

Feedback Statement

Discussion paper on open insurance: an
exploratory use case in the insurance sector

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eiopa

European Insurance and
Occupational Pensions Authority

INTRODUCTION

Article 1(6) of the Regulation establishing the European Insurance and Occupational Pension Authority (EIOPA) (Regulation (EU) No 1094/2010) requires EIOPA to contribute to promoting a sound, effective and consistent level of regulation and supervision, ensuring the integrity, transparency, efficiency and orderly functioning of financial markets, preventing regulatory arbitrage and promoting equal competition. In addition, Article 9(2) requires EIOPA to monitor new and existing financial activities. The above is a key motivation underpinning EIOPAs work on digitalisation.

On 24 July 2023 EIOPA published a [Discussion Paper](#) and launched a public consultation on “Open Insurance: an exploratory use case in the insurance sector” examining the key features of an insurance dashboard.

The paper was a follow up to an [initial Discussion Paper on open insurance](#), after which [EIOPA concluded](#) that further work on more concrete, specific and detailed open insurance use cases might facilitate a better understanding of implications for consumers, industry and supervisors.

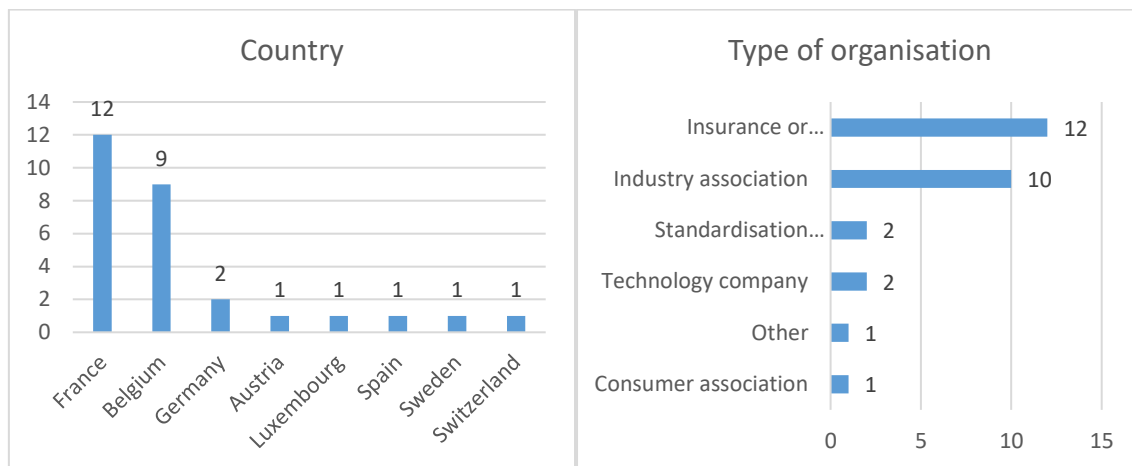
The insurance dashboard use case selected aimed to give consumers an overview of all their insurance policies in one place, while allowing insurance providers to present information about their own products so that consumers may better compare coverages and prices. The use case was developed to draw out technical and supervisory challenges from the ground up by exploring how such a service could work in practice.

The Discussion Paper investigated the operational aspects of such a dashboard from a supervisory perspective, including data flows, stakeholder roles and responsibilities, standardisation and interoperability, as well as data protection and ethical considerations. Furthermore, it also outlined applicable legal frameworks, considered implementational challenges regarding data sharing and identified benefits and risks. The consumer journey in navigating the use case was used to root the analysis in consumer touchpoints and risks.

EIOPA received 28 replies¹ from industry associations, consumer associations, insurers, intermediaries, technology companies and standardisation organizations.

¹ It should be however noted that from some markets several stakeholders submitted aligned responses, reducing slightly overall number of unique replies. Furthermore, the EU bodies are listed according to their seat.

Figure 1 Type and origin of the respondents



Source: EIOPA public consultation on Discussion paper on open insurance: an exploratory use case in the insurance sector

A high-level factual summary of the responses received can be found in this feedback statement, with possible EIOPA next steps. The full list of all non-confidential comments provided can be found on the [EIOPA website](#).

EIOPA Discussion Paper highlighted that the discussion paper should not be considered as an EIOPA position on the European Commission's European Commission's legislative proposal on a framework for Financial Data Access (FIDA)². However, it was also stated that while the Discussion Paper does not specifically address the European Commission's legislative proposal on FIDA, and was prepared before that proposal was adopted, the feedback gathered through this consultation may help facilitate future technical discussions. Hence current feedback statement should also not be taken as a position of FIDA but just a factual overview of responses received.

