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## Headlines and Information

### 1. ACORD Tweets ... Do you follow?

Over the past year, ACORD has been rolling out Twitter accounts to help keep members and others interested in ACORD Standards informed about activities, deadlines, and other important information.

Now, there are seven Twitter accounts tweeting ... something for everyone's interest:

@acord_standards	General ACORD Standards and event information
@acord_augie	AUGIE news
@acord_framework	ACORD Framework news
@acord_lah ACORD	Life, Annuity & Health news
@acord_pcs	ACORD Property & Casualty/Surety news
@acord_rlc	ACORD Reinsurance & Large Commercial news
@acordlomaforum	ACORD LOMA Forum event information and news

"Social media, like Twitter, are of growing significance to modern communication. ACORD started out with a single account and, based on reaction and input from members, decided to grow the number of accounts to meet the needs of different communities," said Mark Westin, Manager, Multimedia Communications for ACORD.

According to an April 2010 article on The Huffington Post, there were an estimated 105+million registered users with 300,000 being added daily. However, the website socialmediatoday.com, reported that many of the users are inactive, an estimated 80% in fact. The objective of ACORD's Twitter initiative is to use the technology as a tool to provide followers with useful and usable information.

"Our goal is to use as many avenues as make sense to keep our members informed. That includes taking advantage of various types of social media. By providing tweets of information important to them and their activities, we can show that these tools can be used productively in a business context," Westin added.

For those with and existing Twitter account, simply start following one or more of the ACORD Twitter accounts listed. If you don't have an account, just go online to [www.twitter.com](http://www.twitter.com), sign up and become a follower.



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## 2. eSignature is Slowly Growing in Insurance Circles, But Challenges Remain (1 of 2)

*In this two-part series, learn more about eSignatures technology, acceptance and implementation. This week, learn how the technology is being sold and how.*

by Ara C. Trembly

For the past three or four years, it has been near impossible to attend an insurance technology trade show or conference without seeing an eSignatures vendor and/or a session on eSignature (electronic signature) technology.

According to Webopedia.com, eSignature, sometimes referred to as "digital signature," is a digital code that can be attached to an electronically transmitted message that uniquely identifies the sender. "Like a written signature, the purpose of a digital signature is to guarantee that the individual sending the message really is who he or she claims to be," the source notes. In the insurance realm, of course, eSignature goes beyond mere identification in that it also substitutes for a "wet" signature, which is the normal writing of one's signature on a contract or other documents.

If you're wondering about the legality of such a signature, ECSI, which manages student loans and offers eSignature options, notes on its Web site that The Electronic Signatures Act went into effect on October 1, 2000 and gives electronic contracts the same weight as those executed on paper. Acceptable methods of signing electronically may include simply pressing an "Accept" icon online, use of digital certificates, smart cards and biometrics. Although the act enables documents to be signed electronically, however, it does not require electronic signatures. Thus consumers, and businesses, may or may not choose to adopt this option.

### **Selling the technology**

As a result, eSignature vendors are working hard to convince insurers, brokers and others that this technology is a must-have. For example, one vendor, eSignSystems, a division of Wave Systems Corp. of Lee, Mass., claimed in its recent marketing messages that its own eSignature product-SmartSAFE-can help insurers concerned with policy administration replacement, business intelligence, claims systems replacement, and agent portals.

If the claims are true, then it is fair to wonder why eSignature, which has been around for many years now, hasn't caught on faster in insurance, an industry that definitely wants more process efficiency and cost savings. According to Matthew Josefowicz, principal in the insurance practice of Novarica, "There is a fair amount of eSignature in things like agent on-boarding, but there hasn't been as much emphasis on it in customer-facing processes."

This is happening "mostly because of the combination of compliance resistance and lack of STP [straight-through-processing] capability," he continues. "eSignatures are most valuable when they speed up a transaction. If an insurer isn't prepared to have a once-and-done interaction with a prospect and turn them into a policyholder in real time, the perceived value of eSignatures is lower. But in cases where eSignatures have been adopted, the efficiencies gained in terms of processing time have been tremendous."

