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Sent: Thursday, February 10, 2022 10:50 AM
To: Ann Cummings <ACUMMINGS@leg.state.vt.us>
Cc: Kisicki, Emily G. <Emily.G.Kisicki@vermont.gov>; Faith Brown <FBrown@leg.state.vt.us>
Subject: S.247 DFR Clarification and Proposed Revision

Dear Senator Cummings,

I am writing to correct and clarify my testimony on February 3rd, as well as request a revision to the current language in S.247.

During my testimony a question arose as to whether an individual may purchase a life insurance policy in Vermont without having residency in the State. After researching the issue, Vermont law does not require an individual purchasing life insurance within the state to be a resident. It does require the individual purchasing the policy to be physically located in the state at the time of application if the policy is issued in Vermont. Therefore the example of an individual coming to Vermont to purchase life insurance could occur, but the individual would have to be physically present in the state to apply and have the policy issued subject to Vermont law.

The request for revision concerns the use of family medical history in the underwriting process. S.247 expands the definition of “genetic information” to include “the manifestation of a disease or disorder in a family member of the individual [insured]”. By expanding the definition of genetic information to family medical history, the bill prohibits all insurers, aside from life insurers, from using family medical history. Under current Vermont law, family medical history is used to underwrite not only life insurance but also other supplemental health lines such as disability income and long term care. Were there to be a prohibition on the use of family medical history for those lines it would be a departure from long standing underwriting processes. Family medical history, especially diseases that have manifested in family members, is important information to underwrite long term care and disability income policies based on the risks that these lines are insuring and the long term duration of these policies. The purpose of the bill to prohibit discrimination based on an individual or family members genetic information would not be impacted by either modifying the genetic information definition to not include the family medical history language or creating a similar carve out for other affected lines of insurance in Section 4 and 6 of the bill. It is important to note that Section 2 of the bill prohibits major medical insurers from using family medical history. The Department supports this provision and acknowledges that major medical insurers are not now allowed to underwrite based on any health information including genetic information or family medical history.

I would be happy to come and speak to the committee again regarding the bill or to help clarify the Department’s additional comments here.

Sincerely,

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