



## Manulife Financial Corp. Embraces Blockchain Technology

### Description

One in three Canadians are clients of **Manulife Financial Corp.** ([TSX:MFC](#))([NYSE:MFC](#)). The insurance behemoth is not only the largest insurer in Canada, but also has a massive footprint spanning the U.S. and Asia.

Administering life insurance policies, retirement plans, college savings plans, annuities, investments, and countless other projects is a daunting task, and financial companies are typically slow out of the gate in adopting new technology, and for good reason.

That's about to change as Manulife's U.S. office, known as John Hancock, is now looking into adopting blockchain technology.

### The blockchain

The blockchain came to fame as its use as the public ledger for bitcoin, but applications for the technology can be applied almost anywhere.

The blockchain is basically a distributed database of transaction records that is blocked from being revised. Transactions are entered into the chain, created by users of the system, and then passed to other nodes in the system as valid transactions. Specific blocks record and confirm the validity and sequence of the transaction, which gets logged in the chain.

Essentially, it's like a public ledger that everyone can have a copy of, and valid transactions get added to all ledgers. This propagation of records (or lack of in the case of a doctored transaction) is one of the strengths of the system, which is why John Hancock is looking into using the technology.

### How can the blockchain help?

Typically when a company adopts new technology processes, the intent is to solve a particular need or problem of the business. In the case of the John Hancock and the blockchain, the intent is focused around efficiency improvements and the effectiveness of the product.

The company has several proof-of-concept designs under development in the Lab of Forward Thinking (LOFT). The Boston-based LOFT unit was launched just shy of a year ago and was charged with coming up with ways to integrate new technologies into the insurance and wealth management business models.

For now, LOFT is working on developing a minimum viable product that's focused on an employee-rewards application. That product is set to launch within the next month, after which the company can turn its attention to broader application and use cases of the technology.

Some examples of how this could translate into John Hancock's business include fraud detection systems, digital claims management, and even new product offerings geared towards security professionals.

### **What this means for Manulife and the financial industry**

Taking the initiative and working on integrating new technology into existing business processes is one thing that really impresses me about Manulife.

The company is being proactive to rather than reactive on this front, and with the insurance industry being a multi-trillion dollar market, the efficiency gains that the company seeks could be significant.

Beyond Manulife, several of the big banks have joined an international consortium whereby applications of blockchain technology in the banking and financial sector are being tested.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:MFC (Manulife Financial Corporation)

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