

Everledger to use blockchain technology for insurance purposes



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Everledger, a London- based startup that provides immutable ledger for diamond ownership and related transaction history verification for insurance companies has come up with a plan to ensure that the insured items are what they are said to be.

As stated in the 2012 study from the Association of British Insurers, around 65 per cent of fraudulent claims go undetected, at an expense of ? 2 bn to insurance company every year.

Leanne Kemp, the chief executive officer of Everledger stated, “ Insurers will meet at a conference one a year and say ‘ By the way, did you see our diamond fraud has gone through the roof this year?’ and they’re like ‘ hey, so has ours actually - we’ve paid out heaps!’.”

Yet, until now there is no certain way to detect if a diamond has been stolen. Just like other luxury goods, proof of ownership remains locked in paper, which is vulnerable to tampering and loss.

The blockchain is distributed public ledger for tracking the provenience in a way that is more booming ad accessible than a paper trail.

The individual diamonds cannot be constantly connected to immutable digital ledger even though they can be cut or reshaped and for serialized IDs to be ground off.

Everledger digitizes a host of data point about each stone to create multi-layered digital fingerprint.

Kemp state that cutting diamonds is a waste and loses value, “ The perfect use case for the blockchain is most definitely when there is an immutable ID on a device that cannot be changed and it is sitting within an immutable ledger.

And that is clearly within the world of IoT [Internet of Things]. Where you literally get the Intels of the world providing an immutable ID. And we see that, from an insurance perspective, coming down the line quite quickly.”

Leanne Kemp hails from Australia and has a background working in insurance and the jewelry industry and also with the emerging technologies such as RFID.

Kemp accentuates that Everledger is not a consumer product, but rather a business- to- business service that bills out on access to its data. All the information is kept on the company’s Eris- run platform.

She continues, “ It would be a suicide attempt for us to put that information on the public blockchain today because there is a whole bunch of legal things around how do we deal with the privacy of data.”

Along with Everledger, there are lot of startups that are exploring opportunities in bitcoin technology and one such us Barclays.

On June 2015, Barclays has signed off on a proof- of- concept to start experimenting with bitcoin technology.