

AMICE Response to EIOPA Consultation on Open Insurance

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*

AMICE believes that the definition provided in the discussion paper is quite broad. It is important to define clearly the data within the scope of open insurance and those to be excluded, such as data pertaining to proprietary rights, trade secrets and sensitive personal data.

We suggest abiding by the principle of technological neutrality and not making any references to specific technology features.

The discussion paper does not adequately differentiate between personal, non-personal and aggregate raw data. Any policy discussion on the potential introduction of data-sharing obligations should not oversee such distinction. As stated in the EDPB-EDPS Joint Opinion 03/2021 (on the Proposal for a regulation of the European Parliament and of the Council on European data governance), any blurring of the distinction between (processing of) personal and non-personal data may raise confusion and inconsistencies with the GDPR.

In addition, in the discussion paper we see little if not any attention to the publicly-owned data. The access to such data would be beneficial to foster innovation, without the detrimental effects related to the introduction of mandatory data sharing among private entities.

We have a number of observations regarding the approach to open insurance described in the discussion paper.

An open insurance framework should be adapted to the specificities of the insurance sector. The discussion paper is based on the assertive assumption that the benefits of open insurance could outweigh the potential risks, and that overall, it will be beneficial for the market, the industry and consumers, also in light of the developments happened in the payment sector by virtue of the PSD2. However, there is no evidence that similar developments would also happen in the insurance sector, which is by no mean comparable to the payment sector. Whereas, data on payments and bank accounts are standardized, insurance data are heterogenous, given the fragmentation of the business lines. Whereas users do not need much assistance in choosing their payment service providers and to execute their payment operations, an appropriate guidance and advice are crucial in the insurance sector, where usually customers do not possess an accurate perception of their actual risk exposure.

An open insurance framework should comply with existing legislation applicable to the insurance sector (such as GDPR, DORA, IDD etc). Data sharing should guarantee the level of protection of consumers' personal data and their privacy, with effective application of the GDPR. The focus of any data sharing framework should always be on the consumer's willingness to share his/her data. The consent of the consumer should be informed, freely given and unambiguous. Insurers process

sensitive data such as health data and sharing them with third-parties – many of which are not supervised – would pose significant threats for consumers in case of misuse and violation of such data.

Data sharing should be based on the principle of equality and data reciprocity. The discussion paper seems to underestimate the disruptive and irreversible effects on competition related to the introduction of a compulsory data sharing. If insurers are obliged to share strategic information such as IoT/telematics data along with the information on the policies' pricing, one could have accurate insights on the competitors' underwriting and pricing strategies, which represent one of the main competitive grounds for the industry. On top of that, in this scenario the entities taking most – if not all – of the advantages would be the new market entrants (i.e. BigTechs) that could exploit and leverage on the experience, investments and efforts undertaken in the past years by insurance companies. Whereas, the data shared under PSD2 does not provide any strategic insight to competitors (e.g. no useful information can be inferred from the payments data in relation to the banks' internal rating model), the same does not apply for insurance undertakings, especially if behavioural data such as scoring and statistics related to driving habits will fall within the scope of the compulsory sharing along with the information on the policies' pricing.

An open insurance framework should also ensure that the principle of “same activities, same risks, same rules” is fully respected.

Finally, we believe it is necessary to explore and to weigh more in depth the potential benefits and the risks of open insurance, in particular for consumers, before introducing any new requirements. The discussion should be more focused on the identification of the risks related to the new value chains and the supervisory actions needed to tackle those risks, especially in light of the Commission's request for technical advice on digital finance and related issues (dated 2/2/2021), where the introduction of mandatory data sharing rules is not even mentioned.

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

We believe that the main categories of use cases are clearly identified. It is important that those are determined in advance prior to bringing benefits to customers.

In addition to the use cases mentioned in the Discussion Paper, it is worth noting that in certain jurisdictions there are operators offering “holistic personal financial management platforms” aimed at providing financial advice and wealth management services based on the whole client's portfolio, automatically retrieving through APIs the client's data related to a variety of asset class, including stock, bonds, life-insurance and real estate. Those services currently work based on voluntary agreements between banks, insurers, wealth managers and other operators.

