



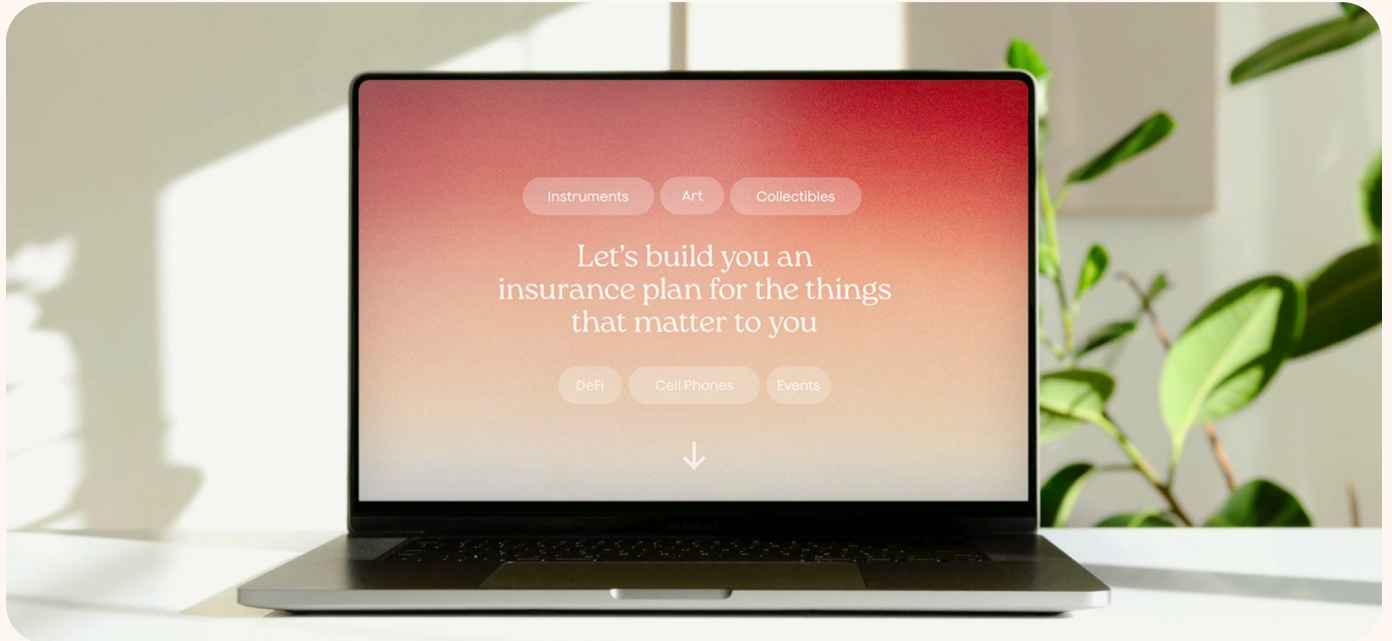
nimble

# BLOCKCHAIN & AI

LEADING THE WAY

# Blockchain & AI: Dual Pillars

And how the insurance industry desperately needs these technologies



## THE INSURANCE SECTOR

has long been perceived as a slow-moving industry reluctant to innovate. This perception has been substantiated over time, yet, as leading tech companies, and new sources of insurance capital enter the market, the necessity for the insurance sector to evolve has never been more pressing. Insurance companies have long been able to ride the wake of their own momentum and consistency, but changing global economies, COVID, and evolving social concerns have left the insurance industry on the brink of not riding that wave, but drowning under it. Blockchain and artificial intelligence (AI) are two groundbreaking technologies poised to transform the landscape of insurance.

In this thought leadership, we explore the profound impact of these technologies and how Nimblr is at the forefront of this revolution.

## THE IMPACT OF BLOCKCHAIN

Blockchain technology, often associated with cryptocurrencies, has far-reaching implications beyond what is often referred to as “magic money”. . As a key presidential adviser commented during the Great Depression, “We knew how much of banking depended upon make-believe, or stated more conservatively, the vital part that public confidence had in assuring solvency”. All money is substantially “make-believe”. Blockchain’s potential to revolutionize the insurance industry extends beyond digital money and

lies solidly in its ability to provide transparency, security, and efficiency.

## Enhancing Transparency & Trust

According to the [Coalition Against Insurance Fraud](#), «Insurance fraud steals at least \$308.6B every year from American consumers». Blockchain can significantly mitigate this by creating a transparent immutable ledger of all transactions. This transparency ensures that each party involved in the insurance process can verify the authenticity of the information. By having a single, tamper-proof record of all transactions, disputes can be resolved quickly (almost in real-time), and fraudulent activities can be minimized. From provenance, to claims history, this transparency creates a system of

data that is not segregated to proprietary internal insurance systems or antiquated external data models.

### Streamlining Claims Processing

The claims process in traditional insurance models is often cumbersome and time-consuming. [McKinsey](#), for instance, notes that it can take over four weeks to settle claims, while automation and digital processes could cut this down to just four hours. Blockchain can further streamline this process by using smart contracts to automate claims verification and processing. These self-executing contracts automatically trigger payments when predefined conditions are met, minimizing the need for manual intervention and speeding up claims settlements. Companies like Natix Network are using blockchain and AI to parse data received from user's phones. This readiness of data would allow the claims process to cryptographically determine claims eligibility and legitimacy. This means a faster claims process and less capital expense on the handling of claims.

### Tackling Broader Challenges

The needs of policyholders have significantly changed and evolved over the years, while the offerings from insurers have remained nearly the same. As a result, many risks remain uninsurable. For instance, [data and cybersecurity risks](#) are considered emerging new risks, while the risks have existed for many years and their far outpace the development of the policies created by the industry. Blockchain can be a driving force in creating opportunities for insurers to address these types of risks.

