United Policyholders
Empowering the Insured

Big Data and Privacy

In the past, insurance companies used straightforward objective criteria and actuarial science to evaluate risks and calculate how much to charge a consumer for an insurance policy. Age, address, income, claim history and education were the main factors. Today, insurers are using subjective factors such as shopping and personal habits, and credit scores. With the explosion in credit reporting and the widespread use of computers and the Internet, vendors that mine and sell data and modelers that spin data are plying their wares to insurers with great success. Consumers are now being micro-scrutinized in ways people can't even imagine: Where you shop, how you shop, where you eat, how you use the Internet, your personal life can now impact how much you pay for insurance…Privacy abuses are rampant. Insurers have veered far into subjective pricing. We are concerned. Regulators are concerned. You should be concerned.

See also: Big Data TMI and the impact on policyholders