REFRAMING GENETIC DISCRIMINATION IN INSURANCE

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CONTENT

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GENETIC INFORMATION MATTERS IN INSURANCE

- Actuarial Fairness: Premiums are priced consistent with risk.
- Insurers consider it necessary to use genetic information to price insurance products. For a few reasons:

  1. Prevents information asymmetry, which leads to consumer adverse selection, and possible insurance death spiral.

  2. Insurance death spiral is bad.

  3. No insurance = no access, no consumption-smoothing, no conversion of uncertain risks to certain losses

REFRAMING GENETIC DISCRIMINATION IN INSURANCE

GENETIC INFORMATION MATTERS IN INSURANCE

- Opponents argue that the use of genetic information in pricing insurance premium is wrongfully discriminatory (i.e genetic discrimination). For a few reasons:

    1. Prevents access to the good of insurance for some individuals.

    2. These individuals pay higher share of the burdens to access insurance.

    3. Wrong on a range of accounts of discrimination.

REFRAMING GENETIC DISCRIMINATION IN INSURANCE

GENETIC DISCRIMINATION VS ACTUARIAL FAIRNESS
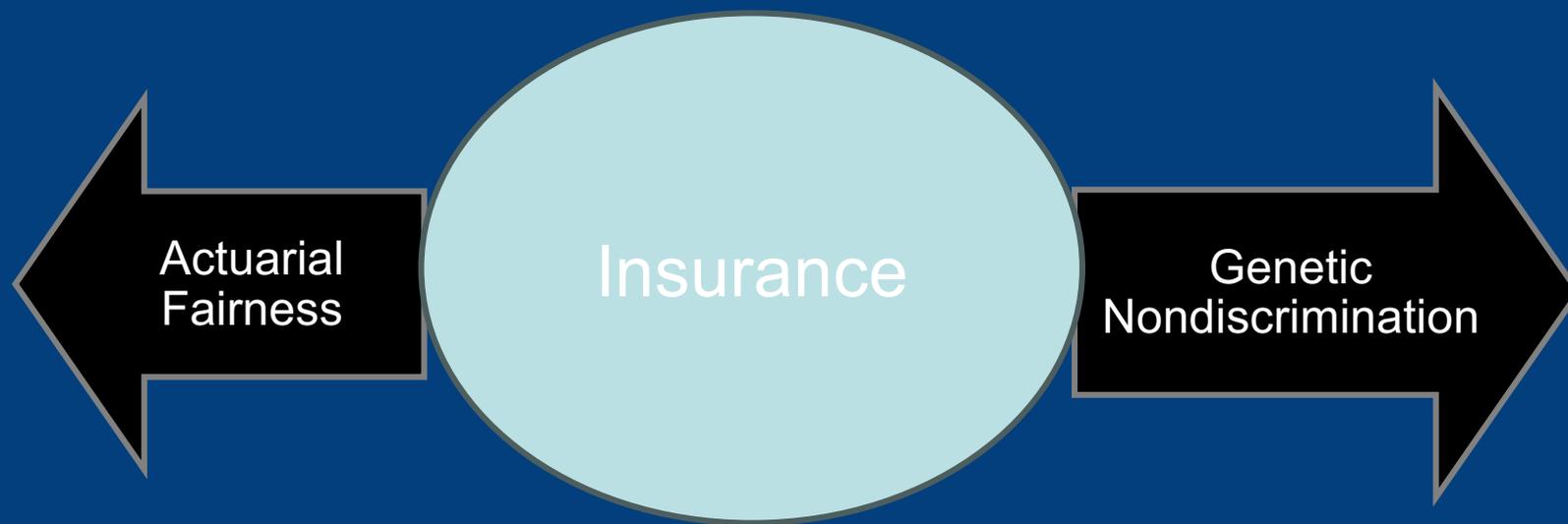
PROBLEMS WITH GENETIC DISCRIMINATION MODEL

– What about risks related to Age? Gender? Cancer? Postal Code? Genetic Information is not *uniquely* predictive.

– Why are *only* genetic factors worthy of protection from discrimination? No principled basis for special status.

– No satisfying answer without a commitment to genetic exceptionalism.

PROBLEMS WITH GENETIC DISCRIMINATION MODEL

- People are generally sensitive to the unfairness that arises when only some risk factors get protection while others don't.
  - Example from Singapore's national mandatory disability insurance scheme, which only adjusts by gender and age:

"Why stop at gender? Why not go on to race, occupation, or what have you? You can find risk differences along all sorts of lines *if you look for them*."

PROBLEMS WITH GENETIC DISCRIMINATION MODEL

- The discrimination model has contributed to a variety of policy inconsistencies.

- Such as, a ban on using all genetic information except for…

  UK: Huntington's for life insurance

  SG: Huntington's for life insurance, disability insurance, long-term care insurance. BRCA1/2 for critical illness, disability insurance, long-term care insurance.

THE ADEQUACY VIEW

- We think that opposing actuarial fairness requires that we reframe our position to one that emphasizes adequate access to adequate levels of healthcare, instead of on discrimination based on risk factors.

- We should aim to eliminate barriers to healthcare access— whatever they may be. This normatively grounds protections against the use of genetic information in some contexts and under some conditions, but not in others.

REFRAMING GENETIC DISCRIMINATION IN INSURANCE

THE ADEQUACY VIEW

- Health as primary policy goal
- Broad justification across moral theories
- Avoid narrow focus on genetic traits

THE ADEQUACY VIEW

- Broad justification across moral theories [Daniels (2008), Sen (1999), Nussbaum (2006) etc.]

- Avoid narrow focus on genetic traits, solidarity across risk traits should be operationalised via broad access.

- Does not imply that genetic discrimination is not wrong. Rather, legislation and policy on genetic discrimination should be chiefly guided by the expansion of healthcare access rather than on curbing any and all instances of genetic discrimination.

THE ADEQUACY VIEW

- Health as primary policy goal
- Broad justification across moral theories
- Avoid narrow focus on genetic traits

THE ADEQUACY VIEW IN PRACTICE

- The right laws to implement depends on the existing system of healthcare distribution, rather than banning genetic discrimination outright:

- 1. Private insurance (e.g. Market model): genetic discrimination can do the most harm because losing insurance means losing access to care.

- 2. Universal Public Healthcare (e.g. Beveridge model, Semashko model): Everyone is covered for essential care by default. Whether a private insurer discriminates on the basis of genetic information might be less crucial.

THE ADEQUACY VIEW

- 3. Mixed systems (e.g., Bismarck model, two-tier model, multi-payer or regulated private insurance as primary coverage): Some degree of solidarity is enforced by law through mandatory insurance or tax-based healthcare. Discrimination is off the table for the mandatory insurance product. The issues remain in peripheral products and how society conceives their importance to health.

ADEQUACY VIEW UPSHOTS

1. Recall the insurance death spiral? Adequacy view give us justification for wanting to avoid it.

2. Justifies the existence of "luxury" insurance pools.

3. Arbitrary thresholds for risk, evidence of risk and insurance value size for targeting certain risk factors can be justified under the adequacy view if such targeting proves to expand access.

CONCLUSION

1. The use of actuarial fairness in insurance is problematic.

2. "Genetic discrimination" is a problematic justification for a range of legislation that has been enacted to protect some risk profiles from higher premiums.

3. A realignment is needed with an emphasis on expanding access to health.

THANK YOU

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