Protección al consumidor de seguros. Regulación y Supervisión, considerando especialmente el desarrollo de las Insurtech y de los microseguros.

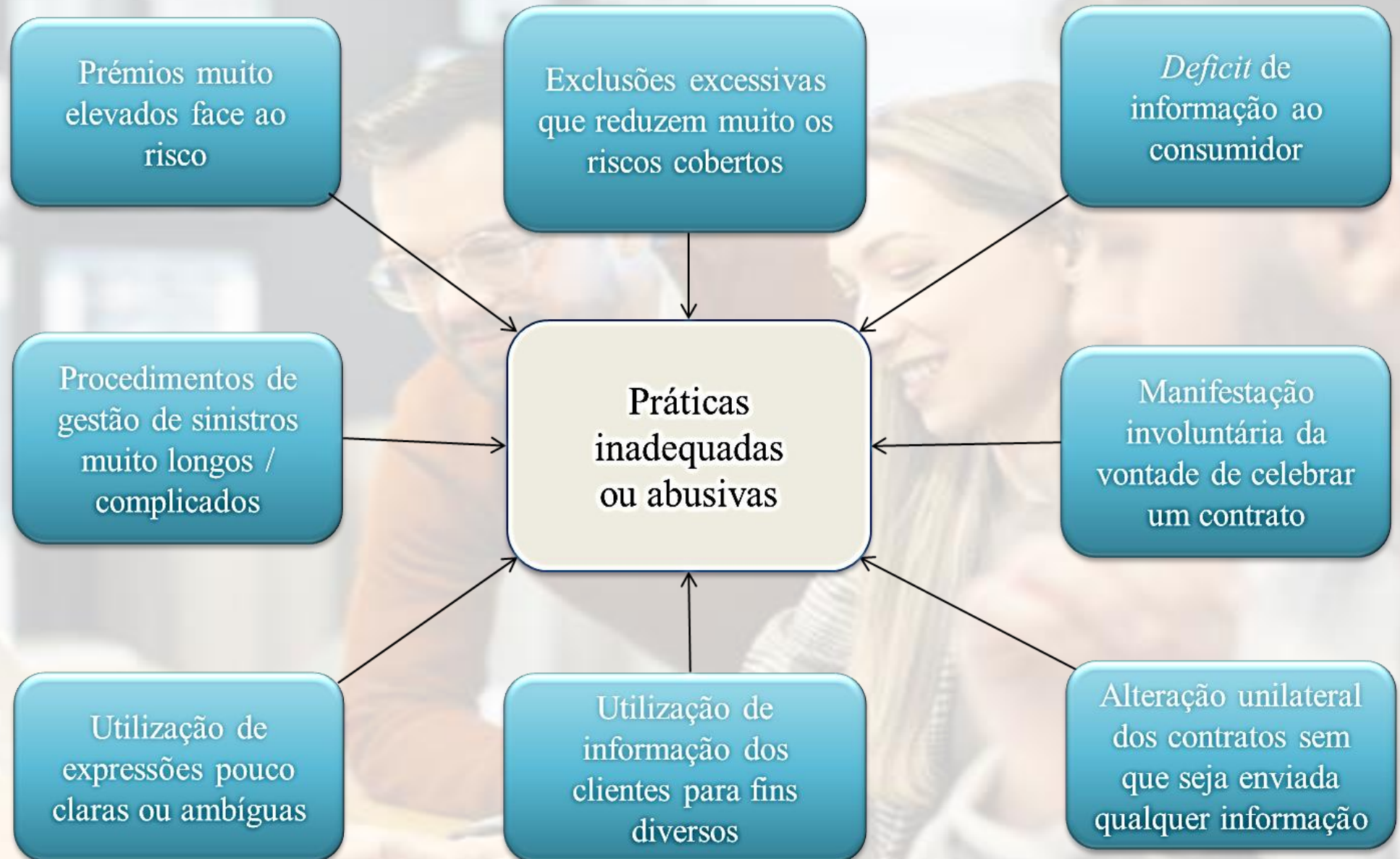ASF - Autoridade de Supervisão de Seguros e Fundos de Pensões (Portugal)

Manuel Caldeira Cabral

XXII Conferencia sobre Regulación y Supervisión de Seguros en América Latina ASSAL-IAIS
Montevideo, Uruguay, 8 y 9 de mayo de 2024

- Protección al consumidor

- Insurtech

- Regulación y Supervisión.

