EVIDENCE AND OPERATING CONDITIONS IN THE INSURANCE CONTRACT USING THE DIGITAL FORMAT IN COMMUNICATION

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Abstract
The "Covid-19" pandemic was a determining, catalytic factor in accelerating economic and social processes. The syncope generated by the pandemic in society has introduced new elements of "artificial intelligence" and "reasoned reality" in the economy of commercial insurance. Insurance Economics and Commercial Insurance Law, registers a series of changes in substance and form in relation to the completion of the documents for concluding and executing the insurance contract. The changes, generated by the obligation to physically distance and quarantine people, have made it impossible for potential policyholders, in some cases, to sign insurance offers received from insurance companies. An important legal aspect is given by the assumption of the insurance contract based on the electronic communication of the insurance application, of the insurance offer with or without certified and qualified electronic signature in digital format. This situation is not a procedure now regulated in the Civil Code, but it is a procedure imposed by insurers and accepted by policyholders. We will try to open a window to debate the issue in which people involved as legal specialists, people employed by regulators to find regulatory solutions.

Keywords
JEL G22 – insurance, insurance companies; K12 – contract law; K15 – civil law; L81 – electronic commerce.

JEL Classification
K10, K12, K86, G22

Introduction

Most scientific research focuses on insurance from an economic and less legal perspective. Legal relationships arising from insurance contracts and their impact as evidence will be a hotly contested issue as disputes between insurers and policyholders in the performance of insurance contracts arise. The social and economic impact of legal documents in insurance is now measured only by the statistics of litigation in the courts,

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or the number of cases in which conciliation or mediation was used. Through our research we try to open a new perspective on the legal relations of law through the prism of the rights and obligations arising from the insurance contract, on portable digital support, (PDF) communicated electronically between the parties.

We're asking ourselves:

- To what extent does electronic communication from e-mail addresses that do not identify the insured by name and domain become opposable?
- How much probationary force has an insurance contract accepted without the insured being the holder of a qualified digital certificate with electronic signature?

Our conclusions will materialize through concrete proposals to update the legislation to the existing reality which has become a "legally unregulated normality". A possible conclusion of the research approach may be the legal interpretation of the validity and validation of the unsigned insurance contract by the parties and the assumption of the insurance conditions underlying the contract and the insurance offers, in cumulative conditions of acceptance of electronic communication of documents and the payment of the insurance premium, without protest, in the amount and terms provided in the insurance contract. By payment, the insured is presumed to assume the conditions under which the insurance contract will be concluded.

Regarding the actual situation, we will have to find a solution to the legal approach to the problem. The practical processes in the interpretation and execution of insurance contracts open new horizons in relation to the economic phenomenon of commercial insurance. The Financial Supervisory Authority, the Union of Insurance Companies, the Union of Insurance Intermediary Companies must manage the situation through legislative proposals for unitary interpretation of the economic phenomenon in relation to its classification in legal elements of civil and commercial law.

1. Research methodology

This research is descriptive and qualitative. The purpose of our research is to describe the legal situation created by new procedures based on electronic communication, during the Covid-19 Pandemic, between insurance companies and policyholders. The analysis of the information flows and the practical reality show us that the new procedures, tacitly accepted by the insured and imposed by the insurance companies do not have a legal regulation of the Civil Code. The working procedures are based on direct observation of the new practice in commercial insurance economics. The procedure used for action research which also addresses insurance companies, intermediaries (insurance agencies or insurance brokers), policyholders (private or public legal persons or individuals), insurance regulators and not lastly to magistrates and lawyers.

The research methods approached are:

- Classical Method - I started from an existing reality and used normal research (ap. Thomas Kuhn)

- The method of revising the hypotheses - involves looking for a stronger foundation and we discuss what seems obvious.

The research is based on the realities of the moment in the insurance market. The emergence of "Covid-19" has forced insurance companies to speed up the process of underwriting software and to update communication procedures, while respecting European directives and standards of legislation regarding the distribution of insurance and protection of personal data. Insured persons, whether natural or legal, were required to adapt to changes imposed by insurance companies, even if they did not use the Internet in the usual way.

Our research made an introspection in the normative acts that have direct reference to the insurance documents, and we found that the new realities accepted, moreover, by the parties involved in drawing up and executing the insurance contracts are not explicitly regulated by the pandemic situation. We believe that these digitization processes in the act of insurance are welcome and were to be expected. The pandemic period accelerated the transition to a digitalized insurance economy. Legislative processes aim at challenging the legal evidence force of digital information materialized in electronic files, containing insurance offers, insurance contract or policy, general insurance conditions and special insurance conditions, information documents on the protection of personal data and information of policyholders.