"The potential [for eSignatures] is certainly there, but there are still a significant percentage of agents who are faxing applications or mailing in paper copies, especially for commercial lines," states Mark Breeding, partner, SMA Strategy Meets Action. "Many agents do not have any real-time inquiry

capability, so options such as eSignatures are lower priority."

Overall, the analysts see a number of barriers to more rapid eSignature adoption in insurance. One challenge is insurers' fear of being non-compliant, says Josefowicz. "Ironically, what hurts eSignature adoption is that the statutes are so well written that there is essentially no case law challenging it. Without case law, compliance officers are hesitant to approve it."

Another challenge, according to Breeding, is that to fully capitalize on eSignatures, insurers need to incorporate the capability across the enterprise. "It's not just about capture on the front end. You have to consider security, authentication, authorization, workflow - and consider applications in other areas such as claims," he explains.

Donald Light, senior analyst for Celent, cites two major barriers. "First, the cost of processing 'wet' signatures is a relatively small part of total operational costs-so insurers looking for substantial dollar cost savings will likely look at bigger ticket items. Second, there is inherent resistance to change in field organizations and field sales staff."

*Ara C. Trembly is the founder of Ara Trembly-The Tech Consultant ([www.aratremblytechnology.com](http://www.aratremblytechnology.com)), a writing, consulting and advisory practice focusing on technology for the insurance industry.*



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### 3. Third Time's the Charm for SharePoint (*Tech Decisions*)

NEW YORK—May 12, 2010 - Today, Microsoft Corp. announced the worldwide availability of Microsoft Office 2010 and Microsoft SharePoint 2010 as well as Microsoft Visio 2010 and Microsoft Project 2010 for business customers worldwide.

Courtesy of

**Tech**decisions  
FOR BUSINESS

The preceding press release is hot news as I write this. It will be less newsworthy as you read this, but still will be relevant to corporate IT managers. Microsoft finally has released the third version of its portal/document management/BI/collaboration suite, and there are significant changes and some very cool new features. Rather than simply list the features of SharePoint 2010 in a structured manner, I am going to arbitrarily discuss some of the things that in my opinion make this product exciting.



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#### 4. BP Oil Spill & Flood Insurance (*Claims Advisor*)

*Excerpts from an interview with Louisiana Insurance Commissioner James J. Donelon*

Courtesy of

claims  
**ADVISOR**

**Claims Advisor:** Which insurers are most active in Louisiana for commercial and personal lines? What kind and quantity of claims are they seeing from the oil spill, and what has the insurer response been?

**Commissioner Donelon:** We're seeing little in the way of contact with the insurers that may have policies impacted by the spill and very little in the way of contact from policyholders lodging complaints. I attribute that to the fact that BP has said it will pay all legitimate claims and it represents that it is financially in a position to do so. BP has contracted with third party administrator ESIS and with Worley, a local independent adjusting firm, to handle claims, and we are engaged with these two companies, both of which hold licenses from our office.



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#### ACORD in Australia

##### 5. Life Standards Seminar in Sydney Scheduled

On 11-12 October, ACORD will be holding a seminar in Sydney focused on the use of ACORD Life, Annuity & Health (LAH) Standards within the Australian market. ACORD is currently working closely with the General Insurance (Property & Casualty) market and the Standards are being developed and implemented to increase efficiency within that sector of the market. Interest and activity on the life side of the market has been increasing making this two-day seminar an important next step.

**ACORD Insurance Standards:**  
*A Life Education Seminar in Australia*  
11-12 October, 2010  
Sydney Harbour Marriott at Circular Quay

"Over the past couple of years, we've been working with leading General Insurance companies to implement the Standards and we've made a great deal of progress. Now, the Life community is interested in finding out how ACORD Standards can help their business and improve data flow," said Alan Stitzer, Program Manager, ACORD.



