

Compiled Comments on *Draft Application Paper on the Use of Digital Technology in Inclusive Insurance*

15-Feb-18 to 17-Mar-18

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Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
1 - Q1 General comment on the draft Application Paper				
1. AIA Group	Hong Kong	No	AIA appreciates the opportunity to comment on the "Application Paper on the Use of Digital Technology in Inclusive Insurance". We agree that the use of digital technology in inclusive insurance presents many exciting new opportunities as it could provide protection and insurance products to a currently excluded or underserved market. Regulators will need to be aware of the unique approach to delivering insurance to this sector. Flexibility in the regulatory environment will be key in ensuring the development of solutions that would make insurance more accessible and valuable to the population classified as excluded or underserved. As a broad principle therefore, regulation should not limit or discourage companies from using digital technology to provide products to those presently excluded from the market or who are underserved. The use of digital technology in inclusive insurance may require increased, or specialist capabilities. However, we believe insurers would be mindful to approach these opportunities with the same care and diligence they apply to their existing operations. We do not believe that new regulation will be required to address the changes in technology. Instead, we would suggest that the existing regulations, which are largely risk-based, are sufficiently robust to address these circumstances. Insurers will also need to be mindful of their disclosure obligations to customers, and how they approach this particular segment of the market which may be less familiar with financial products. Even so, the obligations are fundamentally the same as with any existing products where there are requirements for customers to be fully informed about the benefits, and risks, of the products they are buying. As insurers partner with MNOs or TSPs, the same considerations that would be applied today in an outsourcing context will need to be applied to these new relationships. Insurers will remain responsible for their insurance activities and any provider who is performing part of that function. In particular, bullet point 7 under paragraph 36: We do not believe collection of personal information in the context of inclusive insurance increases the risk of data abuse therefore requiring enhanced data protection regulation. The issues around big data are as relevant in the context of traditional insurance products and markets as they are in the context of inclusive insurance. The potentially expanded use of customer in any context requires that insurers revisit the consents and disclosure that has been provided to customers, but we do not believe that new data protection regulation is	Noted Agree that new data protection regulation needs to be issued. Text amended.

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			required to address these concerns.	
2. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	These comments were prepared by a joint task force of the the International Actuarial Association's (IAA) Microinsurance Working Group and the Big Data Working Group. They have not been subject to the due process required for them to constitute a formal view of the IAA. Thus, these comments do not represent an official view of the IAA. General comment on the draft Application Paper: The link between Digital Technology and Inclusive Insurance is unclear in the paper. It is unclear what is specific to inclusive insurance and what applies to any kind of insurance as well. The paper has a very strong focus on m-insurance, which is understandable given that this is what is currently driving substantial growth in inclusive insurance. However, the paper would benefit from a more balanced coverage of the other digital technology applications listed in section 3.1. The "observed practices" boxes are a very powerful way of illustrating the principles included in the paper. We would recommend including more examples that do not relate specifically to m-insurance where possible.	Noted The box with examples after paragraph 29 clarifies how technological innovations are finding their way in inclusive insurance space. We expect that new initiatives will be developed included on the application of blockchain technology / smart contracts [consider adding reference or examples from the Cenfri report: https://cenfri.org/publications/role-of-insurtech-in-microinsurance/ See new section 3.2
3. Swiss Re	Switzerland	No	Swiss Re thanks IAIS for this valuable and timely guidance. Bridging the worldwide "protection gap" is a priority issue for Swiss Re and the momentum in the insurance markets with regards to "inclusive insurance" is a welcome development. Insurance business models and supervisory practices must clearly adapt to the changes brought upon the insurance value chain as a result of digital technology. We have reviewed the paper carefully and support its content and conclusions. In the comments below, we make targeted suggestions based on our experience with this topic. We would be happy to discuss with IAIS further.	Noted.
4. BIMA	UK	No	We appreciate the opportunity to review the report and to provide our feedback. We believe that IAIS is taking the right approach to regulate the inclusive insurance market, particularly with regard to its endorsement of airtime payment model and its advocacy on unconventional contracting procedures such as electronic confirmation (e.g. SMS). At the same time, we feel that there are several aspects which might not have been adequately addressed or can be expanded on: 1) The digital insurance industry is increasingly adopting the use of social media channels such as Facebook or Whatsapp as claims channels to make the claims process easier for claimants. At BIMA, our customers can now submit their claims via	Noted 1) Added as example]

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			Facebook and/or Whatsapp in different markets including Cambodia, Senegal, the Philippines and Paraguay where such measures have led to a rise in the number of claims we receive. As emerging markets consumers continue to adopt social media channels, regulators should be encouraged to embrace platforms that help ease the claims process, which can have a positive impact on driving claims numbers. 2) Although the text has covered the topic of misselling insurance policies and its prevention, it has not discussed the importance of customer education and the responsibilities of insurers/intermediaries in this particular aspect in greater detail. Raising consumers' awareness of insurance and increasing their financial literacy will be key to driving insurance adoption and can also act as a way to counter any misselling practices. 3) The conduct rules for selling insurance seems to imply that every sales agent must be certified to the same standard of sophisticated financial advisors, which in reality will prove impractical. As the product value of microinsurance is so small, it will be disproportionate to expect that only those who have graduated from tertiary education are allowed to engage in selling such policies. At the same time, insurers or intermediaries must ensure responsible selling by providing adequate and regular trainings to their sales force as well as conducting regular checks to ensure quality standards are upheld. At BIMA, we drive responsible sales by ensuring that our agent force educates 100% of customers at the point of purchase. We have a Quality Assurance policy in place where we contact our customers through outbound calls to ensure the education process has been effective and to validate customers' understanding of the product. 4) The development of local regulations should be a consultative process with the active involvement of local industry stakeholders. Last year we were invited to review and contribute to the Microinsurance Mobile Market Conduct Rules issued by the National Insurance Commission in Ghana. By eliciting feedback from industry players, regulatory bodies can obtain a proper understanding on the potential impact of their proposed regulation and reevaluate any aspects that could stifle innovation and competition prior to implementation. 5) In our experience, the Group Policy framework provides a good basis for enabling the sale of insurance through an MNO distribution channel and an intermediary. This was not mentioned in your report but can provide a solution for electronic registrations and distribution as it already exists in most jurisdictions.	2) For the sake of time and to avoid any incomplete "add-in", we suggest financial education remains a separate project, that we could submit later on or discuss in collaboration with other IAIS working groups. 3)Noted 4) Noted 5) There are some risks due to the fact that consumers of the MNO are not really members of the same group and we have identified many breaches including the absence of consent of insured and the excessive cost

