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# **Blockchain (R)evolution and what it means for you**

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**In association with Deloitte & Swiss Re**



**Russell Higginbotham FCII**  
**Head of Life & Health Reinsurance**  
**Products, Swiss Re**  
**& President, IIL**





# **Blockchain (R)evolution & what it means for you**

Thursday 29<sup>th</sup> June 2017





# **Introduction**

David Rush





# **Innovation in insurance**

Natalie Williams



# Insight Driven Organisation Maturity Curve

The journey to becoming an Insight Driven Organisation passes through 5 stages

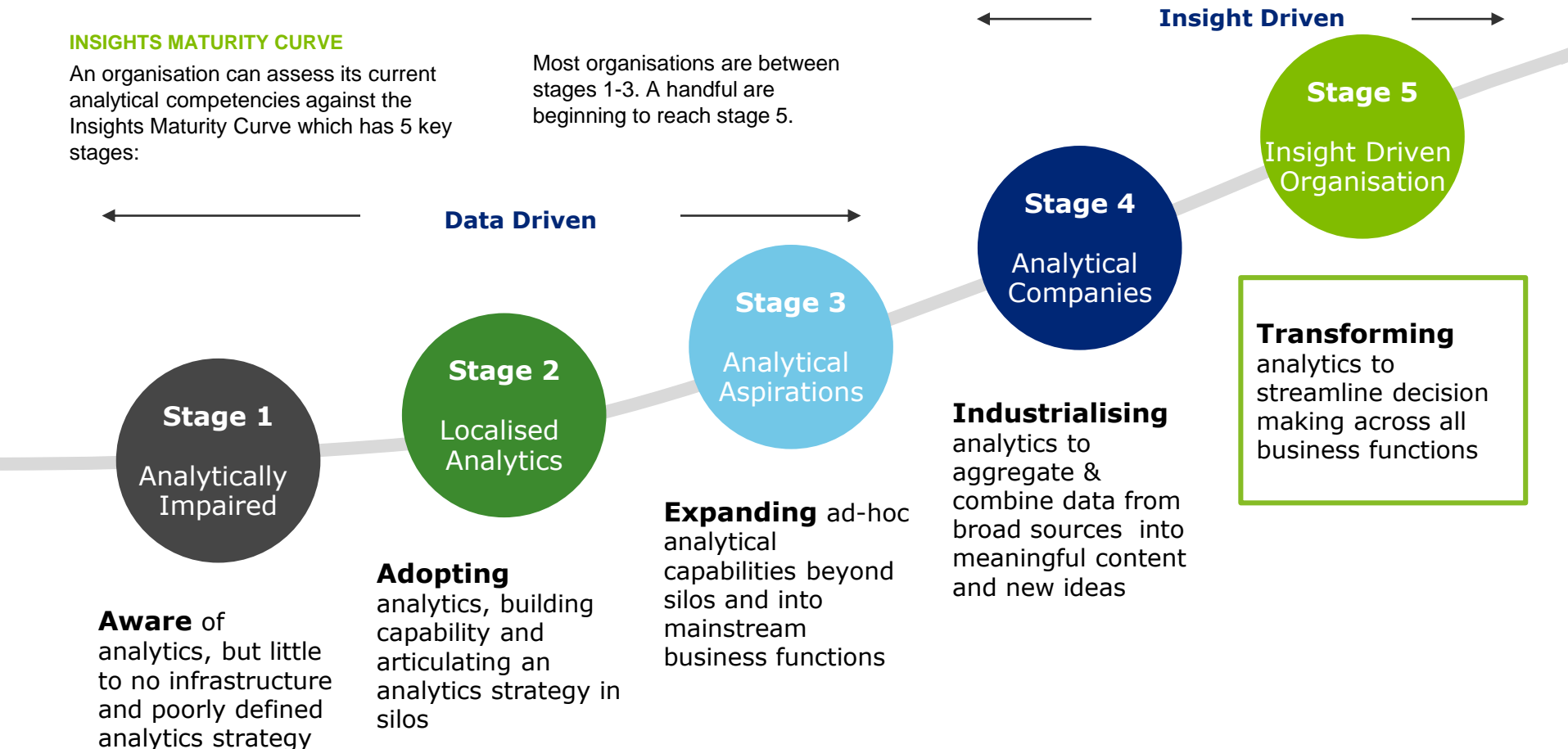
## EXTERNAL TECHNOLOGY FACTORS DRIVING CHANGE:



## INSIGHTS MATURITY CURVE

An organisation can assess its current analytical competencies against the Insights Maturity Curve which has 5 key stages:

Most organisations are between stages 1-3. A handful are beginning to reach stage 5.





# Becoming an Insight Driven Organisation

Considering analytics with a wider lens than just technology

## Asking the right questions



### **Vision**

Ensuring the Analytics Vision aligns to and supports corporate goals and objectives



### **Value generation**

Understanding the value from Analytics and prioritising initiatives appropriately



### **Organising for success**

Organising for ongoing success and sequencing activities to deliver early benefits

## Doing the right analysis



### **Purple people**

Building a team with the right balance of business and technical skills to deliver actionable business insights



### **Internet of Things**

Incorporating structured, unstructured, internal and external data for insights everywhere



### **Trusted insight**

Ensuring that data and analysis is accurate, trusted and assured



### **Insight Process**

Developing a repeatable process to test and industrialise analytics



### **Enabling platform**

Constructing a technical capability which scales to your long term vision

## Taking the right actions



### **Changing the mind-set**

Evolving a culture of asking crunchy questions and addressing cognitive bias



### **Digital delivery**

Leveraging digital transformation to ensure insights are visual and intuitive



### **Re-engineering the business**

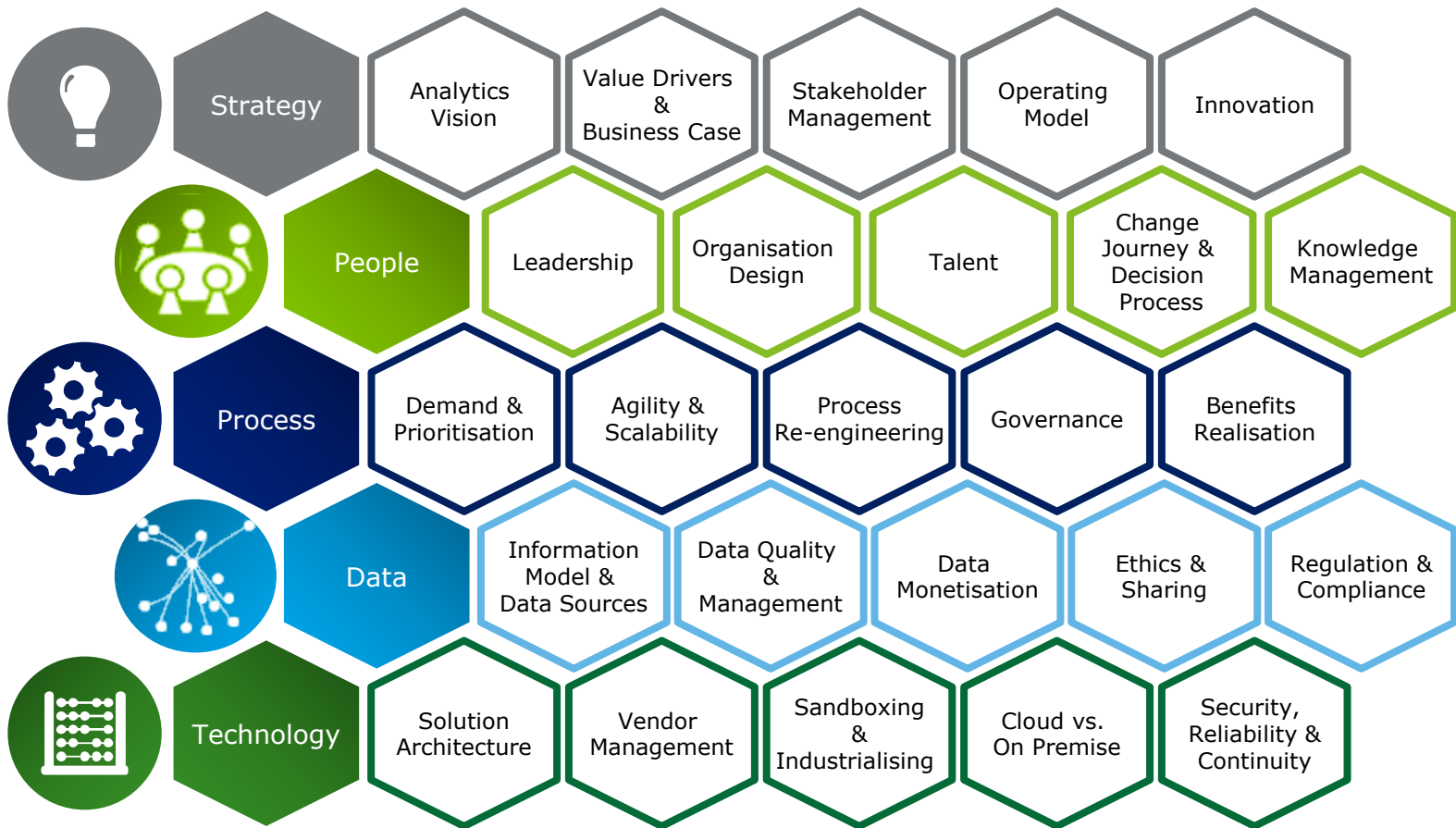
Redesigning your processes and operations to act on analytical insights



# Becoming an Insight Driven Organisation

## The essential building blocks for your IDO journey

Becoming an IDO relies on the fundamental building blocks of People, Process, Data and Technology being in place and informed by an Analytics Strategy. Each building block represents an action or subset of actions to address the business challenges highlighted in the themes. Deloitte has capability and experience in each of these building blocks which can be applied across the IDO lifecycle.





