Prepared by DigitalTrade4.EU

Digitalisation and Future-Readiness of EU Insurance Supervision

Feedback to the EU Commission

August 2025

About Us

The **DigitalTrade4.EU consortium** envisions a **seamlessly interconnected Europe** and **neighbouring regions** powered by harmonized standards for the digitalisation of trade documents and processes. By fostering the digital transformation of trade, we aim to promote economic integration, enhance cooperation, and ensure long-term trade facilitation across borders.

Our consortium is made up of **experts in their field**, including **108 full partners**—trade associations, logistics providers, shipping lines, banks and insurances, technology innovators, etc.—**from 17 European Union countries** (*France, Belgium, Netherlands, Austria, Estonia, Finland, Italy, Latvia, Spain, Germany, Sweden, Poland, Luxembourg, Lithuania, Slovenia, Denmark, Bulgaria*) and **22 non-EU countries** (*United Kingdom, Switzerland, Montenegro, Japan, Singapore, Hong Kong, Australia, New Zealand, India, Nepal, Canada, United States of America, Cameroon, Morocco, Egypt, Kenya, Pakistan, Nigeria, Brazil, Uzbekistan, Turkey, Ukraine*).

Our consortium is already **aligned with the fundamentals** of the **EU Competitiveness Compass**. Learn more:

1. How DigitalTrade4.EU Can Help Achieve the Objectives of the EU Competitiveness Compass (February 2025)
   https://www.digitaltrade4.eu/how-digitaltrade4-eu-can-help-achieve-the-objectives-of-the-eu-competitiveness-compass/

Web page:	www.digitaltrade4.eu
EU Transparency Register:	355266197389-94
Contact person:	Riho Vedler
Email:	riho.vedler@ramena.ee

1. Executive Summary

This feedback is submitted in response to the European Commission's draft Delegated Regulation amending (EU) 2015/35 and its annexes, with a **primary focus on digitalisation** and the sector's readiness for future technological developments. We recognise and welcome the Commission's commitment to modernising prudential supervision and integrating sustainability and proportionality into Solvency II. However, we believe there is a unique and timely opportunity to further **future-proof the insurance regulatory framework** by embedding strong digitalisation requirements, standards, and enablers directly in the new regulation and its annexes.

The insurance sector's effective digital transformation is not only critical for reducing administrative burden and increasing transparency, but also for enhancing **supervisory efficiency, market competitiveness, and the sector's contribution to the EU's digital and green transitions**. The insurance sector's effective digital transformation is not only critical for reducing administrative burden and increasing transparency, but also for enhancing supervisory efficiency, market competitiveness, and the sector's contribution to the EU's digital and green transitions. This includes leveraging technologies such as blockchain for secure data sharing, artificial intelligence for risk modelling, and standardized digital identifiers to streamline cross-border operations.

The emergence of pan-European digital platforms, such as proposed digital trade document registries, the roll-out of **eIDAS 2.0** for secure digital identity, and the global adoption of **Legal Entity Identifier (LEI/vLEI)** standards, all highlight the need for a **coherent, interoperable, and forward-looking digital regulatory environment**.

Our feedback proposes concrete amendments to ensure **insurance reporting is compatible with emerging digital infrastructures**, that **digital identity and signatures** are given clear legal standing, that **entity-level identifiers** are systematically used, and that **proportionality** is effectively maintained—especially for SMEs. We also recommend clear requirements for **ESG data integration** and traceability, the development of digital reporting templates, and provisions for aligning insurance supervision with digital customs and trade data flows. We are confident that implementing these recommendations will position the EU insurance sector as a leader in regulatory digitalisation and resilience.

2. Introduction

The ongoing **digital transformation** is fundamentally reshaping the insurance industry and the broader financial sector. Digital technologies now underpin almost every aspect of business operations, from customer engagement and product development to risk assessment and claims management. Against this backdrop, it is essential that regulatory frameworks such as Solvency II do not lag behind, but instead actively facilitate and drive innovation. **Aligning prudential regulation with the objectives of the EU Digital Single Market** is crucial for reducing administrative burdens, creating new business opportunities, and delivering enhanced value to policyholders.

This transformation is not merely about digitising existing paper documents, but fundamentally shifting towards a data-centric operating model where machine-readable, verified, and traceable data flows seamlessly between systems, enabling real-time efficiency gains and enhanced risk analytics.

As an active stakeholder in the insurance sector, we have witnessed first-hand the opportunities and challenges brought by digitalisation. The rise of real-time data analytics, automated regulatory reporting, and new digital products necessitates that insurers and supervisors alike operate within a **rapidly evolving digital ecosystem**. These advancements include technologies such as machine learning for predictive analytics, application programming interfaces (APIs) for seamless data exchange, and distributed ledger technology (DLT) for immutable record-keeping.

