

# DIGITALISATION | INSURANCE | SOLIDARITY

## DIGITALISATION

**NETWORKING**  
Platforms and interfaces enabling networking between people on social media, people and machines such as smart wearables, and machines and machines in the internet of things.



**AUTOMATION**  
Using – self-learning – algorithms to identify patterns in datasets, process data electronically and answer simple customer queries.



**VIRTUALISATION**  
Shifting communication and information channels to virtual and augmented reality environments.



**IMPLEMENTATION**  
Democratised access to infrastructure and white label solutions to make it easier to develop and distribute new insurance products.



## SOLIDARITY AS THE BASIC PRINCIPLE OF INSURANCE

Insurance pools contributions from many people to cover the financial risk of individuals.

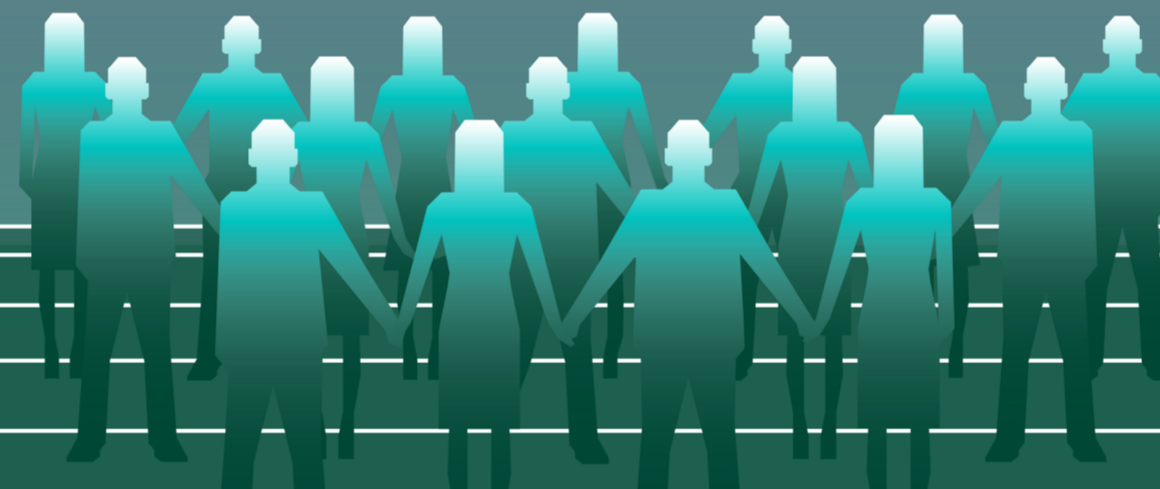
### PRIVATE INSURANCE

The formation of the insurance contract and the contributions depend on individual risk and scope of cover required (with the exception of mandatory insurance).

### SOCIAL INSURANCE

The law defines the content, scope and funding of insurance. Contributions and admission are independent of the individual risk.

## CHARACTERISTICS OF DIGITAL INSURANCE SERVICES



## CONDITIONS OF SOLIDARITY

### HOMOGENEOUS CIRCUMSTANCES AND VALUES

#### IMPACT OF HOMOGENEITY

- + New collectives are more homogeneous: the people involved are more and more similar.
- Greater fragmentation as a result of smaller collectives erodes trust in society as a whole.

### DIFFERENTIATED FROM OTHER GROUPS

#### IMPACT OF DIFFERENTIATION

- + The wide variety and number of different groups makes it easier to build specific solidarity communities more quickly.
- Increasing differentiation drives individualisation.

### INTRA-GROUP EXCHANGE AND INTERACTION

#### IMPACT OF INTERACTION

- + Digital communications help overcome spatial distances and simplify exchange within groups.
- Cross-milieu interaction is restricted due to smaller, personalised groups.

Increasing fragmentation and dwindling solidarity within individual collectives and society as a whole weaken the foundation of insurance.

#### IMPACT ON SOLIDARITY

New, stable and smaller communities based on the principle of solidarity – with mutual support in line with the principle of reinsurance – facilitate the formation of insurance collectives.

## AREAS WHERE INSURANCE COMPANIES CAN TAKE ACTION TO STRENGTHEN SOLIDARITY IN THE DIGITAL AGE

Create **AWARENESS** within the organisation of how digital technologies can affect the principle of solidarity as the basis of insurance products and services.

Modify internal **UNDERSTANDING OF INNOVATION** in line with new technological and cultural developments – e.g. trend towards self-tracking – and factor in the resulting social impact.

Develop industry standards to encourage responsible **USE OF DATA** to prevent misuse of personal customer data, protect privacy and establish trust.

**AIM FOR TRANSPARENCY** with regard to the products and services on offer and how data is used to provide customers with a better basis for making decisions.

Actively seek **DIALOGUE WITH SOCIETY**, participate in public debate and further develop role as service provider – e.g. help people learn how to use digital technology responsibly.