ACORD Introduction

What

ACORD is the recognised international authority on Insurance data standards and operates in three areas of the global Industry: personal lines and small commercial; large commercial and reinsurance; and life insurance and reinsurance. ACORD also works with domestic standards bodies where they exist.

Standards are a set of processing rules and common information that provide a standard framework for communication with business partners, i.e. a common language spanning the world.

ACORD is funded by subscriptions from each of its 500 members.

Why

Standards enable an organisation to develop electronic links with their trading partners to a common method. Without standards each firm would need to develop, build, operate and then maintain different ways of working electronically with each of its trading partners. There is no competitive advantage in having non standard implementations – this merely adds to processing complexity. With data, process and communication standards each firm can trade electronically in a standard and therefore more cost effective manner.

How

ACORD creates standards by working with practitioners in the insurance industry to establish common methods and common information for a particular business function e.g. an accounting transaction. ACORD manage and analyses these activities and creates messages for electronic use by the insurance industry.

By moving from paper based systems to electronic the industry can improve speed of service through more efficient processing, achieve better validation of data with improved transparency and reduce barriers to international trade. Basically a more efficient and effective way of working is achieved by individual companies and the Markets within which they operate.

The implementation plans for electronic processing of London, the USA and Continental Europe are all based around the use of ACORD messages and standards.

When

ACORD standards are implemented today: the Market Repositories in London use ACORD standards; the Electronic Placing systems in the USA and the UK also use ACORD standards; and brokers and underwriters alike use the ACORD standards for Accounting, Settlement and Claims processing in the USA, UK and Continental Europe.

The approach ACORD communities are taking is to start small and then to grow. ACORD supports this by defining fundamental core data (skinny messages) as well as the complete data set (fat messages), and by working with each community to communicate roadmaps and schedules for their implementations.