



March 30, 2022

RE: SB 247 An act relating to prohibiting discrimination based on genetic information

While understanding the good intent of SB 247, Pacific Life Insurance¹ is concerned that SB 247 will increase life insurance and long-term care prices, potentially limit the availability of said products, and rob those seeking life insurance coverage of the ability to use their genetic information to their advantage.

Underwriting helps to keep life insurance affordable. As drafted, SB 247, places restrictions on the use of genetic information, including family history, in the life insurance underwriting process. Incomplete access to medical information limits the underwriting process which can cause increased prices and restrict product offerings. Underwriting consists of the confidential assessment of an applicant's complete medical record, which may include genetic information, and family history. Underwriting based on family history is a long-standing practice in all 50 states. Life insurance is also available on a guaranteed issue basis (e.g. no or limited underwriting) but it is generally more expensive than fully underwritten policies.

Life insurers want to extend life insurance coverage to as many people as possible. According to LIMRA, 93 percent of people qualify for life insurance the first time they apply. Life insurers are not looking for reasons to decline people but are seeking the most complete applicant health information available.

Prohibitions on the use of genetic information in the insurance policy evaluation process could rob consumers of the ability to use their genetic information to their advantage. Advances in genetic science are improving health care in America, giving doctors a better picture of their patients' true medical conditions. These advances improve doctors' ability to treat their patients. Advances in genetic science also empower consumers to better control their health and their lives overall. This means they can use genetic information to get coverage at lower prices on life insurance, long-term care insurance, and disability income insurance.

Pacific Life urges you to consider the potential negative impacts on SB 247 on those seeking life insurance coverage. Pacific Life supports laws, legislation, and regulations that permit insurers to underwrite for life and long-term care insurance using any relevant health information, including genetic information, based on sound actuarial principles or actual or reasonably anticipated experience. Given the long-term nature of our products, accurate underwriting is key to minimizing the risk of adverse selection and to ensure that companies can honor their obligations to current and future policyholders and beneficiaries. We appreciate the opportunity to provide the following comments and thank you for consideration of our views.

¹ Pacific Life is a Fortune 500 company that helps Americans with their financial needs. Pacific Life offers a wide range of life insurance products, annuities, and mutual funds, and offers a variety of investment products and services to individuals, businesses, and pension plans.