



EIOPA reacts to stakeholders' views on blockchain in insurance

NEWS

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The European Insurance and Occupation Pensions Authority (EIOPA) published today a Feedback Statement on blockchain and smart contracts in insurance. The document provides a high-level summary of the responses received from stakeholders during a public consultation on the topic as well as EIOPA's reactions to them.

Having analysed the responses, EIOPA notes that insurers see potential in blockchain and are exploring possible use cases across the insurance value chain to streamline business and better serve customers.

The technology's deployment in the European insurance sector, including concerning crypto assets, is still at an early stage. Most use cases cited by stakeholders are still small-scale, while other projects are in a proof-of-concept (PoC) stage.

On one hand, respondents largely agree with the opportunities and risks presented in EIOPA's [discussion paper](#), mentioning the potential benefits of blockchain in speeding up transactions and claims handling, lowering operational costs and improving traceability. On the other hand, they share the view that risks in cyber and operational IT areas include the inadequate training of staff, encryption security issues as well as risks arising from incorrect coding. Stakeholders also referred to sustainability concerns, given the high energy consumption of some blockchain solutions.

Stakeholders also agreed that there is potential for blockchain to be used in supervisory and regulatory processes and highlighted that efforts should focus on lowering costs and reducing procedural burdens for both the industry and supervisors.

As next steps, EIOPA will reflect further upon the barriers and challenges highlighted in the consultation and continue assessing the use of blockchain in supervisory and regulatory processes as necessary. It is of utmost importance to keep an open dialogue with all stakeholders.

[VIEW THE FEEDBACK STATEMENT](#)