At this time, the laws and processes accepted by the parties provide for the use of databases in digital format, the communication of information in digital format and the preparation of insurance documents in digital format, but do not provide for the force of these documents opposable to a party when presented in digital format not signed by the other party.

Therefore, we will have two main actions in this case: we will make an analysis of the legal impact of digitally issued documents, digital communications, and we will make proposals to amend regulations in the field.

We did not find similar research in this context. The pandemic quickly imposed new practical working procedures, the legislature did not have a quick reaction to update the legislation, and the researchers will appear in plenary when litigation arises in the courts.

2. Review of the scientific literature

Completing an insurance contract involves an extremely complex procedure of activities: underwriting risks; offering insurance through selection of risks; settlement of insurance premiums; risk inspections regarding the integrity and identification of insurance assets; the signing of the insurance contract by the parties. The procedures listed are supplemented by the communication between the parties of the information on the General Data Protection Regulation (GDPR) and the information provided for in the European Insurance Distribution Directive.

The communication of information to the insured must be legally proven by the insurers, the insurance intermediaries, according to the law. Operators in the insurance market have procedures adapted to the classic situation of the insurance contract through the direct intervention of risk-takers (insured persons) or their representatives in relation to persons representing the interests of insurance companies and insurance intermediaries.

Emergencies and alert situations in society have imposed and continue to impose a limitation on the physical presence between persons. Thus, a procedural syncope was generated with significant legal relevance in the performance of the insurance contract. Insurance agents and insurance brokers can no longer meet with potential policyholders or insurers to complete insurance documents.

According to the Civil Code, the contract is an agreement of will between one or more persons with the intention of establishing, amending, or terminating a legal relationship. To reach the agreement of the will, the parties must act in good faith, when negotiating the insurance contract, as well as when concluding the contract in writing. Good faith must be exercised throughout the performance of the contract and the parties may not remove or limit the obligation.

The notion of Insurance Contract is defined in Chapter XVI, art. 2199 of the New Civil Code (Law 71/2011 for the implementation of Law 287/2009 on the Civil Code) and provides that "by the insurance contract the insurance contractor to pay the premium to the insurer, and the latter shall, in the event of the insured risk, pay an indemnity, as the case may be, to the insured, the beneficiary of the insurance or the injured third party."

The Civil Code expressly provides that "to be proved, the insurance contract must be concluded in writing. The contract cannot be proved with witnesses, even when there is a beginning of written evidence".

The formal conditions of the insurance contract and its proof are enshrined in the Civil Code according to a series of rules taken from the Law on Insurance and Reinsurance in Romania, no. 136/1995. Thus, the statement that an insurance contract cannot be proved with witnesses even if there is a beginning of written proof is imperative. To prove the contractual insurance relationship, it will not be possible to resort to the provisions of Article 46 of the Commercial Code which stipulate that the parties to the insurance contract must be limited to documents only, even in the event of the beginning of a written test. In this context, we consider that the restriction of the party refers only to the proof of the existence of the insurance contract. The circumstances in which an insured risk occurs, the fault of the persons guilty of damages, the extent of the damage are aspects that can be proved by any means of proof, according to the Commercial Code and the Civil Code. We also note that the legislation makes it impossible to obtain a duplicate of the insurance contract. In this respect, the law does not distinguish the fact that the insurance documents have disappeared due to fortuitous reasons in connection with the insured or the insurer.

Regarding the parts of the electronic contract defined by Law 365/2002, the researchers appreciated that the service provider, natural or legal person, can make available to one

or more persons an information society service. The conclusion of electronic contracts between professionals and non-professionals is under the exception of the norm given by the Civil Code and Law 365/2002 in the sense that the special law applies (Hodoș, R. F., Electronic payment, University Publishing House, Bucharest, 2020, pg.95). In this case adressed in this research, for the insurance contract in digital form, the law of insurance and reinsurance should apply. The insurance and reinsurance law needs to be amended accordingly and updated to the realities and working procedures between insurance companies, insured individuals and legal entities and insurance intermediaries. In this case, a possible regulatory solution to respect the opposability of the insurance contract can be solved by the recognition by the parties of the insurance contract in written or digital form provided that the insurance premium was paid on time and in the amount of the insurance offer, respectively the insurance contract.

