

Client Alert

"World's First" Reinsurance Contract Bound Using Blockchain Technology

April 8, 2022

The Blockchain Insurance Industry Initiative (B3i) announced that “Allianz and Swiss Re have successfully placed the world’s first legally binding reinsurance contract on distributed ledger technology (DLT), enabled by B3i’s live production network.” The placement involves a “core catastrophic” excess-of-loss reinsurance contract issued by Swiss Re (the reinsurer) to Allianz (the ceding company), which B3i notes both parties digitally signed earlier this year.

This development is the latest in the insurance and reinsurance industry’s continued push to utilize blockchain technology in new and innovative ways. For several years, the industry has recognized the importance of blockchain and its potential implications for cost savings, efficiency, and accuracy. Generally speaking, blockchain is a ledger that permits digital information to be distributed but not altered. New information can be written onto the ledger, but previously entered information, stored in “blocks,” cannot be modified. This immutability lends itself to a variety of applications beyond the Bitcoin cryptocurrency for which blockchain was originally devised. The industry continues to move beyond mere recognition and discussion of blockchain advantages into actual implementation and use of the technology, with the ultimate goal of enabling the “end-to-end management” of reinsurance contracts through blockchain technology.

The Allianz/Swiss Re Cat XoL placement is the most recent step in that direction. In that placement, the blockchain solution enabled by B3i’s live production network allowed the parties to have certainty regarding regulatory compliance as well as compliance with their own internal corporate security and technology policies. Jan Stoermann, Chief Underwriting Officer at Allianz Re, lauded this development as “a step into the future” and stated Allianz Re intends to “explore how to further integrate B3i’s platform into our transactional processes such as accounting and claims management.”

Crowell & Moring stands ready to help clients understand the most promising uses of blockchain, whether they are developers and vendors seeking to capture new opportunities, or companies and end users considering joining or deploying blockchain networks.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

Laura Foggan

Partner – Washington, D.C.

Phone: +1.202.624.2774

Email: lfoggan@crowell.com

Maarten Stassen

Partner – Brussels

Phone: +32.2.214.2837

Email: mstassen@crowell.com

Kelly H. Tsai

Senior Counsel – New York

Phone: +1.212.803.4069

Email: ktsai@crowell.com