# Analytics transformation and quick wins

An Analytics Vision needs a delivery method and roadmap that **achieves short-term value** alongside the **strategic vision for data**.

An enterprise-wide analytics strategy should align to your corporate strategy and support corporate goals and objectives. The IDO framework can help to create a heat-map of where efforts should be focused to ensure a holistic strategy that balances technical, organisational and people led initiatives, as well as prioritising pilots to test and learn as you go.



Whilst a clear vision helps to drive towards a common goal, **avoiding the traditional temptations of a 3-5 year transformation programme** is necessary to ensure responsiveness.

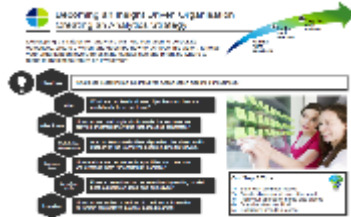
Organisations need a **malleable analytics programme** which bends and shifts as the organisation learns more about analytics and the disruptive environment it is operating in.

This flexibility will **allow insights to be adopted along the way**.



# A typical full day IDO Lab agenda

## IDO Overview



- Overview of the key IDO considerations
- Strategy, People, Process, Data, Technology
- Questions to ask of your organisation
- Top tips and lessons learned

## Analytics Case Studies



- IDO benchmarking considerations per industry
- Examples and inspiration from other clients
- Lessons learned

## Capabilities Gaps



- Current capabilities assessment
- Strategy, People, Process, Data, Technology
- Where capabilities are situated in current operating model and where gaps are

## Value Generation



- Aligning analytics services to corporate objectives
- Tailored profiling of business customers of analytics
- Value generation approach

## Customer Journeys



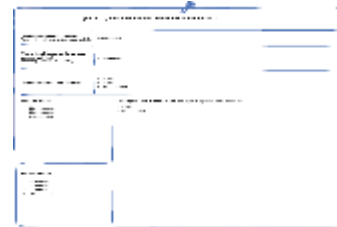
- Tailored profiling of business customers of analytics
- Deep dives into customer drivers and "A Day in the Life" of your customers

## PoC Prioritisation



- 2 'out of the box' examples or demos
- Crunchy questions hypotheses generation
- Prioritisation matrix and approach

## Analytics Canvas



- Deep dive into selected PoCs
- Understand the requirements of PoC and how it answers the crunchy question
- Articulating the benefits of PoC

## Demand Generation



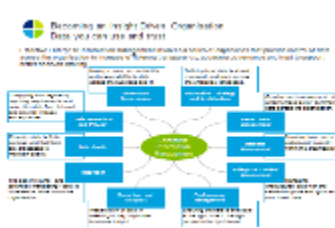
- Engaging with the business to drive demand in the short term
- Scaling to meet increasing demands as the service matures

## Purple People



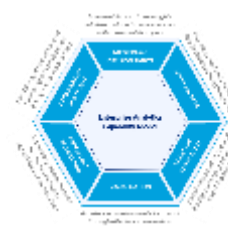
- Overview of Purple People
- Skills, roles and responsibilities
- Attract, recruit, retain, train high level plan

## Data Exploration



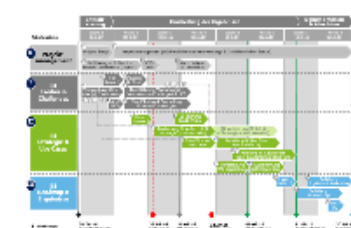
- Lists of internal and external data sources available
- Access to data and data governance framework required

## Operating Model



- Suggested operating model overview, tailored to priorities discussed
- Additional detail on capabilities to leverage and which need to be invested in further

## IDO Roadmap



- Sprint roadmap with actions, owners and timelines identified to help maintain momentum for IDO



# IDO Lab Outputs

## What do we achieve?

On the day, IDO Labs help you generate consensus and commitment to a comprehensive and tactical plan which can be used to drive momentum for the next steps in becoming an **Insight Driven Organisation** but what matters most is maintaining momentum after leaving the room.

