

EIOPA public consultation on the ‘Discussion Paper on open insurance: accessing and sharing insurance-related data’

Fields marked with * are mandatory.

Introduction

1. Background and rationale

European Insurance and Occupational Pensions Authority (EIOPA) is launching a public consultation on the [‘Discussion Paper on open insurance: accessing and sharing insurance-related data’](#).

The discussion around the benefits and risks of so-called ‘open finance’ has taken place in many different jurisdictions for some time, focusing so far mainly on the banking sector (open banking).

Data broadly understood is critical for insurance, as it is the foundation of sound risk identification and pricing. Insurers are typically data rich. New kinds of data and data sources (e.g. social media) and new questions on who should ultimately decide on the use of data (e.g. the policyholder) are however introducing new players and challenges, disrupting this picture. In addition, questions are arising on whether and how far insurance value chains should be ‘opened’, i.e. whether and how far insurance-related data should be shared with other insurance or non-insurance operators, to put flesh on the bones of policyholder rights and to allow for innovation in products and services.

EIOPA is expecting from interested parties their views on this Discussion Paper.

EIOPA will assess the feedback to this Discussion Paper in order to better understand open insurance developments and risks and benefits related to that.

2. Responding to this discussion paper

EIOPA welcomes comments on the [‘Discussion Paper on open insurance: accessing and sharing data in insurance’](#).

Comments are most helpful if they:

- respond to the question stated, where applicable;
- contain a clear rationale; and
- describe any alternatives EIOPA should consider.

Please respond to the questions in the EU Survey Tool **by 28 April 2021**.

Contributions not provided using the survey or submitted after the deadline will not be processed and therefore considered as they were not submitted.

3. Publication of responses

Contributions received will be published on EIOPA's public website unless you request otherwise in the respective field in the EU Survey Tool.

Standard confidentiality statements in an email message will not be treated as a request for non-disclosure.

Please note that EIOPA is subject to Regulation (EC) No 1049/2001 regarding public access to European Parliament, Council and Commission documents and EIOPA's rules on public access to documents.

Contributions will be made available at the end of the public consultation period.

Data protection

Please note that your personal contact details (such as names, email addresses and phone numbers) will not be published. They will only be used to request clarifications, if necessary, on the information you supplied.

EIOPA will process any personal data in accordance with Regulation (EU) 2018/1725 on the protection of national persons with regard to the processing of personal data by Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC. More information on how EIOPA will treat your personal data can be found in the privacy statement

Questions to stakeholders

1. Do you agree with the definition and the approach to open insurance highlighted in the Discussion Paper? If not, please describe what aspects would be essential to consider additionally?

- Yes
- No
- I don't know

Please explain

A derivation from Open Banking is not expedient, as the insurance environment is more complex.

2. In addition to those described in this paper, including in Annex 1, do you see other open insurance use cases or business models in the EU or beyond that might be worth to look at further from supervisory/consumer protection perspective?

- Yes
 No

Please explain

Other use cases outside the automotive sector are conceivable, e.g. connection of IT-systems in non-insurance areas.

3. Do you think regulators/supervisors should put more focus on public comparison websites where the participation is compulsory for undertakings? What lines of business could be subject for that? What risks, benefits and obstacles do you see?

- Yes
 No
 I don't know

Please explain

Due to the different product and service offerings as well as social systems, various products can only be fundamentally compared across countries to a limited extent.

4. Please describe your own open insurance use case/business model and challenges you have faced in implementing it, if any.

- As an established and leading standardization institute for data and processes in the German and Austrian insurance industry (established in 2006), BiPRO would like to contribute to the discussion regarding Open Insurance as a discussion partner. In principle, a variety of business cases are possible.

- BiPRO aims to establish an industry-wide standards for secure data exchange between stakeholders and has reached a very high degree of penetration in the market within the 16 years of its existence. Therefore, the goal is to sustainably secure the investments already made by market participants and to avoid parallel development.

- So far, more than 70 subject areas have been standardized with almost 300 members. In recent years, approximately 800.000 BiPRO-based interfaces have been implemented with a total investment volume of more than 1 billion euros.

- BiPRO acts as a neutral non-profit organization with members from all areas of the insurance industry (insurance companies, intermediaries, service providers, etc.) as well as other associations from the insurance industry (e.g. GDV, BDVM, BVK, VöV).

5. In addition to those described in this paper, do you see other open insurance use cases in RegTech /SupTech that might be worth to look at further from supervisory/ consumer protection perspective?

- Yes
- No

Please explain

6. Please describe your own open insurance use case/business model in RegTech/SupTech and the challenges you have faced in implementing it, if any.

7a. Do you agree the potential benefits for the consumers are accurately described?

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

7b. Do you agree the potential benefits for the industry are accurately described?

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

7c. Do you agree the potential benefits for the supervisors are accurately described?

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

8. Are there additional benefits?

- Yes
- No
- I don't know

Please explain

9. What can be done to maximise these benefits?

10a. Do you agree the potential risks for the consumers are accurately described?

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

10b. Do you agree the potential risks for the industry are accurately described?

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

10c. Do you agree the potential risks for the supervisors are accurately described?

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

11. Are there additional risks?

- Yes
- No
- I don't know

Please explain

12. Do you consider that the current regulatory and supervisory framework is adequate to capture these risks? If not, what can be done to mitigate these risks?

