

## **Executive summary of Insurance Europe's response to the European Commission consultation on FinTech**

Insurance Europe welcomes the establishment of the European Commission's Financial Technology Taskforce and its aim to support innovation and technological development in the insurance sector.

Technological advances are significantly changing consumer's expectations of insurance and the digital environment enables both established companies and new start-ups to bring new technologies and products to market much faster and better meet these emerging needs.

Regulators at EU and national level have a crucial role to play to accompany these developments through safeguarding high standards in consumer protection and removing regulatory obstacles to consumers and operators fully benefitting from digitalisation.

In a response to the EC consultation on Fintech, Insurance Europe puts forward the following recommendations on how regulation can best support these objectives.

### **1) Guaranteed level of consumer protection**

- Regulation and supervision must be activity-based to ensure that consumers can be confident that they benefit from the same rights and effective protection both when they purchase their insurance products from established insurers or from insurtech start-ups or new entrants.
- This means that the comprehensive EU consumer protection rules applicable to insurance activities and distribution should apply equally to established insurers and start-ups/ new market entrants where they carry out the same activities.

### **2) Future-proof rules**

- Insurance legislation, rules or guidelines should be digital-friendly, technologically neutral and future-proof to be fit for the digital age, encourage digital innovation and allow consumers, established companies and start-ups/new entrants to benefit from the opportunities digitalisation can offer.
- EU and national policymakers should therefore review how the application of existing rules and policy approaches might be adapted to meet digital developments without incurring major regulatory changes.

### **3) Support to innovation**

- The use of innovative solutions such as sandbox approaches or innovation hubs run by national supervisory authorities should be encouraged to support market players' innovation that benefits consumers.
- These initiatives and tools should be made available to both new market entrants/start-ups and established insurers that are trying to develop innovative products or services.

### **4) The highest possible level of cybersecurity**

- Having clear rules on access to cyber incident data will contribute to a better understanding of cyber-attacks and of how to prevent and mitigate them. This is especially relevant to the insurance sector as provider of cover against cyber risks.
- Voluntary information-sharing between the private and public sectors regarding cyber threats and incidents should be encouraged and facilitated to make member states more cyber resilient.