Blockchain in the insurance sector

22% of insurance, asset and wealth management business is at risk to disruption from FinTechs according to our Global FinTech survey.

Almost three quarters of insurance leader surveyed in the survey considered that *insurance would be the most disrupted industry*.

Meanwhile, complex processes with multiple interactions, duplication of data entry and risk of fraud slows down traditional players' ability to react.



As customers increasingly expect a personalised value proposition, blockchain could be the solution, with more reliable and secure data available faster more cheaply whilst reducing risk and fraud.

But you don't have to take our word for it...

- Annual **investments in InsurTech start-ups has increased fivefold** over the past three years, with cumulative funding of InsurTechs reaching **\$3.4bn** since 2010¹
- "Blockchain technology could **empower people to manage (some of) their risk more directly**, with peer-to-peer and mutual insurance platforms based on blockchains"²
- Blockchain has the potential for "**modernizing**, **streamlining and simplifying** the siloed design of the financial industry infrastructure with a shared fabric of common information."³
- **Over \$1 billion invested** in blockchain companies since the technology's creation in 2009, with a **59% increase** in the last year.⁴



Potential use cases we have seen clients exploring range from claims management and history, brokerage and commissions, to subrogation and automating placement workflow and settlement.

Let's explore some of these use cases in more detail

- . Based on companies followed in our DeNovo platform
- 2. Chain Of A Lifetime: How Blockchain Technology Might Transform Personal Insurance Long Finance
- 3. Embracing Disruption: Tapping the Potential of Distributed Ledgers to Improve the Post-Trade Landscape DTCC
- 4. CNN Money, KPMG and CB Insights

How blockchain could be applied in the insurance industry

Many of our clients are exploring blockchain's potential to disintermediate, increase speed and reduce cost whilst increasing resilience in their businesses. Here are some examples of blockchain's business applications...

Claims management

Blockchain could enable pay for redress in a more effective and efficient manner, with benefits including:

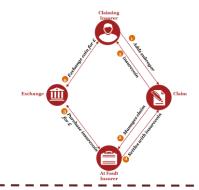
- Placing the **customer in control**, e.g. of managing relationship with service supplier
- Enhanced transparency and reduction in opportunity for fraud
- Increase service and flexibility, e.g. issuing an e-voucher for a selection of service providers



Subrogation

Blockchain could provide a shared mechanism for insurers to use to manage the subrogation process and handle intercompany claims with benefits including:

- Enhanced **efficiency** and **reduced costs** through shared, distributed processing and data management
- Increased **speed of settlement**
- Increased resilience through no single point of failure



Policy placement

Using blockchain to automate the placement of wholesale markets business has a number of benefits:

- Reduction in duplication of data entry
- Information remains current and accurate and available in a timely manner
- Automation of workflow reduces manual processes
- Indelible audit history and record of agreement and acceptance



Identifying the priority use cases

Blockchain is an **exciting new technology with huge potential** to disrupt and improve numerous industries. But it's **not the answer to everything**.

Understanding which use cases you should pursue requires **business understanding and technology knowledge**, including:

- Your business strategy and process
- The parties that must interact to deliver benefit
- Technology provider landscape
- Regulatory restrictions and requirements

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