Standards Program
General Guidelines & Procedures

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1 Welcome

1.1 Your participation is an essential part of the industry standards-setting effort because the process requires collaboration and consensus. These guidelines and operating procedures are intended to provide you with a general overview of the process and not address all aspects of the entire ACORD Standards Program.

1.2 ACORD Standards are developed by consensus across a specified industry community having an interest in a particular type of standard. Standards are used for the electronic exchange of data/information and include electronic and paper forms.

1.3 ACORD Standards do not include items such as utilities, tools, best practices, methodologies or software used for the development or implementation of the Standards. For example, the ACORD Framework is a highly sophisticated tool for modeling the business of insurance. While it is useful for the development, maintenance and implementation of Standards, in itself, it is not an ACORD Standard and is not subject to these guidelines and operating procedures.

1.4 All activities related to the ACORD Standards Program are governed by the policies and procedures prescribed by the ACORD Board of Directors.

1.5 ACORD management shall be responsible for the administration of the ACORD Standards Program described in this document and will expand upon these guidelines with more detailed methods and procedures as required to carry out these directives. Suggestions for improving the process are always welcome.

1.6 These procedures and governance protocols are not subject to change by any committee or group except the Board of Directors.

2 ACORD Mission

2.1 ACORD is a global nonprofit industry-funded association organized in 1970 to provide form and data standards for the insurance industry to remove the technical barriers to open trade.

2.2 ACORD provides the structure and process by which constituents in the insurance value chain work cooperatively to develop Standards for the electronic exchange of data/information as well as for electronic and paper forms.

2.3 ACORD’s mission includes preserving the high quality of the Standards developed including the distribution and ongoing maintenance of the Standards.

2.4 The purpose of the Standards are to:

- Reduce the cost of doing business
- Connect trading partners efficiently
- Integrate disparate data stores
- Enhance data quality and transparency
- Improve customer service
- Advance the ease of doing business
- Hasten the speed of product development
- Provide access to markets and partners globally.

3 Core Values

3.1 The Standards are voluntary and developed by consensus to satisfy members worldwide. Therefore, participants in the ACORD Standards process must:

- Understand, serve and anticipate market needs;
- Encourage maximum participation and collaboration of all relevant parties;
- Participate in ACORD Standards development exclusively within the ACORD organization and comply with its rules and procedures;
- Continuously improve the core processes of the organization.

4 Vision of Excellence

4.1 To be the preferred Standard used for all lines of business across the industry value chain for internal and external system integration.
4.2 To be the industry resource for harmonization of related vertical and horizontal Standards.

4.3 To be recognized as having a world-class standards-setting delivery platform and process for the development, certification and ongoing maintenance of global Standards.

4.4 To deliver Standards on a timely basis without compromising quality.

4.5 To provide members with a wide range of tools and services to assist them in (1) developing a Standards-enabled strategy, (2) simplifying the process of adoption and implementation and (3) quantifying and maximizing return on their IT investments.

5 Antitrust Compliance

5.1 The ACORD Standards Program is conducted in a manner that complies with the letter and spirit of applicable antitrust laws. Compliance guidelines are set forth in ACORD’s Antitrust/Competition Law Policy included in the Appendix of this document.

5.2 The antitrust policy states that all interested parties have an opportunity to express their views on proposed Standards and that no participant shall seek adoption or modification of a Standard for the purpose of excluding the products of competitors from the market. No participant shall use the ACORD Standards Program to restrain competition and any discussion of competitively sensitive subjects is prohibited.

5.3 Any actual or suspected violation of these guidelines should be brought to the attention of the ACORD General Counsel. Serious, intentional violations will result in loss of the right to participate in the ACORD Standards Program.

6 Conflicts of Interest

6.1 For purposes of compliance with antitrust and other applicable laws, the Office of the Corporate Secretary may require participants in the standards-setting process to disclose information on ownership, corporate affiliations, sales of products or services to which ACORD Standards apply, and other matters relevant to the standards-setting process.

7 ACORD Standards Committee (ASC)

7.1 The purpose of the ASC is to provide a single point of direction and oversight of all Standards development activities at ACORD.

7.2 The ACORD Board of Directors shall appoint all members of the ASC. One member shall be appointed to serve as Chair. One or more Vice Chairs shall also be appointed.

7.3 Every member of the ASC except the Chair and Vice Chairs shall be appointed to serve as Chair of a Domain Steering Committee (DSC) representing a line of business, geography or other voting community.

7.4 Terms: The Chair and any Vice Chair shall serve a three (3) year term and may not serve more than two (2) consecutive terms. Other members of the ASC shall serve terms concurrently with their terms as Chair of a DSC or as determined by the Board of Directors.

7.5 Appointments to the ASC are determined by experience and the applicants’ ability to devote the time and perform the duties required of the position. Members of the ASC will represent the insurance industry and no member of the ASC shall be employed by or have direct line responsibility for any provider of software products or services.

7.6 All members of the ASC shall disclose if they (1) are employed by or have a personal financial interest in any vendor that might be affected by the Standards, or which sells or distributes products or services to which the Standards apply; (2) are employed by, or have a personal financial interest in an entity having an affiliation with a vendor of software products or services; (3) are employed by or have a personal financial interest in a vendor (i) of products or services sold to or distributed by ACORD or which are or will be the subject of contractual negotiations with ACORD or (ii) that sells products or services that compete with products or services sold or distributed by ACORD; or (4) serve as a consultant to any vendor or entity described in this section.
7.7 **Role**: The ASC coordinates Standards development activities among all DSCs.

7.7.1 The ASC shall approve the development of all Standards, the formation of all Working Groups (WGs) for any purpose based on recommendations from the DSCs, and the scope of voting communities, including those containing domain, cross-domain or subdomain designations, which define eligibility of an ACORD member organization to vote on a proposed Standard or MR.

7.7.2 The ASC shall work with ACORD management and staff to maintain openness, fairness and integrity of the ACORD Standards Program.

7.7.3 The ASC shall administer an appeals process across all domains to afford participants an appropriate opportunity for review of proposed Standards prior to adoption.

7.8 ACORD management will align resources across domains and give consideration to timelines, industry demand and other appropriate factors based on advice from the ASC.

