

Association of British Insurers' policy statement on life insurance and genetics : second report / Science and Technology Committee.

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SCIENCE AND TECHNOLOGY COMMITTEE

Second Report

ASSOCIATION OF BRITISH INSURERS' POLICY STATEMENT ON LIFE INSURANCE AND GENETICS

Report together with the
Proceedings of the Committee

*Ordered by The House of Commons to be printed
19th February 1997*

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The Science and Technology Committee is appointed under Standing Order No 130 to examine the expenditure, administration and policy of the Office of Science and Technology and associated public bodies.

The Committee consists of 11 Members. It has a quorum of three.

The Committee has power:

- (a) to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn from place to place, and to report from time to time;
- (b) to appoint specialist advisers either to supply information which is not readily available or to elucidate matters of complexity within the Committee's order of reference;
- (c) to communicate to any other such committee and to the Committee of Public Accounts and to the Deregulation Committee its evidence and any other documents relating to matters of common interest; and
- (d) to meet concurrently with any other such committee for the purposes of deliberating, taking evidence, or considering draft reports.

Unless the House otherwise orders, all Members nominated to the Committee continue to be members of it for the remainder of the Parliament.

The following were nominated Members of the Committee on 13 July 1992:

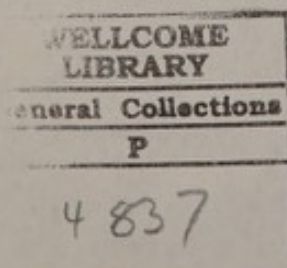
Mr Spencer Batiste	Sir Giles Shaw
Dr Jeremy Bray	Sir Trevor Skeet
Mr Malcolm Bruce	Dr Gavin Strang
Mrs Anne Campbell	Sir Gerard Vaughan
Cheryl Gillan	Dr Alan W Williams
Mr William Powell	

Sir Giles Shaw was elected Chairman on 15 July 1992.

On 9 November 1992 Mr Malcolm Bruce was discharged and Mr Andrew Miller added to the Committee.

On 16 November 1992 Dr Gavin Strang was discharged and Dr Lynne Jones added to the Committee.

On 7th November 1995 Cheryl Gillan and Mr William Powell were discharged and Mr Ian Bruce and Mr Patrick Thompson were added to the Committee.



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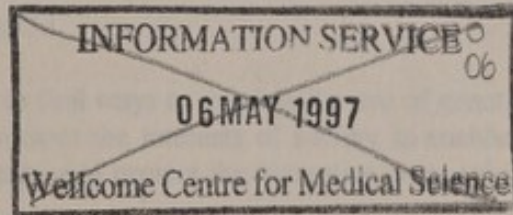
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The Science and Technology Committee has agreed to the following Report:

There is a real danger that people could decide to make genetic testing, particularly with such testing would be advantageous to them, because of the possible insurance implications. Not only will they get the information to help decide whether or not to have children, but such information could also hinder the research which will be needed if genetic knowledge is fully to benefit society.

The Association of British Insurers (ABI) issued a policy statement on Life Insurance and Genetics. This announced the central message for the insurance industry for the next two years. The life insurance industry will continue not to ask people to take genetic tests when applying for life insurance.

For new applications for life insurance of up to a total of £100,000, which are directly linked to a new mortgage for a person dwelling being insured for occupation by the insured, the results of any genetic tests will not be taken into account by the insurance company if they are to the detriment of the applicant. As at present, insurers will continue to be able to check family history and all other genetic information.

For new applications for other life insurance policies, individual companies will decide whether or not they wish to take account of the results of genetic tests previously taken.

