



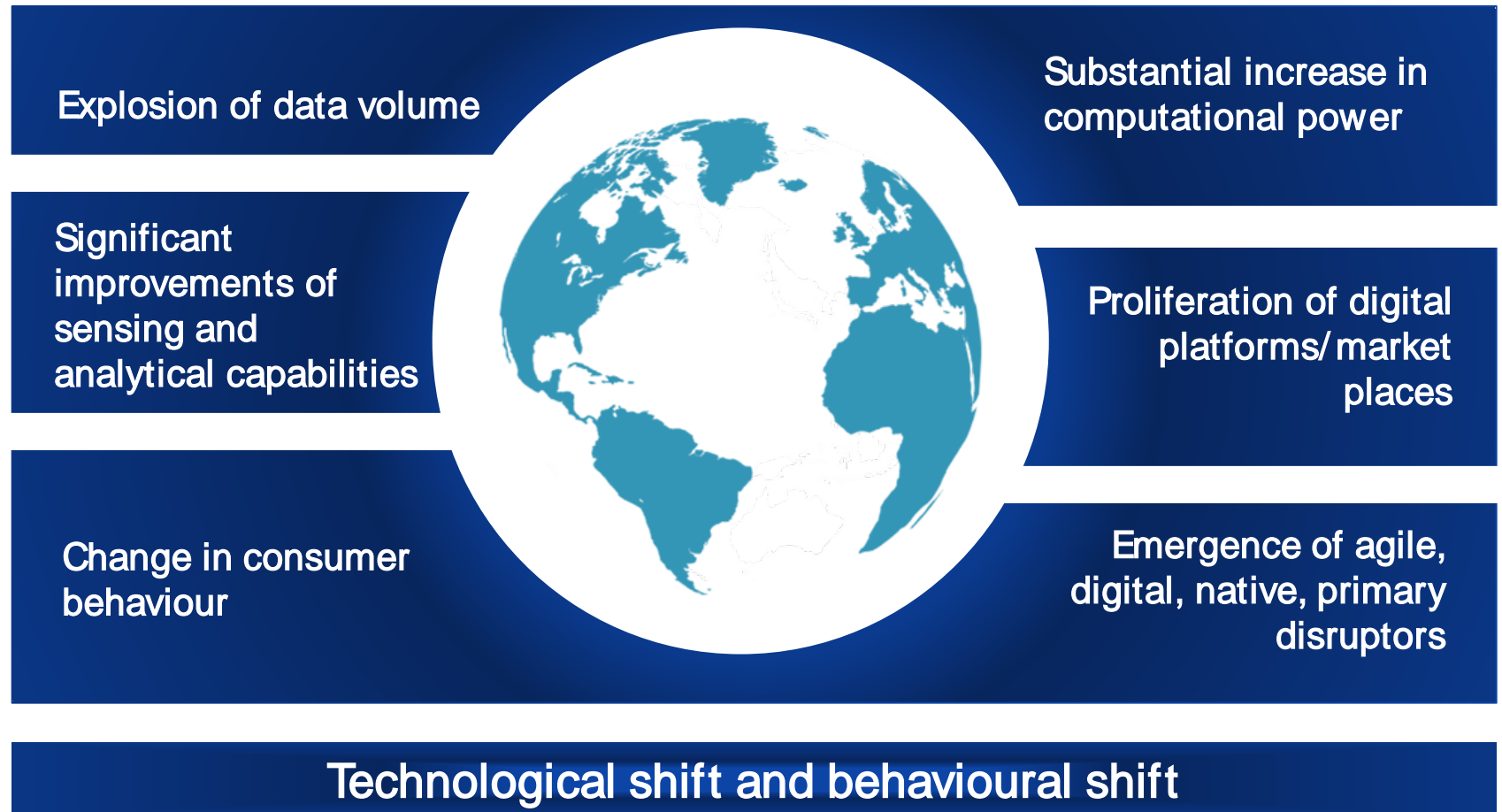
Swiss Re

Big Data, Artificial Intelligence & Insurance

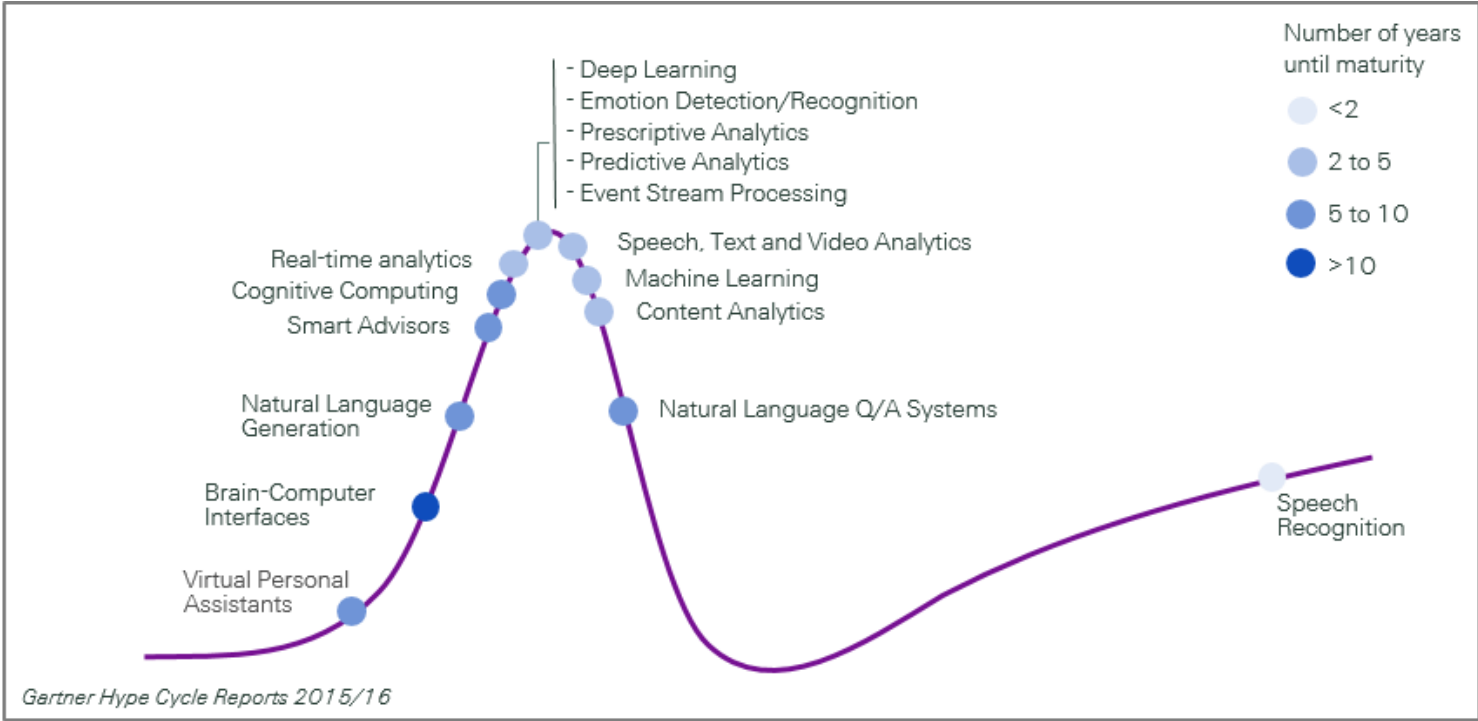
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The insurance industry technology transformation kicked off around 2012



