



Insurance Ireland feedback into Commission's Consultation

Open Finance Framework – enabling data sharing
and third party access in the financial sector

31/12/2023

Insurance Ireland's consideration on FiDA

Insurance Ireland (II) welcomes the Financial Data Access Regulation (FiDA) proposal. However, we outline some considerations:

- **Scope:** We suggest a phased approach by line of business with pre-defined timelines, starting with motor and home insurance.

Art. 4 requires further clarity, especially whether the customer should have the right to access this data themselves, automate such data access with software, or authorize a FISP to access the data on their behalf. It will ensure customer control of their data. In addition, "free of charge" term is misleading.

Further guidance on **data protection** issues is welcome:

- Will be expected to share additional data in connection with customers' policy (e.g. ratings or claim data)?
 - Will the customer be able to dictate what data is shared? How will this be governed?
 - Will permission be required from all multiple owners (e.g. spouse, named drivers, fleet)?
- **Single Market:** FiDA must ensure EU-wide interoperable standards (i.e. requirements for standardization of insurance terms & data models) with room for local flexibility. Otherwise, FiDA could create large complexities & costs, with impact on company rates, customer documents and company systems.

Unlike the insurance sector, other new third party providers are not comprehensively regulated & supervised. An appropriate Level 2 determination of who is granted access will be key to ensure consumer protection.

Finally, FiDA should scope cross-sectoral data. The interface categories or content should be standardized across industries to avoid legal uncertainty.

- **Schemes:** More clarity is needed. A real-time sharing obligation should only be introduced in the area where data is generated in real time. Otherwise, it is not feasible as IT maintenance on interfaces could interfere with the undue delay criteria. Some questions need clarification:
 - What due diligence & controls will be in place for joining the schemes?
 - Who will be accountable for ensuring data protection?
 - Will there be a cost/levy involved for the use of schemes?

- How will schemes operate & interact with DPO and national authorities/supervisors?
- Are there safeguards to avoid abuses of the system by placing continuous sharing requests?
- **Competition:** FiDA should provide clear guarantees that participating in schemes won't breach Art.101 TFEU. In addition, insurers are obliged to share their data with a FISP but not vice versa. This can lead to unfair competition. Regarding FISP, further clarity is needed on:
 - How data holders will know when a FISP authorization/permission is ceased?
 - Will data holders have access to the data permission dashboard? Will it be updated in real-time?

Finally, FiDA should be aligned with the Data Act & DMA. Gatekeepers should not be eligible as third parties to keep fair competition.

- **Retail investment:** A functioning cross-border FiDA will enhance RIS objectives. FiDA could support innovation by making it easier to compare & choose policies via personal aggregators. A higher level of transparency & competition contributes to a better understanding of potential coverage gaps.

Regarding financial literacy, what support requirements are considered for customers without access to technology or without technology literate? What protection requirements are put in place for active & passive pressure from FISPs to vulnerable customers to send on data?

A cohort of customers may not want tailor specific products. Is there an opt-out or are they obliged to take part? Could the opt-out customers be excluded? AI impact should be kept in mind.

Finally, we suggest further clarity that the results of the suitability & appropriateness and demands & needs tests under the new IDD should not be within the scope of customer data under FiDA.

- **Timeframe:** At least 24 months are needed to develop a glossary of common definitions and API standards. Once standards are established, at least 18 months should be allocated for the implementation -including 6 month testing period- amounting to a total of 3.5 years.

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