



Department of Business Regulation

Insurance Division

1511 Pontiac Avenue, Bldg. 69-2
Cranston, Rhode Island 02920

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Use of Distributed Ledger Technology in Insurance

This bulletin is intended to clarify that the Insurance Division allows distributed ledger or blockchain technology to be used by insurers doing business in Rhode Island. Distributed Ledger or Blockchain technology is defined as the use of a distributed, decentralized, shared, and replicated ledger, which may be public or private, permissioned or permissionless, or driven by tokenized crypto economics or tokenless. The data on the ledger is protected with cryptography, is immutable and auditable, and provides an uncensored truth.

Further, the Division considers an “electronic record” to include a record or contract that is secured through blockchain technology and an “electronic signature” as a signature that is secured through blockchain technology. The Division interprets the definitions of those terms in R.I. Gen. Laws § 42-127.1-2 to include these terms.

Finally, the Division hereby confirms that the use of smart contracts is allowable in insurance. The term “smart contract” is defined as an event-driven computer program that executes on a distributed, decentralized, shared, and replicated ledger and that is used to automate transactions, including, but not limited to, transactions that: (a) take custody over and instruct transfer of assets on that ledger; (b) create and distribute electronic assets; (c) synchronize information; or (d) manage identity and user access to software applications.

Elizabeth Kelleher Dwyer
Superintendent of Insurance
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