



Blockchain requires buy-in of whole industry ecosystem: Balakrishnan

While blockchain has the potential to disrupt the entire financial services industry, the technology requires the whole (re)insurance industry to participate in order for it to bring substantive change to the market, according to Xceedance CEO Arun Balakrishnan.

Speaking to *re-Insurance.com* during the inaugural 'Bermuda on Blockchain' event in Hamilton last week, Balakrishnan said the eventual impact of blockchain on the industry, while likely to be significant, remained unknown due to the myriad ways the technology can be implemented.

"[Blockchain] is what email was back in 1994 or 1995, with web browsers just about to appear. Nobody could have imagined an Amazon back then, and the potential of this technology now is just as groundbreaking," he said.

"It will start off more on the backend side of things, and as we move along the value system, right up to the placement of risks and underwriting, the technology can facilitate shared collaboration across all entities in a manner which has never been done before."

"This will not only be Xceedance, ChainThat, and the (re)insurers taking the lead on this, but we need the whole ecosystem to move in this direction as well."

The executive also said Bermuda's history of innovation and the island market's willingness to adapt made it the ideal environment for blockchain to flourish in (re)insurance.

"Bermuda as a market has always been progressive with new technologies and new models when it comes to (re)insurance, and we see this as the right place to embrace this new platform and create an ecosystem which can be replicated across the world."

"So far the technology has shown great promise, and will help evolve (re)insurance companies in the future to be more data and tech-driven businesses, which is going to be the DNA of the industry in the coming years."