The procedures for completing and executing the insurance contract are built, over time, on interpersonal relationships. The parties, depending on their interests, act to protect their assets, on the one hand, in the case of the insured, and to make a profit, from the selection of risks sold, for the insurance companies.

Social normalcy has been disrupted by the outbreak of the epidemic, Covid-19, at the international level, with major consequences for the freedom of movement of persons. The insurance act has moved from the classic document-making system through the face-to-face social interaction of insurers, policyholders, and intermediaries, to a virtual environment that is now based on digital information. When we refer to "digital information" we must understand: the digital medium on which the "act of will of the parties" is transferred, the "electronic communication medium" and the electronic financial instruments "e-banking".

The period of restrictions on the mobility of citizens, during the "Covid-19" pandemic, made the legal procedures for the completion of insurance contracts to be, practically, rethought and modified. The process of underwriting insurance contracts is now done by issuing insurance offers in portable digital format. PDFs are sent electronically or by post, depending on the applicant's choice. The most used solution is digital communication via e-mail. The potential insured, natural or legal persons, do not always have the possibility to confirm the acceptance of the insurance offer by electronic signature based on a qualified digital certificate or by handwritten signing of the document in printed form, then scanned in digital format. The insurance offer, once accepted, must be communicated to the insurance company to issue the insurance contract or insurance policy in digital format, usually PDF.

Some insurance companies use the assumption of documents, by electronic signature, in digital format. This has the physical effect of blocking documents so that they can no longer be modified and completed after the application of the digital signature. In some cases, the document remains unlocked to be digitally signed by the insured and / or the insurance intermediary. The procedure seems simple and straightforward, except that the parties - the insured, the natural or legal person, the insurance agent or broker - initial the document acknowledging the content without being able to change anything.

The digital format of the insurance documents allows, in a qualified form, the possibility to observe the sequence of the changes made in the document and in which chronology of the time the changes were made. Once listed, a digital document modified without authorization can no longer be validated and certified as original. In this context, the legislation - both the Civil Code and the Commercial Code (art. 46) specify that commercial obligations are proved by authentic documents or by documents under private signature, accepted invoices, correspondence, telegrams, registers of parties and witnesses admitted by the judicial authority through testimonial evidence. Current legislation does not explicitly provide for the use of digital information as evidence. The probative value of digital information is given only by the acceptance of the evidence submitted by all parties to the dispute. Each party to the dispute can declare and prove that the "digital evidence" is not enforceable against it.

Another situation on which we will make a critical analysis concerns the communication of insurance documents between the parties, and in particular, the Insurance Contact and the Insurance Conditions underlying the completion of the insurance. It is known that the virtual environment, generically defined as "internet", can respond to people's needs in communication and information.

There is a difference, seemingly insignificant, but with great legal relevance for Internet users - certification of the source of information and certification of the communication channel. Many users do not distinguish between "a certified, secure email address" and "an email address on a non-certified and unsecured server (site)". Because Internet security certificates are costly, many companies that provide hosting for e-mail addresses and websites are not certified and do not secure the database they process. The above are just a few of the causes that can lead to malfunctions and commercial insurance disputes. European procedures for the protection of personal data and the distribution of insurance state that documents containing personal data can only be sent to an agreed e-mail address in advance. Files must be password encrypted! Policies in digital format (PDF) are sent in electronic format from one e-mail box to another e-mail box. Insureds, individuals, or legal entities, most often use e-mail addresses, created on different domains (servers) for general use without security. These e-mail addresses do not have a certificate stating that the name of the address is that of natural or legal persons under private law entered in the insurance documents. In this context, good faith, invoked in the Civil Code, prevails in the interpretation of the existence of rights and obligations arising from insurance contracts.

From a legal point of view, there is an inequity in the liability of the parties, because the "insurance contract" has the legal validity of an "insurance policy". In this context, we consider as a good practice the attitude of some insurance companies that send the complete "insurance offer", including the general and specific conditions of insurance. The offer must be signed by all parties (insured, intermediary, insurer). Based on the insurance offer, which also contains the "insurance conditions", the „insurance policy" (insurance contract) is issued. The insurance offer must be signed and assumed by the "insurance company" and accepted by the "insured" with a clear reference that it is the basis for issuing the "Contract or Insurance Policy".

In the interpretation of art.2200 of the Civil Code, invoked above, which provides for the obligation to conclude the insurance contract in writing, we note that this obligation is vitiated, in fact, by the parties in the insurance contract. The digital transmission of the insurance contract creates the premise of not complying with the rigors of the law. The parties do not sign the handwriting, nor do they benefit from a digital electronic signature, which authenticates the act of will.