7.9 **Meetings**: The ASC shall meet on a quarterly basis by teleconference unless the Chair determines a conference is not necessary, and more frequently as the Chair determines to be necessary. No substitutes are permitted at meetings except that a Vice Chair of a DSC selected by the Chair of that DSC can substitute for and vote in place of such Chair. Members of the ASC are required to attend two out of every three consecutive meetings. Failure to do so may result in removal from the ASC at the discretion of the Board of Directors.

8 **Domain Steering Committees**

8.1 The purpose of a DSC is to oversee the development and delivery of Standards to their community of industry participants. The DSC shall, where necessary, allocate work to smaller groups with specialized skills to facilitate decision making, make better use of the participant’s time and, wherever possible, reduce the elapsed time to create/update Standards.

8.2 Each DSC shall have a Chair and one or two Vice Chairs. All Chairs are appointed by the ACORD Board of Directors and will have a seat on the ASC. All Vice Chairs are appointed by the ASC.

8.3 DSC Chairs may invite other ACORD participants to designated meetings to obtain feedback and benefit by their expertise. However, only members of a DSC are eligible to vote on DSC matters.

8.4 **Terms**: All members of a DSC, except for the DSC Chairs, are appointed by the ASC. Members of a DSC, except for the DSC Chairs and Vice Chairs, shall serve one or more consecutive three (3) year terms without limit. DSC Chairs shall only serve one (1) three-year term, after which they shall not be eligible for reappointment as a Chair or Vice Chair for one (1) year following the end of their term as Chair. DSC Vice Chairs shall serve only one (1) three-year term, after which they shall not be eligible for reappointment as Vice Chairs for one (1) year following the end of their term as Vice Chairs. Vice Chairs shall be eligible for appointment as Chairs immediately following the end of their term as Vice Chairs. During the period of such ineligibility for reappointment, DSC Chairs and Vice Chairs shall be eligible to continue to serve as non-Chair or non-Vice Chair members of a DSC. Terms shall be staggered in order to balance the turnover rate of a DSC (as a result some initial appointees may serve less than a three-year term). Those appointed to fill vacated seats will complete the unexpired term. After the unexpired term is completed such appointees can apply for a full three-year term. Following such full three-year term, and except for DSC members who served in such full three-year term as a Chair or Vice Chair, such appointees will be eligible to serve one or more additionally consecutive three-year terms without limit.

8.5 No member of a DSC shall be employed by or have direct line responsibility for any provider of software products or services. All members of the DSC shall disclose if they (1) are employed by, or have a personal financial interest in any vendor that might be affected by ACORD
Standards, or which sells or distributes products or services to which ACORD Standards apply; (2) are employed by, or have a personal financial interest in an entity having an affiliation with a vendor of software products or services; (3) are employed by or have a personal financial interest in a vendor (i) of products or services sold to or distributed by ACORD or which are or will be the subject of contractual negotiations with ACORD or (ii) that sells products or services that compete with products or services sold or distributed by ACORD; or (4) serve as a consultant to any vendor or entity described in this section.

8.6 **Role:** A DSC receives requests for new Standards and Maintenance Requests for existing Standards that the Staff has forwarded for evaluation and discussion.

8.6.1 The DSC addresses these requests directly or assigns these requests to the appropriate Working Groups or a Plenary Session.

8.6.2 If the DSC determines that a request does not require the formation of a Working Group, the request can be addressed by the DSC directly and submitted to the ACORD voting process.

8.6.3 If the DSC determines that a Working Group is required, it shall submit a recommendation to the ASC for approval. This allows the ASC to consider the requirements of all domains.

8.6.4 The DSC provides the direction and defines the scope of the work to be undertaken within the domain and has final approval of all releases of an existing Standard or publications of new Standards. In addition, based on a recommendation the DSC may receive from Staff and the author of a proposed Standard or MR, the DSC makes a recommendation to the ASC on the scope of a voting community for such Standard or MR.

8.7 **Meetings:** A DSC shall meet as required. A DSC member can designate an alternate to attend and vote in place of such member provided the alternate is limited to attending not more than three meetings a year and is the same individual in each instance. Members of the DSC are required to attend two out of every three consecutive meetings. Failure to do so may result in: (a) forfeiture of the Chair position at the discretion of the Board of Directors in the case of a DSC Chair; or (b) removal from the committee at the discretion of the ASC in the case of all other DSC members.

9 **Industry Liaisons**

9.1 Each DSC may have one or more Industry Liaisons participate in its deliberations in a non-voting capacity.

9.2 An Industry Liaison is an individual representing a trade association or other industry-related entity that has constituents which have an interest in and are affected by ACORD Standards.

9.3 Applications to become Industry Liaisons are submitted to Staff for a recommendation regarding eligibility to participate and subsequent review by the DSC and determination on approval by the ASC. An Industry Liaison can designate an alternate liaison but only one individual liaison from an entity can attend any given DSC meeting.

10 **Advisory Groups**

10.1 The purpose of an Advisory Group is to provide expertise or otherwise assist in the development of Standards.

10.2 The ASC or a DSC may establish an Advisory Group for a specific reason and for a specific period of time. An Advisory Group established by a DSC requires the prior approval of the ASC. The request should outline the purpose of the group and identify the participants who will be asked to serve in the group.

10.3 An Advisory Group reports to the committee that created it.

10.4 Only those members appointed to Advisory Groups may participate in their activities. However, an Advisory Group may open its meetings to others for discussion of certain topics when it deems it appropriate.
11 Working Groups

11.1 Working Groups are convened to address issues that are too complex to be dealt with by a DSC. WGs must be approved by the ASC.

11.2 The applicable DSC shall provide the charter for the WG defining the topic to be addressed by the WG. The scope must be clear, the timeline and resources reasonable, and volunteers available.

11.3 The WG may clarify its charter only for the purpose of removing ambiguity or for narrowing the scope of the topic defined by the charter. The WG may not broaden or otherwise change the scope of the topic. The list of deliverables may be expanded if the new deliverables are within the scope of the topic. Other changes to the charter require prior approval by the DSC.

