is not based on a risk assessment of your health.**
 - **You will not be asked about genetic test results or your family history of health conditions**
- **Life insurance products such as cover for death, disability, trauma and income protection are based on a risk assessment (underwritten contracts). This may impact on the cost or terms of the policy**
- **You are not required to have a genetic test as part of the risk assessment**
- **You may be asked**
 - **Your age, gender, current health and medical history**
 - **Your results of medical and genetic tests you have had**
 - **Any health conditions that have been diagnosed in your first degree relatives (parents, children, brothers, sisters) only and the age they were diagnosed.**
 - ◇ **You are not required to provide any other information about your first degree relatives including their genetic test result(s) if known to you, their name or date of birth**
- **Document any screening and preventative actions you have taken**
- **The life insurance products are guaranteed renewable**
 - **As long as the premiums are paid, you do not have to notify the insurer of any change in your health or of the results of any medical or genetic test taken after your policy has started.**
- **A genetic test undertaken after a policy has been secured that shows you have not inherited the faulty gene in the family means that the impact of a family history can be removed from your risk assessment that informed the cost and terms of the contract. Contact your insurer to discuss**
- **Involve your family doctor, medical or genetics specialist if necessary, in negotiations with the insurance company.**

INSURANCE IN AUSTRALIA

When you take out insurance that is related to your current or future health, you are entering a contract with the company. Companies that provide life insurance or sickness and accident insurance, base an offer and cost of the policy on the level of the risk that is being taken on. These are risk-rated insurance policies. Underwriting is the term insurers use to describe their risk assessment.

Private Health Insurance premiums are not risk rated (underwritten), so that everyone pays the same premiums for the same policy, regardless of their age or health status. You do not have to provide any genetic test information to the company when applying. Private health insurers can impose waiting periods for pre-existing conditions.

A person who has a genetic test result indicating susceptibility to a condition but does not have any signs or symptoms, does not have a pre-existing condition and so waiting periods should not be imposed.

RISK-RATED INSURANCE POLICES

(A) LIFE INSURANCE FROM A LIFE INSURANCE COMPANY

Life insurance products include cover for life and Living Benefit policies such as disability, trauma, income protection insurance and those required for business and bank loans.

A life insurance policy is a contract between you (the policyholder) and the insurer that requires an assessment of the risk that you will make a claim. Living Benefit policies are associated with different chances of making a claim than policies for death and so higher premiums may be charged.

Based on the level of risk and the type of policy applied for, the insurer will decide the level of premium to charge, impose limitations on the cover or even decline to insure you.

The *Insurance Contracts Act 1984* (Cth) sets out requirements for the insurer and the applicants. Further, the Financial Services Council (FSC) provides Standards of Practice for a life insurance company operating in Australia. Almost all of life insurance companies operating in Australia are members of the FSC and subject to the FSC Standards of Practice. The Act and the Standards define responsibilities on both the insurer and the applicant.

Applying for life insurance

(a) Where a genetic/genomic test result has been received before securing insurance cover:

In regard to the use of genetic information in the risk assessment, there are two FSC Standards:

- Standard No. 11 *Genetic Testing Policy*
- Standard No. 16 *Family Medical History Policy*.

What the insurer should do:

- Assess your risk using statistical, actuarial data or other factors where that is available or other appropriate information
- Take into account any screening, treatment or preventive health strategies adopted to reduce the risk
- Do not require a genetic test be undertaken as part of the application process.

What you have to do:

The application form may ask about:

- Your age
- Your gender
- Your current health
- Your past medical history
- Results of your medical and genetics test(s) undertaken if known to you
- Information about health condition(s) affecting your first degree relatives only (mother, father, brother, sister, children)
 - The number of these relatives who have been diagnosed with the condition(s); i.e. have signs and symptoms of the condition
 - The age at diagnosis of the condition(s) of each relative(s)

- **Note: Standard 16 does not require you to provide any other information about your first degree relatives including their genetic test result(s) if known to you, their name or date of birth**

- Other risk factors such as your personal environment, occupation, smoking or excessive consumption of alcohol and lifestyle.

Document any screening, treatment or preventive strategies you have or are taking.

In meeting your duty of disclosure, you also have to disclose any risk factors or changes in circumstances that happen after completing an application until the policy starts.

(b) You have a family history of a condition but you do not have any signs or symptoms of the condition and you have not had a genetic test before securing insurance cover:

You must disclose all information known to you about the health of your first degree relatives but not about any other relatives. However, depending on the condition, your family history may impact on how your risk is assessed and affect the cost of premiums or the terms of the policy or even being able to access insurance.

You might wish to investigate your insurance options before considering genetic testing. Securing a policy could take several weeks or more.

(c) Where a blood sample for a genetic/genomic test has been taken before securing insurance cover:

- *A test sample has not yet been analysed by the laboratory:*

As with all types of medical treatment, you can withdraw your consent for a sample being analysed at any time prior to the laboratory starting the process. If you withdraw, you will not know the result so you do not need to disclose that you have had the test. Sometimes a person will give a sample for testing to be done in the future for the benefit of family members. This is sometimes called **DNA banking**. If you provide a sample for DNA banking you have not undergone a genetic/genomic test.

