



NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS

Attachment E
Privacy Protections (H) Working Group
12/12/22

A vibrant night photograph of a city skyline, likely Atlanta, Georgia, featuring several illuminated skyscrapers and a bridge with blue lighting reflected in the water. The scene is set against a twilight sky with soft pink and blue hues.

Privacy Protections Working Group



Coalition Against Insurance Fraud

ADVOCACY • INFORMATION • OUTREACH



Matthew J. Smith, Esq.

- **NAIC Consumer Representative**
- **Executive Director, Coalition Against Insurance Fraud**

- The data onslaught is here.
- Consumers need regulators to make sure they are protected.

Used correctly, data can help consumers.

- Lower premiums
- Tailored coverage
- Ease of the insurance process:
 - Application
 - Payment
 - Claims



Regulatory Oversight & Accountability are Crucial



Consumers are not data-ignorant

There is support for
appropriate use of
data in the world of
insurance.



You are hearing these results at the NAIC first!

- The first and only study of its kind.
- This study was done to help guide legislators and regulators.
- It contains valuable insight to guide the proper oversight of data both in anti-fraud and beyond.



THE ETHICAL USE OF DATA TO FIGHT INSURANCE FRAUD STUDY



2022



**Coalition Against
Insurance Fraud**

protiviti
Global Business Consulting

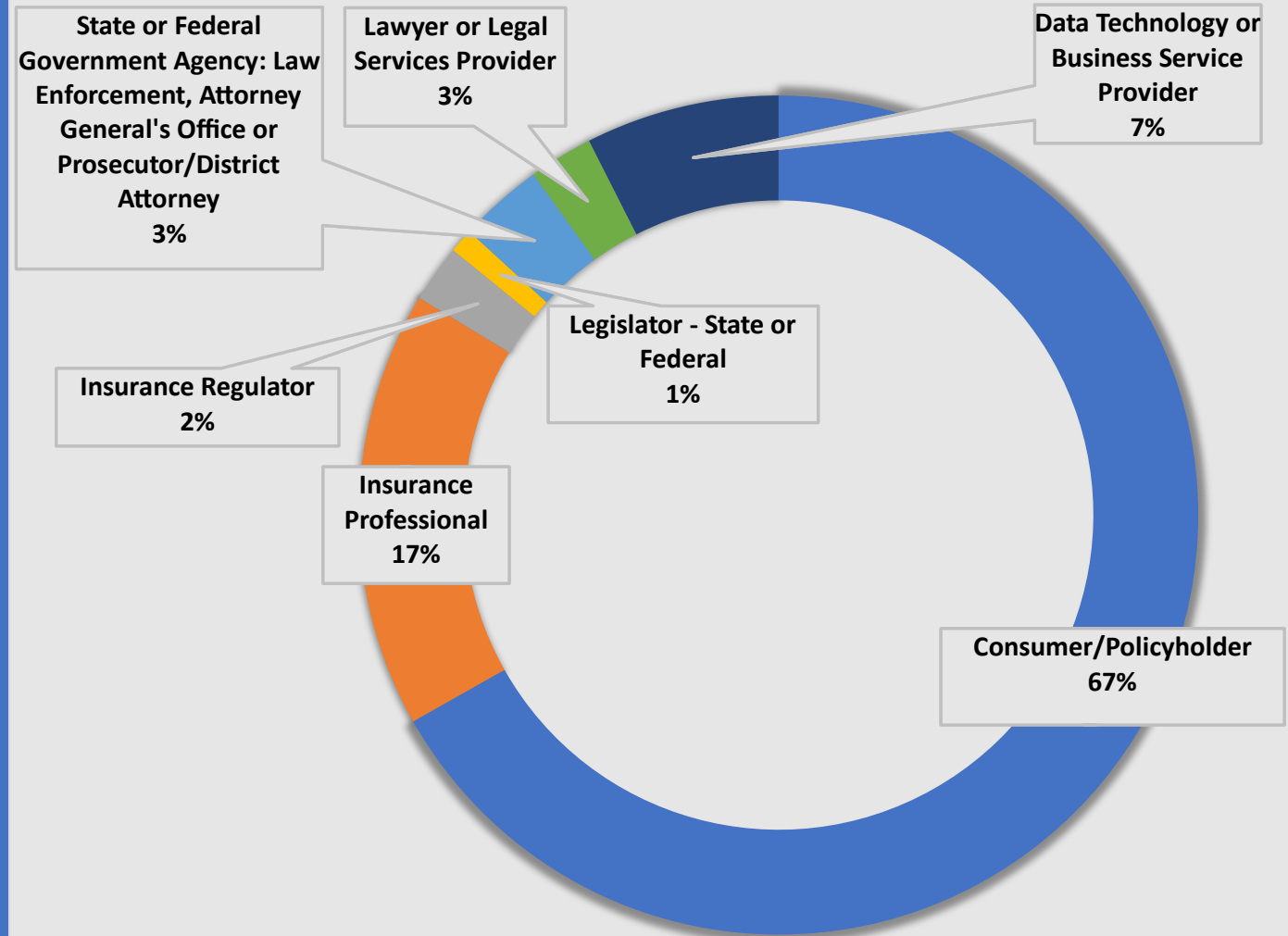


New Opportunities and Challenges

2,000+ respondents

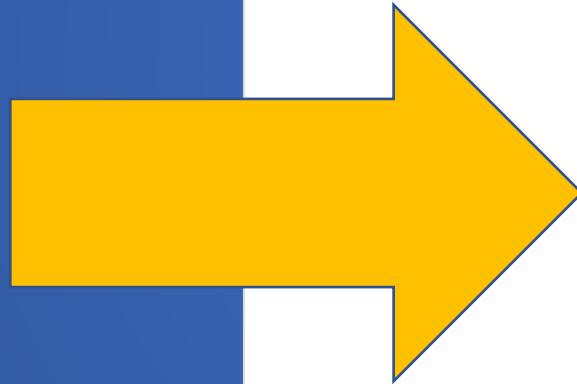
- 67% Consumers
- 17% Insurance professionals
- 6% Legislator regulator government
- 10% Legal or data service

Q1. Which of the following best describes you?