11.4 Terms: WG participation is open to any employee of an interested party that is an ACORD member organization subject to any criteria for participation adopted by the DSC. However, a WG may open its meetings to others for discussion of certain topics when it deems it appropriate. WGs are typically chartered for a certain time period and sunset at the completion of their assignment. The participants do not have terms.

11.5 At least five (5) member organizations must volunteer to serve on a WG. Individuals who volunteer need to have an interest and the skills required to address the work.

11.6 All WGs must have a Chair either appointed by the DSC or selected by a majority of the participants and approved by the DSC. The Chair must be qualified to facilitate group discussion and work with the Staff as required.

11.7 Meetings: WGs shall meet in person or by teleconference as often as required to accomplish the work assigned.

11.8 The DSC which established the WG is responsible for managing its progress, imposing deadlines and modifying or changing deliverables expected.

11.9 Minutes of a WG meeting shall be presented at a subsequent meeting of the group to allow insertion of changes, if any, for proper reflection of the prior meeting’s proceedings.

12 Voting Community

12.1 A voting community will be established for each proposed Standard and MR. The scope of the voting community will define the type of ACORD member organization eligible to vote on such Standard and MR. The voting community’s scope must be broad enough to include all member organizations that the proposed Standard is intended to serve.

12.2 The scope of the voting community will be determined by the domain, cross-domain or subdomain to which the proposed Standard or MR relates and the geographical area in which member organizations do business if the proposed Standard or MR would affect only member organizations in such geographical area.

12.3 The author of the proposed Standard or MR shall make a recommendation on the scope of the voting community. Any such recommendation shall be included in the template submitted with the proposed Standard or MR. Staff shall consider the recommendation of the author but shall not be bound by it.

12.4 If the Staff determines that no geographical limitation on the voting community is appropriate, then it may designate the voting community of such Standard or MR only by domain (or cross-domain or subdomain as the case may be) and not also by geographical area. Any such designation shall not be subject to review by a DSC or approval of the ASC. In the alternative, Staff may make a recommendation to the DSC and ASC concerning the appropriate domain (or cross-domain or subdomain as the case may be) designation. If the Staff determines that a geographical limitation is appropriate, then it shall make a recommendation to the DSC and ASC on the appropriate limitation.

12.5 The DSC shall review any recommendation by the Staff pursuant to Section 12.4 above and make its own recommendation to the ASC.

12.6 Recommendations by the Staff and DSC shall be made no later than the assignment or referral of the proposal to a Working Group.
12.7 Where the Staff or DSC makes a recommendation on the scope of the voting community, the ASC shall determine the scope of the community.

12.8 All proposed Standards and MRs submitted prior to December 8, 2009 shall be deemed to have a voting community designated only by domain (or cross-domain as the case may be) without the need for formal designation by Staff.

13 Voting and Quorum

13.1 Except as provided in Section 13.3 below or as elsewhere specifically provided for in this document, action taken by any committee shall be decided by simple majority vote of those present, provided that a quorum is in attendance for the vote.

13.2 A quorum of any committee shall consist of a majority of the membership of the committee.

13.3 Notwithstanding Section 13.1 above, approval by a committee of a proposed Standard or MR, or a decision by a committee on an appeal of a vote on a proposed Standard or MR, shall be by a majority of the membership of such committee.

13.4 A committee shall prepare minutes of its proceedings approved by its membership. At the discretion of Staff, the minutes can be approved by an email ballot in accordance with the voting requirements contained in this section.

14 Chairs

14.1 The Chairs are an important part of the ACORD Standards Program. They must have the leadership and meeting facilitation skills required to manage group activities.

14.2 The role of the Chair is to work with the Staff to prepare for a meeting, facilitate discussion, keep the proceedings on time and operating in accordance with applicable ACORD procedures, ensure that action items are assigned and target dates established, and facilitate discussion while also expressing the Chair’s own views where appropriate.

14.3 Chairs of the ASC and DSCs are required to attend two out of every three consecutive meetings. Chairs of Working Groups are required to attend three out of every four consecutive meetings. Failure to do so may result in forfeiture of the Chair position at the discretion of the Board of Directors or committee that appointed or approved the Chair.

15 New Standards and Maintenance Requests

15.1 Any interested party may submit a request for a new Standard or a Maintenance Request for an existing Standard to ACORD in writing and according to the submission template. Templates are available online and all requests are to be submitted to the appropriate Staff as indicated in the template.

15.2 The submission template must be fully completed. The business case must be defined, issues researched, impact considered (including the requester’s recommendation on the geographical area and subdomain(s), domain(s) or cross-domain(s) affected), documentation provided and a solution proposed.

15.3 All requests must have a participant sponsor or be submitted by the Staff. Requests from organizations that do not participate in the process are sponsored by ACORD. All requests must be acted upon by the Staff and appropriate DSC as follows:

15.3.1 All requests are logged and publicly posted.

15.3.2 Requests based on judicial, statutory and regulatory changes must take priority and are not subject to a vote.

15.3.3 The Staff will determine if the need is already met by an existing Standard or perform further research, if required. The number of companies impacted will be determined as well as when the change would be used in an implementation. The number and type of volunteer resources needed to complete the request is also a factor.

15.3.4 The Staff may decline the request if it has been submitted and declined within the past year and no new information is provided. The Staff may also decline the request if the need is already met by an existing Standard or if there
are insufficient volunteer resources to complete the request.

15.3.5 The Staff may submit the request to the voting process or to a DSC with a recommended approach. The DSC may recommend the convening of a Working Group to address the request. The DSC may also submit the request to the voting process.

15.3.6 Staff will follow the request through the process until resolution.

15.4 Unless rejected by the Staff or a DSC, requests may only be withdrawn by the individual submitting them. The notification of withdrawal must be in writing and received by the Staff or DSC prior to voting on the request.

16 Plenary Sessions

16.1 The purpose of a Plenary Session is to provide a forum to inform participants concerning issues related to proposed Standards or MRs prior to a vote.

16.2 Background materials shall be distributed to all participants in advance of a Plenary Session.

16.3 If Plenary Sessions are convened in person, they shall also be broadcast via teleconference or video-conference. A summary of the discussion including a non-binding vote (if one is taken) will be attached to the pertinent ballot in the voting process.

