

Understanding Insurance and Genetic Testing

Brent Mizzen, CLHIA

May 27, 2015



Genetic Testing and Insurance

- Insurance:
 - A contract to provide financial protection against **unanticipated loss**
 - Premiums relate to mortality/morbidity risk in any future year
- Risk assessment:
 - Detailed assessment – age, gender, health, family history, occupation, lifestyle (e.g., smoking)
 - Establishes premiums related to level of risk

Genetic Testing and Insurance

- Insurers have always relied on information of a genetic nature in underwriting/risk assessment
Genetic testing information = medical information
- Genetic information, as with other medical information, is used for classifying risk

Genetic Testing and Insurance

- Industry's longstanding position:
 - If proposed insured has knowledge of genetic testing results, insurer should be aware as well
 - Insurance is a "good faith" agreement
 - "Equal information" is required

Genetic Testing and Insurance

- Industry recognizes the important issues and considerations of genetic testing
 - Stays up-to-date on developments
 - Engages with interested parties
 - Communicates industry's perspective
 - Takes action, where appropriate, to be responsive

New Industry Code

- Released September 25, 2014
- Purpose is to:
 - Provide guidance on when genetic testing information should be made available to insurers and how it will be used
 - Ensure consistency across the industry
- Applies to all CLHIA members

Industry Code – Key Elements

- Insurers **will not**:
 - Require applicants to undergo genetic testing
 - Request genetic testing results if done for research purposes and insured or their MD does not have the results
 - Require genetic test results of anyone other than the proposed insured (e.g., family members)

Industry Code – Key Elements

- Insurers *will*:
 - Educate employees and inform advisors of the Industry Code
 - Certify annually that they are complying with the commitments in Industry Code
 - Ensure strict standards of confidentiality
 - Assist applicants that are not eligible for insurance

Industry Code – Key Elements

- Dispute resolution
 - Where applicant is not satisfied with underwriting decision:
 - Insurer will refer issue to internal dispute resolution system
 - If applicant is unsatisfied, the applicant may pursue the matter further through the OmbudService for Life & Health Insurance dispute resolution process

Summary

- This is a complex topic
- The industry has been proactive
 - Industry Code is another important step
- Industry will continue to engage with interested parties on this important issue