**We'll create a specially designed IDO Lab report for you, designed especially for this purpose.**

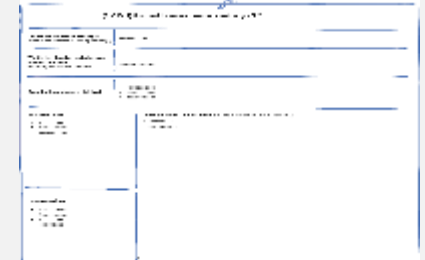
**The Lab Report will include:**

### IDO Maturity Assessment and Future Vision



### Deloitte's recommended areas of attention on building capabilities

### A consolidated version of all analytics "canvases" to capture ideas



### Photographs of all visual assets (e.g. whiteboards, smartboards, touchscreens)



### Insight Driven Organisation collateral



### Detailed 30/60/90 day plan with assigned accountabilities





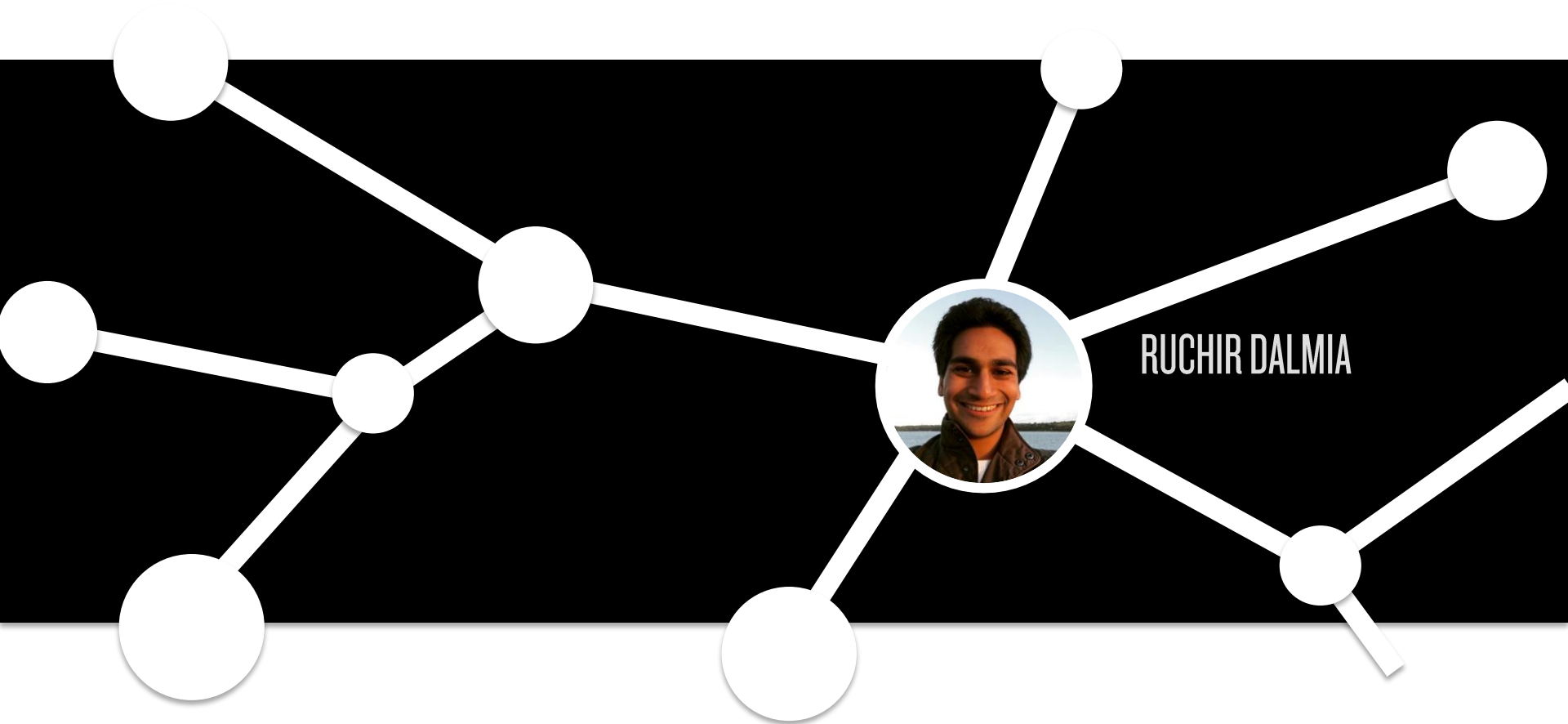


# **Blockchain**

## Ruchir Dalmia



# hello.





VC Investment in  
Blockchain over  
the past 3 years



**\$1.5Bn**

Companies developing  
blockchain powered  
products and services



**1000+**

% of GDP that will be  
stored on blockchain  
platforms by 2025



**10%+**

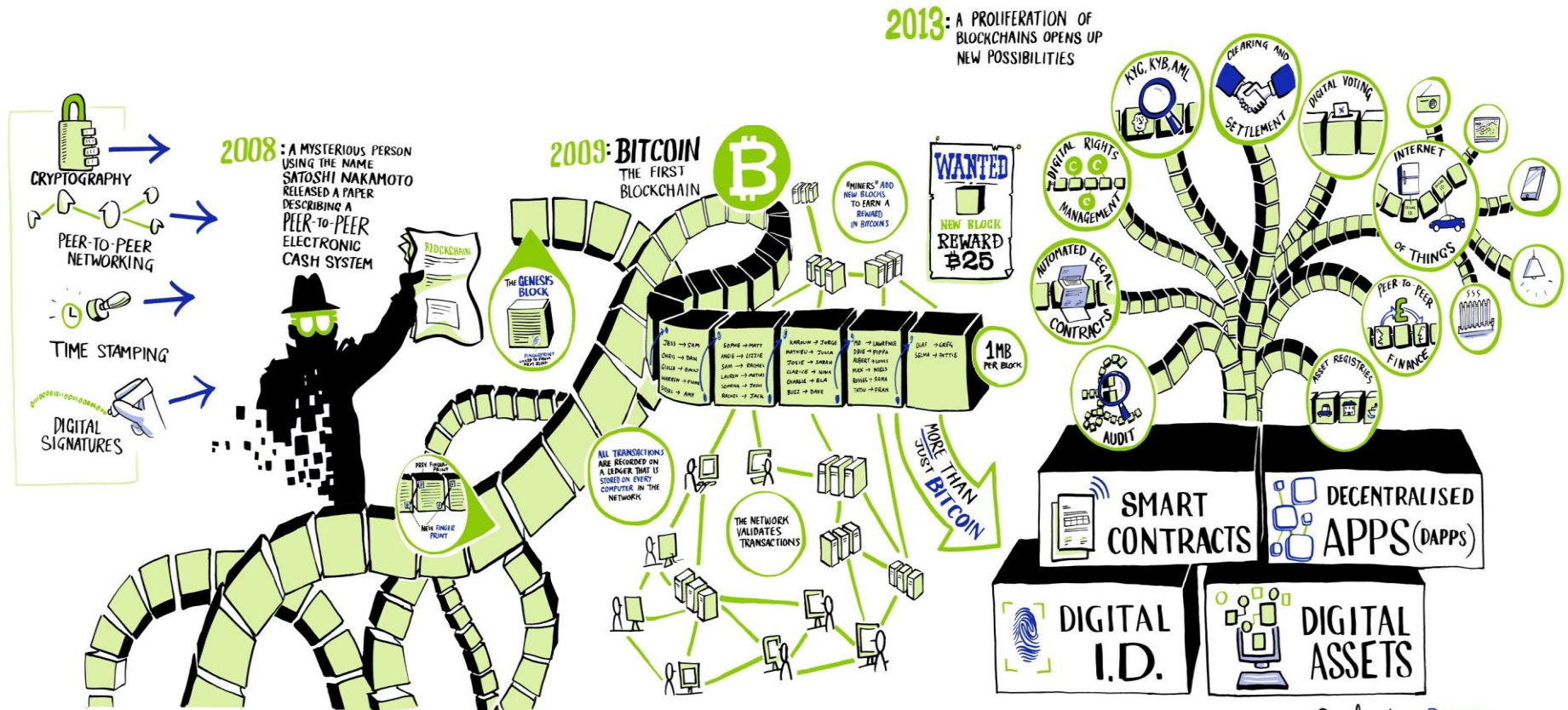


BUT WHAT ON  
EARTH IS A  
BLOCKCHAIN?



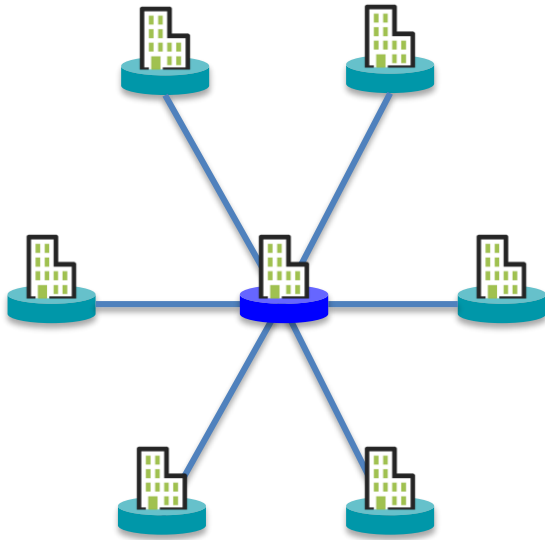
# A BRIEF HISTORY OF BLOCKCHAIN

How a new digital ecosystem was born

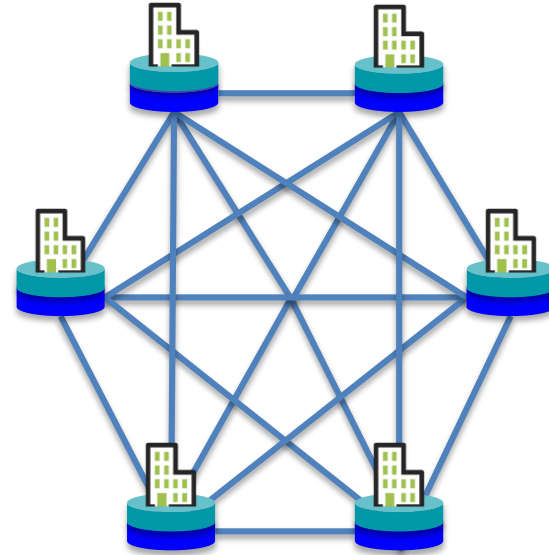




# BLOCKCHAIN VALUE PROPOSITION



Centralised



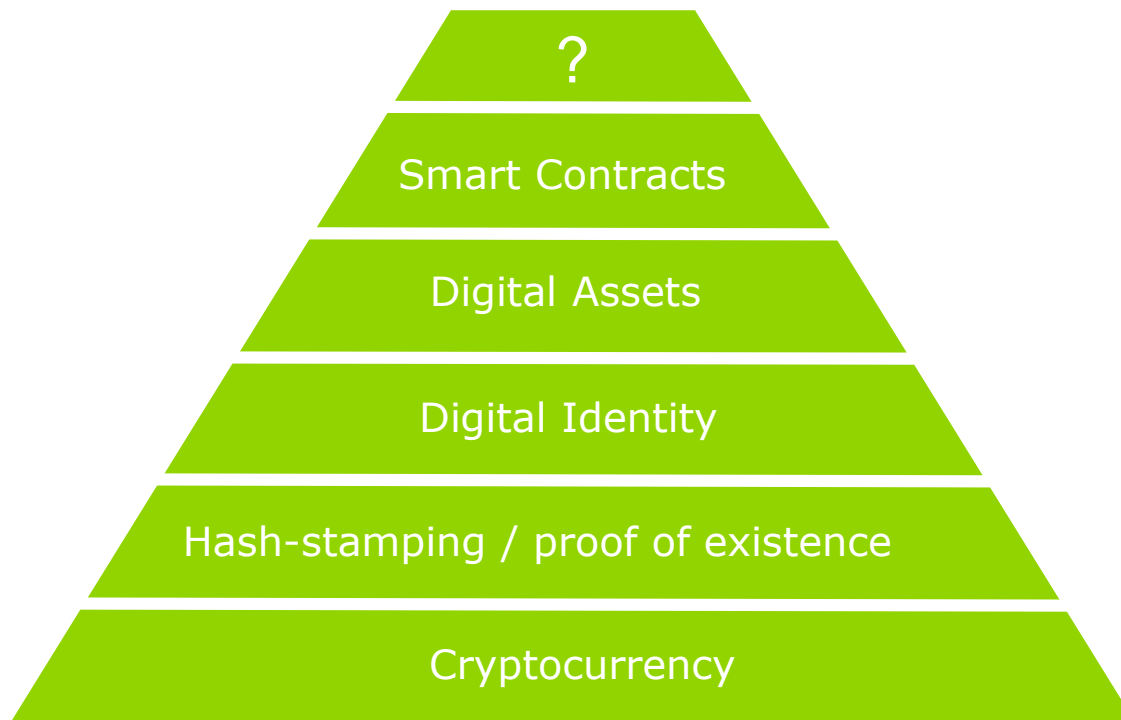
Decentralised



# BLOCKCHAIN BUILDING BLOCKS

Most blockchain solutions incorporate one or more core capabilities (building blocks)