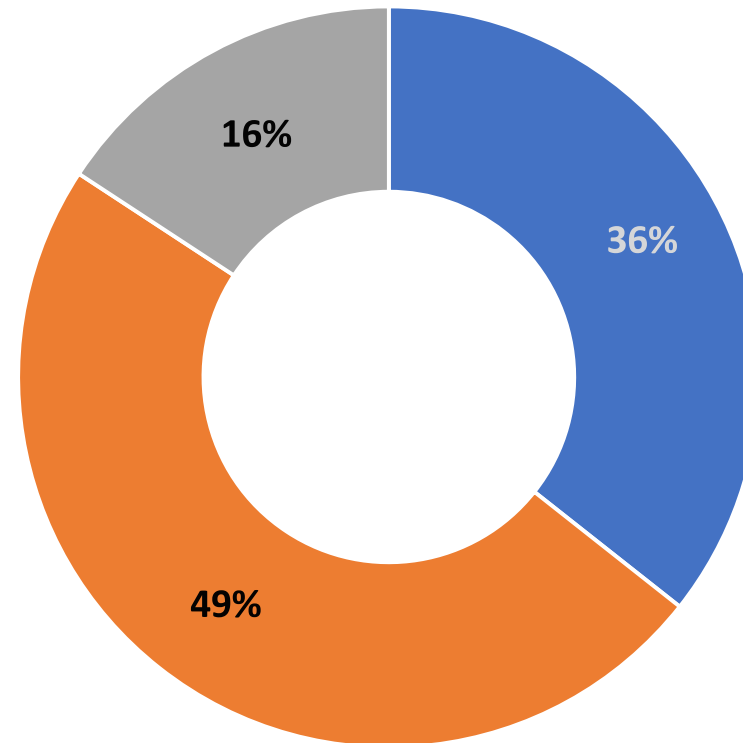


Americans care about data and insurance fraud

85%



Q3. When you think about the specific use of data to fight insurance fraud, which statement now best describes your level of concern?

