REINSURANCE AND LARGE COMMERCIAL INSURANCE STANDARDS

INTRODUCTION
1 WHO IS ACORD?

ACORD is a not-for-profit, global insurance standards organization that has been serving the industry since 1970. Its aim is to improve industry efficiency by developing, maintaining and encouraging implementation of standards (such as standard electronic messages and standard paper forms). ACORD splits its activities into three programs; Reinsurance and Large Commercial Insurance (RLC), Property, Casualty and Surety (PCS) and Life, Annuity and Health (LAH).

2 RLC DESCRIPTION AND SCOPE

ACORD's RLC program supports all Reinsurance and Large Commercial Insurance lines of business placed in both National and International markets. Through this Program, and with membership support and the involvement of industry-sponsored volunteers, ACORD facilitates the development and maintenance of the ACORD Standards for Reinsurance and Large Commercial Insurance.

The ACORD RLC Standards are designed to provide seamless transfer of information between insureds, brokers, insurers and reinsurers for non-life reinsurance and large commercial insurance lines of business.

The ACORD RLC Standards are based on development begun in 1992 under the direction of a joint venture comprised of European, UK and USA standards bodies. ACORD assumed responsibility for management and development of these standards in 2001. ACORD RLC Standards have been developed for all parts of the business cycle, from Placement through to Accounting, Claims and Settlement.

Diagram 2 illustrates the scope, the information flows and parties involved in RLC.
Scope is: Large commercial insurance, Reinsurance, Retrocession

XML message flows

Sender can be: Insureds, Brokers, Cedents, Retrocedents, Service providers, Hub services
Receiver can be: Brokers, Insurers, Reinsurers, Service providers, Hub services

Diagram 1 – Scope, information flows and parties involved in RLC
3 ACORD RLC RESOURCES

3.1 Resources pyramid

ACORD RLC standards are supported and described by various documents and other types of resources (such as databases, spreadsheets, services, etc) represented in diagram 2.

Diagram 2 – RLC resources pyramid

3.2 RLC resources pyramid explained

The document you are reading now is the “Intro” at the top of the pyramid.

Next level down are “overview” documents that describe each process area covered by the RLC standard; currently Placing, Accounting/Settlement/Claims and Document repository interfaces overviews exist.
Diving into more detail – next are the Quick reference guides. These documents are intended to give a snapshot view from the implementation community of the data that is being exchanged within RLC messages – giving a method for new implementers to quickly understand and source the information they need to get implementations in place with their business partners.

Next are the implementation guides. These documents have been put together based on ongoing feedback from implementers, and give guidance regarding how the RLC messages flow and interrelate.

Next, the data dictionary is an interactive database that holds the full details of all data in every RLC message. This is where to go when you need complete detail – full definitions, data types and formats and mappings to RLC messages can all be found here.

Now we’re down at the bits and bytes – next are the detailed specifications, schema files, templates, mapped examples and validation files for all of the RLC messages. These are the last word on syntax you need to follow when putting together each of the messages.

Next the Document Repository Interface specifications are shown – the ability to interface document repositories to allow partners to send and receive all types of electronic documents has become an important part of implementation strategies of most organizations within the RLC domain. These specifications set standards for how electronic documents can be sent and received in ways that make the underlying technology transparent to users.

On the next level is the technical message framework specification. The use of webservices is fundamental for sending and receiving RLC messages and for linking electronic document repositories – this document gives the details of how to set up and use webservices.

Next our “Roadmaps” are shown. Promoting implementation of ACORD standards is an important part of our work in the ACORD RLC programs – and these roadmap documents have been created working with USA, London and Europe communities to establish a shared view regarding targets and implementation priorities.

Next down is “Member support”. As well as having ACORD staff available to answer questions over the phone, we provide many other types of support for our members. We offer training sessions on all aspects of the standards, and training videos are also easily accessed via our website. Our working groups are supported by a collaborative website, which any member can log into to participate or to review progress. And on our main website there are many other documents to download covering specific aspects of implementation, and also our ACORD video on demand service allows you to watch interviews with key figures within the industry, as well as catch up on presentations you may have missed at one of our ACORD forums.

Third from the base of the pyramid our “Testing and certification facility” is shown. This is a real application that sits on the web. It can act as a dummy business partner to help you test your own implementation of ACORD standards – and it is also the method we use to certify that everyone’s implementations comply fully with the published standards.

Second to last is “Implementation reporting and publishing”. All of our members are encouraged to report details of their implementations so that these can be publicized to the full ACORD membership (see the online implementation reporting reports (OARS) on the ACORD
website - http://www.acord.org/Resources/im_reports.aspx). This helps you know that others out there are moving forward with the standards, and also may help you identify new implementation partners for the future.

Finally, at the base of the pyramid, ACORD offers additional services beyond those covered by your membership fee. This means we can offer more comprehensive help to organizations that may wish to consider this. Contact ACORD for more details.

## 4 ACORD RLC REAL-WORLD USAGE

ACORD RLC standards are widely implemented. Within the North American reinsurance market high volumes of placing, accounting and settlement messages are regularly exchanged. Within Europe, several of the large reinsurers have implemented accounting, settlement and claims messages with their broker business partners. Finally within London ACORD DRI messages are used extensively to share electronic documents, brokers and underwriters have implemented placing messages, and London market reform plans are underpinned by the commitment to migrate existing data and paper information exchanges to ACORD messaging standards.

Mentioned earlier, ACORD has worked with different international communities to develop roadmaps to document a shared view between implementers regarding targets and priorities. These help implementers to commit resource to standards development with the knowledge that other members of their own community are moving at the same pace. Even so, it should be noted that many individual organizations and business partnerships may be moving at a faster pace than indicated by the roadmaps – and also may be implementing flows of information not shown in the roadmaps, such as ACORD messages between international communities.

For up-to-date information of implementations by specific organizations – see the online implementation reporting reports (OARS) on the ACORD website - http://www.acord.org/Resources/im_reports.aspx.