As new core capabilities evolve they are augmenting and amplifying each other enabling increasingly powerful solutions



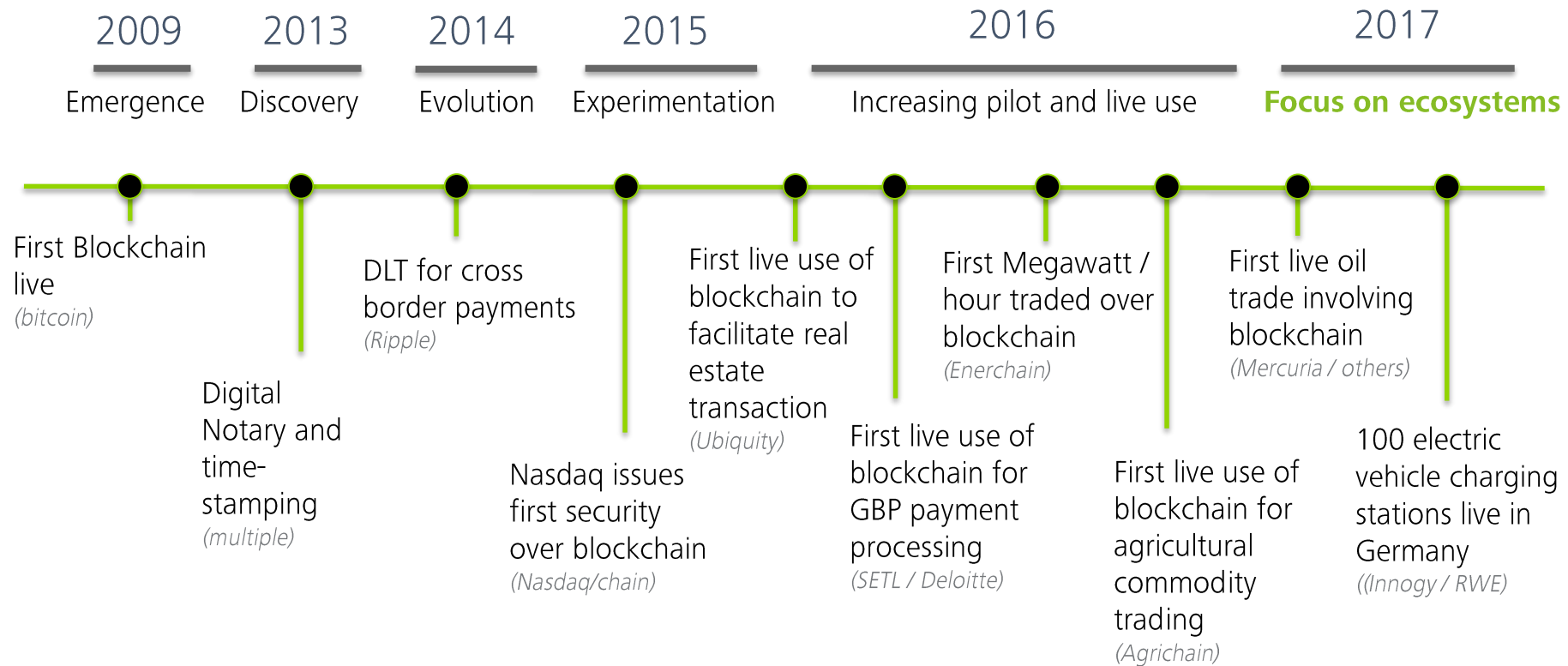


**HYPE?**



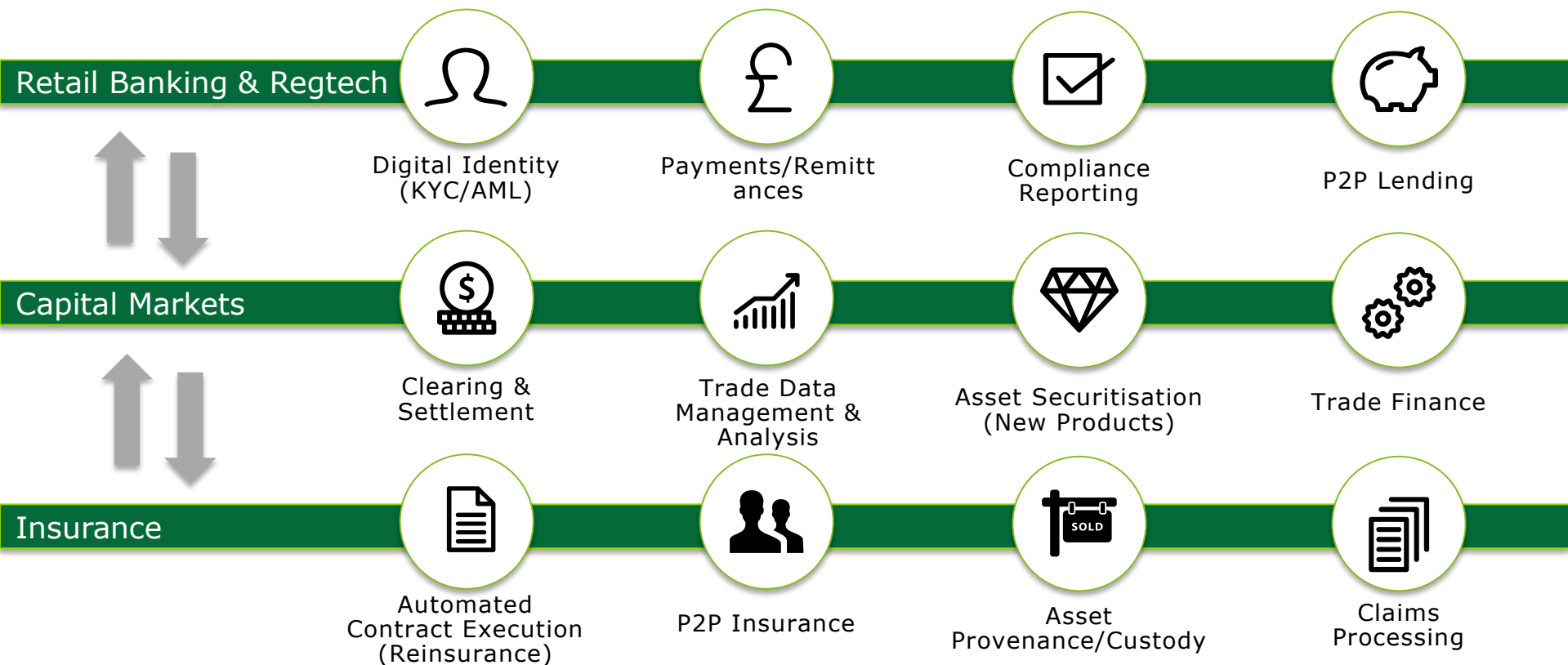
# BLOCKCHAIN EVOLUTION

Hype is giving way to reality





# FSI/FINTECH A SELECTION OF USE CASES





# OPPORTUNITIES FOR **INSURANCE**

Where is the industry innovating with blockchain?