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				structure...
5. PCI	United States	No	Over-all we found the paper to be very good. We do think, however, it should be limited to guidance for emerging markets, as more developed jurisdictions, such as the U.S., already have mechanisms in place to supervise their markets including the use of digital technology in their markets.	Paragraph 8 explains that the primary focus is on inclusive insurance markets.
6. Cincinnati Insurance Company	United States of America	No	It is indeed a noble calling for the IAIS to encourage insurance supervisors to use digital technology to facilitate the proliferation of inclusive insurance. The problem with the IAIS approach is that it is premised upon allegiance to the Insurance Core Principles (ICPs), a flawed paradigm of international insurance regulation which the IAIS and the FSB seek to impose on well-functioning regulatory regimes like the state-based system in the United States. Therefore, we would encourage the IAIS to brainstorm on how it might assist regulatory regimes from around the globe to use digital technology to facilitate the proliferation of inclusive insurance under their existing regulatory regimes. [NOTE: We offer the following comments in support of our well-known view that the world does not need a set of Insurance Core Principles and that the IAIS should focus its work on developing a system of global regulatory balance instead of global regulatory convergence. SUPPORTING COMMENTS: 1. Our company does not believe that the world needs a set of Insurance Core Principles (ICPs) and objects to the program under which the International Monetary Fund (IMF) grades the U.S. insurance regulatory system on its compliance with the ICPs. The core principles upon which the U.S. insurance regulatory system is premised have functioned perfectly for over 150 years and do not need an overhaul by the International Association of Insurance Supervisors (IAIS) or by its ostensible parent organization, the Financial Stability Board (FSB). Therefore, we object to ICP 8 and the additional ComFrame material which has been integrated with ICP 8 and would suggest that ICP 8 be eliminated rather than revised. 2. Instead, we would urge the IAIS, FSB and IMF to work toward a system of global regulatory balance instead of global regulatory convergence. We envision a world-wide system of regulatory interaction which takes a "Google translate" approach to understanding each other's regulatory regimes by employing international coordination and cooperation instead of preemption or prescription of jurisdictional regimes. Our emphasis on global regulatory balance instead of global regulatory convergence compliments our desire to preserve state insurance regulation and seek its acceptance at home and abroad as an equivalent form of regulation on par with the regulatory schemes of other countries.]	Noted.
7. Institute of International Finance	USA	No	The Institute of International Finance and its members ("IIF") appreciate the International Association of Insurance Supervisors (IAIS)' focus on financial inclusion and innovation, and the recent release of your application paper, "The Use of Digital	Noted

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			Technology in Inclusive Insurance." Under the heading of "fintech" and "insurtech," new innovations such as digital platforms, advanced sensors, machine learning, and blockchain are rapidly transforming the insurance sector. As your paper notes, several of these innovations hold particular promise in improving the insurance sectors' ability to reach un(der)served populations. Together with insurers, regulators and supervisors have a key role in ensuring that the benefits of innovations in the insurance sector can be fully reaped while minimizing any risks to the system and consumers. By exploring the links between new technology, the goal of promoting financial inclusion and the regulatory framework embodied in the IAIS Insurance Core Principles, this paper is a useful step in the development of a supervisory framework that will achieve this objective. In supporting this agenda, the IIF recently published a report which is a good complement to the IAIS application paper - "Inclusive Insurance: Closing the Protection Gap for Emerging Customers" (January 2018 https://www.iif.com/publication/research-note/inclusive-insurance-closing-protection-gap-emerging-customers.), developed in partnership with the Center for Financial Inclusion at Accion (CFI). The IIF/CFI paper examines in detail how insurers are expanding into new markets and successfully reaching underserved customers through new technologies, business models, product designs, a deeper understanding of customers, and partnerships. (A separate release, "Insights on Inclusive Insurance" (October 2017), lays out the key insights from this report. https://www.iif.com/publication/research-note/insights-inclusive-insurance.) The consideration of regulatory approaches to inclusive insurance also demand proper application of proportionality concepts. In line with our previous messages in the ICP consultations, we welcome the consideration of proportionality in the IAIS paper. Additionally, since digitalization and big data are increasing the challenges for protection of sensitive and confidential data held by insurers, it is in the common interest, including of policyholders, that all parties handling such data, including supervisors, have as robust and consistent data protection practices in place as possible. (https://www.iif.com/publication/regulatory-comment-letter/iif-response-iais-public-consultation-revised-icps-and) To further inform the IAIS work, we also would like to share some of our other previous studies in the areas of fintech and inclusive insurance, including: - "How Financial Institutions and Fintechs are Partnering for Inclusion: Lessons from the Frontlines" (July 2017) developed in collaboration with the Center for Financial Inclusion at Accion (CFI) gives a cross-sectoral overview of fintech-FI partnerships and	