PROTEÇÃO AO CONSUMIDOR

Prémios muito elevados face ao risco

Exclusões excessivas que reduzem muito os riscos cobertos

Deficit de informação ao consumidor

Procedimentos de gestão de sinistros muito longos / complicados

Práticas inadequadas ou abusivas

Manifestação involuntária da vontade de celebrar um contrato

Utilização de expressões pouco claras ou ambíguas

Utilização de informação dos clientes para fins diversos

Alteração unilateral dos contratos sem que seja enviada qualquer informação

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Protection Gap

Concorrência

Novos Canais

Novos Produtos

Algoritmos

INSURTECH: Technology applied to Insurance Business

Business Model Disruption
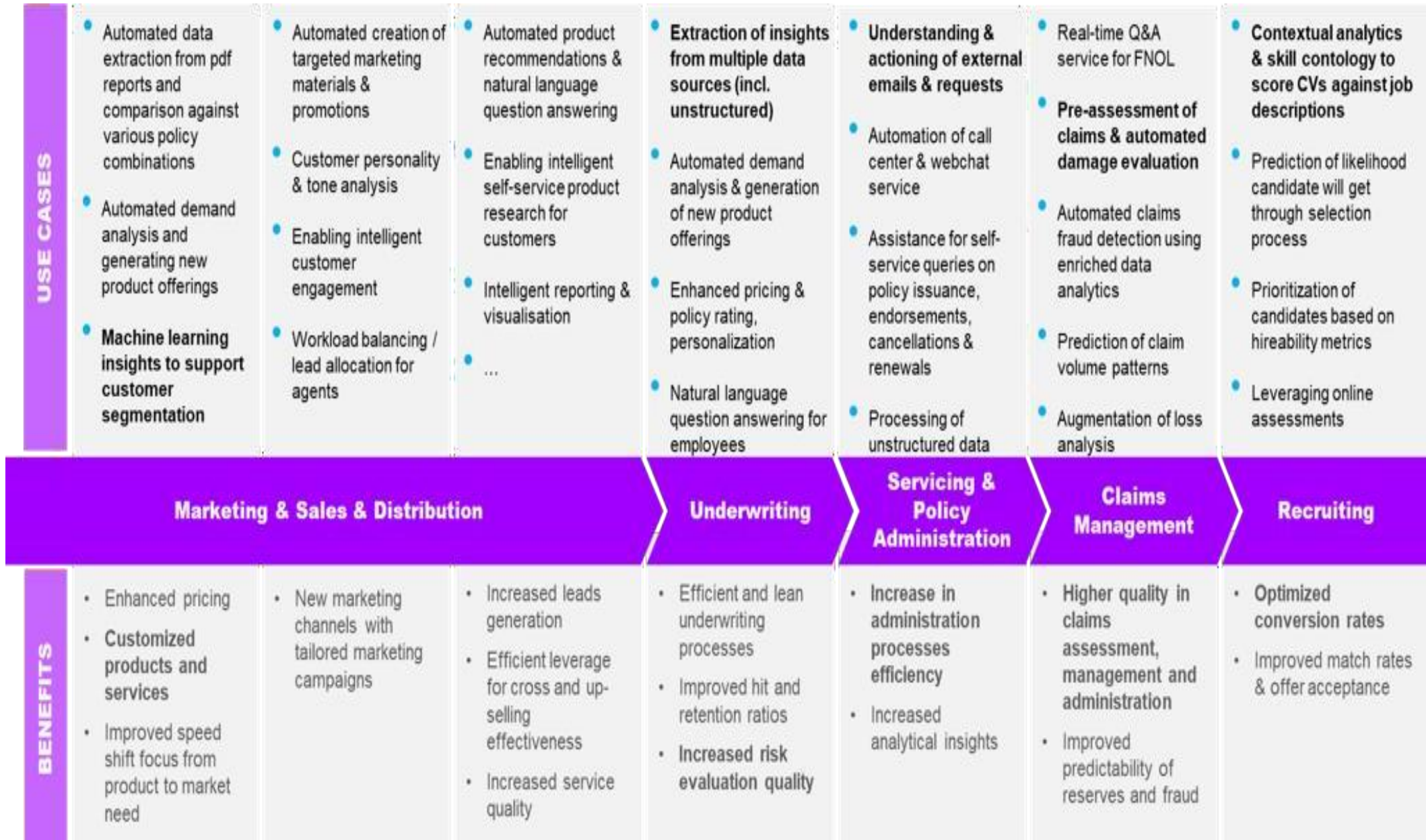
Claims Management, Fraud Detection

