

Insurers reach the next phase of digital transformation



Can Blockchain “Secure” the Insurance Value chain? panel at Global Insurance Symposium

l-r: Sayre Martin, Conga; Peter Miller, The Institutes; David Edwards, ChainThat

The Global Insurance Symposium isn't a technology conference per se, but it's getting harder than ever for conversations in the insurance industry to focus on anything else.

The three-day Des Moines event featured speakers from around the world and across the insurance industry -- from business-side executives to state regulators to consultants to representatives from the insurtech sector -- dishing on the transformative impact of digital on the sector. But these weren't 30,000-foot views of what might come. Carriers are discussing in-market initiatives that paint a very different picture of insurance than the traditional staid one.

In giving an update about the life insurer's wearable-technology powered wellness initiative, Vitality, Matthew Gabriel, AVP of innovation at John Hancock, said that his company has learned to deliver real value to customers in order to get them to adopt the program. An audience question pressed him to compare the adoption of wearables to telematics in auto insurance, which was slow to grow. Gabriel credited Vitality's successes to having a conversation with customers 20 to 30 times per month about topics that don't directly relate to their premium rate or bill.

"I don't think a lot of the early telematics programs had that -- it was 'plug this in and maybe you'll get lower premiums,'" he said, acknowledging that auto insurers have learned similar lessons about customer experience over the years.

"You think about what's awful about insurance, it's hard to own and it's hard to buy," Gabriel added. "The more the industry can change this image the better."

While life insurers learn to leverage wearables, commercial insurer QBE has been applying artificial intelligence to policy language through a partnership with insurtech RiskGenius. While the insurer and their partner [went into detail](#) on its particulars, co-panelist Mike Fitzgerald of Celent said that new use cases for the technology aren't far off.

"Think about market conduct exams -- how that takes over a conference room for an extended period," he suggested. "AI makes that something that can be done continuously rather than at a certain point in time."

A panel discussion on the final day of the conference focused on blockchain -- the distributed-ledger technology underpinning crypto-currencies -- and even though no carriers were featured, Peter Miller of the Institutes' blockchain working group RiskBlock Alliance was able to speak about the proof-of-insurance pilot being run by member company [Nationwide](#). He added that parametric insurance -- payments triggered by qualifying events -- could also benefit from increased exploration of the technology.

But he and his co-panelist, David Edwards of the blockchain insurtech ChainThat, both agreed that compatibility between blockchain-based systems and insurers' core platforms would be a barrier while the latter are still being modernized. In addition, both implored the industry to work together on developing blockchain solutions rather than keeping things close to the vest.

"We'd like to avoid a bunch of different blockchains starting," Edwards said. "At the end, they'll need to talk to each other."

That statement is telling, however, The fear isn't that insurers won't try blockchain -- but rather, too many will.

Rather than focusing on making the business case to disinterested or invested parties, speakers at the GIA -- and Digital Insurance's upcoming Dig | In conference -- are illustrating an innovative bent in the insurance industry. Whether it's spurred by the insurtech threat or simply customer demands, or prompted by more digital natives ascending in organizations, the attitude is there -- and delivering results.

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