

The Insurance Market & Blockchain today

A snapshot



The Initial Experimentation

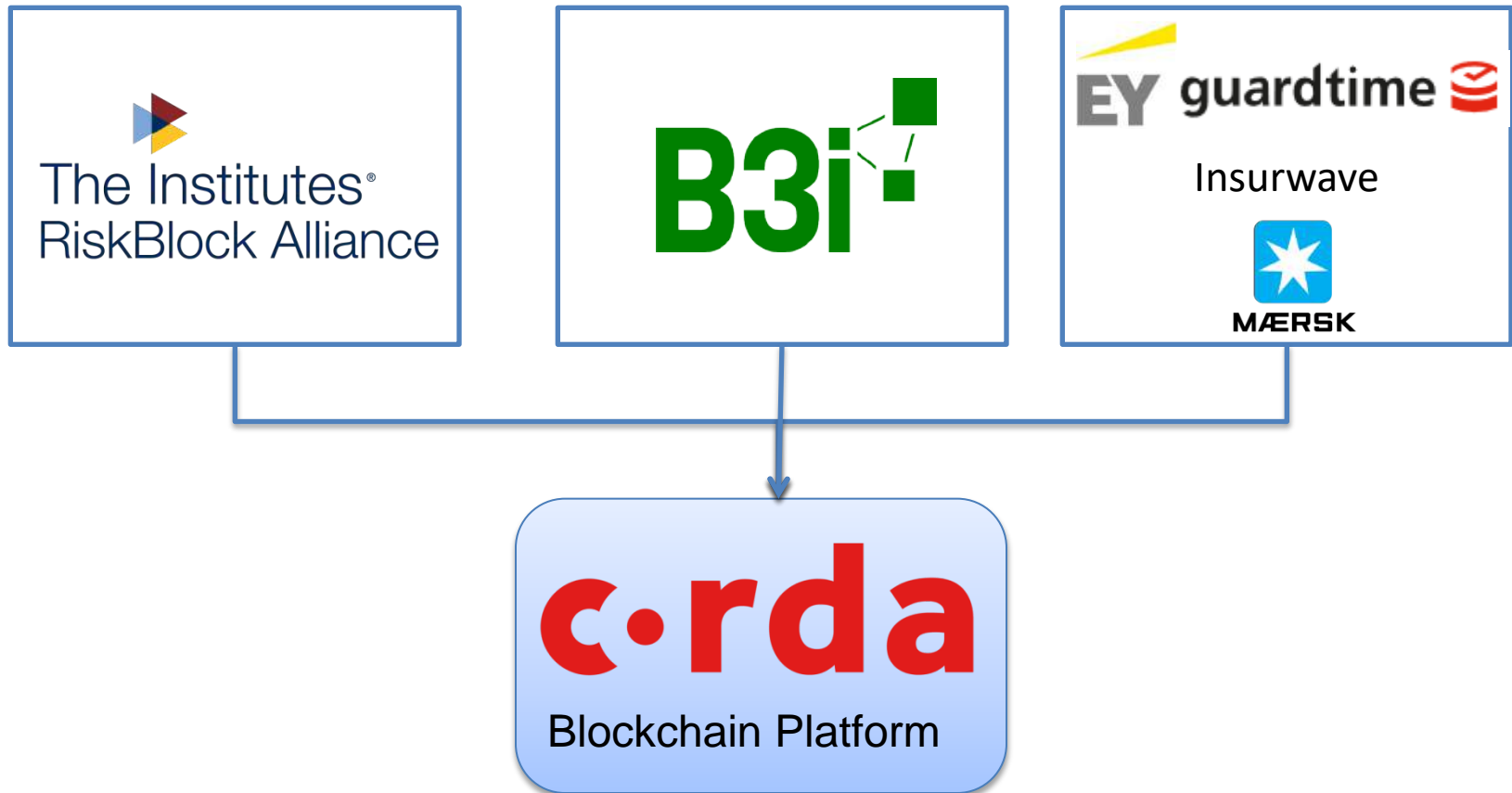
Crop Insurance



Trip Cancellation Cover

Abflug / Departure							
Planmassig Scheduled	Flug-Nummer Flight-Number	Nach / über To / via	Schalter Counter	Ausgang Gate	Erwartet Expected	Bemerkungen Remarks	
11:40	TK 1722	Istanbul IST				Take Off	
11:55	LH 2735	Düsseldorf				Take Off	
11:55	LH 2847	Stuttgart				Take Off	
12:05	AY 3794	Helsinki				Take Off	
12:05	KL 1624	Amsterdam				Take Off	
12:20	AB 8484	StPetersburg	C63	C61		Boarding	
12:25	UN 310	Moskau DME	A13	A13		Boarding	
12:30	AB 6191	München	A03	A03		check in	
12:30	LH 187	Frankfurt	A09	A09		check in	
12:35	LH 3374	London LHR	A04	A04		check in	
12:35	VY 9851	Madrid	085	074		check in	
12:45	AB 8092	Kopenhagen	C57	C50		check in	