The lack of a digital signature, authenticated, generates a fundamental defect in the execution of the insurance contract. The fact that the parties in most cases do not protest and do not complain about the "abuse of rights" is due to the lack of interest in the insurance contracts that are carried out without having an insured risk produced. There are also situations in which the insured risk causes damages with certain damages on which the insurance companies do not contest and do not object, resolving the claims in a favorable way. These cases are settled amicably under the spectrum of good faith, even if the insured or the beneficiary does not prove the existence of the insurance contract in the written form defined by civil law and is not assumed by signature. In these cases, the insurance is validated by the insurer by querying its own database from which the insurance contract was issued. When the insurance company registers the claim for damages from risks insured by the insurance contract, it verifies the way of concluding the contract, by means of electronic communication evidence, which can be found in the digital records of the insurance company.

We're asking ourselves: "What happens if the parties have claims for damages for risks considered non-compliant?"

3. These situations are not regulated in Romanian legislation.

The legislation needs to be updated to respond to the new realities of communication of insurance documents with legal force of proof, in digital format, through the e-mail service, most often with PDF extension. The legislation, even if it is demanding, does not regulate the situations in which the acts of will are concluded based on the information and the information transmitted in the electronic environment. Information saved in digital document archives does not suppress the existence and force of paper-based insurance contracts and archived through traditional procedures. The mechanisms by which insurance companies issue insurance contracts through online portals (internet pages) are not regulated in the primary legislation. The Financial Supervisory Authority has a record of these cases through the compliance check performed. This phenomenon, which results in an electronic form of legal reports on the objective need for risk protection, has a nuance of superficiality in contractual legal liability.

There are operators who have not secured the internet address to be easily verifiable by users. It is true that at this time, in a global context, there is an unregulated insurance market in which the solemnity of the insurance act is limited to the payment of insurance premiums in exchange for vouchers, and the occurrence of damage to insured goods is considered a risk protection and the insured receives a certain indemnity, most of the time, with a fixed value. The direction the insurance industry is heading is largely digital, but the supervisory authorities of regulated insurance markets must constantly

identify measures and directions to ensure that policyholders will receive compensation by paying the premium for insured goods damaged by insured risks in accordance with the received offers.

From a legal point of view, of the contractual liability between the parties, it is imperative to regulate the legal, probationary force through digital communications and documents in portable digital format.

There is research and solutions by (Anna Oleksiuk, Intellias - Global Technology Partner) who appreciate "Smart contracts are complicated. Because they are performed sequentially, if at least one vital part is missing, the contract will not be valid. Even if the elimination of human contribution is among the top advantages of smart insurance contracts, smart contracts still require human involvement in the development stage". The identified cause may be Code Error. The scientific world of Artificial Intelligence has concluded that "Things that can be done relatively easily on paper can be difficult to translate into code. It is no secret that the insurance industry is among the most regulated (in the world economy n. n)." Despite the strong interest in blockchain technology by government institutions, smart contracts are still largely unregulated. So how to make a smart contract and use it in insurance in a legal way, remains unclear ... Smart contracts are not a mature technology, but the wider use of the blockchain is already changing the insurance procedure. With smart contracts, insurers will be able to automate their policies and services, reduce administrative and claim processing costs, increase transparency, and prevent fraud.

4. Results and implications

In support of the proof of digitally concluded insurance contracts, valid and valid without a certified signature, handwritten or digitally, expressed, we consider that the condition of validity and validity of the insurance contract / policy can be accepted and recognized if the insurance premium was paid in amount and the term specified in the insurance offer.

In this context, the insurance contract concluded after the virtual, electronic transmission of the accepted insurance offer and the GDPR and IPID information documents becomes valid after the payment of the insurance premium. In this way, the conditions are created to be opposable to each party that contributes to its achievement.

Specialized work in electronic payment reveals that "electronic funds transfer" and "electronic payment" involve the transfer of money from one account to another, but the electronic transfer of funds does not involve the settlement of an obligation. Transferring money between the same person's accounts is not a payment, but technically it assumes the same mechanism. In relation to the insurance contract, the payment of the premium does not validate the effect of the contract if it has not been signed and assumed based on a binding insurance offer. At the same time, however, the signed and assumed insurance contract cannot be validated without the payment of the insurance premium in advance of the conclusion of the contract or in installments below the annual terms expressly mentioned in the contract. The accounts of insurance

companies are based on commitments and not on previous financial transactions. For insurance premiums, insurance companies set up reserves of technical premiums which they issue as the term of the insurance contract expires. These premium reserves are set at the full value of the contract, even if the method of payment is set to be in installments. We can state that an insurance contract concluded in a classic or digital way will have conditions of validity after signing / assuming the offer and the contract and after the voluntary payment, in advance, of the insurance premium.

