

Streamlining the insurance industry with blockchain

Due to its links to cryptocurrency, blockchain is mostly associated to the financial industry, although it also presents solutions to a host of challenges facing the insurance industry.



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The insurance industry is one dominated by traditionalism and entrenched in bureaucracy, and in many cases, insurers are oblivious to the opportunities that technology such as the blockchain can open up for them. Those who are exploring the possibilities have to cut through a lot of red tape in order to get change implemented.

According to a [global fintech survey](#), 22% of insurance, asset and wealth management business is at risk to disruption, therefore insurers that wish to remain current or want to start innovating to stay ahead should be experimenting with the many ways in which the blockchain can simplify and streamline the way they do business.

Smart contracts

Thanks to its transparent nature, blockchain resolves many of the challenges which arise around insurance policies, such as obtaining client consent, or approval, and cooperation to collectively invest funds in shared resources and infrastructures. All information pertaining to a policy is recorded accurately and in real time, including dates, times, participants, locations and values of every single transaction. Because blockchain distributes consent, this information is protected from any unwanted or illegal adjustment and tampering, making it safer than any preceding technology to date.

Claims processing

All over the world insurance is changing, and moving closer towards an insurance-on-the-go model. Consumers want the flexibility to take out insurance for their special requirements, for the period required, such as travel insurance for the length of a holiday, or insurance for the duration of your Uber ride. Why can claims not be processed with the same speed?

Blockchains with smart contracts could be applied to offer consumers claim submissions at a low handling costs, if underwriting and claims handling can be automated based on defined rules and the availability of reliable data sources. Pay-outs to customers can be triggered when the claim is submitted and can then be paid fast by accessing verified databases, through intelligent rules taking the users social media profile into account, and also market changes which can assist with any possible fraud predictions.

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