The Main Blockchain Movers in Insurance



The Technology History & **c.rda**

1

The first blockchain technology was developed around the use of cryptocurrencies in particular Bitcoin and the ability for parties to transact directly .

2

The second generation technology aimed at splitting the cryptos from other uses of the blockchain technology. Ethereum in particular developed the concept of the smart contract. The technology however still struggled for use in business transactions due to issues with:

- Privacy (think GDPR)
- Transaction finality
- Legally identified parties
- Ability to scale
- Developer productivity and enterprise integration

3

The latest wave of blockchain platforms (Corda is one of these) is focused on resolving the above issues and will pave the way for business application. The nature of insurance transactions required the platform to be able to handle all the different angles to an insurance (smart) contract.



The Institutes®
RiskBlock Alliance



A blockchain consortium representing 31 risk management and insurance companies across the US. It is part of The Institutes in the US.

The RiskBlock Alliance plans to build 15 to 20 blockchain applications for the property-casualty, life and annuity sectors over the next year. The first two applications, focused on proof of insurance and first notice of loss, have launched for member testing, integration with member systems, and intensive information security review. Applications for subrogation and parametric insurance will launch in early 2019.



The Institutes®
RiskBlock Alliance

Blockchain Products

12th September 2018 - has launched Canopy, the industry's first end-to-end reusable blockchain framework, using the Corda blockchain platform. It aims to:

- Streamline the production of future blockchain applications
- Strengthen core blockchains as more applications are built on top of them
- Enable applications developed for use by all members to be built faster and more efficiently
- Enable third parties to leverage the permissioned environment to develop proprietary applications and share data with select other parties



The Institutes®
RiskBlock Alliance

Blockchain Products

September 20, 2018—[The Institutes RiskBlock Alliance](#), and LIMRA have announced the first blockchain use case for the insurance consortia's newly formed life and annuity sector.

The application, Mortality Monitor, will leverage Social Security data, other data sources and policyholder records to provide real-time notification to members of the death of life insurance and annuity policyholders. This blockchain-powered solution will improve claims processing, reduce fraud and increase customer satisfaction.





The Blockchain Insurance Industry Initiative (B3i) was formed in late 2016 as a collaboration of insurers and reinsurers to explore the potential of using Distributed Ledger Technologies within the industry for the benefit of all stakeholders in the value chain.

From the 5 initial participants, B3i has grown to include 15 re/insurance + 23 broker participants including most of the major market players.

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B3i Participants

 Achmea	 Gen Re	 Munich Re	 Navigators
 Aegon	 Generali	 PartnerRe	 TigerRisk Partners
 Ageas	 Guy Carpenter	 QBE Re	 Tokio Marine
 AIA	 Hannover Re	 RGA	 Trust Re
 AIG	 JLT Re	 SAHAM Assurance	 UnipolSai
 Allianz	 Leadway	 SAVARe	 Willis Re
 Aon	 Liberty Mutual	 SCOR	 XL Catlin
 Chubb	 LocalTapiola	 Sompo Japan Nipponkoa	 ZURICH Zurich
 Covéa	 MAPFRE RE	 Swiss Re	
 Everest Re	 MARSH Marsh	 Takaful Emarat	



