October 3, 2016 – Martha Ducharme, IT IG Committee

Augment Reality Webinar Series: Exploring the Realm and Implications of this Emerging Technology!

In case you missed the webinar on Augmented Reality, this synopsis should bring you up to date on the discussion points that were reviewed. This area of technology will certainly continue to grow in potential to impact the insurance industry, everyone could benefit from learning more on this topic.

The introduction of augmented reality was through the gaming industry. Today, it is thought of more as a technology tool. The uses for the general population and insurance, as well as risks for insurance and legal challenges that may approach us from a regulatory view were examined.

Augmented reality means that we move around the real world while interacting with the virtual world. In the past, virtual meant only in the digital world. It is now more of a medium of expression. Augment, meaning to add to or make greater, while the use of digital technology means to make things around us better. The impact can occur with our senses: touch, sound/audio, visual and in the future we will see smell and taste.

Most applications are used with mobile devices or sources with web cameras. The big ticket today is smart eye wear; no device between a person and their environment so it appears seamless to the user. One example would be the use within automobiles, such as on windshields in heads-up displays with GPS, overlaying information for knowledge transfer. Within mobile applications the virtual ‘thing’ is presented in the real world environment.

Insurance uses today include loss control modeling, identifying coverage gaps, claim investigation, consumer education, or employee training/education. Some of the legal issues are occurring with negligence, attractive nuisance, third party liability and product liability. The creators of augmented reality products/applications do have a responsibility to make a safe product that follows laws and does not place an individual in a harmful situation.

Other risks may originate from pulling information from your contacts or other applications on your phone. The data from the phone may be passed on to other sources for marketing or as data aggregators, where data from various sources are pulled into one area for a comprehensive “picture” of a person. An action could also create an exposure to malware, where the item may be built to look like the item you want to use (or download); but in reality, the item is completely false. An example for geolocation risks could include stalking or abduction.

How do you mitigate these personal risks? Be cautious of what you are using, watch names of products to download, read what you buy – don’t just click yes. Of course you could also use insurance for protection from libel/slander, identity or credit card theft and cyber loss.

Commercially, there is also vulnerability – one is only as strong as their weakest link. We know that employee use can create risk and/or loss. Areas such as advertising liability for content, trademark infringement, unfair competition, false advertising liability for products, etc. Many times the loss can occur without any intention by the employee to cause harm or damage.

These risks can be mitigated with employee guidelines, by previewing work with a legal department before any release of information, insurance policies, extensive testing to avoid injury or liability and physical dangers or by simply obtaining permission before using augmented reality within a product.

CPCU Society Members can download the prerecorded Webinar at no charge to get the full presentation and slide deck at <https://www.cpcusociety.org/cpcu_event/AR92916>. Attending or viewing theses Webinars will count toward your Continuing Education Credit.

Watch for additional Augmented Reality webinars and seminars through The Institutes CPCU Society!