

# The Impact of Genetic Testing on Insurance

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## Abstract

Life Insurers in Japan don't request genetic tests and need not see the results of previous tests. However, if genetic testing becomes widespread in medical treatment then the buying habits of the people may change. The change in buying habits could have significant effects on private insurance systems in which premiums are related to individual risks. Although underwriting is essential in a voluntary insurance market to prevent adverse selection, there are many fears of genetic discrimination and concerns about misuse of genetic information. Is the use of genetic information to exclude high-risk people from private insurance systems by denying coverage or charging high rates considered to be cream skimming or discrimination?

### < Key Words >

**genetic testing**

**genetic discrimination**

**underwriting**

**adverse selection**

**Huntington's disease**

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