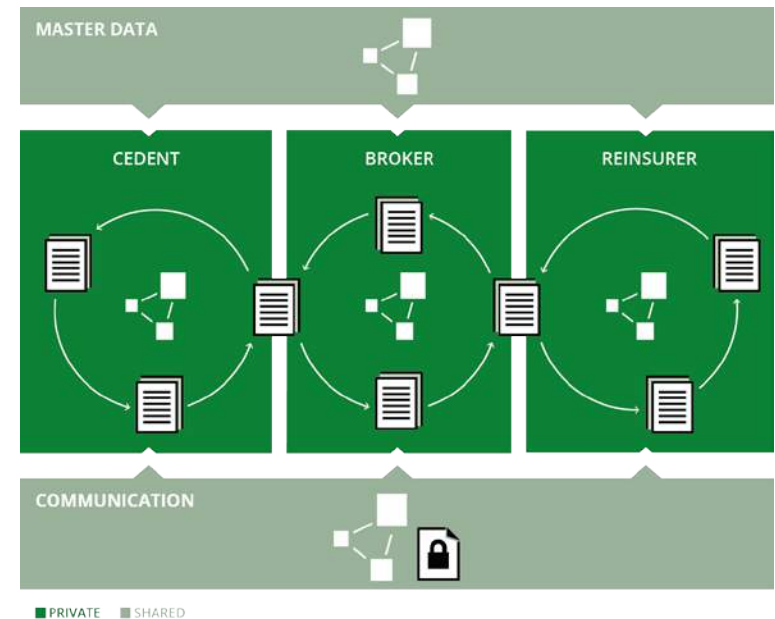
Blockchain Products

The first area of experimentation by B3i was based on a product for a Property Catastrophe Excess of Loss Reinsurance.

Following months of testing by 40 insurers, reinsurers and brokers, the system will be going live for the 1st January 2019 renewal season. The project idea was based on the cedent, broker and reinsurer all working on a common platform which results in a reduction of time and costs.

“Catastrophe XOL, in contrast to coverages which primarily protect individual risks and insureds, is designed to protect the ceding company from an accumulation of losses in a single occurrence which might be large enough to affect the solvency of the company”

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B3i is currently working on Commercial Insurance products which it plans to have in production for 2019.



Blockchain Products – CAT XoL

The system allows a cedent to request a quote, directly or via a broker, within given specifications (class of business, deductible, limit, estimated subject premium, rate, minimum deposit premium, instalment schedule, broker commission etc.).

Cedent, broker and reinsurer interact on the B3i platform, until signed lines are agreed. Placement messages are channelled and encrypted, so that each party can only access and read what it should. The same process applies for the settlement of contracts post-placement.

The technology will tackle contract uncertainty (signatures failing post inception) and payment delays (where payments can be made overnight rather than possibly taking weeks, in particular cross-border payments).



Insurwave is built on blockchain and DLT from Microsoft Azure.

It will support more than half a million automated ledger transactions and help manage risk for more than 1,000 commercial.

The first product revolved around the Hull Insurance but there are plans to expand platform to other types of business insurance including marine cargo, global logistics, aviation and energy sectors.

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Allianz – Captive Solutions

The Allianz captive insurance blockchain prototype focuses on two main types of insurance policies for a captive insurance programme: professional indemnity and property.

The prototype looks at three common processes, namely annual policy renewals, premium payments and claims submission and settlement. By placing these flows on a distributed ledger, the time between these processes can be significantly reduced.



