

Blockchain Powered Partner Ecosystem Integration

An offering from the Tech Mahindra Insurance & Blockchain practice in partnership with Digital Asset

The objective of this brochure is to present a TechM offering that leverages blockchain & Daml smart contracts to enable efficient broker channel integration while ensuring optimized policy management with auditability & real time status updates. We provide a point of view on the use of blockchain technology and smart contracts in insurance & demonstrate how TechM discovery & implementation approach accelerates adoption of this emerging technology within the enterprise. Multiple insurance use cases are highlighted below.



Tech Mahindra amongst Forbes Top 50
Organizations in Blockchain for 2021

Partner Integration - Background & Objectives



Background

An insurance company takes products to market & services their customers through a complex network of intermediaries, banks, brokers, affinity partners, claims assessors, clearing houses, corporate agents, etc. The intermediaries sell policies & collect insurance premiums & service claims on behalf of the insurance company once insurance policies are in place.

Multiple business stakeholders, disparate systems, archaic non-standard processes & multiple handovers cause significant inefficiencies for the insurer & the insured. For example:

1. **Brokers - Insured - Carriers - Re-insurers**
2. **Claimant - Carriers - Investigation Units - External vendors**

These siloed and complex workflows result in limited visibility, inaccurate data, extensive manual processing, high reconciliation costs between parties & internal systems, & lengthy settlement times due to errors.

Objectives

- **Real Time Updates**
Tech Mahindra aims to provide lockchain participants with real-time status updates with continuous system syncs through shared & permissioned networks.
- **Secured & Transparent Transactions**
Integrate the blockchain & Daml smart contract solution with the existing security & infrastructure ecosystem.



Defining the Opportunity

The siloed workflows across the value chain are not very efficient. With blockchain & Daml Smart Contract technology, businesses can increase efficiency of distribution of new insurance products via an intermediary network, speed up the payment of broker commissions, enhance the agility of insurance companies to create innovative new products & automate the claims adjudication & payment experience to deliver better outcomes for customers & achieve higher levels of straight through processing.

Why Smart Contracts and Blockchain for Insurance ?

Challenges

Data duplication:

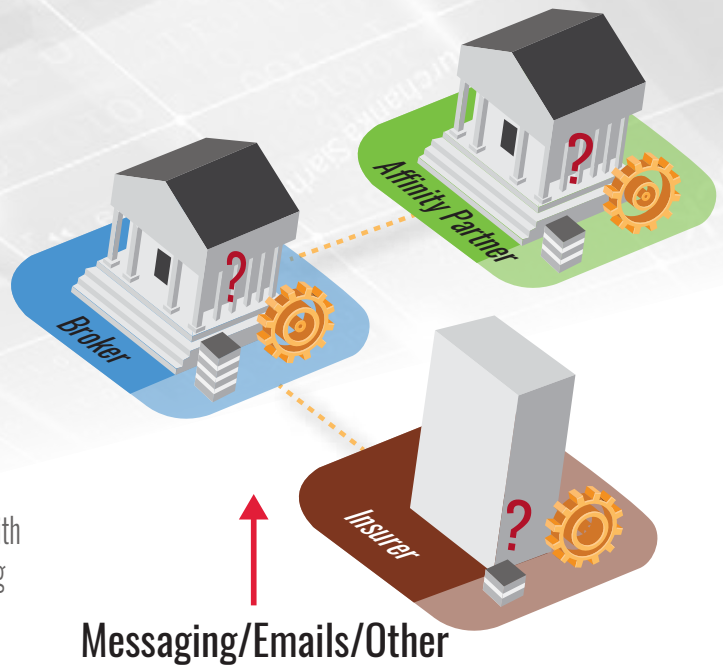
Use of different technologies, duplication of data in silos resulting in no traceability & auditability

Complexity:

Lack of common data model for policy definition, distribution agreements & claims handling, external multiparty involvement, multiple handovers, & non-standard processes

Manual Intensive:

Workflows are not shared, manual entries and paperwork, laborious interventions & processing delays causing data differences along with costly manual reconciliation. Critical processes end up with breaks, increasing organizational risk, breaks & risk are increased



SILOED SYSTEMS, DIFFERENT DATA MODELS

Key Benefits of Daml Smart Contracts & DLT

Smart contracts:

Standardized technology, eliminates data duplication by creating a shared source of truth