EIOPA will consider the feedback in its on-going and future work on digitalisation. Among others it could help to form EIOPA potential position on FIDA proposal which is however a separate process.

EIOPA would like to thank all the participants to the public consultation for their comments on the Discussion Paper.

² [EUR-Lex - 52023PC0360 - EN - EUR-Lex \(europa.eu\)](#)

1. DETAILED OVERVIEW OF THE RESPONSES

1.1. OBJECTIVES OF THE USE CASE

Participants seemed to overall agree on the use case³ approach as it helps to take the discussion about open insurance to another level. Views on the underlying problem statement and substance of the use case, i.e. an insurance dashboard, however varied.

Consumer representatives strongly supported the intention of such a use case -- to provide consumers with a clear and comprehensive view of their insurance policies – believing it would simplify understanding and enable easier product comparisons. Actuaries also highlighted the importance of the transparency a dashboard could facilitate but also stated it is crucial to present typically complex content in a simple, understandable, and unbiased way to avoid biased decisions and potential discrimination.

Some industry stakeholders also agreed that if adequately designed, a personal dashboard could be a useful tool to enhance customers' understanding of their insurance coverage and to make more informed decisions. Other industry stakeholders stated that there are already mechanisms in place to facilitate product understanding (policy documents, legal design, videos, and the insurance product information document (IPID)).

Some financial advisors stated that Key Information Documents (KIDs) have not fulfilled their task as in their view they are not materially used by consumers, such that they also questioned if digitalising such information would address issues related to consumer decision making. Some insurance intermediaries were also not convinced of the feasibility or efficiency of using an insurance dashboards as tools for facilitating comparisons and enhancing decision-making.

Overall potential risks and concerns highlighted in the EIOPA paper were agreed (product standardisation, potentially homogenising offers, increased focus on price and not quality, importance to maintain mutualisation and consumer-centricity). Additional concerns on paid rankings and protection of proprietary data were highlighted. However, consumer representatives also warned against the privatisation of such a comparison tool (e.g. lack of completeness, only partial view of existing offers).

Different stakeholders also broadly agreed on problems related to the complexity described in the paper. One technology company even stated that the problems described in the paper are holding back the potential of the sector. Some stakeholders also highlighted that the problem does not only affect consumers but also other policyholders (professional clients). On the other hand, some

³ Use Cases are examples of how a product or service might be deployed – analysing from theoretical perspective what might be possible.

industry stakeholders stated the focus should be only on the customer data and relevant product information such as the IPID information.

Consumer representatives welcomed that analysis is rooted from a consumer journey standpoint, highlighting the value of visually simple ways of showing aggregated information and digital layering. They also welcomed the preliminary consideration of a dashboard that could help single out micro coverages overview of 'embedded insurance'.

However, intermediaries were not convinced that the proposed insurance dashboard would solve the problems and called for more debate on the objective, seeking data showing consumer demand. For instance, it was argued that a synthesis of information in a dashboard could lead to a partial understanding of contracts and mislead consumers who risk relying solely on price. The role of insurance advisors combined with the simplification and accessibility of general and specific terms, conditions and provision of additional information on various media are essential in their view.

One industry representative also urged to take special care that insurance products and related advice remains accessible to less "digitally literate" consumers.

1.2. SCOPING OF THE USE CASE

The insurance dashboard use case was focused on giving an overview of existing policies and allowing consumers to compare different insurance products (both when buying new policy or renewing existing policy). Additionally, the use case covered only motor insurance (both casco and compulsory motor third party liability insurance (MTPL)) and household insurance. These insurance products are particularly relevant for financial inclusion. This was decided in order to support a more concrete and focused discussion.

Some stakeholders supported exclusion of life and health insurance, whereas others stated the exclusion might give a false impression of the actual complexity of a dashboard. One technology company suggested instead that rather than focusing on excluding types of product, a focus on excluding sensitive data points would be more effective. Some industry respondents noted that since customers typically only hold one policy of each type and the overlaps between these and other insurance policies would typically also be negligible. However, as stated the scope was decided to be kept narrower solely to ease the discussion and analysis, not as an implicit policy choice.

Financial advisors pointed out that an holistic insurance overview is more important than comparisons of different products whereas technology companies highlighted the importance of switching services. One technology company stated that additional products for consideration could include insurance products embedded in the acquisition of goods and services (e.g. acquisition of a laptop or payment of holidays) or those embedded in payment methods.

