

# Genome testing poses challenge for insurers

## Will Test 'Duty To Disclose' Principle Buyers Must Adhere To Under 'Utmost Good Faith'

Mayur.Shetty@timesgroup.com

**Mumbai:** Prospects of cheap genome tests that can forecast health risks pose a dilemma to insurers and other businesses. Industry people feel that the development could trigger an overhaul of the 'duty to disclose' that insurance buyers have been subject to for nearly a century.

On Thursday, Reliance Industries announced a comprehensive genome sequencing kit at Rs 12,000. Till now, these tests cost around Rs 1 lakh. The tests will reveal an individual's predisposition to several critical ailments.

A basic issue that insurers must address is whether health policies will cover genome testing. "Ultimately, it must help in further treatment, and to that extent, it becomes diagnostic," said Segar Sampathkumar, who formerly headed health insurance at state-owned New India Assurance.

According to KK Srinivasan, former member of Ir-dai, the issues go far beyond insurance. "DNA data is very intrinsic and private. Without safeguards, getting commercial entities to get DNA data can have dangerous and unintended exploitation and consequences. The privacy laws in our country are very ineffective

### QUESTIONS OVER PREVENTIVE ACTION

► Will health policies cover genome testing as a diagnostic tool?

► Will insurers cover preventive action like the surgery Hollywood actor Angelina Jolie underwent after discovering she was susceptible to breast cancer?



► Will insurers be able to tackle issue of buyers selecting covers based on outcome of genome tests?

and premature," he said.

Currently, most insurers do not consider genome tests either for underwriting or as a diagnostic as these are still early days and they are expensive. "If a customer has to undergo genome testing as recommended by a medical practitioner, the results will not interrupt their policy continuity," said Bhaskar Nerurkar, head of health administration team at Bajaj Allianz General Insurance. But insurers are not yet talking about those who would have taken the tests before submitting their proposal.

The US has laws against discrimination based on such tests. India has historically had a 'duty of disclosure' under the principle of 'ut-

most good faith', but that is getting diluted. "Utmost good faith is an old concept followed more in the breach than in compliance, and the law has undergone a lot of change in the UK where the insurance law has been amended, and there is no longer the duty to disclose which was there nearly a 100 years earlier," said Sampathkumar.

"In India, the Supreme Court has said something similar in the Manmohan Nanda versus United India case in 2015. The apex court said that if any query is left blank and the insurer accepts the proposal, the insurer cannot at a later stage say there was a suppression or non-disclosure of material fact," he added. Another issue is whether insurers will cover preventive action like the surgery that Hollywood actor Angelina Jolie underwent after discovering she was susceptible to breast cancer. According to a private insurer, such an operation may not be covered as genome tests are not considered conclusive.

Insurers also have to address the issue of buyers selecting covers based on the outcome of the tests. While in indemnity policies, there is little that the insured can do with prior knowledge, in benefit policies people can try and game the system.