



# Industry research

Alan Tyler

Health & Welfare Business Consultant

# Agenda

- Swiss Re consumer research covering attitudes towards:
  - genetic testing for clinical purposes
  - access by insurers to test results
  - underwriting
  - cross-subsidies for higher risk groups
  - “acceptable” levels of disclosure
- IFSA research to demonstrate the impact of allowing insurers to use genetic test results

# Swiss Re research: Objectives (Genetics)

- Explore consumer understanding of human genetics
- Establish consumer attitudes to:
  - clinical testing
  - the use of existing test results for insurance purposes
- Establish what consumers see as the major motivational or deterring factors to clinical testing and where insurance features in this
- Establish where consumers would look to be tested for clinical purposes
- Build on previous research to compare and extend the information available on consumer attitudes
- Compare the views of those with a family history of inherited disease (21% of sample) with those with no such history

# Swiss Re research: Objectives (Underwriting)

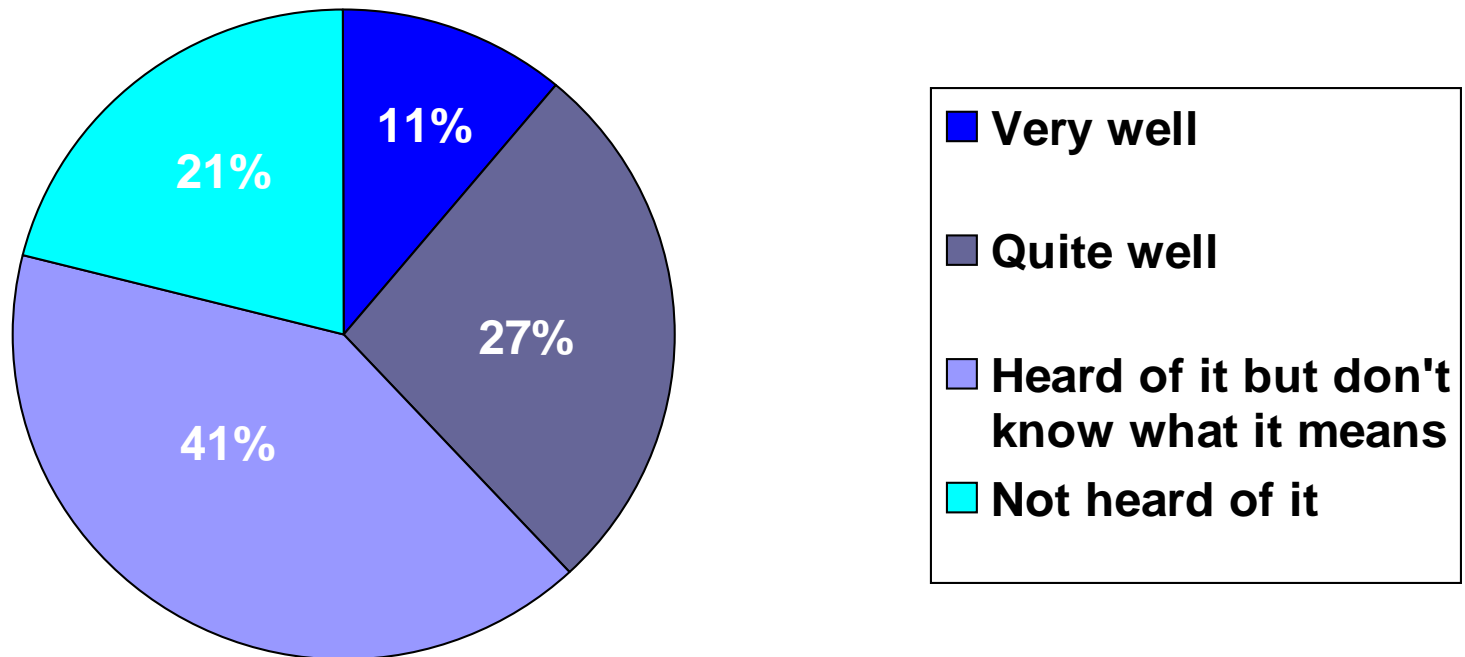
- Examine consumer attitudes towards different factors used to differentiate risks (e.g. age, gender, smoking, health, family history, occupation, post code)
- Establish consumer attitudes towards universal pricing and risk based pricing in terms of value for money and fairness and their preference between the two
- Establish to what extent consumers are willing to cross-subsidise higher risk applicants
- Explore:
  - what consumers see as “acceptable” levels of disclosure
  - to what degree this is affected by the way in which the information is collected (e.g. “face to face” v “remote”)
  - how important consumers see it to be, to provide insurers with all relevant information when effecting a policy