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*

From AMICE's point of view, transparency helps consumers to compare easily insurance products and make informed decisions. With the implementation of IDD, the Insurance Product Information Document (IPID) enables the harmonization of information and allows consumers to compare the different products. Therefore, we believe that the mandatory participation of insurance undertakings in public comparison websites will not protect consumers and will even prove counterproductive. Moreover, some Member States' legislation already regulates the functioning of comparison tools established on a voluntary basis.

Even though comparison websites may in theory foster competition among insurers, we believe that the related detrimental effects outweigh their theoretical benefits. In fact, an insurance service is not an easily comparable product and price – on which comparability is usually based – is only one of its features. In a way, the insurance policy is a commitment to the consumers and its real added-value depends on the quality of the service that the insurer is able to provide as well as on the insurer's reputation and soundness.

Any undue push towards the “commoditization” may increase policyholders' basis risk. Price is not the only criterion of choice and can mislead the consumer. Consumers should be provided with a whole set of information in order to compare insurance products (guarantees, exclusions etc.). In this respect, we believe that comparison websites are in fact detrimental for customers because they could also push insurers in a race-to-the-bottom in a price competition, at the expense of the service quality.

In addition, there is also a risk of product standardisation would have consequences on competition and innovation by reducing the diversity of the offer.

On a different note, we think that pension dashboards could serve well the worthy aim of spreading awareness about the future retirement income, and, eventually, about the opportunity to integrate such income through complementary pension schemes. The adequacy of the retirement income is indeed going to become a relevant issue, especially considering that the public pension systems will be under considerable financial stress due to adverse macroeconomic and demographic trends.

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

[Not relevant]

5. 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

In the area of reporting, we believe that the process is already highly automated within insurance undertakings, whereas the second step of sharing the data with NCAs still suffers from some minor flaws, although in the past years there have been major improvements in this respect. In order to overcome these minor flaws, there should be more flexibility in the interpretation of the relevant regulations by NCAs and more stability of the relevant regulatory framework which is subject to frequent updates.

As to the full automation of the reporting duties or of other parts of the financial services legislations, we would suggest a cautious approach, carefully balancing the expected benefit with the possible

drawbacks, also considering that the more data collection and transmission will be automated the more difficult it will become to spot the errors.

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.

[Not relevant]

7. Do you agree the potential benefits for the a) industry, b) consumers and c) supervisors are accurately described?

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

Overall, we agree with the potential benefits of open insurance in terms of digitalisation of the sector and the opportunities to best meet the needs of consumers. However, in practice it is questionable how open insurance “would enable consumers to have control of their personal data...”. In this regard, it is worth noting that enabling technological solutions like “personal data spaces” have not yet been developed nor deployed. Therefore, it is more likely that open insurance will result in duplicating consumers’ personal data among multiple entities, even more so if a mandatory data sharing requirement is introduced. This would make it more difficult for consumers to effectively exercise their rights under the GDPR.

From the insurers’ perspective, the foreseen reduction of “administrative and operational costs” will be negligible if compared to the resources necessary for adapting the ICT systems and the internal processes to open insurance.

8. Are there additional benefits?

- *Yes*
- *No*
- *I don’t know*

9. What can be done to maximise these benefits?

To maximise the benefits of open insurance while also preserving consumer protection as well as a level playing field, the introduction of mandatory data sharing requirements should be avoided. Instead, the existing effective open insurance initiatives, based on voluntary agreements should be preserved.

In particular, we believe that innovation could be better fostered by:

- (i) issuing non-binding standards and guidance related to data sharing between private entities;
- (ii) taking actions to make more effective the access to publicly-owned data;

- (iii) providing interpretative guidance to new market players through regulatory sandboxes while keeping an *ex-ante* authorisation regime, in order to prevent cases of misconduct harming consumers and competition.

