

Blockchain's level playing field

Distributed ledger technology—blockchain—will level the playing field in the insurance market, but this is probably one of the main reasons it is being held back from more widespread adoption, George Freimarck, managing director of Xceedance Europe, told *Baden-Baden Today*.

“Blockchain is definitely coming, but the biggest impediment to its happening is that the major players need to understand that they will have to concede to a level playing field.

“No-one will be able to use it for a proprietary advantage—and they have to get over that,” Freimarck said.

Large blockchain consortiums have many large and important players involved, Freimarck noted, and sceptics may be hesitant to implement something that will not give a competitive advantage.

The advent of blockchain goes hand in hand with automation, and the need to



streamline insurance processes and make them more efficient—an area that Xceedance is heavily involved in.

Last year, Xceedance became a strategic partner with ChainThat which uses a proprietary insurance blockchain framework supporting reinsurance contract management and transactional processes

such as claims, accounting and settlement, billings and collections, and credit control.

Freimarck believes there is a lot of take-up from insurers into automation on a proof-of-concept basis, but it is time to move on from that and explore technologies such as robotics, blockchain and AI.

“The impetus for that, and the impediment at the same time, is a lot of the mergers and acquisitions we are seeing that bring legacy systems together. Senior executives want to exchange and manage everything by spreadsheets, and after a while that gets very confusing,” he said.

As many insurers find themselves tied down by the legacy systems they have in place, Freimarck suggested that in order to implement new systems they will have to engage with either a very large provider who only deals in multimillions of euros, or a bespoke provider who may or may not understand their business, which creates challenges. ●