# Swiss Re research: Methodology

- Quantitative:
  - 1002 telephone interviews conducted in February 2004
  - sample designed and results adjusted to provide nationally representative results
  - questionnaire designed and analysed by Deloitte – fieldwork outsourced
- Qualitative:
  - 6 groups (2 in Cheam, 2 in Manchester, 2 in Birmingham) held in January 2004
  - groups sub-divided by lifestage (young singles/pre-family, family formers/families with older children, older singles and child-free couples) and degree of existing insurance protection
- Genetics and underwriting only two of many issues covered by the research

# Consumer understanding of “human genetics”

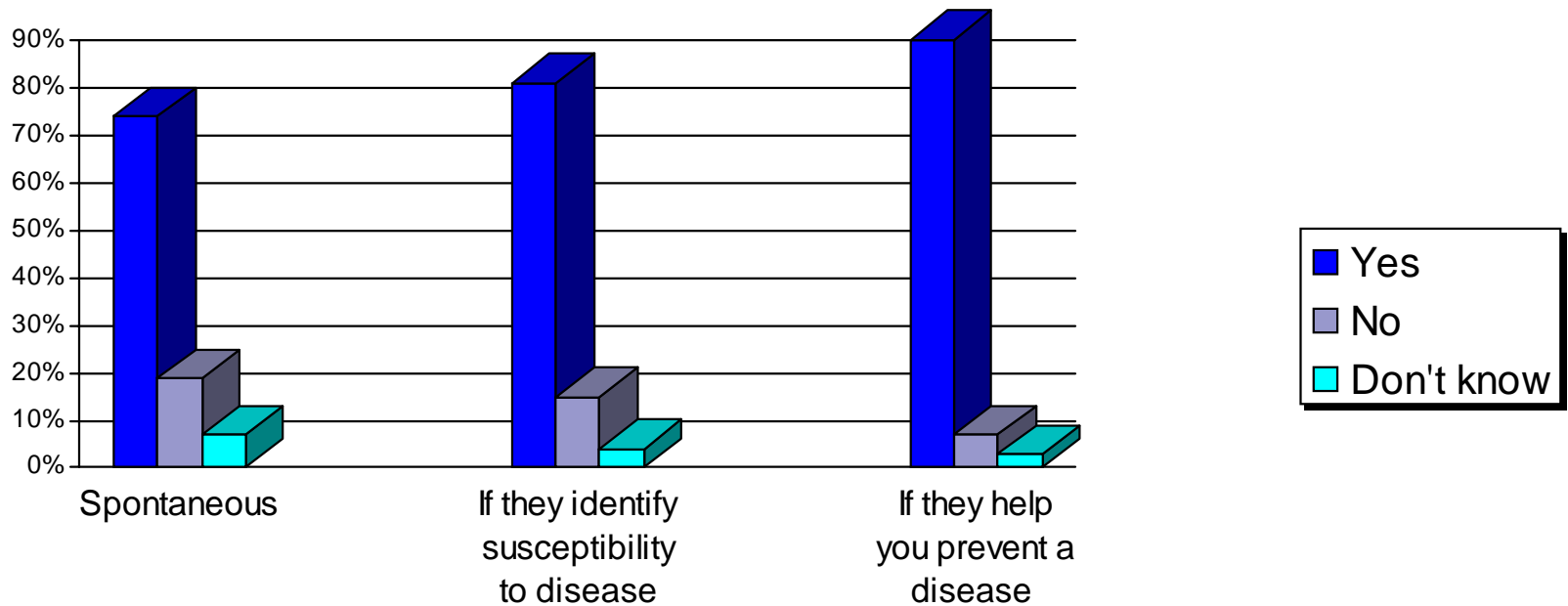
How well do you think you understand what the term “human genetics” means?



