

Nordic insurers call for greater simplification and alignment in EU digital legislation

The European Union faces ongoing challenges in maintaining and enhancing its global competitiveness. Overregulation is frequently cited as a significant barrier to innovation, growth, and market dynamism, particularly in complex sectors such as insurance and pensions. For regulatory simplification to be truly effective and enable competitive potential of European companies, it must be ambitious. European digital economy is already behind, and new regulations will only increase already existing burdens and obstacles. Insurers face unique challenges in implementing multiple digital requirements while also managing sensitive personal data and ensuring the continuity of critical services. The ramifications for insurers of new general regulation of the digital economy combined with initiatives directed specifically at the financial sector are hard to gauge. The EU has implemented a significant number of new regulations in the area of data, cyber security and digitalization. This, together with insurance sector specific regulation has created a framework with overlapping obligations and unnecessary regulatory burden.

The Digital and AI Omnibus packages are steps in the right direction, but the Nordic insurance industry strongly recommends more ambitious efforts to simplify and align digital legislation. Furthermore, it calls for the withdrawal of FIDA proposal, which will invoke significantly more costs than benefits for the sector and consumers. For the European insurance sector to be competitive globally, digital and data related regulatory burden should be simplified.

Focus should be on enforcement, not on new initiatives

For the past 5-10 years the EU has implemented a significant number of new regulations in data, cyber security and digitalization. There is limited experience in applying recently introduced regulations such as the Data Act, DORA, Digital Services Act, CRA, Digital Markets Act and AI Act. EU should focus on coherent enforcement through the Member States.

Withdrawing pending proposals and existing regulation should remain an option

The European Commission decided to withdraw its proposals for AI Liability directive and ePrivacy regulation in its 2025 work program. Withdrawals already decided should remain in place and additional withdrawals further considered. Business' costs of implementation should be minimised by introducing thoroughly planned withdrawals which create clarity and efficiency.

The cost-benefit assessment of legislative initiatives should always be convincingly positive. This has yet to be demonstrated for initiatives such as FIDA and AI in the Workplace.

FIDA should be withdrawn as it is likely to impose disproportionate costs without delivering commensurate benefits

Given the substantial impairment on the competitiveness that FIDA would place on the entire European financial sector, the initiative should be withdrawn. If the European institutions proceed with FIDA, it must be fundamentally restructured into a market-driven framework rather than applied in its current extensive form.

Review of the GDPR should be conducted in a clear manner

We support the proposed revision of the GDPR in the digital omnibus proposal. However, when amending the articles the legislators should be careful. Amendments only bring clarity if they are formulated unambiguously. Otherwise, after the Digital Omnibus is approved, the market will need to wait for more concrete clarifications from the EDPB and courts.

Use of Artificial Intelligence in the insurance sector needs to be supported

It is essential that the definition of an AI system is clearly established and unambiguous. Likewise, the criteria for classifying high-risk use cases should be interpreted as narrowly as possible, taking into account the specific characteristics of the sector. It should be emphasized that traditional statistics as regression and GLM's are not AI. This would create much needed clarity, remove ambiguity and provide much needed simplification.

Recommendations for the Digital fitness check

The Commission should analyse the interplay between the different digital rules, their cumulative impact on businesses with sectoral legislation, and how effectively they support the EU's competitiveness, innovation, values and fundamental rights. We point especially to the requirements on risk management and the interplay between them in GDPR, AI act, DORA and sectoral legislation such as Solvency II.