



B3i Factsheet

October 2019

B3i 

About B3i

B3i is a global initiative supported by major insurance industry investors and a diverse community currently comprising over 40 companies.

B3i was founded in October 2016 as an insurance industry consortium, which then formed B3i Services AG as an independent company. B3i is building a broadly supported platform and protocol to address critical insurance industry needs through growing its network and developing partnerships with other company-led and industry-led initiatives throughout the world.

Our Vision

“Better insurance enabled by frictionless risk transfer”

Our vision is to see the insurance market deliver better solutions for end consumers through faster access to insurance with less operational risks and administrative costs.

Our Reinsurance Application

B3i began investigating the use of DLT through a prototype application for reinsurance.

A Natural Catastrophe Excess of Loss Reinsurance Treaty (Nat CAT XoL) was chosen as an ideal fit for a DLT prototype being a natural network involving all three key market participants; Insurers (Cedents), Brokers and Reinsurers.

Characterised by relatively low frequency transactions that carry large financial relevance,

and a process which generally involves substantial manual work and reconciliations for all parties involved.

Having successfully created a DLT application which was tested with 38 market participants across the value chain, the group decided to take this forward into a commercial product.

Cat XoL Product Development

The B3i Catastrophe Excess of Loss (Cat XoL) product is an evolution of the original prototype developed when it was a consortium group. It has evolved substantially through further development within B3i and taking account of the various feedback channels established with market participants and members of the B3i community.

Whilst the application brings many benefits to users, the main interest from users lies in the manner in which it will minimise manual processes so that each party to a contract avoids having to re-key information. This also reduces the risk of errors creeping in as human intervention in the data is minimised. In addition, full transparency is enabled by sharing a common view of the current contract state.

Why customers choose the B3i Cat XoL product:

- 1** DLT enabled interaction of Cedent, Broker, Reinsurer over the whole placement process
- 2** Definition of Nat CAT XoL Treaty Terms and Conditions leveraging Smart Contract capabilities
- 3** DLT enabled negotiation and binding workflow

B3i made use of its existing network to test the application and to provide feedback throughout its development during which participants set up their own nodes and created test contracts modelled on existing, real world, terms and conditions to emulate regular processes and transactions in a realistic manner. In this way, the participants provided B3i with direct feedback on the usability and functionality that helped shape the product and improve the user experience.

Currently, the CAT XoL solution focuses purely on the placement of the reinsurance contract with accounting, payments and claims to follow. As a first step, rather than requiring integration with participant systems, the data is entered via a web browser which simplifies adoption.

Being able to share the contract, associated files and the negotiation process is a significant step in achieving improved efficiency.

Key Features of v1.1

The B3i Cat XoL product has the ability to cover the majority of Cat XoL contracts which are transacted in the market today. Providing customers with the ability to negotiate and manage contract workflows on the B3i platform.

Since the release of v1.0 to our community members in July 2019, the B3i team have incorporated a significant number of additional functionalities some of which we describe below.

On the contract structuring side, our shipped version includes new functionality like advanced Property Cat XoL contract structuring and the ability to add an unlimited number of layers and nested sections. Customers can now make use of a flexible definition of Scope of Coverage, with inclusions and exclusions.

Additional functionality added in version 1.1:

- Advanced Property CAT XoL contract structuring
- Unlimited Number of Layers and nested sections
- Flexible definition of Scope of Coverage, with inclusions and exclusions
- Basic Portfolio Management functionality
- Lead/Quoting Market Placement
- Negotiation orchestrations
- Contract Negotiation version comparison
- Follow Market Placement
- Endorsements
- Contract Audit Trail and Lifecycle
- Placement status Overview
- Clause Library
- Contract Export in PDF
- Enhanced Messaging with bound context
- Document Sharing

Technical Platform

B3i is live in a production environment with its Business Network Operator (BNO) node, which manages the access to B3i applications and the Corda Network. The first customers in this network will be able to transact and communicate with other members of the same network.

Members using B3i's Cat XoL application (CorDapp) will allow them to share the risk of large natural catastrophes. Insurance companies looking for coverage, brokers advising and assisting them with their expertise of the market and reinsurers providing capital can negotiate and place risks in a new via the peer-to-peer business network.

With this network and application, what took days, weeks and month before, can now happen in real time. The application connects users

over the boundaries of their individual company into a distributed ledger, where everybody has access to relevant data instantly on a need to know basis without disclosing information to unrelated parties. A cross-company workflow and digital signatures on transactions allows them to place binding insurance contracts between them in real-time.

But once we and our customers are on the map, this is only the beginning. Other applications that follow will enable frictionless risk transfer, some developed by B3i, some developed by partners and some by customers in the insurance industry themselves. This process will create an insurance ecosystem and gradually build a large network where the efficiencies of a DLT environment will be.

John Carolin

Chief Executive Officer

John's work experience spans the risk transfer industry including both insurance and reinsurance, as well as technology and entrepreneurship.

John has founded, led, or grown ventures that include a carbon offset platform, a retail property asset manager and a B2B advertising marketplace.

He has worked in South Africa, Switzerland and the United Kingdom.



Press Release Quote (15th October 2019)

"In future, we can expect to see new products on our network which are the result of collaborative development with partners. Growing our B3i Fluidity platform and the B3i Business Network will offer users access to a wide range of highly interoperable and functionally rich applications, benefiting a wide array of industry participants."

"This will also ensure that product development can be accelerated, bringing new products and services to market sooner."

John also emphasised "The value to the market of being part of the network and accessing its applications lies in the material reduction in administration costs, improvements in service levels, and greater contract certainty that this will enable."

John also expressed "There is an old African proverb: If you want to go fast, go alone. If you want to go far, go together. Our journey to this point has been made possible through the dedicated work of the B3i team, its partners and the broad and continued support we receive from our shareholders."

- John Carolin, B3i Chief Executive Officer

B3i Shareholders