1.3. DATA ACCESSIBILITY & AVAILABILITY

Views on data accessibility and availability varied. Many industry representatives highlighted potential related challenges such as the fact that the data is not uniformly collected by insurers and where connected the data is also not standardised. Furthermore, not all data is present in insurers' databases. Some also highlighted there is no consistency in the use of terms. Some stakeholders also highlighted that most data are still exchanged via email and attachments/forms and not via APIs or via APIs in real time. On the other hand, financial advisors stated that it is precisely because the data is distributed that a central location (dashboard) is needed. Industry representatives also expressed concerns on trade secrets/business-sensitive data (e.g. pricing models, risk profiles or underwriting, claims performance models), and the extent to which these might be 'reverse engineered' from data that is shared.

Views on real-time data access also varied. Some stated real-time data does not add value whereas other found it important that data is constantly updated where it changes over time. A distinction can be drawn between the frequency at which data points are updated – reflecting ultimately the nature of the data point and its volatility – and the possibility to obtain the most updated data through a real time request (a 'pull' model). One technology company stated it is important to maintain the broadest scope of the dataset possible in order to promote data accessibility and encourage innovation. Consumer representatives pointed out that standardisation efforts should not favour incumbents in view of current market practices. Finally, some industry stakeholders highlighted the importance of secure and reliable customer authentication.

1.4. DATA USE & STANDARDS

Stakeholders overall stated that data use and standardisation is well covered in the discussion paper and largely agreed on that section. Detailed views again varied. On the one hand consumer representatives and some industry stakeholders highlighted that standardisation should build on existing standards and leave room for national solutions but also aiming for interoperability. Some industry stakeholders operating cross-border bases on the other hand stated that standards should be set-up at European/regional/international level.

Stakeholders indicated that standardisation is challenging due to different labelling of data and also where similar terms have different interpretations in different markets. The importance of data quality as well as concerns on costs and administrative burden for financial entities/SMEs was also highlighted.

Respondents seemed to prefer industry-led standardisation. However, some also stated that regulators should be involved from the start and/or if there is a disagreement between industry players on agreeing appropriate standards. One technology company suggested to consider placing the data standardization responsibility on data users to save time and investment from the data holders' side. Some stakeholders also explicitly stated that compulsory data sharing might be needed for the success of any use case.

Finally, European, and national standardisation organizations provided valuable input on how they are operating. One national standardisation organization also shared their experience explaining that the standardisation of B2B communication processes between insurers and intermediaries through the use of standards has led to significant efficiency gains for the companies involved. Manual processes have been digitalised and previous bilateral data exchange procedures have been re-placed and the market share of companies using standards is 85% of the total national insurance market. It was also highlighted these standards can also support the B2C processes.

1.5. BACK-END DATA MANAGEMENT: LIVE ACCESS VS CENTRAL DATA STORAGE

The discussion paper highlighted that the data to presented to the users of a dashboard could either be stored centrally or the dashboard can connect to the data providers each time a user has been authenticated and identified (and to delete the data from its system after the user has logged off) with both options having their pros and cons.

A strong conclusion on preferred approaches cannot be drawn from the replies. Consumer representatives found it important that the choice between live access and central data storage should be made with a clear understanding of the legal, technical, and security implications of both options. Industry representatives suggested to “pilot” different options.

Some industry stakeholders highlighted that data should not be stored by the dashboard provider but always pulled based on customer information (this will make sure a customer is looking at the latest information and eliminate the risk of broadly storing/sharing sensitive policy data and encourage innovation). However, financial advisors highlighted that in most cases, it should be sufficient for the data to be updated and delivered to the dashboard from time to time as much of the data is static. However, in general it would also be useful to distinguish between static and dynamic data, as noted above. They also suggested to distinguishing between the long-term vision (target state) and the different stages of development. At later stages, a dashboard could be enriched with more information. Furthermore, one technology company stated that a dashboard solely based on live access model might restrict potential use cases (e.g. possibility for the policyholder to receive some alerts in relation to a specific event), which seems to refer to preference of a mix of the two approaches.

1.6. DATA PROTECTION, DIGITAL ETHICS AND CONSUMER PROTECTION

Stakeholders overall agreed that sharing of and access to consumer data in an open insurance context must take place in a transparent, safe and ethical environment, in full respect of all EU data protection requirements.

Industry representatives highlighted that the scope of the customer's consent must be clear, specific and verifiable, while the purpose of the data sharing also needs to be clear. Concerns on potential financial inclusion was also raised as one aspect to further study. Some explicitly stated that access to the dashboards should not become a prerequisite for insurance switching. Other highlighted that the data collected by third parties should not be cross-referenced with other data (consumption habits, social networks, etc.) to create detailed profiles beyond the intended use. Furthermore, some industry stakeholders highlighted cross-selling issues (without further clarifications), and potential impacts on mutualisation and data reciprocity.