In a recent article on Bestwire, it was noted that "Australia has seen a 26.6% rise in sales of direct life insurance products in the past year, driven by technology advances for direct channels better profit margins and competition in other distribution channels. The direct distribution channels now sell 138 products in Australia, up from 109 in 2008. The increase was primarily in term insurance, offering death, total and permanent disability and trauma cover, according to a research report by Rice Warner, an actuarial and management consultant firm."

"With this rapid rise in sales, data standardization is more critical than ever. There's more data being used and shared and ACORD Standards make that more efficient and cost effective. Over the two days, we'll

be able to help the Life community in Australia learn more about ACORD, how the standards could support their efforts and goals, and the ways they can benefit by implementing," Stitzer added.

The current agenda for the event includes a keynote address- by a leading insurer, an introduction to ACORD, an overview of the LAH Standard as well as technical presentations on the ACORD Messaging Library (used by the General Insurance industry) and the ACORD Framework.

Registration and sessions will be made available online at [www.acord.org](http://www.acord.org) in the next few weeks. For questions, please contact Alan Stitzer at [astitzer@acord.org](mailto:astitzer@acord.org).



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## Property & Casualty/Surety

### 6. Ward Group Names Top 50 Top-Performing P&C Insurers (*Insurance Networking News*)

What does it take to be included in a ranking of top financial performers in the property/casualty insurance marketplace? According to Ward Group, which released the results of its 20th annual analysis of the top financial performance among more than 3,000 U.S.-based property/casualty insurers, it takes long-term vision, among other things.

Courtesy of

**Insurance**  
NETWORKING NEWS

"Most companies now understand the current economic situation and its impact on their business," says Jeff Rieder, president of Ward Group. "However, the scars from the last two years are still affecting business decisions. It is important for companies to maintain a long-term vision throughout difficult business cycles. In selecting the Ward's 50, we identify companies that pass financial stability requirements and measure their ability to grow while maintaining strong capital positions and underwriting results."

The consulting firm's rankings take into account a five-year look at capital positions, underwriting results and key performance benchmarks that compare them to the rest of the industry.

In this years' ranking, 50 property/casualty group of insurance companies produced a 14.3% return on average equity from 2005 to 2009, compared to 9.2% for the P&C industry overall. Insurance companies that were evaluated were required to pass minimum "safety and consistency" thresholds to be considered for the Ward's 50 designation.



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## Reinsurance & Large Commercial

### 7. Linked-In Cat Exposure Comments on ACORD

As social media becomes commonplace, even within the insurance industry, new sources of information about ACORD and its activities are emerging. Recently, a LinkedIn "Catastrophe Risk Modelling Group" featured several references and discussions regarding ACORD and standards as they pertain to cat data.

"A lot of people only think of ACORD Standards being discussed in formal settings like at conferences or in news articles. The reality today is that ACORD is being talked about across the web by members from around the globe. The Standards are an integral part of the industry and part of their everyday work lives," said Puneet Bharal, Head of Advisory Services, UK/EU for ACORD.

"The cat data group has been underway for a while now and with all that's happening in the world, it's no surprise that the importance of cat data reached into social media discussions. When you read these posts, you also see the commitment of those involved in developing data standards," Bharal added.

Recently, an entry helped spread the word about ACORD activities within the cat modeling group. After a member posted a question regarding sources for her cat modeling industry research, several of the group members pointed her right to ACORD.

Among those commenting on this thread was Peter Hausmann of Swiss Re who wrote: "Assuming that you mean a standard about catastrophe exposure data exchange I can tell you that ACORD has set up a working group which is about to release a first set of information about a standard for aggregated data and one for simple detailed data (data about 1 location). [www.acord.org](http://www.acord.org) and [www.cresta.org](http://www.cresta.org) are the related web pages."

Adding to that, Elena Didita of Everest Reinsurance helped spread the word of the recent Reinsurance & Large Commercial vote on Cat Exposure data and moving the project to the Standards Committee for publication.

