

Blockchain in Insurance: One Company's Journey

Mike Fields

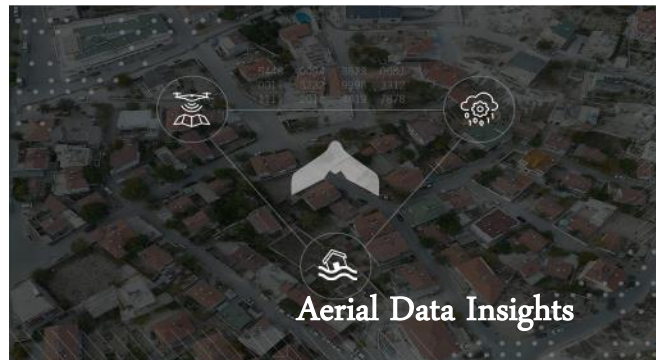
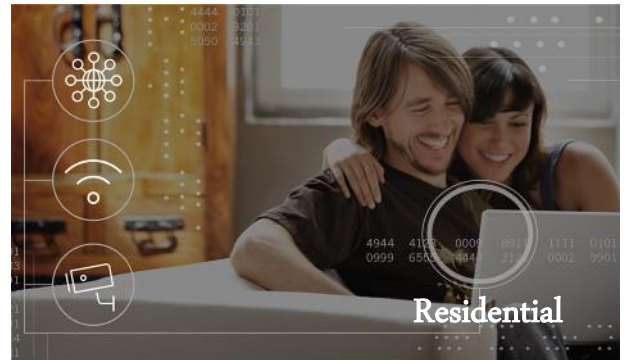
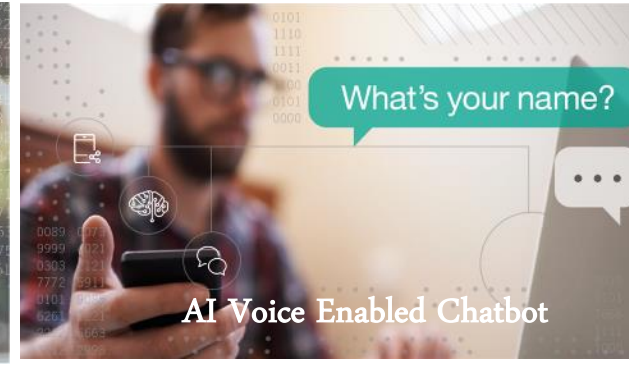
RED Labs Executive Lead

State Farm® Insurance



Agenda

1. Labs @ State Farm
2. Blockchain Journey
3. Product Overview
4. Questions



Blockchain Journey

Objectives

- 1. Investigation and evaluation of blockchain technology** and its ability to function as a viable technical solution for large enterprises.
- 2. Creation of a production blockchain solution** capable of being extended beyond the co-founders to other members of the industry.
- 3. Increased understanding of the business and legal intricacies** of establishing a blockchain network between organizations.

Initial Exploration



Identified 25+
Use Cases



Prototyped Multiple
Use Cases



Evaluated Blockchain
Platforms

Why Subrogation?



Efficiency



Automation



Capital

Why Blockchain?