Source: *The Insurance Report, Swiss Re Life & Health, 2004*

# Consumer views on clinical testing

Do you think genetic tests are a good idea?

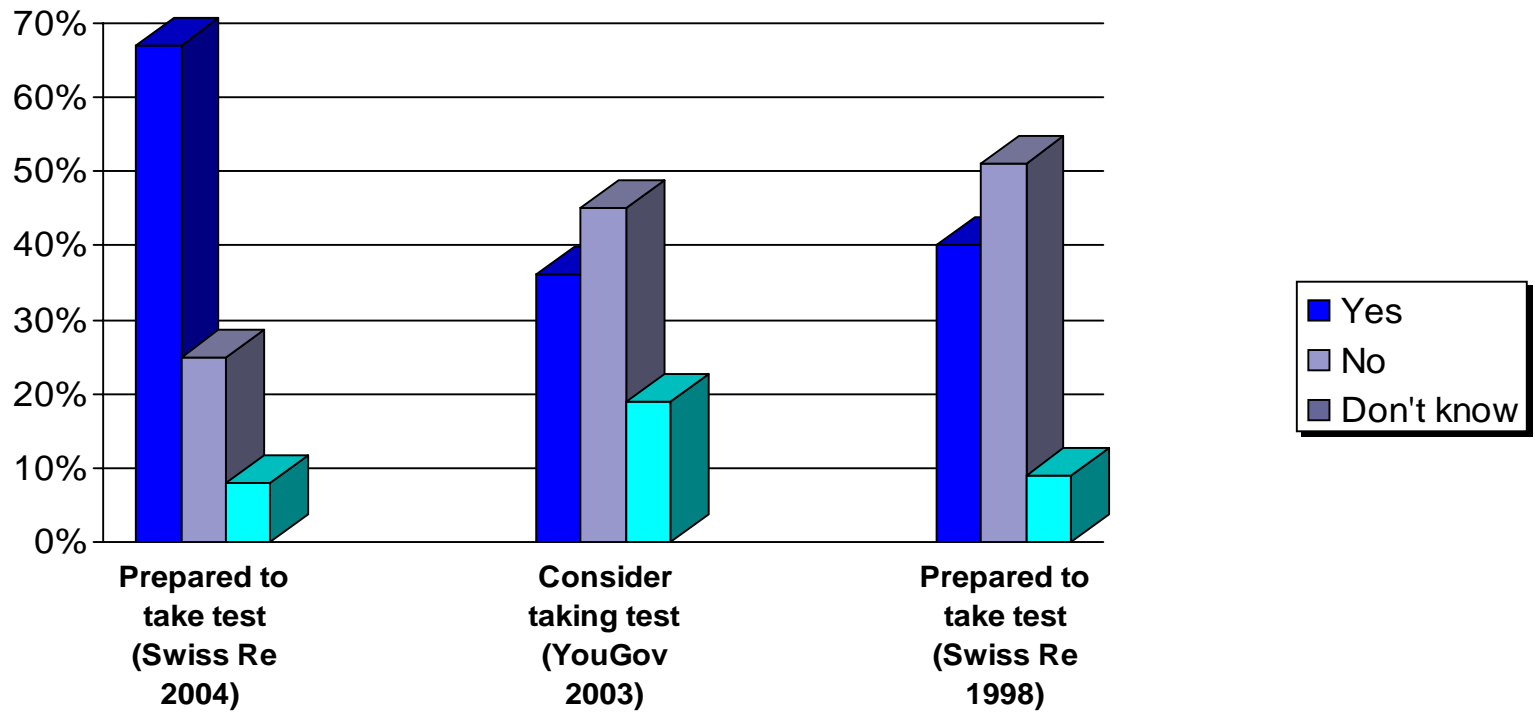


- Qualitative research revealed little belief that tests would lead to prevention