This process should move forward by ensuring a close collaboration between public and private stakeholders, as we think that valuable innovation is mainly industry-led and should not be imposed by policymakers.

Such policy strategy would be coherent with a gradual and proportionate approach, which seems the most suitable solution at this preliminary stage and would also follow the lead of other jurisdictions where the business model based on open insurance has grown the most (USA, UK, Singapore), without mandatory data sharing requirements.

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

(a) for the industry:

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

(b) for the consumers:

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

(c) for the supervisors:

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

11. Are there additional risks?

- *Yes*
- *No*
- *I don't know*

In general terms, we agree with the risks highlighted in the discussion paper. However, we would like to make the following observations.

First, opening further the insurance value chain to third parties increases the risk of shadow insurance, *i.e.* new market players providing reserved activities with no prior authorization or complying with the strict regulatory requirements.

Besides, EIOPA's commitment towards the commoditization of insurance policies is concerning. Insurance services differ from payment services given the heterogeneous lines of business and the possibility to customize the policy coverage, whereas payment services are standardized services with little added value. Even though standardization may in theory be beneficial to increase the competition and lower the price for consumers, we believe that these hypothetical pros do not apply to the insurance sector and are offset by the detrimental effects. Standardization would indeed exacerbate the consumers' focus primarily on the price, while neglecting the overall quality of the service, which is crucial for insurance products. In fact, given that insurers sell to their clients a "promise of payment" in case of future and uncertain events, the core-value of their offer resides in the insurer's reliability and in their capacity to properly assist their clients to understand their risk exposure, to mitigate such risks and provide support in case of adverse events.

In this context, any undue push towards standardization may trigger a race-to-the-bottom between insurers competing for showing the lowest price, at expenses of the quality of the service. Also, it would increase the risk of financial exclusion, given that consumers not falling in the target of the standardized offers may become too expensive to insure: as a consequence, vulnerable customers would be forced not to share their personal data to avoid the risk of being placed in high-risk underwriting pool. This outcome should be avoided at any cost, given that it would represent a failure for insurers in the fulfilment of their social and mutualistic role.

To conclude, the discussion paper underestimates the irreversible and detrimental effects on fair competition related to the introduction of a compulsory data sharing obligation, especially if such obligation would also entail sharing data with added value (such as the statistics related to the driving habits and the related scoring) or information of strategic relevance (such as portfolio composition, pricing rules, underwriting criteria, products strategies or decision-making algorithms), which – if made available at an aggregated/portfolio level – would allow insurers to acquire accurate insights on the underwriting and policy strategies of their competitors.

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



- *I don't know*

The regulatory and supervisory framework should continue to be activity-based and follow the principle of "same activity creating the same risks should be regulated in the same way" and an effective policyholder protection, regardless of the business model of the entity.

It is important that the activities of new tech players are monitored by supervisory authorities to guarantee data security, consumer protection and a level playing field. The coordination mechanisms between the authorities should be strengthened, also in relation to data protection and competition issues.

It is also worth noting that supervisory colleges seem unfit at monitoring and facing the risks stemming from BigTech conglomerates, which would operate in a supervisory blind-spot, given that FICOD is only focused on bancassurance and financial conglomerates. From a competition standpoint, BigTech firms – unlike other entities falling under the scope of IDD – are able to leverage captive ecosystems

with potentially high exit costs as well as huge client base and the possibility to offer additional services with minimum marginal costs, as it has been well pointed out by the BIS Annual Economic Report on “Big tech in finance: opportunities and risks”.

In the medium term, it would be appropriate to adopt the necessary policy measures aimed at widening the scope of the supervision and strengthening its instruments. In this respect, we believe that the model of DORA could be adequate to this purpose, considering that it empowers the ESAs with direct supervisory powers with reference to certain critical ICT providers.