# REGULATORS ARE OPTIMISTIC BUT CAUTIOUS



European Securities and  
Markets Authority

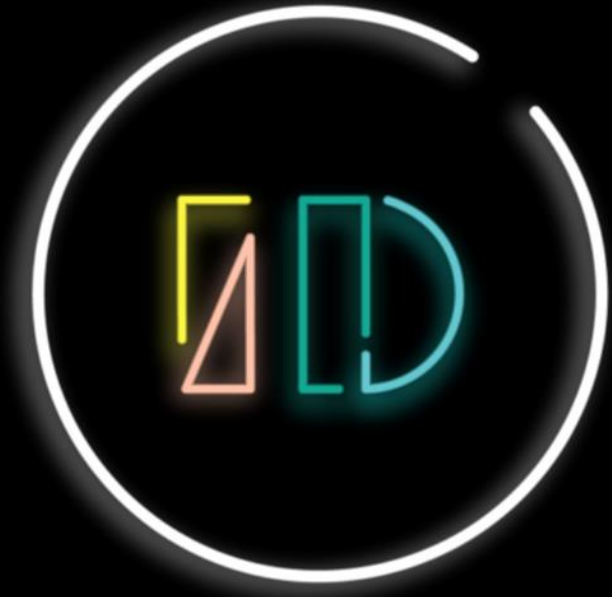


EUROPEAN CENTRAL BANK






SMART  
IDENTITY







# IDentity

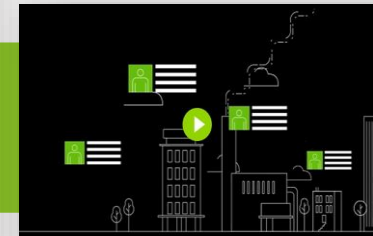
People. Organisations. Things.

Create digital identity

Take the first step now to create your very own digital identity. Your attributes, your endorsements, your permissions, yours.

Manage digital identity

Manage & share your attributes with other institutions on the Digital IDentity platform. Also view attributes that have been shared with you.





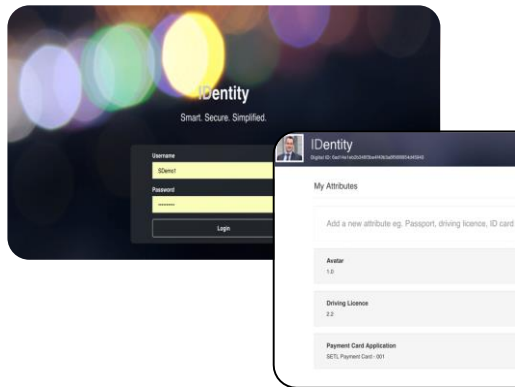




# SMART ID KYC / ONBOARDING

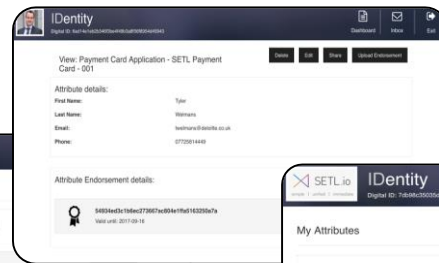


1. Customer account creation

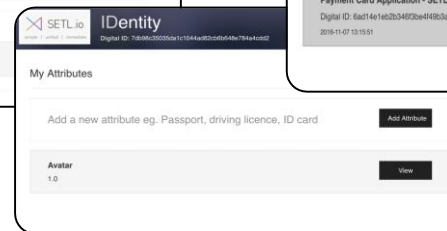


2. ID and payment card application captured

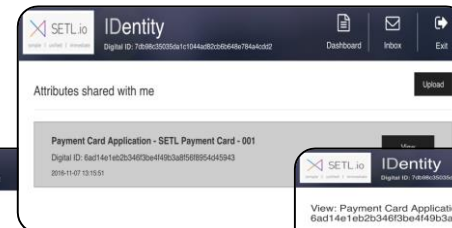
3. Digital certification (company endorsement)



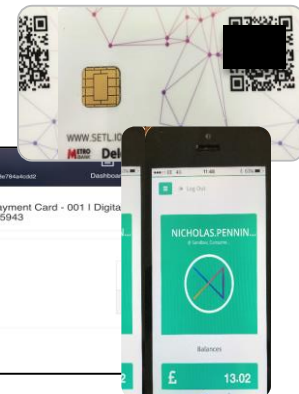
4. Details shared with SETL



5. Verification and creation of SETL payment "address"



6. Account activation and seed funding

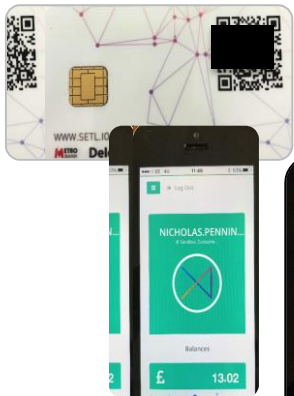




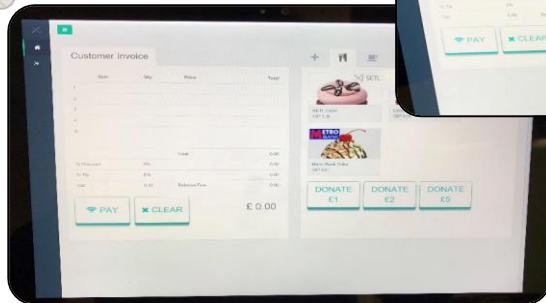
# SETL PAYMENT PROCESSING



1. Card & Mobile-Wallet activated



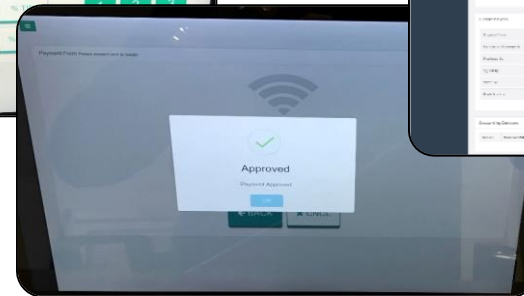
2. 'Demo Retailers' Payment Dashboard



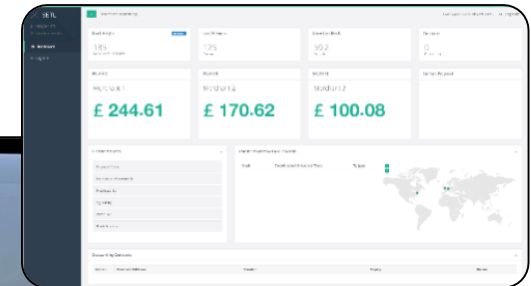
3. Review Customer Order



4. Contactless customer payment instantly processed and settled on SETL blockchain



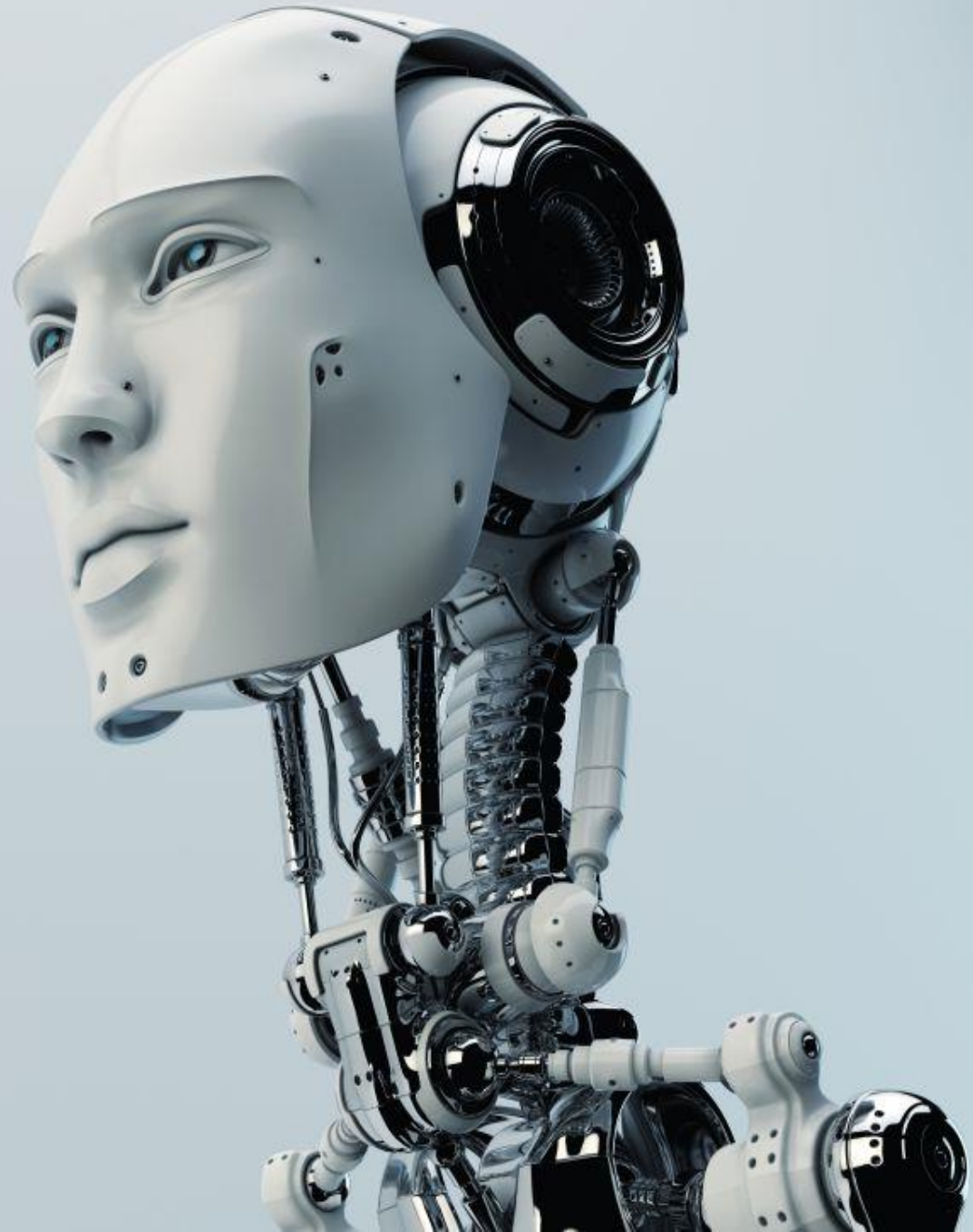
5. Merchant dashboard – account balance updated in real time