In addition to operational efficiencies, blockchain has the potential to help the insurance industry address broader challenges such as climate change or micro-insurance. By facilitating better data sharing and collaboration among insurers, governments, and other stakeholders, blockchain can enable more accurate risk assessments and more effective disaster response strategies.

## THE IMPACT OF AI

Artificial intelligence, with its ability to analyze vast amounts of data and make intelligent decisions, is another game-changer for the insurance industry. AI can enhance various aspects of insurance operations, from underwriting to customer service.

### Transforming Underwriting and Risk Assessment

Traditional underwriting processes primarily depend on historical data and manual evaluations. However, AI is set to transform underwriting by utilizing predictive analytics and machine learning algorithms for more precise risk assessment. By examining vast amounts of data, including real-time information, AI can uncover patterns and trends that human underwriters might overlook, resulting in more accurate pricing and risk evaluation. Additionally, experts predict that there will be up to one trillion connected devices by 2025. This surge in data will enable carriers to gain deeper insights into their clients, leading to the creation of new product categories, personalized pricing models, and increasingly real-time service delivery.

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It is important to note that this should not be perceived as a threat to the job security of traditional underwriters, but instead a tool and supplement to the work that they do. Research shows that underwriters spend over 45% of their time in internal meetings, limiting the time they spend on their core work. AI, as a supplement, allows underwriters to focus on the higher-level processes and their core work. This subsequently lowers the underwriting expenses and inefficiency and improves capital efficiency.

[Experts](#) predict that by 2025, there will be up to one trillion connected devices. This surge in data, generated by these devices, will enable carriers to gain deeper insights into their clients, leading to the creation of new product categories, more personalized pricing, and increasingly real-time service delivery. The enhanced precision of AI-driven risk assessments can also contribute to reduced premiums.

Despite economic challenges, the insurance industry continues to experience premium growth. [For example](#), in 2020, premium growth slowed to around 1.2 percent, compared to over 4 percent annually between 2010 and 2020. Nevertheless, premiums still increased, even as people's salaries

## Insure my record collection



did not keep pace during the COVID-19 pandemic. AI's role in improving underwriting offers a promising path to balancing premium costs and client affordability.

AI allows us to move away from historic rating methods that have often been unfavorable to those paying premiums.

### Improving Customer Experience

AI-powered chatbots and virtual assistants are revolutionizing customer service in the insurance industry. These intelligent agents not only handle routine inquiries and provide policy information but also assist with claims filing. By offering 24/7 support and personalized interactions, AI enhances customer satisfaction and frees up human agents to tackle more complex tasks.

Accenture's research shows that a third of claimants were not fully satisfied with their most recent claims experience—an issue that represents up to \$170 billion in renewal premiums over the next five years. Speed of settlement was a key pain point, causing the most discontent among dissatisfied claimants. AI solutions can significantly improve settlement times by enabling digital and self-service claims processing, enhancing the overall customer experience and speeding up transactions.

Many leading insurers are investing heavily in creating omni-

channel environments that leverage AI-driven methods, such as chatbots, rich text messaging, and guided scripting for agents. These technologies address gaps in customer interactions, ensuring faster, more efficient service and ultimately boosting customer satisfaction and retention.

### Fraud Detection and Prevention

Insurance fraud is a significant concern for the industry, costing billions of dollars annually. AI can play a crucial role in detecting and preventing fraud by analyzing data for suspicious patterns and anomalies. Machine learning algorithms can continuously learn from new data, improving their ability to identify fraudulent activities over time.

### HOW NIMBLR IS EMBRACING THESE TECHNOLOGIES?

At Nimblr, we recognize the transformative potential of blockchain and AI in the insurance industry. We are committed to leveraging these technologies to deliver superior value to our clients and stay ahead of the competition.

We have integrated blockchain into our claims processing system to enhance transparency and expedite settlements. By utilizing smart contracts, we ensure that our policyholders receive prompt and fair compensation when they need it most. Additionally, our blockchain-based platform enables seamless data sharing with our partners, fostering collaboration and innovation, while enabling our dynamic rating engines and capital modeling engines

At the intersection of Blockchain and AI we have developed advanced and dynamic underwriting models that leverage machine learning algorithms and the transparency and data processing power of blockchain to assess risk accurately and tailor to each individual use-case. Our rating engines use data readily available and consensually shared by users to lower the amount of questions asked and before receiving a quote.

Our AI-powered conversational agents provide around-the-clock support to our customers, offering quick and efficient solutions to their



queries. On top of this, our conversational agents are capable of collecting the data necessary for a quote, producing a real-time quote, and providing information on claims. Our fraud mitigation system, powered by AI, is able to identify and significantly reduce fraudulent claims; saving operational costs, reducing claims bloat, and protecting our clients' interests.

We believe that the future of insurance lies in collaboration and continuous innovation. To this end, we actively engage with insurtech startups, technology partners, and industry experts to stay at the forefront of technological advancements. By fostering a community of innovators, we aim to drive positive change in the insurance industry and create a more secure and efficient ecosystem for all stakeholders.

Blockchain and AI are not just buzzwords; they are powerful tools that can reshape the insurance industry. By enhancing transparency, streamlining processes, and improving customer experiences, these technologies offer unparalleled opportunities for growth and innovation. At Nimblr, we are proud to lead the way in leveraging blockchain and AI to deliver exceptional value to our clients and stakeholders.

Are you ready to join us on this exciting journey? Discover how our innovative solutions can transform your insurance operations and drive your business forward. Contact us today to learn more about our blockchain and AI initiatives and how we can help you stay ahead in the evolving landscape of insurance.



Insure me...

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