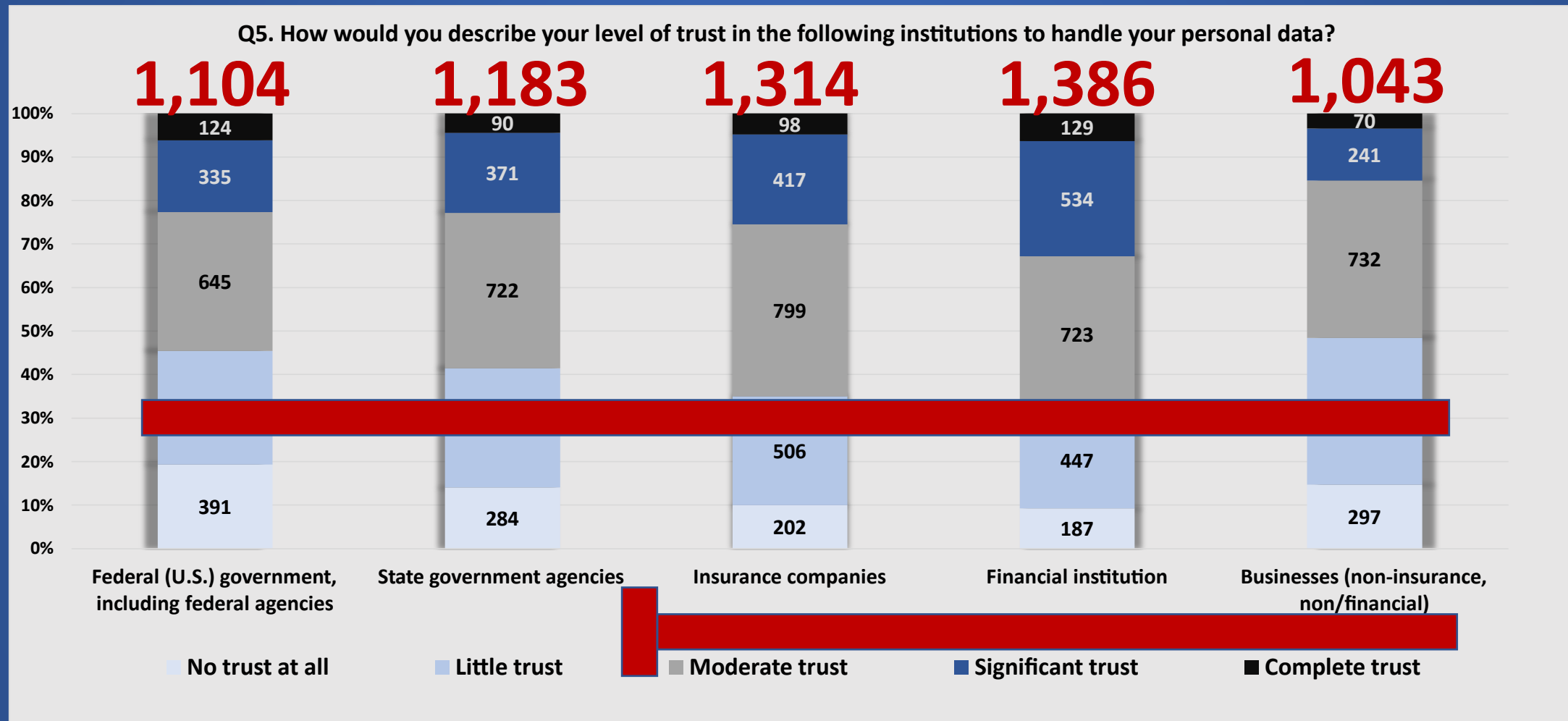


■ Very Concerned

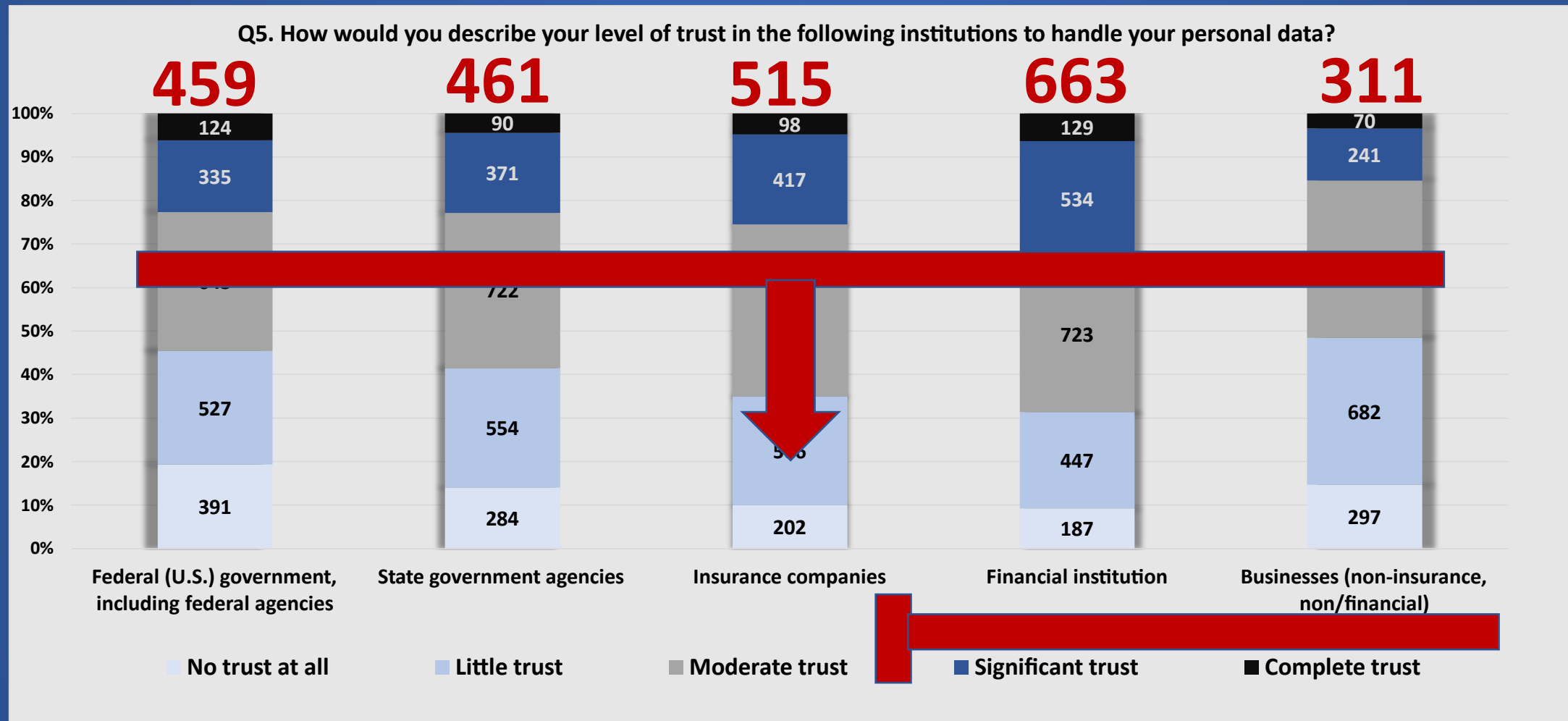
■ Somewhat Concerned

■ Not Concerned

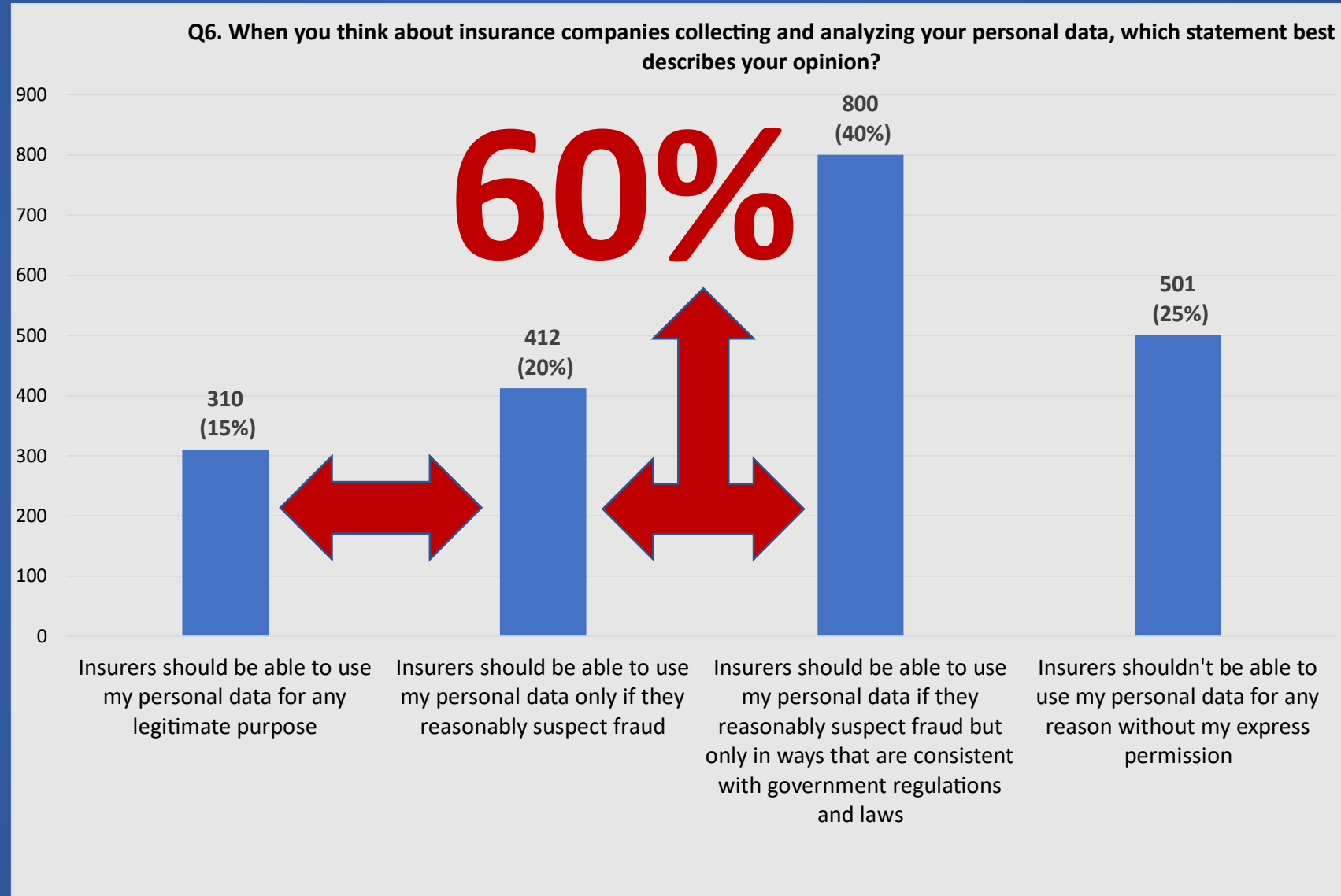
Who do consumers trust with their data?



