

CEN/TC 445

Digital Information Interchange in the Insurance Industry

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Comments of CEN/TC 445 on the EIOPA Discussion Paper on Open Insurance: an exploratory use case in the insurance sector

The European Standardisation Committee CEN/TC 445

CEN, the European Committee for Standardisation¹, is an association that brings together the national standardisation bodies of 34 European countries². CEN provides a platform for the development of European Standards and other technical documents in relation to various kinds of products, materials, services and processes. CEN is one of the three European standardisation organisations (ESOs) acknowledged by the European Union in EU Regulation 1025/2012³.

The Technical Committee TC 445 of CEN, consisting of experts from various stakeholder groups of the insurance sector, develops standards in the field of digital information interchange for the European insurance industry.⁴

The standardisation activities of CEN/TC 445 are focused on digital information interchange which connects insurance companies with their customers and their market partners, e.g. brokers, sales organisations, portals, service providers, and other insurers. All lines of business in the insurance industry are considered, such as life, pension, health, property and casualty.

Participants in CEN/TC 445 are insurance associations, intermediary associations, national insurance standardisation initiatives, insurance standards consultants and the consumer organisation ANEC.

Comments of CEN/TC 445 on the EIOPA Discussion Paper on Open Insurance: an exploratory use case in the insurance sector⁵

The participants in CEN/TC 445 represent very different stakeholders of the European insurance market. The main core interest of all participants in CEN/TC 445 concerns the topic of “standardisation of processes and data”. On this topic, CEN/TC 445 formulates the

¹ <https://www.cencenelec.eu/>

² List of the 34 CEN member organisations: <https://standards.cencenelec.eu/dyn/www/f?p=CEN:5>

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32012R1025>

⁴ <https://www.tc445.info/>

⁵ https://www.eiopa.europa.eu/consultations/consultation-open-insurance-explanatory-use-case-insurance-sector_en

following comments on the EIOPA Discussion Paper on Open Insurance: an exploratory use case in the insurance sector.

Section 3.4. Data Use & Standards – Operation of a standardisation body

In Section 3.4 several questions about the functioning of standardisation organisations are formulated. These questions are answered in the following from the perspective of the European standardisation organisation CEN.

Who decides when the body acts? On what use cases shall the body act?

The standards development in CEN is organised in Technical Committees (TCs). Each TC has its own field of operation (scope) within which a work programme of identified standards is developed and executed.

Proposals for new standardisation projects may originate from:

- a CEN Member which is one of the 34 national standards organisations;
- a CEN Technical Committee;
- the European Commission or the EFTA Secretariat;
- an international organisation;
- a European trade, professional, technical or scientific organisation.

If a new standardisation proposal falls in the scope of an existing TC, this TC starts a voting among all CEN Members on a “New Work Item proposal”. A positive vote and the active participation of five CEN Members is required for the standardisation proposal to be adopted. If the proposed project does not fall within the scope of an existing TC, the CEN executive board decides about the creation of a new TC.

Who participates in the body for it to be comprehensive?

TCs work on the basis of national participation by the CEN Members, where delegates represent their respective national point of view. This principle allows the TCs to take balanced decisions that reflect a wide consensus. The CEN Members organise the national point of view by installing national committees with the same scope as the European TC. The participation of these national committees encompass representatives of the stakeholders in the relevant market. In addition, experts from European organisations work in the TC.

How should agreement be found on changes in order to preclude “playing for time”?

The standards development process defines a formal timeline after the acceptance of a new work item with the following stages:

1. Drafting of the standard in a dedicated work group of the TC with the active participation of experts from the CEN Members and from European organisations;
2. Enquiry phase through the national committees of all CEN members with the stakeholders in the relevant market;
3. Enquiry comments handling and final preparation of the standard in the dedicated work group of the TC;
4. Formal Vote of the standard by all CEN members.

The timeframe of the stages 1. and 3. shall be together up to 16 months (up to 25 months including an extension period). Stages 2. and 4. last a fixed period of 6 months each.

This standards development process requires a stringent consensus building in the TC work group with the possibility to bring additional input through the Enquiry phase.

Should the body define data sets, what granularity is needed?

A European standard deliverable defines both the standardised business process and the data necessary for this process. Processes and data are standardised on business level and also are technically specified in a specific technology. This standardises the functions and data of an API to enable and ensure consistent APIs for plug-and-play communication. The granularity of the data elements depends on the business process. An insurance application process requires all the data that is necessary for the policy of a specific insurance product. Less data may be sufficient for other processes, such as an information process.

Who runs the body?

The CEN General Assembly is the supreme governing body of CEN and determines the CEN policy. The General Assembly is composed of delegates from the CEN members, the 34 national standards organisations. The CEN Administrative Board, appointed by the General Assembly, manages and administers CEN's business by directing the work and coordinating the actions of all CEN bodies with the aim of executing the decisions taken by the General Assembly.

The CEN Technical Board (BT) controls the full standards programme and promotes its speedy execution by the Technical Committees (TC), the CEN-CENELEC Management Centre (CCMC), and other bodies. The CCMC with its staff located in Brussels is in charge of the daily operations, coordination and promotion of all CEN activities.

With all that necessary overhead, what about time-to-market?

In all use cases that digitally connect a large number of market participants with each other, a comprehensive standardisation of the APIs, i.e. both the processes and the data elements, is an important prerequisite for enabling efficient and cost-effective communication ("plug-and-play"). Only well accepted open standards ensure a "level playing field" for all market participants, especially for SMEs and protect consumers from lock-in effects.

The development of high-quality and sustainable standards requires time, especially for the precise analysis of the requirements for the processes and data to be standardised and the building of consensus among stakeholders. This is a necessary procedure for the digitalisation of the insurance industry. The investments in the software systems for digital processes across markets are so high that only professional standards could be a solid basis for these investments.

Section 3.4. Data Use & Standards – Explanations about CEN

Section 3.4 contains on page 18, second paragraph from bottom, some explanations about the European Committee for Standardisation CEN. This paragraph requires the following comments:

- The information is missing that CEN is the association of 34 national standardisation bodies in Europe.
- The reference is missing that CEN is one of the three European standardisation organisations (ESOs) officially acknowledged by the European Union in EU Regulation 1025/2012.
- The reference is missing that CEN/TC 445 is the European standards committee for digital interchange standards in the insurance sector.
- The standards organisation CEN is purely dedicated on the development of standards and not offering “related products and services”.
- The reference to CENELEC is not relevant for insurance standards as CENELEC is the ESO responsible for electro-technical standardisation.

Summary on Section 3.4. Data Use & Standards – Question Q4

CEN/TC 445 plans the development of European standards for the customer data access and portability in the insurance sector to support the implementation of the data portability of GDPR⁶ Article 20 and the requirements of the proposed EU Regulation on a Framework for Financial Data Access (FIDA)⁷. These European standards should also have the capability to realise an insurance dashboard use case as described by EIOPA. Especially they will support the functionalities illustrated in Figure 2 and the data sets summarised in Appendix 1.

CEN/TC 445, with its experience as the established committee for digital process standards for the insurance industry in the European standardisation organisation CEN, is very open to continue the dialogue with EIOPA about the best path to a successful and sustainable standardisation for a digital insurance market in Europe.

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⁶ <https://eur-lex.europa.eu/eli/reg/2016/679/oj>

⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52023PC0360>