- *A laboratory has analysed your sample and a result is pending:*
The insurer will ask you to tell them this.
- *The laboratory has analysed your sample but you have chosen not to know your result:*
There may be a number of reasons why you might choose not to have your genetic test result. In these circumstances you do not know your result and so do not have to disclose that a genetic test has been undertaken. The insurer should then underwrite the risk only on the basis of your family history and the other respective disclosures made in your application.

After a policy has been obtained

Insurance policies offered by life insurance companies in Australia are **guaranteed renewable**. This means that as long as the premiums are paid, you do not have to notify the insurer of any change in your health or of the results of any medical or genetic test or a change in any other relevant circumstance. However, if you wish to alter the policy, the insurer will need to reassess the risk at this time if the risk to the insurer has increased, so all the information above will need to be provided.

Importantly, a genetic test undertaken after a policy has been secured that shows you have not inherited the faulty gene in the family means that the impact of a family history is now removed from your risk assessment. Of course, other factors that affect your risk may also now be present but if the family history is the only factor that you believe impacted on the decision to offer a policy on non-standard terms, you should contact your insurer to discuss. You may wish to involve your doctor, geneticist or genetic counsellor in this process.

(B) SICKNESS AND ACCIDENT POLICIES

These insurance policies are usually renewable, often annually, unlike life insurance policies. At every renewal period, you must tell the insurer of any information that you now have, including any change in genetic information (family medical history or genetic test results).

INSURANCE POLICIES THAT DO NOT ASSESS YOUR RISK

(A) PRIVATE HEALTH INSURANCE

See above

(B) GROUP INSURANCE (OFTEN OBTAINED THROUGH SUPERANNUATION PLANS)

Life insurance cover for a limited amount (up to a predetermined limited level) might be available, for example, as part of a superannuation plan. This is called 'group insurance'.

As group insurance provides a limited cover, no individual or family health information or genetic testing results is requested. A number of life insurance products can be obtained via this insurance option for most employees in Australia.

Your employer might be able to assist you with this. Eligibility to obtain such insurance requires you to be working and carrying out your usual duties at the time of the application. If you are a sole proprietor of a business, you should consult your insurance broker or agent for advice.

If you leave your employer and your group insurance cover is still in place, you should talk to your current and prospective employer about your options with regard to carrying your insurance cover into your superannuation plan with your new position.

If you need or want life insurance for a higher amount, the requirements for application outlined above for policies from life insurance companies apply.

GENETIC/GENOMIC TESTING IN RESEARCH PROJECTS

Currently, regardless of whether you had a genetic/genomic test as part of a research project or in a clinical setting, and you know the result, insurers require that you disclose it if you are applying for an underwritten life insurance policy.

However, how the insurer uses the fact that you have had a genetic test as part of a research study will depend on how the research project is being conducted. Below are several scenarios of how a genetic research project could be conducted and whether or not you need to disclose that you have had the genetic test.

1. ***You will not receive any personal or family information from the research.***

You do not need to disclose that you have had the genetic test.

2. ***You will not be given a personal genetic test result but you might be contacted by the researchers at a later date and told that the research has indicated that a family test result could be important to your future health.***

If you have not been contacted at the time of application, you do not need to disclose that you have had the genetic test as you do not know of any personal result.

However if at the time of application you have been advised that there is an opportunity to investigate options further through a specialist service, you are now aware of a matter that an insurer might consider relevant, and are therefore expected to disclose the information in an application for a policy.

If you choose to undergo a further genetic test in a clinical setting, obligations to disclose any new information that you now have will apply.

3. ***You will receive a personal result from the research.***

This is perceived as no different to having the test conducted in a clinical setting and the insurer may take into account your research participation in the assessment of your risk.

DEALING WITH INSURANCE COMPANIES

If the insurance company is a member of FSC, it will be bound by the FSC standards described above. If you receive an offer at a non-standard rate, the insurer is required under the Life Insurance Code of Practice to provide the reason/s for the decision. If however this has not been provided and you think that the risk assessment has been inappropriate or has not taken into account any strategies or treatment you are doing, you should contact the insurance company's underwriter and request a reason for the decision in writing. A genetics specialist may be able to explain the reasons for a decision, and if necessary might discuss the decision with the company's Chief Underwriter or Chief Medical Officer.

If advised by an agent/broker that an insurance offer might be declined, deferred, offered at non-standard rates or impacted on the basis of a particular genetic test result you should check that this advice was received from the company's underwriter in writing and request a copy.

If there are difficulties with an insurance company over an application or renewal, it is possible to follow the Internal Disputes Resolution process that each company has documented in their product disclosure brochure (this is the brochure that contains the application form).

Involve your family doctor, medical or genetics specialist if necessary, in negotiations with the insurance company. Document your screening and prevention strategies, where applicable.

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