Life & Annuity Program Activity and Implementation Report

(PAIR Report)

June 2015

ACORD is a non-profit membership standards development organization (SDO) which develops and maintains forms and data standards and provides professional and technical support to the global insurance industry.

This Program Activity Guide is prepared to regularly inform ACORD members and other interested parties on the standards development efforts underway in a non-technical manner. This publication is produced quarterly with the first quarter introducing the priorities for the year, the mid-year reports providing status and the year-end reporting a summary of accomplishments.

Any and all comments and questions are appreciated. Please contact either the standards

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Introduction

Purpose of this Report

This report provides quarterly updates to all standards participants and interested parties regarding the current activities, issues and accomplishments in the ACORD Life & Annuity (L&A) Standards Program.

The ACORD Life & Annuity (L&A) Program

The ACORD L&A Program was established in 1996 to provide insurance process, messaging and data standards for the life, annuity, disability and long-term care marketplace. The scope of the standards includes all insurance products which have as a product component the risk of death (mortality), disability (morbidity) or longevity (annuity) of people. It focuses on the entire insurance value chain from product design, selection, presentation, sale, policy issuance, in-force policy activity and through to benefit and claim management. This program also includes related non-product activities such as commissions, distribution management, licensing & appointment – in general any shared information need between two or more segments of the Life & Annuity insurance community. It involves all constituencies in the life insurance community including agents & brokers, distributors, insurers, service providers, software providers, and regulators.

The Program manages three sets of standards:

- LA XML Standard
- LA EDI DTCC Standard
- LA standard forms.

Other key deliverables include Transaction Specifications Standards as part of the LA XML Data Standard. All are available at www.acord.org in the Standards publication area.

For more information and resources be sure to check out the L&A community page on the ACORD website

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ACORD Standards and Steering Committee Members
Public Program Information
Public Standards Site
ACORD Governance Documents

What's New in the ACORD Life & Annuity (L&A) Program

The following are recent updates and/or accomplishments for the 2nd Quarter 2015:

- Published Version 2.34.00 of the ACORD L&A XML Standard from the Spring 2015 cycle.
- Proactively aligning the ACORD and DTCC standards to complement each other.
- Continued engagement and alignment with industry liaison's such as IRI, LBTC, DTCC, Interstate Compact.
- 1 Maintenance Requests received for Cycle 2 of 2015 DTCC standards Release.
- 1 new Transaction Specification published (Carrier Profile)
- 7 Transaction Specifications in progress and expect to publish in 3rd Quarter!
- 3 new State Specific Replacement Forms for California, Washington, and Massachusetts.
- Draft 951e (1035 exchange/Rollover/Transfer of Assets) Form for electronic order entry platforms including eSignature language.
- Draft 961 Florida Surrender Disclosure form, pending final regulation approval.
- Promotion of the 821 Producer Information Form via webinar co-sponsored by ACORD, SILA and Vertafore.
- Created new Transaction Specification Nomination Form and process flow document.

Working Group Scorecard

Categories & Definitions

- **Scope of Work** – Defined objectives and scope / progress is aligned with the original Working Group proposal.
- **On Schedule**– the objectives defined by the WG are on schedule
- **Attendance** - Group is meeting regularly, with representative attendance.
- **Member Contribution** – Working Group members are providing input, Use Cases, Homework, etc.
- **Implementation Commitment** – Members remain committed to implementing final work. For maintenance working groups, this category will be noted as Maintenance.

Status Indicators & Definitions

▲ **Good** – Group is on target for the specific category
► **Warning** – Group is aware the performance is jeopardizing the success of the working group's goals and is correcting the issue.
▼ **Critical** – performance is not being met by this Group.
◄ **On Hold** – Future direction is being determined.

1st Quarter Performance	Scope of Work	On Schedule	Attendance	Member Contribution	Implementation Commitment
Architecture	▲	▲	▲	▲	Maintenance
Claims	▲	▲	▲	▲	▲
Employee Benefit	▲	▲	▲	▲	▲
Forms & Data Mapping	▲	▲	▲	▲	Maintenance
Product Modeling	◄	◄	◄	◄	◄
Program Working Group	▲	▲	▲	▲	Maintenance

Working Groups

The driving force of standards maintenance is our working groups made up of industry volunteers who spend valuable time understanding gaps & issues and developing the optimum solutions for each within the standards.