17 Voting Process

17.1 No ACORD member organization is entitled to more than one vote on any proposed Standard or MR ballot.

17.2 If multiple member organizations in ACORD under common ownership or control, regardless of their geographical designations, participate in the same domain (including participation in a subdomain of a particular domain or in a cross-domain housing that particular domain), all such organizations in the aggregate shall have only a single vote notwithstanding Section 17.1 above.

17.3 A member organization must specify the domain, subdomain or cross-domain and the geographical area (i.e., global, regional or national) in which it has an interest in Standards or MRs and identify the individual(s) authorized to vote on the organization’s behalf.

17.4 Every Standard and MR will have a description of the designated voting community attached to it consisting of a geographical area and/or cross-domain, domain or subdomain(s). Subject to Section 17.2 above, an ACORD member organization shall be eligible to vote on a proposed Standard or MR if it is a member of the designated voting community. The ASC shall have the sole power to determine if a member organization is a proper member of the designated voting community, subject to the appeals process described in Section 18 below.

17.5 All voting must be conducted electronically and allow a minimum of seven (7) business days from the date the ballot is distributed to the casting of a vote. The purpose of electronic balloting is to (1) provide a convenient vehicle for all eligible ACORD member organizations to participate, (2) encourage as much voting participation as possible, (3) provide an easy method for the attachment of supporting documentation to the ballot, (4) maintain a record of all votes by name of organization, name of voter and vote cast, and (5) enhance the overall efficiency of the voting process.

17.6 The electronic balloting system and procedures shall be developed, maintained and administered by ACORD management in a way that best serves the needs of ACORD participants and complies with procedures established by ACORD.

17.7 Approval requires an affirmative vote of three-fourths of ACORD member organizations which participate in the vote.

17.8 After the electronic balloting is complete, results are reviewed by the Staff and final tabulations submitted for review and final approval to the DSC applicable to the domain, subdomain or cross-domain affected by the proposed Standard or MR voted upon.
18 Appeals Process

18.1 For a ten (10) calendar-day period after the results of the balloting (voting) have been released to the public, any interested party may appeal a vote to the appropriate DSC. Appeals must be submitted to the Chair of the DSC and the Office of the Corporate Secretary. Staff will notify all participants in a vote that an appeal has been filed. The appeals process does not include reporting of errors found in a previously-approved Standard.

18.2 ACORD will convene an appeal hearing of the DSC (either in-person or a conference call) within thirty (30) days after receiving the appeal. A vote taken by a DSC will be effective only if a quorum of the DSC was present for the vote.

18.3 Any participants in a vote wishing to attend the appeal hearing must, in advance of the hearing, notify the Office of the Corporate Secretary or the Staff liaison to the DSC.

18.4 The DSC shall affirm the vote of ACORD participants if it finds that there is substantial evidence supporting the voting result and the participants’ decision was not arbitrary and capricious and was in conformity with all legal and procedural requirements.

18.5 After a hearing on an appeal, the DSC shall decide on the issues presented and issue a written statement of the reason(s) for its decision. Such decision shall be rendered within a reasonable period of time. ACORD will transmit the DSCs statement to all participants in the vote.

19 Standards Retirement

19.1 From time to time ACORD may: (a) no longer develop or accept MRs for a Standard (i.e., partially retire a Standard); or (b) in addition to a partial retirement, cease providing support to organizations that implemented a Standard and/or cease developing, and accepting MRs regarding, aspects of a Standard intended for retirement that are available in a newer ACORD Standard based on more modern technology.

19.2 Any retirement of any Standard will be subject to applicable domain, subdomain or cross-domain member input and approval of such retirement by the ASC based on a recommendation from the applicable DSC(s).

19.3 In no event will retirement of a Standard become effective in less than two complete voting cycles from the time the retirement recommendation is approved by the ASC.

20 Online Discussion Groups

20.1 ACORD uses online email discussion groups to facilitate effective group communications among participants in the Standards development process. The discussions are moderated by ACORD. All postings are reviewed by the Staff prior to being released. The content will not be edited by ACORD but ACORD reserves the right to reject content that does not directly relate to the purpose of the group, is inconsistent with ACORD’s compliance policy, or is otherwise inappropriate.

21 Volunteer Participation

21.1 Participants must abide by the ACORD Antitrust/Competition Law Policy which is included in the Appendix of this document.

21.2 Participants are expected to engage in email discussions, meetings and teleconferences of their committee or Working Group assignment.

21.3 Volunteerism drives the standards-setting process. Therefore, participants who volunteer to actively serve on committees and Working Groups are expected to be present during the meeting. A roll call will be taken at the beginning of every meeting and attendance records will be maintained. An efficient and responsive ACORD Standards Program requires promptness and continuity of participation.

21.4 Participants are expected to cover all expenses associated with participation in the ACORD Standards Program.

21.5 Chairs and members of all committees and groups whose work product is intended to contribute to the body of ACORD Standards shall commence and maintain their activities under the aegis of ACORD solely within its Standards development process pursuant to the provisions of this document.
21.6 While engaged in activities on behalf of ACORD, participants, regardless of their employment, are expected to perform in the best interest of ACORD and the insurance industry.

**22 Copyright Assignment**

22.1 The Standards are the sole property of ACORD and protected by ACORD copyrights.

22.2 If any organization participates in the development of any Standard, it agrees that by virtue of its participation, it and its employees will acknowledge and respect the Standard as the copyrighted work(s) of ACORD.

22.3 Furthermore, participants agree not to challenge ACORD’s sole and undisputed copyright in such Standard and to cooperate with and assist ACORD by taking such further action as requested by ACORD that may be reasonable to perfect ACORD’s sole ownership of all copyrights in ACORD Standards.

22.4 It is ACORD's policy to encourage the widest possible use of its Standards subject to copyright protection designed and enforced to prevent unauthorized modification of an ACORD Standard.