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			the ways they improve financial inclusion, particularly in emerging markets. (https://www.iif.com/publication/research-note/how-financial-institutions-and-fintechs-are-partnering-inclusion.) - "Innovation in Insurance: How Technology is Changing the Industry" (September 2016 https://www.iif.com/publication/research-note/innovation-insurance-how-technology-changing-industry.) and its companion piece, "Insurance inclusion: Reaching Underserved Populations with Tech " (September 2016 https://www.iif.com/publication/research-note/insurance-inclusion-reaching-underserved-populations-tech.), provide a detailed overview of how new technologies affect the insurance industry, and in turn allow the industry to better reach underserved populations.	
2 - Q2 Comment on the List of Abbreviations				
8. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	Very good to have the list of abbreviations!	Noted
3 - Q3 General comment on Section 1 Introduction				
9. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	We agree with (para 2): "There is a general recognition that enhanced access to insurance services helps to reduce poverty, improve social and economic development and supports major public policy objectives, such as improving health conditions for the population, dealing with the effects of climate change and food security. Proportionate regulation and supervision can be supportive of access to insurance services as these will avoid unnecessary barriers for market access and offering services." It is also good that definitions are clarified as in para 4: "The term "inclusive insurance" is used broadly in this Application Paper, denoting all insurance products aimed at the excluded or underserved market, rather than just those aimed at the poor or a narrow conception of the low-income market. In developing countries, the majority of the population is often classified as un(der)served. Therefore, inclusive insurance is a relevant topic regarding the development of the	Noted

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			retail insurance market as a whole. While the term "inclusive insurance" is aimed at the excluded or underserved markets the term "microinsurance" has been defined as insurance which is accessed by the low-income populations, provided by a variety of different entities and operates in accordance with generally accepted practices, including the ICPs."	
4 - Q4 Comment on Paragraph 1				
5 - Q5 Comment on Paragraph 2				
10. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	The paper states: "There is a general recognition that enhanced access to insurance services helps to reduce poverty, improve social and economic development and supports major public policy objectives, such as improving health conditions for the population, dealing with the effects of climate change and food security." While there are examples included in the paper on how digital and emerging technologies are being used to improve health conditions, food security and social/economic development, there is not an example relating to climate change, just an example of a weather-based product (page 12) to help monitor rain levels.	Correct. The paper intends to provide guidance on the application of relevant ICPs to enhance access to insurance. We don't feel there needs to be an example of every objective that is served through enhanced access to insurance. This general recognition can be taken on its own.
6 - Q6 Comment on Paragraph 3				
7 - Q7 Comment on Paragraph 4				
11. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	The term "inclusive insurance" is used to denote "all insurance products aimed at the excluded or underserved market, rather than just those aimed at the poor or a narrow conception of the low-income market." However, para 14 defines an "inclusive insurance customer" as low-income/low education, etc. It would be helpful to the paper if "excluded/underserved" was also defined (...the term "underserved" refers to those that have less than sufficient access to insurance services. They may be partly or wholly "excluded".)	There is a considerable list of Issues / Application Papers of the IAIS in which these terms are and reference is made to paragraph 14. There has never been any lack of clarity as for their meaning. While un(der)served clearly refers to those with (sufficient) access to insurance some if the features they have in common are explained in paragraph 14.
8 - Q8 Comment on Paragraph 5				
9 - Q9 Comment on Paragraph 6				

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10 - Q10 Comment on Paragraph 7				
11 - Q11 Comment on Paragraph 8				
12. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	Very reader friendly to quote in summarised form the ICPs etc!	Noted
13. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Suggest the following changes to the second sentence relating to the focus of the paper: "Whilst the primary focus of this paper is on insurance supervisors seeking to enhance financial inclusion in developing markets, some considerations and suggested approaches could also be of interest to all supervisors."	This phrase is (almost) similar to paragraph 4 of the Application paper on Product Oversight in Inclusive Insurance. It is not clear why the sentence should not be used.
12 - Q12 Comment on Paragraph 9				
14. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	The paper states how it examines "aspects of FinTech and InsurTech relating to inclusive insurance," however, there are no further references to InsurTech in the paper. The paper describes a list of different technologies that are impacting the design, delivery and value chain for insurance (page 9), but does not link how a number of these innovations are a result of InsurTech (it just references the IAIS FinTech report).	The IAIS FinTech report is used as the basis for an overview of the innovations. These are subsequently linked in section 3.3 to business processes.
13 - Q13 Comment on Paragraph 10				
15. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Last sentence, replace "private" with "individual".	Private is used as opposite to public. No change.
14 - Q14 Comment on Paragraph 11				
16. National Association of	USA, NAIC	No	Replace "should" with "could".	The word "should" is used twice in this paragraph. In both instances it is used

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Insurance Commissioners (NAIC)				correctly. No change.
15 - Q15 General comment on Section 2				
16 - Q16 Comment on Paragraph 12				
17 - Q17 Comment on Paragraph 13				
18 - Q18 General comment on Section 2.1				
19 - Q19 Comment on Paragraph 14				
17. Swiss Re	Switzerland	No	The profile of an inclusive insurance customer as presented in the document is narrowly defined as someone who does not have insurance due to poverty. We believe this view is overly narrow, as discussed in paragraph 4, which seems to contradict paragraph 14. There are indeed a myriad of reasons besides poverty that preclude people from having access to insurance, most of them also arising from the supply side. Insurance markets tend to ignore the so-called "emerging consumer". segment between lowest- and the middle-incomes. Furthermore, even the middle income and upper income segments in emerging markets may not and do not buy insurance, so this is not just an income issue. We would also propose to add: "Have needs for which there is a low level of product design and/or maturity fulfilling the particular need"	The assumption in the first sentencing is incorrect: paragraph 4 speaks of inclusive insurance as the product aimed at the excluded (without mention a reason such as poverty), while "microinsurance" is linked to a more narrow concept of low-income. Paragraph 14 mentioned some of the reasons of exclusion including but not limited to poverty. No change.
18. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	It is unclear what "managing their livelihoods" means in this context. Also it appears the paper uses the concept of low income customer and inclusive insurance customer interchangeably. See comment on paragraph 4. Footnote 12- Suggest providing more detail: "See Section 2.1 of the Issues Paper."	Livelihood has the normal meaning of the means of securing the necessities of life (Oxford dictionary). This is also used in paragraph 20 of the Application Paper on Product Oversight in Inclusive Insurance (which did not cause any concerns). Disagree with the other points. See previous resolutions. As was done in several other papers, to avoid repetition only a recap if the Issues Paper has been included.
20 - Q20 Comment on Paragraph 15				

