

Blockchain In Insurance Use Case #1: Kasko2go

Blockchain

Technologies

Use Cases

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This interview is part of our new [Blockchain In Insurance series](#), where we interview the world's leading thought leaders on the front lines of the intersections between blockchain and insurance.

In this interview we speak with Johannes Gugl, Chief Strategy Officer of [Kasko2go](#), to understand how his company is using blockchain to transform the insurance business, and what the future of the industry holds.



1. What is the story behind kasko2go?

JG: kasko2go is a Usage Based Insurance (UBI) app that offers a reduction of the motor insurance premium of up to 50%. Our solution provides an individual approach to every customer, better risk management, improved fraud analysis, and overall safety of the driver. We use AI and Telematic Big Data assessments with Pay-As-You-Drive and Pay-How-You-Drive models. We calculate the premiums based on driving style and the number of kilometers travelled.

Our mission is to build a community of safe drivers and we strive for insurance justice for everybody, no matter their age or nationality. Also, we want that the insurance industry becomes transparent and fair. Kasko2go is more than just an app, it is a philosophy. Every car owner can make a difference contributing to safer streets, be conscious about the environment and at the same time save insurance premiums.

In 2015, we began to analyze driving styles with the help of our telematic systems of our predecessor company. Since then, our random sample has covered more than 3 million drivers and we are collecting a large number of statistical, dynamical, demographic and driving parameters through different sensors. This gave us the perfect base to develop a scoring algorithm for each individual driver and commute and to develop a cutting edge, Usage Based Insurance solution. More than 40 engineers and scientists with high-tech, scoring and telematics experience have helped to develop the product and we are now already 65 employees.

2. Please describe your use case and how Kasko2go uses blockchain:

JG: Our use case is pretty simple, but the technology behind is very advanced. We provide a lower insurance premium to those who drive less and safe. Our app tracks the drive and calculates instant scoring and price for each way.

We collect a lot of data and need to take care that this data is stored securely according to the GDPR requirements. And this is already the first blockchain use case we are implementing. But we are working on a more comprehensive blockchain approach optimizing our claims management processes through smart contracts as well as a shared ledger for fraud detection and prevention, hashing each claim in the blockchain.

But we've decided to release these solutions in a step-by-step approach since we work with insurance partners, which are not able yet to interact with us through a blockchain solution.

3. Could you share a specific customer/user that benefits from what you offer?

JG: The blockchain as such should not be a customer solution in the insurance industry. An insurance is an insurance, but the blockchain offers a lot of new opportunities in terms of new products and improved processes. And this finally leads to reduced insurance premiums. Motor insurance is mostly a low margin business for insurance companies, due to high loss rates and claims costs. And it takes weeks until payments are settled. But insurance premiums are still high, especially for low mileage and safe drivers. The blockchain and smart contracts can reduce time and costs significantly through automatic settlement and payments, automation of back-office processes and transaction costs. Once the contract is confirmed and signed by all parties, the contract and all conditions are recorded on the blockchain and once the parameters of a claim are confirmed, settlement will execute automatically. The conditional based hard-coded contract terms gives the insured and insurer a better security about the terms and conditions.



4. What other blockchain insurance use cases are you excited about?

JG: There are a lot of blockchain use cases in the insurance business we are excited about and we are going to further leverage our capabilities developing insurance innovations based on the blockchain technology. We are looking forward when crypto payment is becoming state of the art, since this will finally solve a lot of frictions and improve all settlement processes and even accounting processes. Nowadays this still is the friction for people to use our system only with tokens.

But also parametric insurance as well as peer-to-peer insurance are interesting future solutions for us where we definitely will dig in deeper in the future.

5. Where will Kasko2go be in five years?

JG: Our vision is to become a global leader in intelligent data processing. We see a lot of opportunities in the insurance business and we have a lot of insurance knowledge in our team. But we see also automotive and the future of mobility as well as smart city as our logical next markets to offer specific solutions. We are in an exciting time where technology such as blockchain or AI revolutionize many industries such as insurance and automotive. We made an in-depth research about the future of automotive and mobility and our conclusion is clearly, that the blockchain technology is the main enabler to make this work. But first of all, we are growing horizontally rolling out our UBI solution in Europe as well as globally together with partners. In a next step, we will develop and offer additional solutions for the insurance and other industries leveraging our technology, our data and our capabilities in scoring and insurance.

About Emilia Picco

Emilia is the Managing Editor of Disruptor Daily and has been with the team for over two years now. She has a deep passion for technologies that will reshape our world and has interviewed many of the world's leading thought leaders. She lives in Argentina and as expected, is a wine lover.

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