

# Co-Founder of Black Insurance Discusses Company Vision for Blockchain in Insurance, and Partnership with Fineqia (CSE: FNQ), (OTC: FNQQF) (Frankfurt: FNQA)

POINT ROBERTS, WA and DELTA, BC, Nov. 8, 2018 /CNW/ - InvestorIdeas.com, a leader in Blockchain content with its Bitcoin and Blockchain portals [Bitcoinandblockchainstocks.com](#), [Cryptocurrencyinvestorideas.com](#) and [Blockchaininvestorideas.com](#) release an exclusive Q&A interview with Risto Rossar, Co-Founder of Black Insurance.

Risto and InvestorIdeas discuss the big players testing blockchain in insurance and how their Board member, Bundeep Singh Rangar from Fineqia ([CSE: FNQ](#)) ([OTC: FNQQF](#)) (Frankfurt: FNQA), is adding value, expertise and "blockchain based policy administration."

With over 60 plus sign-ups from insurance brokers globally, writing almost \$400 million of premiums annually, this blockchain insurance company is one the industry will be watching.

A [report from PWC says](#), "The potential for blockchain to deliver substantial value to financial services is enormous. For example, a recent report from Goldman Sachs estimates that in banking, consistent use of blockchain in KYC/AML checks alone could save \$2.5bn of the estimated \$10bn global processing costs in the sector."

CB Insights [reporting on](#) Blockchain and Insurance notes, "Despite the rise of online brokers, many consumers still call insurance brokers by phone to purchase new policies. Policies themselves are often processed on paper contracts, which means claims and payments are error-prone and often require human supervision. Compounding this is the inherent complexity of insurance, which involves consumers, brokers, insurers and reinsurers, as well as insurance's main product — risk."

"Each step in this collaborative process represents a potential point of failure in the overall system, where information can be lost, policies misinterpreted, and settlement times lengthened."

"Enter blockchain technology, a cryptographically secured form of shared record-keeping."

## Interview

### Q: InvestorIdeas.com

For our listeners that don't know your story, give us the background on Black Insurance and your experience in the fintech and insurance sectors.

### A: Risto Rossar, Co-Founder, Black Insurance

Back in 2000, I founded a company that we consider to be the world's first fully online insurance broker called, lizi. It is now dominating the home market in the Baltics and has become a household name. For instance, you can get comparative motor insurance quotes from a panel of insurers, make the payment, and receive the policy in about 1 minute. As far as I know, this level of customer service and experience remains largely unprecedented in the world.

From there on, I founded Insly, an insurance management software that is being used by more than 300 firms across 40 countries. One of the main purposes of this software is to address the inefficiencies and friction that selling and managing insurance is facing - it's a lot. We're doing a great job at fixing what is state-of-the-art in insurance today but I've come to understand that the insurance industry needs a more fundamental fix.

As an example, an insurance policy is recorded in half a dozen or more separate information systems during its life cycle and then maintained by participants including: Brokers, wholesale brokers, insurers, reinsurers, and in some case regulators. All of these systems must be reported between and reconciled, information needs to be rekeyed, complex interfaces between the systems need to be built and so forth. It's hard to measure conclusively but our estimate is that as much as 20% of each insurance premium is burnt on this essentially worthless "busyness."

We also routinely see opportunities in the insurance sector that don't see the light of day as there is so much friction between underwriting, product design and distribution. If you have a great idea for a new insurance scheme, it can take you years and millions [of dollars] to get it on the market - if you make it at all. You might have noticed that while the rest of the world is changing at a breathtakingly quick tempo, the insurance industry has remained pretty much as it has always been. Now you know why.

### Q: InvestorIdeas.com

There have been a lot of discussions on how blockchain can disrupt the insurance sector. Two main focuses are reinsurance through blockchain as well as fraud and prevention. Can you give us more insight into how these two aspects could benefit?

### A: Risto Rossar, Co-Founder, Black Insurance

On the most basic level, blockchain can bring two types of benefits to insurance. The one most widely discussed has thus far been what we call "blockchain based policy administration". I described above how all participants in the insurance game are maintaining their own ledgers, constantly reporting back and forth. Blockchain is a shared ledger by its very definition. Writing the entire business on such ledgers while maintaining the data privacy, has the potential to create a "self-reporting" business. Certain transactions could also be automated by using smart contract technology. Think of having a travel insurance claim settled automatically when a public data source indicates a flight has been delayed.

