

## **Call for expression of interest to join Consultative Expert Group on digital ethics in insurance**

### **Background**

1. On 8 May 2019, EIOPA published the [key finding of its thematic review on the use of Big Data Analytics \(BDA\) in motor and health insurance](#), which revealed a strong trend towards data-driven business models across the insurance value chain. Insurance firms are implementing ambitious digital transformation strategies to embrace the opportunities offered by new technologies and remain competitive in today's increasingly global and digital economy.
2. EIOPA's thematic review showed how traditional data sources such as demographic data or exposure data are increasingly combined (not replaced) with new sources like online media data or telematics data, providing greater granularity and frequency of information about consumer's characteristics, behaviour and lifestyles. This enables the development of increasingly tailored products and services and more accurate risk assessments. The thematic review also showed that BDA tools such as Artificial Intelligence (AI) or Machine Learning (ML) are already actively used by 31% of firms, and another 24% are at a proof of concept stage.
3. There are many opportunities arising from digitalisation, both for the insurance industry as well as for consumers. However, there are also risks that need to be further addressed in practice. Some of these risks are not new, but their significance is amplified in the context of BDA. This is particularly the case regarding ethical issues with the fairness of the use of data and regarding the accuracy and explainability of certain BDA tools such as AI or ML in insurance.
4. The complex nature of some of these new technological developments and their potential deep societal impact coupled with the specificities of the insurance sector justifies the creation of a multidisciplinary Consultative Expert Group that will help

EIOPA develop smart policy proposals that promote responsible financial innovation for the benefit of the European consumer.

### **Tasks of the Consultative Expert Group on digital ethics in insurance**

5. In order to foster trust on new technological developments and their application in insurance, EIOPA is setting up a Consultative Expert Group which will advise EIOPA in the development of a set of principles of digital responsibility in insurance.
6. The principles of digital responsibility will address, from a fairness / ethical perspective, the use of new business models, technologies and data sources in insurance. They should leverage on other related cross-sectorial work developed in other international fora and, where necessary, adapt them to an insurance context.
7. While the principles of digital responsibility may cover the different areas of the insurance value chain, specific focus shall be given to pricing and underwriting, taking into account the specificities of the insurance sector. Special consideration shall also be given to the impact on certain groups of vulnerable consumers.
8. The Consultative Expert Group may also act as a sounding board for EIOPA in other related policy initiatives in the area of InsurTech, for instance by supporting EIOPA's InsurTech Task Force in the development of a sound governance framework around the use of BDA tools such as AI and ML in insurance.
9. The Consultative Expert Group is expected to be an active, small forum, based on a high individual engagement of its members, and will entail a significant commitment by the members in terms of time and efforts to be spent.

### **Selection criteria and selection process**

10. The members of the Consultative Expert Group are expected to be highly knowledgeable professionals with extensive practical experience in the areas of BDA (including AI and ML), data science, actuarial science, computer science, insurance law, digital ethics, data protection and/or consumer protection.
11. The selection of the members of the Consultative Expert Group will aim to ensure, to the greatest extent possible, an appropriate geographical balance and a balance between different fields of expertise and profiles. In particular, EIOPA will be seeking to ensure a balanced representation of the following types of stakeholder:
  - a. expert market participants and service providers;
  - b. academics, researchers and independent experts;
  - c. civil society / consumers; and

12. Members of the Consultative Expert Group will be chosen based on their personal merits and are expected to express their own personal views rather than representing their respective organisations or Member State. They are bound by confidentiality requirements regarding any non-public information that will be shared with them while performing their tasks.

13. The working language is English.

### **Place and duration of provision of services**

14. One should expect to attend several physical meetings in Frankfurt (up to six meetings) and possibly also conference or video calls on a frequent basis.

15. The Consultative Expert Group is set expected to be active for around 12 months, starting from September 2019.

### **Compensation and travel expenses**

16. There is no remuneration for the services provided as member of the Consultative Expert Group on digital ethics in insurance.

17. The members of the Consultative Expert Group are expected to meet their own travel expenses. However, members who are academics, researchers, or civil society/consumer representatives may be eligible for reimbursement of travel expenses and accommodation expenses according to EIOPA's policies and prior the written approval by EIOPA.

### **Personal Data Protection**

18. EIOPA shall ensure that any processing of personal data necessary in the context of this call shall be performed in accordance with Regulation (EU) No 2018/1725 of the European Parliament and of the Council of 23 October 2018. More information on personal data protection can be found on this [privacy statement](#). Please add here a link to the [privacy statement](#).

Replies to this call for expression of interest must be submitted by email, together with accompanying documents (CV and motivation letter) by no later than 31 July 2019 to the following email addresses:

[Timothy.shakesby@eiopa.europa.eu](mailto:Timothy.shakesby@eiopa.europa.eu)

and

[Julian.arevalo@eiopa.europa.eu](mailto:Julian.arevalo@eiopa.europa.eu)