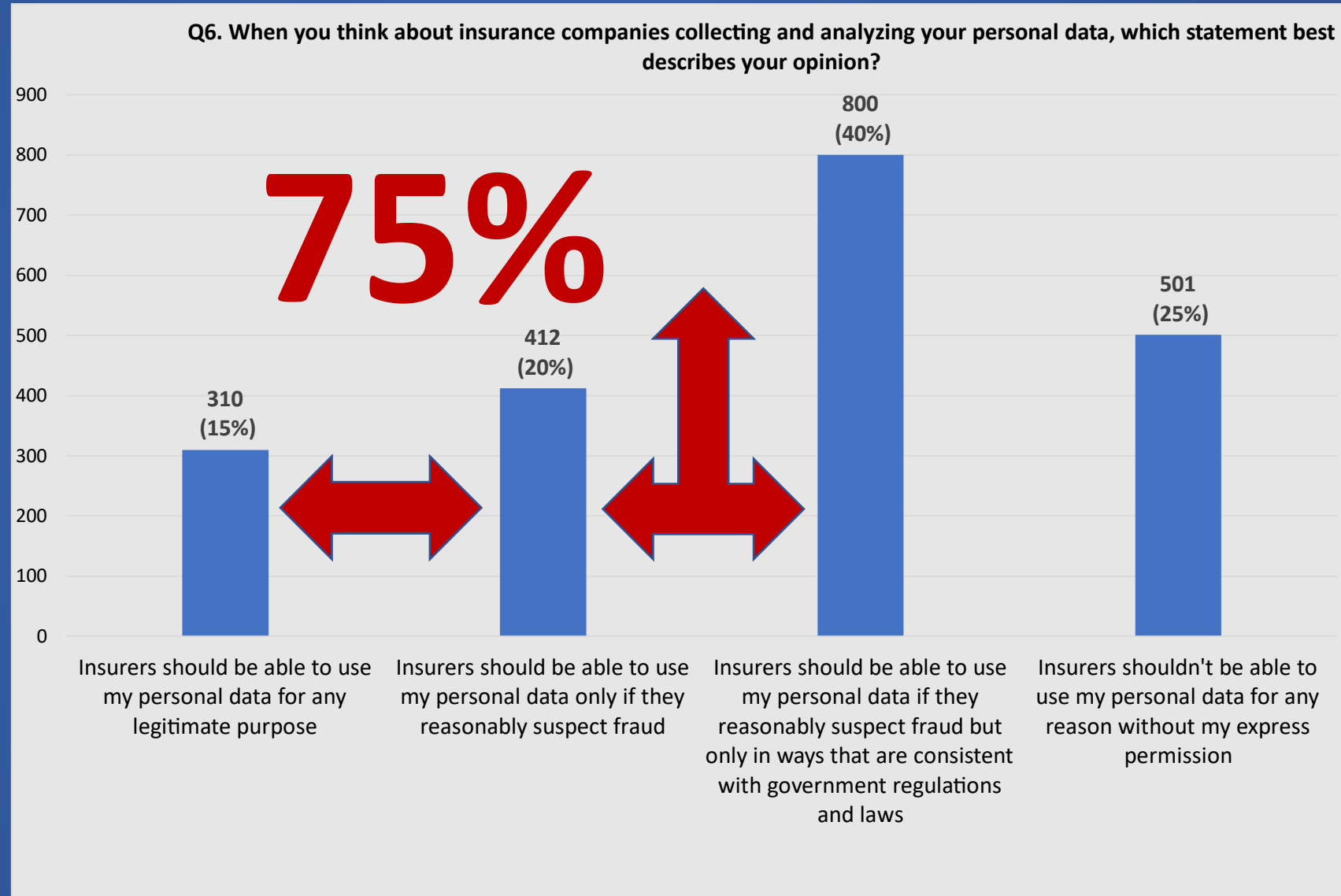
Who do consumers trust with their data?



Consumers
support
insurers
using
data to
fight
fraud.

