



The impact of digitalisation on the European insurance market: forecasts and realities

St Petersburg, 12 July 2017



Insurance Europe

Who?

- European insurance and reinsurance federation, founded in 1953

What?

- Represents around 95% of European insurance market by premium income

Why?

- Committed to creation of favourable regulatory and supervisory framework for insurers at European and international level.

Insurance Europe

- European insurance market: largest market in the world (35% share in 2013)
 - €9.9 trn investments
 - €1.2 trn in premiums
 - €0.9 trn in claims
- 35 members (national associations)
 - **27 EU member states**
 - **5 non-EU markets** (*Switzerland, Iceland, Norway, Turkey, Liechtenstein*)
 - **2 associate members** (*Serbia, San Marino*)
 - **1 partner** (*Russia*)

Key areas



Distribution

InsurTech

**Cyber
security**
**Cyber
insurance**

**Big data
analytics**

Distribution

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Digitalisation of distribution

- Benefits:
 - Omni-channel experience for consumers
 - Services tailored to individual needs

- Existing distribution rules should be:
 - Adapted and made more flexible
 - Digital-friendly and future-proof

Future-proof: The EU journey

Insurance Europe proposal



Insurance Product Information Document

[Name of company] [Name of specific product]

Motor Insurance

What is and what is not covered by this motor insurance policy?

This Insurance Product Information Document is only intended to provide a summary of the main coverage and exclusions, and is not personalised to your specific individual needs in any way. Complete pre-contractual and contractual information on the product is provided in your policy documentation.

- What is this motor insurance?**
This motor insurance policy provides cover against damage to your car or damage caused by your car.
- What is insured?**
The policy covers the following types of damage or risk: third party liability for damage caused to another vehicle or person, damage caused by theft or total loss, damage due to attempted theft or break-in, damage due to fire and nature, window damage, and assistance after an accident, such as towing, replacement transport or emergency repairs. You may also optionally include additional items, such as roadside assistance.
- What is not insured?**
You will not be insured where damage is caused intentionally, while driving without a licence or while driving under the influence of drugs or alcohol. You will also not be insured in the case of damage caused while the car is rented or used to transport people for payment.
- Please note**
Text of note: most common question, complaint or misunderstanding, or additional information to highlight.
- How and when to pay?**
You can pay your premium as a one-off payment, annually or in monthly instalments. Payment can be made by bank transfer, direct debit or debit/credit card.
- What are your obligations?**
You must provide us with honest, accurate and complete information, and inform us without delay of any changes in your situation. In the event of a claim, you must notify us as soon as possible and within 72 hours.
- When does the cover start and end?**
Your cover will take effect on the date stated in your policy. After the first year, you can cancel your insurance by notifying us in writing.

Adopted EU standard

Key Information Document

Purpose
This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

[Alert (where applicable)] **You are about to purchase a product that is not simple and may be difficult to understand**

Product
Insurance Product (ISIN EU0001234567) by European Insurance Company

For more information, please contact European Insurance Company, Rue Belliard 225, 1000 Brussels, Belgium, www.europeaninsurancecompany.eu, +32 (0) 2 XXXXXXX, or contact your financial advisor.

This Key Information Document had been created on 09-05-2016. The Financial Services and Markets Authority (<http://www.fsa.be/>) is responsible for the supervision of the compliance of this product.

What is this product?

Type
Insurance-based investment product

Objectives
[Information stating the objectives of the PRIIP and the means for achieving those objectives in the section entitled "What is this product?" of the key information document shall be summarised in a brief, clear and easily understandable manner. That information shall identify the main factors upon which return depends, the underlying investment assets or reference values, and how the return is determined, and the relationship between the PRIIP's return and that of the underlying investment assets or reference values. Where relevant, including in the case of long term PRIIPs, the information shall reflect the relationship between the recommended holding period and the risk and reward profile of the PRIIP.]