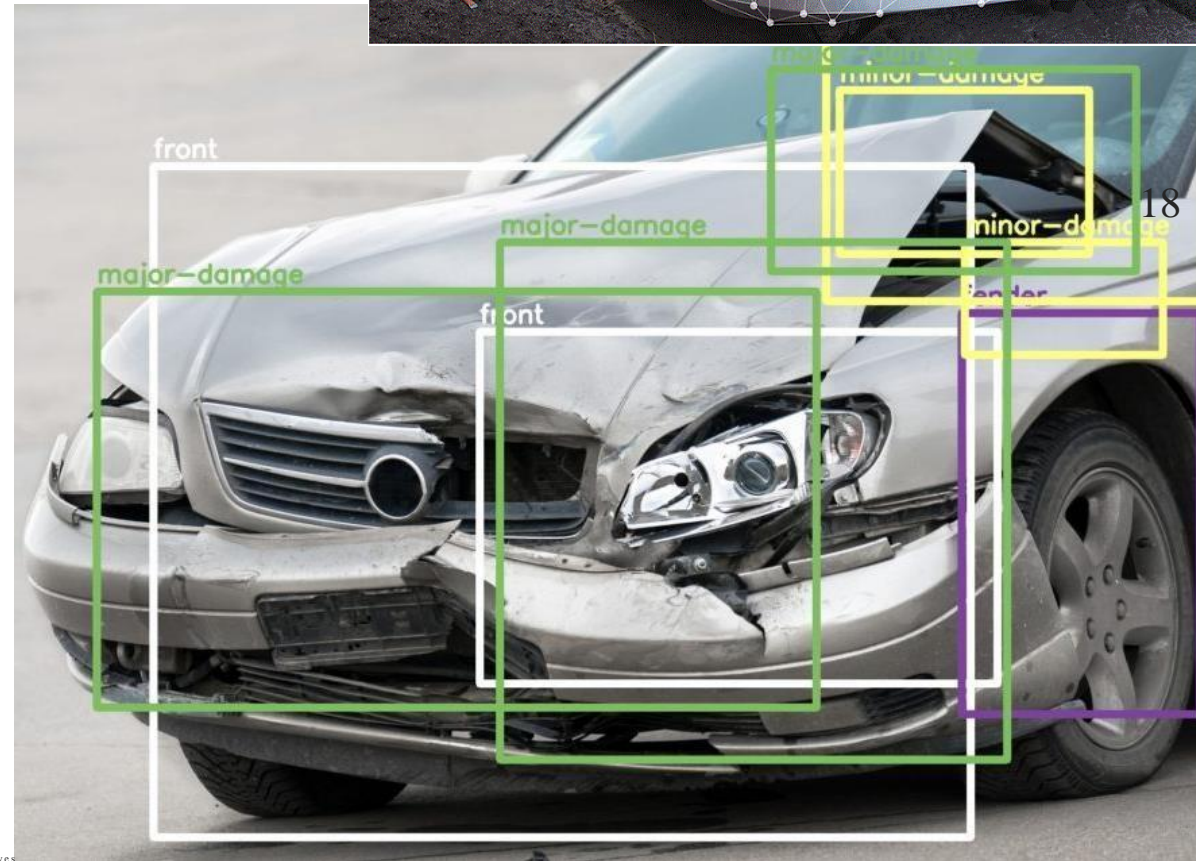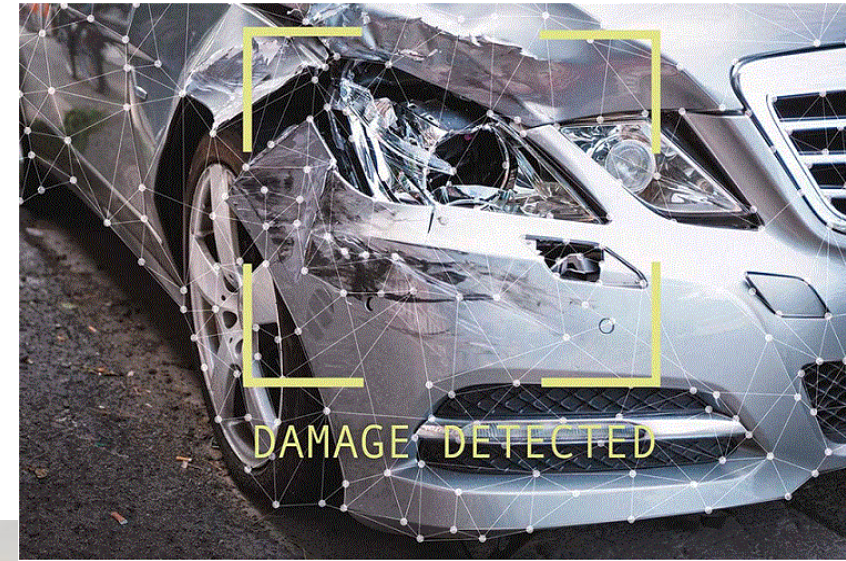Plataforms / Ecossistems / Mixed Activity Groups

360º Vison of the Client

New Products: Behavior Based Proructs (related with IoT)

IA – Algorithms taking decisions and descriminating

PaulaRibeiroAlves

Disruption of Classic Business Models

USE CASES

- Automated data extraction from pdf reports and comparison against various policy combinations
- Automated demand analysis and generating new product offerings
- **Machine learning insights to support customer segmentation**

- Automated creation of targeted marketing materials & promotions
- Customer personality & tone analysis
- Enabling intelligent customer engagement
- Workload balancing / lead allocation for agents

- Automated product recommendations & natural language question answering
- Enabling intelligent self-service product research for customers
- Intelligent reporting & visualisation
- ...

- **Extraction of insights from multiple data sources (incl. unstructured)**
- Automated demand analysis & generation of new product offerings
- Enhanced pricing & policy rating, personalization
- Natural language question answering for employees

- **Understanding & actioning of external emails & requests**
- Automation of call center & webchat service
- Assistance for self-service queries on policy issuance, endorsements, cancellations & renewals
- Processing of unstructured data

- Real-time Q&A service for FNOL
- **Pre-assessment of claims & automated damage evaluation**
- Automated claims fraud detection using enriched data analytics
- Prediction of claim volume patterns
- Augmentation of loss analysis

- **Contextual analytics & skill contology to score CVs against job descriptions**
- Prediction of likelihood candidate will get through selection process
- Prioritization of candidates based on hireability metrics
- Leveraging online assessments

Marketing & Sales & Distribution	Underwriting	Servicing & Policy Administration	Claims Management	Recruiting

BENEFITS

- Enhanced pricing
- **Customized products and services**
- Improved speed shift focus from product to market need

- New marketing channels with tailored marketing campaigns

- Increased leads generation
- Efficient leverage for cross and up-selling effectiveness
- Increased service quality

- Efficient and lean underwriting processes
- Improved hit and retention ratios
- Increased risk evaluation quality

- Increase in administration processes efficiency
- Increased analytical insights

- Higher quality in claims assessment, management and administration
- Improved predictability of reserves and fraud