The issue of the commercial insurance industry is generally placed in the paradigm of economists and less in the paradigm of scientific research of lawyers.

The bibliographic sources concern the economic perspective of the insurance act and less the perspective of the community of risks, the rights, and obligations of the parties in the insurance contract, the subjects of law and the object of the contract.

The legal approach in which it does not derive obligations from the execution of the insurance contract does not bother the subjects of law, even in the absence of validity. The insurer collects the premium for the agreed risks, and the insured was convinced that he is protected by the contract, only that the risk generating damages did not appear. In Romanian law, it is considered as the moment of concluding the contract drawn up by electronic means as the moment when the contracting offer reaches the bidder's knowledge [Hodoș, R. F., Electronic payment, pg. 112].

Another mutual acceptance of the execution of insurance contracts with a lack of validity comes from insurers who accept the execution of contracts for small amounts where there are no suspicions of fraud. Most of the time they want to avoid legal disputes in court.

The question we asked ourselves about the disputes (cases) that have gone beyond the level of trade conflict - which are generated by the manipulation of digital information in insurance was:
- To what extent and how is the right of a person who has suffered damage been proved if he had an insurance contract received in digital form, unsigned by all parties in law?
- If the document was placed by the electronic system in a file with isolated information called "spam" and the insured did not know the details contained in the SPAM file?

The answer could not be drawn up on the spot. To respond, it was necessary to analyze and debate with professionals in civil law and insurance law. Our analysis generates a starting point in updating the legislation for future processes. The processes of the future will have two sequences of the insurance market. a) The official, regulated, and supervised market, based on the force of constitutional law, civil law, and commercial law, in the context of a wider European law (for the Romanian market). b) A second sequence will be the virtual market - a market that is fully manifested in the United States, China, Japan - which will be based on trade partnership trust and less on the essence of a law or a code of laws, which would regulate the market, the products, and the framework for the manifestation of the right, that the parties directly or indirectly have. The second sequence will gain more and more ground in the context of the globalization of the free movement of capital, the rapid development of international

trade and finally the need to create a balance between needs (protection needs at risk of potential damage and profit needs for risk insurance).

One thing is for sure, the written test needs to be extended to the digital information test as well. Trust in the source of digital information is the hardest to prove. Let's not forget that digital information circulates on servers around the world before being assembled into a digital document that we see physically in PDF or Word format. It is true that information does not flow physically and assembled but is dispersed based on blockchain technologies.

This is the projection of the future, and regulators need to prepare the legal framework so that insurance market operators do not move with operations only in the virtual world based on trust and digital information to get rid of taxes, additional taxes, unnecessary control, followed of sanctions. The role of the authorities is to make legislation that regulates market behavior in an articulate and friendly manner, so that policyholders and insurers feel a real protection when they enter an area of legal conflict or litigation.

Conclusions

The recent evolution of society has led to changes in behavior (including legal behavior) of stakeholders in the process of insuring risks that could harm the health, life and integrity of the person or the tangible and intangible assets of legal persons (private or public law), respectively to individuals.

The insurance contract is based on the probative value of a written document, signed by the parties, which cannot be presented in a fractional form. The legal enforceability of documents, proceedings and other evidence may be invoked in litigation only where the subject-matter was aware of the evidence before the insured risk occurred. Also, on time, the opposability of a document can be accepted if the document is in its original form, has not been modified and has not been corrected. In the case of acceptance of insurance documents only in digital format, without a protection of the content to modification or corruption of meaning by digital signature certificate, divergences of interpretation may arise, which implicitly lead to litigation. In this regard, we can also discuss the reporting of Internet time to the time set on electronic equipment in which documents are edited (hard). It is known that the date and time when a contract is concluded, an offer is accepted, a risk inspection is carried out or the insurance premium is paid, are defining elements when analyzing a claim. The written test with documents signed and fixed in time eliminates misunderstandings. The test of digital information is more complex if artificial intelligence systems do not relate to the same working hours as the public procurement mechanism.

