

In Australia genetic information, which includes your family medical history and the results of predictive genetic tests 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**
- **Under the law an applicant is required to disclose to the insurer any health or genetic information known to them that might impact the insurance policy being applied for**

**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](http://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 information, including personal medical history, and medical and genetic test information for first degree relatives (brothers, sisters, parents) where known.

You are not required to undergo a predictive genetic test. 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 indicates 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 does 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:

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

As always with the requirement for full disclosure, you need to disclose that you have had the test, but as you will not be able to tell them the result, the insurer will not use the fact that you have had genetic testing in an assessment of your risk.

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

The opportunity to investigate options further through a specialist service will be made available.

If you are advised of the above scenario, 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 your personal health and that of your first degree relatives as well as any genetic testing information will be required. 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. You must also disclose whether you have attended genetic counselling to discuss risks based on a family medical history, if asked by the insurance company. Sometimes genetic counselling can clarify that your family history does **not** indicate that you are at potentially high risk for a certain condition, and this can be helpful when applying for insurance.

#### 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, disclosure is still required to a potential insurer about the fact that a sample was provided for a genetic test but that you had withdrawn from the testing process without a result.

Where this has occurred, 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. The insurer may request a statement to clarify that you have no immediate intention to request the result of the disclosed genetic test.

Sometimes an individual will give a sample for testing to be done in the future. This is sometimes called **DNA banking**. If you provide a sample for DNA banking you have not yet undergone a genetic test.

- 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 should disclose that a genetic test has been undertaken and that you have chosen not to obtain the test result. The insurer may request a statement from you to clarify that you have no immediate intention to request the result of the genetic test and should then underwrite the risk accordingly 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

**4. Where a relative has had a predictive genetic test and the test result is known by the insurance applicant:**

When applying for insurance, it is required to disclose any **health** information and genetic test result that **is known**, about you, and first degree relatives. This is relevant to an assessment of your risk. You would not need to provide personally identifying information like the relative's name.

The insurer may also request written consent from you to access your medical records from your doctor, if there is information about a relative's genetic test result in your medical records.

Your doctor may be obliged to disclose the test result information but in the written consent it is possible to request that a doctor does not disclose any personally identifying information about relatives.

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