

DATA PROTECTION AND PRIVACY IN INSURANCE

Increased digitalisation and more data mean insurers have an even greater responsibility to treat customers' data securely and confidentially. The insurance industry is built on trust between insurers and their customers, so the security and privacy of the data they receive is treated very seriously.

1

Data processing lies at the heart of insurance

Enabling insurers to process data is essential for the calculation of fair premiums, to tailor products and for the payment of claims.



2

The European insurance industry is heavily regulated

The European insurance industry is heavily regulated in relation to data protection, both at national level and by the 1995 EU Data Protection Directive (95/46/EC).

This Directive will be replaced from May 2018 by the General Data Protection Regulation (Regulation (EU) 2016/679).

Establishing a single law throughout the EU should make the rules clearer and simpler for companies and facilitate the European Commission's aim of developing a Digital Single Market.

3

New Regulation provides consumers with more control over their data

The General Data Protection Regulation establishes a harmonised data protection framework across the EU.

The Regulation is designed to give consumers more control over their data in a digitalised world by ensuring that all EU consumers benefit from the same strong, up-to-date data protection rights, regardless of where their data is processed.

Legal basis provided by the General Data Protection Regulation on which insurers process their clients' data



Consent

Articles 6a and 9: to process sensitive data, such as health-related data, to ensure that consumers receive appropriate health cover at a fair price for the risk they pose or to reimburse all or part of the costs of medical treatment.



Contract

Article 6b: to process data both pre-contract, to provide a quote for cover, and during the contract, eg for paying benefits under a life insurance contract.



Legal obligations

Article 6c: to process data to comply with, for example, the Anti-Money Laundering or Solvency II Directives.



Legitimate interests

Article 6f: to process data to detect and prevent fraud and also to comply with regulatory requirements.



Insurance industry recommendations

Under the new EU regime, a European Data Protection Board will give advice and guidance. Any guidelines and recommendations it makes should:

- strike an appropriate balance between an individual's right to privacy and the needs of businesses in the increasingly digital world
- be future-proof — allowing insurers to use innovative technologies to collect and process data and provide services