"For a lot of people, this is a great way to find answers to questions when they don't know where to go or they just want to hear it from their peers," said Bharal. "It's also a great way for members to help others understand what is going on and encourage them to get involved too."



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## ACORD Event Updates

### 8. ACORD LOMA Forum: Call for Speakers Deadline Nears

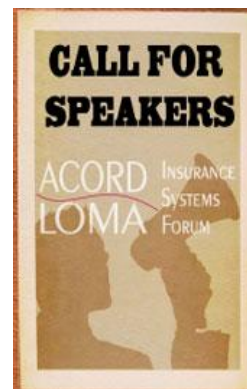
On September 24, 2010, the Call for Speakers for the 2011 ACORD LOMA Insurance Systems Forum will close.

"Before going off on your summer vacation, think about submitting your application to be a part of the 2011 ACORD LOMA Forum. It's a new year, a new location, and full of new possibilities to share your success stories with the industry," said Beth Grossman, Chief Learning Officer, ACORD.

According to Grossman, they are looking for experts within the insurance industry that can present new strategies and ways to improve business as well as industry trends and research results.

"The Forum covers a wide range of business and technology topics relevant to the insurance industry and covering all business lines. It's a great chance to reach decision makers in the insurance industry, let them know about your company's success, and help drive improvements industry-wide," she added.

Session proposals can be submitted [online](#). Questions regarding sessions and submissions can be sent to [speakers@acordlomaforum.org](mailto:speakers@acordlomaforum.org).



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### 9. ACORD LOMA Team Meets for 2011 Planning

Last week, a meeting was at ACORD's office in Pearl River to kick off the 2011 ACORD LOMA Insurance Systems Forum planning.

While much is already underway, the team got together to dig deeper into details.



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## ACORD's Anniversary: 40 Stories for 40 Years

### 10. Story #24: ACORD 35 - Members Always Make a Difference

*In celebration of ACORD's 40th Anniversary, we'll be bringing you trivia, history and other items from our past. See how much you know about ACORD!*

Recently, Jerome Greenberg talked about his work in the early days of ACORD. Back in the mid-70's, he was involved with what is now the IIABA of New Jersey.

At the time, work was underway by ACORD to create the first standardized forms. Greenberg's association worked with ACORD to design and review these new forms before they were set as the standard.

"Before ACORD, every other company had their own forms and they were all in legalese which no one understood them," he said. "There were drawers of individual company forms we had to know and use."

One day, Harrell Redden, the group's primary liaison with ACORD, came back with a draft of the ACORD 35 – Cancellation Request/Policy Release. When the two discussed the form and the fact that "the form was awful" and it was full of legalese that would cause confusion, Redden handed it off to Greenberg to rewrite.

Greenberg took the jargon, put it in English "to make it so the average person understands it," and focused attention on the three primary points of the form. After one minor change – removing the numbering of the three items – the form was put through the process and became a standard. Not only was it a standard upon its release in 1977, but that same form is still in use today. The red color may be gone, but the form lives on.

*What are your memories of ACORD? Let us know and you may see them here! Contact [news@acord.org](mailto:news@acord.org) and tell us your ACORD stories.*

A scan of the ACORD 35 Cancellation Request/Policy Release form. The form is titled "CANCELLATION REQUEST / POLICY RELEASE" and features the ACORD logo in the top left corner. It is divided into several sections: a header section with fields for "POLICY NUMBER", "POLICY EFFECTIVE DATE", "POLICY EXPIRATION DATE", "POLICY CANCELLATION DATE", "POLICY CANCELLATION REASON", and "POLICY CANCELLATION TYPE"; a "RELEASE STATEMENT" section with a "RELEASE STATEMENT" heading and a "RELEASE STATEMENT" text area; a "COMMENTS" section with a "COMMENTS" heading and a "COMMENTS" text area; and a "SIGNATURE" section with a "SIGNATURE" heading and a "SIGNATURE" text area. The form is filled out with handwritten information.