**23 Code of Conduct**

23.1 As participants in the ACORD Standards Program, we all accept the personal obligations of our professions and commit to serve the best public interests. In so doing we do hereby commit to the highest of ethics and professionalism and agree:

23.1.1 To treat everyone fairly and respectfully;

23.1.2 To respect the rights of privacy for all participants;

23.1.3 To avoid actual or perceived conflicts of interest, and to disclose conflicts to ACORD when one does exist;

23.1.4 To comply with antitrust and other applicable laws;

23.1.5 To seek, accept and offer honest assessments of technical work to acknowledge and correct errors;

23.1.6 To conduct all communications within the generally accepted framework of courtesy and civility; and

23.1.7 To encourage all to follow this code of conduct.

**24 Glossary**

**ACORD Framework** - A series of interrelated assets designed to make the process of standards development more efficient and consisting of five facets: 1) a Capability and Process Model; 2) a Business Dictionary; 3) an Information Model; 4) a Component Model; and 5) a Data Model.

**ASC** – ACORD Standards Committee

**Cross-domain** – affecting two or more domains represented within ACORD

**Domain** - An ACORD Standards Program such as Life & Annuity, Personal Lines P&C, Australian P&C, and Reinsurance (A geographical designation by itself, e.g., Australia, is not a domain)

**DSC** – Domain Steering Committee

**MR** – Maintenance Request

**Subdomain** - Line of business within a domain

**Staff** – ACORD Staff

**WG** – Working Group
ACORD ANTITRUST/COMPETITION
LAW POLICY

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ACORD Policy on US Antitrust Compliance
Association for Cooperative Operations Research & Development
Two Blue Hill Plaza, Pearl River, NY 10965-8529
Effective: May 17, 2009

ACORD maintains an exemplary record of complying with the antitrust laws and with your help we can continue to do so. It is the policy of ACORD Corporation that its standards-setting program comply in all respects with the letter and spirit of federal and state antitrust laws.

Compliance with the antitrust laws is not only a legal obligation but is also in the best interest of ACORD and its membership. The central purpose of ACORD standards is to enhance the efficiency and competitiveness of the insurance industry. That goal requires standards that maximize the widest possible range of computer hardware, software and Internet products. Thus, attempts to misuse the standards-setting process to favor one vendor's products at the expense of others, or otherwise to limit product availability and innovation, directly conflict with ACORD's fundamental mission. Any violation of the antitrust laws would, moreover, seriously damage the credibility of the ACORD standards-setting program.

Of equal importance, violations of the antitrust laws could result in severe sanctions against ACORD, its member companies, and others involved in the standards-setting process. The antitrust laws entitle any company or person, injured by an antitrust violation, to sue for three times the damages suffered. These "treble damage" actions can result in huge jury awards and, at a minimum, necessitate heavy defense costs and disrupt normal business activities.

Because of the uncertainty involved in determining the application of the McCarran-Ferguson Act and various immunities from state antitrust laws to standards relating to computer, communications and Internet hardware and software, it is imperative that we avoid any possible suspicion that our conduct violates the antitrust statutes.

To implement this policy of antitrust compliance, the ACORD Board of Directors has approved the attached ACORD US Antitrust Compliance Guidelines. These guidelines go beyond the strict requirements of the antitrust laws, so that ACORD can maintain the highest standards of business ethics. All member companies, subscribers, staff and other participants in the standards-setting program should familiarize themselves with the guidelines and carefully observe them.

ACORD can act and speak only through those serving as officers, directors, employees and members of committees and working groups involved in the standards process. Under the antitrust laws, the actions and statements of these individuals may be binding on ACORD, even when an individual acts without authorization, but appears to an outsider to have the proper authority to represent ACORD.

Therefore, no officer, director or employee of ACORD, or ACORD committee or working group member, has the authority to take any action which might violate the antitrust laws or the ACORD US Antitrust Compliance Guidelines. Moreover, no officer, director, employee, committee or working group member has the authority to direct, approve or condone any such action. To the contrary, all participants in the ACORD standards-setting process have the affirmative responsibility to ensure that those working under them comply with the law and ACORD's guidelines.
Violations of the guidelines will be grounds for disciplinary action, adapted to the circumstances of the particular violation. Serious, intentional violation of the ACORD guidelines will be brought to the attention of the ACORD Board of Directors and will usually result in suspension of the right to participate in the standards-setting process. The ACORD Board of Directors may also refer suspected anti-competitive conduct to the attention of appropriate antitrust enforcement agencies.

ACORD Board of Directors
ACORD US Antitrust Compliance Guidelines

The US Antitrust Compliance Guidelines are designed to help you identify potential problem areas, but they cannot provide answers to every possible question. Accordingly, the Board of Directors has appointed the Corporate Secretary as antitrust compliance officer. You should contact him or her whenever you have a question or concern with antitrust compliance. He or she will have available the resource of outside antitrust counsel for advice on legal issues.

The purpose of these guidelines is to ensure that all participants in the ACORD standards-setting program comply fully with the letter and spirit of federal and state antitrust laws. Any questions concerning the applicability of these guidelines, or any other question or complaint relating to antitrust compliance, should be directed to the ACORD antitrust compliance officer.

A. The Applicability of Antitrust Laws to Standards-Setting

Federal and state antitrust laws apply to ACORD's standards-setting program because it entails a cooperative effort among competing insurers and competing vendors of computer hardware, software and Internet products and services. It is well-established, however, that industry standardization programs do not offend the antitrust laws if the standards promote efficiency and do not restrain price competition, restrict terms of sale, limit production, result in boycotts or exclusion of competitors, restrict product innovation or otherwise limit competition unreasonably.

ACORD's standards-setting program fully meets these requirements. By standardizing the communications process among all trading partners, ACORD fosters efficiency by reducing transaction costs and speeding up information flows. Furthermore, ACORD's standards enhance the ability to work with multiple trading partners, thereby increasing the competitive sources of supply available to insurance consumers. As a result, the goals of the ACORD standards-setting process are fundamentally pro-competitive.

