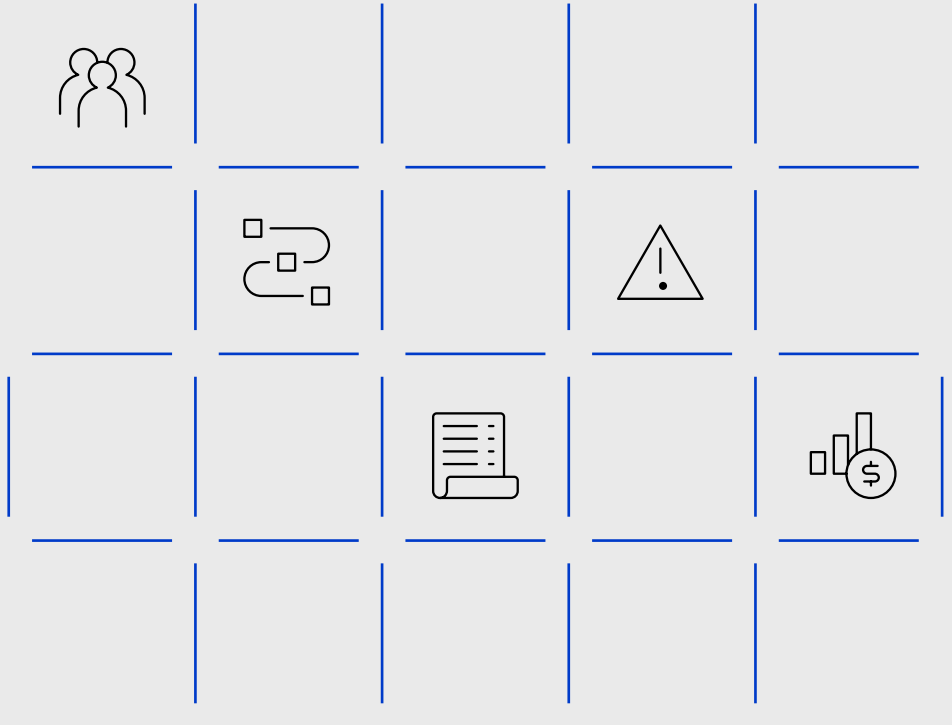# IBM Blockchain

**IBM.**

# Transforming insurance management with IBM Blockchain

### Change the way your company provides transparency and builds business opportunities

IBM Blockchain can simplify and secure multi-party operations at the heart of the insurance industry. Whether interacting with customers or dealing with other parties, IBM Blockchain can reduce the challenges presented by multiple parties keeping their own records.

As transactions occur, insurers can rely on blockchain's distributed ledger technology to update and validate information against other records in the network; reduce management costs for policies, claims and relationships; streamline operations, and enhance customer satisfaction. Companies can also capture opportunities and revenue through new business models or new insurance products.

## Current challenges in insurance management — and how IBM Blockchain can help.
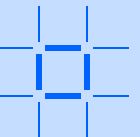
### Complex risk coverage

☐ **Opportunity**

Employees, policy holders, adjusters or agents who can't view policy information usually need human help. This elevates the chance of errors, delays claims resolution and increases costs. The challenge escalates with complex insurance programs or managing policies in multiple countries, involving strict legal and regulatory adherence.

☐ **The result:** With IBM Blockchain, AIG and Standard Chartered converted multiple policies into "smart contracts" giving a single, consolidated view of policy data and documentation in real time. The solution allows visibility into coverage and premium payments, delivering automated notifications to network participants following payment events.

### Subrogation

☐ **Opportunity**

Claims subrogation requires significant involvement from insurers and third-party companies. Manual multi-step, multi-company reviews can be costly and time-consuming, typically resulting in an incomplete view of untrusted data.

☐ **The result:** A transparent blockchain solution allowing multiple companies to collaboratively assemble relevant records can streamline claims recovery. Its shared ledger capabilities can help insurers agree on claims, build trust that evidence is being shared and improve the overall customer experience.

### Group benefits

☐ **Opportunity**

Organizations offering group benefits often rely on a complex network of administrators, providers, employees and others. Different versions of the same data require consolidation to ensure eligibility and access to benefits.

☐ **The result:** IBM Blockchain can be the vital link across a vast ecosystem of third-party administrators and service provider networks. Its shared ledger transparency can help employers reduce errors resulting in improved claims processing, better provider management and lower operational expense.

### Reinsurance

☐ **Opportunity**

Major claim events like hurricanes or other natural disasters require multiple insurers to share risk for effective operations and business viability. For reinsurers working together, shared visibility into operational data is crucial.

☐ **The result:** IBM Blockchain helps ensure contract certainty and improve risk-handling capabilities — from managing contracts among reinsurers to maintaining shared accounts and managing claims payments. With transparency across the reinsurance value chain, blockchain can eliminate the need for participating companies to regularly reconcile their reinsurance accounts.

These use cases present only a few of the ways IBM Blockchain can help your insurance company thrive by addressing two key needs of the insurance industry: operations and opportunities.

Blockchain can help streamline operations, reduce costs and enhance customer service. At the same time, it can open the way for new business opportunities like expansion into specialized areas such as parametric insurance and event insurance. Blockchain technologies can also support emerging business models where firms share policy risk by working with other insurers.

**IBM Blockchain can eliminate information silos to cultivate trust and transparency:**

- Streamline documentation management, investment and collateral instruments, and more
- Compress cycle times and provide a fully auditable, immutable sequence of critical events
- Reduce fraud and errors
- Eliminate the need for parties to contact each other to view data

**Visit ibm.com/blockchain/industries/insurance to learn more about how blockchain can help improve policy management and business operations in your organization.**

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