1.7. COMMERCIAL MODEL TO COVER COSTS OF MAKING DATA AVAILABLE

Industry respondents highlighted that a successful open insurance framework should align the interests of the data holder, third party data user, and customer. Some further highlighted the importance of a level playing field, stating data holders should be able to request reasonable compensation from data users for putting in place application programming interfaces (APIs), as stated in the EU Data Act. Others argued that those whose business models would benefit from open insurance – e.g. data users -- should bear the development costs.

Some industry stakeholders stated there are also significant indirect expenses for insurers that should be considered (e.g. compliance, ongoing monitoring, fraud management, staff training, service level agreements, consent collection and verification, security standards, and more). Actuaries also highlighted the importance of taking into account material ongoing costs, including those related to change management,(e.g. new products, new product features, changes in personal situation).

Consumer representatives highlighted that a commercial model for covering the costs of making data available should strike a balance between accessibility and fair distribution of costs and be borne by market players, not consumers given also that these provide the initial raw value (their own data) to the market.

Some alternative proposals were also made by technology providers and financial advisors. The former suggested that data users could be the ones standardizing the data which will ultimately drive down costs. Furthermore, financial advisors argued that there should be one EU dashboard financed by the EU.

1.8. LIABILITY ISSUES

Consumer representatives stated that clarity and transparency in obligations, rights, and dispute resolution mechanisms are essential to build trust and accountability in the insurance dashboard ecosystem.

Industry representatives highlighted that the clear assignment of responsibility in the event of data breaches or other incidents would be critical and that dispute resolution procedures must be entirely clear for all stakeholders and customers. In addition, requirements on the permitted use of data must be clearly defined in order to be able to exclude improper use. Some industry representatives underlined that third parties should be wholly accountable regarding data protection and security as soon as they receive insurance-related data.

Some industry stakeholders also highlighted that existing national and EU legal frameworks (sectoral and general, civil codes, consumer codes, AI liability regime, etc.) are already dedicated to address the complex questions related to liability and any additional measures should only address gaps. Actuaries on the other hand were concerned that the new tools such as an insurance dashboard may make accountability unclear, for instance for consumer actions and decisions taken on the basis of the information contained within a dashboard.

1.9. THE POTENTIAL REGULATORY PERIMETER WHEN PROVIDING A DASHBOARD SERVICE

When it comes to the potential regulatory perimeter for providing dashboard services, consumer representatives mentioned that the regulatory framework for insurance dashboards should be designed with a focus on data accessibility, consumer consent, data security, innovation, and competition. It should balance the interests of consumers and the insurance industry while promoting the adoption of technology that enhances the customer experience and provides valuable insights. Industry highlighted fair and equal access to data, a level playing field and the principle of “same activities, same risks, same rules”.

The discussion paper explored different models for setting up the dashboard. Both industry and technology sector respondents were of the opinion that dashboards should be market driven, developed by the private sector based on common data standards so to allow innovation. However, the view was that regulators should be involved in developing the standards. Consumer representatives and financial advisors were of the opinion that compulsory data sharing based on explicit consent was a preferred solution.

Insurance intermediaries highlighted that data sharing should only be envisaged in the framework of existing regulatory frameworks governing insurance services (e.g. IDD, Solvency 2). Furthermore, they pointed out that it is important to consider the interplay between other developing legislation regarding digitalisation (ex: the Digital Services Act, the Digital Markets Act, the Data Governance Act, DORA, the AI Act, the Data Act, etc.).

Some industry representatives expressed concerns with Solvency II requirements limiting the scope of (re)insurance activities (Art 18) and the role of BigTech, referring to potential level playing field questions.

While this is not directly related to the concrete use case explored in the discussion paper, some industry representatives highlighted that cross-sectoral data sharing offers an opportunity for greater benefits by facilitating access to data outside the financial industry, e.g., data held by car manufacturers and the energy sector.

Finally, financial advisors suggested an alternative approach for an open insurance framework where public authorities would operate a central dashboard. In the dashboard, an individual (or a legal entity) can obtain an overview of all the data available from insurance service providers in the EU (e.g., risk carriers and intermediaries). The dashboard would allow data to be consolidated and shared with third parties. All insurance market participants will be connected to the dashboard through a single interface specified in the EU level.

According to their opinion this would greatly increase customer confidence as it makes it more evident that customers are in control of their data. Furthermore, each insurance market participant must connect to only one data platform, i.e. the central dashboard. This approach would make it easier to define a single standard and relevant adjustments when needed and would be overall more cost effective. In the future, other financial customer data (e.g., data from other financial sectors) can also be managed, viewed, and exchanged on such a central data platform.