Nevertheless, every standards-settings program, including ACORD's, has the potential for being misused towards anti-competitive ends. Industry standards can have a significant impact on the product preferences of buyers in the marketplace. Consequently, the sellers of those products may have an incentive to seek the adoption of standards that would exclude or disadvantage products of their competitors, or otherwise restrain trade. Because of this possible incentive, "product standards have a serious potential for anti-competitive harm" and "private standard-setting associations have traditionally been objects of antitrust scrutiny." Allied Tube & Conduit Corp. v. Indian Head, Inc., 108 S. Ct. 1931, 1937 (1988). To comply with the antitrust laws, therefore, standards-setting associations must adopt "procedures that prevent the standards-setting process from being biased by members with an economic interest in stifling product competition." Id.

Generally speaking, a standards-setting organization must adopt four types of procedures for the purpose of antitrust compliance. These are: (1) procedures guaranteeing that all interested parties have an opportunity to express their views on proposed standards; (2) rules assuring impartiality, that is, guarding against attempts to subvert the integrity of the process; (3) prohibitions against attempts to coerce adherence to standards, as opposed to voluntary use; and (4) bans on competitor discussion of competitively-sensitive subjects not relevant to the standards process (e.g., individual company strategies on pricing and marketing). Specific guidelines in each of these four categories are set forth below.
B. Open Access to the Standards-Setting Process

Participation in the standards-setting process shall be open to all interested parties, including insurers, agents and vendors of standards-related products or services. Nonmembers of ACORD thus may participate in the standards-setting process under the terms set forth in the Standards Program General Guidelines & Procedures. No insurer, producer or vendor shall be excluded because of its manner of doing business or method for distribution of insurance. No ACORD officer, director or member shall take any steps to preclude or discourage participation by any interested person.

Any interested party may express its views on proposed standards. The means for doing so are described in the Standards Program General Guidelines & Procedures.

C. Procedures Assuring the Integrity of the Standards-Setting Process

1. Anti-Competitive Conduct

No participant in the standards-setting process shall seek adoption or modification of a standard for the purpose of excluding products of competitors from the market or otherwise restraining competition.

2. Role of ACORD Staff and Antitrust Compliance Officer

It shall be the responsibility of the ACORD staff to evaluate all proposed standards and revision of standards to determine that they do not unreasonably exclude any product from the relevant market and do not have an improper anti-competitive purpose. The staff shall refer any suspected instances of anti-competitive exclusion or similar conduct to the antitrust compliance officer, who shall make further inquiry and consult legal counsel as necessary. Additionally, any participant in the standards-setting process or other affected party may bring any complaint of anti-competitive conduct to the antitrust compliance officer. The antitrust compliance officer shall report to the Standards Committee and the Standards Committee shall recommend any disciplinary action to the ACORD Board of Directors.

3. Disciplinary Action

Any party that is the subject of such recommendations for disciplinary action may appear before the Standards Committee to present its views, as may any complaining party. Upon the recommendation of the Standards Committee, the ACORD Board of Directors may take any appropriate action, including but not limited to: (a) suspension of a party from further participation in the standards-setting process; (b) suspension of voting rights; (c) referral of the matter to appropriate antitrust enforcement agencies; or (d) modification of final or proposed standards to cure the effects of any anti-competitive conduct. No member of the ACORD Board of Directors or the Standards Committee employed by or affiliated with any party which is the subject of disciplinary recommendations, or which is a complaining party, shall participate in the applicable proceedings.

4. Approval of Standards

Approval of standards by the Steering Committees and the Standards Committee shall be subject to the quorum and voting requirements set forth in the Standards Program General
Guidelines & Procedures. Each company shall have only one vote regardless of how many individuals represent it at a given meeting. Those voting against a proposed standard shall have the opportunity to submit dissenting views in writing. Such views shall be circulated to all participants.

5. Conflicts of Interest

No member of the Standards Committee or any Steering Committee shall be employed by and have direct line responsibility for any computer or Internet vendor operation. Furthermore, all nominees to the Standards Committee, any Steering Committee or the ACORD Board of Directors shall disclose whether: (a) they have a personal financial interest in any vendor that might be affected by ACORD standards; or (b) are employed by an insurer having an affiliated vendor of computer or Internet products or services; or (c) serve as a consultant to a vendor of computer or Internet products or services.

The antitrust compliance officer shall conduct investigations where necessary to determine whether there is a conflict of interest that should disqualify an individual from service on the Standards Committee or any Steering Committee or a failure to make disclosures required of members of working groups. Any complaint concerning conflicts of interest or failures to disclose may be brought to the attention of the antitrust compliance officer. The antitrust compliance officer shall make any appropriate recommendations to the Standards Committee concerning conflicts of interest or failures to disclose. The Committee shall recommend appropriate disciplinary action to the ACORD Board of Directors, including removal from office or requiring additional disclosures. No member of the Standards Committee or ACORD Board of Directors that is the subject of such a recommendation shall vote on the proposed action.

D. Voluntary Use of Standards

1. Voluntariness

The implementation and use of ACORD standards shall be entirely voluntary on the part of member companies, agents, vendors and others. No ACORD officer, director, staff, member company, subscriber or participant in the standards-setting process may enter into agreements concerning use of ACORD standards, attempt to coerce use of such standards or retaliate against a company for not using the standards (e.g., exclusion from a working group).

The antitrust compliance officer may investigate any alleged attempt to exercise such coercion, on his or her own motion, on the advice of ACORD staff or upon receiving a complaint from any affected party. The antitrust compliance officer may make appropriate recommendations for disciplinary action to the Standards Committee, including but not limited to suspension of the right to participate in the standards-setting process or referral to appropriate antitrust enforcement agencies.

2. Statements Accompanying Publication of Standards

When ACORD publishes an approved standard, it shall state that:

(a) Implementation and use of the standard is voluntary;
(b) Publication of the standard does not imply that there is an operations requirement for hardware or software or Internet products or services meeting the specified standard;

(c) ACORD does not endorse any product or service designed or built to the standard.

E. Prohibition on Discussions of Competitively-Sensitive Topics

The antitrust laws also prohibit use of the standards-setting process as a forum for competitors to enter into agreements to restrain trade. The most serious antitrust violations are:

1. Price-fixing agreements, that is, agreements to raise or stabilize prices or an element of pricing;

2. Boycotts, that is, agreements to refuse to deal, or agreements to threaten to refuse to deal, with competitors, customers or suppliers; and

3. Agreements among competitors allocating customers, territories or percentage shares of the market.

These types of agreements are usually deemed illegal per se, meaning that the courts will not consider any excuses or justifications, whether ignorance of the law, good faith or reasonableness. Nor is it a defense that the agreement did not actually result in price increases or otherwise harm competition.