China – Shanghai Insurance

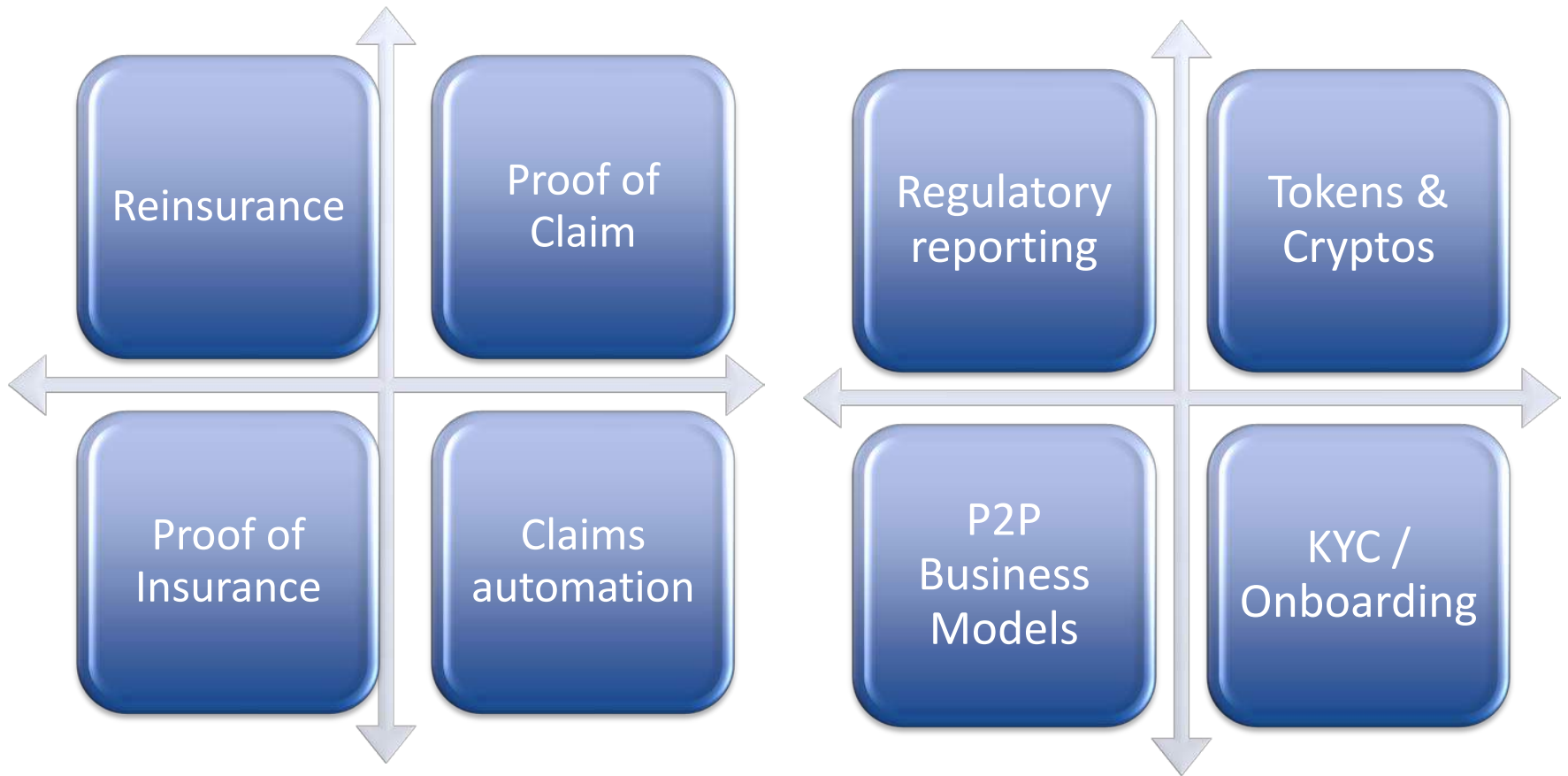


2017 - the Shanghai Insurance Exchange initiated a blockchain trial centred on insurance businesses in the country. For the project, nine insurance companies partnered with the exchange, including Cathay Life Insurance, Meiji Yasuda Life Insurance, AIA Group, China Continent Property & Casualty Insurance and Minsheng Life Insurance.