1.10. POTENTIAL BENEFITS AND RISKS OF THE USE CASE

Stakeholders found the overview of potential risks and benefits in the discussion paper broadly sound and comprehensive. Financial advisors further highlighted they do not see comparison as the primary purpose of a dashboard and doubted that a dashboard could significantly improve customers' financial literacy.

As additional benefits the following aspects were identified:

- Defining a consistent standard across the market could help insurers and technology partners bring efficient, re-usable and cost-effective products to the market; eventually impacting the end customer, improving customer experience, driving more consistent products, and bringing down real cost of insurance (industry)
- Open Insurance could improve the level of innovation in the European Union (tech)
- Financial exclusion practices will be easier to monitor where Open Insurance allows for standardized datasets for supervisors to see if exclusionary practices are being carried out by institutions (tech)

As additional risks:

- An unmanaged or supervised expansion of personal finance tools in Europe - whether comparison websites or direct sales tools -- could lead to negative customer impact e.g.,

arising from paid rankings, or the ‘hollowing out’ of products due to price competition (a common tool used by comparison websites) (industry)

- Limited uptake of dashboards (industry)

1.11. ADDITIONAL USE CASES

EIOPA asked in the Discussion Paper whether any additional open insurance use cases might be interesting to analyse from a supervisory perspective.

Industry stakeholders highlighted that any additional use cases should always start with a tangible and demonstrable customer benefit. More concretely, it was recommended to consider cross-sectoral data use as well as focus on features that allow consumers to customize their own product (e.g. start with a base offer and then add or remove certain coverages or benefits, receiving a new quote as a result).

Both financial advisors and insurance intermediaries suggested to further look at complex and highly sensitive use cases in health and life insurance and occupational pensions area (e.g. holistic financial planning). Intermediaries further stated that use cases related to anti-fraud, claims management and underwriting should also be envisaged as to more broadly cover what could/should be the objectives of an open insurance framework and the associated risks.

One technology provider suggested to explore potential business cases for insurance companies (e.g. cross border use cases which aim at standardizing the exchange of data might be particularly interesting, for instance in the case of worker mobility within the EU in relation to pensions).

1.12. COMMENTS ON ANNEX 1.

EIOPA also requested comments on the data sets set out in Annex 1 of the Discussion Paper.

Some stakeholders pointed out that data listed in Annex 1 is not uniformly collected by insurers, and not all of it is available from other sources (e.g., government records). Furthermore, some data points require clarification (seems to reflect different national practices) and more detailed data and complexity would be expected in reality on the data of insurable assets.

Others stated that to achieve the objective of a consistent overview of insurance products, the list of datasets to be made available should only encompass relevant information for the customers that are accessible, systematically collected by European insurers and that can be standardized.

- EIOPA has been looking at open insurance for some time from a supervisory perspective and has always highlighted that open insurance has the potential to bring benefits if well designed and if good consumer outcomes are kept at the centre of the debate, whilst of course it carries potential risks as well.
- EIOPA recalls that many policy questions arise in promoting data exchange, and the aim with the Discussion Paper was not to address the broader ‘top-down’ policy debate, but rather to facilitate discussions from a ‘bottom-up’ perspective, by providing technical details of how a possible use case might work, to promote concrete discussion. Current feedback statement should not be taken as a position of FIDA but just a factual overview of responses received.
- Respondents showed strong engagement with the topic and a diversity of perspectives. Focal areas emerge – such as how to properly calibrate consumer protection measures to ensure consumers remain in control of their data; the importance of clarity on liabilities and responsibilities; the need for careful design of sharing schemes to avoid unnecessary disruption while supporting interoperability and cross-sectoral and cross-border data flows. Views varied on the extent of business potential from new business models or services, or on how disruptive open insurance could be to existing market practices.
- EIOPA notes that achieving open insurance benefits entails embedding the right consumer protection measures and proper and strong supervision including at the EU level, so as to guarantee that consumers best interests are kept in the centre and risks are mitigated through proper consumer protection and supervisory framework.
- Open insurance and digitalisation more generally underline the importance of further work on digital ethics including work on financial inclusion/exclusion, dark patterns and biases as well as overall consumer journey design in digital environment which EIOPA could foreground as a key forward looking cross-cutting areas for supervisory work.
- EIOPA will continue monitoring legislative developments and notably the proposal on FIDA, to provide technical insurance and supervisory input, and in this respect plans to support further work within the supervisory community.

- EIOPA aims to continue facilitating discussions on the topic through an open dialogue with all relevant stakeholders.

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