Session 190 PD - Digital Transformation and Its Impact on Insurance

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Blockchain

SOA – Session - 190
Blockchain

Word Associations
Digital Transactions
Technology we use today!
Digital Transactions

*Technology we use today!*

- **We Trust** our Merchants, Service providers / Financial institutions.
- We know how they operate and approve of their terms & conditions (**Rules**).
- **We feel Secure** using their websites ([https://](https://)) and transacting business online.
- We understand transaction/service **fees** that companies charge.
Digital Transactions

Changing Business Models

Current Business Model

- Need for an Intermediary (Trust)
- Reliability of Institutions (Trust)
- Longer Processing Times
- Double Entry Accounting

Emerging Business Model

- Need for Trust
  - Consensus
  - Smart Contract
- Social Media
  - Peer to Peer Networking
- Technology Advancements
  - Databases
  - Secure Communications (Cryptography)
  - Internet

Building Blocks for Blockchain Technology

9/25/2017

Blockchain: Decoded
Blockchain
Emerging Business Model

- Digital Wallets (Unique Identifier)
- Business Network
Blockchain Primer

Blockchain – Is a multi-tiered technology platform which provides a secure and reliable distributed ledger that can record and orchestrate series of transactions (Block) on a ledger (Chain).
Blockchain

Primer – When to use?

Digital Identity

Provide Transactions

Autonomous Execution
Blockchain

*How does this work?*
Blockchain

How does this work?

- Transacting on the network are called “Nodes”.
- Identified by their Unique Public Key.
- A private key is required to authorize the transaction.

Parties

- Verify and process the transactions.
- Compensated for their services.

Miners

- Provides “Single” version of the Truth.
- Transactions can never be deleted
- Built in redundancy which ensures against breach or hacking.
- Uses Consensus Mechanism to approve transactions which provides the “Trust”.

Technology

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Blockchain

How does this work?

Transactions

Transactions

Block

Transactions

Blockchain: Decoded

9/25/2017
Blockchain + Programming language = Smart contracts

```javascript
if HAS_EVENT_X_HAPPENED() is true:
    send(party_A, 1000);
```
Blockchain

Potential Insurance Use Cases

Products, Pricing and Distribution
- Parametric Insurance

Underwriting and Risk Management
- Data Sharing And Risk Register

Finance, Payments and Accounting
- Subrogation

Regulatory and Compliance
- Proof of Insurance