

IAIS Consultations

Print view of your comments on "Issues Paper on the Increasing Use of Digital Technology in Insurance and its Potential Impact on Consumer Outcomes"

Organisation	Global Federation of Insurance Associations
Jurisdiction	Global
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Treat my comments as confidential	No

Question	
	Q1 General comment on the draft Issues Paper
Answer	<p>GFIA appreciates the opportunity to comment. Effective and efficient supervision requires a balanced approach that encourages and supports beneficial innovation but also assures compliance with applicable legal standards of conduct to prevent abuses. While a few sentences in the paper mention some positive impacts for consumers from innovation, the overall tone of the paper is negative toward innovation. Instead, GFIA would urge more dialogue between insurers and supervisors and the IAIS to achieve the proper and most beneficial balance.</p> <p>The paper should also discuss much more the effective efforts by supervisors and insurers to provide the right balance, including through regulatory sandboxes and other means to improve dialogue when innovation is proposed and implemented.</p> <p>Below are four guiding principles for innovation and insurance that GFIA wishes to provide to the IAIS in order to illustrate its views. GFIA requests that the IAIS considers these in finalising this and other documents:</p> <ol style="list-style-type: none">1. Market participants want their products and services to meet the expectations of consumers in the digital age, especially consumer demands for new ways of interacting with service providers.2. Public policy should endeavour to create technology-agnostic regulatory oversight that maintains a high level of consumer protection, and ensures market participants have the flexibility to react, adapt and innovate to improve products and services, and/or meet shifting consumer expectations.3. Holistic and transparent regulatory changes need to occur across jurisdictions that will create environments that are proportionate and applied evenly to all market participants, conducive to innovation, and minimally intrusive on market forces so as not to unduly interfere with competition and collaboration.4. As technology is reorganising the economy, insurance providers want to fulfill their traditional risk management and financial security function that is indispensable for the incubation and proliferation of those innovations that will make way for the creation of new economic and social realities.
	Q2 General comment on the Executive Summary

Answer The Executive Summary is too negative towards innovation and therefore presents an unfair and even inaccurate picture. There is little mention of the benefits of innovation to consumers. To provide a more balanced summary, GFIA requests the addition of a sentence similar to the following: "Innovation enables more responsive and efficient provision of insurance and better customer service, more tailored pricing better reflecting the risk of loss, the ability to provide immediate feedback to improve safety, more competition and choice of product and provider, more rapid claims service and more effective anti-fraud efforts that will result in lower costs". GFIA suggests the addition of one or more paragraphs in the Executive Summary along those lines, to provide a fairer picture of the issues relating to innovation and the need for supervisory balance.

Q3 Comment on paragraph 1

Answer

Q4 Comment on paragraph 2

Answer

Q5 Comment on paragraph 3

Answer

Q6 Comment on paragraph 4

Answer

Q7 Comment on paragraph 5

Answer

Q8 Comment on paragraph 6

Answer

Q9 Comment on paragraph 7

Answer

Q10 Comment on paragraph 8

Answer

Q11 Comment on paragraph 9

Answer

Q12 Comment on paragraph 10

Answer

Q13 Comment on list of Acronyms

Answer

Q14 General comment on section 1 Introduction

Answer

Q15 Comment on paragraph 11

Answer	
	Q16 Comment on paragraph 12
Answer	
	Q17 Comment on paragraph 13
Answer	
	Q18 Comment on paragraph 14
Answer	GFIA would urge the IAIS to take extra care to avoid imposing too strict restrictions on innovation beyond what is minimally required. Given the significance of the granularity issue, the IAIS should closely communicate with the stakeholders on this issue in order to have well-informed discussions about how best policyholder protection and insurability could be balanced.
	Q19 Comment on Diagram 1
Answer	
	Q20 Comment on paragraph 15
Answer	
	Q21 Comment on paragraph 16
Answer	
	Q22 Comment on paragraph 17
Answer	
	Q23 Comment on paragraph 18
Answer	
	Q24 General comment on Section 2 Product Design
Answer	
	Q25 General comment on section 2.1 Digitalisation Impact on Product Design
Answer	
	Q26 Comment on paragraph 19
Answer	
	Q27 Comment on paragraph 20
Answer	
	Q28 Comment on paragraph 21
Answer	
	Q29 Comment on paragraph 22

Answer	
	Q30 Comment on paragraph 23
Answer	Contrary to the last sentence, GFIA is not aware of any evidence that innovation has led to price increases, except for higher risk insureds who ought to pay more commensurate with their higher risk.
	Q31 Comment on paragraph 24
Answer	
	Q32 General comment on section 2.2 Examples of Digitalisation Impact on Product Design
Answer	
	Q33 Comment on paragraph 25
Answer	
	Q34 Comment on paragraph 26
Answer	
	Q35 Comment on paragraph 27
Answer	
	Q36 Comment on paragraph 28
Answer	
	Q37 Comment on paragraph 29
Answer	In at least one country, insurance is on the vehicle and its drivers so the last sentence is not valid in all jurisdictions.
	Q38 Comment on paragraph 30
Answer	
	Q39 Comment on paragraph 31
Answer	
	Q40 Comment on paragraph 32
Answer	
	Q41 Comment on paragraph 33
Answer	
	Q42 Comment on paragraph 34
Answer	
	Q43 Comment on paragraph 35

