

ACORD Implementation Communities & Antitrust Guidelines

Frequently Asked Questions

1. Is ACORD involved in all implementation activities?

Standards are adopted and implemented by thousands of firms around the world. While ACORD staff is available for technical support, it would be difficult for ACORD to be directly involved in all projects. Projects may involve a single firm or a group of trading partners. When organizations assemble collectively to implement a Standard, we strongly recommend they follow strict Antitrust Guidelines as we do at ACORD. This is particularly important when the group includes competitors. We also encourage members to access implementation support services that are available.

2. How does ACORD define an ACORD Implementation Community?

An ACORD Implementation Community represents a group of members that collaborate on the implementation of a Standard and request both administrative and technical support. Staff is assigned and the community is essentially managed by ACORD following the ACORD Antitrust Guidelines. The level of support provided would be based on a number of factors such as:

- The number of members participating.
- The number of non-members participating and the justification.
- The specific Standard being implemented.
- The region and sector being served.
- The return on industry investment.

3. What are the benefits of a Community being managed by ACORD?

ACORD would not only provide technical support, but administrative support as well. Staff would coordinate meeting schedules, set agendas and prepare meeting minutes. The Community may obtain access to experts and resources that may otherwise be cost prohibitive for ACORD to provide members individually. Finally, the Community benefits by working within the ACORD Antitrust Guidelines.

4. What is the value of operating within ACORD Antitrust Guidelines?

ACORD has registered with the United States Department of Justice and Federal Trade Commission as a standards development organization (SDO). While registration does not exempt ACORD from the antitrust laws, it does limit its liability in a manner not available to non-registered organizations or individual companies.

It operates under strict guidelines to ensure that all ACORD activities comply with the Antitrust Laws. As a practical matter, the benefit of working with ACORD is that its status as a recognized SDO with professional staff not employed by competing member companies demonstrates neutrality and objectivity that protects participating companies against antitrust exposure.

5. What is the Community required to do in terms of Antitrust?

The ACORD Staff would distribute and abide by the Antitrust Guidelines prepared by antitrust counsel and approved by the ACORD Board of Directors. Furthermore, ACORD staff (1) must be present at all scheduled meetings without exception; (2) prepare agendas and (3) write and/or approve all meeting minutes including a list of all participants.

6. What happens when members are confronted with anticompetitive allegations?

In the unlikely event of allegations of anticompetitive conduct against participants, ACORD will provide support to its members consistent with its guidelines and policies.

7. May an ACORD managed Community brand itself?

Yes, communities may brand the group as they wish within reason. ACORD would assist to assure that there is no infringement on copyrights or trademarks.

8. May an ACORD managed Community include non-members of ACORD?

In reality, ACORD members work with trading partners that are not all members of ACORD. Insurers work with brokers, reinsurers work with insurers and everyone works with vendors. While it is not common for ACORD members to agree to subsidize non-member access to ACORD resources, there are times when this occurs for various reasons. The non-members would not have the same level of access to resources outside the group. And the Community's member to non-member ratio would always be a factor in continuing under ACORD management.

9. Would ACORD support implementation groups that are not managed by ACORD?

Yes, ACORD does support groups that it does not manage. Depending on the size and scope of the group and the factors in section 2 above, ACORD may be able to provide similar benefits as an ACORD managed group. However, non-managed groups would not benefit by having a neutral, objective and recognized SDO providing a leadership role.

10. May ACORD members participate in both ACORD managed communities and groups that are not managed by ACORD?

Yes, but we recommend that members pay attention to the Antitrust Guidelines being followed by the group. If there are concerns, organizations may elect to participate as guests or observers rather than members of the group in question. If allegations of non-competitive activity occur within such groups, ACORD members would not have the same level of protection as they would within the ACORD managed community. No guidelines would ever be as effective as having a neutral, objective and registered SDO being part of the process.