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PRESS RELEASE

openIDL Pilot Delivers First-Ever Advantages for Insurance Regulatory Reporting

Deployed for a COVID-19 regulatory data call, the blockchain/distributed ledger technology generated previously unattainable insights, quickly, while maintaining data privacy and security.

LISLE, Ill, August 17, 2021 – American Association of Insurance Services (AAIS) today announced that its initial Proof of Concept (POC) for the open Insurance Data Link (openIDL) demonstrated that it can dramatically improve both the output and process of insurance regulatory reporting for insurers and regulators.

During the pilot, openIDL's blockchain/distributed ledger technology exhibited several advantages over traditional methods of regulatory compliance. Among them:

- insurer information could be correlated with data from other sources to reveal deeper, previously unattainable insights
- insurers could deliver far timelier data, more efficiently and potentially instantaneously once their dedicated openIDL "node" was populated
- insurer data could be leveraged by regulators, while remaining private, secure and in full control of participating carriers

"This Proof of Concept set out to assess whether openIDL is a viable solution to improve regulatory reporting and elevate data management across the insurance ecosystem, and it passed this initial test with flying colors," said Ed Kelly, President and CEO, AAIS. "This is a potentially game-changing development for all stakeholders in the insurance industry."

The qualified Proof of Concept for openIDL centered on a National Association of Insurance Commissioners (NAIC) data call for information to assess the impact of the COVID-19 pandemic on the business interruption insurance market. Two leading insurance carriers, regulators from nine states, and AAIS, as the licensed statistical agent, participated in the Proof of Concept.

During the process, business addresses of Federal Payroll Protection Plan (PPP) loan recipients were correlated with policyholder addresses, supplementing policy records with loan recipient details without exposing raw data. The ability to associate insurer-provided data with third-party sources, in this case PPP loan data, can illuminate other insights of practical use to regulators, insurers, and other stakeholders, while maintaining the privacy of carrier data.

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ABOUT AAIS

Established in 1936, AAIS serves the property casualty insurance industry as the modern, Member-based advisory organization. AAIS delivers custom advisory solutions, including best-in-class forms, rating information and data management capabilities for commercial lines, inland marine, farm & agriculture, commercial auto, personal auto, and homeowners insurers. Its consultative approach, unrivaled customer service and modern technical capabilities underscore a focused commitment to the success of its Members. AAIS's strategic work and partnerships led to the creation of openIDL, the data and information sharing platform for regulatory reporting built on distributed ledger technology, now a Linux Foundation Project. For more information about AAIS, please visit www.AAISonline.com.

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“The insights openIDL can generate can both ease and elevate regulatory reporting. It opens opportunities for insurers to gain valuable information they can use for wide-ranging purposes, such as better managing their portfolios and target marketing, while giving regulators more meaningful information to steer policy making,” said Robin Westcott, Vice President & General Counsel, AAIS. “With openIDL, the entire compliance process also happens far more quickly and efficiently for all parties.”

openIDL was initially developed by AAIS and has now been adopted as a Linux Foundation Project where it is being expanded and evolved as the next-generation standard for statutory and periodic reporting and for broader application.

Commenting on the successful Proof of Concept, Brian Behlendorf, Executive Director of Hyperledger, a global collaboration hosted by The Linux Foundation, says, “We continue to be encouraged by the potential for openIDL to connect data and information across the entire insurance ecosystem, and beyond. As more companies engage in the open-source platform, we expect to see opportunities emerge from broader application, correlation and collaboration among openIDL members.”

More information on this Proof of Concept is available [here](#).