

POSITION PAPER

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Referring to: European Commission's consultation on the White Paper on Artificial Intelligence

COMMENTS OF THE FRENCH INSURANCE FEDERATION (FFA)

French insurers welcome the Commission's determination to strengthen the European digital policy and more specifically to address the importance of developing artificial intelligence (AI).

We believe the two characteristics on which the consultation focuses, namely excellence and trust, are the pillars of the policy to be pursued. The European excellence in AI is essential to better meet evolving consumer expectations while ensuring the EU's technological sovereignty. Policyholders' reliability towards insurers is the very basis of our mission so that only a trustworthy AI could guarantee the respect of our members' values.

By its contribution, FFA aims to help the Commission in developing an AI strategy that can meet the reality of the insurance sector and thus respond to policyholders' needs.

An ecosystem of excellence with European libraries of open source codes for AI algorithms

Europe's digital sovereignty is undoubtedly a focal point of the policy desired by the European Union. Europe's current deficit in research and development of AI applications accentuates its dependence on non-EU Giant Tech.

First of all, the European Union must adopt a framework favourable to innovation and development of AI. The emergence of an ecosystem of excellence implies the need to firstly acquire its necessary tools by promoting data sharing and harmonisation, public-private partnerships and the creation of data spaces. US and Chinese players have a dominant position in the artificial intelligence market. Confronted to this, European actors are constrained to call on their services when using AI-based technology (data or algorithm source codes). French insurers would like to raise the Commission's awareness on the significant dependence risk towards non-EU States or private actors. The latter could take advantage of this situation, for instance, by monetising or cutting such access.

Therefore, to provide the single market's stakeholders with a European strong alternative, the development of an ecosystem of excellence must be carried out at all levels, including the creation of an EU algorithms' library for AI.

About the FFA

The French Insurance Federation (FFA) represents 280 insurance and reinsurance companies operating in France, accounting for over 99% of the French insurance market. We represent the interests of insurers to national, European and international public authorities; to institutions and to administrative or local authorities. We produce and make available statistical data essential to the industry and provide information for the general public and the media. The French Insurance Federation also contributes in raising the awareness and attractiveness of the industry by promoting insurance and risk management culture. FFA is a member of Insurance Europe and GFIA. In an ever-changing environment, faced with the emergence of new political, economic, social, technological and environmental risks, the French insurance industry constantly innovates to be more competitive, support the economy and extend the boundaries of insurability.

A regulatory framework limited to high-risk AI and high-risk sectors

To ensure the use of trusted AI while promoting its development, the scope of this framework should be limited to high-risk activities.

Insurers request further elaboration of high-risk AI definition, it seems essential to quickly define accurately and thoroughly this notion. On the basis of a clear and precise definition, care should be taken to avoid over-regulating a large number of activities and hindering their development. Indeed, AI is currently deployed in many insurance activities that do not present any risks for the users such as process automation (e.g. document reading), customer relationship tasks (e.g. chatbot, image recognition, etc.).

Furthermore, insurance should not be seen as a high-risk sector as a whole. Insurers assist their policy holders at every important stages of their lives as well as on their daily routine. Certain insurers' activities may be related to sectors that could raise risks (e.g. transport or health) and which should be qualified as such, so that the risk associated by the related AI applications will then be assessed. It would, however, not make any sense to individualize the insurance sector and to categorize the great variety of its activities as a sole high-risk sector.

Proposition of the French insurers on the labelling for low-risk AI

French insurers understand the potential benefit of label for low-risk AI. Nevertheless, the implementation of these labels for low-risk or low-complexity AI raises the issue of developing a costly and hard to fit label for small actors. The latter would then only benefit to well-established companies or large companies active in other market sectors.

A solution could be for the EU to encourage labelling by providing a clear, simple and inexpensive model. This would allow the emergence of a European reference system within a facilitating European framework. As an example, the French National Institute of Intellectual Property (INPI) has launched a labelling and recognition mechanism easy to process and at extremely limited costs.

This would prevent a fragmentation of labelling and, more generally, of the internal market.

Insurers' position on the EU legislative framework

Many specific texts such as the Product Liability Directive apply to AI applications context. Thus, the existing EU legislative framework is currently adequate to cover the needed civil liability regime. For innovation and better regulation purposes, this dynamic of re-using existing rules so as not to hinder the use of new technologies while guaranteeing users' protection and legal certainty remains the most appropriate approach.

However, in the framework of international law, rules on liability in relation to new technological challenges could be studied at a future stage.

The French insurance industry remains highly involved in the matter of artificial intelligence framework. In this respect, French insurers have already introduced ethical requirements into their models and FFA is currently working on the best way to promote good practices in the use of AI in insurance.