Source: *The Insurance Report, Swiss Re Life & Health, 2004*

# Personal attitudes towards being clinically tested

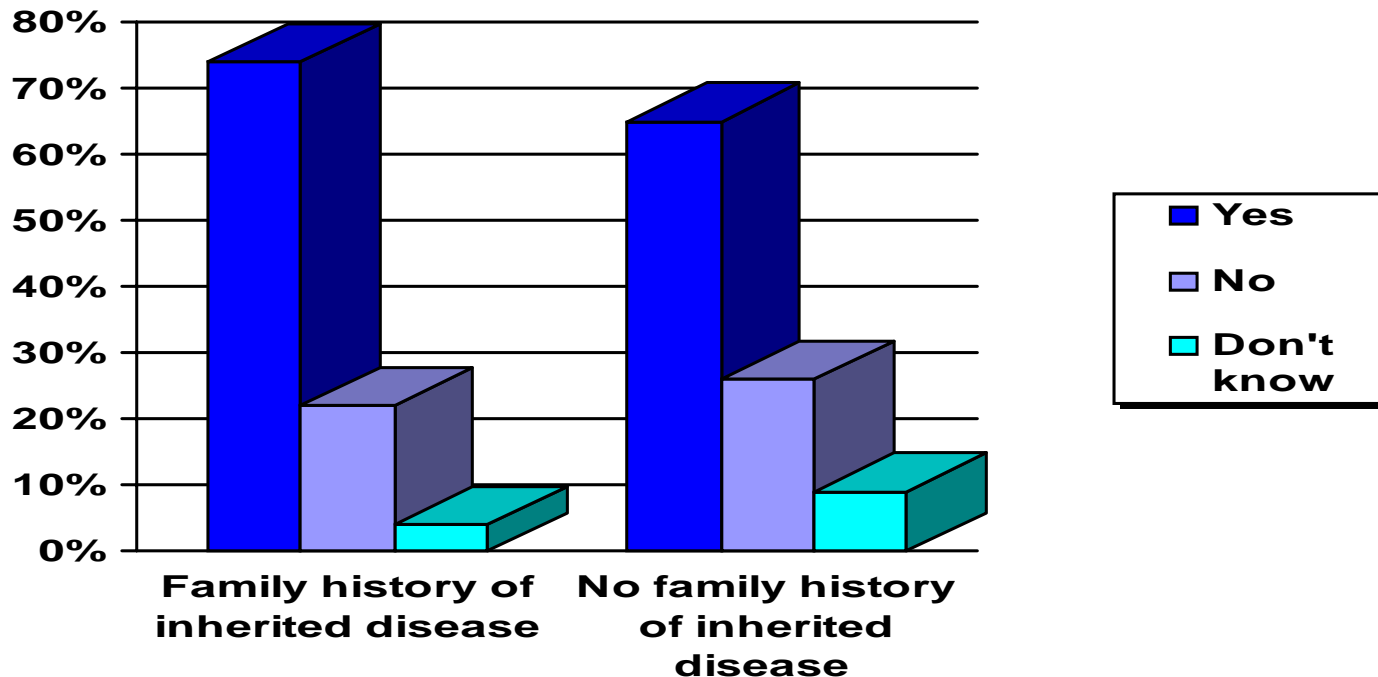
Would you be prepared to take/consider taking a genetic test, if testing were available?



Source: *The Insurance Report, Swiss Re Life & Health, 2004*

# Attitudes towards being clinically tested according to family history

Would you be prepared to take a genetic test if testing were available?



