

# Ruschlikon

POWERED BY ACORD

## Ruschlikon and Blockchain

The Ruschlikon mission is “Connect leading players of the (re)insurance industry to streamline Placing, Accounting and Claims processes using ACORD Global Reinsurance & Large Commercial 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 placing, technical accounting, claims and settlement delivers the following benefits:

### Operational excellence and focused activity

- Efficiency gains, process automation, integrated environment
- Higher accuracy, reduced error rates
- Reduction of manual work and touchpoints, less keying and rework, easier error resolution, faster turnaround times, freed capacity of employees

### Economical impact

- Time and cost reduction typically between 30-60%
- Reduction in unmatched cash, faster reconciliation of cash positions - settlement times improved up to 35%
- Possible impact on required capital for unmatched cash position

### Solid risk management and regulatory compliance

- Secure, controlled and referenced exchange of information with “one version of truth” agreed by business partners
- Managed operational risk exposure through stable, integrated operating platform fit for 21<sup>st</sup> century business

The Ruschlikon initiative has a large community of 50+ members, and the number of implementations continues to grow. It demonstrates strong governance through the Steering Committee and Regional Implementation Groups by upholding both the integrity of the ACORD Standards, the common language they use to communicate, and Best Practices to ensure straight through processing.

These groups also ensure they 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 modernisation projects at the same time as developing standards and practices as they proceed.

As the Ruschlikon initiative grows addressing both Reinsurance and Commercial Insurance our members are committed to developing e-processing. The volume of Ruschlikon messages processed has increased seven times since 2011, and the number of Ruschlikon partners has grown five-fold since 2014.

There are many similarities with Ruschlikon eAccounting and the variety of Blockchain initiatives launched in the market, for example, they both share the same ambition to dematerialize all interactions in the (re)insurance industry with the same target community, business case, value chain, and functional priority on administration.


The aim of the different Blockchain initiatives is the same:

- Improve the way data, claims, capital, payments are disclosed, used, automated and managed
- Focus on value adding client service, risk prevention and risk management
- Make insurance risks more tradeable
- Make insurance more affordable with an improved client experience

Improve the efficiency of transacting insurance and reinsurance across the whole value chain and thereby reduce value lost through delays and manual reconciliations.

ACORD is working with many Blockchain initiatives maintaining the same global language at the core of implementations looking to dematerialize all interactions in the (re)insurance industry.

Recommendation to the industry: A consolidated system landscape following the ACORD data structure is the foundation required to onboard Ruschlikon or any of the Blockchain initiatives. Immediate benefits can be realized by joining the Ruschlikon group as it is globally implemented, has established best practices and can cover data exchange for older Underwriting years (run-off) on a B2B level. Experience from a B2B message exchange are very valuable when moving to a Blockchain (Hub) solution over time.

	Blockchain Initiatives
<ul style="list-style-type: none"> <li>• Ruschlikon Best Practices define standard processes</li> <li>• Implementation readiness, 10+ years track record of implementations</li> <li>• P&amp;C only, covering message exchange for Accounting, Claims and Settlement. Exploring expansion to Placement &amp; Post-placement message exchange</li> <li>• Strong broker and (re)insurer presence providing them with significant efficiency gains now.</li> <li>• Limited cedents' appetite &amp; involvement</li> <li>• All types of contracts, all LoB, and UW years included</li> </ul>	<ul style="list-style-type: none"> <li>• Business processes still to be defined</li> <li>• Implementations moving to live platforms</li> <li>• Target scope will include Commercial Insurance, P&amp;C and L&amp;H Reinsurance, as well as internal reinsurance, thus covering the end to end value chain</li> <li>• Past UW years may be difficult to migrate to Blockchain market solutions, adoption can be accelerated for new business</li> <li>• Various integration options considered, ACORD compatible API's will help</li> <li>• Strong presence from the 3 market segments (insurers, brokers, reinsurers)</li> <li>• Blockchain creates traction as seen as a strong enabling-technology</li> </ul>

**Ruschlikon and Blockchain market solutions will coexist as complementary solutions, efforts of Implementing Ruschlikon will be reused for Blockchain initiatives.**