"Agreements" within the meaning of the antitrust laws include more than written contracts or explicit conversations at a meeting. In addition, an agreement may take the form of a tacit understanding, what the courts sometimes describe as a "meeting of the minds" or a "knowing wink." Consequently, discussions of competitively sensitive subjects may be perceived as circumstantial evidence of an illegal agreement, especially when coupled with parallel conduct in the market (e.g., parallel price increases).

The standards-setting process often requires discussions of the types of information needed in order to conduct the business of insurance; however, it does not require discussions related to the use of such information for competitive purposes or require disclosure of competitively-sensitive practices. Accordingly, anyone participating in the ACORD standards-setting process should assiduously avoid discussion of the following competitively sensitive topics:

Insurance Industry Participants

(1) Current or future rates and pricing strategies;

(2) Internal underwriting standards or guidelines, including favored or disfavored classes of customers;

(3) Marketing plans, particularly plans to withdraw from a particular state, territory or line of business;

(4) Internal guidelines for coverages, especially exclusions, limits and deductibles;
(5) Current or future agent commissions, complaints about rebating of commissions or complaints about agent terminations;

(6) Efforts to combat or retaliate against competition using other distribution systems, mass marketing programs, or banks.

**Suppliers of Products and Services to Insurance Industry Customers**

(1) Current or future prices, including list prices, discounts, prices in recent transactions with individual customers, or complaints about price discounting;

(2) Unannounced plans for introduction of new products or changes in existing products;

(3) Current or future plans concerning production or output;

(4) Marketing plans or strategies, particularly desired or undesired classes of customers;

(5) Complaints about excessive competition or efforts to stabilize competition.
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ACORD maintains an exemplary record of complying with competition laws and with your help we can continue to do so. It is the policy of ACORD Corporation that its standards-setting program comply in all respects with the letter and spirit of European Union and Member State competition law.

Compliance with the competition laws is not only a legal obligation but is also in the best interest of ACORD and its membership. The central purpose of ACORD standards is to enhance the efficiency and competitiveness of the insurance industry. That goal requires standards that maximize the widest possible range of computer hardware, software and Internet products. Thus, attempts to misuse the standards-setting process to favor one vendor's products at the expense of others, or otherwise to limit product availability and innovation, directly conflict with ACORD's fundamental mission. Any violation of the competition laws would, moreover, seriously damage the credibility of the ACORD standards-setting program.

Of equal importance, violations of the competition rules could result in severe sanctions against ACORD, its member companies, and others involved in the standards-setting process. Competition law entitles any company or person, injured by a violation of the rules, to file a complaint with EU or Member State competition authorities. These actions can result in huge fines and, at a minimum, necessitate heavy defense costs and disrupt normal business activities.

To implement this policy of competition law compliance, the ACORD Board of Directors has approved the attached ACORD EU Competition Law Compliance Guidelines. These guidelines go beyond the strict requirements of EU and Member State competition law, so that ACORD can maintain the highest standards of business ethics. All member companies, subscribers, staff and other participants in the standards-setting program should familiarize themselves with the guidelines and carefully observe them.

ACORD can act and speak only through those serving as officers, directors, employees and members of committees and working groups involved in the standards process. Under the competition laws, the actions and statements of these individuals may be binding on ACORD, even when an individual acts without authorization, but appears to an outsider to have the proper authority to represent ACORD.

Therefore, no officer, director or employee of ACORD, or ACORD committee or working group member, has the authority to take any action which might violate competition law or the ACORD EU Competition Law Compliance Guidelines. Moreover, no officer, director, employee, committee or working group member has the authority to direct, approve or condone any such action. To the contrary, all participants in the ACORD standards-setting process have the affirmative responsibility to ensure that those working under them comply with the law and ACORD's guidelines.

Violations of the guidelines will be grounds for disciplinary action, adapted to the circumstances of the particular violation. Serious, intentional violation of the ACORD guidelines will be brought to the attention of the ACORD Board of Directors and will usually result in suspension of the
right to participate in the standards-setting process. The ACORD Board of Directors may also refer suspected anti-competitive conduct to the attention of appropriate competition enforcement agencies.

ACORD Board of Directors
ACORD EU Competition Law Compliance Guidelines

The EU Competition Law Compliance Guidelines are designed to help you identify potential problem areas, but they cannot provide answers to every possible question. Accordingly, the Board of Directors has appointed the Corporate Secretary as EU competition law compliance officer. You should contact him or her whenever you have a question or concern with competition law compliance. He or she will have available the resource of outside competition counsel for advice on legal issues.

The purpose of these guidelines is to ensure that all participants in the ACORD standards-setting program comply fully with the letter and spirit of EU and Member State competition laws. Any questions concerning the applicability of these guidelines, or any other question or complaint relating to competition law compliance, should be directed to the ACORD competition law compliance officer.

A. The Applicability of Competition Law to Standards-Setting

EU and Member State competition laws apply to ACORD's standards-setting program because it entails a cooperative effort among competing insurers and competing vendors of computer hardware, software and Internet products and services. It is well-established, however, that industry standardization programs do not offend the competition laws if the standards promote efficiency and do not restrain price competition, restrict terms of sale, limit production, result in boycotts or exclusion of competitors, restrict product innovation or otherwise limit competition unreasonably.

ACORD's standards-setting program fully meets these requirements. By standardizing the communications process among all trading partners, ACORD fosters efficiency by reducing transaction costs and speeding up information flows. Furthermore, ACORD's standards enhance the ability to work with multiple trading partners, thereby increasing the competitive sources of supply available to insurance consumers. As a result, the goals of the ACORD standards-setting process are fundamentally pro-competitive.

Nevertheless, every standards-settings program, including ACORD's, has the potential for being misused towards anti-competitive ends. Industry standards can have a significant impact on the product preferences of buyers in the marketplace. Consequently, the sellers of those products may have an incentive to seek the adoption of standards that would exclude or disadvantage products of their competitors, or otherwise restrain trade. Because of this possible incentive, product standards have a serious potential for anti-competitive harm. To comply with competition law, therefore, standards-setting associations must adopt procedures that prevent the standards-setting process from being biased by members with an economic interest in stifling product competition.