To this end, we support the Commission's initiatives to strengthen Solvency II through the inclusion of digital and ESG priorities, and believe there is scope for further **ambitious measures**. The recommendations in this document are designed to help the insurance sector make a decisive leap into a digital future, safeguard competitiveness, and ensure that no market participant—especially SMEs—is left behind in the digital transition.

Furthermore, our feedback seeks to ensure that the revised regulation is **future-ready**, allowing for **seamless interoperability** with new digital infrastructures as they are developed at EU level. The potential introduction of European Trade Document Registries, the mainstreaming of eIDAS 2.0 and vLEI, and the greater use of RegTech solutions all demand a regulatory framework that is adaptable and open to innovation. The EU has the opportunity to lead globally in **digital insurance supervision**, and this consultation is a critical step in that direction.

3. General Assessment of the Draft Regulation and Annex

We commend the Commission for addressing a wide range of critical issues in the draft regulation, including **proportionality, ESG risk integration, and reporting transparency**. The proposed changes reflect an understanding of the evolving risks and challenges faced by the insurance sector. However, to fully realise the benefits of digitalisation, there is a clear imperative for more **explicit provisions** on digital interoperability, entity identification, and digital legal instruments. The draft would benefit from clearer requirements regarding the use of digital identities, signatures, and reporting standards—especially in the context of cross-border operations and automated supervision.

While the draft regulation acknowledges the importance of proportionality, ESG risk integration, and reporting transparency, a more explicit emphasis on the technical and legal enablers of digitalization would significantly strengthen its impact. This includes detailed guidelines on the secure exchange of digital data, the use of blockchain for immutable records, and the integration of AI-driven analytics for enhanced risk assessment.

It is also important that the regulation anticipates **future developments in EU digital infrastructure**. As digital trade and finance platforms become increasingly interconnected, the ability to link insurance data securely and efficiently across sectors and borders will become even more important. We encourage the Commission to further strengthen the regulation by incorporating detailed guidance on digital integration, and by providing SMEs with accessible pathways to compliance.

3.1. Digitalisation: Strategic Alignment and Opportunities

The insurance sector's **digitalisation** is central to enhancing the EU's **competitiveness and resilience**. To achieve these strategic aims, it is crucial that the Solvency II framework is updated to support:

- **Interoperability** with both current and future EU digital registries and platforms, including those for digital trade documentation and capital markets.

- Adoption of **digital reporting standards** that enable automated, real-time data exchange, thus minimising administrative burden and improving regulatory oversight.
- To achieve **true interoperability** and avoid **new digital silos**, **regulatory reporting standards** for **insurance** should align with a **common semantic foundation** and **data hierarchy**. Drawing lessons from initiatives like the **ICC's Key Trade Documents & Data Elements (KTDDE)** framework[1], which identifies **core data elements** across various **trade documents**, a similar approach for **insurance-specific data** would enable more **efficient**, **machine-readable**, and **verifiable data exchange**, moving beyond mere **digitisation of forms** to a truly **data-driven ecosystem**.
- **Legal recognition** of eIDAS 2.0 digital identities and electronic signatures for all regulatory and contractual purposes, enabling secure and efficient digital transactions.
- Systematic use of **Legal Entity Identifier (LEI)** and **verifiable LEI (vLEI)** for reliable, automated entity identification, enhancing trust and traceability across digital ecosystems.
- Effective **proportionality** in digital compliance for SMEs, through simplified requirements and templates.
- Robust integration of **ESG data fields** in digital reporting, supporting the EU's climate, green finance, and transparency objectives.
- Readiness for integration with cross-sector **customs, tax, and trade data platforms**, such as the EU Single Window and ViDA. Readiness for integration with cross-sector customs, tax, and trade data platforms, such as the EU Single Window (a unified portal for submitting customs declarations) and ViDA (VAT in the Digital Age, a system for real-time tax compliance).

Embedding these elements in the regulation will ensure that insurance supervision can harness the full potential of digital innovation, strengthen risk management, and support the

[1] ICC Digital Standards Initiative. Key Trade Documents and Data Elements on the Frontlines (September 2024) https://www.gleif.org/media/pages/lei-solutions/featuring-the-lei/global-value-chains/837d65ae11-1753167306/dsi-key-trade-documents-and-data-elements-on-the-frontlines_final-7pm.pdf

EU’s broader policy goals. For instance, interoperability with digital trade platforms will enable real-time validation of insurance data against shipping and customs records, reducing fraud risks and improving cross-border transaction efficiency.