Visit the L&A Communities site and "JOIN" working groups at this link!

Click on the Working Group Name (below) to access all details specific to that working group. Including:

- Meeting Minutes
- Work In Progress
- Shared Documents
- Active Participants
- Meeting Calendar

The L&A Working Groups are listed below in alphabetic order:

Architecture

Latest Status (updated June 2015)

Focused on providing architectural enhancements to the L&A XML standard, this group

- Established priorities for Maintenance Requests to be addressed in the Fall 2015 cycle (2.35.00 standard) to address architectural needs and clarifications.
- Submitted and verified 25 Maintenance Requests for the Spring 2015 cycle (2.34.00 standard), addressing a broad range of topics that included:
  - Continued cleanup and clarification of the model documentation
  - Documented the ACORD implementation of the Boolean data type,
  - Deprecation of obsolete structures such as TXLifeNotify and DataTransmittalSubType,
  - Identification and handling of orphaned lookup tables, and
  - Documented the rationale for enforcing order in the L&A XML schema.
- Implementation of these 15-1 Maintenance Requests resulted in the resolution of 14 issues from the log.
- Reviewed two member-submitted 15-1 Maintenance Requests from an architectural perspective and provided recommendations.

This group reviews architectural issues it discovers or that are presented to it by members and makes resolution recommendations; it acts as a technical conduit between the other ACORD Standards Programs and the Life Program and provides technical refinements / improvements to the Standard. This is an ongoing group continually providing technical expertise to the L&A community as well continually addressing technical gaps and issues in the standards. Key objectives include:

- Give architectural advice regarding referred problems by individual member companies or by Working Groups.
- Develop proposals for enhancements to the standards that do not fall within the scope of any active Working Group.
- Documentation of best practices in areas of the model that currently cause confusion.
- Suggestions for improvements to the ACORD Life Standards documentation to clarify use of the standard.
- Create Maintenance Request (MR) items to correct problems identified during Architecture Working Group activities.

Responsibilities include:

1. Representation of the L&A program on the Common Services Joint Architecture group and actively influencing the direction of that group.

2. Assist with Framework development by representing the Life and Annuity perspective on any technical issues that arise.
3. Modeling support to resolve business issues raised by other working groups, in order to allow those groups to focus on content rather than modeling.
4. Determine direction and assist with architectural issue resolution for ACORD-based web services.
5. Coordination of architectural needs and issues across the L&A XML, EDI (DTCC), and Forms standards.

Meeting Frequency: This working group meets every 1st and 3rd Monday of each month from 2:00pm-3:30pm ET.

Implementation and Advocacy This working group maintains the overall Life & Annuity ACORD standards and documentation. There are no specific implementations to track for this Working Group.

Claims

Latest Status (updated June 2015)

- Finalized the details in the ACORD LA Death Inquiry Service Transaction (890),
- Initial Review of the First Notice Of Loss (810) transaction specification
- Utilized Business Process modeling to drive the business flow and the associated ACORD transactions to support automation.
- Submitted and verified several Maintenance Request (MR) for the Spring 2015 Standards Cycle involving:
    - Processing Instructions.
    - Manner of Loss and status of a cause of death
    - First notice of Loss Additions
- Confirmed the need to create an Audit Entry Transmittal Transaction Specification to support audit statistics across a batch of Death Notification transactions.

The focus of this group is to refine the modeling of claim information in the ACORD Life & Annuity standard by standardizing the handling of claims across lines of business for Life, Annuity, LTC and Health.
This is one of our first groups to base its work from the start on more detailed and explicit business process modeling using the formal Business Process Modeling Notation standard (BPMN). This is proving to be an extremely valuable exercise to level set and document where each transaction fits in the business work flow.

Meeting Frequency: This working group meets every 1st and 3rd Wednesday of each month from 1:00pm-2:30pm ET.

Schedule & Objectives

- Prioritize and resolve issues to address claim modeling needs.
- Document use case and data element needs.
- Develop visual BPMN models for how claims processing process works
- Identify gaps and submit Maintenance Requests (MR) as needed
- Produce Transaction Specification(s) to document business requirements, data element needs, sample XML, etc.