Intended retail investor
[The description of the type of retail investor to whom the PRIIP is intended to be marketed in the section entitled "What is this product?" of the key information document shall include information on the target retail investors identified by the PRIIP manufacturer in particular depending on the ability of the retail investors to bear investment loss and their investment horizon preferences.]

Insurance benefits
[The details of insurance benefits in the section entitled "What is this product?" of the key information document shall include, in a general summary, the key features of the insurance contract, the definition of each benefit included, and example information, which is consistent with the remainder of the key information document, showing the overall premium, the biometric risk premium that forms part of this overall premium and the amount invested, in the case where the premium is paid in the form of a single lump sum, and, in the case where the premium is paid in a period form, the number of periodic payments, an estimation of the average biometric risk premium as a percentage of the annual premium, and an estimation of the average amount invested.]

Future-proof: Industry proposal

Company logo

Insurance Product Information Document

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[Name of company] [Name of specific product]
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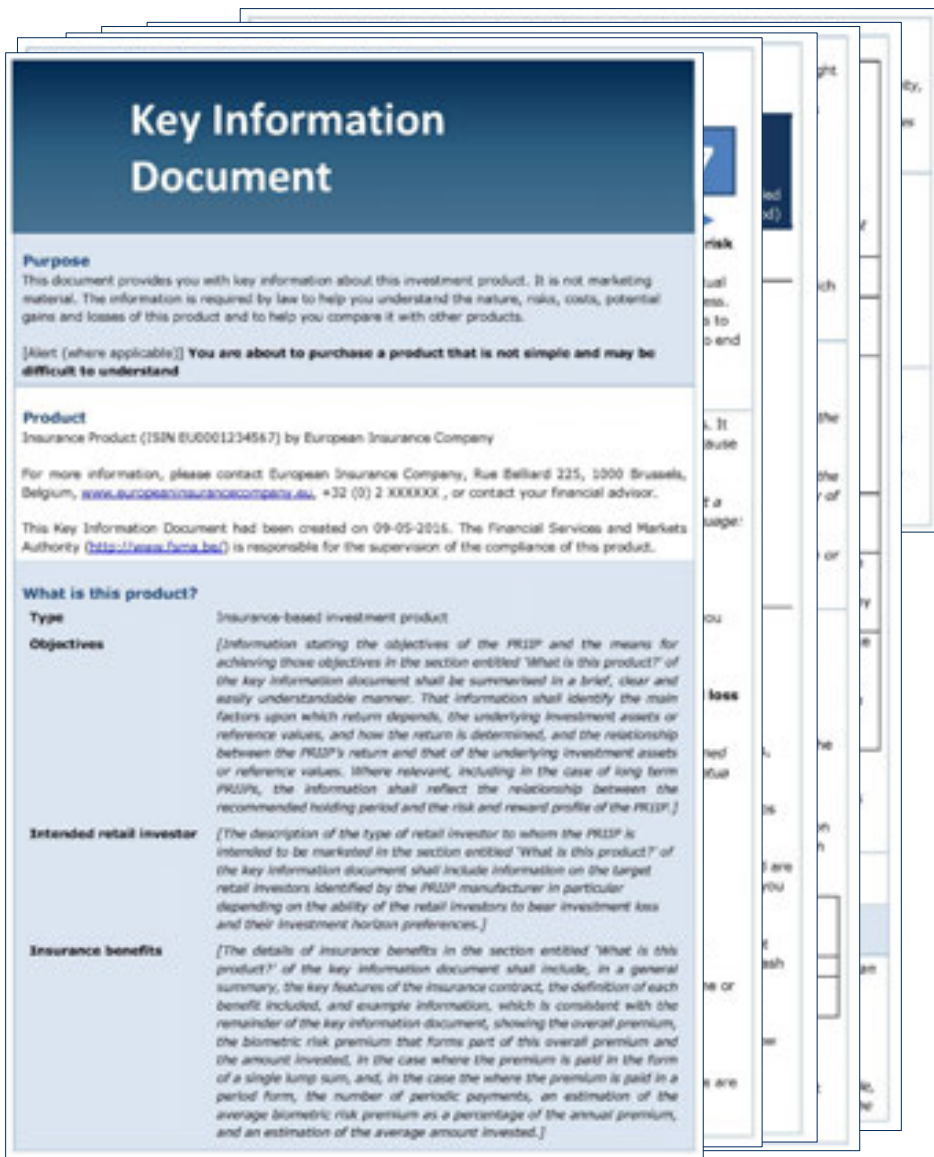
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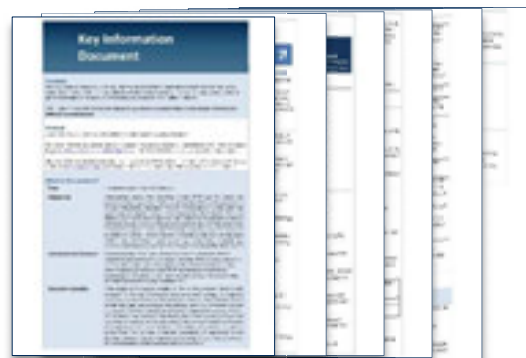
Layered approach



