

AAIS collaborates with IBM to transform insurance regulatory reporting using blockchain

The AAIS openIDL (open Insurance Data Link) is the first open blockchain platform focused on the collection and sharing of statistical data between insurance carriers and regulators.

LISLE, Ill., August 15, 2018 – AAIS (American Association of Insurance Services), the only national not-for-profit insurance advisory organization, today introduced the openIDL (open Insurance Data Link), built on IBM Blockchain, to help automate insurance regulatory reporting. Using openIDL, AAIS will help streamline regulatory and compliance requirements while improving efficiency and accuracy for both insurers and state insurance departments, ultimately benefiting the entire industry, including policyholders.

AAIS is a not-for-profit advisory organization that consolidates and analyzes data to create loss reports and rating information for insurance carriers, as well as state insurance regulators. Insurance carrier data needs to be shared among multiple parties in a safe, secure manner. This is an ideal use of blockchain.

With openIDL, AAIS is updating an antiquated compliance process and pioneering an advanced method where insurers can contribute data directly onto a secure blockchain platform to satisfy state regulatory requirements. Data is stored on an immutable blockchain ledger where historical and current information is recorded. Regulators are provided permissioned access to view only the information they need. Participating carriers will also be able to see their own data profile to understand how they compare to the market. Ultimately, the goal of the openIDL is to turn expensive regulatory and compliance requirements into investments in operational efficiency and improved insights.

AAIS has established its own modern infrastructure and makes emerging technologies accessible to Members. Blockchain is ideally suited to large networks, such as the current AAIS membership base. According to AAIS CEO Ed Kelly, “We recognized the potential for blockchain to streamline the regulatory reporting process for our Member carriers, as well as the opportunity to improve security, accessibility and accuracy of data for regulators.”

IBM has deep expertise in the insurance industry and works with 95 percent of the world's top insurers helping them adopt new platforms and technologies such as blockchain and enabling insurers to transform the way they do business. “Simplifying the process for insurance reporting using blockchain will create dynamic shifts in efficiency and provide the industry with new insights that will even benefit consumers. This is an exciting example of how blockchain can bring together an entire ecosystem of users and allow information to be shared in new ways to drive real business results. Hyperledger Fabric’s support for private and confidential transactions allows insurers to share data with the network, knowing that they own their data and have control over who has access to it,” said Sandip Patel, general manager, IBM Global Insurance Industry. “While the initial phase of the openIDL focuses on data sharing and regulatory reporting, the open platform provides a foundation for even broader innovation and new applications in the future, while providing full privacy and confidentiality protection among parties.”

The AAIS openIDL is built on the IBM Blockchain Platform on the open source Hyperledger Fabric. Currently in pilot, several major insurers are in the process of being onboarded to the blockchain platform to provide regulatory reporting data.

AAIS serves as the openIDL administrator, providing unbiased governance for the blockchain platform within existing insurance

regulatory frameworks. AAIS Members may participate in the openIDL blockchain as part of their existing or new Program Affiliations. AAIS welcomes participation in the openIDL from across the insurance industry through Data Affiliation and Membership. Simply contact an AAIS Advisor for details, or visit www.openIDL.com to “get linked.”

ABOUT AAIS

Established in 1936, AAIS continues to serve the Property & Casualty insurance industry as the only national nonprofit advisory organization governed by its member insurance carriers. AAIS delivers tailored advisory solutions including best-in-class policy forms, rating information and data management capabilities for commercial lines, inland marine, farm & agriculture and personal lines insurers. Its consultative approach, unrivaled customer service and modern technical capabilities underscore a focused commitment to the success of its members. For more information about AAIS, please visit www.aaisonline.com.

ABOUT IBM

IBM is recognized as the [leading enterprise blockchain provider](#). The company's research, technical and business experts have broken barriers in transaction processing speeds, developed the most advanced cryptography to secure transactions, and are contributing millions of lines of open source code to advance blockchain for businesses. IBM is the leader in open-source blockchain solutions built for the enterprise. Since 2016, IBM has worked with hundreds of clients across financial services, supply chain, government, retail, digital rights management and healthcare to implement blockchain applications, and operates a number of networks running live and in production. The cloud-based IBM Blockchain Platform delivers the end-to-end capabilities that clients need to quickly activate and successfully develop, operate, govern and secure their own business networks. IBM is an early member of Hyperledger, an open source collaborative effort created to advance cross-industry blockchain technologies. For more information about IBM Blockchain, visit <https://www.ibm.com/blockchain/> or follow us on Twitter at @ibmblockchain.

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