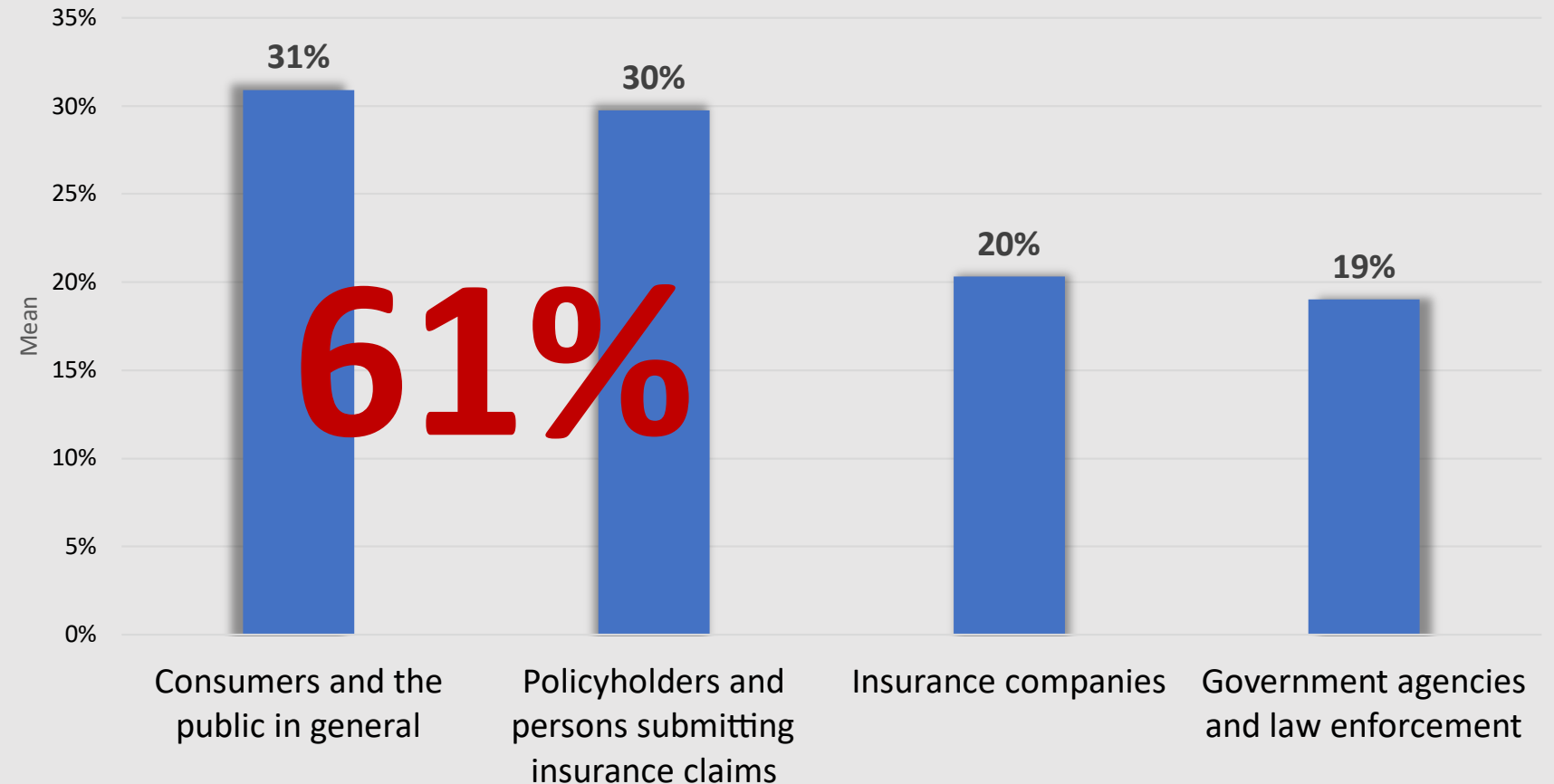


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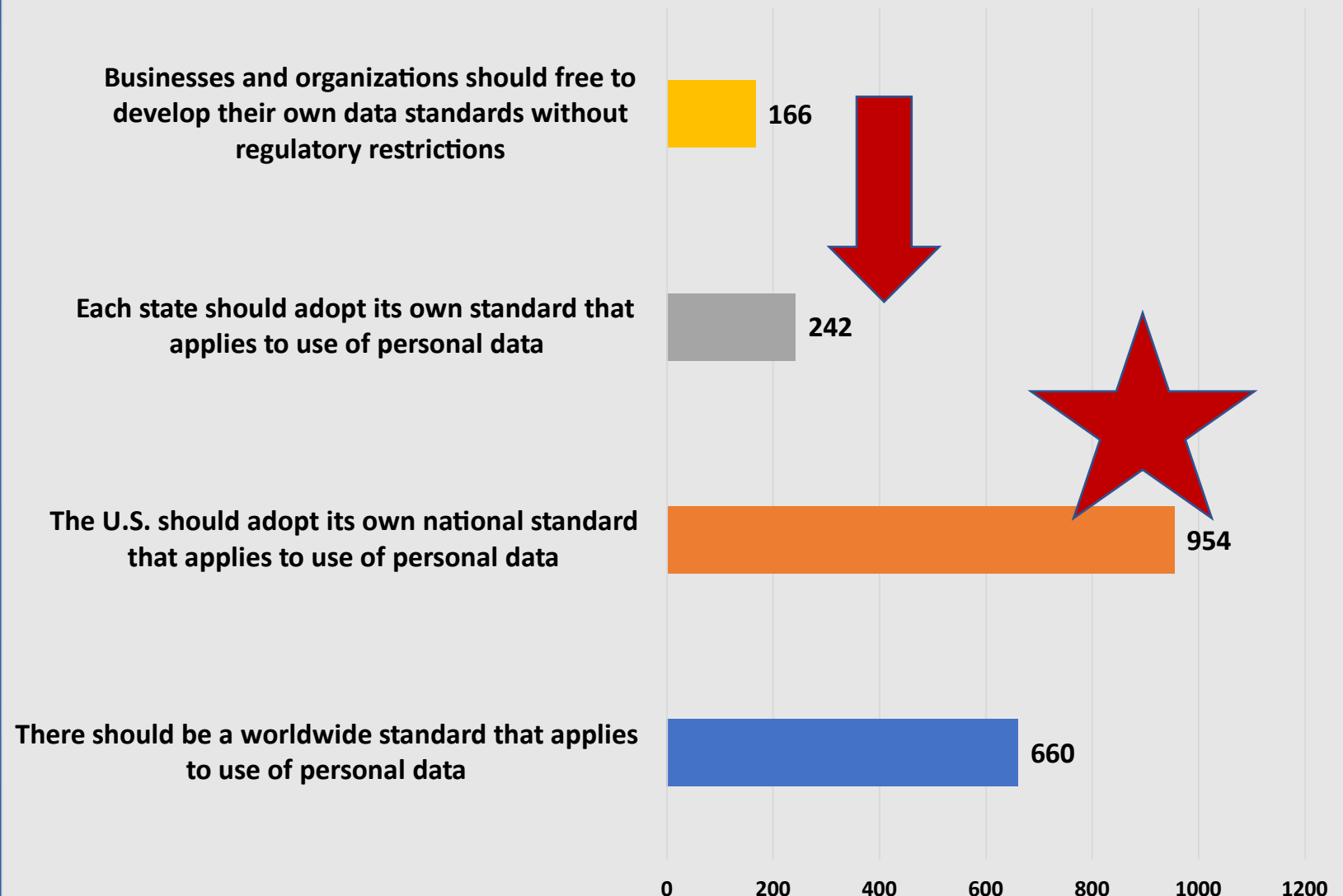
**But want
their
interests
protected
first.**

Q13. Whose interests should decision-makers consider first when developing laws and regulations about personal data privacy and insurance fraud? Rank from 1 (most important) to 4 (least important) (Weighted Average)