Future-proof: EU reality



Paper as default option

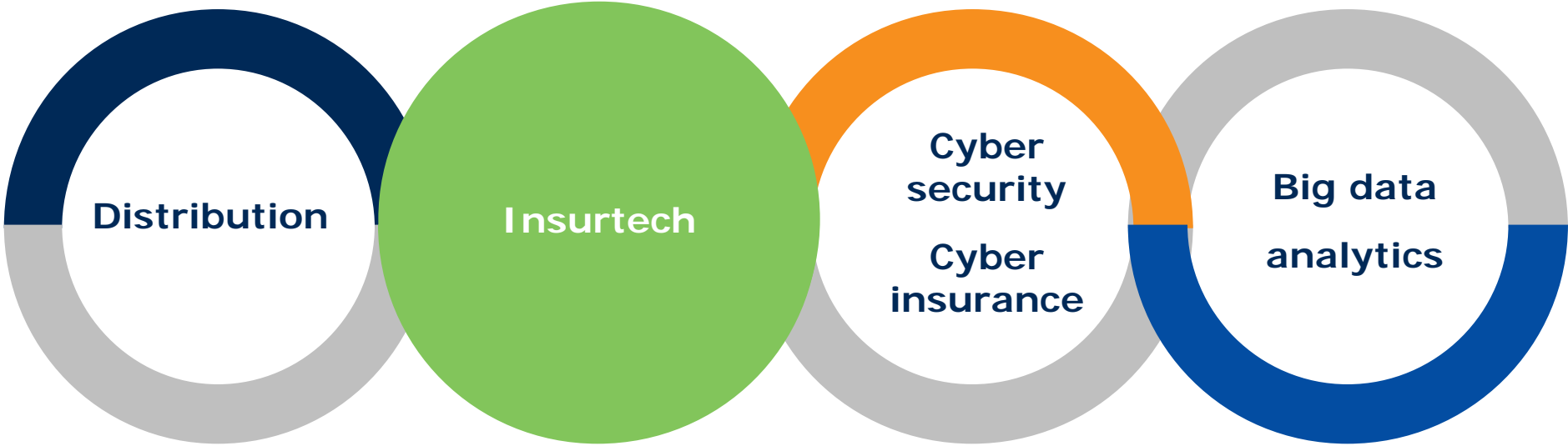


Fit for digital?