Second - and a somewhat less discussed aspect - is the tokenisation of insurance. Behind each insurance policy, there is a certain amount of mandatory reserve capital in place that sees returns when there is no claim and vice versa. This capital could be broken into tokens and sold to crypto investors. This would remove a lot of friction between the capital and the great insurance product ideas looking for funding. We believe it can really kickstart innovation and competition in insurance.

### Q: InvestorIdeas.com

Where do you see blockchain on a global scale being adapted the most for insurance? What has been your feedback from peers and larger corporations so far?

### A: Risto Rossar, Co-Founder, Black Insurance

All large insurance and reinsurance companies are immensely excited over blockchain. As in other industries, they keep somewhat on the fringes of the disruptive and market development, leaving the riskiest undertakings to start-ups, ready to acquire and integrate only the proven models. They are probably thinking that start-ups are there for "manufacturing" the innovation, while big corporations come in to translate these innovations into reliable and efficient operations. That being said, since the insurance industry is somewhat on the stagnant side, it might happen that the start-ups take part in this race and bring the new models to a global scale themselves. This is left to be seen.

### Q: InvestorIdeas.com

Fineqia International's CEO, Bundeep Singh Rangar, is on your board. Give us insight as to the relationship with Fineqia International and what it means to have him and his expertise on board?

### A: Risto Rossar, Co-Founder, Black Insurance

Bundee is a strong ally to have and one with a truly global reach, with a wealth of experience in the financial sector. He contributes a lot both on the vision and operational levels. Bundee has spoken at many top tier blockchain and Insurance events as an industry expert including the Insurance Times Insurance2025, "Unblocking the blockchain potential for insurance" panel.

For Fineqia, we are a strategic opportunity on several levels. First, Black is working on enabling crypto-based fractional ownership (so called "tokenisation") in the insurance industry that [works with Fineqia's original core business model of crowdfunding]. We intend for such tokens to be offered on the Fineqia platform and match them with interested investors.

In addition to that, Fineqia has invested in PremFina, which is a financier of insurance premiums. PremFina also recently won the 'Best Use of Technology for Customer Experience – B2B' at the Insurance Times Tech and Innovation Awards. Its investment is alongside Rakuten, Draper Esprit, Thomvest Ventures, Talis Capital, Emery Capital and Rubicon VC, among other notable investors. Black Insurance, therefore, has potential synergies with other companies in Fineqia's portfolio.

#### **Q: Investorideas.com**

Allianz, DocuSign and other big players are all testing out blockchain prototypes for insurance. How is Black Insurance ahead of the curve for investors, and possible vendors and clients?

#### **A: Risto Rossar, Co –Founder, Black Insurance**

Our vision is more about the business model than the technology. Writing insurance policies on blockchain makes sense but it is relatively straightforward and will become a commodity soon. You can think about it as a new, better type of database.

We have a more comprehensive model that is set to create an entirely new way to produce insurance through tokenisation and the clever alignment of stakeholder interests. This approach has already earned us sign-ups by more than 60 insurance brokers around the world, doing almost \$400 million of premiums annually. There are hundreds of millions of big deals in the pipeline. They all see tremendous value in the ecosystem we are building and are set to launch next year.

**About Black Insurance:** Black is a digital insurance company on blockchain that allows token holders to invest directly into insurance risk and completely change the way how insurance markets work. Their aim is to create a global digital insurance platform that can make all insurance companies obsolete. For more information visit: <https://www.black.insure/>

#### **About Fineqia International**

Fineqia International is a listed entity in the Canada (CSE: FNQ), (OTC: FNQQF) (Frankfurt: FNQA). Fineqia International outlines the Company's corporate governance, culture, processes and relations by which the Company and its subsidiaries are controlled, directed and governed. Fineqia International oversees and ensures the overall success, planning and growth of the Company and all of its subsidiaries. It recently announced the incorporation of blockchain technologies to achieve these objectives. For more information visit: <https://investors.fineqia.com/news>

#### **About Fineqia Limited**

Fineqia provides a platform and associated services to support security issuances and manage administration of equity and debt securities. It acts as a broker bringing an issuing company's securities to market, distributing and marketing them as well as transparently highlighting the risks and objectively outlining opportunities involved. For more information visit [www.fineqia.com](http://www.fineqia.com)

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**For further information:** Contact Investorideas.com, 800-665-0411

CO: Fineqia International Inc.

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