Trust



Transparency



Immutability

Co-Development



Co-Built with
Another Insurance
Company



Developed on Phased
Implementation
Approach



Co-Delivered a
Prototype in Q4 2018

Phased Implementation



MVP Shadow Testing



Completed System
& User Testing



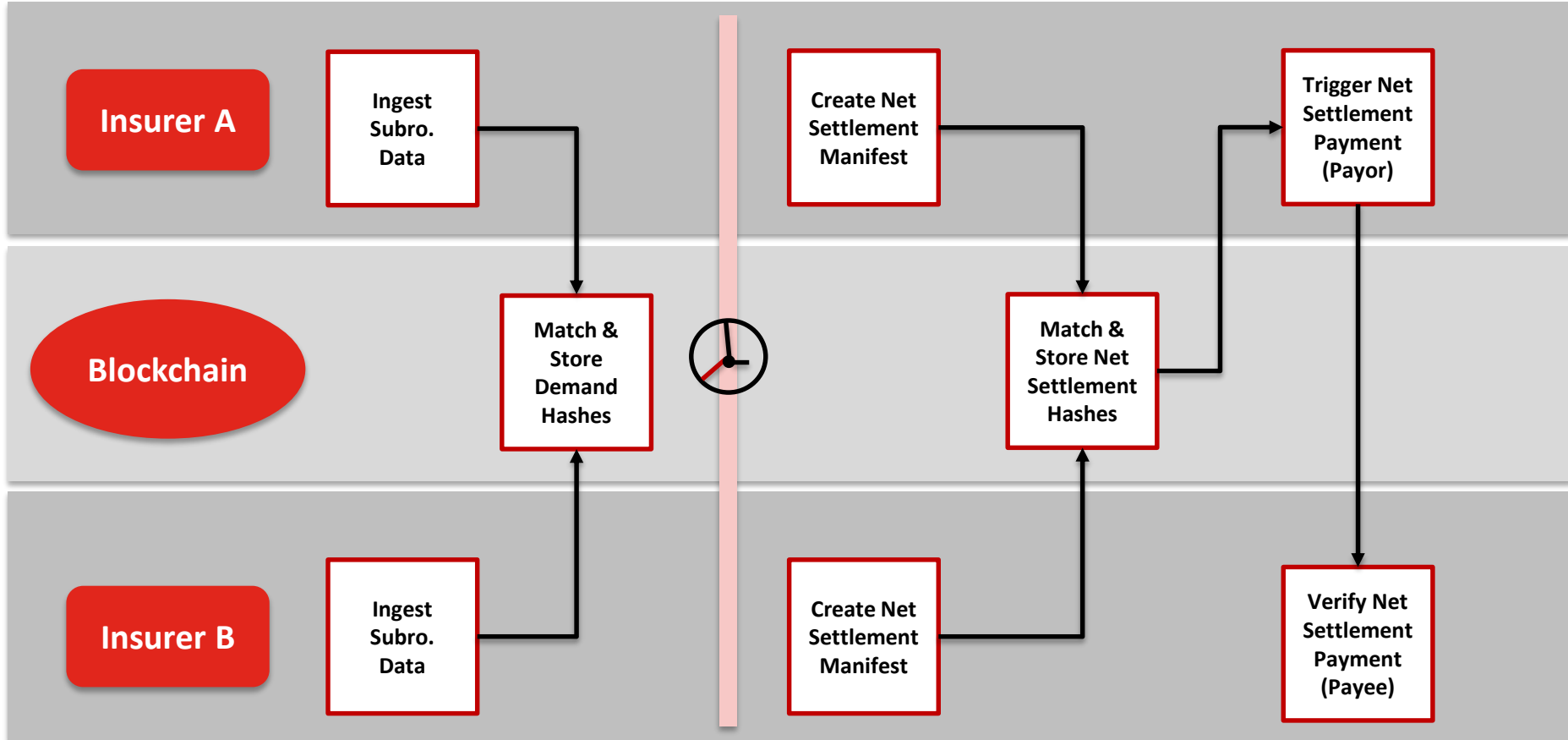
Identified Impactful
Learnings



Initiated Code Audits

Product Overview

Subrogation Net Settlement





User Interface

Net Settlements Home | Unmatched Demands | **Demands** | Net Settlements | Reports | Help | Sign out

Demands

Select Date Range: 01/05/2019 1:42:19 PM to 02/04/2019 1:45:19 PM

Filter by: Demand Type: Demand Date: Demand Date: Risk Filter:

Show 10 of 10 rows Search:

Claim #	Demand ID	Demand Type	Settlement Amount	Demandor	Responder	Settlement ID	Settlement Date	Status
000-22300	113107	Orig Demand	\$171.05	Insurance A	Insurance T		01/06/2019	sett_pending
000-23301	113101	Orig Demand	\$475.64	Insurance A	Insurance B		01/06/2019	sett_pending
000-22002	112402	Orig Demand	\$769.00	Insurance A	Insurance B		01/06/2019	sett_pending
000-22301	113101	Orig Demand	\$218.19	Insurance A	Insurance T		01/06/2019	sett_pending
000-20304	113104	Orig Demand	\$111.11	Insurance A	Insurance T		01/06/2019	sett_pending
000-22009	113040	Orig Demand	\$7,666.34	Insurance A	Insurance B		01/06/2019	sett_pending
000-22000	112400	Orig Demand	\$91,752.12	Insurance A	Insurance B		01/06/2019	sett_pending
000-22001	113107	Orig Demand	\$761.05	Insurance A	Insurance T		01/06/2019	sett_pending
000-23300	113103	Orig Demand	\$5,866.15	Insurance A	Insurance B		01/06/2019	sett_pending
000-22009	112402	Orig Demand	\$2,474.42	Insurance A	Insurance B		01/06/2019	sett_pending

Showing 10 of 10 rows

Net Settlements Home | Unmatched Demands | **Demands** | Net Settlements | Reports | Help | Sign out