4. Recommendations for Amendments

4.1. Digital Reporting Standards and Interoperability

A paramount priority for Solvency II modernization must be the establishment of **robust digital reporting standards** that enable seamless **interoperability** with both current and prospective EU digital infrastructures. **Insurance supervisory data** should be structured and delivered in a way that facilitates **automated data exchange** across sectoral and national boundaries. Preparing for such **interoperability** will help avoid costly future IT overhauls and support the European Commission's vision of a **Digital Single Market**. This approach also enhances the **speed, accuracy, and comparability** of regulatory reporting. As the EU considers initiatives such as the European Trade Document Registry (ETDR), it is vital that insurance reporting systems remain **adaptable** and forward-looking. Cross-sector digital compatibility will be a key enabler of effective supervision and risk management.

4.2. Legal Recognition of Digital Identity (eIDAS 2.0)

Legal clarity for digital identity is essential to unlocking the full potential of **digital contracts, automated processes, and cross-border operations** in the insurance sector. **eIDAS 2.0-compliant digital identity** and **electronic signatures** should be explicitly accepted as legally valid for all insurance contracts and regulatory submissions. This recognition will lower the barriers to **digital onboarding, secure communication, and fully paperless supervision**. It will also provide certainty for market participants and supervisors, reducing **administrative burden** and fostering trust in digital processes. By supporting **cross-border legal equivalence**, the regulation will remove friction from the digital single market and align insurance law with the broader EU digital strategy.

4.3. Entity-Level Digital Identification

For **digital supervision and reporting** to be effective, insurance undertakings and their partners must be **reliably identified** in automated systems. The **Legal Entity Identifier (LEI)** and the emerging **verifiable LEI (vLEI)** are global standards that ensure **secure, unambiguous digital identification** of organizations. Their use in all regulatory templates enables

automated compliance checks, reduces error rates, and improves traceability. Incorporating these standards into Solvency II reporting will facilitate **cross-border supervision** and help insurers participate efficiently in digital trade and financial ecosystems. It is also a practical step towards alignment with international best practice.

The systematic use of **Legal Entity Identifiers (LEI)** and **Verifiable LEI (vLEI)** is paramount for establishing a robust **'trust supply chain'** within the **digital insurance ecosystem**. As highlighted by the **ICC**[2], these **globally portable identifiers** enable **cryptographically secure**, **timeless**, and **unambiguous identification** of **organizations**, **counterparties**, and even **processes**. This ensures that **digital content**, when signed with an originator's **digital credentials** (e.g., **vLEI-linked**), is **verifiable** for **authenticity** and **integrity** throughout its **lifecycle**, significantly enhancing **fraud prevention** and **cross-border regulatory oversight**.

4.4. SME Proportionality in Digital Compliance

Small and medium-sized insurers must not be left behind in the digital transition. **Proportionality** in digital compliance means introducing **tiered and simplified reporting obligations** for SMEs, so they can benefit from digital reforms without disproportionate costs or resource demands. This approach supports **market diversity**, encourages innovation, and preserves a competitive landscape in the insurance sector. A dedicated **simplified reporting template** for SMEs should be provided as an annex to the regulation. Ensuring that digital regulation is **accessible to all** will help achieve the policy goals of both the Solvency II review and the EU's digital agenda.

Furthermore, the Commission should consider establishing a dedicated support fund or grant program to assist SMEs in adopting the necessary digital tools and infrastructure, ensuring equitable participation in the digital transformation.

Beyond **financial support**, a **comprehensive approach** to **SME proportionality** must include **targeted capacity building initiatives**. This involves providing **clear, non-technical guidance**, developing **open-source 'starter kits'** for **digital implementation**, and facilitating **peer-to-peer exchanges** and **regional clinics**. Such measures, as advocated by the **ICC**, will help

---

[2] ICC DSI. Digitalising Global Trade. A roadmap to interoperability and trust at scale (July 2025) https://www.dsi.iccwbo.org/_files/ugd/8e49a6_7a5499c90eb74137ad639b669e5bff6a.pdf

smaller firms clear the same **digital-readiness bar** as their **larger counterparts**, ensuring **inclusive participation** in the **digital transformation**.

4.5. Digital Registry Reference Fields

Traceability and **data integrity** are essential for effective supervision in a digital environment. Including **reference fields for digital registries and interoperability tags** in all insurance reporting templates will enable regulators to **track data provenance, link records across platforms, and prevent duplication or loss of information**. As digital infrastructure in the EU continues to evolve (including potential trade document registries or distributed ledger systems), such fields will future-proof regulatory data. This change will also support **auditability, reduce operational risk, and strengthen the transparency** of insurance supervision.

