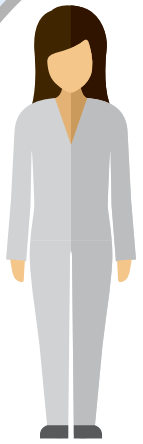


Genetics and Life Insurance


A View Into the Microscope of Regulation

Genetic testing is becoming increasingly available at ever lower prices. What could this mean for individuals and life insurers?

1



An insured may want to know more about their **GENETIC PROFILE** – whether or not they are predisposed to a specific disease or medical condition.



2



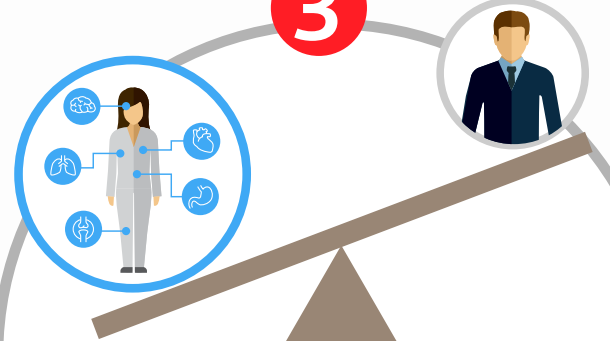
The insured may **GO TO A DOCTOR** for a genetic test,

or purchase a **"DIRECT-TO-CONSUMER" TEST** online.



Although there are concerns about the predictive power of "direct-to-consumer" tests, the market is set to grow.

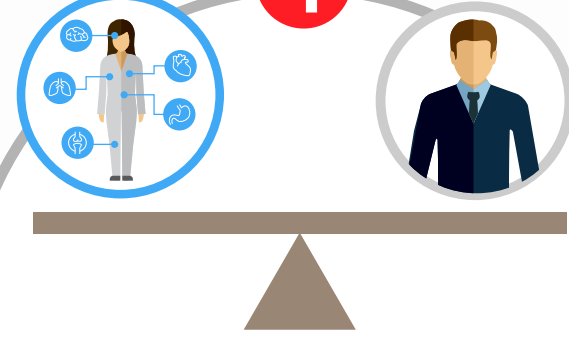
3



The **INSURED MAY NOW HAVE MORE INFORMATION** about their risk of certain conditions than a life insurer would.

This information asymmetry affects the insurer's ability to appropriately price risk for the insured.

4

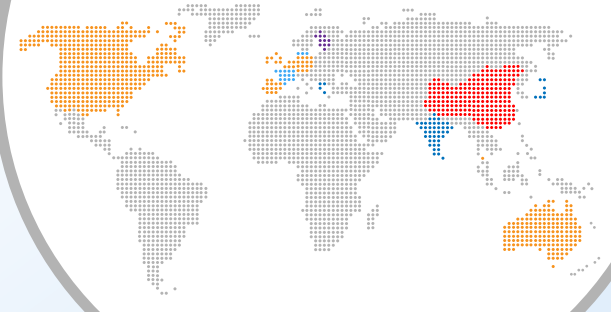


REGULATION COULD BALANCE THIS ASYMMETRY, by ensuring both parties have the same information.

However, insureds fear being denied insurance, and insurers fear anti-selection may jeopardise their ability to cover claims.

5

REGULATION OF GENETIC INFORMATION DIFFERS WIDELY.



It varies from no regulation at all, to a complete prohibition on the use of genetic data.

There are many social, ethical and regulatory considerations in genetic testing. Whilst this hardly comes as a surprise, only recently has the topic started to attract the attention of regulators, policymakers and the general public.

Further resources:

 [Genetics and Life Insurance: A View into the Microscope of Regulation](#)

 [Interview with Ronald Klein, Director of the Global Ageing Research Programme, The Geneva Association](#)