Additional disclosures





InsurTech

- Throughout the entire value chain
 - Distribution
 - Products
 - Claims handling
 - Comparison websites
 - Underwriting
- Start-ups and incumbents

Different approaches

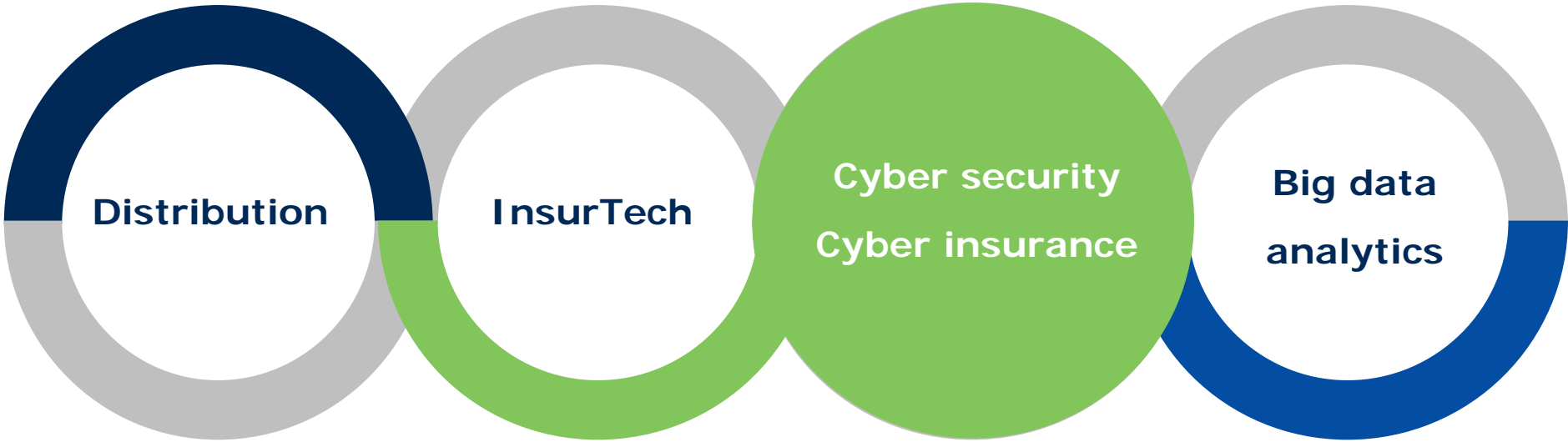
**NON-
INSURER**

**REGULATED
INSURER**

**ALTERNATIVE
INNOVATIVE
APPROACHES**

InsurTech: regulation and supervision

- Crucial role for regulators and supervisors
- Three key messages
 - Consumer trust (same risks/same rules)
 - Innovative regulatory tools (eg sandboxes)
 - Future-proof rules



