

EU-U.S. Insurance Dialogue Project - Big Data issue paper

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The Big Data working group of the EU-U.S. Project is focusing on the relationship between innovation, technology and insurance, specifically the increasing use of advanced data analytics in the insurance sector. The use of new technology and large datasets in the pricing and underwriting process presents a series of potential benefits for insurers and consumers, such as more granular segmentation of risks and risk-adequate pricing, increased objectivity in the underwriting process, and a reduction of the overall underwriting costs. However, there are concerns that the use of new technology and large datasets in pricing and underwriting may potentially lead to excessive segmentation of the risks, unfair/unlawful price discrimination, overreliance on third party vendors, and the inability to verify data accuracy.