Source: *The Insurance Report, Swiss Re Life & Health, 2004*

# Motivational factors

**Why would you be prepared to take a genetic test?**

<b>Main factors</b>	<b>% those prepared</b>	<b>% whole sample</b>
Find out if susceptible	19%	13%
Curiosity/like to know	18%	12%
Provide information to family	14%	9%
Prevention	13%	9%
Family history (those with FH)	9% (32%)	6% (24%)
Plan for future	6%	4%

*Source: The Insurance Report, Swiss Re Life & Health, 2004*

# Motivational factors

**Why would you not be prepared to take a genetic test?**

<b>Main factors</b>	<b>% those not prepared</b>	<b>% whole sample</b>
Don't want to know	46%	12%
Moral/ethical objections-don't believe in it	18%	4%
Fear of result	12%	3%
Could affect insurance	10%	2%

*Source: The Insurance Report, Swiss Re Life & Health, 2004*

# Consumer quotes

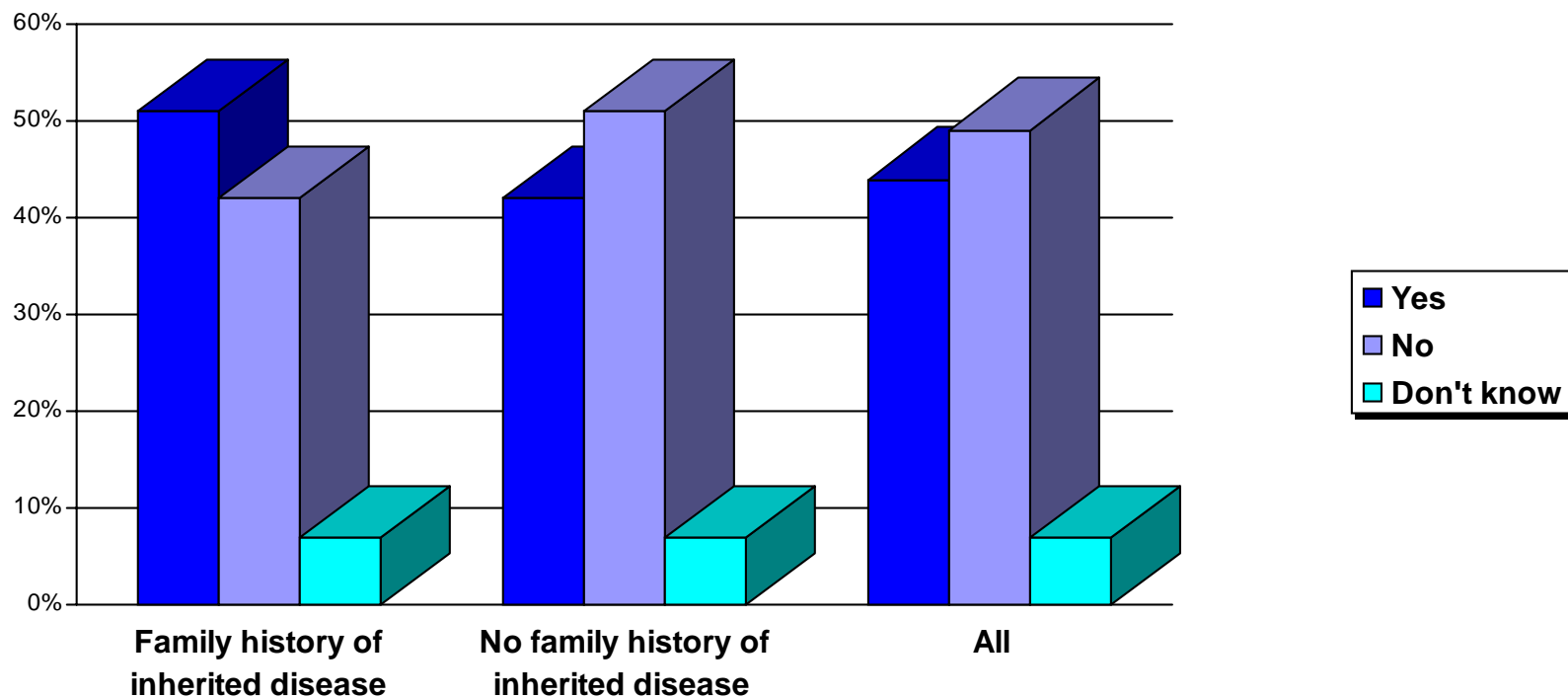
“My mum’s got cancer at the moment. She’s pretty ill and I would do that (be tested) now as a safeguard for me”