- Yes
- No
- I don't know

Please explain

13. Do you agree with the barriers highlighted in chapter 5?

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

Please explain

14. What additional regulatory barriers do you see?

15. What are your views on possible areas to consider for a sound open insurance framework highlighted by EIOPA in chapter 6? Are there additional underlying aspects or other aspects under concrete areas to consider for a sound open insurance framework?

A focus on basic and practice-oriented functions, taking into account the cost-benefit ratio, data security, as well as the consideration of already existing and established standards in order to be able to ensure appropriate interoperability.

16. What are the key differences of between banking and insurance industry which are important to consider in light

of open insurance implementation? (e.g. higher variety of products, more data, including sensitive health data in insurance).

- Processes and products of the insurance industry have a higher complexity (e.g. building blocks, coupling products, etc.). Comparability with PSD2 is not given 1:1.
 - There is a significantly higher number of parties involved in the process (e.g. brokers, agents, loss adjusters, claims service providers, underwriters).

17. What are the 'lessons learned' from open banking that might be relevant to consider in open insurance?

18. Do you think open insurance will develop without any regulatory intervention? (e.g. without PSD2 type of compulsory data sharing provisions)

- Yes
- No
- I don't know

Please explain

19. Do you think open insurance should be driven voluntarily by industry/private initiatives or driven by regulatory intervention?

- Driven by private initiatives
- Driven by regulation
- A mix of the two options above

Please explain

Emphasis should be placed on private economic/organizational initiatives and established (national or cross-national) standardization organizations (e.g., such as BiPRO e.V.) that consider all stakeholders in the insurance industry.

20. Do you have views on how the EU insurance market may develop if some but not all firms (e.g. based on different industry-wide initiatives) open up their data to third parties?

21. What datasets should be definitely included in the scope of a potential open insurance framework? What data should be definitely excluded from the scope of open insurance framework? Are there any data sets you currently do not have access or do not have real-time access or where you have faced practical problems, but you consider this access could be beneficial? This could include both personal and non-personal data (e.g. IoT devices data, whether data, sustainability-related data, data on cyber incidents etc.). Please explain your response providing granular examples of datasets.

Data that should be included

- The data requirements depend on the respective business case. In our view, the initial situation of different industries and different companies differs greatly (e.g., with regard to synchronous and asynchronous processes).
- In this context, BiPRO offers all the functional and technical foundations for creating meaningful interoperability on the basis of XML and SOAP formats as well as via JSON-REST standardization artifacts.

Data that should be excluded

22. In your opinion, which regulatory/licensing approach would be best for the development of sound open insurance framework (e.g. unlocking the benefits and mitigating possible risks)? Could an increased data sharing require revisions in the regulatory framework related to insurance data? Please explain your response.

- Compulsory data sharing inside the regulated insurance industry
- Compulsory data sharing inside the regulated insurance industry and with third parties with bespoke licensing approach
- Compulsory data sharing in certain lines of businesses and/or amongst certain products
- Compulsory data sharing covering only IoT data / sensor data

- Self-regulatory approach to data sharing (no regulatory intervention in addition to the GDPR data portability rules)
- A mix of the approaches
- Other

Please explain your response

See above – answer to question 19.

23. Could you provide information which helps to evaluate the cost of possible compulsory data sharing framework

(e.g. based on your experience on PSD2 adoption)?

24. In the absence of any compulsory data sharing framework in insurance as it is currently the situation, how do you see the role of EIOPA and national supervisors to guarantee proper market oversight and consumer protection?

25. This Discussion Paper highlighted some of the ethical issues relevant to open insurance (e.g. price optimisation practices, financial exclusion, discrimination). Do you see additional ethical issues relevant in light of open insurance?

- Yes
- No
- I don't know

If "yes", please explain

26. What functions and common standards are needed to support open insurance and how should they be developed? Please consider this both from self-regulatory angle and from possible compulsory data sharing angle.

27. What existing API/data sharing standards in insurance/finance in the EU or beyond could be taken as a starting point/example for developing common data sharing standards in insurance?

- BiPRO e.V. and its collaborating experts have decades of experience and deep knowledge, experience, and skills in data exchange issues in the German and Austrian insurance market.
- With the help of BiPRO standards (in particular defined data and processes), connections to end customers and non-insurance companies are possible or are already being implemented in some cases.

28. Do you believe that open insurance only covering insurance-related data could create an un-level playing field for incumbent insurance undertakings vis-a-vis other entities such as BigTech firms Please explain your response

- Yes
- No
- I don't know

Please explain

29. How do you see the market will develop in case the data sharing is extended to non-insurance/non-financial data?

What are the biggest risks and opportunities?

30. Do you have any comments on the case studies in Annex 1?

31. Are there any other comments you would like to convey on the topic? In particular, are there other relevant issues

that are not covered by this Discussion Paper?

- As an open standard from Germany and Austria, BiPRO has already succeeded in creating interoperability in many business cases. For further business cases, which are conceivable against the background of "Open Insurance", BiPRO offers already in practice proven prerequisites.
- The standards already implemented in the market are based on international standards and data protection requirements and offer a correspondingly high data quality.
- Based on the answers given above, we offer ourselves as a discussion partner within Open Insurance.

Contact

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