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19. Swiss Re	Switzerland	No	The focus on developing countries might be too narrow. There exist segments of societies which are not reached by the traditional insurance industry in more developed countries as well. For instance, large portions of the population in Southern Europe face difficulties affording traditional insurance products due to the Euro crises. There is an undisputed health insurance protection gap in the low income sector in the US... Putting the focus solely on developing countries ignores a large segment of the population in developed countries who do not have access to insurance. Expanding the focus would further increase the relevance of this paper, which has the potential to be relevant for all supervisors and regulators regardless of the level of development of their jurisdiction.	Paragraph 8 explains that the primary focus is on inclusive insurance markets. Paragraph 15 add that this is most relevant in developing markets. As is stated in paragraph 8 some considerations and suggested approaches could also be of interest outside the inclusive insurance space. No change.
21 - Q21 Comment on Paragraph 16				
20. Swiss Re	Switzerland	No	Distribution costs might not be the only reason for third party aggregators. Communal social structure (e.g. communities, faith based groups) might be another one, in which case the product and skillset required needs to be aligned accordingly.	Noted. Keeping costs low is an important concern in the distribution of insurance. This is the point made. That does not exclude that there may be other reasons to work with third party aggregators. No change.
22 - Q22 Comment on Paragraph 17				
21. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	The overlap of MNOs and insurer functions and the supervision of these functions are discussed; however the paper could be enhanced by touching on a couple of consumer issues that may be unique to the use of technology in inclusive insurance. For example, do consumers understand the use of a MNO does not require the purchase of insurance, particularly where there is a strategic partnership between an MNO and insurer? Similar to this issue, are consumers afforded appropriate product choice and price through such distribution? Given the use of technology to market/deliver products and financial literacy challenges that might be present, we agree with the need to ensure adequate disclosures of product features. The paper could be enhanced by providing more detail regarding what disclosures should be provided and the timing of the disclosures. New products may merit new disclosure requirements rather than those designed for more traditional products.	We don't want to duplicate the AP on Product Oversight in Inclusive Insurance. Perhaps add a cross-reference.
23 - Q23 Comment on Paragraph 18				
24 - Q24 General comment on Section 3				

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25 - Q25 Comment on Paragraph 19				
22. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Suggest the following change: "Or it can be utilized to form the core heart of the business model".	Text changed ("core heart" seems a bit duplicative).
26 - Q26 Comment on Paragraph 20				
27 - Q27 General comment on Section 3.1				
28 - Q28 Comment on Paragraph 21				
29 - Q29 Comment on Paragraph 22				
23. Swiss Re	Switzerland	No	It is somewhat confusing to have pay-per-use and P2P insurance under "digital platforms", as they are discussed again in paragraph 29.	Noted. This section 3.1 is taken from the IAIS Report on FinTech Developments in the Insurance Industry. For the purpose of this Application Paper no change is needed.
30 - Q30 Comment on Paragraph 23				
31 - Q31 Comment on Paragraph 24				
24. Swiss Re	Switzerland	No	These examples are very much geared towards existing mature markets, and could appear to recommend that the same products should be targeted to fill the insurance gap. We suggest to complement this selection with examples that could be more appropriate for intended markets as in the examples section on page 11. Paragraphs 23 and 24 are overlapping and could lead to some confusion, also because the examples used are very similar. Health monitoring and home monitoring can be used as examples in paragraph 23 as well. We would suggest to provide clear examples for both.	See resolution of the previous comment.
32 - Q32 Comment on Paragraph 25				
33 - Q33 Comment on Paragraph 26				
34 - Q34 Comment on Paragraph 27				

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35 - Q35 Comment on Paragraph 28				
36 - Q36 Comment on Paragraph 29				
25. Swiss Re	Switzerland	No	We suggest separating the P2P technology from the possible applications or business models "usage based insurance" and "on demand insurance". The reason being that while p2p is critical for these two type of insurance as described, they require an appropriate combination of technologies (e.g. IoT sensors and telematics).	See resolution of comment 23.
37 - Q37 Comment on Box Examples of Digital Technology Applications				
26. Swiss Re	Switzerland	No	The example from TongJuBao, for e.g., is not only relevant for the lower income customers. This example in fact highlights customers from different income levels - hence the focus solely on low income customers is not particularly relevant especially in light of the examples used.	Noted
27. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Examples after paragraph 29- Providing citations after the examples would be helpful.	We believe there are already enough examples – even some of them are not specific to inclusive insurance. Adding to much example could distract the reader from the main objective of our paper which is the appropriate application of ICPs.
38 - Q38 General comment on Section 3.2				
28. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	The overlap of MNOs and insurer functions and the supervision of these functions are discussed; however the paper could be enhanced by touching on a couple of consumer issues that may be unique to the use of technology in inclusive insurance. For example, do consumers understand the use of a MNO does not require the purchase of insurance, particularly where there is a strategic partnership between an MNO and insurer? Similar to this issue, are consumers afforded appropriate product choice and price through such distribution?	This issues seems covered in section 4.2.4 where C.O.B. issues are flagged.
39 - Q39 Comment on Paragraph 30				
40 - Q40 Comment on Paragraph 31				