“I’d hate the idea of it. Can you imagine going into this place thinking you’re perfectly healthy and they do a genetic test and come back and say, by the way in about 10 years you’re going to be dead?”

*Source: The Insurance Report, Swiss Re Life & Health, 2004*

# Insurers' access to test results

Do you think that, with their consent, individuals should be asked to disclose the results when applying for life and health insurance?



Source: *The Insurance Report, Swiss Re Life & Health, 2004*

# Consumer quotes

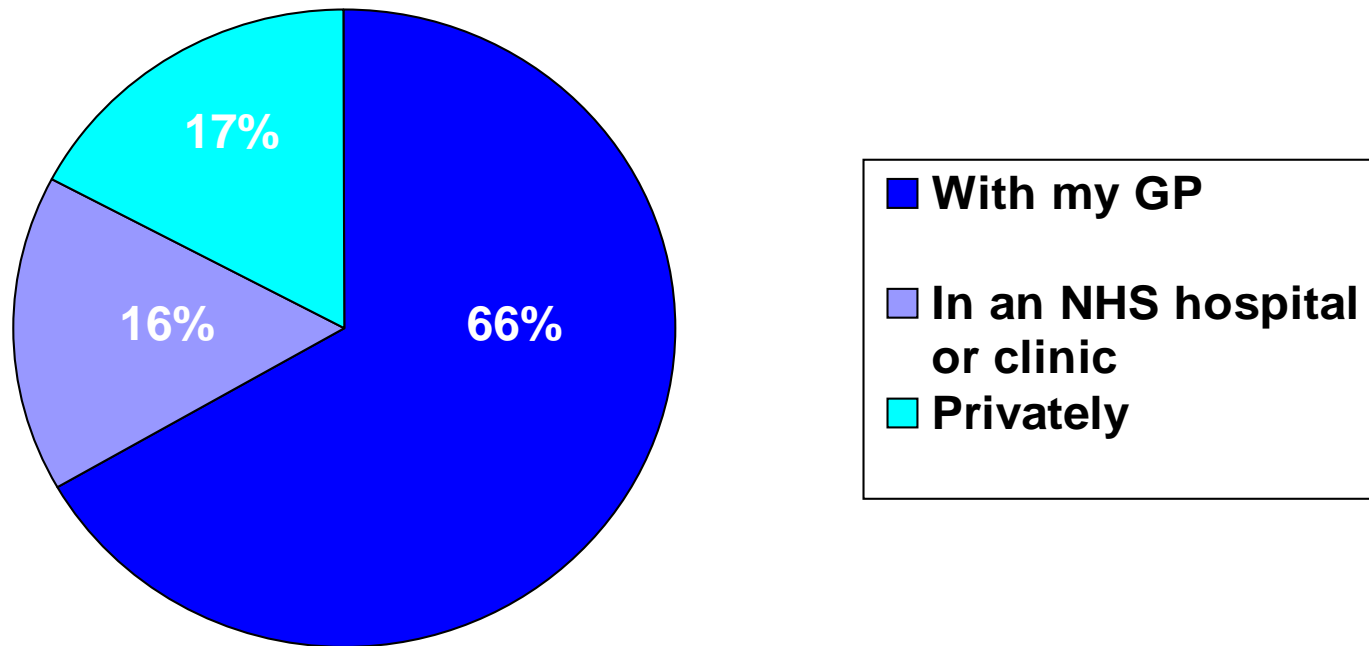
“If it’s not something that you have got at the time, then I don’t think you should have to declare it”