Original Working Group Proposal

Implementation and Advocacy: This working Group is still in the development phase with strong membership support.

Employee Benefits Product Distribution

Latest Status (updated June 2015)

- Conducted a Face-to-Face Workshop in April to drive direction and consensus for Group Employee Benefits Plan Set up and Employee Enrollment processing.
- At a very high conceptual level, we confirmed the key business processes can be supported in the existing ACORD data model.
- However, we are In the process of gathering data samples from Carriers to build out XML samples for Plan Set Up and Employee Enrollment to fully confirm that the key business processes can be supported in a manner that can be adopted by member companies.
- Reviewed and validated Maintenance Requests submitted in the Spring 2015 cycle.

The focus of this effort is standardization of group insurance data exchanged with Third Parties; e.g. Private Exchanges, Public Exchanges, Benefit Administration Providers, Broker Partners. This group is co-sponsored by The Council of Insurance Agents & Brokers (CIAB).

Meeting Frequency: This working group meets every 2nd and 4th Wednesday of each month from 3:00pm-4:30pm ET.

Schedule & Objectives

- Gather and prioritize issues to address employee benefit needs.
- Document process, use case and data element needs.
- Identify gaps and submit Maintenance Requests (MRs) as needed
- Produce Transaction Specification(s) to document business requirements, data element needs, sample XML, etc.

Original Working Group Proposal

Implementation and Advocacy: This working Group is still in the development phase with strong membership support.

Forms & Data Mapping

Latest Status (updated June 2015)

Focus continues on reviewing and updating all ACORD Replacement Forms to align with the IRI 1035 Exchange working group efforts as well as the IRI Questions Standardization working group.

Highlights include:

- Published Final Replacement forms for the 760 CA, WA, and MA with the Spring XML Release.
- 760 MN Replacement form is in progress.
- Created a draft 951e (electronic version) of the 1035 Exchange form. The draft form is being reviewed in many communities and Carriers/Distributors.
- Created a draft 961 Florida Surrender Disclosure form. This form is in review and awaiting final publication once the Florida Regulation is approved.
- ACORD continues to review the FWG recommendations, which includes presenting these forms to the applicable state for review and acknowledgement. This would allow the carriers to file the form with the state, it would be recognized as an ACORD standardized form and the expectation is the approval of the form could be expedited.
- Working with ACORD compliance to review items that would force a refile of the NAIC 759 Replacement form by the carriers.
- Exploring opportunities in a renewed partnership with the IIPRC Interstate Insurance Product Regulation Commission to coordinate development of product standards in parallel with ACORD data and form standards much earlier in the product filing process.

This group's objective is to address the form development and maintenance needs for the Life & Annuity program. This consists of the review of existing forms, and the development of new forms as determined by the group. The group will also work with ACORD to ensure that mappings to the LA XML Data Model are provided to ensure electronic portability of the forms.

Meeting Objectives: This working group meets every 1st and 3rd Thursday of each month from 2:00pm-3:00pm ET.

Schedule & Milestones

- Standardize State Specific Replacement Forms
  - NAIC States
- Prioritize and address high priority issues to address form development needs.
- Produce and submit Maintenance Requests (MR) as needed

Implementation and Advocacy: Member engagement is strong in this community and the new standard Replacement forms will help with industry adoption by the various Carriers.

Product Modeling

Latest Status (updated June, 2015)   **HOLD** – The group continues to be on hold for 2nd quarter 2015 as other groups (PWG, Employee Benefits, and Claims) continue their work building requirement for product modeling of Disability/Health type products, and fulfilling simpler clarifications involving Product Modeling.

This group provides ongoing support and guidance regarding the development of all 'products' within the ACORD Life & Annuity model. Much work has been done to enhance the existing Product Profiles for Life ACORD LA 1201 Policy Product Transmittal to include better defined product functionality and also correlation to the suggested enhancements to the New Business for Life ACORD LA 103 New Business Submission Transaction to ensure end-to-end compatibility.

The group continues to focus on defining the business needs and prioritizing the development of enhancements to the ACORD Life Standards relating to all products included in the L&A Standard, with considerable current focus on Disability/Health products (supporting Claims and Employee Benefits WG). The group continues to assist members in the implementation and updating of transactions related to products, as well as product development.

