



## MEDIA RELEASE

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### UPDATE ON GENETIC TESTING MORATORIUM AND LIFE CODE REVIEW

From 1 July 2019, the Financial Services Council (FSC) will enact the moratorium on life insurance genetic test results as a binding Standard, following stakeholder feedback on the FSC Life Insurance Code of Practice consultation.

The Standard will apply to all 22 life insurer members of the FSC, covering every individually assessed life insurance policy that can be taken out in Australia today.

During the feedback period, the FSC received more than 600 individual suggestions from stakeholders including the approval of the Code by the Australian Securities and Investments Commission (ASIC), a rewrite of the Code in plain English and further consultation.

FSC Senior Policy Manager Nick Kirwan today highlighted the extensive volume of feedback and thanked all those who took the time to submit views and suggestions.

“There was overwhelming feedback suggesting ASIC approval and a rewrite of the Code in plain English. These are not overnight jobs and to give each suggestion the consideration it deserves, more work is required as part of the current Code review,” Mr Kirwan said.

“We had originally planned to introduce a range of new consumer protections to the revised Code by 1 July. The industry doesn’t want consumers to have to wait for new protections like the moratorium, so we are introducing it from July as a Standard and looking at a range of other proposed Code changes to see what can be implemented via standard while the Code is rewritten.”

The moratorium will enable every Australian to get up to \$500,000 of life cover without having to disclose an adverse genetic test result. In addition, the moratorium principles mean:

- Consumers won’t be required to take a genetic test when applying for life insurance.
- Consumers won’t be required to disclose genetic tests taken as part of research if the consumer isn’t receiving the results.
- Life insurance companies will only be able to use relevant genetic tests if consumers apply for more than \$500,000 of life or total and permanent disability cover, \$200,000 of trauma cover or \$4,000 a month of income protection cover, in line with Switzerland and Germany.
- The FSC will review the appropriateness of the above limits as part of each formal review.
- Consumers can choose to disclose a favourable genetic test result if they wish.
- Life insurers will take account of any protective treatment an applicant might have had.

The moratorium will be reviewed in 2022 to consider its objectives, the cover levels and the impact on other policyholders. It will be in place until at least 30 June 2024.

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**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.