

## Risk Classification Policy

### Purpose

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The purpose of the policy is to provide a foundation and guide for ACLI staff and lobbyists with respect to proposed laws and regulations, external inquiries, initiatives, and reports that relate to underwriting for life, disability income or long-term care insurance. ACLI advocacy relating to legislative and regulatory risk classification proposals are governed by the principles below.

### Draft Policy

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ACLI members are committed to a robust and competitive insurance market that offers a variety of products that are affordable and meet consumers' insurance needs. To meet this commitment, ACLI members support the following:

ACLI members support laws and regulations that promote transparency with consumers regarding the collection and use of their personal information, including their medical information.

ACLI members support laws and regulations that support insurers' ability to meet obligations to current and future policyholders.

ACLI members support laws and regulations that enable the accurate assessment of mortality and morbidity risks and require that sound actuarial principles and/or reasonably anticipated experience exists to support any premium or benefit differences among classes of insureds.

ACLI members support laws and regulations that promote an affirmative and continuing obligation on insurers to protect the privacy and confidentiality of consumers' personal information, including their medical information.

# Final Draft of Genetic Testing Principles

## Purpose

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## Policy Statement

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*ACLI members are committed to a robust and competitive insurance market that offers a variety of products that are affordable and meet consumers' insurance needs. To meet this commitment, ACLI members support the following:*

*ACLI members support laws and regulations that promote transparency with consumers regarding the collection and use of their personal information, including their medical information.*

## Principles:

ACLI members support a definition of genetic testing that is restricted to an analysis of human DNA and RNA.

ACLI members support a definition of genetic testing that excludes (but is not limited to):

- tests performed on a virus or bacteria present in the body,
- genetic tests performed on a tumor or malignant tissues for the purpose of diagnosis or treatment, and
- family history.

Genetic Information is a term that is sometimes used synonymously with genetic testing; however, genetic information is a broad term that also includes family history.

For the purposes of underwriting, genetic information concerning an applicant's race, ethnicity, or national origin is currently excluded from use based on existing laws.

Genetic information is medical information and is subject to the same laws and regulations that exist regarding the authorization, consent, privacy, collection, and use of medical information.

Insurers rely on information contained in an applicant's medical record.

ACLI members support use or consideration of any information provided by direct-to-consumer genetic testing entities with the written authorization or consent from the consumer.

## **Policy Statement**

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*ACLI members support laws and regulations that support insurers' ability to meet obligations to current and future policyholders.*

### **Principles**

ACLI supports a level playing field – a full exchange of relevant information – so that the insurer knows what the applicant knows about their medical history.

Information symmetry between an applicant and insurer is necessary to mitigate adverse selection and ensure that the policy is appropriately priced.

Policies that are appropriately priced ensure that consumers continue to have access to affordable insurance products that meet their needs.

## **Policy Statement**

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*ACLI members support laws and regulations that enable the accurate assessment of mortality and morbidity risks and require that sound actuarial principles and/or reasonably anticipated experience exists to support any premium or benefit differences among classes of insureds.*

### **Principles:**

Underwriting is a process of assessing risk that takes into consideration all health information, including genetic information.

A fundamental principle of life, disability income, and long-term care underwriting is the ability to access relevant health information.

The American Academy of Actuaries' Actuarial Standards Board (ASB) establishes and improves standards of actuarial practice. These Actuarial Standards of Practice (ASOPs) identify what the actuary should consider, document, and disclose when performing an actuarial assignment. The ASB's goal is to set standards for appropriate practice for the United States. As a general term, actuarially sound is understood to mean reasonable and consistent with generally accepted actuarial principles and practices.

Underwriting based on sound actuarial principles or reasonably anticipated experience (e.g. clinical and/or industry-based research) results in appropriate risk stratification, which places applicants in various rate classes ranging from the best possible rate to uninsurable. Life insurers are committed to insuring as many people as possible; however, not all situations are insurable or can be reasonably priced for.

