

## Ruschlikon and Distributed Ledger Initiatives

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### Introduction to Ruschlikon

The Ruschlikon Initiative connects leading players of the (re)insurance industry to advanced processes such as risk placing, technical accounting, claims and settlement using the ACORD Global Reinsurance and Large Commercial (GRLC) Standards.

Using **Ruschlikon Best Practices**, which comprise of agreed rules and a commitment from its members to apply them creating a standard process and **ACORD Global Standards** for eMessaging in technical accounting, claims, settlement and ePlacing delivers significant benefits.

The Ruschlikon community counts 100s of companies, in 40 countries, on 6 continents. The number of implementations continues to grow. It demonstrates strong governance through the Steering Committees, the Business and the Regional implementation groups by upholding both, the integrity of the ACORD Standards and the Ruschlikon Best Practices guides, to enable straight through processing.

These groups are committed to stay relevant for the next generation of implementations enabling the community to extend scope and capability amongst existing and new partners. Embracing new business opportunities and global industry modernization projects while developing standards and practices as they proceed.

The Ruschlikon initiative grows addressing the entire (re)insurance lifecycle. Its members are committed to developing e-processing. The volume of transacted Ruschlikon messages continues to steadily grow year on year.

### Introduction to Distributed Ledger Technology

Distributed ledger technology (DLT) is a digital system for recording, sharing and synchronizing the transaction of assets in which the transactions and their details are recorded in electronic ledgers in multiple places (independent computers otherwise referred to as nodes) at the same time. Unlike traditional databases, distributed ledgers have no recognised central data store or administration functionality.

The main benefits of distributed ledger are that it is highly secure, transparent and tamper proof. A distributed ledger, if set up correctly, is immutable, as due to its decentralized nature, the solution is much more resistant to malicious changes by a single party.

Blockchain is one of the most well-known forms of distributed ledger technology. Blockchain gets its name from its structure, where individual records (known as blocks) are linked together in a single list (known as a chain).

## Ruschlikon and Distributed Ledger Technology Together

Whilst Ruschlikon using the ACORD GRLC data standards and distributed ledger technology are very different services, they come together to achieve the same objectives.

They seek to dematerialize all interactions in the (re)insurance industry. They address the same target community, business case(s), value chain and the administration of placing and back office activities.

All related initiatives aim for:

- Making insurance more affordable with an improved client experience.
- Making insurance risks more tradeable.
- Freeing up capacity for value adding client service, risk prevention and risk management tasks.
- Improving the way data, claims, capital and payments are disclosed, used, automated and managed to meet regulatory and other requirements.
- Improving the efficiency of transacting (re)insurance across the whole value chain due to standardized processes and data items.
- Reducing cost through speedy data transmission and reduction in manual reconciliations.

ACORD works with many solution providers utilizing distributed ledger technology to promote the ACORD data standards and a uniform approach to transacting information, maintaining the same global language at the core of all implementations.

## Recommendation to the industry

A consolidated system and process landscape following the ACORD data structure is the foundation required to onboard Ruschlikon best practice and any of the Distributed Ledger Technology initiatives. Immediate benefits (for both new and ongoing business) can be realized by joining the Ruschlikon community as it is globally implemented (10+ years track record), has established and mature best practices and can cover data exchange throughout the (re)insurance life cycle.

The established Ruschlikon business-to-business (B2B) processes and Distributed Ledger Technology market solutions will continue to co-exist as complementary solutions. Guidance for Implementing Ruschlikon process standards and ACORD data standards will be the same for Distributed Ledger Technology initiatives, as they are for (B2B) programmes.