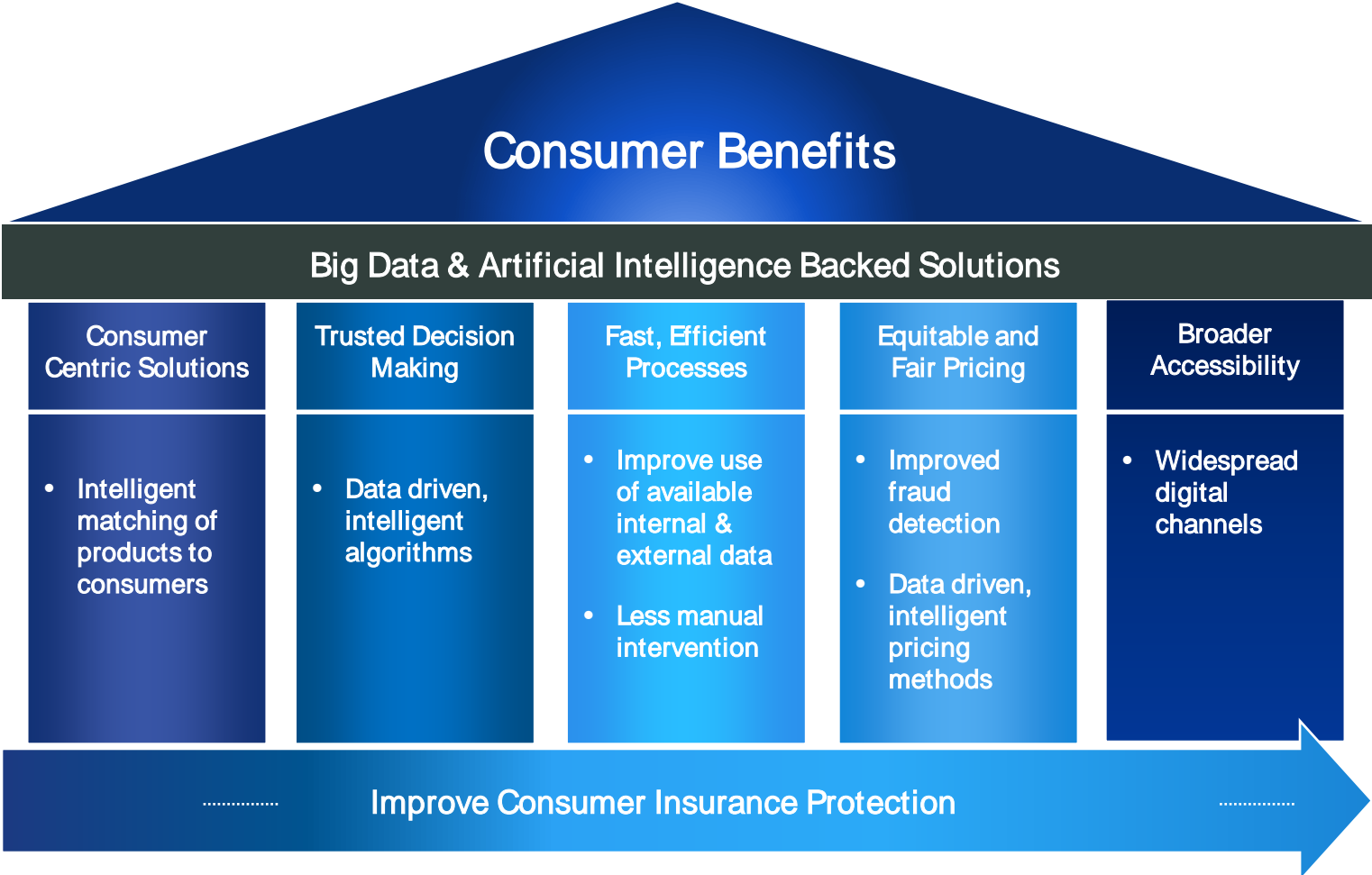
Since then, many advanced technology capabilities are approaching sufficient maturity levels