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41 - Q41 Comment on Paragraph 32				
42 - Q42 Comment on Paragraph 33				
43 - Q43 Comment on Box Examples of M-Insurance Models				
29. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	A few points of detail: 1. The Tigo Family Care Insurance example is outdated as MicroEnsure is no longer a party to this initiative. 2. The product is co-owned / branded by Tigo and BIMA, with BIMA now playing the role of TSP. The relevant sentence should be updated accordingly to something along the lines of "The product is owned by Tigo and BIMA; they share a front-end relationship with the client. BIMA also owns the platform and salesforce."	See next comment
30. BIMA	UK	No	The cited example of Tigo is no longer up to date. The Tigo Family Care Insurance is no longer a free model but a paid life insurance policy that is renewable monthly, with Tigo (MNO), BIMA (corporate insurance agent), and Prudential being the three partners involved. We would recommend amending as follows: "Tigo Family Care Insurance in Ghana is a paid life insurance product available to all Tigo pre-paid subscribers. It covers two beneficiaries for Ghc 1.5 per month (USD 0.34) with cover up to Ghc 2000 (USD 450). The product is renewable monthly and is paid for via airtime credit. It is marketed under the Tigo brand (MNO), but is fully managed by BIMA (corporate insurance agent), from product design, customer education and distribution all the way to quality assurance and claims management. The policy is underwritten by Prudential Life Insurance Ghana. Currently, the product has 1.2 million registered subscribers."	Agreed. Text changed as suggested.
44 - Q44 General comment on Section 3.3				
45 - Q45 Comment on Paragraph 34				
31. BIMA	UK	No	2nd bullet point - In BIMA's experience, it is pivotal for the distribution of mobile microinsurance that customers are able to confirm their registrations over their mobile. As the vast majority of our customers have feature phones, this means that the possibility for us to receive confirmations by SMS is necessary for the distribution model to work.	Suggest to add the comment; however only few changes made to make the comment more general.

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32. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	While the examples provided are helpful, a number of these are new/emerging technologies or practices still in the early days of exploration and implementation. The use of "can" throughout these examples makes them come across as statements of fact, whereas it would be more appropriate to use "may" in this context to avoid potentially being misleading. Suggest changing this accordingly.	The sections starts by indicating that the examples provided could contribute. No change.
46 - Q46 General comment on Section 3.4				
47 - Q47 Comment on Paragraph 35				
48 - Q48 Comment on Paragraph 36				
33. AIA Group	Hong Kong	No	Please see our response to question 1.	Text changed. See response to comment 1.
34. Swiss Re	Switzerland	No	Regarding the first bullet point, we suggest that IAIS provide examples might show why this is relevant in the context of inclusive insurance. Examples could highlight roles that are now redundant or might be redundant. Regarding the fourth bullet point, IAIS could also provide concrete examples of models that push the definition boundary of insurance or intermediary services. Regarding the last bullet on the risk of data abuse and breach of data confidentiality, data protection is only as good as the weakest link. This enhancement required will need to consider the whole value chain, not only that of the insurers. We suggest a reference to paragraph 45 below which addresses the issue of outsourcing. We point out that it is generally challenging to build business models and solutions fulfilling all relevant laws and regulations over the full value chain and across jurisdictions if these aren't sufficiently aligned.	Notes. Text added to bullets 1 and 4.
35. PCI	United States	No	The sixth subsection should be deleted as it is contrary to some jurisdictional laws. Differentiated risk selection is inherent in insurance underwriting and is protected and even mandated by some jurisdictional laws. It is also a matter of solvency protection for insurers. Contrary to the subsection, there may be clients that are too risky to insure, for example, criminals, properties that are not maintained or drivers that habitually drive under the influence of alcohol.	Text has been amended to reflect that as a consequence exclusion could occur as a factual statement.
36. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Sixth bullet: in the discussion of supervisors carrying out reviews of algorithms to prevent biased exclusion of particular groups of customers, it would be useful to mention the type of resources necessary for this type of review.	Suggest to add a paragraph under 4.2.3 where this fits better. Also dealt with in section 4.2.1 in respect of resource needed by the supervisor.
49 - Q49 General comment on Section 4				

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50 - Q50 General comment on Section 4.1				
51 - Q51 Comment on Paragraph 37				
52 - Q52 Comment on Paragraph 38				
37. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	It is important to use proportionality "The ICPs describe the proportionality principle by setting out that: "supervisory measures should be appropriate to attain the supervisory objectives of a jurisdiction and should not go beyond what is necessary to achieve those objectives". The difficulty with this is that: a) it should help in promoting innovation; and b) it should not give room to inappropriate risks to the customer or to other parties.	Noted
53 - Q53 Comment on Paragraph 39				
38. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	The sandbox approach is discussed only in this paragraph. It seems to be a concept spreading at least to some extent both in developing and in more developed markets, with practical applications in a handful of instances. The idea seems to be to give freedoms at initial stages but then reacting quickly and with strength if there are problems. Applying this requires a fairly advanced supervisory system. This being said, we support applying the sandbox concept also in inclusive insurance when the supervisory resources are deemed to live up to the challenges. This is especially an issue in developing markets with very limited supervisory skills/resources. We would additionally like to stress that the sandbox approach should not be an option only for start-ups whereas incumbents would need to get along outside of the sandbox. Instead the sandbox should refer to the activity undertaken irrespective of whether the undertaking is a start-up or an incumbent.	Need to consider adding a paragraph on supervision in general and use of sandboxes or innovation facilitation. See paragraph under 4.2.1
54 - Q54 Comment on Box Observed Practices				
55 - Q55 General comment on Section 4.2				
56 - Q56 Comment on Paragraph 40				
39. Microinsurance and Big Data	International	No	We already commented that proportionality/sandbox approach need sufficient resources for the supervisor. It is also essential to look at legal powers which form one part of supervisory resources.	Noted.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
Working Groups of the International Actuarial Association (an informal response)				
57 - Q57 Comment on Paragraph 41				
40. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	Same comment as for para 40	Noted. See above.
58 - Q58 General comment Section 4.2.1				
59 - Q59 Comment on Paragraph 42				
41. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	Apparently there is some repetition in the wording of the first bullet point. But one might also ask what elements specific to inclusive insurance are said in the bullet points.	Disagree. There is a distinction between supervision of insurers and the (direct or indirect) supervision of intermediaries. Having adequate powers as supervisors (though being common in both developing and developed countries) is of such relevance that it is worth including.
42. Swiss Re	Switzerland	No	We strongly agree with IAIS' statement that the supervisor's authority needs to sufficiently cover critical entities within the insurance value chain even if they are not conventional insurance intermediaries. Otherwise, regulatory arbitrage opportunities are created.	Noted

