



21 January 2026

Senate Standing Committees on Economics

PO Box 6100

Parliament House

Canberra ACT 2600

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Dear Committee Secretariat,

### **Consultation – Genetic Testing Protections in Life Insurance and Other Measures**

The Financial Advice Association of Australia<sup>1</sup> (FAAA) welcomes the opportunity to provide feedback to the Senate Economics Legislation Committee on the Treasury Laws Amendment (Genetic Testing Protections in Life Insurance and Other Measures) Bill 2025.

#### **FAAA position on the Genetic Testing ban in summary**

As previously stated in submissions on this topic, the FAAA supports the Government taking action to provide Australians with greater confidence to undertake genetic testing and to participate in health or medical research. We recognise that to some extent, concerns around the implications that genetic testing results may have on obtaining life insurance, have influenced some people in their decision to engage with genetic testing. It is appropriate to provide greater certainty.

We do, however, recognise that life insurance is a pooled arrangement, and increased claims for new policy holders leveraging these reforms, will have an impact on the pricing of life insurance cover for all policy holders, particularly existing policyholders who have already been subject to large premium increases in recent years. We are concerned about the potential impact of this reform on the cost of life insurance for all Australians. The legislation places no restrictions on how much cover people who have concerning genetic testing results can seek to obtain, despite having full knowledge of the likely consequences of those genetic testing results. This could, over time, have a material impact on life insurance claims. Whilst some might consider this to be a low risk at this stage, it is important to be conscious that genetic testing and other predictive forms of medical testing can only be expected to improve over time. Thus, the risk could grow significantly.

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<sup>1</sup> The Financial Advice Association Australia (FAAA) is the largest association representing the financial advice profession in Australia, with over 10,000 members. It was formed in 2023 following the merger of the two leading financial planning/advice bodies in Australia – the Financial Planning Association (FPA) and the Association of Financial Advisers (AFA). With this merger, a united professional association that advocates for the interests of financial advisers and their clients across the country was created.

The FAAA has previously made submissions on this matter with respect to our concern about the potential consequences of this reform for the cost of insurance for existing policyholders, who our members are representing and seeking to maintain cover, despite ongoing premium increases.

Whilst we are aware that there are some who have strongly advocated for this reform, believing that it will make life insurance more readily available to people who have concerning genetic testing results, this may not be the case. Often people seeking genetic testing are doing so in response to clinical testing results confirming the existence of health conditions being suffered by family members. These clinical results of family members will continue to be accessible through underwriting and will impact the availability and cost of life insurance. The genetic testing information protections will only directly benefit those policy applicants who have obtained concerning genetic testing results who do not have a poor family history of disease and illness.

We welcome the fact that the ban will be subject to a review after five years and we request that this review gives careful consideration to the consequences for existing policyholders in terms of premium increases and the prevalence of this reform being used as a means of people seeking access to life insurance payouts that they would not have had access to in the absence of this reform.

### **Feedback on the Legislation**

We appreciate that some of the issues that we raised in our submission in October 2025 with respect to the exposure draft, have been addressed. Our further specific feedback is as follows:

- We are concerned that the requirement to exclude protected genetic information will impact the role of medical practices in responding to underwriting requests. This might mean a much more careful review of patient files before responding to underwriting requests. This could lead to delays in doctors responding to requests for underwriting information or a material increase in the cost for them responding.
- We support the use of an ASIC approved form for the provision of consent by the client to the issuing of protected genetic information to the insurer, however with a six month implementation period, it will be essential that ASIC consults on this very early, engages in a very constructive manner and issues the form well in advance of commencement. Otherwise, the life insurers will need to develop their own forms and if ASIC does later issue a mandated form, then this will add significant cost as part of the transition.
- In terms of the inability for any disclosed genetic testing information to be used to the disadvantage of the insured, we continue to pose the question of what the life insurer is expected to do if the disclosed genetic testing report includes information that both increases the risk for the client and also decreases the risk? Are they expected to ignore the concerning information and only use the positive information? This seems to lack balance and could work to the disadvantage of other policy holders.
- The transitional application of these amendments to the ICA Act seems to force a life insurer to ignore information that they received prior to the commencement day for any decisions they make after the commencement day (Item 4(1)). This evidently would provide

an opportunity for existing clients to renegotiate existing contracts on the basis of disregarding the genetic testing information. This seems to be a challenging situation for the insurers. Further Item 4(2) of the Application of amendments suggests that the ban on using genetic testing information in underwriting decisions would apply with respect to a variation to an existing contract, other than an automatic variation (as stated in the Explanatory Memorandum). This all seems to suggest that a life insurer would be forced to disregard information, that they received and acted upon prior to commencement, in the consideration of any application to vary existing insurance. A client who has a premium loading or an exclusion, on the basis of genetic testing information, that was known prior to commencement, could seek to double or quadruple their level of insurance, and the life insurer would seemingly be forced to disregard the genetic testing related underwriting information that they already have with respect to that increase. This is an outcome that is very favourable to the impacted policyholder, but disadvantageous to other policyholders. There is evidently no limitation on how much cover they could seek.

### **Feedback on Repealing Stage 2 financial adviser registration**

Recommendation 2.10 of the 2019 Hayne Royal Commission final report on 'A new disciplinary system' stated that "the law should be amended to establish a new disciplinary system for financial advisers that requires all financial advisers who provide personal financial advice to retail clients to be registered..."

The Financial Adviser Register has operated since March 2015, and is a public register that includes information on a financial adviser's authorisation to provide financial advice and includes extensive detail on their authorisation history, education and other matters. It was not evident to many what benefit this additional requirement to be individually registered would provide. Ultimately stage 1 of this process was implemented and advisers were required to both be authorised by their licensee, with their licensee notifying ASIC of this situation, and be registered with ASIC (which was also undertaken by their licensee). The difference and the requirements for two separate processes has not been well understood. Nonetheless, it has been implemented and with the exception of a few cases where a licensee completed one process, however failed to complete the other, it is, in large part, now working, even if inefficient in the sense of the duplication.

It is unclear what benefit would be obtained by requiring this process to move from one where the licensee registered the adviser, often as part of a bulk process, to one where the adviser needs to individually register with ASIC and renew on an annual basis.

As has been suggested, as a result of abandoning the Modernising Business Registers program, progressing with stage 2 would necessitate investment in new technology, which would likely come at a very significant cost.

The FAAA supports the decision not to proceed with stage 2 of individual financial adviser registration.



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## Conclusion

The FAAA is supportive of measures to remove perceived restrictions on people undertaking genetic testing, however we are concerned about how this reform could work to the disadvantage of other life insurance policy holders. We continue to advocate for measures to reduce the risk of this reform being used by people to access large levels of cover or to increase their existing life insurance, where they have genetic testing results indicating a significantly increased probability of claiming on that cover and as a result disadvantaging other policyholders.

Please contact me on (02) 9220 4500, or via [phil.anderson@faaa.au](mailto:phil.anderson@faaa.au), if you have any questions or if we can provide further information on any of the points raised.

Yours sincerely,

A handwritten signature in black ink that reads 'Phil Anderson'.

**Phil Anderson**  
General Manager Policy, Advocacy and Standards  
Financial Advice Association of Australia