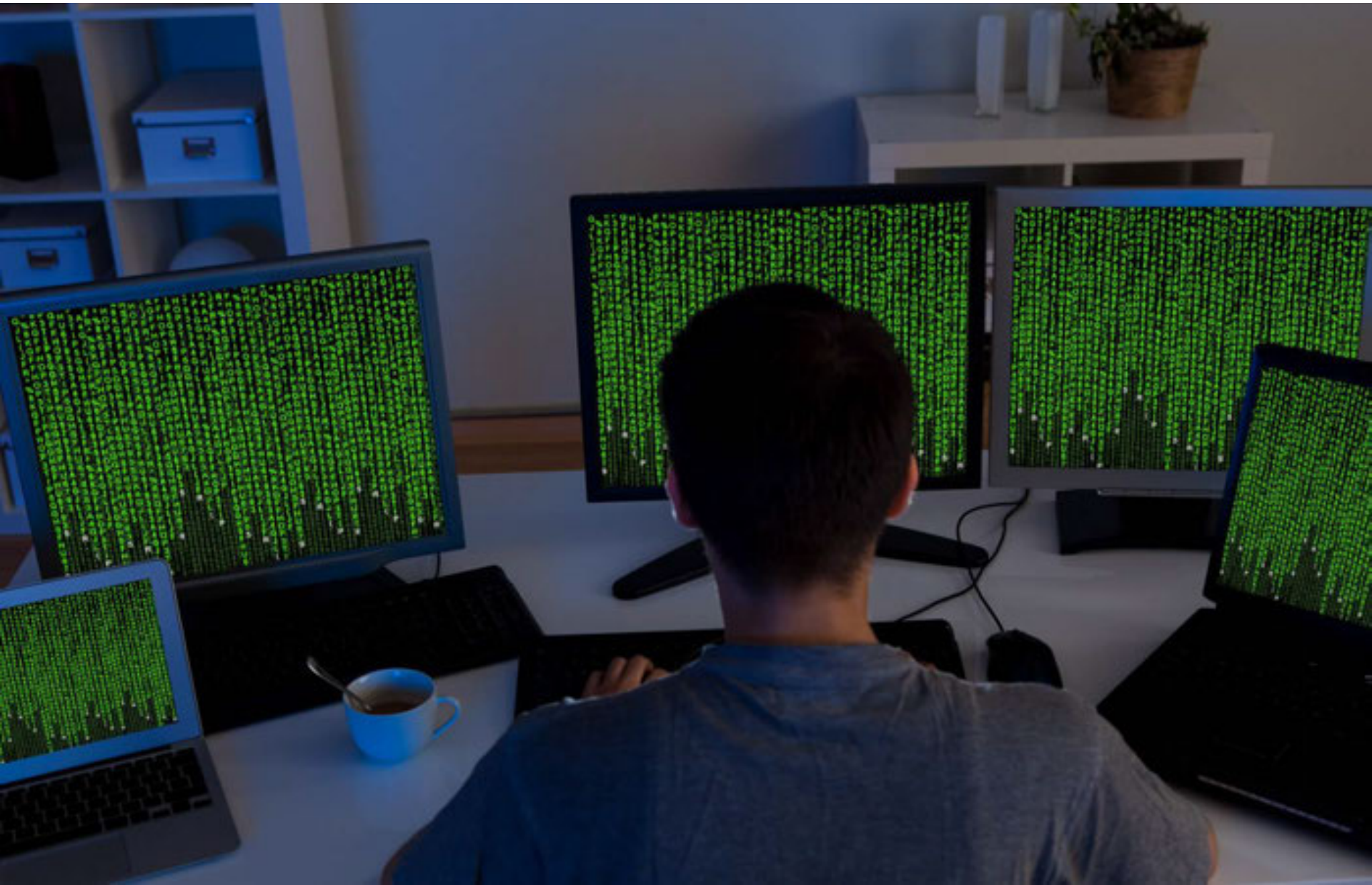
Distribution

InsurTech

Cyber security
Cyber insurance

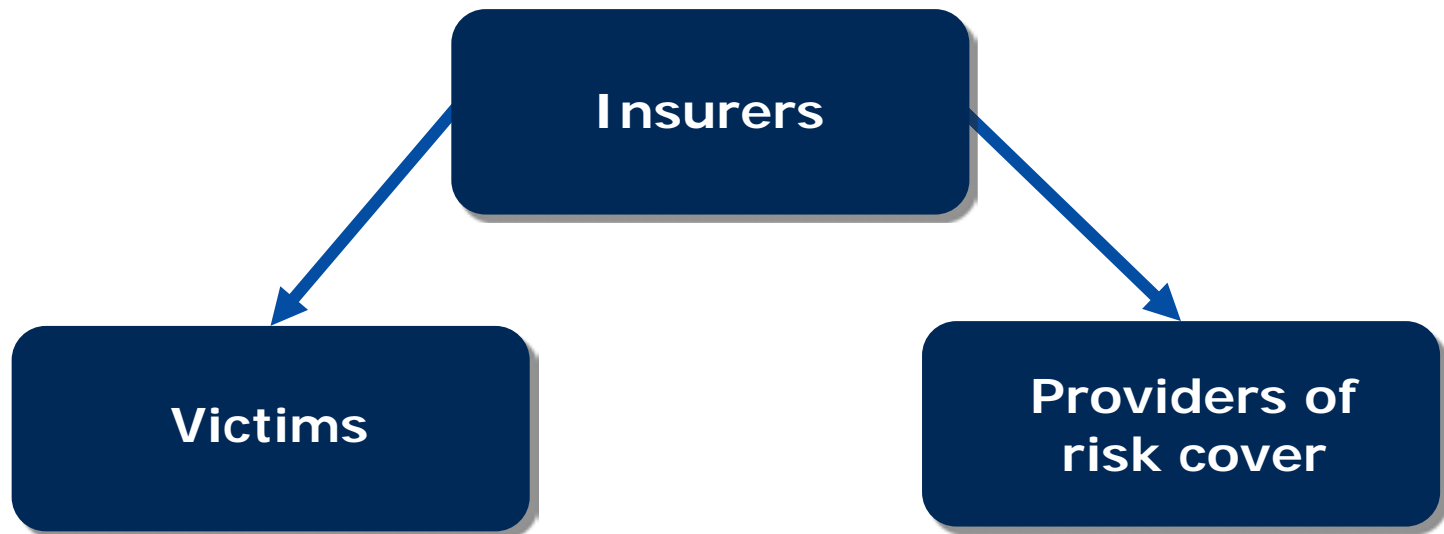
Big data
analytics

Cybersecurity and cyber insurance



Cybersecurity and cyber insurance

Insurers are in a unique position



Cybersecurity and cyber insurance