4.6. ESG Data in Digital Reporting

The integration of **ESG (Environmental, Social, Governance) data fields** within digital reporting frameworks is crucial for aligning the insurance sector with the EU's **climate and sustainability goals**. Digital reporting should not only collect financial data but also enable the **automated capture, analysis, and disclosure** of ESG metrics, such as carbon emissions, supply chain sustainability, and climate risk. This will enhance **risk assessment, enable green finance incentives, and improve transparency** for policyholders and regulators alike. Leveraging digital tools for ESG reporting is also key to meeting new requirements under the **Digital Product Passport (DPP)** and the Corporate Sustainability Reporting Directive (CSRD).

4.7. Integration with Customs and Trade Data Flows

Insurance and trade are increasingly **interconnected** in a digital economy. The regulation should prepare insurance data systems for possible future **integration with the EU Single Window, ViDA, and other cross-sector digital trade infrastructures**. This integration will facilitate **faster customs clearance, real-time risk assessment, and seamless fraud detection** across the value chain. It will also promote a level playing field for EU insurers as part of integrated, digitalized trade finance and supply chain ecosystems. By anticipating these developments, Solvency II will remain relevant and robust in a rapidly evolving digital landscape.

4.8. Interoperability Ecosystem for EU Digital Trade and Customs Integration

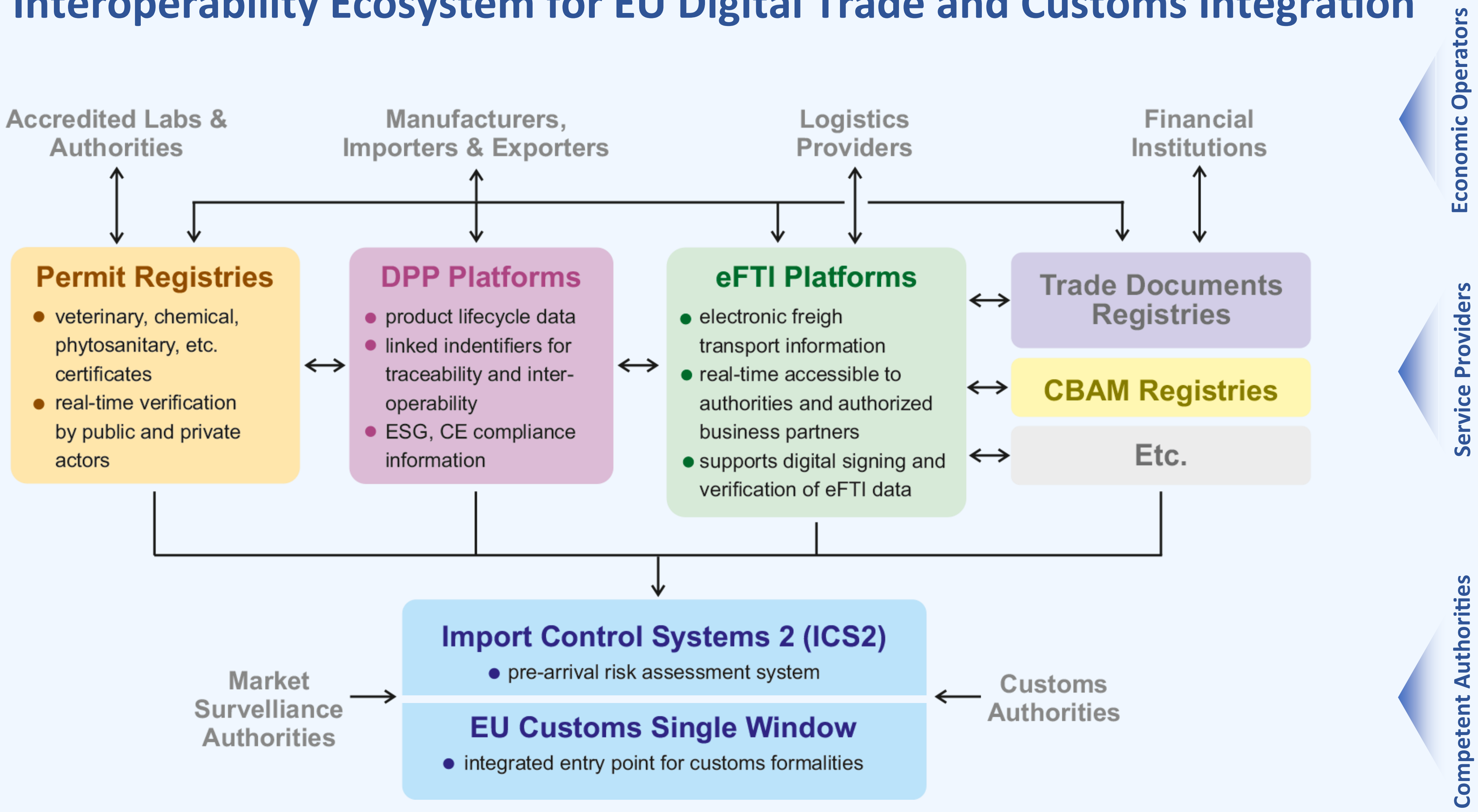

*Figure 1. Vedler, R. This diagram illustrates the key platforms, data flows, and stakeholder interactions across the EU's digital trade and customs ecosystem. It highlights how manufacturers, logistics providers, and regulatory systems connect through structured data platforms—such as eFTI, Digital Product Passport, and EU Customs systems—while integrating with trusted external sources including TRACES, REACH-IT, EUDAMED, and digital identity services. All data exchange and processing within this ecosystem strictly adhere to the principles of the General **Data Protection Regulation (GDPR)**, ensuring lawful, transparent, and purpose-limited handling of personal and sensitive data.*

4.9. Platform Functions and Trust Roles in the EU Digital Trade Ecosystem

#	platform	core function	key actors	interoperability role	trust features
1	**eFTI Platform**	Structures and exchanges electronic freight transport information in accordance with EU regulation.	Logistics providers, freight forwarders, customs brokers, software vendors	Connected to ICS2, Customs Single Window, DPP	Signing-enabled, eIDAS/vLEI, traceable submission logs