“I don’t think it’s about not wanting to hand the information over to the insurer, I think it’s more for what you might find out about yourself”

**Source: *The Insurance Report, Swiss Re Life & Health, 2004***

# Preferred provider for clinical testing

If you were to take a genetic test, how would you prefer to have this test conducted?



Source: *The Insurance Report, Swiss Re Life & Health, 2004*

# Consumer attitudes to underwriting

- Recognise insurers' right to access information material to the risk
  - less comfortable with inherited factors such as genetics but less knowledge and understanding to base their views upon
- Blanket rejection of universal pricing
  - not seen as value for money
  - believe that excluding unattractive risks would reduce premiums
- General acceptance that insurers should be told the truth...though not necessarily the whole truth!
  - main incentive to tell the truth is fear of discovery and rejection of the claim
  - easier to lie over the phone or internet than face-to-face

*Source: The Insurance Report, Swiss Re Life & Health, 2004*

# Consumer quotes

**“I don’t expect to pay the same amount as someone who’s constantly in and out claiming. I expect to get a personal premium”**

**“If you have got a family history of diabetes or whatever, I think that has got to come into it because you are a higher risk of them having to pay out and at the end of the day, they are running a business”**

**Source: *The Insurance Report, Swiss Re Life & Health, 2004***

# Consumer quotes

**“They’ve got a right to safeguard themselves.  
They’re not just there to be defrauded”**

**“I’m straight because if I come to make a claim and  
anything comes to light then they don’t pay you  
out”**

**“I’m not going to mess up my claim by a little fib”**

*Source: The Insurance Report, Swiss Re Life & Health, 2004*

# Consumer quotes

**“You have to pick and choose what you would divulge and what you wouldn’t”**

**“It’s a lot easier to lie when you’re not looking at the person”**

*Source: The Insurance Report, Swiss Re Life & Health, 2004*

# Use of genetic test results by insurers in Australia

- 6<sup>th</sup> Genetic Test Survey Report – April 2004
- Prepared for the Investment and Financial Services Association (IFSA) by the Institute of Actuaries of Australia
- Number of companies reporting: 24
- Applications revealing genetic test information in the last 6 month survey period: 0.07% (0.03% in previous 6 month period)
- Total number of genetic tests recorded (all reports combined): 423 (652 by policy class – life and health)
- Total number for life insurance: 270

# Analysis by test result

	<b>Genetic test result</b>				
<b>Condition</b>	<b>Negative</b>	<b>Carrier</b>	<b>Positive</b>	<b>Other</b>	<b>Total</b>
All	288	159	187	18	652
Breast Cancer	13	0	13	0	26
Huntington's Disease	42	0	6	0	48

*Source: IFSA Genetic Test Survey Report, April 2004*

# Positive test results – all policy classes combined (life and health)

	Underwriting decision (figures in brackets indicate that a factor other than the test result was the main reason for the decision)				
Condition	Standard	Non-standard	Deferred	Declined	Total
All	47	71 (26)	38 (16)	31 (21)	187
Breast Cancer	3	6	0	4 (4)	13
Huntington's Disease	0	2 (1)	0	4 (3)	6

Source: IFSA Genetic Test Survey Report, April 2004

# Positive test results – life insurance only

	Underwriting decision (figures in brackets indicate that a factor other than the test result was the main reason for the decision – no figures available for all conditions combined)				
Condition	Standard	Non-standard	Deferred	Declined	Total
All	27	32	11	7	77
Breast Cancer	2	1	0	1 (1)	4
Huntington's Disease	0	2 (1)	0	1	3

Source: IFSA Genetic Test Survey Report, April 2004