ACORD - global insurance data standards

Market Reform session
July 2009

Roy Laker
Agenda

- Business challenges
- About ACORD
- ACORD Implementations
- Other areas
  - Exposure data
  - Testing and Certification
  - Member Support
  - London Office Blog
Business Challenges

- Realising shareholder value and growth
- Achieving greater process efficiency
- Improving service to customer
- Satisfying authorities
- Accessing management and risk information
- Managing legacy systems
- Addressing the changing competitive landscape
Who is ACORD video

- To view the video played at the session please click here
ACORD Standards

- **What**
  - ACORD Insurance data, messaging and process standards
  - Set of processing rules and information that provide a standard way for communicating

- **Why**
  - Standards enable an organisation to link with their trading partners to a common electronic method

- **How**
  - By working with ACORD staff and members to develop and implement ACORD standards

- **When**
  - Implementations happening today in London, the US and continental Europe
ACORD

- Is a member run organisation
  - a not-for-profit, global insurance standards organisation

- Members define the standards
  - With advice and guidance from ACORD staff

- Has many worldwide members
  - International organisation
ACORD Worldwide Members

- >230 Insurance Carriers, Reinsurers, Agents and Brokers
- >200 Solution Providers
- 30 Associations
- Membership Schemes
ACORD - Standards geographical usage

Life Annuity and Health
ACORD - Standards geographical usage

Reinsurance and Large Commercial
ACORD Standards Domains

- Life Annuity and Health
- Reinsurance and Large Commercial
- Property Casualty and Surety

ACORD Standards Committee

Board of Directors
RLC Standards

- Cross barrier business
- Used in London Market and Internationally
- Supported by the ACORD London Office
- Key task is implementation of Standards
ACORD Implementations

- Messages are multi functional
- Implement in ‘bite size’ chunks
  - Start with skinny messages
  - Enhance functionality and data gradually
- Roadmaps are needed
- Implementation guides are developed
- Implementations are tighter, simpler, more manageable and cost effective
ACORD RLC Global Roadmap

Implementation Projects

End Vision
- Improve Client Service
  - Make the RLC community easy to do business with, creating greater opportunity for globalization and entering new markets.
- Improve cost effectiveness of processes and reduce frictional costs
  - Promote international global nature of ACORD RLC messages
  - Ensure regulatory compliance and best practice are designed in from the outset by improving data availability and reporting ability
  - Standardised processes and technologies
  - Flexible to allow for bespoke nature of business
  - Enables remote working, but does not impose it
  - Promote ACORD XML messages to all players in the insurance value chain requiring full business process feedback loop

Business Processes

- Establish the debt (Technical Account message)
  - Premium
  - Claims
  - Balance Accounts
  - Messaging with technical acknowledgement
  - Messaging with business acknowledgement
  - With electronic documents – DRI

- Initiate Settlement (Financial Account message)
  - Premium
  - Claims
  - Balance Accounts
  - Messaging with technical acknowledgement
  - Messaging with business acknowledgement
  - With electronic documents – DRI

Supporting Technology

- First Notification (Claim Movement Message)
  - Skinny (claims core) messaging
  - Full messaging
  - With electronic documents – DRI
  - Claim Bordereau

- Further Advice (Claim Movement Message)
  - Skinny (claims core) messaging
  - Full messaging
  - With electronic documents – DRI
  - Claim Bordereau

- Payment Request (Claim Movement Request)
  - Skinny (claims core) messaging
  - Full messaging
  - With electronic documents – DRI
  - Claim Bordereau

ACORD Messaging Services
- Asynchronous Asymmetric Inbox/Outbox, Post/Retrieve
- Symmetric Asynchronous: Inbox, Post
- Synchronous Call
- Connectivity Test Ping
- MimeType

ACORD Web Services Profile
- Asynchronous Asymmetric Inbox/Outbox, Post/Retrieve
- Symmetric Asynchronous: Inbox, Post
- Synchronous Call
- Connectivity Test Ping
- MimeType

DRI
- Notify: Down Load Request, Response
- Upload
- Search: Request, Response; Download Request, Response
- Large Documents