2	**DPP Platform**	Digitally represents product lifecycle data, compliance (CE, ESG), and traceability information.	Manufacturers, importers/exporters, ESG auditors, platform providers	Linked to eFTI, permit registries, eInvoicing, CBAM Registries, and customs declarations.	Verifiable ESG/CE data
3	**EU Customs Single Window**	Single EU-wide gateway for customs and regulatory documentation (incl. permits).	National customs authorities, inspection agencies	Receives data from eFTI, DPP, ICS2, CBAM Registries; pushes to national systems.	Integrated with risk analysis
4	**ICS2**	Performs pre-arrival cargo risk assessments using Entry Summary Declarations (ENS).	EU customs administrations, transport carriers, EU security agencies	Pulls eFTI/permit info	Real-time validation
5	**Permit Registries**	Hosts and validates official permits and certificates (e.g. veterinary, phytosanitary, chemical).	National competent authorities (e.g. TRACES, ECHA), EU agencies	Linked from DPP & eFTI	Real-time verifiability
-	**Business Wallet**	Decentralised environment for securely holding and sharing credentials and electronic documents (data sets) under user control.	Traders, SMEs, logistics operators, authorised representatives, identity providers	Interacts with all above	vLEI identity, eIDAS 2.0
6	**Trade Documents Registry (TDR)**	Anchors and registers metadata (e.g. hashes, signatures, timestamps) of trade documents (e.g. eFTI, eBL, invoices), enabling full document traceability across platforms. Tracks document origin, versioning, and linkages without exposing content.	Registry operators (EU or delegated), customs, logistics integrators, financial institutions	Reference point for document verification and linking across eFTI, DPP, CBAM, and Customs SW.	Tamper-proof identifiers, issuer verification, MLETR compliance, supports traceable audit trails
7	**CBAM Registries**	Record and manage embedded carbon emissions data for imported goods subject to the EU Carbon Border Adjustment Mechanism. Provide CO_2 reporting, verification and certification infrastructure aligned with customs and sustainability frameworks.	Importers, customs authorities, national CBAM authorities, accredited CO_2 verifiers, ESG auditors	Linked with DPP for product-level emission data, Customs Single Window for compliance validation, and trade finance systems for tariff adjustments.	Verified emission declarations, EU-accredited verifier network, secure transmission to customs