13. Do you agree with the regulatory barriers highlighted in chapter 6?

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

We agree with the fact that “*often it is unclear how certain services should be treated and what regulation should be applied, or whether a new regulation has to be developed or whether the service may be unregulated*”. In this respect, we believe that an effective policy action would be the introduction of national regulatory sandboxes, taking inspiration from international best practices. There is indeed an overly fragmented approach in the EU with respect to regulatory sandboxes, which are widely acknowledged as an effective instrument to promote innovation in the market. In particular, regulatory sandboxes have the merit of smoothening the regulatory dialogue between market players and authorities, while also allowing the latter to acquire direct knowledge about the new business models and the related risks.

14. What additional regulatory barriers do you see?

An additional barrier in achieving the objectives of data-driven innovation could be the principle of insurance only in Article 18(1) of the Solvency II Directive. The principle is interpreted differently across Member States. For example, a Finnish court ruling enabled a small non-insurer to sell insurance-like products without a license (Fair Vertaisturva (FT) in Helsinki Administrative Court February 10th, 2020).

In a 2019 report on licencing requirements and the principle of proportionality in the InsurTech context, EIOPA noted: “Article 18(1)a of the Solvency II Directive states that Member State shall require every undertaking for which authorisation is sought in regard to insurance undertakings, to limit their objects to the business of insurance and operations arising directly therefrom, to the exclusion of all other commercial business. In this way, it provides some flexibility to InsurTech companies as far as the activities are directly related to core business. However, a practical implementation of this provision can vary in different Member States and hence it might be relevant to analyse more in-depth the different national approaches (e.g. the application of this provision to different risk prevention activities, which are becoming more widespread in an InsurTech context) as well as the need for possible legislative change.” We believe that this issue should be further analysed.

15. What are your views on possible areas to consider for a sound open insurance framework highlighted by EIOPA in this Chapter 7? Are there additional underlying aspects or other aspects under concrete areas to consider for a sound open insurance framework?

Even though we recognise the untapped potential of open insurance, we believe that at this stage the introduction of mandatory data sharing obligations is premature and would be detrimental from both a competition and consumer protection standpoint. Given that consumers should be empowered to decide whether to share their data to any provider of their choice, we note that the aggregate combination of data related to policy coverage, vehicle, telematics and claims may reveal to competitors confidential pricing and underwriting rules, as well as other strategic insights. Surrendering such data to competitors has nothing to do with the right of portability of raw personal data granted by the GDPR: in fact, once the data are combined, studied and analysed by the insurers, also through considerable investments in technology and expertise, such data become a strategic asset of the undertakings. Any mandatory data sharing obligation related to such data (which are not “raw” anymore) would be an unlawful expropriation, if not adequately compensated. In this perspective, comparing insurance services with payment services is not appropriate for the reasons mentioned in our answer to question 1.

16. What are the key differences 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).

Insurance services differ from payment and banking services given the heterogeneous lines of business and the possibility to customize the policy coverages, whereas payment services are standardized services. Any attempt to copy the PSD2 model to the insurance sector should be avoided. It is important to take into account the specificities of the insurance sector and the type of data they use which more varied than payment data.

Another difference between payment/banking and insurance is the long-term nature of insurance products and insurance business models. This long termism is in the best interest of consumers, especially in the case of pension products.

Please also see our answers to questions 1 and 11.

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

Notwithstanding the fact that any comparison between payment and insurance services is inappropriate for the reasons argued above in our answer to question 1, we believe that one of the key factors beyond the success of open banking consists in the fact that the datasets subject to sharing are characterized by their standardization, for having no added value and for their neutral profile in terms of strategic relevance (their disclosure does not provide any strategic insights to competitors).

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

There are currently a number of voluntary data sharing initiatives developed in the market without any regulatory intervention. The markets where open insurance is currently more developed (such as the US, UK, Singapore) have no compulsory data sharing obligations in place. We acknowledge the fact that PSD2 has been a milestone policy initiative that served to boost the development of open banking. However, there is no evidence that introducing similar rules in the insurance sector would lead to similar results. On the contrary, as mentioned above that mandatory sharing obligations in the insurance sector would be detrimental for competition and for consumers.