- Optimized conversion rates
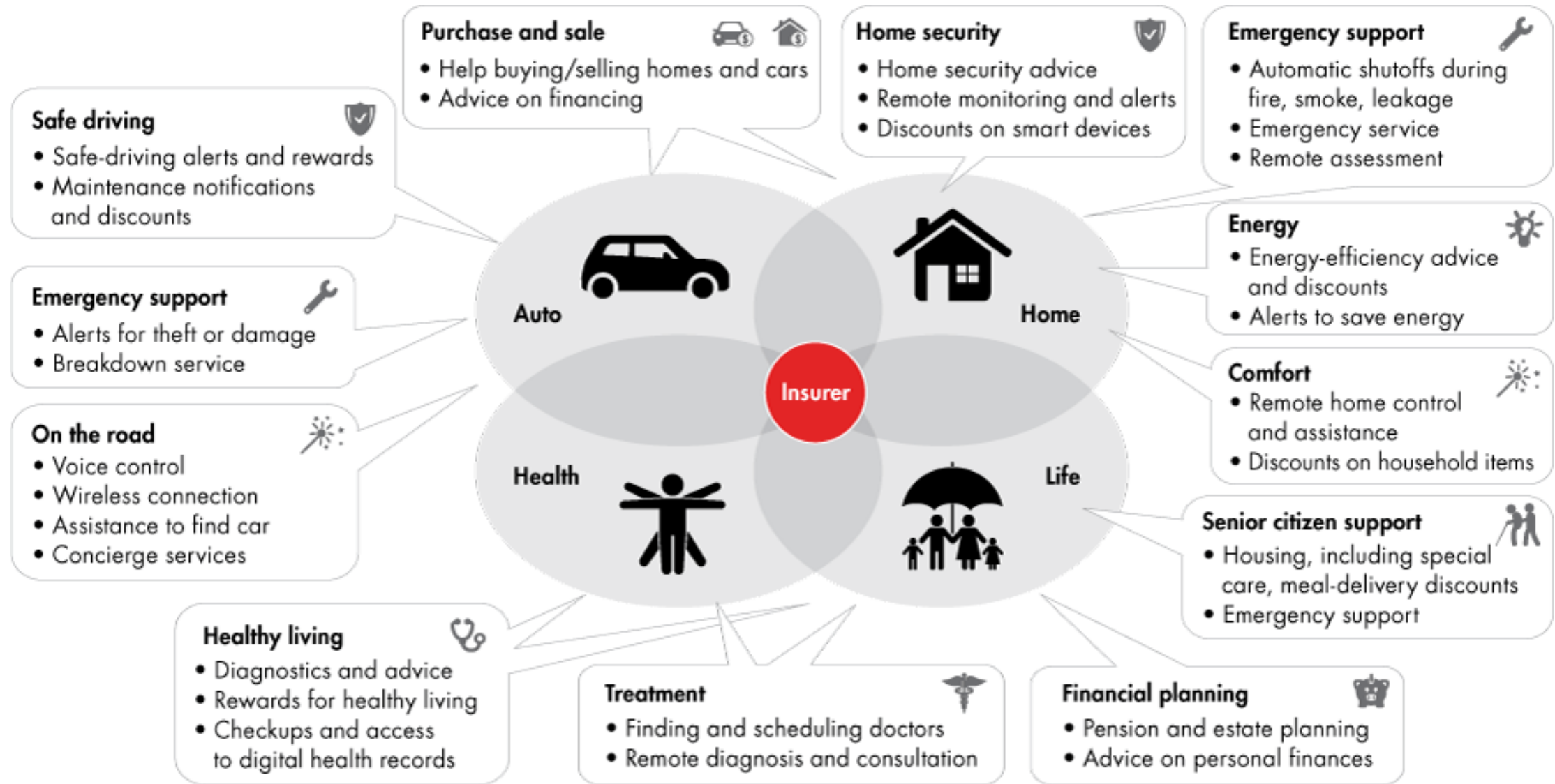- Improved match rates & offer acceptance

Accenture

Claims Management and Fraud detection

Broken headlamp

Broken tail lamp

Glass shatter

Door scratch

Door dent

Bumper dent

Bumper scratch

Unknown

DAMAGE DETECTED

front

minor-damage

major-damage

major-damage

front

minor-damage

fender

18

PLATAFORMS / ECOSSISTEMS / MIXED ACTIVITY GROUPS)

Safe driving
- Safe-driving alerts and rewards
- Maintenance notifications and discounts

Emergency support
- Alerts for theft or damage
- Breakdown service

On the road
- Voice control
- Wireless connection
- Assistance to find car
- Concierge services

Purchase and sale
- Help buying/selling homes and cars
- Advice on financing

Home security
- Home security advice
- Remote monitoring and alerts
- Discounts on smart devices

Emergency support
- Automatic shutoffs during fire, smoke, leakage
- Emergency service
- Remote assessment

Energy
- Energy-efficiency advice and discounts
- Alerts to save energy

Comfort
- Remote home control and assistance
- Discounts on household items

Senior citizen support
- Housing, including special care, meal-delivery discounts
- Emergency support

Healthy living
- Diagnostics and advice
- Rewards for healthy living
- Checkups and access to digital health records

Treatment
- Finding and scheduling doctors
- Remote diagnosis and consultation

Financial planning
- Pension and estate planning
- Advice on personal finances

Auto   Home   Health   Life   Insurer

Source: Bain & Company

P a u l a R i b e i r o A l v e s

Building a
360-Degree
Customer View

NEW PRODUTS: BEHAVIOR BASED INSURANCE

Figure 5. Percent of Insurers Using Specific Telematics Data for Pricing

Miles driven 71%
Time of day 50%
Braking 46%
Speed 46%
Acceleration 38%
Sharp turns 31%
Routes driven 21%
Location 21%
Disengaging device 15%
Vehicle diagnostics 8%