5. Mapping Digital Trade and Capital Market Activities with Solvency II Regulatory

#	Activity	Solvency II Impact	Objective	Tools/Enablers
1	**Establish EU Trade Document Registry (ETDR)**	Supports digital reporting and ESG data flows in insurance supervision; enhances transparency and standardization.	Centralize and secure cross-border trade/ESG data for supervision	Zero Trust Architecture, blockchain, MLETR, PSD3, LEI/vLEI
2	**Digitalise Tax & Customs Interfaces**	Facilitates digital data integration; aligned with Solvency II goals for automated reporting and supervisory efficiency.	Integrate trade, tax, and customs data flows to reduce friction and fraud	EU Customs Data Hub, Single Window, ViDA, vLEI, eFTI/eCMR
3	**Adopt MLETR + eIDAS 2.0**	Relevant for insurance sector's digital contracts and cross-border digital identity under Solvency II modernization.	Enable seamless digital negotiable instruments and cross-border recognition	MLETR framework, eIDAS 2.0 wallets, legal harmonization tools
4	**Develop RegTech supervision tools**	Direct impact: Solvency II review enables RegTech and automated reporting for both prudential and ESG supervision.	Enhance real-time oversight of capital markets and ESG compliance	AI/ML dashboards, Legal Sandboxes, ETDR-linked reporting
5	**Digital Bonds & Convertibles**	Solvency II increases insurers' capacity for long-term and ESG-linked investments, supporting innovation in capital markets.	Enable automated, ESG-linked debt instruments	ETDR registry, smart contracts, DPP/ESG data, eIDAS 2.0
6	**SME-friendly compliance frameworks**	Direct impact: Proportionality measures reduce administrative burden and compliance costs for small insurers.	Ensure SMEs benefit from digital reforms without disproportionate burden	Tiered compliance, Green-Digital Trade Academy, Erasmus+ grants
7	**Pilot CBAM-DPP Corridors**	Solvency II promotes ESG data integration and reporting; supports green finance and sustainable supply chain monitoring.	Link trade finance to verifiable ESG metrics for tariff incentives	Digital Product Passports, IoT trackers, CBAM registry
8	**Harmonize e-document laws**	Improved transparency and standardization in insurance reporting; supports digital transition of contractual documents.	Eliminate legal fragmentation for digital trade documents	eFTI/eCMR, UN/UNECE protocols, Legal Harmonization Sandboxes
9	**ESG-linked finance incentives**	Solvency II amendments strengthen ESG risk and sustainability requirements, enabling green finance incentives.	Reward sustainable supply chains with cheaper capital	InvestEU guarantees, FinTech platforms, CSRD templates

6. Amendments to the Draft Delegated Regulation

6.1. Inclusion of Digital Reporting Standards (future-proof, ETDR as a proposal)

Amendment Text, Add a new recital:

> *In order to facilitate future interoperability and efficiency of supervision in the EU single market, it is appropriate to ensure that regulatory reporting by insurance undertakings is compatible with emerging digital trade and capital market infrastructures, such as possible European registries or digital document platforms, as may be established or recommended by the European Commission.*

Add a new paragraph to Article 304:

> *Insurance and reinsurance undertakings shall ensure, to the extent technically feasible, that their regulatory reporting and disclosures are adaptable to digital data exchange standards that may be introduced at Union level in the future, including any potential EU-level trade document registry or other cross-sector digital infrastructures.*

Justification: Anticipating the introduction of EU-level digital trade and document registries, it is imperative that insurance sector reporting is designed to be future-proof and interoperable. This approach not only avoids unnecessary reporting silos and allows for seamless integration with forthcoming digital platforms, but also directly enhances supervisory efficiency and data-driven oversight, thereby strengthening prudential supervision and contributing to the financial stability of the EU insurance market. The amendment enables the insurance sector to adapt quickly and cost-effectively to new cross-sector data exchange frameworks once they are adopted, ultimately benefiting both regulators and market participants.

6.2. Explicit Reference to ESG Data Integration

Amendment Text, Add to Article 304:

> *Regulatory reporting by insurance and reinsurance undertakings shall include, where applicable, ESG (Environmental, Social, and Governance) data points relevant for risk assessment and public disclosure. This shall include at least carbon emissions, supply chain sustainability, and climate-related risk metrics, in line with requirements under the Digital Product Passport (DPP) and the Corporate Sustainability Reporting Directive (CSRD).*

Justification: Integrating ESG data directly into regulatory reporting ensures insurance undertakings systematically address environmental and sustainability risks, aligning with the EU's climate and digital objectives. This amendment will support the uptake of Digital Product Passports (DPP) and CSRD-aligned reporting, improving transparency for policyholders, supervisors, and investors. Including carbon footprint and supply chain data will also facilitate cross-sectoral analysis and comparison. It further enhances the insurance sector's role in financing the green transition.

6.3. Proportionality for SMEs in Digital Compliance

Amendment Text, Add a new article after Article 29 - Article 29a, proportional digital compliance for SMEs:

1. *The application of digital compliance and reporting requirements shall be tiered and simplified for small and medium-sized insurance and reinsurance undertakings.*
2. *The Commission shall provide further implementing acts specifying the minimum digital and RegTech reporting requirements for undertakings qualifying as SMEs under EU law.*

Justification: Proportionality is essential to ensure that digital transformation does not impose undue burdens on small and medium-sized insurance undertakings. By specifying simplified and tiered digital compliance requirements, this provision will foster greater SME participation in digital trade and insurance markets. It will help SMEs focus resources on growth and innovation rather than compliance overhead. In addition, more inclusive regulation supports financial stability and market diversity across the EU.