# Digital decision makers

Peter Evans





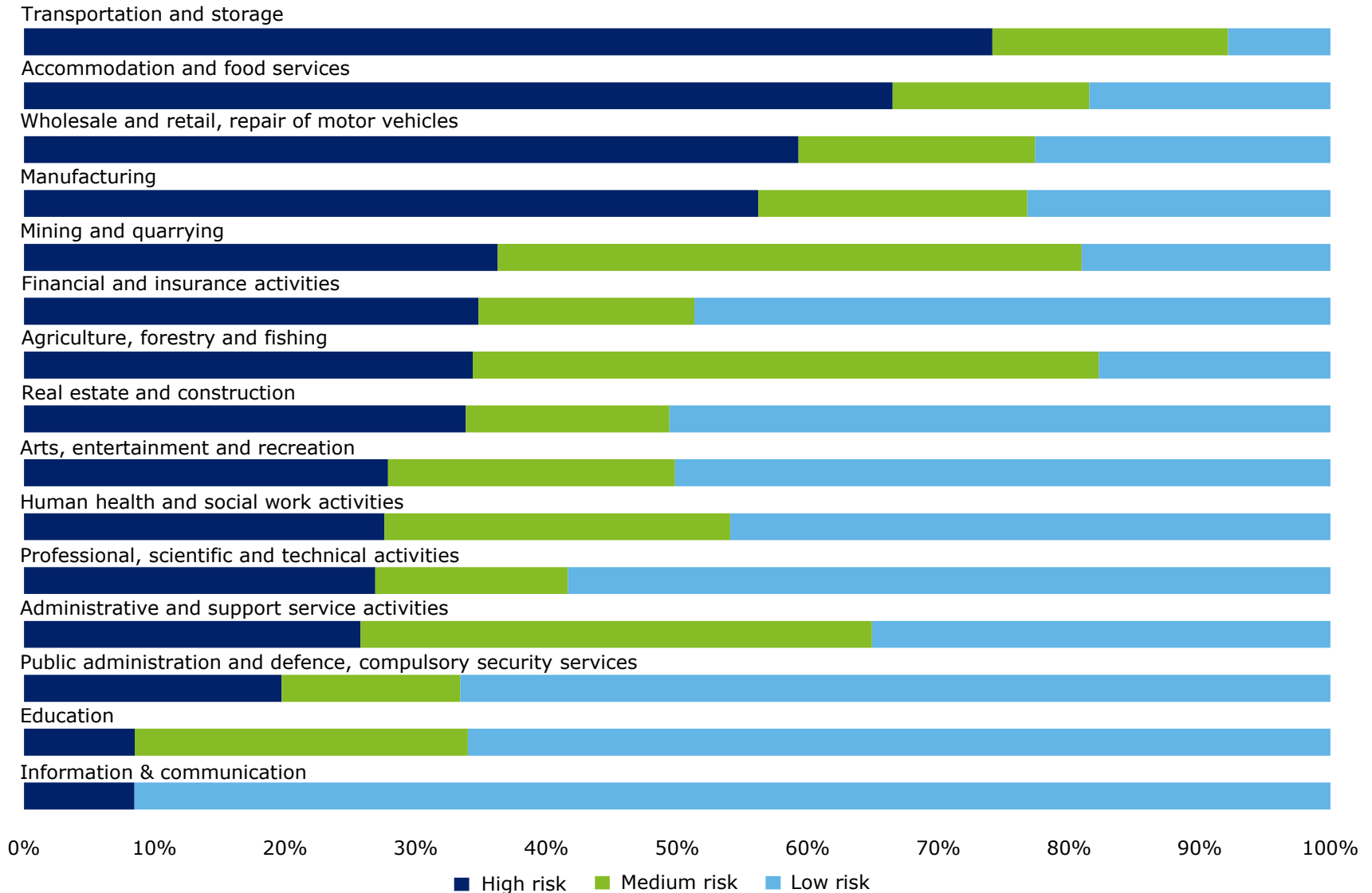
# Seven predictions

1. Less process-based work, particularly in the back office
2. Workers will be more productive
3. Traditional roles will be augmented by data and analytics
4. New technology-based roles will continue to emerge
5. Employees will have more 'digital' skills
6. The market will increasingly look for talent beyond EC3
7. Working practices will shift to accommodate tech talent



# Less process-based work

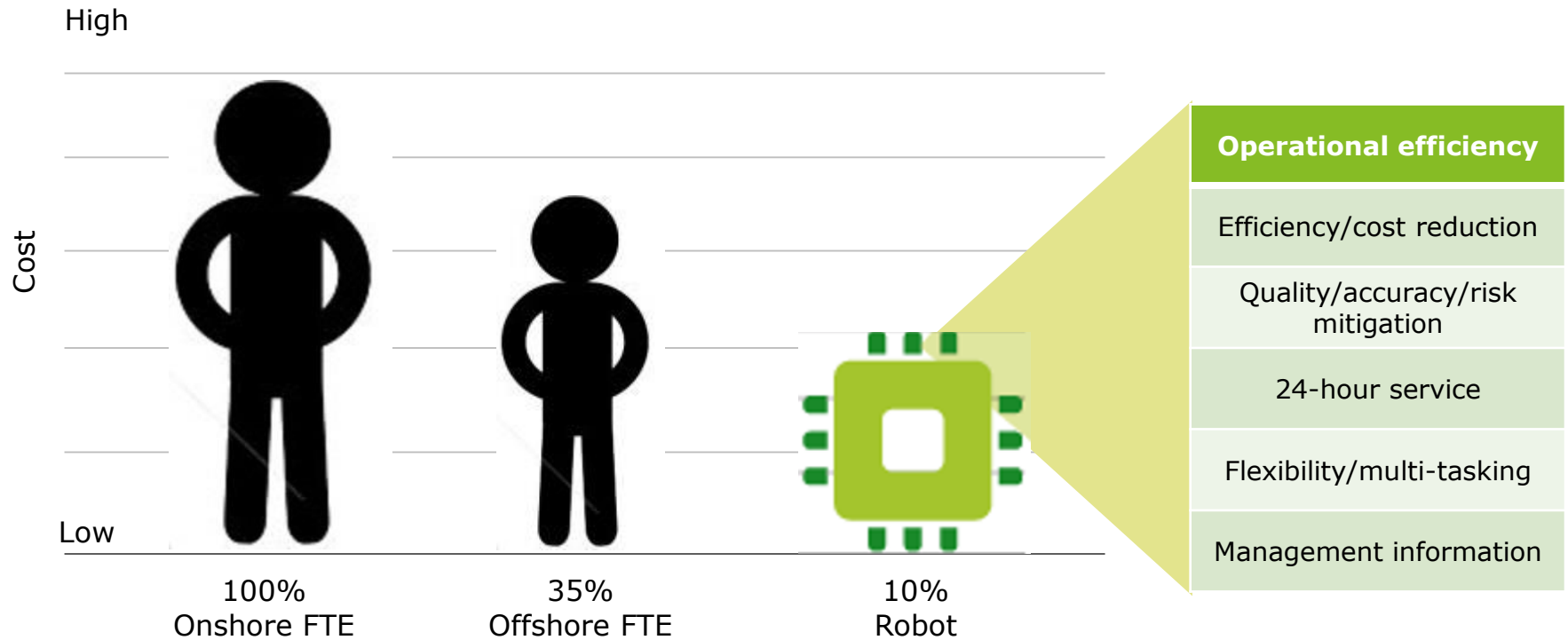
## Percentage of jobs at risk of automation by sector





