

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 premiums are not impacted by genetic test results**
- **Underwritten life insurance products such as cover for life, disability, trauma, income protection and those required for business and bank loans may be impacted by a genetic test result**
- **You are not required to undergo a predictive genetic test when applying for a life insurance policy**
- **Under the law an applicant is required to disclose to the insurer any personal medical or genetic test information known to them that might impact the insurance policy being applied for**
- **Applicants will be asked about any medical condition that their first degree relatives (parents, children, brothers, sisters) also have and at what age they were diagnosed.**

LIFE INSURANCE

The Financial Services Council (FSC), representing life insurance companies in Australia, has an industry standard (Standard No. 11) that applies to genetic testing and life, disability and trauma insurance (see FSC’s fact sheet ‘Life Insurance and Genetic Testing in Australia’ at www.fsc.org.au).

If you are applying for a new policy, you will generally be required to disclose “every matter known to the applicant, or could reasonably be expected to be known, that is relevant to the insurer’s decision” (Insurance Contracts Act). This includes any known personal genetic test information and medical history as well as the number of first degree relatives (brothers, sisters, parents) affected by the same medical condition and their age at diagnosis, where known (Standard No. 16).

You are not required to undergo a predictive genetic test when applying for a life insurance policy. Predictive genetic testing refers to testing of an individual who currently does not have symptoms or signs of a condition but who might be at an increased risk due to their family history.

Depending on the health condition involved, the use of this information in the underwriting process may or may not lead to:

- Higher (non-standard) insurance premiums
- A reduced period of coverage

- An exclusion for one or more medical conditions
- The offer of an alternate insurance product
- Deferral of the decision whether to offer coverage or
- Outright denial of an offer for insurance.

Costs of insurance, and the ability to obtain insurance cover, may vary between different companies depending on your risk. You might wish to make applications to a range of companies at the same time.

An insurance broker or agent may be helpful in this process.

Insurance policies offered by life insurance companies in Australia are **guaranteed renewable**. Once a guaranteed renewable policy has been issued, there is no longer any obligation to inform the company of any changes in circumstances, such as the result of a predictive genetic test, unless you want to alter the policy and there is a need for the insurer to reassess the risk.

If you do have a predictive test, and the test result or risk reduction strategies mean that you are at **lower risk** than previously estimated based on your family history alone, you should inform the insurance company so that the policy can be reassessed with this new information.

SICKNESS AND ACCIDENT POLICIES

These insurance policies are usually renewable. At every renewal period, disclosure of any information that you now have, including any change in genetic information (family medical history or genetic test results) must be disclosed.

INVOLVEMENT IN RESEARCH PROJECTS

The life insurance industry reports they do not want to see potential health and medical research impeded by an individual's fears of the impact that their participation may have in obtaining future life insurance.

How the insurer uses the fact that you have had a predictive 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 predictive genetic test in a clinical setting, similar obligations to disclose 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.

GROUP INSURANCE

Insurance cover for a limited amount (up to a predetermined level referred to as an 'automatic acceptance level' [AAL]) might be available, for example, as part of a superannuation plan. This is called 'group insurance'.

Eligibility to obtain such insurance up to the AAL amount requires you to be working and carrying out your usual duties at the time of the application.

As this insurance has a limited cover, you are not individually 'underwritten' i.e. no individual health information, including family history and genetic testing results is required. Life insurance, disability cover and even trauma cover can now usually be obtained via this insurance option for most employees in Australia. Your employer might be able to assist you with this.

If however, you need or want insurance for a **higher amount than the AAL**, then any known personal genetic test information and medical history as well as the number of first degree relatives (parents, children, brothers, sisters) affected by the same medical condition and their age at diagnosis, where known will be required (Standard No. 16). This information will be used in the assessment of your premiums (underwritten).

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.

This can often be done by taking up what is commonly known as a 'continuation option' which might be available to you. Alternatively, your new employer may well offer similar cover for which you might be eligible as long as you are at work on the day you make your application.

DEALING WITH INSURANCE COMPANIES

If the insurance company is a member of FSC, it will be bound by the FSC standards.

If the company is not a member of FSC, you should enquire about their policy regarding genetic testing.

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 is received from the company's underwriter in writing and a copy requested
- 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 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).

APPLYING FOR INSURANCE

There are a number of situations that are relevant for people regarding predictive genetic testing and life insurance.

1. Where a blood sample has not yet been taken for a predictive genetic test:

You might wish to investigate your insurance options before considering predictive genetic testing. Securing a policy could take several weeks or more. **What you know** about the health of your first degree relatives should be provided to a potential insurer.

2. Where a blood sample for a predictive genetic test has been taken:

a) 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.

In this situation, you will not know the result so you do not need to disclose that you have had the test.

This is because member insurance companies are bound, under FSC's genetic testing standard No 11, to respect your right 'not to know' your predictive genetic test result and should underwrite the risk accordingly on the basis of your family history and the other respective disclosures made in your application.

Sometimes an individual 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 test and do not know the result so you do not have to disclose that you have had a genetic test where you intend to get the result.

b) A laboratory has analysed your sample and a result is pending:

Disclosure of undertaking such a test is required by a potential insurer. In this situation, an insurance company may await a result before proceeding with the application.

c) 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.

3. Where a predictive genetic test result has been received before securing insurance cover:

The insurance company will require that the results of any genetic test be made available.

**Involve your family doctor, medical or genetics specialist if necessary,
in negotiations with the insurance company.**

**Document your screening and prevention strategies, where applicable,
as member insurance companies, under the FSC Standard 11,
are required to take this into account.**