

Finances: Insurance for People with Familial Cancer Risk



If you have a family history of cancer, you may consider genetic testing for cancer predisposition genes, such as the BRCA1 and BRCA2 genes. However, there is a lot of confusion and anxiety about whether knowing the results of genetic tests could influence your insurance policy.

Summary

- Life insurance companies can use genetic test results to deny cover, place conditions or exclusions on cover, or increase the cost of premiums.
- Health insurance companies can't use genetic test results to deny cover or change the cost of premiums (everyone gets the same cover for the same cost).

So, what does it all mean?

Private Health Insurance

As everyone pays the same premiums for the same policy, regardless of age and health status, your private health insurer. Waiting periods for pre-existing conditions that have signs and symptoms can be imposed by the insurance company.

Life Insurance

Life insurance products include cover for death, trauma, permanent and total disability, and income protection insurance. Under the Insurance Contracts Acts (1984), the insurer can ask the applicant questions about their health, including family history and their personal genetic test results. Applicants must legally answer the questions honestly. Life insurers can legally decline cover, increase the cost of premiums or place conditions on cover, based on genetic test results, even in people without any personal disease history or symptoms of disease.

If you already have a life insurance policy, you do not need to advise your insurer of the results of any test you have had after the insurance policy starts, including any genetic tests or diagnosis of disease. However, if you are taking out a new policy, changing insurance companies or increasing the cost of your cover, you may need to advise them of the results of any genetic tests you have had.



For life insurance if any of your first-degree relatives (father, mother, brother, sister, or child only) have had a history of cancer or other disease diagnosis, you will be asked and you need to disclose it. If you do have a genetic test, your life insurance company must not use your genetic test results (up to the financial limits set out below) unless you choose to declare them. You are not required to provide any other information about your first degree relatives, including their genetic result(s), even if known to you.

The current law – Moratorium on Genetic Tests in Life Insurance (2019)

(<https://cali.org.au/life-code/>)

Under the moratorium, life insurers can only request or use the results of genetic tests if the total amount of cover a person will have – including both the cover being applied for, and any existing individual and group insurance cover with any life insurers – is more than:

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

The Moratorium also states that regardless of the amount of cover sought, life insurers must not require or encourage applicants to take a genetic test as part of their life insurance application.

Life insurers must also take into account any protective treatment or interventions an applicant has had (or is following) to prevent them developing an illness that runs in their family.

If you are unsure about applying for insurance, you should speak with a specialist insurance adviser to advise and assist you in navigating through the process. You might want to speak with a financial adviser before you have your genetic testing. You only need to tell a life insurer about a genetic test that is “planned” when you have consented to having a genetic test – you don’t have to tell an insurer about an appointment with a genetic counsellor or any other steps you take before you consent to having a genetic test.

The Australian Government is currently reviewing their policy on the use of genetic test results in life insurance, and considering whether to implement a ban on insurers being able to use genetic results. We will provide an update on this page if the Government makes any announcements about changes to the law on this issue.