Other uses for Blockchain



Other uses for Blockchain



Creating a Marketplace

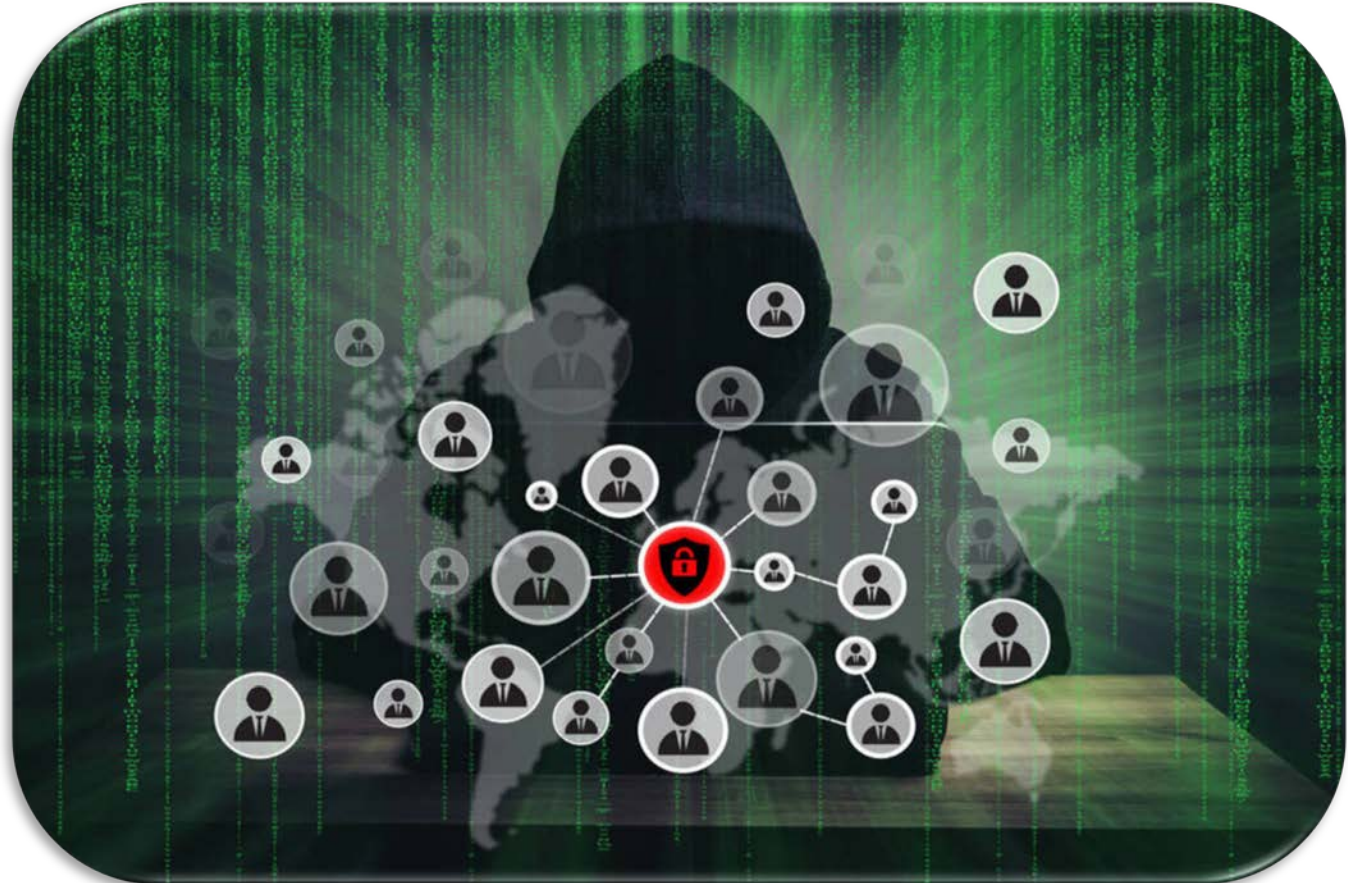
The screenshot displays the iXledger marketplace interface. The top navigation bar includes a hamburger menu, the iXledger logo, and a user profile for James Smith. The main dashboard is divided into several sections:

- Dashboard:** Includes a 'Claims View' dropdown and an 'Add Widgets' button.
- User Profile:** Shows the user's name (James Smith), title (Broker at Lloyds), country (United States), and corporation (Corporation). A 'SETTINGS' button is also present.
- Enquiries:** A list of enquiries from James Smith, including roles like 'Insurer at AXA', 'Broker at HSBC', and 'Senior Broker at Lloyds'. A 'VIEW ALL' link is at the bottom.
- Share an article, report, or idea...:** A section for sharing content, featuring buttons for 'Article', 'Photo', 'Report', and a 'POST' button.
- Feed:** A 'New Feed' button and a post by Thomas Moore, CEO at Microsoft, discussing a Rowhammer attack. The post includes a video thumbnail and engagement metrics (11 Likes, 4 Comments). A 'READ ALL' link is at the bottom.
- Quotes:** A table listing quotes with columns for Name, Date, Sum assured, and Insurance Type. A 'VIEW ALL' link is at the bottom.
- Lineslips:** A section for lineslips, showing details for a 'TS16 Lineslip' including Security, Interest, Period, Limit, Sublimits, Deductions, Profit, Premium, and Claims. A 'VIEW ALL' link is at the bottom.

Other Insurance Needs

Insurance for Crypto Assets

Cyber Crime, Money & Business Interruption Insurance Policies need to be clear that they include Crypto Assets, such as cover for theft of crypto wallets.



Other Insurance Needs

Insurance for Operators in Blockchain

- ***Directors & Officers / Professional Indemnity Insurance***

Virtual Financial Assets Act

23. (1) Licence holders shall comply with and observe any applicable regulations made and rules issued under this Act, including with reference to prudential requirements, and shall be considered as subject persons.