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			As the value chain could very well extend over one single jurisdiction, adequate exchange of information between involved supervisors may need to be arranged in particular between insurance supervisors across jurisdictions.	
43. BIMA	UK	No	2nd bullet point - In BIMA's experience with over 15 MNO partners, we have seen that if an MNO would be required to acquire a specific insurance licence, it is unlikely that all (or any) MNOs would be willing to seek these licences and it is therefore unlikely that the market will develop. We acknowledge that footnote 47 outlines the scope for regulating MNOs and TSPs (intermediaries) might need to be through the supervision of insurers or that they should only address these players in so far as it relates to their functions and powers of the insurance supervisory authority. We believe this point should be made clear in the main paragraph. 3rd bullet point - We fully agree with the statements to encourage close cooperation between insurance and telecoms regulators. Without this collaboration we have seldom seen an authority identified as the "leading supervisor". Instead, what we see is that neither party is prepared to make the final decisions and each wait for the other to proceed. We would encourage the insurance regulator to take a firm stand to be the leading authority in this regard, rather than defer to the telecoms regulator, given the core product and delivery is of insurance services. Subsequent approvals can then be sought from the MNO if and when required.	Noted Agreed Noted. See paragraph 44
60 - Q60 Comment on Paragraph 43				
44. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	This para says a very important thing in "If the legal framework assigns the supervisory responsibility based on the type of supervised entity rather than type of activity - for example to the telecom regulator for supervising MNOs including their insurance business - there may be a lack of power for the insurance supervisor to intervene when needed to protect policyholders". This is again not just an issue for inclusive insurance, but it is essential that there is uniform supervision based on the activity undertaken and not just on the legal status of the undertaking. Informal insurance is often permitted within limits outside of formal insurance regulation in many developing markets. E.g. the proposed microinsurance regulations will permit organisations operating on a mutual basis to insure up to 3,500 members before being brought into the formal regulatory net.	Noted
61 - Q61 Comment on Paragraph 44				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
45. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	See our comments on para 43.	Noted
46. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	The statement about insurance supervisors being confronted with limitations to their jurisdiction over insurers should be clarified. The section on Licensing (page 21) seems to clarify that entities/individuals operating in the business of insurance need to be licensed. If an entity or individual is engaged in the business of insurance, insurance supervisory authority should apply to these functions. Perhaps the focus should be more on how different involved authorities coordinate their efforts.	The clarification as suggested is provided in the paragraph: "... for example where the telecom supervisor is designated by law as the leading supervisor, thereby excluding other supervisors."
62 - Q62 Comment on Paragraph 45				
47. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	Outsourcing should never mean that the responsibility is outsourced.	Agreed. This is stipulated in Guidance 7.3.13
63 - Q63 Comment on Paragraph 46				
64 - Q64 Comment on Paragraph 47				
48. Microinsurance and Big Data Working Groups of the International	International	No	We again point to our comments on para 43.	Noted

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
Actuarial Association (an informal response)				
49. BIMA	UK	No	We agree that this approach will be beneficial. Regulators are used to regulating their individual industries in silos in the physical space (e.g. insurance, financial services, telecommunications, health services etc). With the rise of microinsurance sold via digital channels, the supervision of the sector can no longer fall under the remit of a specific regulator as multiple parties are now involved in the insurance value chain. A defined mechanism that serves to facilitate information exchange among all relevant supervisory bodies should provide value to all parties.	Noted
65 - Q65 Comment on Paragraph 48				
66 - Q66 Comment on Paragraph 49				
50. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	The issues dealt with in the box are essential.	Noted
67 - Q67 Comment on Box Observed Practices				
51. BIMA	UK	No	To our knowledge, the MoU in Ghana was initiated in 2015 but our understanding is that it was never signed. We would advise confirming with the relevant authorities.	The wording is prudent as it is not said that the MoU has been signed, but "is being finalised". No change needed.
68 - Q68 General comment on Section 4.2.2				
69 - Q69 Comment on Paragraph 50				
52. Microinsurance and Big Data Working	International	No	it is often thought that digital technology only creates new risks, like in "For the use of digital technology within an inclusive insurance context, additional requirements, conditions and restrictions may be appropriate, proportionate to the complexity and risk involved in the use of digital technology. " This is of course not true. Digital technologies	Noted

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
Groups of the International Actuarial Association (an informal response)			can also help in getting rid of many risks related to human behaviour (for example, driverless cars are basically thought to be much less risky as human error is eliminated). Proportionality should here work also to the other direction.	
70 - Q70 Comment on Paragraph 51				
71 - Q71 Comment on Paragraph 52				
72 - Q72 Comment on Paragraph 53				
53. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	We feel something extremely essential is stated in "The insurance legislation should include a definition of those insurance activities which are subject to licensing and should prohibit unauthorised insurance activities". We would here like to refer to what we said in our comments to para 43.	Noted
54. National Association of Insurance Commissioners (NAIC)	USA, NAIC	No	Replace "play" with "operate".	Agreed
73 - Q73 Comment on Paragraph 54				
55. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	See our comments on para 53	Noted

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
response)				
74 - Q74 Comment on Paragraph 55				
56. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	See our comments on para 53	Noted
75 - Q75 Comment on Paragraph 56				
57. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	See our comments on para 53	Noted
58. BIMA	UK	No	The statement seems to imply that MNOs need to be licensed. However, if they are simply the channel through which payments are collected, making them acquire licences would restrict MNOs from participating at all in this space, which could inhibit the development of inclusive insurance.	Noted. Standard 18.1 requires intermediaries to be licensed. However based on guidance to this Standard and applying proportionality a lighter touch approach such as registration, “licensing” through the insurer or make exceptions to certain licensing requirements (Guidance 18.1.8). This will be clarified in section 4.2.2
76 - Q76 Comment on Paragraph 57				