Source: SMA Research, Telematics in Insurance, n=110
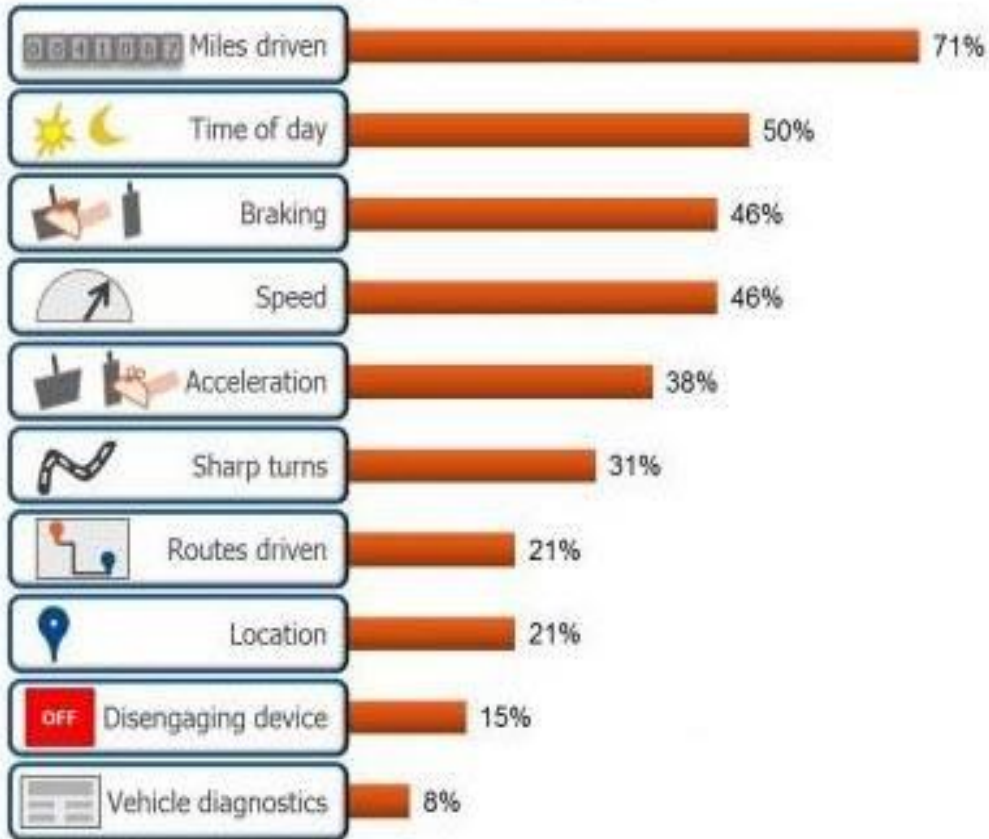
Jamie, here is your potential discount

Based on 100 days of driving

18%

0%   5%   10%   15%   25%

How is your driving?

Potential discount last updated on 24-03-2014

14. Please specify in which line of business you are using or planning to use AI, and the expected evolution in the next 3 years?
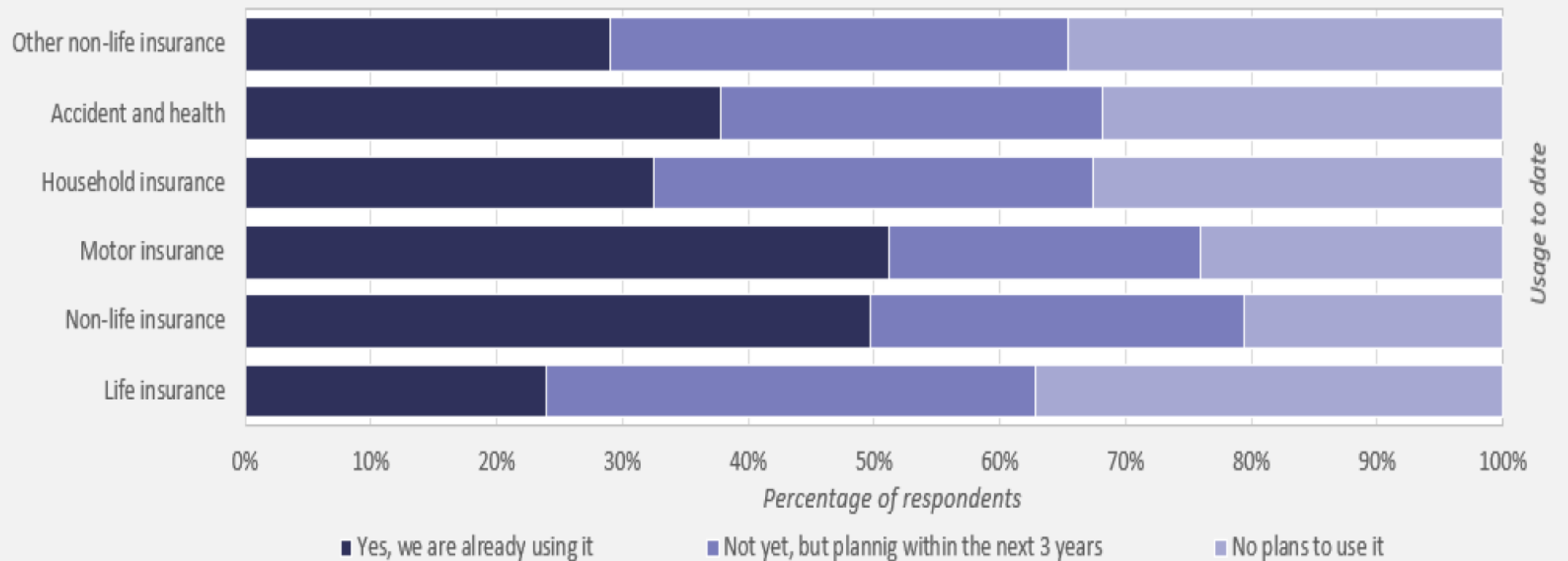
Use of AI in the different areas of the insurance value chain