Draft 6 – Work In Progress

Supporting Technology Infrastructure
- Using ACORD Web Services Profile
- Electronic documents using ACORD DRI messages
- All processes fully automated
- All processes traceable
RLC Implementations Worldwide

London
Europe
North America
Middle East
London Market - Plans

Paper with London Messages

Electronic documents with London Messages

Electronic documents with skinny RLC Messages

Electronic documents with fuller/fat RLC Messages
London Implementations

- **Lloyd’s Exchange**
  - Connectivity is simple
  - Ensures compliance to standards

- **DRI messages (e-documents)**
  - Accounting
  - Claims
  - Placing

- **Data messages**
  - Placing
  - E-Accounting

- **“ACORD for All” service**
  - London Underwriters can receive ACORD messages in place of London EDI message.
RLC in Europe

- **Data and Documents**
  - Accounting and Settlement
  - Claims

- **Priority is:**
  - Accounting, settlement and claims (not Placing today)
  - Greater volumes
  - More business partners
RLC in Europe - Rueschlikon

- ACORD premium, claims and DRI
- Running messages over the SWIFT network
- Partnership between:
  - SWIFT, ACORD, Swiss Re, Munich Re, SCOR, Aon Benfield and Willis
- A shared industry solution for electronic data exchange
- The first phase will focus on messaging, subsequent phases will deliver:
  - Validation
  - Matching and pairing
  - And possibly more
North America

- **USA**
  - Being used for Reinsurance business
  - Some Placing activity but mainly used in the Accounting and Claims area
  - E Trading Group

- **Bermuda**
  - Placing starting to happen
  - Accounting implementations

- **Canada**
  - Examining the use of claim movement message for advices and implementing accounting messages
Middle East

- **Qatar**
  - Recently launched their e initiative
    - Focus initially Placing
    - Will move to Back Office very soon
Conclusion

- **ACORD RLC XML standard** is a mature and proven solution driving benefits today.

- **Vendor** have established products that significantly reduced barriers to entry and reduced the ongoing operational costs.

- **Focus is on implementation with more trading partners**.
ACORD Update

- London Office Blog www.acordlondon.org

**ACORD London Office**

From the Desk of Roy Laker

**RECENT POSTS**
- ACORD Placing Implementation Guide (PIG) working group
- August ACORD Club Meeting
- Improving the RLC Standards - the Maintenance Process
- New RLC Working Groups
- Implementation Focus Groups
- Weblogs
- New Working Groups
- What will be in the next standard release RLC v2008.1?
- Farewell to the IT Club. Hello to the ACORD Club
- Lessons learned: Change Programmes

**DOCUMENTS**
- 2008 - 05 ACORD London Update

**Welcome to the London Office Blog**

This is where you can find out what's happening in the area of Reinsurance and Large Commercial - globally. The blog is for everyone interested in the Reinsurance and Large Commercial standards wherever you are in the World and is brought to you directly from ACORD’s RLC new centre.

*Posted at 10:25 in New | Permalink | Comments (0)*

**27 August 2008**

**ACORD Placing Implementation Guide (PIG) working group**

The new AOJU-H Placing Implementation Guide (PIG) working group held its first meeting on Thursday 21st August. This group is picking up on the great work done by the LMA standards group, and aims to share rules and guidelines hammered out in London Placing message implementations with the wider ACORD community. The new group included most of the participants from the previous LMA group, and the first meeting focused on catching up with outstanding issues and prioritising future areas of work.

The next meeting of this group will be on Thursday, 12th.
Test first with ACORD Testing and Certification Facility (TCF)

- Connectivity
- Security
- Standards compliance

And get trouble-free implementation with partners...
ACORD Support and Implementation Help

- ACORD awareness for business and IT technicians
- More detailed ACORD training and implementation help
- ACORD Health checks
- TCF help for organisations testing and those seeking certification
Exposures and binders

- ACORD working group has developed and now testing the Property standard
- Promoting the usage
  - Verification of Exposure data this year
  - Some pilots of binders this year
- Lloyd’s are reviewing the use of the standard
- Work on bordereau for premiums and claims
STP

- Lower Cost
- Automated Workflow
- Integrated Systems
- Reduce Errors
- Less Translation
- Better Service
- More Consistency
- Higher Quality
- More Transparency
- Speed to Market
- Ease of Doing Business