Meeting Frequency: This working group meets every 1st Friday of each month from 12:00pm-1:30pm ET, and every 3rd Friday from 10:30am-12:00pm ET.

Schedule & Objectives

- Address MR's and questions referred to the group regarding product modeling.
- Prioritize and address issues related to product modeling needs.
- Gather product details for transaction specification development.
- Address remaining Disability and Health Products based on priorities of the group.
- Coordinate with other LA groups; specifically the Program Working Group, to align product modeling with new business and other common issues.

Implementation and Advocacy: This working group is currently on hold. There are no specific implementations to track yet.

Program Working Group

Latest Status (updated June 2015)

Specific Highlights include:

- Reviewed and confirmed 66 Maintenance Requests and Forms for the Spring 2015 Cycle.
- Reviewed and approved 1 new Transaction Specification for Carrier Profile.
- Reviewed the DTCC EDI 2nd cycle enhancements to determine impacts to ACORD data model.
- Completed 15-1 Spring release, including MR review, plenary, voting and publication of new standard.
- Established a Complex Beneficiary focus group to determine business use cases and modeling approach.
- Reviewed and prioritized Issue List priorities for the Fall Cycle 2015.
- Reviewed 4 Transaction Specification nominations.

The Life & Annuity Program Working Group (LA PWG) is a core working group of all members responsible for the execution of activities within the Life & Annuity Program. It provides a single point for all major decisions, resolving disputes at working group level, creating (sub) working groups and teams as needed for focused work and rapid issue resolution. A key role of the PWG is the management of issues within the LA Program ensuring all issues are addressed in a timely manner, supporting use of the standards. The LA PWG also provides a forum for reviewing and approving iteratively-produced draft specifications, and recommending adoption by the LA Program Steering Committee.

Participants new to the ACORD Standards and the Maintenance Request (MR) process will gain valuable insight by directly participating in the SDO standards processes in action. By sharing in the review process participants are exposed to the broad scope of the Standard and the nuances associated with the art of development through consensus. Participants are able to keep tabs on the direction of changes to the Standard and pilot the Standard in support of their and the industry's needs.

Meeting Frequency: This working group meets when there are MR's to review and usually meets on Thursdays from 10:00am-11:30am. Additional Friday meetings may be scheduled as needed.

Schedule & Objectives

- Review MR's to ensure the submitter needs are met and MR's are well-formed and optimal improvements to the standards in preparation for full member vote.
- Manage, prioritize and address issues for the program.
- Produce and submit Maintenance Requests (MR) as needed.
- Review and recommend for approval, by the Program Steering Committee, each Transaction Specifications Standard.
- Review and prioritize major release enhancements on future version list to create a major version roadmap.

Implementation and Advocacy This working group supports and maintains the overall Life & Annuity ACORD standards. There are no specific implementations to track for this Working Group.

Transaction Specifications Standards

ACORD developed formalized ***Transaction Specifications,*** as an addition to the *Data Model Vocabulary Specification* (aka Help File), that defines precisely how a message should be designed in support of a specific business process or activity (and aligned to a capability in the Framework Capability Model).

The ACORD LA XML Standards are now expressed in two sets of specifications;

- General vocabulary / data model specification (aka help file) and
- Detailed Transaction Specifications.

The full current catalog of completed, pending, draft and outline transaction specifications - *updated as needed*- can be found from the main menu of the LA PWG Community (and in Shared Documents on the LA PWG Community Site.

Implementation and Advocacy: The Transaction Specification Sub-Team of the Program Working Group is nearing the completion of 7 Updated Transaction Specs incorporating new standards values from the 2.34.00 publication (spring 2015). 1 new Transaction specification, Carrier Profile, was published in the 2nd quarter.

Objectives 2015

The 2015 L&A Goals and Objectives are listed in the following table.

