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EUROPEAN INSURANCE

AND OCCUPATIONAL PENSIONS AUTHORITY

EIOPA Consumer Trends Report

EIOPA Insurance & Reinsurance Stakeholder Group meeting
Frankfurt, 7 February 2018

- **EIOPA's Regulation:**

"to collect, analyse and report on consumer trends"

- **The objective is to:**

- o Monitor the **evolution** (trends) in consumer behaviour and other market developments in the insurance and pensions sectors
- o Identify possible **consumer protection issues** that could arise from such trends
- o Identify and highlight **positive developments**

Key novelties of the 2017 report



- Emphasis on **financial innovations and digitalisation**
- **Stakeholders interviews** are included for the first time
- In addition to consumer complaints and NCA consumer protection activities, the report also analyses other **Retail Risk Indicators** using Solvency II data

- **In the insurance sector:**

- **Consumer complaints considerably increased** and some lines of business such as legal expenses insurance present low claim ratios, high commission rates and high claims rejection rates.
- **InsurTech start-ups** including peer-to-peer insurers are proliferating, specialising in developing specific areas of the insurance value chain.
- **Usage-based insurance (UBI) continues to develop** bringing new personalised products and services to market, but concerns continue over access to insurance for high-risk consumers.
- **Some NCAs are actively promoting financial innovation** through a series of initiatives, such as Innovation Hubs, regulatory sandboxes, or public-private partnerships such as start-up accelerators.

- In **the pensions sector**:
 - o **YoY increase in the number of active members** both in the personal and occupational pensions sectors.
 - o **Life-cycle funds** are quickly gaining momentum in some national pension markets.
 - o The use of digital technologies such as **mobile phone applications or robo-advisors** in the pensions sector is still moderate.
 - o NCA's consumer protection activities in the pension sector predominantly focused in **information and transparency issues.**

IRSG questionnaire for the 2018 report



- The IRSG is invited to provide **feedback on the questionnaire attached by 30 March 2018**, which covers the following:
 - o **Product-related trends** (and non-product related trends)
 - o Specific topics:
 - **Connected cars**
 - **Big Data & analytics in health insurance**
 - **On-demand insurance products**
 - **Use of social media by insurance undertakings**
 - **Cyber risks**
 - **Cross-selling**
 - **Cloud computing**