The role of insurance

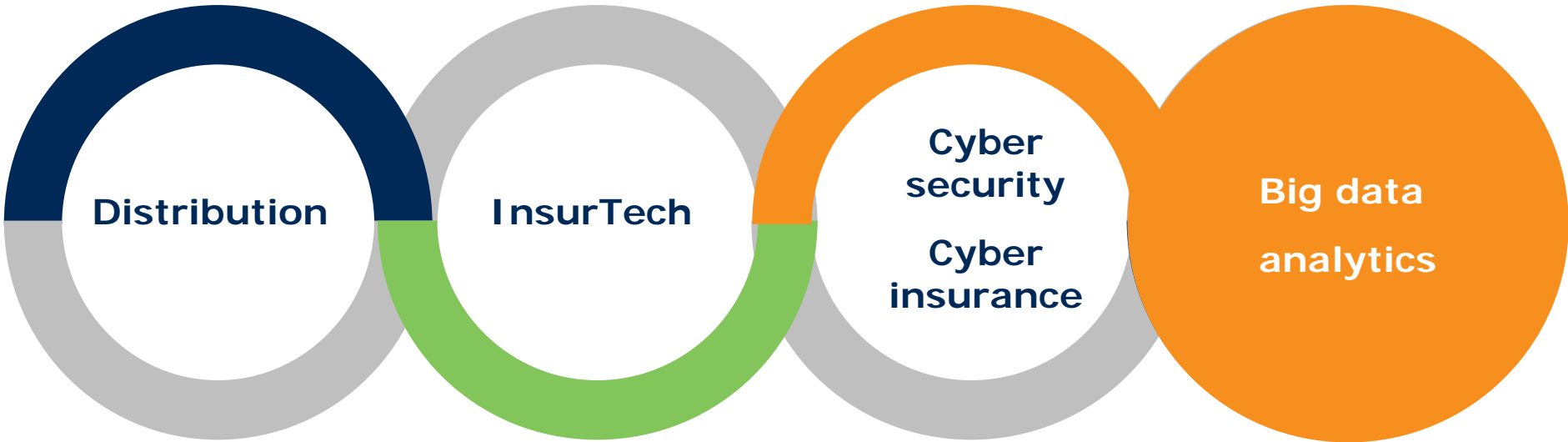
Prevention

Mitigation

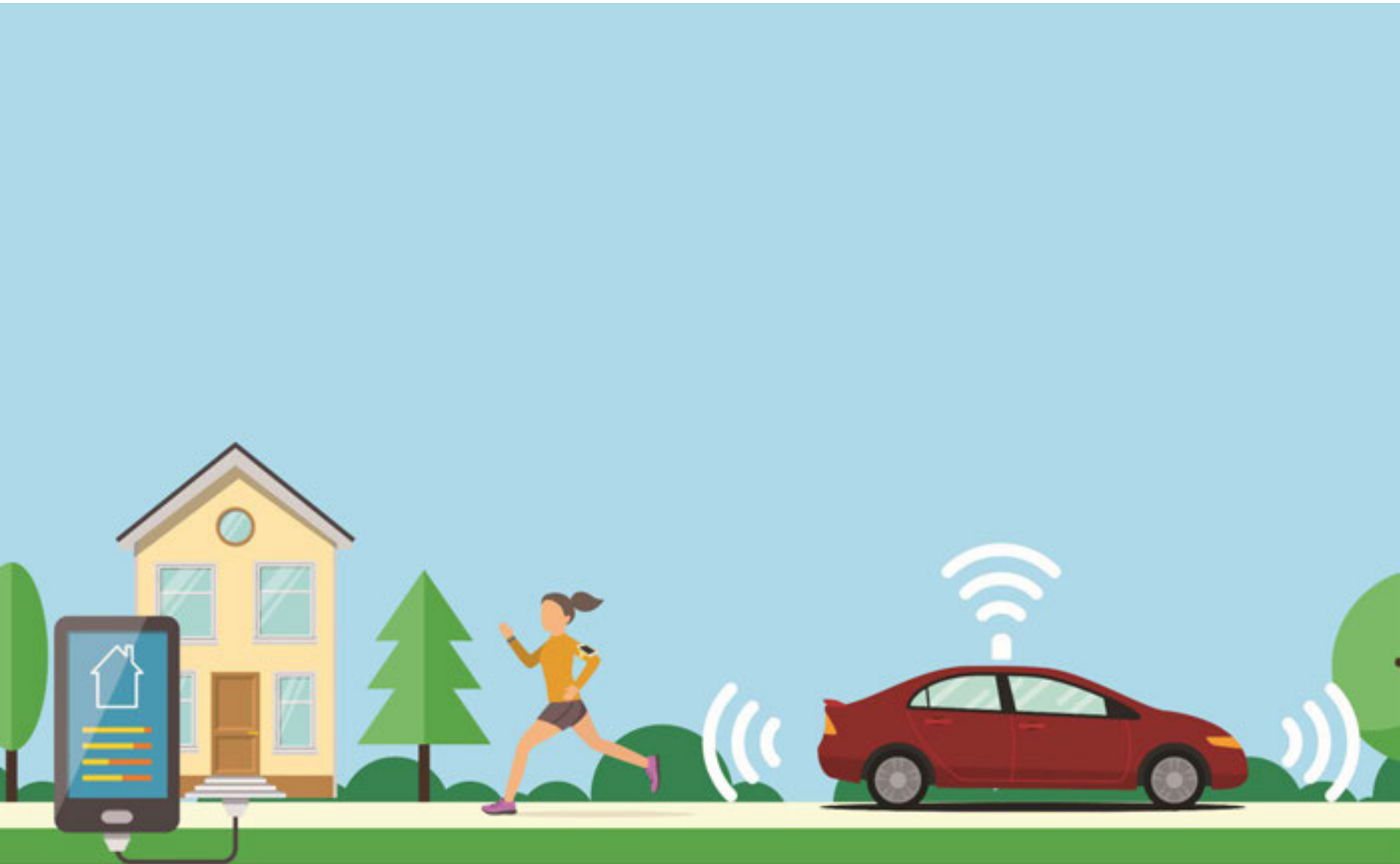
Financial compensation

Cyber security and cyber insurance

- The European market for cyber insurance will grow in the coming years, due to:
 - increase in these types of risks
 - businesses' awareness.
- Pre-condition for coverage:
 - Access to relevant data on cyber incidents and data breaches



Big data analytics: An insurance (r)evolution?



Automated and connected driving





For more information

[www insuranceeurope eu](http://www.insuranceeurope.eu)

