MICROECONOMICS 3
DEBATE MATERIAL

Genetic testing in insurance

Two teams participate in the debate: the Supporters and the Opponents of using the results of genetic testing of (potential) clients by insurance companies. Prior to the debate each team should gather as many arguments supporting their position as possible. They should also specify the proposed regulation: which companies, under what conditions, should have access to whose results, in what way – directly, conditional on the client's voluntary consent, conditional on the consent of the client's physician, etc.; to whom can they disclose this information (to other companies – which ones, the client's relatives, the client's physician, etc.)?

What are the questions?

The key concept to be comprehended is the adverse selection problem in insurance (mainly life, health, and retirement insurance). It is therefore necessary to relate, inter alia, to problems connected with adverse selection and methods of counteracting it, discussed in class. While searching for arguments and preparing yourselves to resist the argumentation of the opposing team, the following aspects should, inter alia, be taken into account:

- genetic testing is very costly;
- genetic factors are seldom the sole, perfect predictors of the occurrence of a certain illness;
- some people may not be willing to get to know the risk of contracting an illness;
- persons having a higher risk of contracting a serious illness may become de facto uninsurable;
- getting to know the results of genetic testing may help to choose the adequate lifestyle, diet, medical treatment etc. with the aim to limit the risks involved;
- this concerns not only the given patient but also his/her relatives;
- the information acquired by the insurance company may be transferred to other entities, for which it will be valuable, e.g. banks, healthcare institutions.

Both efficiency- and fairness-related aspects should be taken into account. The debate should not concentrate primarily on the currently operative (Polish or European) law, nor on the current capabilities of medical sciences as regards diagnostics based on genetic testing, however acquaintance with them could be helpful. The debate should rather be general and concern broader concepts which are significant for an economist, such as asymmetric information, insurance fraud, discrimination, privacy, etc.

Role assignment and preparing for the debate

Each of the teams – the Supporters and the Opponents, will be divided into three subgroups of more-less equal size: the Agitators, the Polemists, and the Legislators. The Agitators' task is to prepare arguments supporting their position. The Polemists' task is to foresee the argumentation of the opposing team and prepare to resist them. The Legislators' task is to formulate optimal (and conforming with the general position of the team – "for" or "against" the use of genetic information) proposals of (legal) regulation. They should also be prepared to

explain how their proposal solves the signaled problems. It will be helpful to refer to existing legal solutions and gather data concerning their observed positive and negative effects. The selection process (selecting team and subgroup members) should be organized bottom-up (i.e. by the students); the course instructor will only intervene when this does not succeed.

Each of the six sub-groups should meet in the weeks preceding the debate and formulate its position. If they find arguments which are more useful for another sub-group, they should pass this information to that sub-group and may be given credit for it (see below). Each sub-group should delegate its representative who will speak on their behalf during the debate (it is possible to nominate more than one person but bear in mind that time will be limited). If, for some important reason (e.g. illness) the delegated representative will be absent at the debate, this obligation should be passed on to other members of the (sub-)group. For preparing the argumentation it will be necessary to refer to relevant literature, e.g. provided under the links at the end of this document. The course instructor may require that sub-groups submit outlines of their planned speeches/presentations prior to the debate. The instructor also decides whether slides should be used for presentations.

There are also special roles in the debate: moderators and secretaries.

The debate
The debate is conducted by the moderator(s), who at the outset specify its rules, keep the time, give the speakers the floor (ensuring that speakers introduce themselves) and cut them off. The course instructor and both secretary(s) assess the speeches and note good questions and arguments raised in the course of the debate by the audience.

The proposed agenda (the moderator(s) may modify it provided that this is done in agreement with the participants and sufficiently in advance):

Agitators from the team of Supporters: 10 minutes
Polemists from the team of Opponents: 5 minutes
Comments/questions from the audience regarding these positions and short answers: 5 minutes
Agitators from the team of Opponents: 10 minutes
Polemists from the team of Supporters: 5 minutes
Comments/questions from the audience regarding these positions and short answers: 5 minutes
BREAK
Legislators from the team of Supporters: 10 minutes
Legislators from the team of Opponents: 10 minutes
[The legislators may and should allow for modification of their proposal at the last
moment (during the break?) based on unexpected arguments of the opposing team.]
Comments/questions from the audience regarding these proposals and short answers: 5 minutes
Summary of the debate by the moderator(s), with support from the course instructor
Distribution of points

Rules regarding distribution of points
After the debate in each of the 2 teams the Agitators (A) distribute 3 *group points* between the Polemists (P) and the Legislators (L) of their team. Only integers are allowed, i.e. an equal division is not possible. Similarly, P

allocate 3 points between A and L, while L allocate 3 points between A and P. Subsequently, each member of each sub-group divides *n+1 individual points* between *n* remaining members of this sub-group. The general rule is that nobody decides about the points that he/she will obtain but only about the distribution of points between other persons, whose work and its effects he/she could observe during the preparations and in the course of the debate itself. Moreover, the instructor may organize a (secret) ballot aimed to indicate the winner of the debate. After class, in coordination with the secretary and based on his/her and the secretary's notes, as well as the above distribution of group and individual points, the instructor grants points (the final debate result) to each student and possibly also announces the winner of the debate.

The course instructor grants points to the moderator(s) and the secretary(s) arbitrarily, depending on their work.

The main link to the literature:

https://www.dropbox.com/sh/s55pk7rx8lybkp4/AAAK2SIrh7LvtcVq0WaacTFGa?dl=0

Other links which you may find useful (in Polish):

http://m.wyborcza.pl/wyborcza/1,105405,14417303.html

https://www.rpo.gov.pl/pl/search/content/genetycznych

You are highly encouraged to look for sources on your own – unexpected arguments will be most difficult to resist for your opponents! You can for example start with the searches pasted below. Remember that scholar.google has useful features such as "cited by" and "related articles".

https://scholar.google.ch/scholar?hl=en&q=Genetic+information+and+life+insurance&btnG=&as_sdt=1%2C5&as_sdtp=

https://scholar.google.com/scholar?q=genetic+screening+insurance+adverse+selection&hl=pl&as_sdt=0&as_vis=1&oi=scholart&sa=X&ved=0CBsQgQMwAGoVChMIorG_w-eJyAIVQowsCh1aqwre

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