



MEDIA RELEASE

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GENETIC TESTS NO LONGER A BARRIER TO GETTING LIFE INSURANCE

A Moratorium allowing Australians to get up to \$500,000 of life cover without disclosing an adverse genetic test result will come into effect on Monday July 1.

Following extensive consultation with the life insurance industry and genomics community the Financial Services Council (FSC) approved [Standard No. 11](#): Moratorium on Genetic Tests in Life Insurance.

FSC Standards are mandatory for FSC members. All companies offering life insurance in Australia are members of the FSC.

FSC CEO Sally Loane said this means if you want to get a genetic test or take part in genomic research and not share the results with your life insurer - you now can.

“We know the community benefits from genomic research and the Moratorium is key to giving Australians the reassurance they need and the flexibility to evolve as the science does,” Ms Loane said.

“Genomic research has already led to better treatments for a number of illnesses, such as breast cancer, and has led to new ways for people to understand and better manage their health risks.”

Australia aims to be at the forefront of genomic science and is now 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.

“The FSC believes it is vital to have an agile solution like a Moratorium which, unlike legislation, can easily adapt and change as new breakthroughs are discovered – which is why we committed to having it in place by 1 July this year.

The Moratorium will be regularly reviewed to support scientific research and genetic inclusion, while protecting the interest of the wider community who have life insurance.

The Moratorium will be included in the Life Insurance Code of Practice which is currently under review, meaning the Moratorium will have independent oversight by the life code compliance committee who will have the power to sanction members who do not comply.

Key features of the new moratorium include:

- In place until at least 30 June 2024.
- Reviewed in 2022 with a view to extending the end date, the financial limits and any other required changes.
- Allows consumers to choose to disclose a favourable genetic test result.
- The insurance cover limits compare favourably with other countries, being closely aligned to Switzerland and Germany, and significantly higher than Sweden and Holland.

Cover limits are as follows:

- \$500,000 of lump sum death cover.
- \$500,000 of total permanent disability cover.
- \$200,000 of trauma/critical illness cover.
- \$4,000 a month in total of any combination of income protection, salary continuance or business expenses Cover.

International Comparison:

- United Kingdom \$904,000
- Switzerland \$536,000
- Germany \$477,000
- Holland \$254,000
- Sweden \$204,000

To note: Although the limit is higher in the United Kingdom at outset, when it comes time to claim time, the amount paid out may well be higher in Australia. This is because the limit applies at the outset and the UK market is based on products where the amount of cover stays level or reduces over time, whereas in Australia the cover increases.

Unlike the United Kingdom, in Australia genetic pre-disposition is a protected attribute under the disability discrimination act, which means there is oversight and recourse through the courts.

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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.