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## **FSC ANNOUNCES MORATORIUM ON GENETIC TESTS FOR LIFE INSURANCE TO START IN JULY 2019**

The life insurance industry will today begin consulting on a new moratorium to stop using genetic test results as part of insurance applications, enabling every Australian to get up to \$500,000 of life cover without having to disclose an adverse test result.

Speaking at an event in Sydney today, Financial Services Council CEO Sally Loane said the moratorium, which will commence on 1 July 2019, was part of the FSC's commitment to genetic inclusion.

"Life insurance, and the entire financial services industry, recognises that we need to do a better job listening to the concerns of the community and acting where we can," Ms Loane said.

"This new moratorium is a great example of inclusion at work – it will free Australians from the fear of taking a genetic test as the result will no longer prevent anyone taking out life insurance."

Ms Loane said the life insurance industry understood the importance of genetic tests in improving health outcomes for Australians.

"The moratorium will mean that people can take part in genetic research, or take a test individually, without fear that the result will stop them taking out life insurance," she said.

"When in place, Australia will be the only country in the world outside the United Kingdom where a favourable genetic test result can be disclosed, but an adverse result doesn't have to be.

"Given the pace of advances in genomics, a regularly reviewed moratorium is the right thing to do to support scientific research and genetic inclusion, while protecting the interest of the wider community who have life insurance.

"The life insurance industry will now work with a broad range of geneticists on how to implement the moratorium, including how to raise awareness for people considering taking a genetic test or taking part in genetic research."

The July 2019 start date will allow time to discuss these issues with the genetics community and allow life insurers time to change their online and paper application questions, underwriting manuals, algorithms and systems, and complete required staff training.

"We fully believe that the moratorium will give Australians the reassurance they need and the flexibility to evolve as the science does," Ms Loane said.

Key features of the new moratorium include:

- In place until at least 30 June 2024.
- Reviewed in 2022 to consider its objectives and the impact on other policyholders.

- Allows people to choose to disclose a favourable genetic test result.
- Independently overseen by the Life Code Compliance Committee.
- The insurance cover limits compare favourably with other countries, being closely aligned to Switzerland and Germany. The sums are: lump sum \$500,000 for death and total and permanent disability, \$200,000 for trauma, \$4,000 a month for income protection.

People with a favourable genetic test result will continue to be able to use it to show that they do not have the gene pattern associated with an illness that runs in their family. Life insurers must also take into account any protective treatment an applicant has had (or is following) to prevent them developing an illness that runs in their family.

**For further information or to arrange an interview: Nic Frankham [0435 963 913](tel:0435963913)**

#### **About the Financial Services Council**

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 14.8 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world. The FSC promotes best practice for the financial services industry by setting mandatory Standards for its members and providing Guidance Notes to assist in operational efficiency.