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**

A more adequate and proportionate policy approach for developing open insurance could focus on: (i) developing and incentivizing the use of regulatory sandboxes (see our answer to question 13); and (ii) developing standards in collaboration with the industry to promote data sharing, which should however be adopted by the insurers on the basis of voluntary agreements.

Such a gradual approach should also guarantee compliance with the existing legislation (GDPR, DORA, etc.), data reciprocity and a level playing field.

This would allow supervisory authorities to observe more carefully any development of open insurance and other innovative business models in the best interest of policyholders and market participants.

It is important to bear in mind that any inappropriate regulatory intervention could weaken undertakings, in particular small ones.

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 data 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.

We acknowledge that the possibility to share in a secure and standardised way certain data could be beneficial for the policyholders, provided that they are not forced to duplicate the efforts of entering such data with every provider, as well as for the insurance undertakings, considering that the availability of data would enable a more accurate risk assessment and pricing.

In particular, we see potential in the (voluntary and not compulsory) sharing of the following datasets:

- Personal data (the data portability is already set out under the GDPR), to the extent that their sharing does not harm the proprietary rights and trade secrets of insurers, in accordance with Article 20(4) GDPR;
- KYC data, in order to smooth the on-boarding process;
- Data related to registered property/goods (such as buildings and cars), which could make more efficient, e.g., the approval of a mortgage and the contextual signing of an insurance contract covering the property and relieve customers from re-entering the same data with multiple providers;
- Data related to the cyber incidents reported to public authorities. Taking into account the fact that the availability of event data is crucial for cyber underwriting (also in terms of pricing), we believe that the current lack of information related to cyber incidents represents an issue. Access to information on cyber incidents reported to the authorities, even if anonymized, would be valuable for the development of the emerging cyber insurance market.
- Other publicly-owned data, following the examples of (a) “Copernicus”, which allows the access of geo-spatial data; and of (b) meteorological data, which can be freely accessed through a number of public providers. In particular, we see potential in accessing non-personal, publicly-owned data in the fields of mobility, health and real estate.
- Data generated by connected vehicles.

Regarding IoT data, we would recommend particular caution, for two reasons:

- IoT supply chains are often labelled as the “a weak link for cybersecurity” (see ENISA - Guidelines for Securing the Internet of Things);
- surrendering behavioural data (such as the statistics and scoring related to driving habits) could allow competitors to gain insights on the insurers’ underwriting policy and pricing strategy, which are information of strategic relevance given that they represent one of the main grounds for competition.

The mandatory sharing of those information would irreversibly damage and distort the competition, especially at the advantage of outsiders (possibly BigTech firms) that could leverage on the past experience, investments and efforts undertaken by the insurance undertakings.

Thus, in case compulsory data sharing obligations is introduced, EU legislators should pay more attention in defining the scope of the datasets, especially with reference to IoT/telematics data, which should be limited to raw data, such as the distances covered and crashes but excluding behavioural data and other.

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*

As mentioned above, we believe that at this stage the introduction of a mandatory data sharing requirement should be avoided. That being said, the development of standards for data sharing, if developed in collaboration with the industry and the relevant stakeholders, could foster open insurance. However, any data sharing agreement should be carried out on a voluntary basis, and the existing initiatives should be preserved.

Should EU policymakers decide to introduce compulsory data sharing requirements, it would be crucial (i) to limit the scope of the data to be shared and (ii) to narrow the entities that should exchange these data, in order to limit the distortive and detrimental effects of the compulsory data sharing previously discussed.

As to the scope of the entities involved in the data sharing, in case of mandatory sharing we believe that the scope should be limited to supervised entities in the financial sectors (banks, insurance, eventually asset managers). The reason is that those entities possess already the technical capabilities and adequate ICT systems for collecting and processing the data with the required diligence. Also, the competent authorities have all the means to take timely actions towards the supervised entities for ensuring compliance with the relevant conduct rules and ICT standards. The same is not necessarily true with reference to third parties and non-supervised entities, which could be well unknown to supervisors and insurers.

