

# Life Insurance Reform Frequently Asked Questions



*Last updated: 13 Jan 2026 (This summary reflects the current stage of the life insurance reform bill. Further updates will be added as more clarity emerges.)*



## 1. What is this new bill and why does it matter?

The bill will ban life insurers from using genetic test results that predict risk of future disease in underwriting decisions (i.e. their decision to insure you). This protects people from being denied cover or charged more because of a genetic test result that indicates an increased health risk. Some people avoid genetic testing because of these fears; the bill aims to remove that barrier.

## 2. Does this affect health insurance?

This legislation will not affect health insurance. Health insurance is already community-rated, meaning health risks (including genetic risk) are not used to set prices or deny cover. This current reform only affects life, trauma, total permanent disability (TPD) and income protection insurance.

## 3. Next steps: what to expect and when?

- Bill was introduced to Parliament (House of Reps) in Nov 2025.
- Senate committee will review the bill in early 2026.
- Bill expected to be passed in early-mid 2026.
- Law will come into effect approximately 6 months later; likely by late 2026.

## 4. What does the bill change?

Once the bill is in effect, insurers won't be able to:

- Use your genetic test results or information about your genetic risk to inform decisions around insurance applications or the cost of your premiums.
- This includes information about:
  - Whether you or your genetic relative has had genetic testing, or
  - Whether you have considered, been recommended or plan to get genetic testing.



If you voluntarily provide your genetic result, insurance companies can use this information to inform their decision making, as long as they do not use it in a way that disadvantages you. This can help people for whom genetic testing has confirmed they do not carry a known pathogenic familial variant (a specific gene change known to run in their family), to show that they are not at increased familial risk. If you provide your genetic result and it shows you do have increased genetic risk, the insurer still can't use it to make a decision that disadvantages you, even if you provided it voluntarily.

## 5. What does the bill not change?

Insurers will still be able to use the following information to inform their decisions regarding insurance applications and premiums:

- Your clinical diagnosis of disease (e.g. if you already had cancer), even if that disease was diagnosed through a genetic result, and
- Your first-degree family history of disease (parents, siblings, children). This does not include wider family history, and they cannot use your relatives' genetic test results that predict future disease – only diagnoses of disease in first-degree relatives.

## 6. How does this affect people who haven't had genetic testing yet?

Once the law is active, people can have genetic testing without worrying about insurers using results against them.

However, delaying testing just for insurance reasons may not be advisable if someone has a strong family history or a higher likelihood of inherited risk, as genetic testing still has the potential to save lives. For example, if a parent or sibling or child has a gene change that increases the chance of cancer, there is a significant chance you may carry the same gene change. In this situation you may choose to have genetic testing to clarify your own risk. If you have the same gene change, you can then take proactive steps to manage your health. You may decide that, in this situation, clarifying your risk and taking steps to look after your wellbeing is more important than delaying testing because of insurance implications.

Unfortunately, we often don't know who has an increased inherited risk until genetic testing has been done. While insurance considerations are important, it's also important to weigh them against the potential health benefits of knowing about inherited disease risk.



This is a personal decision, with no right or wrong answer. It is important that individuals consider all their options and make a decision that is best for their circumstances. Speaking to a genetic counsellor or health professional may help you make an informed decision.

## **7. How will it work for people who had testing years ago but never applied for life insurance?**

Once the law takes effect, insurers cannot ask about or use past genetic test results, even if you took the test before the law was passed. They may still ask about family history in first-degree relatives and clinical diagnoses of disease.

## **8. Does the reform apply to existing policies?**

The reform will not apply to existing policies. The law applies prospectively (going forward), not retrospectively (affecting previous actions). This means that if someone already has exclusions or loadings, these will not automatically change with the new law and insurers will not be required to remove them going forwards.

However, people can choose to apply for a new policy once the law is active, that can be underwritten without the inclusion of genetic information.

It is important to note that an individual's age may affect premiums, irrespective of the reform.

## **9. What if someone took out life insurance before having genetic testing?**

If someone already has life insurance in place before they have genetic testing, they are already protected; they do not need to disclose subsequent genetic tests to their insurance company.

Once the law takes effect, they will also be able to change or increase their policy without disclosing their genetic result (which they can't currently do without risking their genetic information being used).

## **10. How will this protect future generations?**

As a result of this reform, children and future adults will grow up in a system where genetic testing information cannot be used by life insurers. The law will undergo a mandatory review every five years to ensure it continues to serve the Australian community.



### Thinking through your options?

This reform is an important step in protecting people with inherited cancer risk. As the process continues, decisions around life insurance and genetic testing remain personal.

If you're weighing up next steps, our **Inherited Cancer Support Service**, led by a genetic counsellor, can help you gain clarity around inherited cancer risk and family health history. You can also **find a genetic service through the HGSA or CGE directory**.

The **ICA community** is also available for shared experiences and support.

### ICA Support



**Inherited Cancer  
Support Service**



**Peer Support  
Program**



**ICA National Online  
Support Groups**

### Find a Genetic Service



**The Human Genetics Society  
of Australasia (HGSA)  
Directory**



**Centre for Genetics Education:  
Genetic Service Finder**