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eiopa
EUROPEAN INSURANCE
AND OCCUPATIONAL PENSIONS AUTHORITY

IRSG Strategic Discussion on Digitalisation

EIOPA Insurance & Reinsurance Stakeholder Group meeting
Frankfurt, 29 March 2017

- **EIOPA's approach to digitalisation:**

"to promote a well-functioning consumer protection framework and financial stability in the markets while allowing stakeholders to harness the benefits of financial innovation and digitalisation"

- Regulation and supervision must be **technology neutral**
- **Timely** understand the developments in the markets
- Equip with the necessary **tools and resources:**
 - o EIOPA interdepartmental digitalisation team
 - o Multi-stakeholder approach
 - o Cooperate with NCAs and other relevant bodies (e.g. EC Fintech Task Force, NAIC Big Data Task Force, Working Party Article 29 etc.)

Key digitalisation deliverables to date



- EIOPA's opinion on **sales via the Internet**
- EIOPA's best practices report on **comparison websites**
- EIOPA's report on consumer protection issues arising from the sale of **mobile phone insurance**
- Joint Committee report on **automation of advice**
- Joint Committee discussion paper **on Big Data**

- Continuous monitoring of financial innovations through **Consumer Trends report** and **Financial Stability report**
- **InsurTech Roundtable** on 28 April 2017
- Work on **cyber risks** (tbd)
- Work on **regulatory tools on financial innovation** (e.g. regulatory sandboxes, public-private partnerships, supervisory approaches etc.) (tbd)
- Follow-up on **Big Data** (tbd)

- Consultation **closed on 17 March 2017**
- **66 submissions:** 17 insurers, 17 banks, 16 asset managers, and 16 other (including IRSG, consumers and tech groups like IBM).
- The ESAs will **review the evidence gathered** from stakeholders and decide if any action is needed
- **IRSG** to highlight its key findings

- Questions primarily addressed to consumer and academia representatives:
 - Today the **digital risk is poorly identified**, what can we do about this?
 - What are **consumers' expectations** in today's digital economy?
 - Do you think that the **Data Protection Regulation** will be sufficient to address the mounting privacy issues in the area of insurances, or do you see the need for additional guidance/clarification?

- Questions primarily addressed to industry and academia representatives:
 - What is the expected **impact of digitalisation** on the industry with regards to:
 - ✓ **Products**
 - ✓ **Customer service**
 - ✓ **Processes within companies**
 - How can corporate governance and **cyber security** work together? What is the impact of the 2 latest EU cyber laws in terms of risk management and compliance aspects? Will this regulatory framework eventually lead to effective cyber risk governance?
 - What are the challenges and opportunities relating to **artificial intelligence** and self-learning algorithms?
 - What is your take on the impact of digitalisation on **insurers' investment management processes and controls**, including order execution, MiFID II /MiFIR best execution, performance, investment compliance?