Policies that are appropriately priced ensure that consumers continue to have access to affordable insurance products that meet their needs.

## **Policy Statement**

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*ACLI members support laws and regulations that promote an affirmative and continuing obligation on insurers to protect the privacy and confidentiality of consumers' personal information, including their medical information.*

CONFIDENTIAL DRAFT

# Final Draft Organ Donor Principles

## **Purpose**

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The purpose of the policy is to provide a foundation and guide for ACLI staff and lobbyists with respect to proposed laws and regulations, external inquiries, initiatives, and reports that relate to underwriting for life, disability income or long-term care insurance. ACLI advocacy relating to legislative and regulatory risk classification proposals are governed by the principles below.

## **Policy Statement**

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*ACLI members are committed to a robust and competitive insurance market that offers a variety of products that are affordable and meet consumers' insurance needs. To meet this commitment, ACLI members support the following:*

*ACLI members support laws and regulations that promote transparency with consumers regarding the collection and use of their personal information, including their medical information.*

### **Principles:**

As an industry dedicated to promoting long, healthy lives, ACLI members support and encourage living organ donation.

ACLI members support a definition of living organ donor as an individual who has donated all or part of an organ.

Underwriting is a process of assessing risk that takes into consideration all health information, including anticipated organ donation surgeries or consequences resulting from that surgery. ACLI members support legislation that allows risk assessment to include planned, scheduled, or anticipated surgery relating to living organ donation, and any complications resulting from that surgery (similar to any other surgical procedure).

ACLI members support consideration of medical impairments that are the result of prior organ donation that impact mortality and/or morbidity by using sound actuarial principles or actual or reasonably anticipated experience. Insurers' risk assessment is based on the impairment, not solely on the status as a living organ donor, just as insurers do for anyone else with a similar impairment that is not caused by organ donation.

ACLI members support existing statutes and regulations covering the issue of fair underwriting practices.

ACLI members support legislation relating to living organ donation that prohibits an insurer from discriminating in the offering, issuance, cancellation, amount of such coverage, price, or any other condition of a life insurance policy, disability insurance policy, or long-term care insurance policy for a person, based solely and without any additional actuarial risks upon the status of such person as a living organ donor.

## **Policy Statement**

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*ACLI members support laws and regulations that support insurers' ability to meet obligations to current and future policyholders.*

### **Principles**

ACLI supports a level playing field – a full exchange of relevant information – so that the insurer knows what the applicant knows about their medical history.

Information symmetry between an applicant and insurer is necessary to mitigate adverse selection and ensure that the policy is appropriately priced.

Policies that are appropriately priced ensure that qualifying consumers continue to have access to affordable insurance products that meet their needs.

## **Policy Statement**

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*ACLI members support laws and regulations that enable the accurate assessment of mortality and morbidity risks and require that sound actuarial principles and/or reasonably anticipated experience exists to support any premium or benefit differences among classes of insureds.*

### **Principles:**

A fundamental principle of life, disability income, and long-term care underwriting is the ability to access relevant health information.

The American Academy of Actuaries' Actuarial Standards Board (ASB) establishes and approves standards of actuarial practice. These Actuarial Standards of Practice (ASOPs) identify what the actuary should consider, document, and disclose when performing an actuarial assignment. The ASB's goal is to set standards for appropriate practice for the United States. As a general term, actuarially sound is understood to mean reasonable and consistent with generally accepted actuarial principles and practices.

Underwriting based on sound actuarial principles or reasonably anticipated experience (e.g. clinical and/or industry-based research) results in appropriate risk stratification, which places applicants in various rate classes ranging from the best possible rate to uninsurable. Life insurers are committed to insuring as many people as possible; however, not all situations are insurable or can be reasonably priced.

## **Policy Statement**

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*ACLI members support laws and regulations that promote an affirmative and continuing obligation on insurers to protect the privacy and confidentiality of consumers' personal information, including their medical information.*

### **Principles:**