number of insurance undertakings
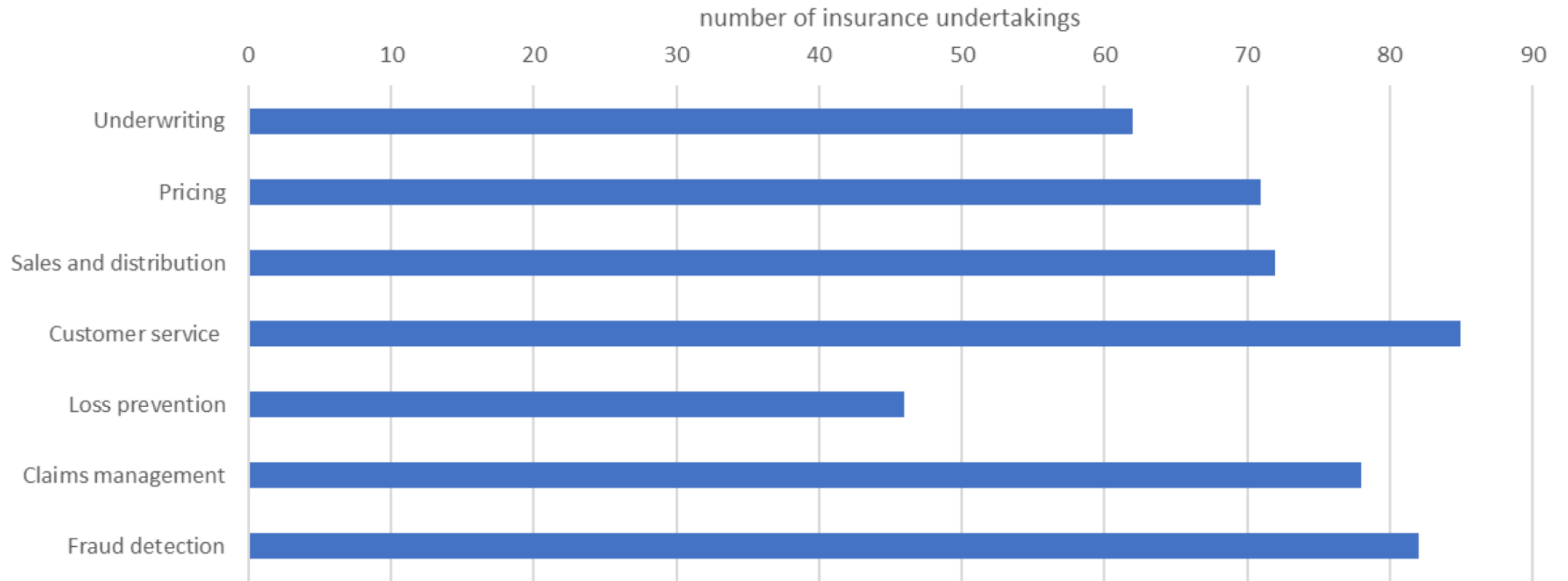
Source: EIOPA's Digitalisation Market Monitoring survey, June 2023

Use of different types of AI algorithms

% of reported use cases

Source: EIOPA's Digitalisation Market Monitoring survey, June 2023
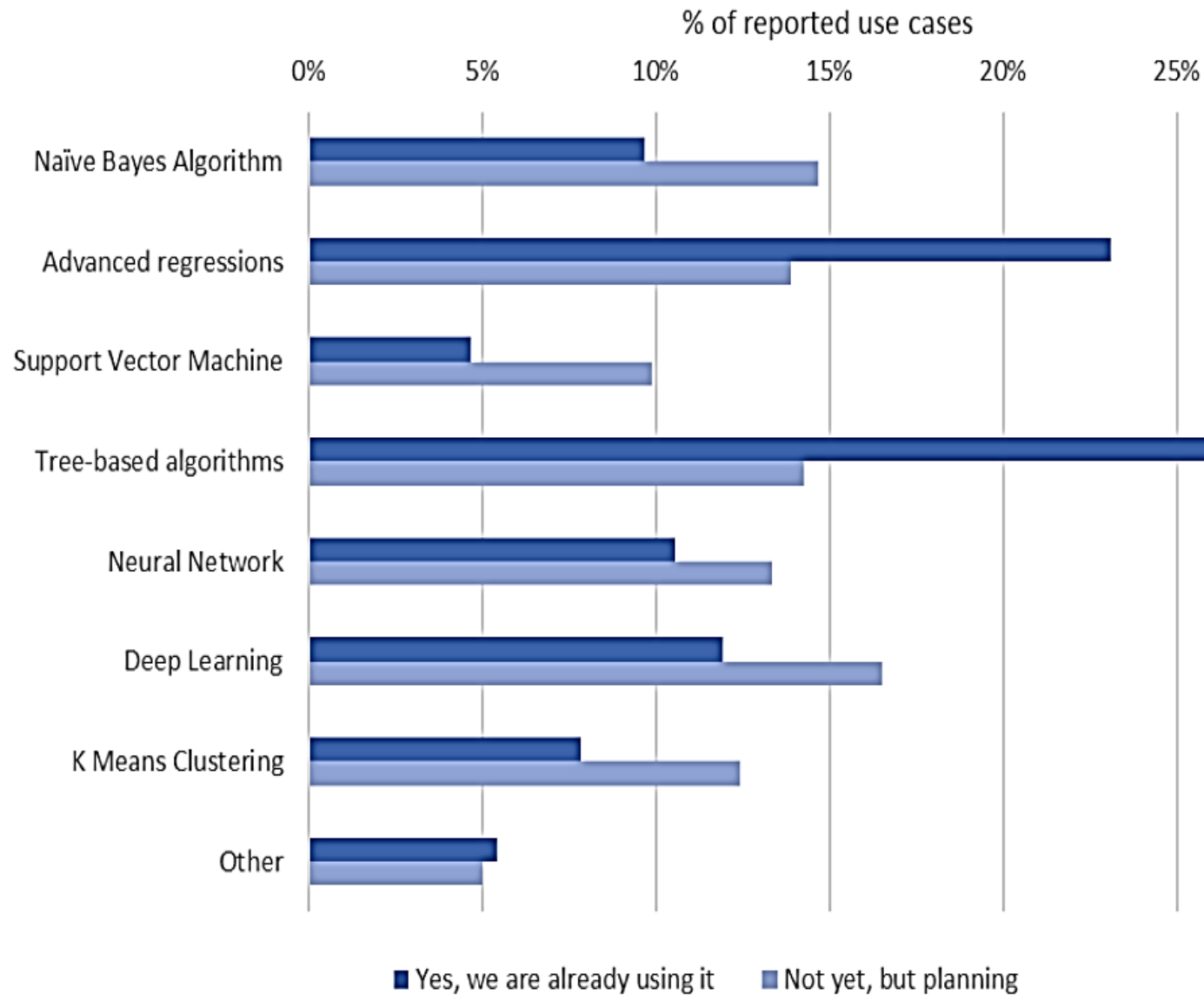
Regulators need to Know all these types of algorithms