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
77 - Q77 Comment on Box Observed Practices				
59. BIMA	UK	No	"Imposition of additional or special licensing condition" - Because of the small size of the microinsurance policies, together with the significant educational efforts required, the distribution costs relative to the product value are significantly higher than for conventional insurance. While it is essential to ensure that customers receive sufficient value, we believe that a commission cap would likely make the distribution of products unsustainable.	Noted
78 - Q78 General comment on Section 4.2.3				
79 - Q79 Comment on Paragraph 58				
60. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	It seems to be said here that in corporate governance there needs to be adequate knowledge of the digital technology utilised. While one cannot deny this we feel it is still more important to have adequate knowledge of the actual business undertaken, i.e. (inclusive) insurance.	Noted. This paragraph is focussing on "the way in which insurance providers use digital technology" No change needed.
80 - Q80 Comment on Paragraph 59				
61. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	We feel this is more important than what the document says in para 58, i.e. this should come before para 58.	Every subsection starts by reiterating the requirements and guidance taken from the ICPs, hence the current order of the paragraphs.
62. PCI	United States	No	Restating a point made in earlier consultations, we do not agree with this paragraph if it implies that policyholders have the legal right to challenge corporate governance. That is a matter for local jurisdictional law.	This paragraphs is not making this suggestion but contains a reflection of ICP 7.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
81 - Q81 Comment on Paragraph 60				
82 - Q82 Comment on Paragraph 61				
83 - Q83 Comment on Paragraph 62				
63. PCI	United States	No	We are concerned with the lack of standards and the subjectivity of this paragraph.	Noted
84 - Q84 Comment on Paragraph 63				
64. BIMA	UK	No	What constitutes "conflict of interest"? We would appreciate the provision of examples and elaboration on how regulators have handled any such potential conflicts in the past.	We don't believe the term "conflict of interest" needs to be explained (similar to the ICPs). The text has been rephrased.
85 - Q85 Comment on Paragraph 64				
86 - Q86 Comment on Paragraph 65				
87 - Q87 Comment on Box Observed Practices				
88 - Q88 General comment on Section 4.2.4				
65. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	A key issue that emerges from the inclusive insurance context relates to the fact that the typical customer will have very limited understanding of insurance, while digital technology leads to so called "light touch" distribution models where there is little or no contact with a human during the sales process. There is thus a significant risk that consumers do not fully understand the product they are purchasing. Disclosure and consumer recourse mechanisms become more important in such circumstances. This issue is touched on in a number of places, but we feel the issue should be explicitly raised in this section.	A couple of paragraphs, taken from ICPs on disclosure, have been added. A review, especially to better tailor the paragraphs to digital inclusive insurance, may be needed.
89 - Q89 Comment on Paragraph 66				
66. Microinsurance and Big Data Working Groups of the	International	No	It is not easy to see what is specific for inclusive insurance here.	Every subsection reiterates the requirements and guidance taken from the ICPs.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
International Actuarial Association (an informal response)				
90 - Q90 Comment on Paragraph 67				
67. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	It is not easy to see what is specific for inclusive insurance here.	Every subsection starts by reiterating the requirements and guidance taken from the ICPs.
91 - Q91 Comment on Paragraph 68				
92 - Q92 Comment on Paragraph 69				
68. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	We agree that airtime payments could significantly increase the outreach of insurance to the low-income population. However, two issues should be considered in addition to those already mentioned: 1. airtime can add material additional costs to premiums in the form of taxes levied on airtime purchases and airtime distribution costs, which can reduce customer value beyond a reasonable point. 2. Customer experience of non-insurance value added services provided by MNOs (e..g the sale of ring-tones) has often been negative, with customers sometimes experiencing airtime deductions for services for which they maintain they have not received. Special care needs to be taken when utilising airtime as a payment channel for inclusive insurance customers because of this prior experience with other services and the general low level of insurance understanding.	Noted. Sentence added.
69. BIMA	UK	No	We strongly agree with the statement. At the moment, an estimated 2.2 billion adults living in Africa, Asia, Latin America and the Middle East are unbanked. Deduction of airtime payment has therefore been key to enabling the unbanked community to access insurance products. Although other digital payment channels such as mobile money,	Noted. Sentence added to this paragraph.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
			virtual wallets, or payment channel aggregators, are already available, few have reached large enough scale. In light of such development, a categorical rejection of airtime as payment will hinder consumers' access to affordable insurance and slow down the development of inclusive insurance in general.	
93 - Q93 Comment on Paragraph 70				
94 - Q94 Comment on Paragraph 71				
70. BIMA	UK	No	It is not clear whether "appropriate documentation" refers to physical or electronic document, or both. In addition, further clarification is required to define the types of information that should be examined in the "fact-finding procedures".	Not sure there is really a need for more clarification.
71. PCI	United States	No	In some jurisdictions, there are differences between the types of intermediaries with respect to the companies' responsibility for their actions (in the U.S.: agents versus brokers). Accordingly, a reference to local law might be appropriate here.	Noted
95 - Q95 Comment on Box Observed Practices				
72. BIMA	UK	No	"Conduct of business requirements specifically for the use of digital technology" - To our understanding, the Microinsurance Mobile Market Conduct Rules were adopted in October 2017 (info can be found here: https://a2ii.org/en/txdamcat/ghan) but we would advise confirming directly with the National Insurance Commission in Ghana. "Use of airtime payment" - We agree that ensuring transparency is key and customers should be kept informed of how much airtime they are paying for premium deductions. At BIMA, we send monthly SMS to customers to confirm the amount they have paid for the month and their corresponding coverage to ensure transparency. This allows us to keep our customers updated regularly without spamming them. The sentence has not specified how frequent such customer notification needs to be sent, but overly frequent contact with customers can quickly become a nuisance to them e.g. sending a notification each day when a micro-payment is being deducted from customers' airtime credit.	The current sentence remains prudent and true, at a certain point in time. Noted and sentence added.
96 - Q96 General comment on Section 4.2.5				
97 - Q97 Comment on Paragraph 72				
73. Microinsurance and Big Data Working	International	No	It is not easy to see what is specific for inclusive insurance here.	Every subsection starts by reiterating the requirements and guidance taken from the ICPs.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
Groups of the International Actuarial Association (an informal response)				
74. BIMA	UK	No	We do not agree with the premise that the use of digital technology will necessarily lead to increased vulnerability. With hard cash, which is difficult to trace, the human fraud risks can be even higher. Digital technology allows the implementation of risk controls, which in turn can provide a more secured and safeguarded way of handling virtual cash compared to direct dealings with people, paper and liquid assets.	Agreed. Sentence added.
75. PCI	United States	No	It is also true that the use of digital technology can improve the ability of insurers to identify and prevent fraud, money laundering and terrorist financing.	Agreed. Sentence added
98 - Q98 Comment on Paragraph 73				
76. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	It is not easy to see what is specific for inclusive insurance here.	Every subsection reiterates the requirements and guidance taken from the ICPs.
99 - Q99 Comment on Paragraph 74				
100 - Q100 Comment on Paragraph 75				
101 - Q101 Comment on Paragraph 76				
102 - Q102 Comment on Paragraph 77				
77. Microinsurance and Big Data Working Groups of the	International	No	It is not easy to see what is specific for inclusive insurance here, or even what is specific for digital technology.	Specific in this context is for example the use of airtime. To properly describe the guidance the requirements of the ICPs are restated.