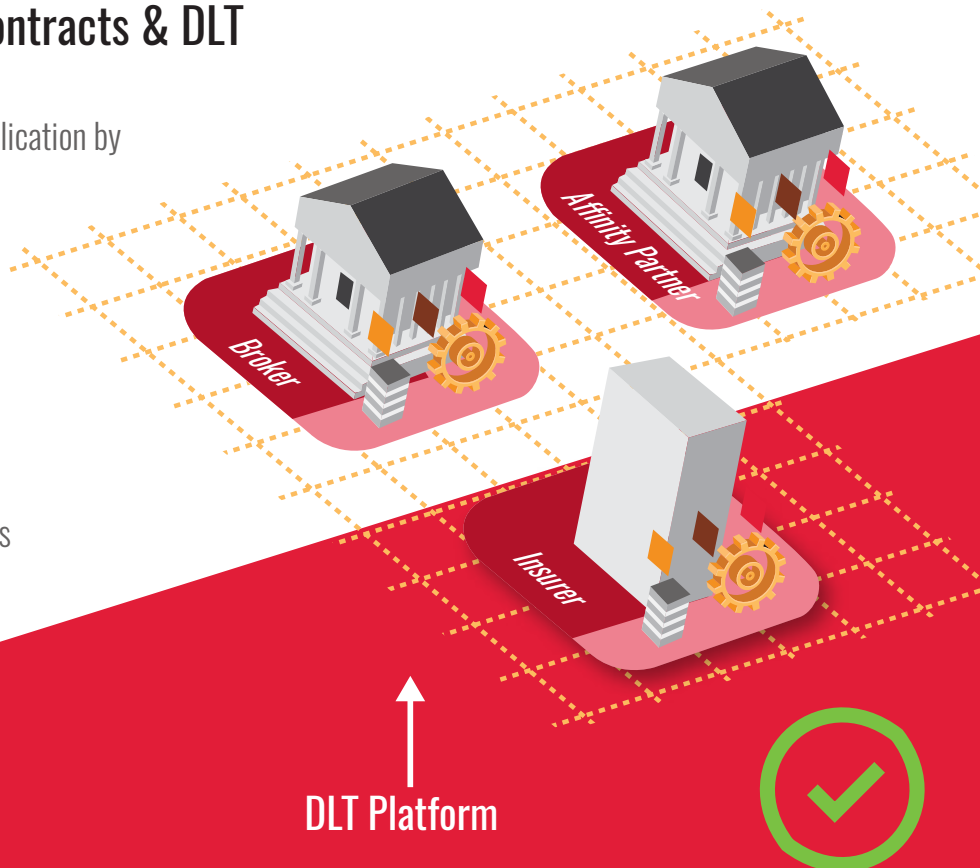
Common data model:

Digital policies, distribution agreements & claims processing. Mutual & consistent multiparty workflows across an insurer & its full network of intermediaries