Or demand that any of these is auditable by expert firms

Ciber-security

Are we ready to Supervise all these new areas?

HOW CAN WE RESPOND TO THESE CHALENDGES ?

Demand that Cibersecurity and technology to be Auditable

RegTech:Use Technology to supervise (including Technology)

Create frameworks to Audit IA and Algorithms decisions

Embrace Change: Work with Fintechs and learn from them.

Areas Where RegTech Tools are being Applied
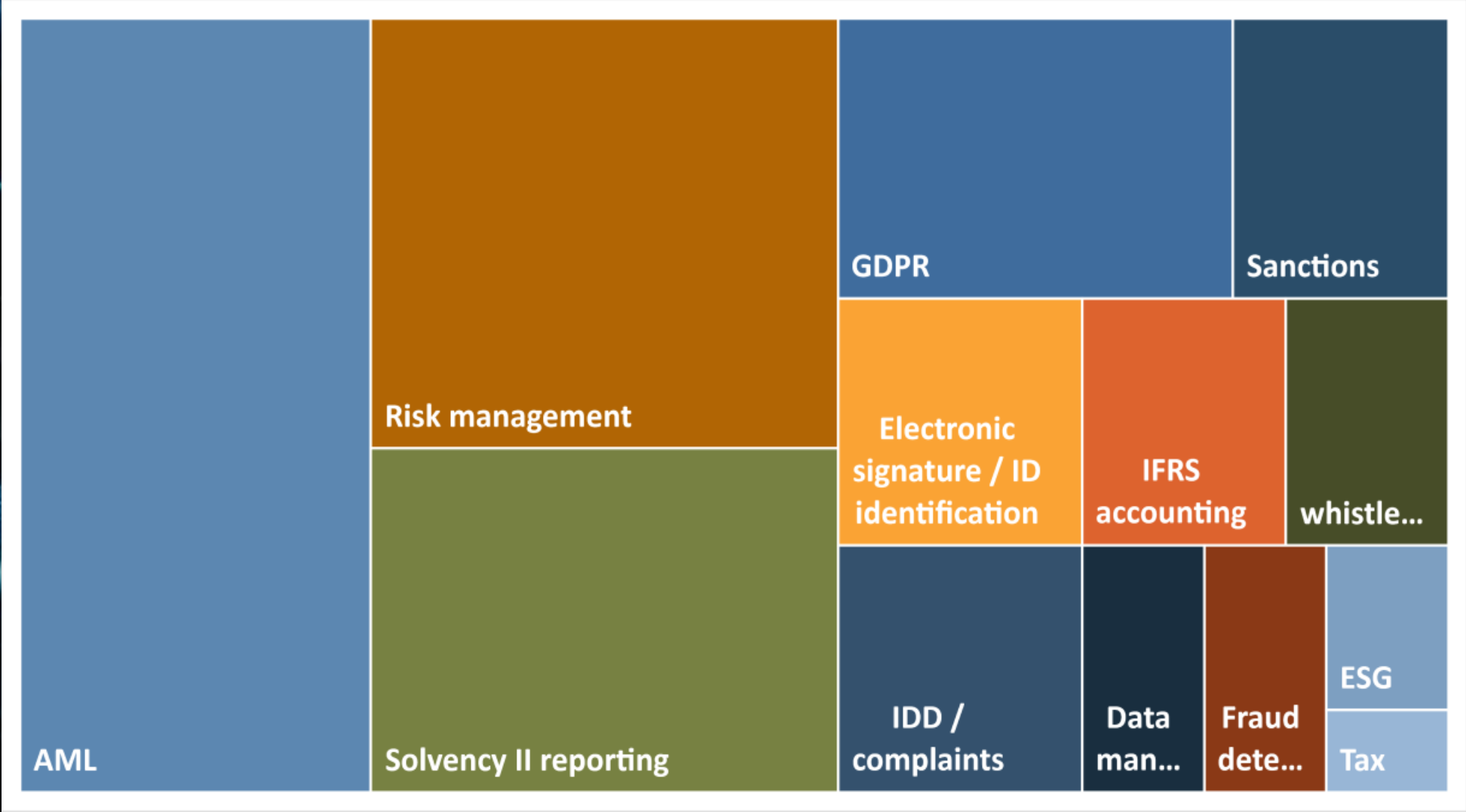
An Example of Embracing Change

