

# Supporting Innovation and Consumer Protection in Insurance: Why the Digital Omnibus Matters

April 2026

## The problem

**Complex, unclear and fragmented EU digital rules** increase compliance costs and create legal uncertainty for insurers. As highlighted in the Draghi Report, this “regulatory barriers” trap slows down, this slows down the deployment of innovative solutions in key areas such as underwriting, risk prevention, risk mitigation, claims handling, and fraud detection - where new technologies could significantly improve efficiency and customer outcomes. When rules are too complex, Europe loses its competitive edge, **discouraging investment in data-driven innovation** and preventing the insurance sector from fully supporting the EU’s digital transition.

## The solution

The Digital Omnibus provides an opportunity to improve the EU digital rulebook while maintaining high standards of consumer protection, by:

- Simplifying complex and overlapping rules to reduce administrative burdens
- Enhancing legal clarity and coherence across Member States
- Enabling responsible data-driven and AI-based innovation

## How to get the Digital Omnibus Right

Insurance Europe supports the Digital Omnibus package as a pragmatic step towards a more innovation friendly and competitive regulatory framework. Moving forward, co-legislators should ensure that the new rules:

- **Allow sufficient time to prepare for AI Act obligations.** For the insurance sector, high risk AI requirements should apply only once the relevant supporting measures are available, with a fixed application date and a meaningful transition period to ensure legal certainty.
- **Enhance legal clarity on key data protection issues.** The Commission’s clarifications on the definition of personal data, the appropriate legal basis for AI training and automated decision making, as well as more realistic deadlines for data breach notifications, improve predictability and support innovation that benefits consumers.
- **Reduce administrative burden through the new Single-Entry Point (SEP).** Centralising incident reporting should ensure there is no duplication across regimes and allow compliance teams to focus on managing incidents effectively.

## What next?

The insurance sector has put forward a number of targeted suggestions to further improve the Digital Omnibus and ensure that it fully delivers on its objectives of legal certainty, simplification, and innovation while maintaining strong consumer protection. These proposals are set out in detail in Insurance Europe’s [position paper](#).