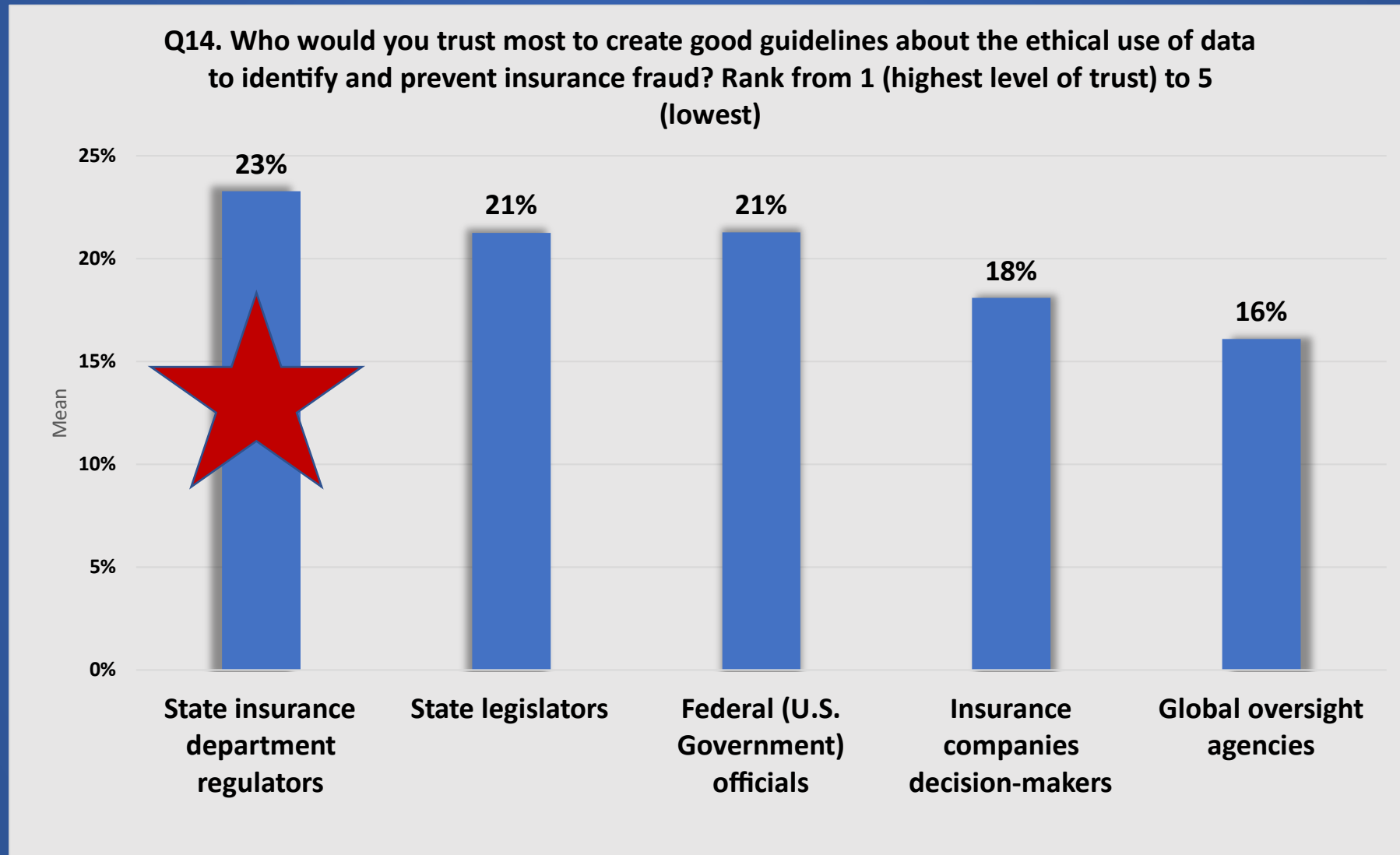


Consumers
overwhelming
support a
national
data
protection
standard

Q4. Which of the following do you think is the best way for your personal data to be protected?



While placing high trust in state regulation



Consumers support data laws and guidelines

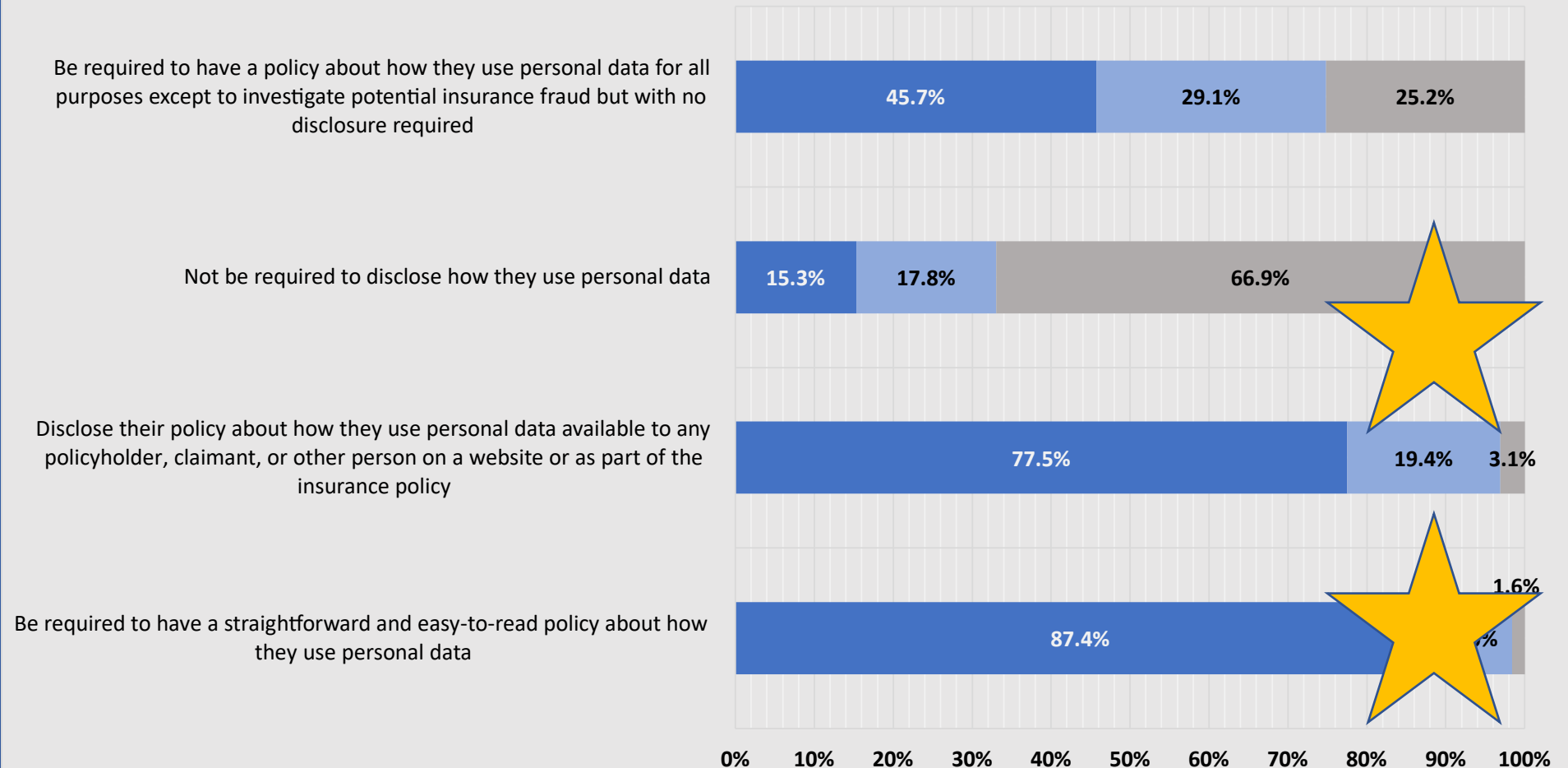
Q16. If your insurance company told you that they were going to run your data through AI, machine learning and/or algorithms to help identify people who might be committing insurance fraud, which statement best describes your reaction?