2015 Goals	Focus Areas	Objectives	Expected Outcome
Refine and Enhance Standards & SDO Processes	**Standards:** Improve the consistency and usability of the standards by ensuring enhancement requests are clear and complete. Continue aligning L&A efforts with the ACORD Standards Development Organization's (SDO) agile and performance improvement initiatives.	Improve consistency in message model. Improve efficiency and effectiveness of standard development processes. In support of interoperability in the Life and Annuity domain, generate greater alignment between DTCC and EDI standards	Submit and review Maintenance Requests to ensure improvements are made toward the consistency and interpretation of the message model, using version 2.33.00 as a baseline. Deliver new L&A XML Standards in Spring and Fall Release. Deliver new DTCC EDI Standards in Spring and Fall Release. Finalize the DTCC AppSub to ACORD New Business (103) mapping.
	Transaction Specifications: Improve and enhance the clarity and specificity of the transaction specifications to ensure the needs of the user are met.	Utilize Enterprise tools to document transaction specifications, with the goal of reuse and consistency.	Publish at least 2 new, and or updated transaction spec per quarter.

2015 Goals	Focus Areas	Objectives	Expected Outcome
	Forms: Improve the adoption of industry wide standard forms.	Improve efficiency and effectiveness of new and changing Forms process. Seek and encourage greater industry wide adoption of standard forms. Collaborate with other industry associations to engage and collaborate towards standard forms utilization.	Review Forms development Process for areas of improvement, seek greater participation, public exposure, and industry adoption. Support Scheduled Releases and on -demand.
	Standards: Improve the progression and evolution of standards.	Develop roadmap and impact analysis for the future of the standards.	Documented approach to include list of desired enhancements, timeline and impact analysis for standards migration for a Major Version Change.
Build Awareness and Expertise of Standards	**Engagement:** Grow and strengthen member engagement in the standards development process and activities. **Awareness:** Provide greater awareness on the resources used to obtain standard deliverables and information (i.e. acord.org website).	Promote New L&A ACE's in 2015. Promote educational opportunities, training and understanding of using ACORD standards	Increased awareness and usage of ACORD assets, deliverables, and resources (i.e. Transaction Specifications) and download activity from website Increased member participation in Working Groups, Conference attendance, webinars and training. Site visits with potential and existing members to engage and promote the standards.

2015 Goals	Focus Areas	Objectives	Expected Outcome
Refine and Enhance Communication	**Communication:** Collaborate with members and industry groups to improve communication and gain a better understanding of needs. Share value and direction of ACORD standards.	Collaborate with industry groups and partners to balance working groups and priorities.	Clear communication of ACORD's direction and strengthened relationships with industry groups and members.
		Hold face-to-face meetings with membership at ACORD2015	Provide a face to face forum for open member dialog and interactions.

Communities and Industry Associations

ACORD's mission includes aid and support of implementers. This is accomplished through "Communities." These communities may be created as standards (SDO) efforts or they may be created independently by members and/or non-members, together seeking to solve one or more business problems. The activities of these groups may result in traditional L&A Program working group efforts, or may be educational or advocacy communities. ACORD staff and resources are a vital component of these communities.

ACORD Communities focus on specific issues and opportunities. They set goals to support standards usage, initiatives and promote consistency of implementation.

Industry Associations may also host communities that ACORD participates on to assist with implementation and development of ACORD Forms, Data Standards and the ACORD Reference Architecture (Framework).

Key to the relationship between ACORD Communities and Associations is advocacy and promotion of consistent and successful use of ACORD forms, standards and reference architecture.

Sponsor / Community	Key Objectives and Activities (relating to ACORD Insurance Standards)
CIAB - Council of Insurance Agents & Brokers	Sponsoring the Employee Benefits Distribution working group along with Unum, Standard and Guardian to address employee benefit processes and XML messaging needs.
CLIEDIS - The Canadian Life Insurance Standards Association	Supports the ACORD Life Standards use in the Canadian marketplace. CLIEDIS coordinates Canadian specific standards requirements with its members, providing them to ACORD LA PWG for resolution within the LA XML Standards. Their efforts have ten carriers exchanging a core set of base new business and policy status information across dozens of distributors/agencies in the Canadian insurance marketplace – a model for a localized community leveraging standards.
DTCC - Depository Trust & Clearing Corporation	DTCC Insurance Services and ACORD collaborate deeply on a number of fronts as they fully leverage the ACORD LA data model and Transaction Specifications in their insurance services.

