RUSCHLIKON KEY PERFORMANCE INDICATORS

Introduction

Ruschlikon connects leading players of the (re)insurance industry to streamline back office processes using ACORD GRLC Standard. In this context, the Ruschlikon Community tracks, reviews and reports key performance indicators (KPIs).

We track KPIs for two main reasons:

- To monitor the development of the Ruschlikon Community Performance, enabling steering of critical community aspects and assessing the overall effectiveness of the initiative
- To inform the market regularly about the status, progress and attractiveness of Ruschlikon participation

Currently only a subset of Ruschlikon Community Members report KPIs: the companies represented in the Ruschlikon Steering Committee and most BIG members. While most of the participants that report KPIs are global carriers, brokers and reinsurers, it is still only part of the full Ruschlikon Community.

The Ruschlikon Steering Committee has decided to extend the reporting scope to the entire Ruschlikon Community including members of the Regional Implementation Communities. The group will report performance indicators twice a year.

This paper supports the reporting of the whole Ruschlikon Community by providing an overview, describing key aspects and explaining the underlying rationale of the Ruschlikon KPIs.

Further remarks

Initially it might be challenging to collect and provide the Ruschlikon KPIs; in some cases, a company might conclude that the respective KPI cannot be tracked without major efforts and decide to not report it. However, it is important to the success of Ruschlikon to measure the effectiveness of community adherence and compliance to the standards. Ruschlikon partners and Technology Providers might be able to help with automation in this respect.

Overview of current KPIs

Ruschlikon KPIs are grouped into 5 perspectives:

- Active Partners and Geographical Scope
- Message Volumes
- Proportion of "Electronic" versus "Manual" Processing
- Business Performance – Processing Cycle Times
- Compliance with Last Two Versions - ACORD GRLC Back Office Standards

Active Partners and Geographical Scope

To track Ruschlikon community growth and geographical footprint, companies report the number of business partners they interact with using Ruschlikon Best Practices, and the related countries / regions they represent by such interactions.

This information might encourage followers to implement Ruschlikon in their own regions.
This information is also captured in the engagement section of the marketing database. *(this database tracks engagements and capabilities of the Ruschlikon Community - for further information and access please contact Penny Bevan-Hopkins* pbevan-hopkins@acord.org *).* For consistency purposes, these KPIs should be updated in-line with twice yearly KPI-reporting process.

Message Volumes

Growing volumes are the first indication of a company's increased involvement in Ruschlikon, while growing aggregated community numbers are a sign of increased market interest in Ruschlikon. Thus, Ruschlikon Community Members report the number of messages they send/receive, for all message categories (separate per TA/FA/CM/DRI/ack). Message volume has been found to be a growth indicator, but to be a true indicator, we would need to know the entire "potential" message volume. Other factors need to be considered in comparing volumes from period to period, such as changing claim volumes, temporary suspension of messaging due to new system installations, or mergers and acquisitions).

Proportion of "Electronic" versus "Manual" Processing

The Ruschlikon Business Case envisages that manual administration of premiums, claims and settlements is being replaced by electronic message exchange. Growing Ruschlikon penetration is the basis for achieving benefits such as higher efficiencies and effectiveness. Two KPIs illustrate this Ruschlikon penetration:

- % of electronic versus manual administered business, with number of transactions (messages / bookings) as reference
- % of electronic versus manual administered business, with premium volume as reference

Business Performance / Processing Cycle times

The Ruschlikon Best Practices established business performance targets related to the speed of message exchange. While start-up operations typically take some time to become accustomed to the new process, decreasing number of days over time reported for electronic bookings indicate higher Ruschlikon maturity and greater benefits. In order to track whether interacting business partners achieve such targets, the Community measures:

- Average days between "message sent" (by sender) and "acknowledged" (by receiver), for the three message types TA, FA and CM
- Average days between "account received" (TA) and "effectively booked", for both electronic "Ruschlikon" and manual bookings; this KPI is measured by receivers of accounts only (i.e. usually carriers)

Compliance with Last Two Versions - ACORD GRLC Back Office Standards

Maintaining multiple message versions is costly and ineffective. Keeping the Community within the standard, without avoidable variations or message dialects, is critical for achieving Ruschlikon benefits. The Ruschlikon Best Practices stipulate that companies should adhere to the last two versions of the ACORD GRCL Backoffice standard (currently EBOT/ECOT 2015-04, and 2016-10). This related information is also tracked in the engagement section of the marketing database. Ideally, the community moves to new message versions at the same time, but we currently adhere to an 18-months-window to move to new versions.