**Disclosure
and
clarity
are key
to
insurer
data
trust**

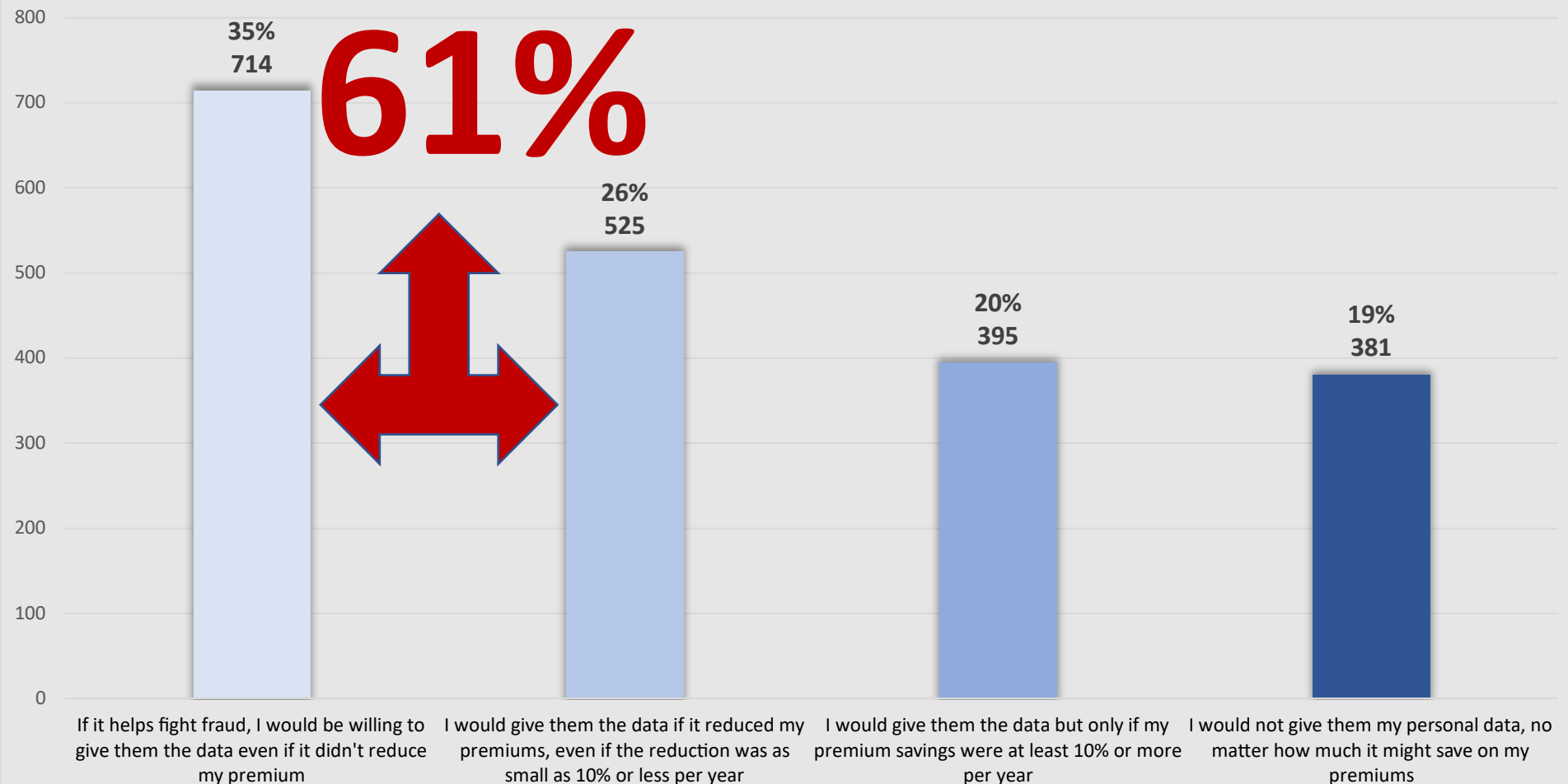
Q10. Please read the following statements and state your opinion about your expectations for insurers: Insurers should...

■ Agree ■ Neutral ■ Disagree



Premium reductions tied to data usage

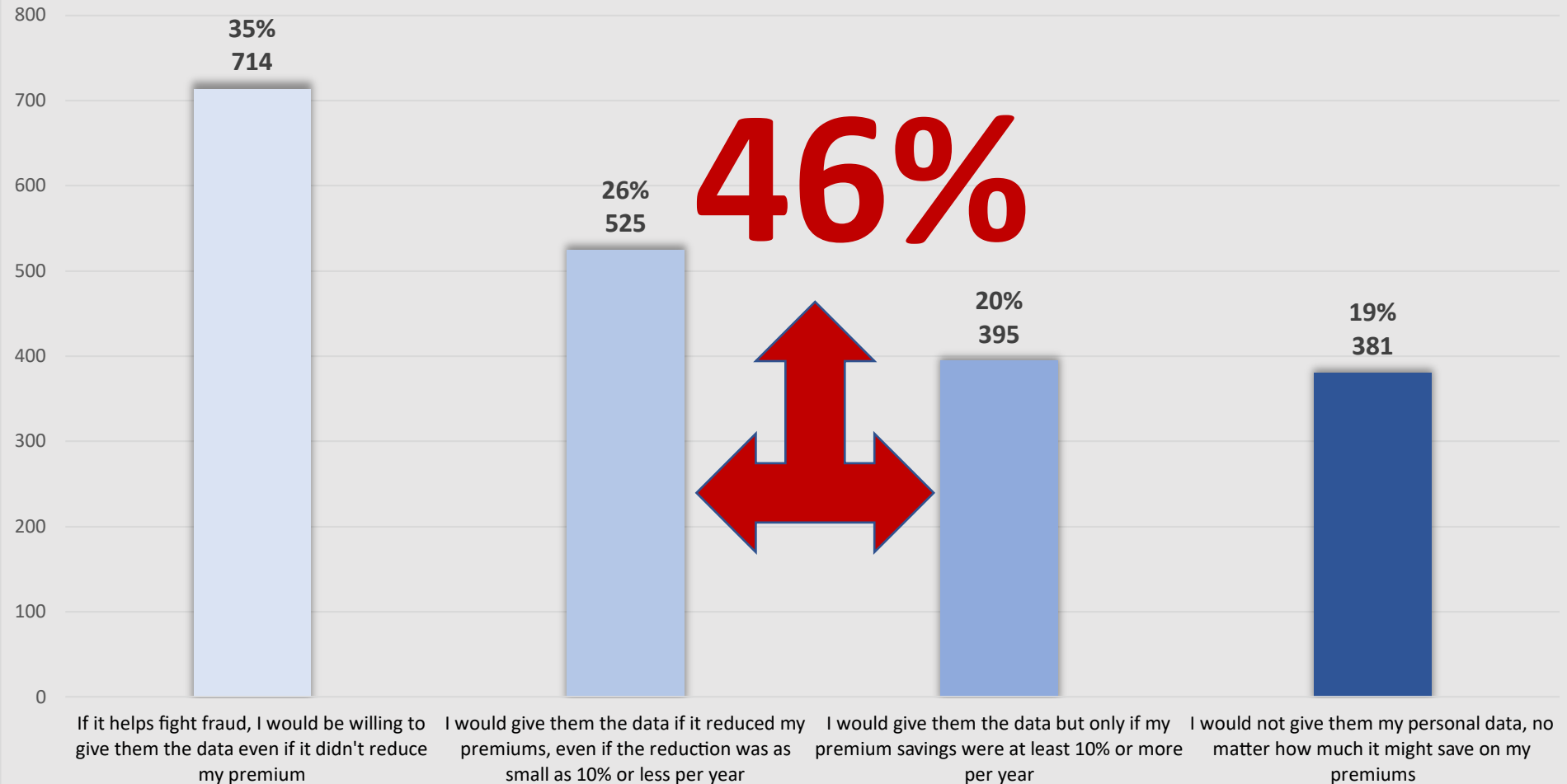
Q15. If your insurance company asked you to disclose personal data to help identify insurance fraud, which of the statements below best describes your response?



