

QUESTIONS AND ANSWERS

Life Insurance Companies and Genetic Information

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Do life insurance companies access information from 23andMe, Ancestry.com and other companies that are offering at-home genetic tests?

Life insurance companies do not access information from companies offering home genetic tests. To provide coverage to as many people as possible at the most affordable rates, life insurance companies rely on verified medical information ordered by medical professionals. This information is found in medical files and reviewed with the consent of each applicant.

Why is genetic information so important to life insurance companies?

Life insurance companies are always looking for ways to provide financial protection at more affordable rates. Advances in science, medicine and treatments have always provided these opportunities.

But genetic information is not necessarily any more important than any other health or lifestyle factor in an applicant's medical record. Medical records don't always contain genetic information, though that may change in the future. Some suggest that DNA screening could become a routine part of primary care, offering physicians and their patients with information that will help them better manage their health.

The result of any professionally administered test that is confirmed by a physician and correlated with the applicant's medical history is important. This includes not just the results of genetic tests, but more routine tests like colonoscopies, endoscopies and blood tests. Loss of access to the results of any of these or other tests in a medical record would undermine the ability of life insurance companies to properly evaluate applicant's insurability.

Why do life insurance companies want full access to medical records?

Full access to medical records is a tried-and-true way for life insurance companies to bring as much coverage to people as possible.

The sharing of information is the essence of a fair contract between two parties. And it is the only way to be fair to all policyholders — to set fair prices for all. In fact, access to a complete medical record might improve the ability of an applicant to obtain coverage. Life insurance companies have been able to increase coverage over the years because of new and better information appearing in medical records because of medical and technological advances.

Will life insurance companies lower the cost of coverage if a person takes a genetic test, and it shows results favorable to their health?

Yes. Genetic information can work in an applicant's favor.

Consumers who avail themselves to advances in genetic science may be able to get lower rates for coverage. If a person has a family history of disease and a professionally administered genetic test is negative, then an insurer will give them a lower price. If a person's genetic test shows they have a risk of future disease, then he or she can take appropriate medical tests or treatment to detect the disease early, which again insurers look on favorably. Under both examples, the policyholder demonstrates greater insurability than if they had not been empowered with genetic information.

Why do life insurance companies need to consider genetic information when issuing a policy?

Life insurance companies only need to consider genetic information in those instances where the personal physician would typically decide a genetic test is important. Life insurance companies do not order their own genetic tests. And, in most instances, companies do not even access or review medical records. They only do so when the applicant's answers to the medical history form indicate that their physician has tested them for a disease or condition.

Why can't life insurance companies increase costs a little to make up for not getting genetic information?

Theoretically, it is possible to raise rates. But the uncertainties introduced to the policy evaluation process by denying access to crucial medical information would leave life insurance companies guessing the right price to charge.

Life insurance companies customize each policy they provide to the consumer's profile. If forced due to a lack of essential information to raise rates across the board on all new policyholders, it would undermine the personal treatment people deserve and receive from companies.

Put simply, many policyholders would be charged more than they should be—they'd be forced to subsidize other policyholders.

Why can't I keep my private medical information private?

Information shared with insurers remains private. Life insurance companies have a long and distinguished record of protecting the confidentiality of people's private information. Life insurance companies have set a standard for responsible behavior for more than 100 years.

All medical information companies seek is only obtained with applicants' consent.

The fact is people tend to be honest and open with their life insurance companies. They recognize that the voluntary sharing of information is key to obtaining financial protection. It is what makes coverage affordable and accessible today. It only makes sense for a life insurance company to have a complete medical picture of an applicant since they'll provide coverage that could last decades.

Why are life insurance companies allowed to deny coverage over a medical issue a person can't control?

Most everyone can obtain long-term financial protection because life insurance companies fully and properly evaluate applicants.

Consumers can obtain “individual” coverage, where they purchase policies on their own, typically with the help of an agent; “group” coverage is offered by many employers, and also may be accessible to consumers through their union or professional organizations; and people with challenging medical conditions can usually obtain coverage through a policy that is “guarantee issue,” though such policies typically have coverage limits.

The proper evaluation of every applicant's request for coverage – where the risk of each individual applicant's premature death is assessed – is key to sound underwriting and the long-term financial strength of life insurance companies. Their long-term financial strength allows them to make long-term commitments of financial protection to families – and deliver on them.

Can all eligible employees at a workplace offering life insurance obtain coverage?

Most coverage offered by employers is “guarantee issue,” meaning workers can obtain it during open enrollments or when they are first hired.

Doesn't the Genetic Information Non-Discrimination Act (GINA) protect people's genetic information?

The Genetic Information Non-Discrimination Act (GINA) protects genetic information in connection with health insurance and employment. Life insurance and health insurance companies are entirely different. For example, health insurance companies may raise rates annually while a life insurance company can never raise the cost of protection because of a change in a person's medical condition. In sharp contrast to health insurance, life insurance companies get only one chance to evaluate a person's medical condition, which is why they need all available medical information—and why they were treated entirely differently under GINA.

Do life insurance companies ask if you have taken a genetic test on an application?

Life insurance companies typically ask people to provide all relevant medical information, which includes genetic information. But the importance of the information can vary. All information sought by life insurance companies is designed to ensure the company and the applicant are “on the same page” and the company can personalize the product offering. In general, life insurers are interested only in those at-home genetic results where the report tells someone, “We suggest you discuss this important result with your personal physician.” And, even then, an insurer will want the results of the physician-ordered, confirmed test result.

Will life insurance companies increase the cost of coverage if a person takes a genetic test, and it yields troubling results after the policy is issued?

No. Life insurance companies never increase rates because of a change in a policyholder's medical situation. Life insurers ask people to complete an application for coverage honestly and fully. Any new, troubling information that may surface after an insured person honestly and fully discloses all medically relevant information will not impact his or her premiums.

Can I participate in a genetic research study and keep the results to myself?

America's life insurance companies strongly support genetic research and encourage people to participate in research projects. Genetic information empowers people to better manage their health and control their future. At the same time, life insurance companies also encourage people not to delay obtaining coverage, especially if they plan to undergo genetic testing. The fact is, many people will likely obtain lower rates on their coverage by participating in a research project, as genetic information will provide a clearer picture of a person's overall health. The clearer the picture, the more affordable life insurance companies can make coverage for all. But concerns that participation in a research project might affect a person's insurability are understandable. That is why people should obtain the full amount of coverage they need today and may need in the future before participating.