Mutual, consistent workflows

Automation Reduces costs & reconciliation is drastically reduced

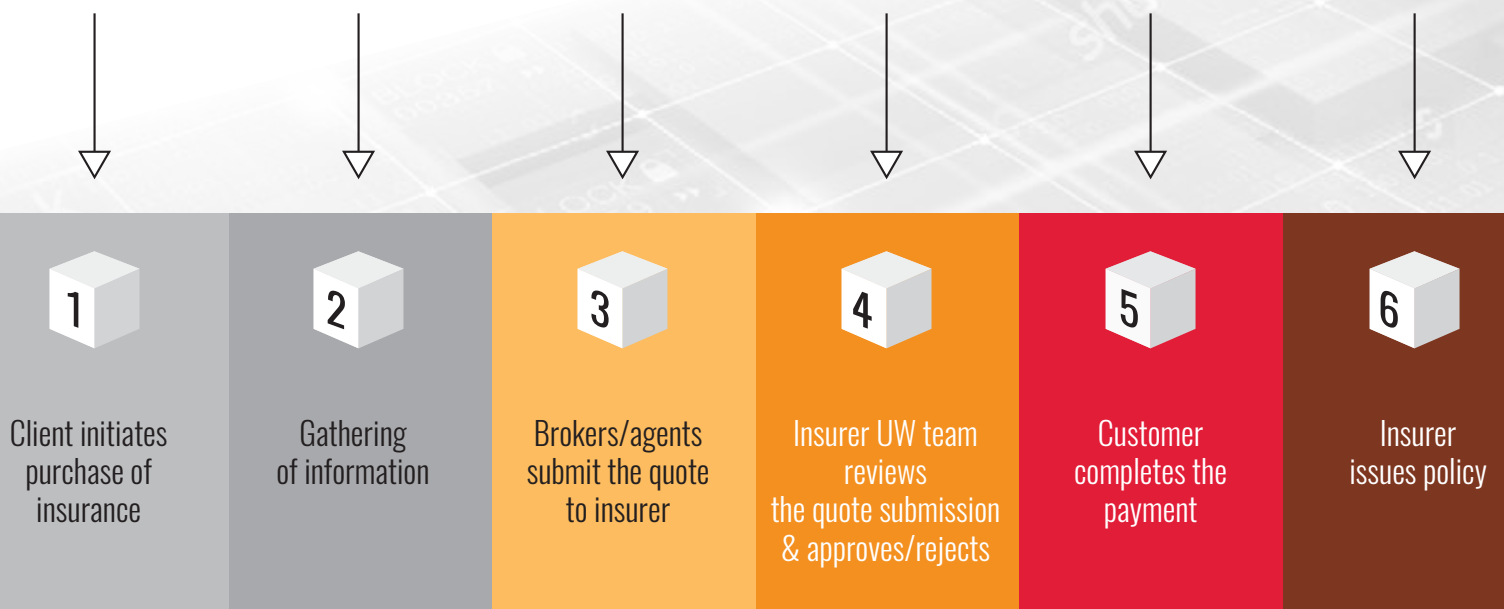
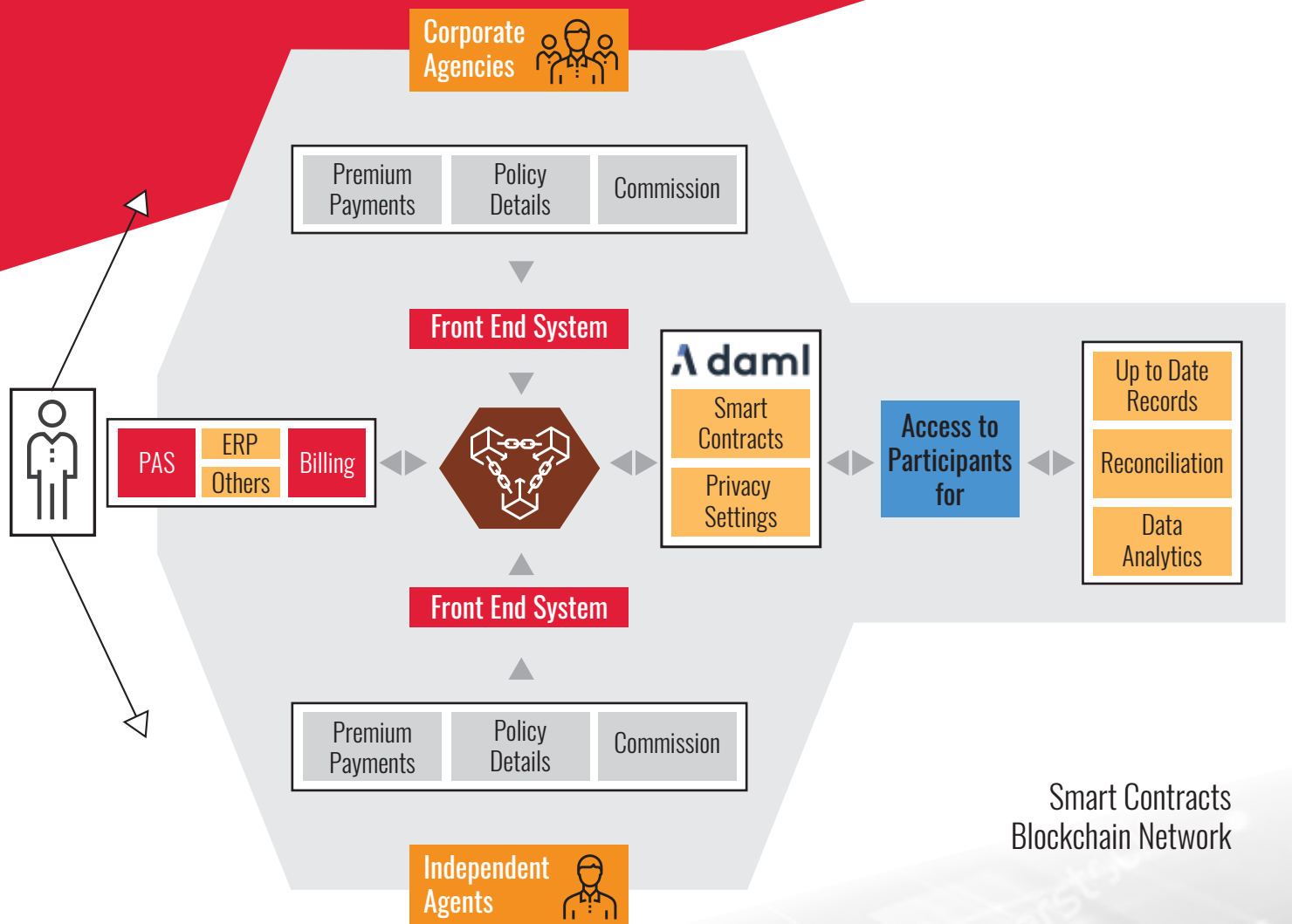
Risk is reduced in critical processes