PORTUGAL FINLAB

PORTUGAL FINLAB

- Join Projet of the Insurance, Bank and Stock Market Autorities

- Work with the Fintech Startups to Help complying with the regulation;

- Different from the Sandbox sollution

- 5 Editions

- Learn with the Startups: New Business models; Adapt regulatory pratices

PORTUGAL FINLAB

Applications Opening
15th Jan 2024

23rd Feb 2024
Applications Closing

Notification for Pitch Day
12th Mar

26th & 27th Mar
Pitch day Presentations

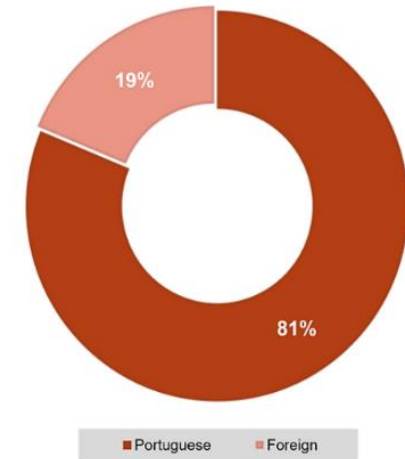Participants Announcement
19th Apr
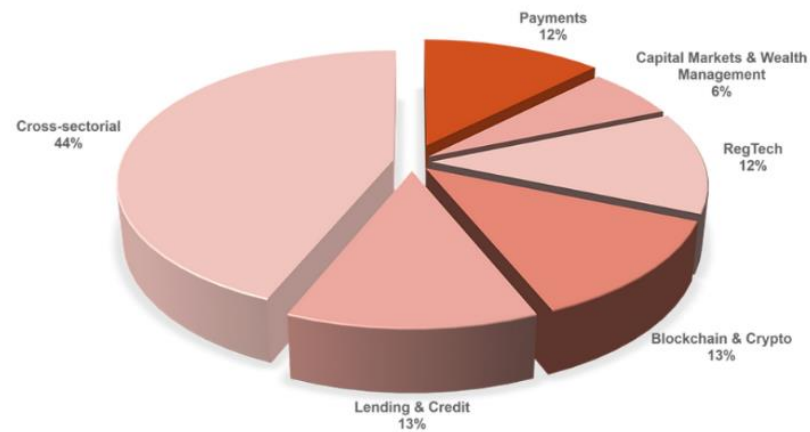
9th Jul
Reports
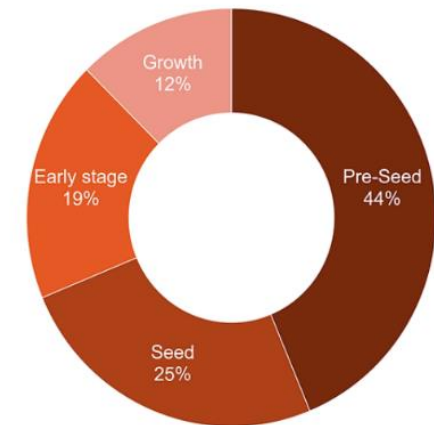
115 FINTECH STATUPS PARTICIPATED

NUMBER OF APPLICATIONS

- 1st Batch
- 2nd Batch

	E1	E2	E3	E4 [Single batch]
1st Batch	24	21	20	16
2nd Batch	15	11	9	

APPLICATIONS BY ORIGIN

- Portuguese: 81%
- Foreign: 19%
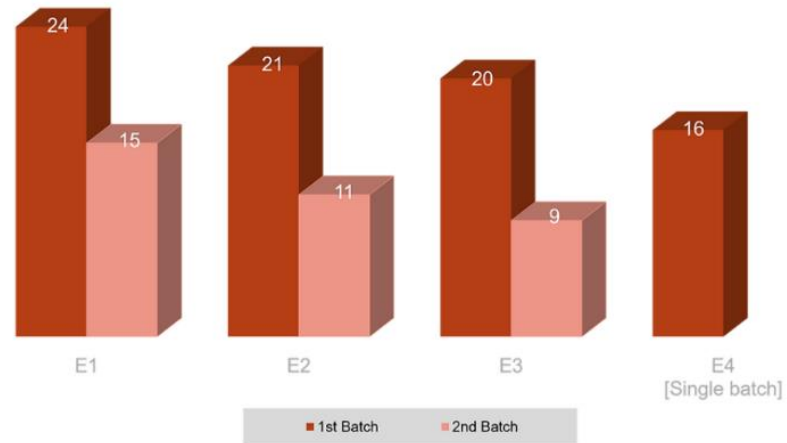
APPLICATIONS BY ACTIVITY SECTOR

- Cross-sectorial 44%
- Payments 12%
- Capital Markets & Wealth Management 6%
- RegTech 12%
- Blockchain & Crypto 13%
- Lending & Credit 13%

APPLICATIONS BY STAGE OF DEVELOPMENT

- Pre-Seed 44%
- Seed 25%
- Early stage 19%
- Growth 12%

COMENTÁRIOS FINAIS

1 - Proteção ao consumidor tem de ser vista de forma ampla e dinâmica, de forma a promover a concorrência e a Inovação.

2 – Insurtech: Oportunidades e Riscos

3 – Autoridades Reguladoras

- Têm de supervisionar novas áreas, Algoritmos, Ciber-segurança, garantindo proteção do consumidor.

- Tem de usar novos instrumentos (SUPTECH) - mais tecnologia para responder a novos desafios.

- Contratar mais peritos em tecnologia (CTO) e criar mecanismos de auditoria eficazes.

- Podem ganhar em colaborar com as Fintech (exemplo do Finlab).