6.4. Recognition of eIDAS 2.0 Digital Identity – Legal Validity

Amendment Text, Add to Article 18 or Article 304:

> *Where insurance contracts, regulatory filings, and cross-border supervisory communications are executed or submitted digitally, electronic signatures and digital identities compliant with Regulation (EU) 2024/1183 (eIDAS 2.0) shall be accepted as legally valid and equivalent to their paper-based counterparts in all Member States.*

Justification: The legal recognition of eIDAS 2.0 digital identity and electronic signatures ensures uniformity and trust in digital insurance operations across the EU. This amendment removes legal uncertainty for digital documents and signatures, streamlines cross-border onboarding and regulatory reporting, and reduces operational friction. It will enable full digitalization of insurance processes, supporting both consumer protection and regulatory supervision. This alignment with EU digital identity policy also future-proofs the insurance sector for further integration of digital public services.

6.5. Enabling Automated ESG-linked Investment Instruments

Amendment Text, Add a new paragraph to Article 144:

> *Insurance and reinsurance undertakings may issue, hold, or report digital bonds, convertible securities, and other investment instruments that are ESG-linked, provided these instruments comply with technical and security standards as defined under relevant EU law.*

Justification: Allowing ESG-linked digital bonds and convertible securities as admissible assets aligns insurance investment rules with emerging trends in sustainable finance and capital market innovation. This supports the insurance sector’s contribution to the EU’s climate and digital ambitions by unlocking capital for green projects. Automated, smart contract-based instruments can also reduce issuance costs and enable real-time ESG compliance tracking. The amendment increases the attractiveness of insurance as a channel for productive, sustainable investment.

6.6. Integration with EU Single Window and Customs Data Flows

Amendment Text, Add to Article 304:

> *Where relevant, insurance and reinsurance undertakings providing trade or customs-related products shall ensure that their regulatory data systems interface with the EU Single Window for Customs, VAT in the Digital Age (ViDA), and other official EU customs data platforms to enable streamlined, automated data exchange and supervision.*

Justification: Mandating connectivity between insurance data systems and EU customs/trade platforms (e.g., Single Window, ViDA) will streamline regulatory processes for trade-related insurance products. This integration will enhance fraud detection, reduce operational delays, and lower compliance costs for cross-border activities. Automated data flows also improve transparency and traceability throughout digital supply chains. The change helps the insurance sector keep pace with the digitalization of trade and customs in the EU.

Recognising that global trade operates as a 'system of systems,' with interconnected layers spanning regulatory, business, physical, financial, and information flows, the integration of insurance data systems with broader EU customs and trade platforms is a critical step towards a truly integrated digital-trade ecosystem. This holistic approach, where insurance data contributes to and benefits from seamless data exchange across the entire supply chain, will enhance overall resilience, transparency, and efficiency.

Amendments to the Annexes

6.7. LEI / vLEI – Digital Identity for Entity Verification and Reporting

Amendment Text, Add to all reporting tables and technical notes*:*

> *All regulatory data tables shall include a 'Legal Entity Identifier (LEI)' field for the reporting entity. Where available, the digital credential vLEI (verifiable LEI) shall also be provided for enhanced automation and entity verification, especially for cross-border transactions and filings.*

Justification: Mandating the inclusion of LEI and vLEI in all regulatory reporting tables enhances transparency, automation, and trust in supervisory processes. The use of global, standardized entity identifiers enables clear entity matching, reduces errors, and facilitates secure cross-border data exchanges. vLEI supports real-time digital verification of organizational identity, enabling automated and auditable workflows for both insurers and supervisors. This amendment aligns insurance reporting with international best practices in digital identity and financial regulation.

6.8. Inclusion of Digital Registry and Data Interoperability Parameters

Amendment Text, Add a column "Digital Registry Reference / Interoperability Tag" to all relevant reporting templates and risk zone mapping tables. Add a technical note*:*

> *All regulatory data tables shall include a field for referencing EU or other recognized digital registry identifiers, to facilitate seamless data exchange and traceability.*

Justification: Adding digital registry fields and interoperability tags ensures that insurance reporting is compatible with broader EU digital data ecosystems. This will enable seamless data exchange, aggregation, and analytics between insurance regulators and other market actors. Standardized identifiers will also improve auditability and reduce the risk of errors or data silos. These enhancements strengthen the effectiveness of both prudential and ESG supervision.

6.9. ESG Data Fields in Catastrophe Risk Modules

Amendment Text, Add ESG-specific columns to catastrophe risk tables:

> *For each insured asset or risk location, the following ESG data fields shall be reported where available: 'Carbon Footprint', 'Energy Efficiency Class', 'Climate Resilience Measures'.*

Justification: Incorporating ESG and sustainability metrics into catastrophe risk templates allows supervisors and insurers to assess climate-related risks more accurately. It supports EU-wide goals for sustainable finance, as well as better modelling of risk exposures under changing environmental conditions. These additional data points also help align insurance practices with new regulatory requirements on climate and ESG disclosure. This creates a feedback loop between risk modelling and real-world resilience measures.

