

ACORD Best Practices for Standards Implementation

> Strategies

> Methodologies

> Techniques

Best practices by definition are those strategies, methodologies, and techniques, as determined by major researchers, industry leaders, and experts that make you and your business more successful. ACORD Best Practices are those that will make your ACORD standards implementations valuable for your business and a success. They are based on the direct experience of our members who have learned the best ways to implement ACORD Standards to improve their businesses. They are designed to make your implementation of ACORD standards faster, make data communication throughout the insurance value chain more efficient, and enable you to more quickly and easily reap the benefits achievable through ACORD standards.

- 1 Information & Technology Strategy**
Incorporate ACORD data standards into your business and IT strategy. The use of the data standards should be a requirement throughout the business, because the data and information flow is the business.
- 2 Oversight Committee**
Create an oversight "executive committee" that actively promotes and monitors the participation, integration and implementation of ACORD standards within the organization.
- 3 IT Principles**
Use ACORD standards as part of your organization's IT operating principles and project management principles. If a project does not include the use of the ACORD standards, it should be seriously questioned.
- 4 Solution Providers**
Demand the use of ACORD standards with your vendors/solution providers and build it within the contracts. You are the customer and you should demand what you need for your strategic future.
- 5 RFP's**
Include the requirement for ACORD standards in your Request for Proposal or Request for Information documents.
- 6 SLA's**
Incorporate ACORD standards as a part of your Service Level Agreements (SLA's) with outsourcers or shared service providers. The lack of ACORD standards will limit your business options and flexibility while placing the power in the hands of the vendor.
- 7 Foundation for Architecture**
Use ACORD data and messaging standards as a foundation for your enterprise data and messaging architecture as well as for your data warehouse strategy.
- 8 Internal and External Integration**
Use ACORD data and messaging standards for both internal and external integration between: internal corporate entities, internal systems, trading partners, and third-party providers.

Insurance Data Standards
Life & Annuity • P&C • Reinsurance



nonprofit • industry developed • solution provider neutral

Researchers Agree ...

Leading researchers Gartner and Celent include ACORD standards in their best practices for the insurance industry.

Gartner: Insurance XML Strategy and Implementation Best Practices

1. Take a holistic view of XML opportunities (i.e., enterprise wide XML strategies).
2. Assign leadership for the XML strategy and projects.
3. Participate in standards development.
4. Adopt insurance specific ACORD Standards.
5. Measure ROI with XML initiatives.

Best Practices No. 4: Adopt Insurance-Specific ACORD Standards

Vertical and horizontal standards have emerged simultaneously. However, vertical standards, such as those developed by ACORD have the most potential to help the industry. The majority of surveyed insurers use ACORD standards for current XML strategies and implementations.

ACORD will continue to be the primary XML standard for insurers. Horizontal and supplemental standards will augment ACORD standards for exchanges not covered in ACORD (e.g., exchange with noninsurance companies that are not using ACORD standards).

Source: Insurance XML Strategy and Implementation Best Practices, Gartner, December 2001

Celent: Best Practices for Adoption

1. Join ACORD and become active members to shape standards.
2. Secure C-level sponsorship (Sr. Mgr. Level).
3. Evangelize.
4. Use a carrot and a stick.
5. Demand that your vendors support the standard.

Celent advises carriers who are considering adopting standards to take the following steps:

1. *Join in ACORD and become active members. The best way to make sure that the standards are suitable for your business is to help shape them.*
2. *Secure C-level sponsorship. Standards adoption must be presented as part of a core organizational objective to streamline operations, and ideally should be sponsored at a senior a level as possible.*
3. *Evangelize. Set up an internal team to promote standards usage internally and educate others.*
4. *Use a carrot and a stick. Adopting standards often requires individual business heads or technology managers to make initial investments from within their budgets. If at all possible, firms should provide some centralized budgetary incentives to adopt standards. Also, firms that are serious about standards adoption should make it a significant criteria in determining both budgets and managerial compensation.*
5. *Demand that your vendors support the standard. Leading carriers how have already adopted the standard are starting to contractually require their technology vendors to support the standards as well, ensuring easier and less costly integration.*

Source: ACORD XML Standards in US Insurance, Celent, October 2002