*For the purposes of this sub-article, the term "prudential requirements" shall include requirements on administration, compliance, risk management, systems and security access protocols, financial resources, capital adequacy, **professional indemnity insurance** and any other related requirements included in the regulations made or rules issued under this Act.*

PI cover for:



Market Offerings



XL Group
Insurance
Reinsurance



Big name insurers are increasingly offering covers for crypto-businesses.



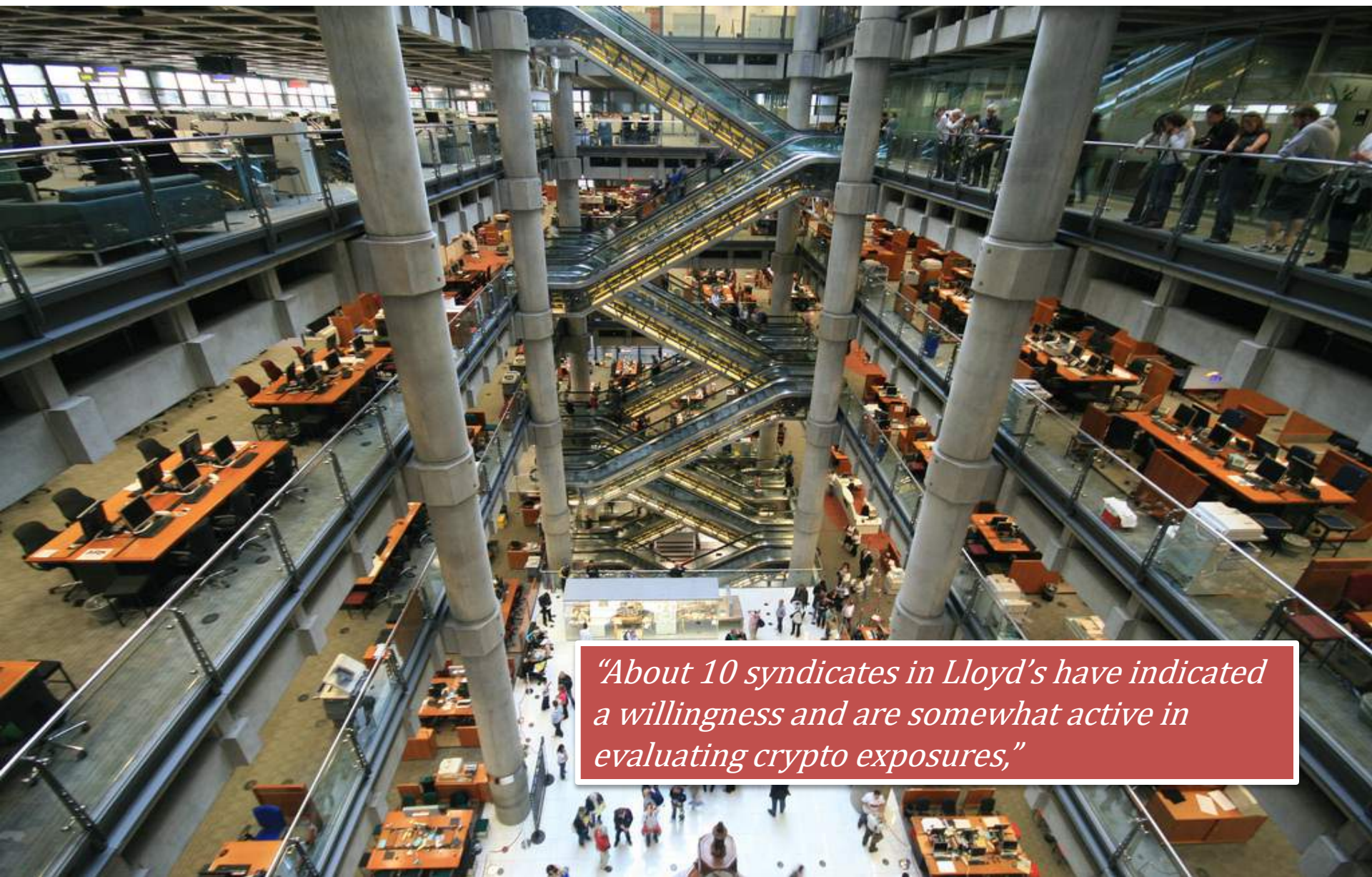
MARSH



Willis
Towers
Watson



The large brokers are creating specialised crypto-teams.



"About 10 syndicates in Lloyd's have indicated a willingness and are somewhat active in evaluating crypto exposures,"

Thank you.

Julian Boffa

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