6.10. Digital Identity & Verification Fields in Reporting Tables (eIDAS 2.0)

Amendment Text, Add a new field to all reporting tables, Digital Identity Verification, eIDAS 2.0:

> *All submissions shall include a reference to the digital identity of the reporting entity and, where relevant, digital identity information of policyholders or insured parties, in accordance with Regulation (EU) 2024/1183 (eIDAS 2.0) requirements.*

Justification: Digital identity verification (eIDAS 2.0) in reporting increases trust, automation, and efficiency in supervisory processes. It makes regulatory filings more secure and helps prevent identity fraud in cross-border insurance transactions. Consistent use of digital identity also reduces manual checks and administrative delays. The amendment aligns insurance reporting with best practices in digital public administration.

6.11. Optional SME "Simplified Template" for Reporting

Amendment Text, Add new Annex XVII:

> *Annex XVII – Simplified Reporting Template for SMEs. This Annex provides a minimum dataset and simplified format for digital and ESG regulatory reporting by small and medium-sized insurance and reinsurance undertakings, as specified under Article 29a. The template shall focus on core prudential and sustainability requirements and may be updated by delegated acts to reflect evolving best practices.*

Justification: A simplified reporting template for SMEs ensures that compliance remains proportionate and manageable for smaller undertakings as reporting requirements evolve. This enables SMEs to benefit from digital and ESG reforms without being overwhelmed by administrative tasks. It also promotes market entry and competition, supporting a diverse and innovative insurance sector. Proportionality helps achieve EU policy goals for inclusivity and digital single market participation.

6.12. Justifications and Impact Assessment

Implementing the proposed digitalisation-focused amendments will **future-proof insurance supervision** and ensure it remains effective and relevant as the EU's digital ecosystem evolves. **Seamless integration with digital platforms** will reduce operational costs and improve regulatory oversight by eliminating redundant reporting and enabling real-time, data-driven supervision.

The adoption of robust **digital identity (eIDAS 2.0, LEI/vLEI)** and registry reference systems will increase trust, auditability, and cross-border collaboration. Enhanced ESG reporting and traceability will allow insurers to play a leading role in the green transition, meet stakeholder expectations, and support EU sustainability goals. By introducing **proportionality for SMEs** and preparing for integration with trade and customs systems, the regulation will promote inclusivity and innovation, while addressing operational and compliance risks proactively. Implementation challenges can be mitigated by clear technical guidance, phased roll-out, and ongoing stakeholder engagement.

7. Conclusion and Next Steps

We strongly encourage the European Commission to further strengthen the **digital foundations** of the Solvency II framework by incorporating the targeted recommendations outlined above. By explicitly embedding **digital interoperability, secure digital identity, automated reporting, and ESG data integration**, the regulation will enable the EU insurance sector to remain competitive, resilient, and future-ready in the face of rapid technological change. These steps will help deliver more **effective, efficient, and transparent supervision**, reduce administrative burden, and foster innovation across the industry.

Looking ahead, we recommend that the Commission initiate a **dedicated technical dialogue** with insurance industry stakeholders, technology providers, and supervisory authorities to define the necessary digital standards and implementation pathways. **Piloting new digital reporting tools and registry integrations**—potentially through regulatory sandboxes or pilot programs—would allow the sector to test and refine new approaches before broad adoption. In parallel, developing **technical guidance and best practices** for the use of eIDAS 2.0, LEI/vLEI, and ESG digital data will ensure consistency and confidence in the rollout.

It is also essential to ensure that **SMEs receive targeted support and tailored templates** to participate fully in the digital transition, safeguarding inclusivity and market diversity. We propose periodic review points to assess digitalisation progress and identify any operational or regulatory barriers, ensuring the framework can evolve alongside technology and market needs.

To accelerate **progress**, we echo the **ICC's call** for **coordinated execution**, where various **stakeholders** reinforce one another rather than working in **isolation**. This includes actively participating in and supporting **cross-jurisdiction pilots** that leverage new **digital standards** and **trust frameworks**, and establishing clear **feedback loops** to inform **policy** and **technical guidance**. Such **collaborative initiatives** are crucial for turning **isolated successes** into **system-wide gains** for the **EU insurance sector** and the broader **digital economy**.

The insurance industry stands ready to **partner with the Commission and relevant stakeholders** to support implementation, share technical expertise, and advance Europe's leadership in digital insurance supervision. We look forward to continued engagement, constructive feedback loops, and collaborative progress towards a robust, innovative, and digitally empowered supervisory framework for the EU insurance sector.