On the contrary, if the development of open insurance continues without compulsory data sharing, the scope of the entities involved in the data sharing agreements could be wider, encompassing also ancillary and non-supervised entities, given that insurers could leverage on the existing/proprietary eco-systems. In this case, the entities involved in the data sharing could benefit from their mutual knowledge and trust. Besides, insurers would be able to support their partners in adopting the necessary measures for mitigating the risks stemming from the data processing and sharing, possibly relying on technical guidelines issued by the competent authorities, in the best interest of the customers.

This latter approach would, among other things, have the merit of promoting a gradual, prudent approach for the development of open insurance initiatives, starting from data sharing agreements within the existing/proprietary eco-systems.

Therefore, in our view the best regulatory strategy for fostering Open Insurance in a safe and gradual manner consist in a “mix of the approaches” envisaging:

- no compulsory data sharing;
- the issuance of guidance and non-binding standards for the safe and efficient sharing of data, not only encompassing technical and ICT aspects but also clarifying the scope of the permitted use of the datasets shared, also with reference to data protection legislation;
- the promotion of regulatory sandboxes by introducing minimum requirements at EU level in line with international best practices.

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)?

At this stage, given the broad range of options under discussion and the significant differences among undertakings' businesses and operational assets, it is difficult to provide information about the potential costs.

Depending on the actual needs and specific strategic choices, implementing open insurance may require:

- Redesigning products so that they become more standardized and modular;
- Reengineering core systems for exchanging standardized flows (in real-time), while also adding flexibility for continuous changes;
- Making data quality processes fully automated, while also extending their scope to new data flows;
- Adding a wealth of metadata to existing databases and data flows (also to prevent the ongoing use and propagation of out-of-date, low-quality or misinterpreted data);
- Adopting state-of-the-art anonymization and encryption techniques;
- Ensuring that data flows comply with all the relevant country and industry-specific regulations.

Since real-time data sharing (vs non-real-time) would imply process and technical challenges, and would therefore increase costs significantly, we would recommend that a real-time option is not considered by default.

In the absence of a trustworthy liability framework, legal costs following any controversies or incidents may turn out to be high.

The absence of standardized data formats and API standards would likely exacerbate all the previous cost components.

Last, we would like to highlight that, since implementing open insurance may require significant costs not proportional to the company size or business type, contrary to the intended outcome, SMEs may actually be at a disadvantage.

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?

EIOPA should continue its mission of monitoring and assessing market developments and of ensuring consumer protection and financial stability in the sector. It is necessary to pay particular attention to maintaining the same level of protection regardless of the actor (BigTech firms, new market entrants etc).

We believe that continuous dialogue between authorities and stakeholders is crucial and, thus, we welcome EIOPA's initiative of consulting stakeholders in the context of this discussion paper.

EIOPA and national supervisors should collaborate with the industry in promoting good practices and standards on data sharing.

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

- Yes
- No

• I don't know

26. What functions and common standards are needed to support open insurance and how should 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?

[-]

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

Opening insurers' datasets would clearly help technology firms to develop insurance and insurance related services, while the use of technology firms' data by insurers is questionable (both in terms of availability and use cases).

Despite any arrangement that could be put in place with the aim of fostering data reciprocity, the introduction of compulsory data sharing among private firms could boost the emergence of new tech-conglomerates which would operate in a supervisory blind-spot, given that the current EU legislation on financial conglomerates is focused on bancassurance and is unfit for capturing the new value chains, characterized by a prominent role of the non-financial entities.

Considering that BigTech firms can leverage their data assets (including those from social media, proprietary platforms and other digital footprints) and captive network effects to be ahead of the competition in the provision of financial services and noting that we do not currently see any effective mechanism to ensure a fair and full reciprocity in data sharing agreements with financial and insurance entities, it would be appropriate to avoid the introduction of any mandatory data sharing among private firms, at least at this stage where the legislative, supervisory and technological framework is not ready to adequately tackle the related risks. Otherwise, the risk is to foster the emergence of data-oligopolies where winners-take-all-race.

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?

[-]