

Genetic tests and applying for life insurance – Key Facts

About this fact sheet

This fact sheet aims to outline your rights and responsibilities in relation to your genetic test results and family history when you apply to be covered for individually assessed life insurance.

The Moratorium

Life insurance companies that are members of the Financial Services Council (FSC) have agreed to a Moratorium that limits the use of genetic test results when assessing applications for life insurance. The Moratorium does not apply to any existing life insurance policies. It starts on 1 July 2019 and lasts until at least 30 June 2024.

Genetic tests

A genetic test is any test that examines patterns in your chromosomes or DNA. It could be done in a clinical setting by a health professional, as part of a research project, or a test that is available over the counter or online.

What you must do

- You must disclose your medical history including any signs, symptoms and any diagnosed conditions you have had, or continue to have, even if diagnosed through a genetic test.
- You must disclose any diagnosed conditions you know your first-degree blood relatives (parents, brothers, sisters and your children) have had.

What your life insurance company must not do

- Up to (and including) the financial limits set in the Moratorium, your life insurance company must not use your genetic test results, unless you choose to declare them.
- Over the financial limits, your life insurance company can ask for your genetic test results but must not use them unless the test is relevant to the cover you are applying for, in accordance with the Disability Discrimination Act.

What you don't have to do

- You don't have to take a genetic test when you apply for life insurance, even if you apply for cover over the financial limits.
- You don't have to disclose a genetic test taken as part of a research project if you are never going to receive the result.
- You don't have to disclose your family health history other than for your first-degree blood relatives.
- You don't have to disclose the genetic test results of your first-degree blood relatives, only their diagnosed conditions.

The financial limits

The financial limits set in the Moratorium for the different types of personal and group life insurance you can have in total with all life insurance companies together are:

- \$500,000 of death cover.
- \$500,000 of total permanent disability cover.
- \$200,000 of trauma/critical illness cover.
- \$4,000 a month in total of income protection, salary continuance and/or business expenses cover.

Further information

Every care has been taken in preparing this fact sheet, but it does not override any applicable FSC Standards. You can find FSC Standard 11 (the Moratorium) and FSC Standard 16 (Family History) at www.fsc.org.au/resources/standards.

Your Questions Answered

If I have a genetic test, will it affect my ability to get life insurance?

Unless it shows you have already had a diagnosed condition, taking a genetic test will not affect your ability to get life insurance up to the financial limits set in the Moratorium.

If I have a genetic test through a research study, will it affect my ability to get life insurance?

The Moratorium applies equally to research and other genetic tests, unless you are not going to get the test result.

What is a diagnosed condition?

A condition is diagnosed when a health professional confirms its presence based on signs, symptoms, routine screening, or the results of investigations, which may include genetic test results.

Life insurance companies can ask you to disclose any condition you have had diagnosed. However, you are not considered to have had a condition diagnosed just because a genetic test result shows that you are more likely to, or even will, be diagnosed with that condition in the future.

For example, people with Lynch syndrome are more likely to get certain types of cancer. You must always disclose the health history of your first-degree blood relatives but, up to the financial limits, you do not need to disclose an adverse genetic test result for Lynch syndrome if you have not developed cancer.

What if I want cover over the financial limits?

If the amount of cover you apply for takes you over any of the financial limits, life insurance companies can ask you to disclose the result of any genetic test you have had. They can then use it for the full amount of cover you apply for if the Disability Discrimination Act allows it.

Will I be made aware of the financial limits at the start of an application?

Not necessarily. It will take time for life insurance companies to change their application forms and online processes, but they are set out on the first page of this fact sheet.

If I have had a favourable genetic test result, can I choose to declare this?

Yes, even if the amount of cover you have is below the financial limits. Declaring a favourable genetic test result can sometimes work in your favour, such as by off-setting an adverse family history, depending on your circumstances and the test.

What if I apply for cover over the financial limits but I have had risk-reducing surgery?

When life insurance companies assess your application for cover, they will consider any preventative treatment, or adherence to preventative measures, if there is evidence that it will reduce the likelihood of you developing a condition in the future.

What if I was previously declined life insurance because of a genetic test result?

You can apply for life insurance again. If your total cover stays within the financial limits, the life insurance company will not use your previous adverse genetic test result.

If I have a policy with a higher premium due to a genetic test result, will the life insurance company now reduce my premium?

The Moratorium applies to new applications from 1 July 2019, so this is for each company to decide.

Do I need to disclose a genetic test result to keep any life insurance I already have?

No. Your disclosure obligations end when your life insurance policy starts.

Are all life insurance companies the same?

Not necessarily. The Moratorium is a minimum requirement, so you might find a better deal if you shop around or speak to a financial adviser.

How likely is the Moratorium to continue after 30 June 2024?

The FSC will review the Moratorium in 2022 with a view to extending it and making any required changes. The FSC hopes that doing the review 2 years before the end date will give Australians certainty about their options.

Do life insurers have to follow the rules?

The Moratorium only applies to FSC members. At the time of writing, all companies offering life insurance in Australia were members of the FSC. You can find a current list of FSC Members at www.fsc.org.au/about/fsc-members.

What if I feel I've been treated unlawfully?

Your product disclosure statement (PDS) explains how you can make a formal complaint to the life insurance company.

Alternatives include the Australian Financial Complaints Authority, AFCA (www.afca.org.au), the Australian Human Rights Commission (www.humanrights.gov.au), and the Courts.