

QUESTIONNAIRE FOR AIDA WORLD CONGRESS, RIO, 2018

New Technologies

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

General Co-Reporters: Kyriaki NOUSSIA and Rob MERKIN

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.

Response: Not specifically for liability in tort injuries for autonomous vehicles but the Road Traffic Act was recently amended (and regulations enacted thereunder) this year to cater for the existence of and regulate the use of such vehicles on the roads in Singapore. The main amendments being: (1) to recognize that a vehicle need not be operated by a human; (2) rules which technology developers have to adhere to when conducting trials of such vehicles on the roads; (3) requirement for liability insurance or placing a security deposit with the Land Transport Authority during trials.

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.

Response: No specific laws have been adopted yet, save for response above.

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

Response: In my view, there is likely to be a need for the emphasis to shift towards a product / system (cyber) liability insurance but the risk of human negligence will probably still need to be covered depending on the features of the system. For instance, if the human driver is permitted to take over control of the vehicle but in so doing causes or contributes towards a collision, that risk needs to be considered under the policy; particularly from a third party liability perspective. If different systems exist, insurers will need to (or should) consider the variations of each, the risk profile of the driver before considering the cover to be provided and at what cost. Insureds will also need to consider the scope of cover required.

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));
- (b) automated driver assistance systems (ADAS);
- (c) car/ride sharing;
- (d) alternative fuel vehicles.

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

Response: For (a) and (b), my views above apply. Despite the exponential growth in technology, ever increasing reliance on cyber in every aspect of a person's daily activities and the ever increasing number of

cyber breaches, cyber crimes; cyber insurance has yet to really take off. With automated vehicles, surely the risk of a cyber breach which may impact the operation of the vehicle is one which cannot be ignored. The challenge in my view, is pricing that risk for the insurance product to be commercially viable for the insureds and the insurers.

For (c), if no money is exchanged, the passengers should be covered under the existing typical personal motor vehicle insurance policies. But if money is exchanged, say if the passengers contribute towards the cost of petrol incurred by the owner of the vehicle, the issue then is whether that translates into “commercial” use of the vehicle which falls outside the ambit of such typical personal motor vehicle insurance policies. In my view, simply contributing towards the cost of petrol should not have such an effect but the counter argument then is how would one be able to police such arrangements.

For (d), I don’t have much to say except from an insurer’s marketing perspective, it may be utilized in the context of being environmentally friendly and offering a discounted premium for such vehicles.

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.

Response: Yes, there is, under the Computer Misuse and Cybersecurity Act (Cap. 50A). It was previously known as The Computer Misuse Act which was recently amended to incorporate provisions on Cybersecurity and renamed accordingly. The four main objections of the amendments being to: (a) provide a framework for the regulation of critical information infrastructure owners; (b) provide the Computer Security Agency with necessary powers to manage and respond to cybersecurity threats; (c) provide a framework for sharing of cybersecurity information and (d) introduce a licensing regime for selected cybersecurity service providers.

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?
- (b) is insurance and reinsurance readily available?
- (c) are there any special restrictions imposed on cyber risks, e.g. event limits or deductibles?

Response: (a) It is not unusual for property all risk policies to include an endorsement for cyber risks but unless otherwise negotiated, such cover is unlikely to be as wide as a cyber insurance policy. (b) Yes, but I wouldn’t say that the product has as much traction as the more traditional commercial insurance products. (c) Yes, egs of a few usual exclusions: contractual liability, criminal acts, intellectual property.

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?

Response: Yes, some. For instance, purchasing policies online directly from the insurer.

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

Response: I think it has been to some extent but for the insurance industry in Singapore, I don't think big data has been utilized to the same extent that other countries have although such utilization can and probably should increase exponentially.

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

Response: There has been some change but hard copy documents are still provided.

8. To what extent is genetic testing regarded as important by life and accident insurers? Response: To the best of my knowledge, genetic testing (as in medically testing and not simply asking questions about a proposer's family medical history) is not common in Singapore. 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? Response: There exists the Personal Data Protection Act 2012 in Singapore which would preclude disclosure of such information without the owner's consent.

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?

Response: Yes, I believe that it has been. As for industry-wide arrangements in place to share information on fraud, the General Insurance Association of Singapore has a platform for, inter alia, members of the public to share information, particularly on motor accidents.

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

Response: I think the questions posed above have addressed the issues quite comprehensively.

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?

Response: No. The main risk is cybercrime.