AIDS – THE BRITISH INSURANCE RESPONSE

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I am pleased to respond to Dr. Elder’s invitation to contribute to this ALIMDA international issue in the first year of the second century of ALIMDA’s history.

I wish I had a century to prepare this article in pursuit of our eminent Editor’s Award in Insurance Medicine Journalism Excellence but, alas, time eludes me. Nevertheless, I hope this short resume will ensure a British presence in an issue, that I know under John’s direction, will be rich in experience of worldwide insurance medicine.

Probably, the greatest issue to threaten the insurance market worldwide in recent times, is the threat of AIDS on our mortality and morbidity experience. At the same time, this pan epidemic poses human sensitive problems.

The Life industry is based on long-term predictability of mortality and morbidity and we find ourselves struggling to deal with the unpredictable where AIDS is concerned.

The advantage of Risk Management is that it can be controlled and managed. One is not so passively caught up with the climatic changes, as with investments and expenses and so the British doctors, underwriters and actuaries, some few years ago, set to work on their AIDS strategy. We had the benefit of a short lead time over our North American counterparts before this lethal disease hit our shores.

The Insurance industry was the first British commercial organization to take a stance against AIDS. Our bold first steps are paying off, in that it is now widely recognized that we had to protect our funds in the interests of our policyholders and jealously guard our principle of equity. In less than two years, the British industry had moved from a position where some major companies were unwilling even to mention AIDS on their proposal forms to one where most have adopted an explicit supplementary lifestyle questionnaire.

The Association of British Insurers (ABI), the industry’s trade association, is playing a major role in co-ordinating our response to AIDS. Although companies are competitors in the underwriting of impaired lives, it was felt that with regard to AIDS, companies should work together as this was such a complex and sensitive issue posing a great financial threat. The Medical Affairs Committee of the ABI balances the concerns of the ceding companies, large and small and the more exposed position of the reinsurers, before recommending the guidelines.

It is a continuous hard struggle, but we are managing, by our united front, to keep at bay those Government, medical and consumer bodies who have opposing views to our practices and, although challenged, our procedures have so far not proved wanting. We are taking every opportunity with Government departments and the media to put our case and commonsense and understanding are prevailing. We have even developed a certain mutual understanding and respect of each other’s stance with such organizations as the Higgins Trust which represents the AIDS sufferers. Sincerity is the best form of communication and the way forward.

We must have courage to stand up and defend our procedures. This, we have done in presenting our case to the Social Services Select Committee on AIDS at the House of Commons in 1987 and again to the All Party Parliamentary Select Committee on AIDS at the House of Lords in 1989.

Our AIDS strategy:
1. Increased reserves
2. Increased/variable premiums
3. Removal of high risk options
4. More stringent underwriting
   • Proposal Form questions
   • Lifestyle questionnaires
   • HIV blood tests
   • Exclusion clause for Permanent Health Insurance and certain Term Assurances

As we certainly will not be able to price ourselves out of trouble, we have turned to more stringent underwriting and claims control. Companies that have allowed their underwriting and claims terms to be neglected in the past decade are not facing the problems of building strong terms again to deal with AIDS, when there is a shortage of experienced underwriting and claims managers. Imagine that actuaries are talking to underwriters again and the Institute of Actuaries is taking the treat most seriously. The invisible hand of the underwriters is being recongized once more.
Proposal Form

Most companies have adopted the ABI's recommended question:

Have you ever:

(i) been counselled or medically advised in connection with AIDS (HIV) or any sexually transmitted disease?
(ii) had an AIDS (HIV) blood test?

If so, give full details

A major concern has been raised that this question on proposal forms can frighten people away from attending their family doctors for lifestyle problems. This fear has not been substantiated by hard evidence and the sexually transmitted disease clinics are very busy. We do listen to people's opinions and attitudes but at the end of the day, the Insurance industry, under the guiding hand of the Chief Medical Officers, must be allowed to get on with the job, otherwise, this would be against the public interest. The underwriters are once again sifting the minutiae and by their training, are better able to judge what is relevant than the proposer. We are confident that we have the public with us.

Lifestyle Questionnaire

The AIDS question in the proposal form is a "trigger" question which can lead to the following supplementary lifestyle questionnaire in certain circumstances:

Do you belong or have you belonged to any of the following AIDS high risk groups?

(a) homosexual men
(b) bisexual men
(c) intravenous (iv) drug users
(d) haemophiliacs
(e) sexual partners of the preceding groups

The ABI Recommended Sums Assured Limits for Lifestyle Questionnaires and HIV Blood Testing

<table>
<thead>
<tr>
<th>Life Cases</th>
<th>ROUTINE Lifestyle Questionnaire</th>
<th>HIV Blood Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single males (includes divorced and separated)</td>
<td>£75,000</td>
<td>£150,000</td>
</tr>
<tr>
<td>Married males (including widowers) with discretion</td>
<td>£150,000</td>
<td>£150,000</td>
</tr>
<tr>
<td>All females</td>
<td>£250,000</td>
<td>£250,000</td>
</tr>
</tbody>
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Some companies have lowered the limits for lifestyle questionnaires for single males.

It has also been claimed that HIV blood testing for insurance purposes is against the public interest. This claim must be weakened now that the Government has approved widespread anonymous HIV blood testing, commencing in the antenatal and sexually transmitted disease clinics. The testing is not strictly anonymous in that the patients are advised of the scheme by Hospital notices and can refuse to allow the blood to be used for this purpose.

There is a strict code of practice for HIV blood testing in the insurance industry which has been agreed between the British Medical Association and the Association of British Insurers. Pre-test counselling must always be given to ensure that we have obtained information written consent and post-test counselling takes place for all positive results.

Family Doctors' Reports, PMA

The patients' records span from cradle to grave and are another useful tool in the assessment of AIDS. We do not ask the doctors to speculate, as sometimes suggested, but only to record the relevant medical facts, if known. If lifestyle is relevant in the clinical assessment, and is known, then it is also relevant to the insurance medical assessment. There are many sensitive issues in medicine and confidentiality must be preserved and be the responsibility of the doctors if we are to protect our freedom to underwrite. This is in the best interests of the insuring public and equity should be the hallmark of every underwriter.

To justify our procedures and response to change, we instigated our first pilot monitoring survey across the industry. It covered a four month period from 1st September, 1988 to 31st December, 1988. We were just setting up our HIV testing procedures and finding our way. 5058 tests were requested and monitored by the underwriters from 53 companies, of which 110 applicants did not attend. There were 459 tests outstanding at the end of the survey period. Thus, we have the results for 4489 proposers, 17 of which were found to be positive. Jobs were spread across the spectrum, with only 5 jobs triggering a high risk pointer. There were 16 males and 1 female.

Our survey findings of a 0.38% prevalence, just tops the Government Cox's report prevalence of 0.34% excluding females. It is worrying, as one would expect that those knowing that they were positive would not have submitted for the test. This demonstrates how vulnerable we are to anti-selection. The monitoring survey is now continuing under the auspices of the Life Underwriters' Club.

We are doing all we can to eliminate unnecessary fears with regard to AIDS and the role of insurance. The Association of British Insurers has issued information leaflets to doctors and the public and specially designed information leaflets for hospitals involved in HIV surveys. We must not let up in our endeavours to keep the public's trust and preserve our market to meet the needs of our policyholders. The doctor is central to this.