



Press Release

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Reinsurance industry could save \$5-10 billion with blockchain

Reinsurers are in line to build some of the biggest blockchain applications outside the payments sector with the potential to save \$5-10 billion in costs, says a new report from PwC.

PwC's report, released today at the Monte Carlo Reinsurance Rendez-Vous, shows that blockchain has huge potential to transform the reinsurance industry, given the amount of data flowing between clients, brokers, reinsurers and outsource service providers.

Speaking from Monte Carlo, **Arthur Wightman, PwC Bermuda Insurance Leader**, said: "Blockchain technology is still a new and uncertain area for reinsurers but has the potential to deliver millions in operational savings, improve efficiency and accuracy and improve client satisfaction within reinsurance. Proactive reinsurers are looking at front end underwriting and market potential where the technology could be most disruptive."

Those who are able to quickly build, assess and refine their applications will differentiate themselves and raise the bar for the rest of the industry.

PwC estimates that, by simplifying reconciliation and multiple data entries, blockchain solutions could remove 15-20% of expenses from the reinsurance industry, delivering \$5-10 billion of savings.

The report shows that blockchain technology can speed up claims processing verification. It can also allow primary insurers to cede/ retrocede risk using an application specifically designed to process treaties, notify all parties and process premium and commission payments.

Potential wins from blockchain in reinsurance:

- **Processing** – using blockchain to remove task duplication and multiple rekeying of data
- **New business** – the industry has already seen pilots in the catastrophe swap market and PwC expects blockchain to support entry into new markets and products
- **Transparency** – if all underlying risks are on a blockchain, the reinsurer can more accurately identify and quantify the risks that are to be protected by reinsurance. Effectively information on the underlying risks can be aggregated onto a reinsurance blockchain so all information, documents and transactions flow into the contract.

PwC has been working on a number of proof of concept applications to demonstrate the potential for blockchain within insurance and reinsurance and how the technology could be applied in practice. We



believe it's important to show that blockchain applications not only work but provide the right solutions to important business problems.

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with more than 208,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

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