

SMART CONTRACT FOR INSURANCE

TABLE OF CONTENTS

Introduction	01
Potential and how it has affected businesses	03
Smart Contractin healthcare	05
Conclusion	06

Smart Contracts-Insurance

Introduction

Why do individuals opt for insurance? Everyone wishes to be safe. Insurance is the most common strategy to ensure that any possible or preventable risk is reduced. If anything goes wrong or acts in an unforeseen way, it may be quite useful in helping you manage your financial risk. This is an area where there is space for improvement and through Smart contracts, there is enough transparency, autonomy, accuracy, and other key benefits that enhance the insurance industry.

The insurance industry has a significant impact on the global economy. Insurance is required by companies, regular individuals, healthcare organizations, and even government entities. Despite the market's size, the present insurance system is inefficient and lacks trust among parties and stakeholders. This problem can be changed by using Smart Contract for insurance instead of tedious paper agreements and for years, ACC has helped clients by developing Smart Contract by offering mass mail and digital signatures, which have proven to be very cost-effective and have suited our clients' demands.

We've observed a steady increase in interest in distributed ledgers and Smart Contracting recent years. These developments have already had a significant impact on the financial industry.

Introduction

Even though the insurance sector has depended on traditional techniques for decades, now they have realized the growth of Smart Contract in the insurance industry.

Smart Contract are typically a type of software that automatically enforces the terms of an agreement when specific and predetermined criteria are satisfied. In other words, a smart contract serves as a virtual mediator between two parties that executes various transactions. Now, mostly because of modern technology, Smart Contract now has a lot more features. The procedure utilized for smaller insurance procedures like underwriting and pay-outs at first, and then grows as technology has been simplified from us for years. We have another article that may stimulate your interest in learning more about smart contracts.

We have been noticing the future potential of smart contracts, especially in the insurance sector as it is solving several problems in the insurance industry from various angles.

Potential of Smart Contract in insurance and how it will affect your business?

- ♦ No human interference

The insurance sector has traditionally depended on a trusted middleman to complete the transaction. The procedure becomes slower and more expensive when a third party is involved. It is very unusual for even uncontested claims to take months to process. A smart contract eliminates the need for human interference. First, this reduces the possibility of the middleman being manipulated and promotes transparency.

Potential and How will it affect businesses?

- ♦ Speeds up claim to process

Consumers get the claim from the insurance company. The insurance company sends the consumer a summary of the claim account once the loss adjuster/auditor has authorized the request. Finally, Smart Contract allow the claim money to be automatically paid to the policyholder. Smart Contract streamline the whole claim processing and payment process, which saves turnaround time.

- ♦ Elimination of frauds and Lower administrative costs

To get rewards, fraudsters frequently file bogus claims which cause insurers to devote additional efforts to verify each claim. Smart Contract insurance may restore confidence and eliminate the need for middlemen. Smart insurance may eliminate administrative hurdles, predetermine all insurance payment possibilities, and implement contract terms automatically, leaving no room for manipulation on any side. With Smart Contract in place, the trust issue may be addressed to some extent and the insurer's administrative expenses may be reduced to a greater extent. As a result, corporations may reduce premiums while expanding market share.

- ♦ Adoption of the personalization trend

Smart Contract are a key component of the insurance industry's personalization approach. Now, there are several key factors to personalization. Risks are underwritten on a case-by-case basis. Prices are established based on our willingness to pay.

Potential and How will it affect businesses?

This fits in nicely with revenue management: it's less about risk and more about you. However, price optimization is more about the intention to pay than insurance.

- ♦ Short-term consequences

We believe these contracts have potential in the insurance sector and based on our experiences with clients, we anticipate more growth in short-term risks where payment terms are obvious, disagreement is uncommon, and the claims' handling system is easy or pre-determined. Smart Contract are probably be used in peer-to-peer transactions, as well as consumer-to-consumer and business-to-business transactions.

- ♦ Preserve policy documents

Insurers can save policy documents on many ledgers, making it nearly impossible for them to be lost. Smart Contract avoid security breaches and destruction due to their technological features.

Quick additional benefits

- ♦ Thanks to comprehensive customer data, instant KYC and risk assessment are possible easily.
- ♦ Due to solid external data, accurate claims evaluation and damage cost computation are now possible. There is no requirement for manual reviews.
- ♦ In the event of an accident, payments are made automatically.

These are some of the factors that have contributed to the insurance industry's significant expansion.

Smart Contract in healthcare industry

Insurers are increasingly accepting smart contract technology globally, and the healthcare business is already benefiting from it. Soon, Smart Contract for healthcare data exchange is likely to account for the highest market share. There has been a huge burden on healthcare professionals as the number of persons requiring medical care has grown.

Furthermore, by 2025, the healthcare industry will have saved more than USD 100 billion in expenditures linked to data breaches, information technology (IT), operations and support activities, and insurance fraud.

Most practitioners are finding it difficult to keep track of their patients' data, records, and health information. Furthermore, due to the vulnerability of the outdated systems now in use, there has been a rise in fraud incidents. Practitioners alone will not be able to fix these problems.

Smart Contract save the day because they are used in three areas of the healthcare sector: telemedicine, health records, and insurance. Due to these three implementations, Smart Contract are increasingly extensively adopted, even in the healthcare sector. They provide us with quick record-keeping and improved efficiency.

How we have helped the insurance sector in building smart contracts?

We at ACC have assisted insurance sectors and corporations in preparing for an increasingly turbulent future by providing a dependable infrastructure that can rapidly and objectively resolve claims swiftly in the presence of even the most unforeseen occurrences through offering smart contracts.

Smart Contract is a one-time investment that saves a lot of money and does not sacrifice security and we have also handled clients according to their company needs. As a result, they're great for companies that need to store and handle sensitive information. Smart Contract are a highly strong tool that may be utilized in a range of insurance businesses because of all of this. If you believe Smart Contract might benefit your company, you should discover more about them. We have secured tight regulations to safeguard customers from misuse and insurance firms from taking on too much risk and going bankrupt, in addition to establishing smart contracts.

All Things Considered, Smart Contract will need to improve before they are widely used in production in complicated business interactions, but they have the potential to change the reward and incentive structure that dictates how parties' contract in the future. For that reason, while considering smart contracts, it's critical to consider more than just how old concepts and structures may be adapted to this new technology. Smart Contract are certainly intriguing. Yet, from the wheel to the internet, every innovation has a social, economic, and political context. As Smart Contract complete the chain of insurance personalization, the market must address the issues they present. Yes, be delighted about the insurance revolution that is just getting started.

ABOUT ACC

ACC is an AWS Advance Partner with AWS Mobility Competency. Awarded The Best BFSI industry Consulting Partner for the year 2019, ACC has had several successful cloud migration and application development projects to its credit.

Our business offerings include Digitalization, CloudServices, Product Engineering, Big Data & Analytics, and Cloud Security. ACC has developed several products to its credit. These include Ottohm – Enterprise Video and OTT Platform, Atlas API – API Management and Development Platform, Atlas CLM – Cloud Life Cycle Management, Atlas HCM – HR DigitalOnboarding and Employee Management, Atlas ITSM – Vendor Onboarding and Service Management and Smart Contract– Contract Automation and Management.



www.appliedcloudcomputing.com

Shubho Pramanik

(+91) 90297 20294

shubho@acc.ltd

Rogin Rappai

(+91) 8828478321

rogin.rappai@acc.ltd

also reach us at