COMMON DATA MODEL, CONSISTENT AUTOMATION

Insurance Solution for Multiparty Processes Overview

The following solution provides a cohesive partner & policy management platform that seamlessly integrates with current billing systems:



Solution Benefits

Tech Mahindra's partner and policy management platform leverages both Daml smart contracts & blockchain technology to optimize insurance processes. The solution provides a unified channel for efficient collaboration with benefits like auditability & real-time updates. Benefits include the following:

- Daml smart contract platform reduces development time
- Embedded workflow automation
- Usage across protocols
- Focus on Business logic
- Establishes a single source of truth across insurance parties
- Automatically executes payments when predetermined conditions are met



Automation
of several key workflows like
commissions & premia
payments



Auditability
Changes & updates to
policies clearly visible to all
parties in real time



Policy Management
Unified channel & common
data model eases policy
management



Data flow
Streamlined flow of policy
related details for
all parties



Cycle time
Policy selection &
finalization time greatly
reduced



Reporting
Real-time updates of
policy status enable data
syncing & faster consensus



Customization
Creation & modification of
workflows according to
partner needs allows better
collaboration

Relevant Blockchain Use Cases in Insurance

Blockchain solution for Captive Insurance Contracts

Ability to Produce Quick, Verifiable & Traceable Records Across the Insurance Lifecycle

CHALLENGES

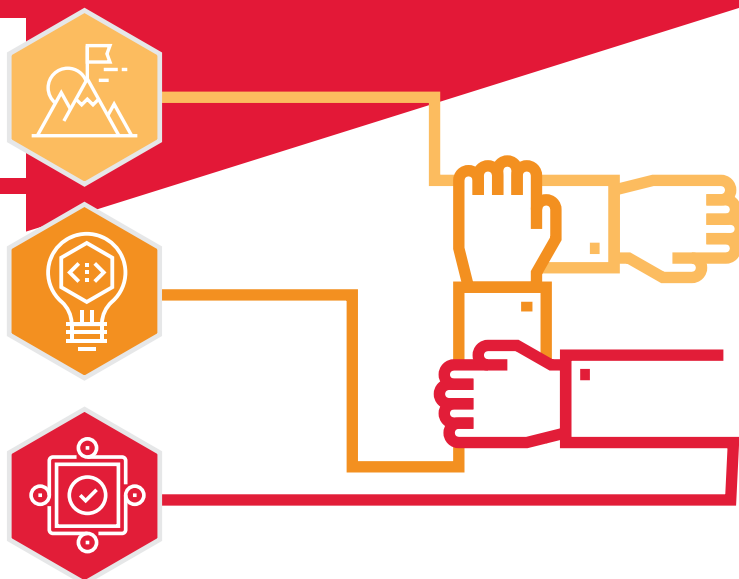
- Long cycle times in captive contract management
- Challenges in fronting fee commission & other payments

PROCESS

- Define Fronting Insurer, Reinsurer, Insured
- Coverage, exceptions in Smart Contracts
- Alerts, Reports, Reconciliation built in

BENEFITS

- Clarity of terms of Insurance coverage
- Life cycle of Contract can be traced digitally
- Fronting fee, remittances to fronting insurer, reinsurer determined electronically