Unmatched Demands Insurance A will receive \$139,028.98

Filter by: Demand Type: Demand Date: Demand Date: Risk Filter:

Show 10 of 10 rows Search:

Request #	Claim #	Demand ID	Demand Type	Settlement Amount	Demandor	Responder	Settlement ID	Settlement Date	Status
	EV71956741	7281-05	Orig Demand	\$ 8025.76	Insurance B	Insurance A		02/11/2018	sett_pending
	RSK6287674	101290	Supplemental 2	\$ 18442.07	Insurance B	Insurance A		02/11/2019	sett_pending
	SR 124380	431203	Orig Demand	\$ 42711.50	Insurance C	Insurance A		02/11/2018	sett_pending
	01719208	012072	Orig Demand	\$ 29722.13	Insurance B	Insurance A		02/11/2019	sett_pending
	0100K10101	4078607	Orig Demand	\$ 20160.14	Insurance C	Insurance A		02/11/2018	sett_pending
	00207624	014074	Orig Demand	\$ 10962.70	Insurance B	Insurance A		02/11/2019	sett_pending
	0100K10101	4170005	Orig Demand	\$ 26350.31	Insurance C	Insurance A		02/11/2018	sett_pending
	0100K10011	482697	Orig Demand	\$ 11244.02	Insurance B	Insurance A		02/11/2019	sett_pending
	0100K10011	0143107	Orig Demand	\$ 40054.74	Insurance C	Insurance A		02/11/2018	sett_pending
	0100K10009	0159134	Orig Demand	\$ 33862.67	Insurance C	Insurance A		02/11/2019	sett_pending

Showing 10 of 10 rows

Net Settlements Home | Unmatched Demands | **Demands** | Net Settlements | Reports | Help | Sign out

Unmatched Demands Insurance A will receive \$139,028.98

Filter by: Demand Type: Demand Date: Demand Date: Risk Filter:

Show 10 of 10 rows Search:

Select	Claim #	Demand ID	Demand Type	Settlement Amount	Demandor	Responder	Settlement ID	Settlement Date	Status
<input type="checkbox"/>	14151505	113049	Orig Demand	\$ 414.42	Insurance A	Insurance C		01/05/2019	sett_pending
<input type="checkbox"/>	00112301	110104	Orig Demand	\$ 111.11	Insurance A	Insurance C		01/05/2019	sett_pending
<input type="checkbox"/>	14151507	113049	Orig Demand	\$ 411.14	Insurance A	Insurance C		01/05/2019	sett_pending
<input type="checkbox"/>	00112303	110106	Orig Demand	\$ 121.45	Insurance A	Insurance C		01/05/2019	sett_pending
<input type="checkbox"/>	00112302	110102	Orig Demand	\$ 421.21	Insurance A	Insurance C		01/05/2019	sett_pending
<input type="checkbox"/>	00112302	110103	Orig Demand	\$ 761.45	Insurance A	Insurance C		01/05/2019	sett_pending
<input type="checkbox"/>	00112301	110101	Orig Demand	\$ 421.21	Insurance A	Insurance C		01/05/2019	sett_pending
<input type="checkbox"/>	00112304	110105	Orig Demand	\$ 121.45	Insurance A	Insurance C		01/05/2019	sett_pending
<input type="checkbox"/>	00112302	110101	Orig Demand	\$ 421.21	Insurance A	Insurance C		01/05/2019	sett_pending
<input type="checkbox"/>	00112301	110101	Orig Demand	\$ 421.21	Insurance A	Insurance C		01/05/2019	sett_pending

Showing 10 of 10 rows

Net Settlements Home | Unmatched Demands | **Demands** | Net Settlements | Reports | Help | Sign out

Net Settlements

Show 10 of 10 rows Search:

Settlement ID	Creation Date	Amount	Payor	Payee
381463	08/24/2018 10:00 am	\$ 320.00	Insurance A	Insurance B
481129	07/24/2018 10:00 am	\$ 2,100.42	Insurance A	Insurance B
410047	06/24/2018 10:00 am	\$ 123.42	Insurance C	Insurance A
570714	06/14/2018 10:00 am	\$ 27,566.50	Insurance E	Insurance A
791321	06/07/2018 01:00 pm	\$ 345.12	Insurance F	Insurance A
760301	07/24/2018 10:00 am	\$ 3,7759.49	Insurance A	Insurance B
862139	06/24/2018 01:00 pm	\$ 345.12	Insurance A	Insurance B
481081	03/04/2018 03:00 am	\$ 300.00	Insurance A	Insurance B

Showing 10 of 8 rows



ANNOUNCEMENT!

dig in

State Farm



Questions?