

(Answers to the Questionnaire by Matti Sjögren, If P&C Insurance,
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New Technologies

(Autonomous Vehicles and Robots- Cyber Risks- New Technologies and Insurance
Process)

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I. DRIVERLESS/AUTONOMOUS VEHICLES AND VESSELS

1 Are there any specific laws already adopted in your jurisdiction, or proposals for laws, relating to liability in tort for injuries inflicted by the use of such vehicles or vessels? If so, please provide a short explanation.

Comment: answers may include the liability of drivers, producers of vehicles and the suppliers of satellite technology.

A: No.

However, simultaneously with the Act on Motor Third Party Liability Insurance (17.6.2016/460; in force from 1st January, 2017) the Product Liability Act (17.8.1990/694) was amended so that it does not anymore prevent the MTPL insurer from making a recourse action against the producer of the vehicle in case of product liability.

2. Are there any specific laws already adopted in your jurisdiction, or proposals for laws, relating to compulsory insurance coverage for injuries inflicted by the use of such vehicles or vessels? If so, please provide a short explanation.

Comment: answers may relate to motor vehicle insurance and product liability insurance.

A: Reference to Q1: the Product Liability Act is based on the EU Directive and strict liability to the compensation for injury or damage caused by a product to a person or property meant for private use or consumption and primarily used for such purposes by the injured party.

Cars are products, but it is not certain, that the systems and software are always products in case the problem or defect lies there. So there are needs for developments in the legislation in the future. There may be many service providers involved in the autonomous car traffic like the network operators or cloud service providers typically limiting their liability. PL does not apply to them.

3. How do you envisage the future of personal lines in motor vehicle insurance in the next 5-10 years in your jurisdiction?

Comment: you may wish to comment on the future of motor vehicle insurance and the plans being made by the industry for new products

A: I don't expect major changes:

- the changes will take several decades while there will be the majority of vehicles still driven by people or in combination of autonomy and driver
- as said, the claims may be recourse from the manufacturers or importers

However, if the autonomy will start decreasing accidents, it will lead to less compensations and further less premiums. This will take decades too.

4. Driverless cars and autonomous vehicles apart, how do you assess the following technological developments that are expected to not only reshape the auto sector but also the insurance industry around it?

(a) connected cars (i.e., Internet enabled vehicles, (IEV));

A: With reference to above the IEV will expose several other types of operators to liability possibilities without the current legislation's support. Unlike in web services typically being able to cause only financial losses any services having access to physical objects may lead to injuries and damage.

Also the cyber risks are highly relevant. At the moment there are plenty of hacking offences and other types of incidents. Unless they can be limited it will prevent the development of IEV.

GDPR will additionally cause issues of collecting personal data and keeping it safe. Who is entitled to use the data and to what purposes?

(b) automated driver assistance systems (ADAS);

A: The regulatory issues are important. There needs to be a platform technology and standards. Otherwise this will not develop. We will see struggles to dominate the technology. It will be solved on International and European level, I believe.

(c) car/ride sharing;

A: This trend is here and developing all the time new versions. It will continue and lead to diminished ownership of cars. This will take time. Typically it will lead to professional operators taking over the sharing and not the people between them, ref. Air BNB.

Legislation is not preventing this.

(d) alternative fuel vehicles.

A: This may not increase rapidly. However, if hydrogen technology would develop, there might be other futures available.

For a while biofuels will support the development towards sustainable traffic.

Comment: answers may include identifying the legal and regulatory regime and provisions in your jurisdiction.

A: The diesel engines are going to vanish in some time period due to the micro particle problems. There isn't any legislation coming at the moment to lead this.

There are tax reliefs differentiating the car technologies according to their releases between diesel, gasoline, flexfuel, earthgas, biogas, chargeable hybrid and electricity.

II. CYBER RISKS

5. Identify the concerns have emerged in your jurisdiction as a result of cyber risks. Is there any legislation in place or under consideration that might affect such risks?

Comment: possible matters include cyber-terrorism, hacking, computer or software failure and financial fraud.

A: Cyber risks are very important nowadays and the activity has increased tremendously. But the main activities to prevent them is not in the regulation. The private sector is working intensive to improve.

GDPR is the main legislation coming and leading to the stricter rules in regards of personal data.

There are plenty of incentives to secure IT systems but the legislation and regulation will develop through the EU.

6. How has the insurance industry responded to cyber risks? In particular:

(a) do property policies cover losses from cyber risks, or is special insurance required?

A: Traditional property policies cover the traditional risks like fires even if they stem from cyber attacks. But there have appeared endorsement to property policies to cover also financial losses and preventive costs through cyber incidents including operation errors of the insured.

(b) is insurance and reinsurance readily available?

A: To some extent yes. The policies with smaller sums insured to S&M's are sold as standard products.

To larger industries the tailor made policies are available but not yet very typical.

Reinsurance is available more and more. But also reinsurers consider the accumulation risks carefully.

(c) are there any special restrictions imposed on cyber risks, e.g. event limits or deductibles?

A: The issue with cyber risk insurance is the accumulation potential like due to virus outbreaks, which may restrict insurance companies from accepting risks or limiting the sums insured.

III. NEW TECHNOLOGIES AND THE INSURANCE PROCESS

7. To what extent have the availability of new technologies affected the way in which insurance policies are placed? In particular:

(a) has there been any effect on the traditional use of agents and brokers?

A: Not in Finland. The brokers are involved as in any other business.

(b) has the underwriting process been affected by the availability of information, particularly big data, from sources other than the applicant for insurance?

A: Not essentially so far.

(c) has the means of providing information to policyholders changed significantly, e.g. are written documents provided or are policyholders directed to websites?

A: There are plenty of web based information services to clients on their insurances.

8. To what extent is genetic testing regarded as important by life and accident insurers? Is there any legislation in place or in contemplation restricting requests for genetic information, and are there any relevant rules on privacy that preclude its disclosure?

A: Probably not. (I am not an expert on these risks.)

9. Has the assessment of claims been affected by the availability of data. In particular, are there any industry-wide arrangements in place whereby insurers can share information on fraud?

A: The assessments have not been affected yet by availability of data.

There is a common claims register between the insurers – accepted by the authorities – to prevent fraud.

10. Are there any other ways in which the new technologies have affected the insurance process in your jurisdiction?

A: Not regulated ones. The companies develop their IT systems constantly to more automation, new services, information gathering etc.

IV. OTHER NEW TECHNOLOGY RISKS

11. Are there any other particular risks from new the new technologies that have been identified in your jurisdiction? If so, is there any legislation in place or under consideration to regulate them?

A: No