Smart Treasury solution for Insurance & Reinsurance Cash Management

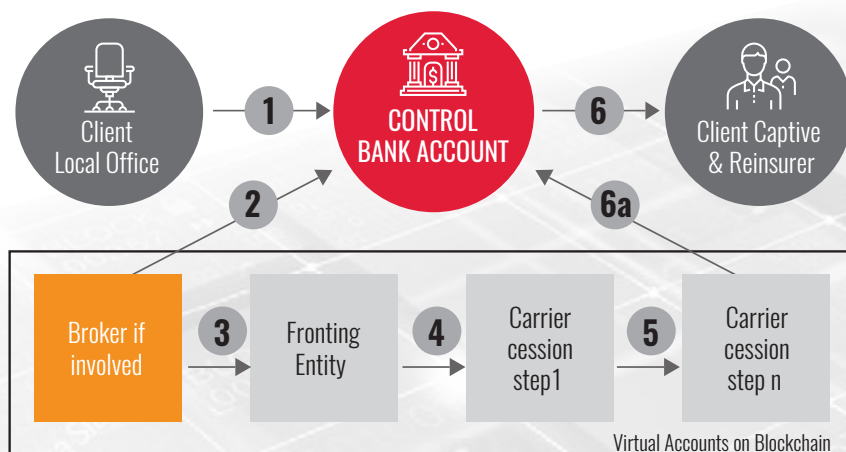
A blockchain based platform that simplifies & streamlines the process of payments & cash management.

CHALLENGES

Multiple data silos exist in end-to-end cash processing across clients, brokers, Insurance entities and reinsurers resulting in: Control gaps, Inefficient client service, Poor productivity of staff, High costs & trapped cash & capital

PROCESS

The platform resets & reconnects the methodology of payments



BENEFITS

- Near real time transactions - Time taken for cession chains reduced from 6-12 weeks to 1-2 minutes
- Time spent on batching, netting & reconciling is saved. This is better utilized in more strategic tasks
- Improved commercial customer service
- Cost Efficiencies through bank account consolidation, reducing external fees, simplifying inter-entity work flows & having end-to-end automation

Other Relevant Blockchain & Daml Smart Contract Solutions for Insurance Use Cases

Claims Clearing & Settlement Automation

Streamline complex and manual claims submission, clearing, and settlement



CHALLENGES

- Antiquated claims submission and adjudication infrastructure
- Data silos limit provider liquidity and create sub-optimal customer experience

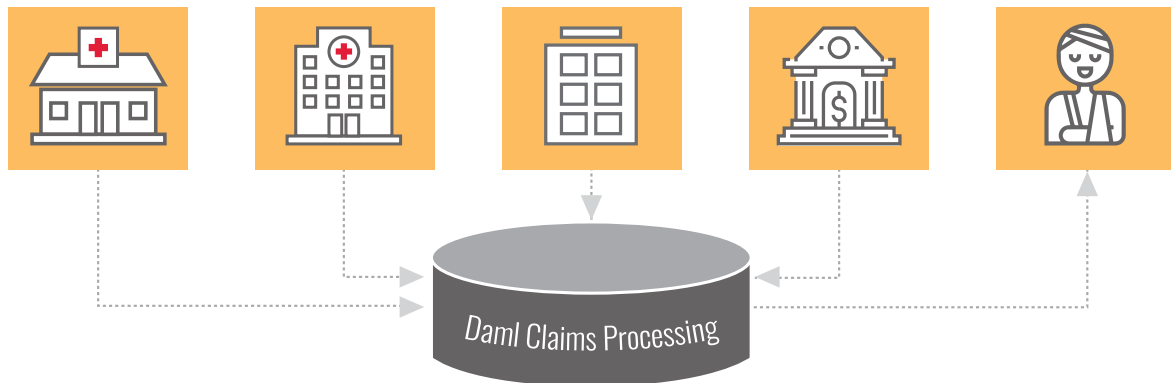
OPPORTUNITIES

- Reduce cost and friction with multiparty system leveraging sub-transaction level privacy at the API level to ensure claims data is only shared with the proper entity
- Seamlessly adapt claims process to new insurance products and alternative payment schemes



BENEFITS

- Unify multiple parties and financial information across claims lifecycle
- Automate costly & inefficient manual claims submission systems to improve policyholder experience



Indicative Implementation Timeline for a blockchain solution



3-4 Weeks
Design Reorientation:
Scoping, Entities, Process & Controls



6-8 Weeks
MVP Config, Deployment:
Parallel Pilot Testing & User Feedback



Iterative
Launch & Expand:
Integration
Scaling: High Availability



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