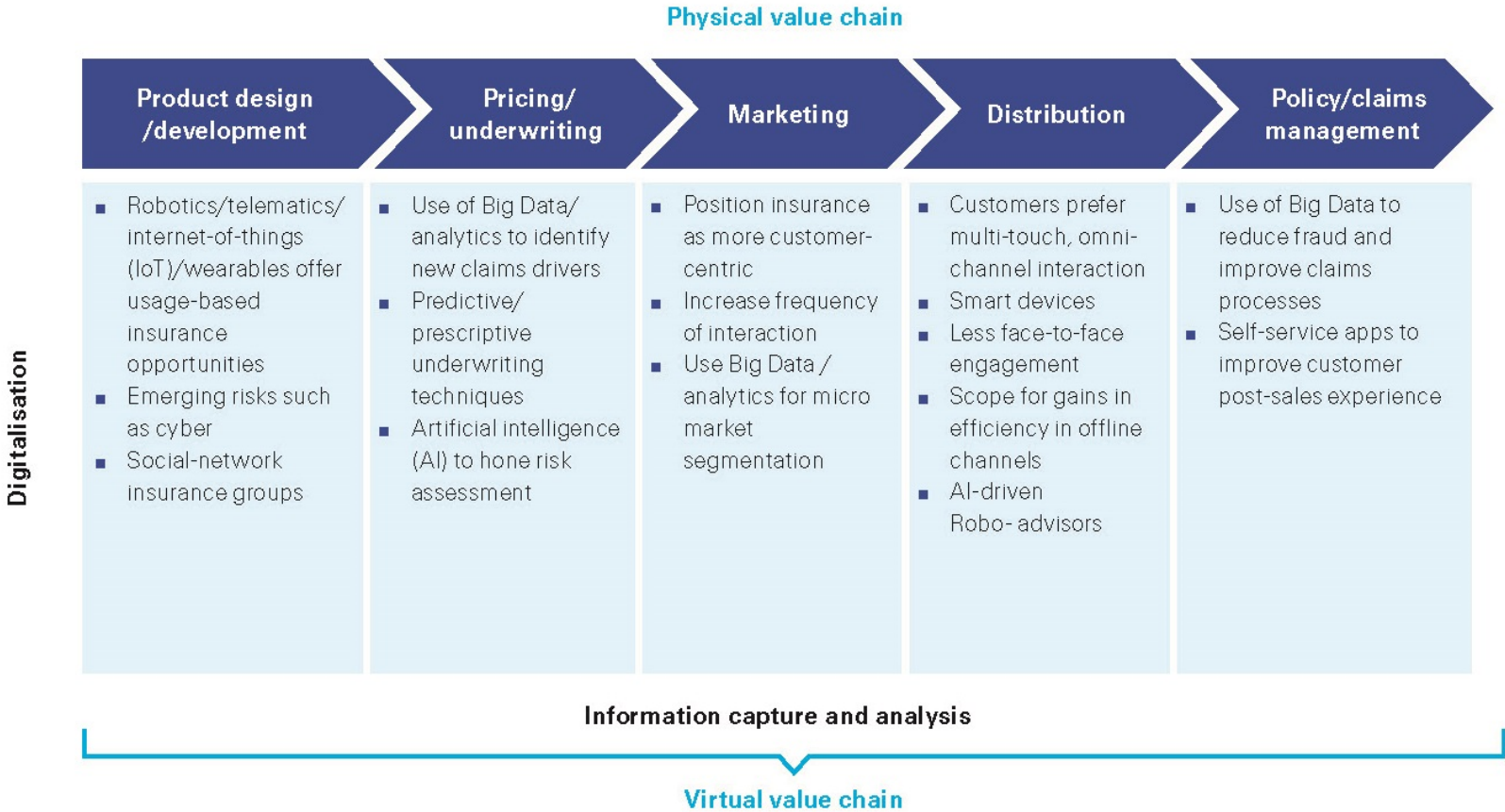
The provider landscape for cognitive computing and related technologies is quickly evolving



Big Data and AI solutions in the insurance industry can provide benefits to consumers



Companies are already defining how Big Data and AI can influence the insurance value chain



Public policy should anticipate the impact of advances in technology and innovation

Changes to Anticipate	Examples
Boundaries between processes may shift or blend	<ul style="list-style-type: none">• Prospecting, triaging, marketing and traditional underwriting can overlap
New data sources will be available and permitted for use by consumers	<ul style="list-style-type: none">• IoT data• Publicly available data
Approach between AI models and traditional statistical models is different	<ul style="list-style-type: none">• AI favors correlation and pattern recognition• AI imputes missing values for greater accuracy and efficiency
Technical knowledge is necessary to engage with Big Data and AI experts	<ul style="list-style-type: none">• Data Scientists and vendors are using new tools and methods which are not widely understood by traditional insurance experts

 Regulatory uncertainty has the potential to freeze progress and stifle innovation .

Regulatory policy considerations

REGULATORY FRAMEWORK

- Regulation should recognize modern social norms of sharing and leveraging data; and
- Regulation should encourage innovation and the use of modern technology for the benefit of the insurance value chain end-to-end.

TECHNICAL EXPERTISE

- Regulators should have the technical resources to understand technologies contemplated and used for modern insurance practices; and
- Regulators should leverage modern technology for the advancement of insurance supervision.



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