SECOND REPORT

ASSOCIATION OF BRITISH INSURERS' POLICY STATEMENT ON LIFE INSURANCE AND GENETICS

The Science and Technology Committee has agreed to the following Report:

1. We considered the use of genetic information by insurers in our report on *Human Genetics: The Science and Its Consequences*, published in July 1995.¹ In that Report we recognised that there was a real risk of "adverse selection," if those who knew their health prospects were poor were able to take out insurance without disclosing this to the insurer. However, we also noted that

"there is a real danger that people could decide to decline genetic testing, even when such testing would be advantageous to them, because of the possible insurance implications. Not only will this act to the detriment of those directly concerned, but such reluctance could also hinder the research which will be needed if genetic knowledge is fully to benefit society."²

We noted that it should

"be possible to find ways to regulate the use of genetic information in insurance which would both protect the interests of society in enabling as many people as possible to obtain insurance and protect the insurance companies themselves"³

and recommended that if the industry had not found such a solution within a year, a solution should be sought, by legislation if necessary.⁴

2. On 18th February 1997 the Association of British Insurers (ABI) issued a policy statement on *Life Insurance and Genetics*. This announced that special arrangements for mortgage-related life insurance would operate for the next two years. The life insurance members of the ABI have decided:

- They will continue not to ask people to take genetic tests when applying for life insurance.
- For new applications for life insurance of up to a total of £100,000, which are directly linked to a new mortgage for a private dwelling being acquired for occupation by the life/lives to be assured, the results of any genetic tests will not be taken into account by the insurance company if they are to the detriment of the applicant. As at present, account will continue to be taken of family history and of other medical information.
- For new applications for other life insurance policies, individual companies will decide whether or not they wish to take account of the results of genetic tests previously taken.

¹Third Report from the Science and Technology Committee, Session 1994-95 (41-I).

²*Ibid.*, para 242.

³*Ibid.*, para 246.

⁴*Ibid.*, para 249.

People wishing to take out new life insurance policies will continue to be required to report the results of any genetic tests undertaken, unless otherwise indicated by the life insurance company.”⁵

3. We welcome that ABI’s concession and we applaud those companies which are prepared to go further. We are pleased that insurers will continue not to require people to take genetic tests. However, we are concerned that it has taken so long to produce such a limited reform. The industry has not even begun to consider the use of genetic information in non-mortgage related life insurance, let alone in the more complex forms of insurance such as health insurance and critical illness cover.

4. We are also concerned that the result of genetic tests will still have to be disclosed even when it is to be disregarded. The ABI states

“Insurers will *consider*⁶ collating information on proposals for life insurance where genetic test results are given so as to help informed discussions on future policy development and to assist insurance companies in their discussions with geneticists. In any collation, all such information would be treated as strictly confidential and would not allow individuals to be identified.”⁷

If underwriting is to be based on genetic tests, such research is the only justification for collecting genetic information in this way, although there is a danger even this may act as a deterrent to individuals considering taking genetic tests. We trust the insurance industry will give a stronger commitment to such research than that contained in the ABI document.

5. There are broader philosophical questions to be addressed in this context. While the ability to relate risk to premium may be of benefit to the insurance industry and to some of those insured, it may be against the interests of society as a whole. **The Government has appointed a Human Genetics Advisory Commission; we recommend that they examine the ABI’s proposals as a matter of urgency, and that they keep the topic under review in future.**

⁵Association of British Insurers *Life Insurance and Genetics: A Policy Statement*.

⁶Our emphases.

⁷Association of British Insurers *Life Insurance and Genetics: A Policy Statement*.

PROCEEDINGS OF THE COMMITTEE
RELATING TO THE REPORT

WEDNESDAY, 19 FEBRUARY 1997

Members present:

Sir Giles Shaw, in the Chair

Mr Ian Bruce

Mrs Anne Campbell

Sir Trevor Skeet

Mr Patrick Thompson

The Committee deliberated.

Draft Report (Association of British Insurers' Policy Statement on Life Insurance and Genetics), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 5 read and agreed to.

Resolved, That the Report be the Second Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

[Adjourned till Wednesday 26th February at a quarter past Four o'clock.]

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