# More productive workers

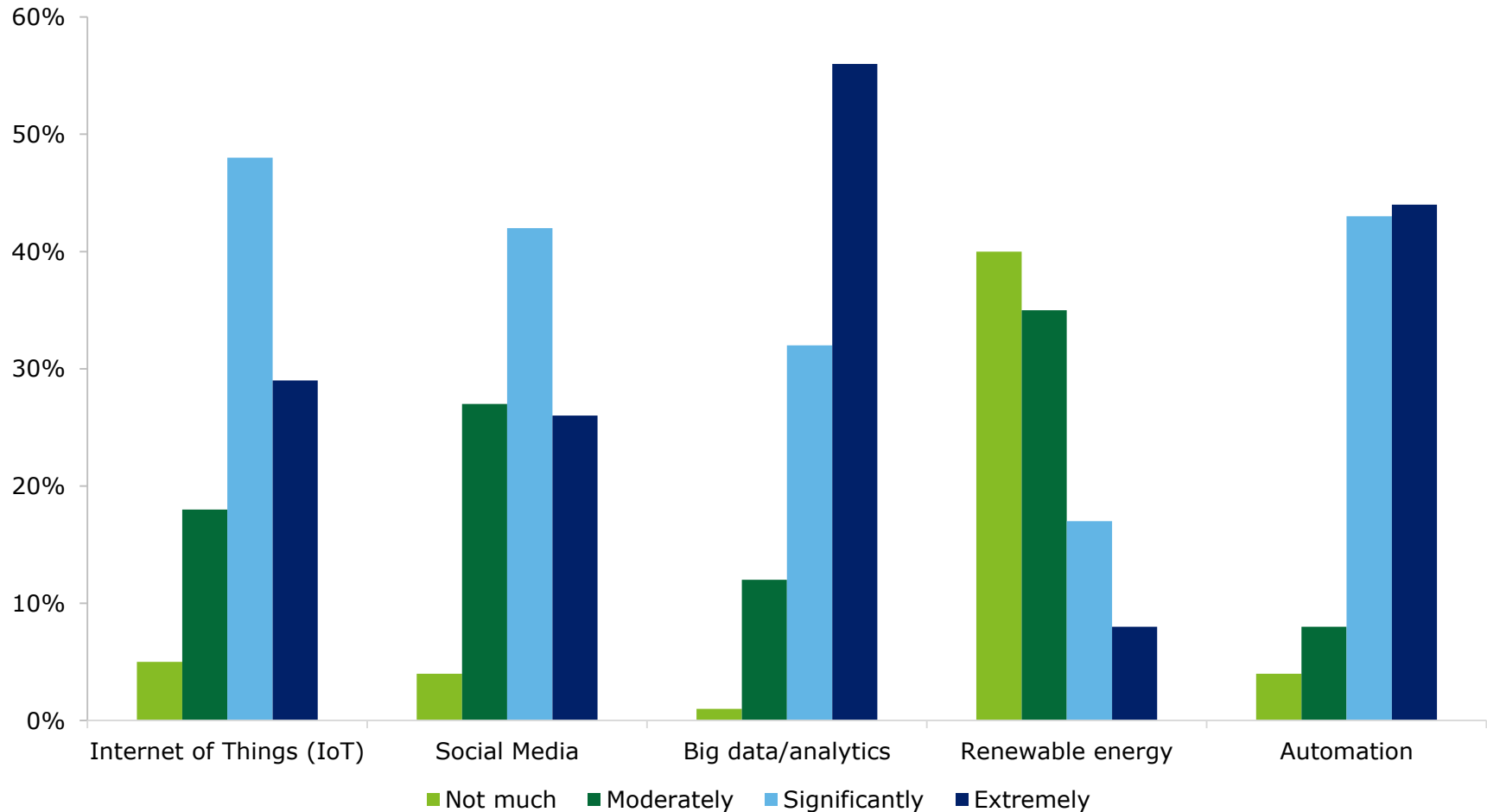
Expected cost savings and other benefits from robotic process automation, illustrative





# Augmented traditional roles

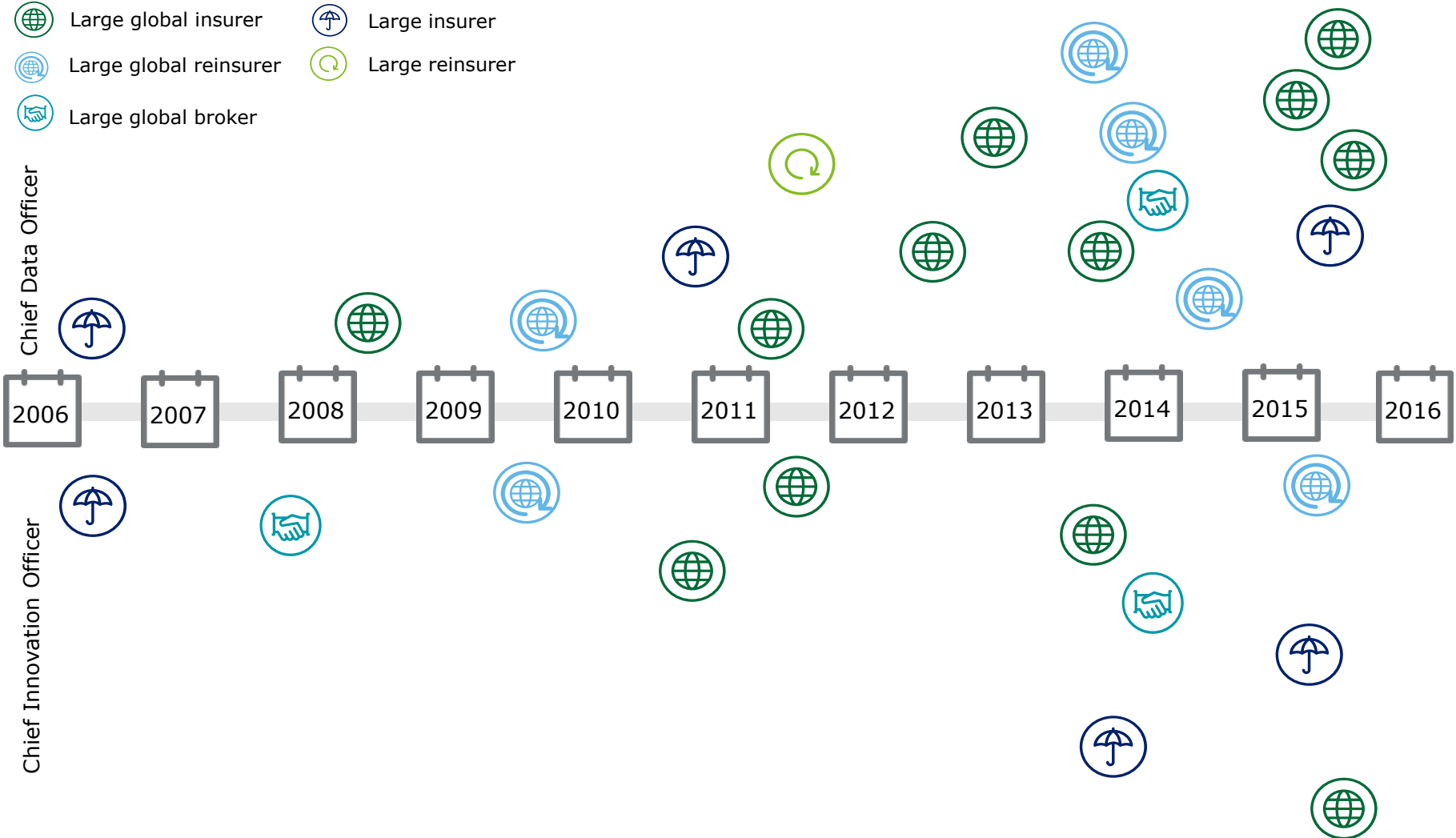
Q: How much will the following technologies affect insurance in the next five years?