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
International Actuarial Association (an informal response)				
78. BIMA	UK	No	It is unclear for whom the "separate bank accounts" need to be set up e.g. MNO/TSP/Partner or for each customer? The requirement could also affect the use of working capital in which case more guidance will need to be provided. What is the definition of "client money" in this context? Does it refer to premium? Or full end user price including commission? From the MNOs perspective, requirements about movement of money can also prove difficult because of the timing at which cash is converted to premiums. An MNO receives airtime top-up for different uses and deductions for insurance are taken at some point after the customer's cash is converted to airtime through the top-up. Full premiums are often collected in instalments during a given month before being allocated to a insurance cover amount for the following month. The timings of these transactions in a digital MNO model should be considered when addressing movement of monies.	Is clarified. Clarified in a footnote in section 4.2.4 Noted. Sentence added
103 - Q103 Comment on Paragraph 78				
104 - Q104 Comment on Paragraph 79				
105 - Q105 Comment on Paragraph 80				
106 - Q106 Comment on Paragraph 81				
107 - Q107 Comment on Paragraph 82				
79. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal	International	No	We agree that a risk-based / proportionate approach should be followed for inclusive insurance, where cover amounts tend to be low and benefits are typically contingent on specific risk events relating to death or health events. Both of these factors make it practically difficult to use many inclusive insurance products as a mechanism for money-laundering or the financing of terrorist activities.	Noted

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
response)				
108 - Q108 Comment on Box Observed Practices				
109 - Q109 Comment on Annex 1 – Table Prudential Risks				
110 - Q110 Comment on Annex 1 – Table Conduct of Business Risks				
111 - Q111 Comment on Annex 2				
80. Microinsurance and Big Data Working Groups of the International Actuarial Association (an informal response)	International	No	On Technical risk - there is nothing new for actuaries with the risk of underpricing. We think that actuarial expertise must be utilised even when the undertaking is not an insurance company. Operational risk - a substantial risk not listed is the failure of an outsource party such as a TSP, which will typically play a leading role in the provision of insurance to customers (at least in m-insurance). Compliance risk - as already commented on page 43, insurance cover should only be possible when norms related to insurance are obeyed. Systemic risk - a key point is that digital technology enables huge scale to be reached very quickly, which in itself introduces more systemic risk than traditional models. This is alluded to by mentioning "large-scale m-insurance" models, but not stated explicitly. Sales risk - a very relevant risk always when insurance is sold with insufficient expertise and where incentives work contrary to the interests of insurance. This should be avoided by all means. We recommend explicitly mentioning P2P models under sales risk, particularly given the general lack of insurance understanding and experience of the typical inclusive insurance customer, especially where the sales / registration process is purely digital. P2P models can differ quite substantially from traditional insurance models. The differences are difficult to explain through digital platforms. Aggregator risk - primary insurer should always be in the position of taking care of insurance risks. Policyholder awareness risk - the examples provided relate only to auto-enrolment schemes. The use of digital technology for enrolment in voluntary schemes will also hold a material policyholder awareness risk, which comes back to the general lack of insurance understanding of the inclusive insurance customer, which is exacerbated when digital only channels are used to distribute products. Data and technology risk - very essential points also here. Exclusion risk - one might however ask whether there is more exclusion risk when big data is not used (i.e. instead actual risk characteristics very crude "rule of thumb" procedures are used to exclude certain risks).	Noted

Organisation	Jurisdiction	Confidential	Answer	Resolution of comments
81. PCI	United States	No	We wish to challenge the provision relating to "exclusion risk". Rating and underwriting legal standards govern insurers' activities, not general notions such as those set forth in the draft. These standards are not the same for every jurisdiction. As written, the provision implies that insurers must provide coverage to all applicants regardless of how risky, which may be inconsistent with and even violative of local laws. In the U.S., for example, our laws allow declinations when based on non-prohibited factors such as high risk. Requiring a company to write all risks could even result in forcing a company to engage in underwriting that would lead to insolvency. And covering too risky clients increases the costs for good risks and encourages continued too risky behaviour with negative social consequences. For all of these reasons, this provision should be deleted or rewritten to apply only to exclusions based on factors prohibited by local law.	Noted. Annex 2 ties back to section 3.4 where it is stated that the use of digital technology – next to advantages - may have various risk implications. It is therefore not suggested that these risk will materialise in every situation or in every jurisdiction.
112 - Q112 Comment on Annex 3				