ACORDination
Removing the barriers to adoption

A case study of a major project initiated by AIG, involving the coordination between vendors to transform data and deliver the business benefits of ACORD data standard messaging from multiple brokers and other partners.
Agenda

• Introductions
• Overview/Benefits of e-Accounting
• What was the problem?
• What was the solution/What about the brokers?
• What is the scope?
• What has been achieved?
Introductions

AIG is a multinational insurance corporation with operations in more than 80 countries and jurisdictions. It employs 56,000 people globally and is one of the largest public companies in the world. AIG is a committed member of the ACORD and Ruschlikon community and an investor in change to improve process efficiency, reduce cost and enhance its service to brokers and clients.

STRIPE® is a web based allocation and distribution platform for post bind transactions, transforming data utilising ACORD standards, Bureau messaging, interactive e mails and 24/7 web access. STRIPE® is a subsidiary of Pro, a consultancy and service provider to the insurance industry.

Web Connectivity provides business solutions to insurance organisations looking to transform their operations using structured data. enabledAccounting is an online tool used by carriers to receive, review and respond to TA, CM and FA messages.
What is e-Accounting?

• e-Accounting is the process for facilitating financial agreement and settlement of Premiums and Claims, replacing paper (spreadsheets) with data in the Accounting & Settlement process

• Utilising International ACORD standard messaging:
  • Carrier Closings/Advices – replaced with Technical Accounts (“TA’s”)
  • Financial Statements – replaced with Financial Accounts (“FA’s”)
  • Claim Movements - initial claims advices – reserve changes

• Secure data delivery and agreement to TA’s, e-Accounting facilitates real business benefits including earlier/faster transactional reconciliation, settlement and query resolution
Benefits overview

• ENHANCED RECONCILIATION
  • Improved control eliminates uncorrelated cash
  • Streamlined reconciliation process
  • Faster reconciliation times

• IMPROVED EFFICIENCY
  • Queries and re-work significantly reduced
  • Greater focus on credit control and aged items
  • A foundation for process automation

• VALIDATION OF TRANSACTIONS
  • Standardized accounting information and documents
  • Globally proven process for deployment across multiple territories
# AIG Benefit highlights

<table>
<thead>
<tr>
<th>Benefit Highlights</th>
<th>Description</th>
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<tr>
<td><strong>Reusable Technology</strong></td>
<td>Global model allows for easy &amp; quick deployment to new brokers and Coinsurance Partners.</td>
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<td><strong>Captures All Brokers</strong></td>
<td>Large brokers via Web Connectivity, medium and small brokers via Stripe.</td>
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<td><strong>Enriched Data</strong></td>
<td>Provides the Broker more information about the reason for the mismatch.</td>
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<td><strong>Commitment to the market</strong></td>
<td>Our three largest partners, Marsh, Aon and Willis are committed to messaging with us.</td>
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<td><strong>Identifies Issues earlier</strong></td>
<td>Allow more time to address issues, long before the funds are due.</td>
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<td><strong>Transforming Collections with Automation</strong></td>
<td>Combines eAccounting, Desktop Automation, Kofax, and SAP to transformation Collection activities.</td>
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<td><strong>Critical customer facing metrics</strong></td>
<td>A view into the reason why discrepancies exist between AIG and our partners.</td>
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<tr>
<td><strong>E2E Impact</strong></td>
<td>Highlights breaks in the process, in both Underwriting and Policy Servicing, that impacts the collection of premium.</td>
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<td><strong>Reduced workload</strong></td>
<td>Estimates of 30% less receivables for the collections team to manage.</td>
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<td><strong>Identification and reduction in re-work</strong></td>
<td>Validates the accuracy of the booking and highlights root causes of rework.</td>
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<td><strong>Contract Certainty</strong></td>
<td>Agreement or handshake, early in the process, validating our bookings match our brokers.</td>
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<td><strong>Customer Experience</strong></td>
<td>A view into why errors occur, and how they impact our customers.</td>
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What was the Problem?

Not all of AIG’s brokers are e-enabled and may not be for sometime... and we can’t wait!
What was the solution?

The solution provides AIG with a consistent approach to e accounting, whether it be from ACORD enabled or non enabled brokers and other partners.
What about the brokers?

**Benefits**
- **Eliminates Uncorrelated cash**
- **Improves Control**
  Supports regulatory and compliance requirements
- **Enhanced Cash Management**
  Provides prompt premium settlement and releases credit control function to focus on critical debt

- **Secure Mechanism**
  For sending and reviewing supporting documents
- **Foundation**
  For process automation

**Partner Accounting Submission Portal**
- **Easy implementation**
  There's no impact on you. Simply upload the data that was previously emailed to AIG
- **Faster processing**
  The direct load and transformation to an ACORD message will streamline and improve processing timeframes for everyone involved
- **Cost**
  There is absolutely no cost to AIG's partners. You'll automatically benefit from the new streamlined process
- **Greater transparency**
  Partners automatically receive acknowledgements of submitted accounts and notifications when they are agreed or queried
- **Management Information**
  Partners will also be able to access the portal for management information and submission history
- **Simplified reconciliation**
  The portal will provide partners with access to the same management information as AIG, simplifying reconciliation & settlement timeframes for everyone
What is the scope?

TARGET MARKET FOR PHASE 1
United States, Top 10 enabled and 12,500 non enabled brokers/partners

TARGET MARKET FOR PHASE 1
United Kingdom, Top 10 enabled and 3,000 non enabled brokers/partners

TARGET MARKET FOR PHASE 2
To be determined

To facilitate the transformation of data from multiple ACORD enabled and non enabled brokers and other partners
What has been achieved?

**Increased engagement, increased message flow, increased automation**

**US**
- Marsh live
- Positive discussions underway with a number of other brokers
- Assumed and ceded reinsurance currently being assessed
- Partnering with other carriers to increase the opportunity for brokers to benefit from eAccounting with multiple carriers

**UK**
- Top 20 brokers approached
- Willis live
- JLT about to go live
- Lockton go live in November
- Marsh testing underway