2
Views

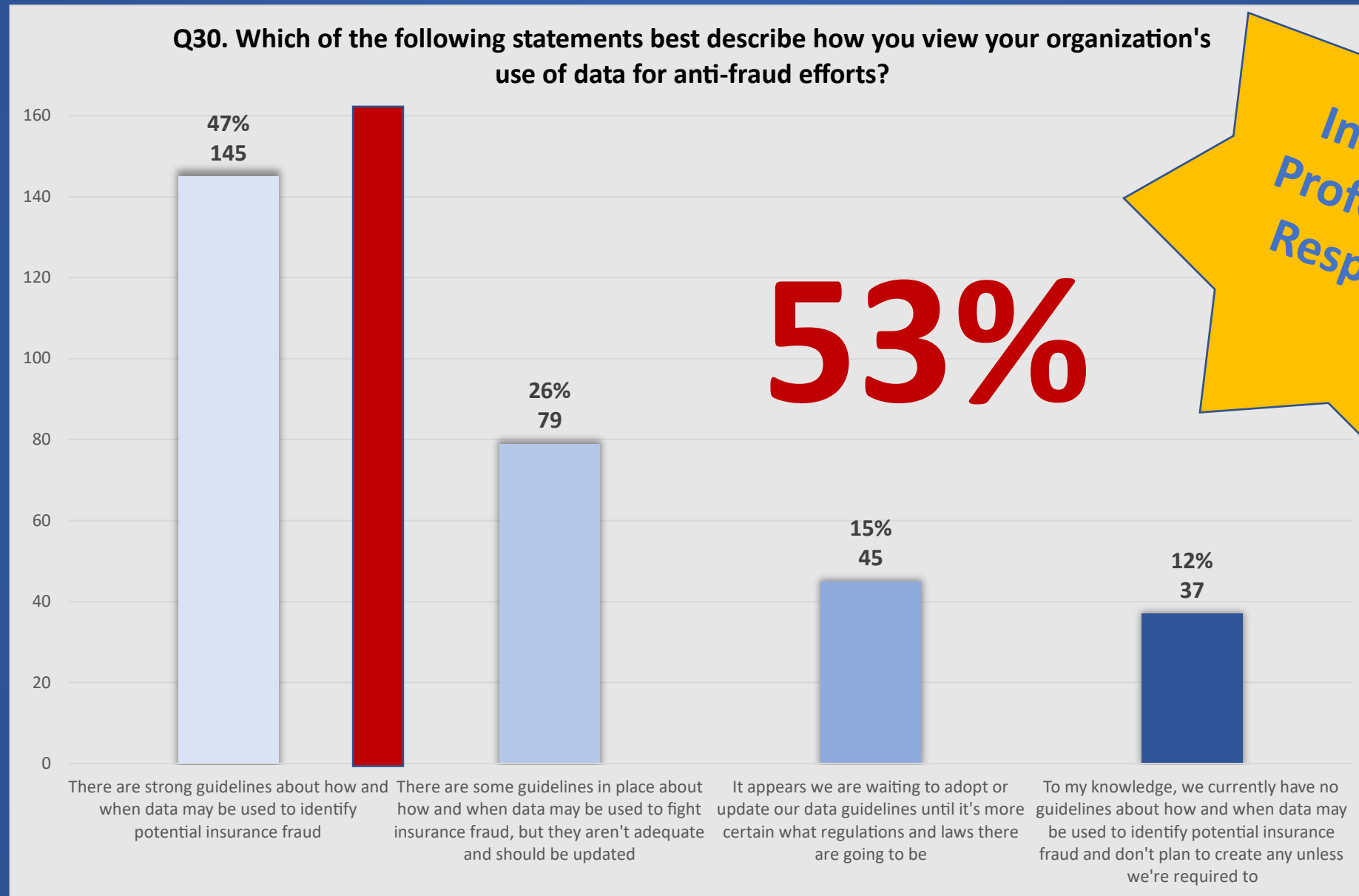
Premium reductions tied to data usage

Q15. If your insurance company asked you to disclose personal data to help identify insurance fraud, which of the statements below best describes your response?



2
Views

Are insurers properly overseeing data use?



**Insurance
Professional
Responses**

Regulators must play a strong role

- Use this data to apply to your work both nationally and at the state level.
- Encourage others to undertake similar research.



Regulators must play a strong role



- Address data usage at all parts of the insurance transaction.
- Create clear policies with accountability.
- Share information with other states.

Regulators must play a strong role

- Use of personal data for marketing.
- Standards for data use and retention after cancellation or non-renewal.
- Is data being de-identified? If so, by whom?



Regulators must play a strong role

- Include 3rd parties who aggregate or oversee programs for insurers.
- Shipping of data overseas.





Regulators must play a strong role

- Address bias and prejudice.
- Whether intentional or unintended.
- Consult with data scientists.

**The challenge is
getting it right...**

**We do not
have the time
to continue
to simply
wait.**



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Thank You!

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