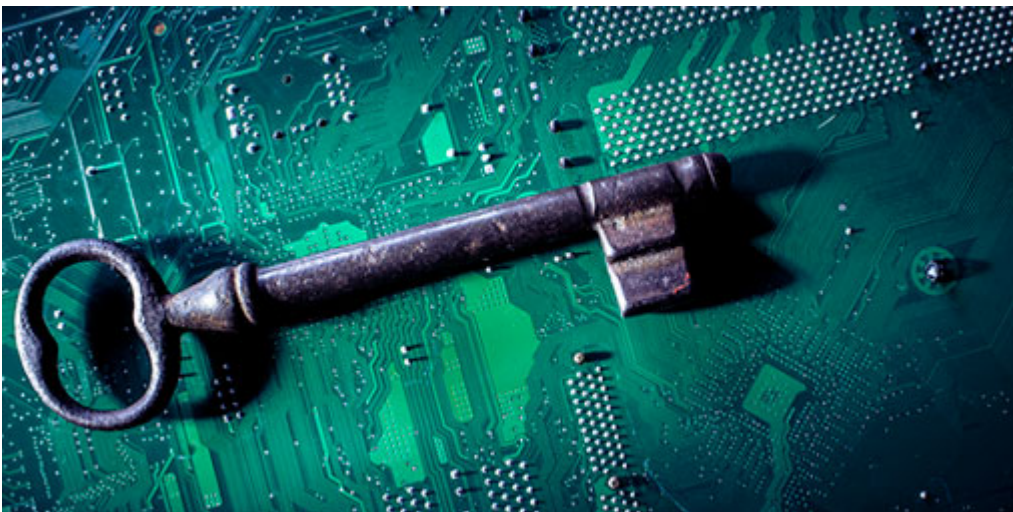


NAIC's Market Regulation Committee Adopts Broad Charge to Explore Insurers' Big Data Use

December 15, 2015



On December 11, the Market Regulation and Consumer Affairs (D) Committee (Market Reg Committee) of the National Association of Insurance Commissioners (NAIC) adopted the following charge:

Explore insurers' use of big data for claims, marketing, underwriting and pricing. Explore potential opportunities for regulatory use of big data to improve efficiency and effectiveness of market regulation. If appropriate, make recommendations no later than the Fall National Meeting 2016 for 2017 charges for the D Committee to address any recommendations identified by the 2016 exploration.

The Center for Economic Justice (CEJ) had urged, at the NAIC Fall National Meeting, that the Market Reg Committee review insurers' use of big data. The adopted language reflects the Market Reg Committee's desire to implement a balanced approach in its review. In particular, the Market Reg Committee rejected the CEJ's proposed language to address "potential issues of concern" regarding

insurers' use of big data. Likewise, the Market Reg Committee rejected the Property Casualty Insurers Association of America's proposed language that consumer benefits of insurers' use of big data be explored, although it agreed that exploring consumer benefits would be within the scope of its review. The Market Reg Committee's big data charge follows on the heels of the UK Financial Conduct Authority's November 24 release of a [Call for Inputs: Big Data in Retail General Insurance](#) to study insurers' use of big data in the UK. The Call for Inputs was submitted by the CEJ in support of the adoption of a charge. The big data charge will be voted on at the NAIC's Executive and Plenary meeting to be held on December 17, 2015.

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