# New roles

## Chief Data Officer and Chief Innovation Officer appointments in the insurance industry

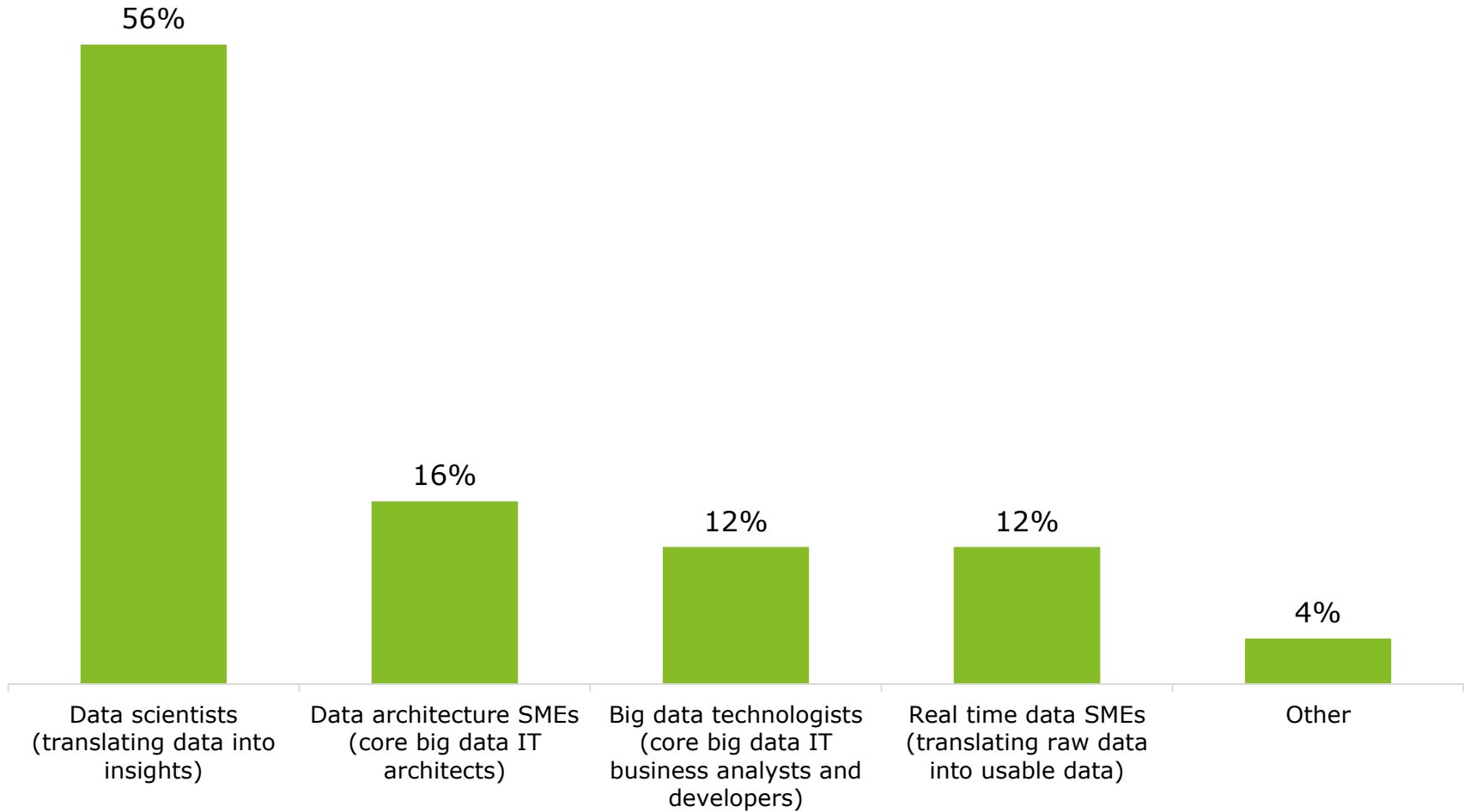




# More 'digital' skills

Most wanted capabilities relating to analytics

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# New talent sources

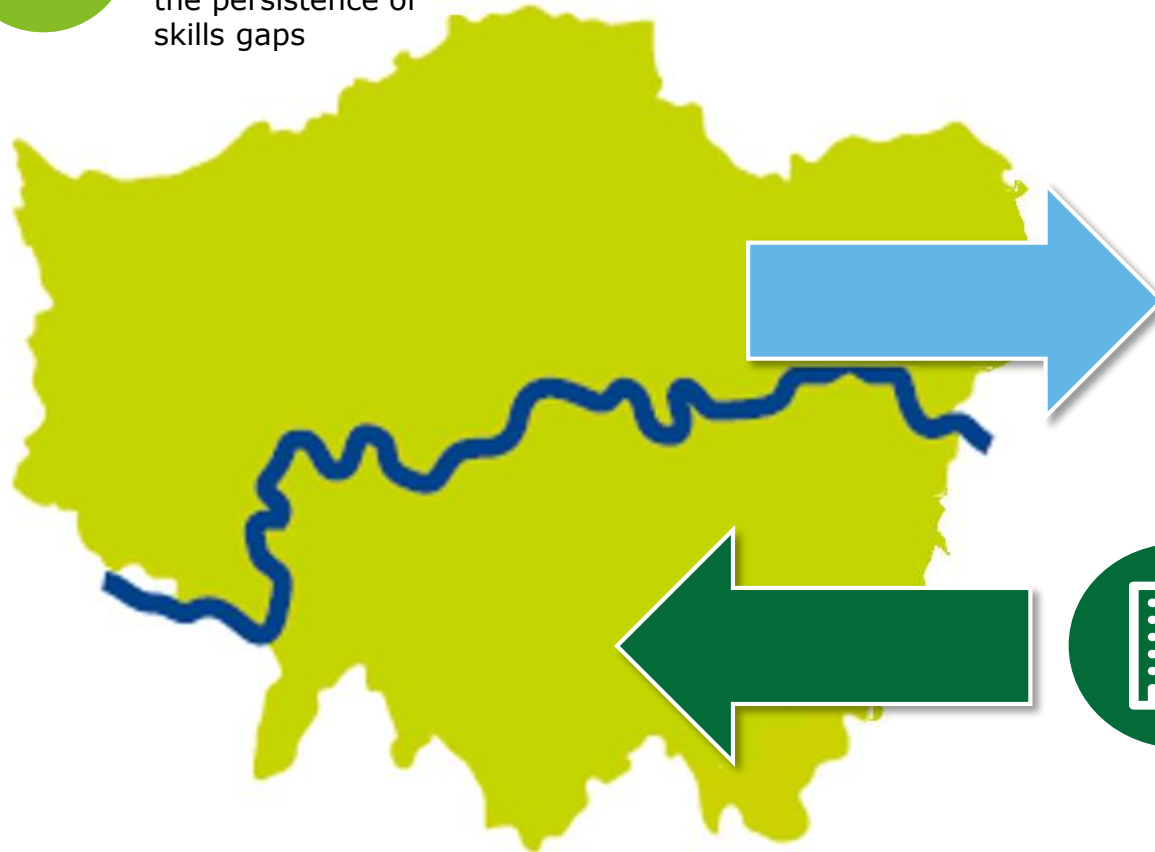
## Reasons for future skill gaps

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**33%**

cited an ageing talent pool as the reason for the persistence of skills gaps



**51%**

Cited a **lack of people in the London market with the right skills** as the reason for the persistence of skills gaps



**1.7 million**

London is the world's high skills capital with 1.7 million people employed in knowledge based industries



# Shifting working practices

## Lloyd's and London Market employer ratings

### Employee proposition & recruitment brand



### Support for mobile working



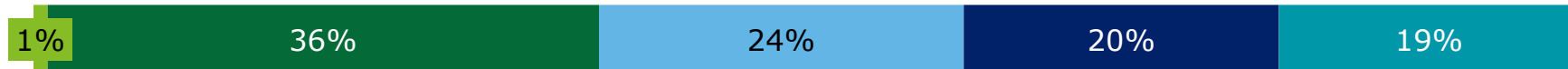
### Support for a globally diverse workforce



### Work life balance



### Flexible working



■ Leading edge ■ Established ■ Developing ■ Moderate ■ Limited





# QUESTIONS



# Speakers Profile



## Introduction

### **David Rush**

Partner, Head of Insurance UK & EMEA

drush@deloitte.co.uk  
+44 20 7303 6302



## Innovation in insurance

### **Natalie Williams**

Senior Manager, Analytics Strategy

natalwilliams@deloitte.co.uk  
+44 20 7007 7473



## Blockchain

### **Ruchir Dalmia**

Analyst, Consulting

rudalmia@deloitte.co.uk  
+44 20 7007 8595



## Employment in the insurance profession in the near future

### **Peter Evans**

Insurance Research Lead

peevans@deloitte.co.uk  
+44 20 7303 0010



# Organisers profile



**Hugo Martineau-Needham**

hmartineauneedham@  
deloitte.co.uk  
+44 20 7007 5844



**Carmen Chan**

carmechan@deloitte.co.uk  
+44 20 7303 8601





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