

PRESS RELEASE

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Subject **CMS sheds light on Big Data and Artificial Intelligence (BDAI) in the insurance sector**

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CMS sheds light on Big Data and Artificial Intelligence (BDAI) in the insurance sector

A level of uncertainty concerning legal aspects and consequences also exists in the insurance sector where a host of new possibilities are emerging due to the digital transformation. After all, anywhere where BDAI comes into play there are also limits. Where exactly these lie was explained to well-known insurance companies at a CMS Business Breakfast as part of the “Innovation” series. Experts in technology, law and insurance believe that BDAI presents opportunities and challenges in equal measure for the insurance industry.

Without doubt, increasing digitisation has also arrived on the insurance scene, not least due to the emergence of numerous InsurTechs, which are developing more and more new services and/or business models in the insurance arena, and large insurance companies must follow suit. For this reason, BDAI was examined from three perspectives at the CMS Business Breakfast: from a technical angle by Christian Hofmeister, Business Development Executive at IBM Germany, who advises insurance companies on all digitisation matters, from a data protection viewpoint by Johannes Juranek, Managing Partner of CMS in Vienna and an expert in IT and data protection law, and from the perspective of insurance law by Thomas Böhm, Partner and an expert in insurance law at CMS in Vienna.

In terms of technology, the interplay between Big Data, Cloud Computing and AI is becoming increasingly important for making better use of the large quantities of data that exist. Here insurers also draw on services provided by the “BigTechs”, such as IBM. Anyone who wants to assume innovation leadership in the industry is using Artificial Intelligence to redesign products and processes. “But besides all the technical challenges, insurance companies are required to the same extent not to forget, under any circumstances, to comply with legal frameworks relating to insurance which involve Cloud Computing, Big Data and AI,” explains Böhm.

Need for action in relation to digitisation

While BDAI technology was barely used in the insurance sector for a long time, Artificial Intelligence is now finding a place in many insurance companies – particularly for acquiring new customers in a more targeted manner, for creating a more differentiated pricing structure, for improving the efficiency and effectiveness of core processes and, of course, for developing products and settling claims. However, as positive as these fundamental changes to the offerings of insurance companies are, which often enable them to appeal perfectly to

the younger generation of customers, these new possibilities tend to be equally as difficult to implement and apply – from a legal perspective, too. Data protection requirements play just as significant a role here as insurance regulatory requirements.

“In this digitisation era, it should be the goal of all insurance companies to take a conservative approach by appropriately assessing online marketing tools and Big Data applications and to pay increased attention to data protection regulations and privacy impact assessments,” concludes data protection expert Juranek.

Photos of the CMS Business Breakfast are available for use free of charge here: [Download Foto](#)

For further events at CMS in Vienna please refer to the cms.law website under [Events](#).

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