Sponsor / Community	Key Objectives and Activities (relating to ACORD Insurance Standards)
	Efforts of late are focused on expanding use of existing services within other communities (IRI, LBTC, NAFA and others) and across the industry.
IIPRC	The Interstate Insurance Product Regulation Commission (IIPRC) serves insurance regulators, consumers and providers by improving the efficiency and effectiveness in the ever-changing insurance marketplace. ACORD and the IIPRC are investigating ways to work together to compliment and leverage each other's standards setting efforts; theirs being in product definition, contract language and filings and ACORD's in the accompanying data, forms and process standards in support of insurance products. In the initial early exploratory stages with the forms WG taking a lead in finding easy wins from which to discover and establish great patterns to work together on going forward.
IRI - Insured Retirement Institute	IRI and ACORD have a very successful, effective relationship, with IRI leveraging ACORD Standards for *all* its annuity and retirement income product processes messaging and forms efforts. The IRI Framework and Conformity group identifies and defines business issues (typically around reducing NIGO) and hands off the needs for ACORD PWG to promptly resolve. There is a continuous flow of innovation and standards refinement & capability expansion in our work together.
LBTC - Life Brokerage Technology Committee	The LBTC, in support of NAILBA (National Association of Independent Life Brokerage Association) and independent brokerage generally, has a number of initiatives which involve ACORD LA standards. Specific efforts involving detailing transaction specifications: - eDoc Send (and Status) with support for signature and other delivery requirements. Version 1.0 is published and being used now by several carriers and vendors. We are supporting questions as well as additional requirements as encountered. - Two Commission activities: First, a Commission Statement Settlement Transaction Specification providing all the remuneration detail for an agent & agency. It is a significant update and greater clarification/refinement of an earlier NAILBA Commission Guide. Second is a new Trans Spec for detailing how to exchange commission rate details (using Tabular data). - New Business for Term – Quick Ticket defines & provides a consistent set of data sufficient for a carrier to accept initiation of a term order (quick

Sponsor / Community	Key Objectives and Activities (relating to ACORD Insurance Standards)
	ticket). Several carriers have committed to LBTC that they will accept the single, standard message. These initiatives are making progress and ACORD is providing regular Transaction Specification updates. Progress in 2014 has been slow to start but incrementally moving forward as common members review and enhance their implementations.
LIDMA – Life Insurance Direct Marketing Association	LIDMA has done extensive work on process definition & improvement to optimize direct marketing of insurance (primarily term insurance). Historically this work loosely used ACORD LA XML open standards, however our two organizations are now engaged in bringing these non-standard (from an industry perspective) into more alignment with the formal LA XML standards, eventually including Transaction Specifications (they now have their own). Progress to date has been positive but still in the relationship phase.
LIMRA – Life Insurance Marketing Research Association	LIMRA is actively implementing two ACORD Transaction Specification messages for collecting sales and production activity data (aka production survey). Together we developed and published two detailed trans specs; one for Life Insurance and another for Annuities to collect sales survey data. These are now in production, with version updates as required.
NAFA - National Association of Fixed Annuities	ACORD is providing Transaction Specifications and new process Diagram (using BPMN) in support of their STP initiative for fixed annuities sold by Independent Marketing Organizations. This initiative is in the earlier stages, and currently focused on overall process requirements focusing on IMO needs.
NIPR - National Insurance Producer Registry	NIPR continues to emphasize the need to use ACORD standards. They are working with us to develop new messages and promote their implementation. At present, all messaging being designed by NIPR is using the ACORD AML data model rather than LA XML.
SILA - Securities and Insurance Licensing Association	The ACORD 821 (Producer Information Form) has been updated and SILA is now advocating its usage. Listen to the Webinar. Two chapters have been added to the SILA Best Practices Handbook as a resource of industry approaches to specific securities and insurance licensing issues to help members improve efficiencies while remaining compliant. Going forward wherever data or form information is needed SILA is proactively engaging with ACORD.

Sponsor / Community	Key Objectives and Activities (relating to ACORD Insurance Standards)
Southern Africa Life Long Term Implementation Community	This community https://www.acord.org/Community/ZA/ZALLTIC/default.aspx has been added to provide ACORD Members and non-members with an opportunity to exchange ideas about the Life and Annuity Standard. They are leveraging the ACORD LA XML standard in a number of projects & initiatives including a substantial 'hub' for sharing insurance information between brokers and insurers (STRIDE).