Generally speaking, a standards-setting organization must adopt four types of procedures for the purpose of competition law compliance. These are: (1) procedures guaranteeing that all interested parties have an opportunity to express their views on proposed standards; (2) rules assuring impartiality, that is, guarding against attempts to subvert the integrity of the process; (3) prohibitions against attempts to coerce adherence to standards, as opposed to voluntary use; and (4) bans on competitor discussion of competitively-sensitive subjects not relevant to the standards process (e.g., individual company strategies on pricing and marketing). Specific guidelines in each of these four categories are set forth below.
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Any interested party may express its views on proposed standards. The means for doing so are described in the Standards Program General Guidelines & Procedures.

C. Procedures Assuring the Integrity of the Standards-Setting Process

1. Anti-Competitive Conduct

No participant in the standards-setting process shall seek adoption or modification of a standard for the purpose of excluding products of competitors from the market or otherwise restraining competition.

2. Role of ACORD Staff and Competition Law Compliance Officer

It shall be the responsibility of the ACORD staff to evaluate all proposed standards and revision of standards to determine that they do not unreasonably exclude any product from the relevant market and do not have an improper anti-competitive purpose. The staff shall refer any suspected instances of anti-competitive exclusion or similar conduct to the competition law compliance officer, who shall make further inquiry and consult legal counsel as necessary. Additionally, any participant in the standards-setting process or other affected party may bring any complaint of anti-competitive conduct to the competition law compliance officer. The competition law compliance officer shall report to the Standards Committee and the Standards Committee shall recommend any disciplinary action to the ACORD Board of Directors.

3. Disciplinary Action

Any party that is the subject of such recommendations for disciplinary action may appear before the Standards Committee to present its views, as may any complaining party. Upon the recommendation of the Standards Committee, the ACORD Board of Directors may take any appropriate action, including but not limited to: (a) suspension of a party from further participation in the standards-setting process; (b) suspension of voting rights; (c) referral of the matter to appropriate competition law enforcement agencies; or (d) modification of final or proposed standards to cure the effects of any anti-competitive conduct. No member of the ACORD Board of Directors or the Standards Committee employed by or affiliated with any party which is the subject of disciplinary recommendations, or which is a complaining party, shall participate in the applicable proceedings.
4. **Approval of Standards**

Approval of standards by the Steering Committees and the Standards Committee shall be subject to the quorum and voting requirements set forth in the Standards Program General Guidelines & Procedures. Each company shall have only one vote regardless of how many individuals represent it at a given meeting. Those voting against a proposed standard shall have the opportunity to submit dissenting views in writing. Such views shall be circulated to all participants.

5. **Conflicts of Interest**

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The competition law compliance officer shall conduct investigations where necessary to determine whether there is a conflict of interest that should disqualify an individual from service on the Standards Committee or any Steering Committee or a failure to make disclosures required of members of working groups. Any complaint concerning conflicts of interest or failures to disclose may be brought to the attention of the competition law compliance officer. The competition law compliance officer may make appropriate recommendations to the Standards Committee concerning conflicts of interest or failures to disclose. The Committee shall recommend appropriate disciplinary action to the ACORD Board of Directors, including removal from office or requiring additional disclosures. No member of the Standards Committee or ACORD Board of Directors that is the subject of such a recommendation shall vote on the proposed action.

D. **Voluntary Use of Standards**

1. **Voluntariness**

The implementation and use of ACORD standards shall be entirely voluntary on the part of member companies, agents, vendors and others. No ACORD officer, director, staff, member company, subscriber or participant in the standards-setting process may enter into agreements concerning use of ACORD standards, attempt to coerce use of such standards or retaliate against a company for not using the standards (e.g., exclusion from a working group).

The competition law compliance officer may investigate any alleged attempt to exercise such coercion, on his or her own motion, on the advice of ACORD staff or upon receiving a complaint from any affected party. The competition law compliance officer may make appropriate recommendations for disciplinary action to the Standards Committee, including but not limited to suspension of the right to participate in the standards-setting process or referral to appropriate competition enforcement agencies.
2. **Statements Accompanying Publication of Standards**

When ACORD publishes an approved standard, it shall state that:

(a) Implementation and use of the standard is voluntary;

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(c) ACORD does not endorse any product or service designed or built to the standard.

**E. Prohibition on Discussions of Competitively-Sensitive Topics**

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1. Price-fixing agreements, that is, agreements to raise or stabilize prices or an element of pricing;

2. Boycotts, that is, agreements to refuse to deal, or agreements to threaten to refuse to deal, with competitors, customers or suppliers; and

3. Agreements among competitors allocating customers, territories or percentage shares of the market.

These types of agreements are usually deemed illegal *per se*, meaning that the courts will not consider any excuses or justifications, whether ignorance of the law, good faith or reasonableness. Nor is it a defense that the agreement did not actually result in price increases or otherwise harm competition.

"Agreements" within the meaning of competition law include more than written contracts or explicit conversations at a meeting. In addition, an agreement may take the form of a tacit understanding, what the courts sometimes describe as a "meeting of the minds" or a "knowing wink." Consequently, discussions of competitively sensitive subjects may be perceived as circumstantial evidence of an illegal agreement, especially when coupled with parallel conduct in the market (e.g., parallel price increases).

The standards-setting process often requires discussions of the types of information needed in order to conduct the business of insurance; however, it does not require discussions related to the use of such information for competitive purposes or require disclosure of competitively-sensitive practices. Accordingly, anyone participating in the ACORD standards-setting process should assiduously avoid discussion of the following competitively sensitive topics:

**Insurance Industry Participants**

(1) Current or future rates and pricing strategies;

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(3) Marketing plans, particularly plans to withdraw from a particular state, territory or line of business;

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(3) Current or future plans concerning production or output;

(4) Marketing plans or strategies, particularly desired or undesired classes of customers;

(5) Complaints about excessive competition or efforts to stabilize competition.