Digital Asset

Zinnia Open Insurance:
The power of a single source of truth

Overview

Zinnia, a leading life and annuity insurance technology and services company, has turned to Digital Asset and its distributed ledger technology (DLT) as the foundation of its system of record platform, Zahara™, and created a single-source-of-truth solution. With Daml, Digital Asset's core technology and the leading platform for building and running multi-party applications, Zahara will enhance the speed of new insurance product launches, increase efficiencies, and provide a state-of-the-art solution for insurance administration and servicing. This new system of record and standardized data framework, securely hosted on Daml Hub managed cloud, ensures the speed and privacy of data exchange, while delivering an efficient processing platform that cuts through the complexity of legacy IT systems.

The consolidated, distributed ledger (including blockchain)-based platform and smart contact architecture Zinnia is developing, which is built on Daml, will bring clarity and efficiency to the multiple interactions a processor has with its partner clients in the insurance brokerage and pensions carrier space. It will provide easier connectivity and data exchange with multiple, third-party admins and risk insurance and annuities owners hosted on the Zinnia platform.

The challenge, project, and solution

Zinnia had relied on a multitude of databases to serve clients who link to the company's online processing and data presentation tools.

After taking the time to understand Zinnia clients' legacy ecosystem of overlapping systems, business-as-usual procedures, and lack of a document mapping function, Digital Asset helped Zinnia address the problem of a diverse, multi-tenanted data estate that needs a modern hosting platform.

The new platform Zinnia is developing will be more flexible and efficient for the data-centric future that is facing the life and annuities industry. Providing a single, modernized architecture based on Daml has already improved security, speed, and resiliency performance levels in this early, minimum viable product (MVP) stage of the Zinnia project.

Zinnia has also adopted and integrated the Daml Software Development Kit (SDK). This allows its own IT team, partner clients, and external developers who are already familiar with Daml to innovate new services and products much more easily. Everything Zinnia needs to build, test, and deploy an application is available in the SDK. Daml can be spun up on demand, and the Daml Hub environment makes it easier to automate multiparty workflows in the cloud, while the SDK makes integrating new applications into enterprise IT environments straightforward, with suitable in-built connectivity support.
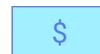
Zinnia by the numbers

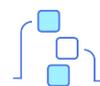$100 billion in assets under management from 40+ major insurance and pension clients

1 million+ agents and distribution entities who now have a standardized data framework to aid efficiency

$20 billion+ processed annually

120+ new products launched on its community app platform, which now uses the Daml Software Development Kit (SDK) to encourage developers to contribute to its ecosystem of services—as it grows, a risk transfer mechanism will launch

200,000+ new business applications handled on the evolving Zinnia processing and data presentation platform

Digital Asset

Benefits, background, and the future

Daml is an application framework for building networks of multi-party solutions. Solutions built and connected via Daml guarantee real-time, synchronized systems that obviate the need for reconciliation and reduce risk. Systems of record built with Daml securely connect across processes and data boundaries while retaining privacy, guaranteeing data integrity, and enforcing strict authorization. Allowing such systems to cross boundaries—legal, regulatory, organizational, or other—enables them to form seamless economic networks. The concepts of business are core structures of the language itself, so secure and scalable solutions can be built directly by the people who actually understand the businesses themselves.

The on-going strategic alliance between Zinnia and Digital Asset uses Daml's DLT, notarization, and smart contract capabilities to create:

Better data standardization

Enhanced data presentation tools to aid sales opportunities

Data access, flexibility, and scalability of the platform

Better data coordination and orchestration between clients and end users to increase efficiency and aid in the free flow of data

This latter coordination benefit of Daml is relevant for an increasingly open, data-centric world. Open application programming interfaces (APIs) are proliferating, allowing one piece of software to 'talk' to another, and competitors with relevant consumer permissions can now access a rival's client data in order to offer their own alternative products and prices.

"By removing complexity and simplifying the experience of how life and annuities are bought, sold, and serviced, Zinnia is making these products more accessible to consumers and driving growth across the industry. Our partnership with Digital Asset is a key part of this strategy by making it possible to share real-time data updates across the insurance value chain."

zinnia™

**Brad Medd
CTO**

Today's consumers are used to fast, contextual data on their mobile devices when they access social media or when they shop online, and they want the same level of service from their pension and insurance providers. They want their consumer experience (CX) to be easy and populated with data-rich transaction alerts, analytical savings and finance tools, projection calculators, and more—all available across channels on one easy-to-access platform. Those insurers that provide this level of service and can best align their internal people, processes, and technology will be the ones to succeed in the future.
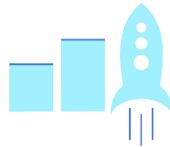
Key results of Digital Asset and Zinnia's collaborative efforts so far are enhanced efficiency, ease-of-operation, and data transparency. These are important gains in a life and annuity insurance sector that has faced challenges brought by legacy IT systems and the at times chaotic, complex interactions between brokers, processors, sub-insurers, end clients, and beyond—in addition to the complex risk assessment, lay-off, pay-out, and reward scoring mechanisms and regulatory reporting obligations that are present in the sector.

There are future benefits awaiting as the project ramps up towards full production. This is most especially the case in the ecosystem of services that providers will be able to present to end users by tapping into Zinnia's flexible data platform that can process an action, but also automatically update a data presentation tool to clinch a sale or meet a reporting obligation. An annuity provider or insurance brokerage could provide an ecosystem of services by tapping into Zinnia's platform—utilizing open API-powered co-creation software development tools—while simultaneously benefitting from the economies-of-scale savings that are available on a collaborative processing engine.

Digital Asset

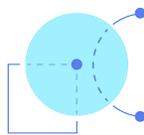**Speed-to-market: a key driver**

Insurance carriers must combine creativity and innovation with accelerated product delivery, but often grapple with:

Legacy technology environments	Insufficient customer engagement	Changing regulatory environments

There is a clear trend towards the use of open APIs to encourage more co-creation of products with fintechs and in support of freer data exchanges that cater to enhanced client and consumer demands for quicker, better, and more granular instant data. Platforms that can cope with multiple tenants, products, processing engines, and heavy data demands from end users are a must in the 21st century.

Another key and more immediate driver behind Zinnia's choice of Daml and Digital Asset was the historic low interest rate environment prevalent over the last decade. This has driven down margins and put pressure on operating costs, necessitating efficiency drives in firms' operating cost stances, leading to an increase in the use of collaborative processing engines such as Zinnia's.

Building a single source of truth where all data and interactions reside enables easier access to client risks and firm exposures and liabilities, and allows actions such as annuity purchases or data presentation to consumers to be processed with greater efficiency. In terms of building an ecosystem and a community of services, additional future benefits of adhering to a single platform and source of truth await Zinnia clients that fully take advantage of Zahara, Zinnia's new Daml-based framework.

Digital Asset

Digital Asset is a software company that modernizes legacy financial systems with Daml, our smart contract language, and Canton, our privacy-enabled blockchain platform. Together, this platform powers cutting-edge smart contracts and blockchain solutions, helping customers unlock new networks of value with sophisticated applications. Leading financial services, insurance, and healthcare organizations are partnering with Digital Asset to create new, multi-party solutions that transform disparate silos into synchronized networks.

Learn more and view additional case studies at digitalasset.com, or

Download Daml
and view our reference applications at https://daml.com

Connect with us on Twitter
@digitalasset and @damldriven

Set up a call or meeting
by contacting us at sales@digitalasset.com