Insurance companies use the assumption of documents by electronic signature in digital format. Our proposal is to develop a unique procedure in the insurance market. Insurance offers to be signed by all interested parties and accepted by contractors, policyholders, beneficiaries. The insurance offers must contain in their entirety the general and special insurance conditions, which inform the insured or his insurance broker about the legal context in which the object of insurance is accepted to be taken

over in the insurance contract. Based on this Offer, the insurance contract, in digital format, blocked for changes and digitally signed with a qualified certificate to be sent by the insurer from a secure, official e-mail address.

To validate the insurance contract By paying the insurance premium, without protest, in the legal amount established in the insurance offer, at the terms of the insurance offer, even, as a rule, before issuing the insurance contracts. In this thesis, the applicability will be very important in subscribing to the compulsory motor third party liability policies. These policies are issued based on acceptance of the offers, but the policies are no longer signed by the insured or their proxies. There are situations in which the insured invoke good faith in the purchase of policies, without knowing that they are flawed by certain non-certified and non-mandated intermediaries. When the insured risk occurs, the insured find out that the policy does not meet the validity conditions. It is therefore imperative that the probative value of the policy be linked to proof of payment of the insurance premium on behalf of the issuing insurer.

The disclosure of insurance documents between the parties should be regulated for mutual recognition and subsequent validation of justice. At this time, the regulation refers to the use and manipulation of personal data as well as the provision by insurers, insured persons, of complete information provided in advance about the insurance product. The insured agrees to the use of personal data and indicates to the insurance company the desired communication channel.

What happens when you want to communicate through the postal service and the insurance company uses e-mail?

Also, what happens when the files attached to emails, which contain offers and insurance contracts, do not reach the recipient or are corrupted?

What is happening and who is responsible for the consequences of cyber-attacks on electronic communications?

Of course, the process of communication between the parties, even if it is not secure, cannot be interrupted or abandoned.

Also, neither the authorities nor the operators in good faith can give guarantees on the quality of the information exchanged through the electronic environment. Our proposal is for information to be communicated from security-certified e-mail addresses and from credible and security-certified sites. One of the steps to be taken is for the insured / contractor / beneficiary to prove that they are the rightful owner of the e-mail address. A first element given by the name of the address in which the name, surname or surname of the insured partner must be identified. If these names are on the servers of a genuine internet domain, then the certainty becomes greater. When we are dealing with email addresses that do not have linguistic accuracy in content, then additional checks need to be made. One solution may be to make widespread use of qualified digital signature certificates. Messages communicated and "digitally signed" may constitute legal documents, which have probative value. To this end, primary legislation needs to be amended.

Another problem is the completion of the insurance contract by using the digital information transmitted between e-mail addresses. There may be non-compliant situations for e-mail partners, and they may cause confusion or theft of economic and financial information. Insurance contracts concluded in digital format and not listed in paper format may be subject to the above, especially if they are communicated simply without encryption and use of password. Insureds may be in a situation when they can no longer prove the existence of insurance contracts, the database being corrupted and encrypted by criminals. The beginning of written evidence does not serve to resolve the dispute. Evidence by witnesses in this "legislative" context is useless. The court cannot recognize the validity and validity of the digital insurance contract on a modified or corrupted electronic file.

A viable solution will be the widespread use of smart digital insurance contracts created through blockchain technology. Smart insurance contracts involve four phases: the creation of the contract; security and storage; execution and finality. Risk assessment through smart digital contracts is much more secure. Blockchain technology allows insurers to benefit from "state-of-the-art" risk assessment models in their smart contracts. The risk assessment is based on an identification system where policyholders are instantly checked for up-to-date data. "A smart insurance policy reads all the information about a person and automatically assesses the risks, saving time and effort in collecting and verifying data. Insurers can store policy documents in many registers, making it virtually impossible to lose them. Due to their technical characteristics, smart contracts prevent data loss and damage." If changes are made to the smart insurance contracts, all parties will see the transactions and the inconsistencies will not be omitted.

The regulatory authority, ASF Romania, will have to prepare the insurance market for the future by developing rules to organize the dynamics of the insurance market. Legal relationships in insurance law must be based on the realities of legal subjects in the economy of the future that have been manifesting for some time.

The insurance market can no longer be considered a local or regional market. The insurance market has long been part of the logic of public-private international law. At this moment, there are many requests to operate on the Romanian insurance market by operators registered in other states. Romanian operators are not sufficiently prepared to act reciprocally in other markets.

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