Answer	
	Q44 Comment on paragraph 36
Answer	
	Q45 Comment on paragraph 37
Answer	
	Q46 Comment on paragraph 38
Answer	Insurance is the transfer of risk and the price for that transfer should reflect the potential cost of the transfer. So, if higher risk insureds pay more, that is not a bad outcome. GFIA is also not aware of any proof of the outcome discussed in the last sentence.
	Q47 General comment on Section 3 Marketing, Sales and Distribution
Answer	
	Q48 General comment on section 3.1 Marketing and Promotions
Answer	
	Q49 Comment on paragraph 39
Answer	
	Q50 Comment on paragraph 40
Answer	The standard in this paragraph seems to be purely subjective. What is "adequate" information, for example. It is GFIA's view that if it accurately states facts and is consistent with applicable legal standards then it is sufficient.
	Q51 Comment on paragraph 41
Answer	
	Q52 Comment on paragraph 42
Answer	
	Q53 Comment on paragraph 43
Answer	GFIA strongly supports paragraphs 43 to 45 as accurately portraying some positive aspects of innovation.
	Q54 Comment on paragraph 44
Answer	
	Q55 Comment on paragraph 45
Answer	
	Q56 Comment on paragraph 46
Answer	

Q57 Comment on paragraph 47

Answer

[Redacted]

Q58 Comment on paragraph 48

Answer

GFIA is not aware of any proof of this negative outcome.

Q59 Comment on paragraph 49

Answer

[Redacted]

Q60 Comment on paragraph 50

Answer

[Redacted]

Q61 General comment on section 3.2 Robo Advice

Answer

[Redacted]

Q62 Comment on paragraph 51

Answer

[Redacted]

Q63 Comment on paragraph 52

Answer

[Redacted]

Q64 Comment on paragraph 53

Answer

[Redacted]

Q65 Comment on paragraph 54

Answer

[Redacted]

Q66 Comment on paragraph 55

Answer

[Redacted]

Q67 Comment on paragraph 56

Answer

[Redacted]

Q68 Comment on paragraph 57

Answer

[Redacted]

Q69 Comment on paragraph 58

Answer

[Redacted]

Q70 Comment on paragraph 59

Answer

[Redacted]

Q71 Comment on paragraph 60

Answer

[Redacted]

Q72 Comment on paragraph 61

Answer

[Redacted]

Q73 Comment on paragraph 62

Answer

[Redacted]

Q74 General comment on section 3.3 Price Comparison Websites

Answer

[Redacted]

Q75 Comment on paragraph 63

Answer

[Redacted]

Q76 Comment on paragraph 64

Answer

[Redacted]

Q77 Comment on paragraph 65

Answer

[Redacted]

Q78 Comment on paragraph 66

Answer

[Redacted]

Q79 Comment on paragraph 67

Answer

[Redacted]

Q80 Comment on paragraph 68

Answer

GFIA is not aware of any evidence to support the claim of potential systemic risk or a potential systemic issue.

Q81 Comment on paragraph 69

Answer

[Redacted]

Q82 Comment on paragraph 70

Answer

[Redacted]

Q83 Comment on paragraph 71

Answer

[Redacted]

Q84 Comment on paragraph 72

Answer

[Redacted]

Q85 Comment on paragraph 73

Answer

[Redacted]

Q86 General comment on section 3.4 Disclosure and Informed Decision-making

Answer	
	Q87 Comment on paragraph 74
Answer	
	Q88 Comment on paragraph 75
Answer	
	Q89 Comment on paragraph 76
Answer	
	Q90 Comment on paragraph 77
Answer	
	Q91 Comment on paragraph 78
Answer	
	Q92 Comment on paragraph 79
Answer	
	Q93 Comment on paragraph 80
Answer	
	Q94 Comment on paragraph 81
Answer	
	Q95 Comment on paragraph 82
Answer	
	Q96 Comment on paragraph 83
Answer	
	Q97 Comment on paragraph 84
Answer	
Answer	Q98 General comment on section 4 Supervisor Issues <p>This section does not adequately illustrate effective and cooperative efforts by the industry and supervisors to support beneficial innovation and assure full compliance with applicable conduct of business standards. Examples include sandboxes and tools and practices by which supervisors and insurers can engage in dialogue that brings about both innovation and consumer protection, such as filing checklists and meetings when a new product or service is proposed or implemented.</p>
	Q99 Comment on paragraph 85
Answer	
	Q100 Comment on paragraph 86

Answer	
	Q101 Comment on paragraph 87
Answer	
	Q102 Comment on paragraph 88
Answer	
	Q103 Comment on paragraph 89
Answer	
	Q104 Comment on paragraph 90
Answer	
	Q105 Comment on paragraph 91
Answer	
	Q106 Comment on paragraph 92
Answer	
Answer	Q107 Comment on paragraph 93 GFIA requests the addition of: "At the same time, supervisors must have effective policies and programmes in effect to protect personal information, intellectual property and trade secret information".
	Q108 Comment on paragraph 94
Answer	
	Q109 Comment on paragraph 95
Answer	
	Q110 Comment on paragraph 96
Answer	
	Q111 Comment on paragraph 97
Answer	
	Q112 Comment on paragraph 98
Answer	
	Q113 Comment on paragraph 99
Answer	
	Q114 Comment on paragraph 100
Answer	

Q115 Comment on paragraph 101

Answer

Q116 Comment on paragraph 102

Answer

Q117 Comment on paragraph 103

Answer

Q118 General comment section 5 Conclusions and Recommendations

Answer

As is true of the Executive Summary, by far most of this section is negative toward innovation and needs more balance. GFIA requests the addition of a sentence similar to the following: "Innovation can improve customer service, provide more choice in product, enhance competition, improve safety and reduce fraud and costs."

Q119 Comment on paragraph 104

Answer

Q120 Comment on paragraph 105

Answer

Q121 Comment on paragraph 106

Answer

Q122 Comment on paragraph 107

Answer

Q123 Comment on paragraph 108

Answer

Q124 Comment on the Annex

Answer