



Global Reinsurance & Large Commercial Program Activity and Implementation Report

October 2014

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

This Activity Guide is prepared to regularly inform ACORD members and other interested parties on the standards development efforts and usage 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 the standards Program at grlc@acord.org for questions related to GRLC standards or implementation.

Contents

Introduction	2
Purpose of this Report	2
The ACORD Global Reinsurance and Large Commercial Program.....	2
Achievements	4
2014 Goals	6
Working Groups	8
Binding Authority Risks Bound Bordereau Working group	8
Communities and Industry Associations.....	10

Introduction

Purpose of this Report

This report is one of a series of regular quarterly updates regarding the current activities, issues and accomplishments in the ACORD Global Reinsurance and Large Commercial Program.

The ACORD Global Reinsurance and Large Commercial Program

The ACORD GRLC Standards are based on development begun in 1992 under the direction of a joint venture comprised of European, UK and USA standards bodies. ACORD assumed responsibility for management and development of these standards in 2001. ACORD GRLC Standards have been developed for all parts of the business cycle, from Placement through to Accounting, Claims and Settlement.

ACORD's GRLC Program supports all Reinsurance and Large Commercial Insurance lines of business placed in both National and International markets. Through this Program, and with membership support and the involvement of industry-sponsored volunteers, ACORD facilitates the development and maintenance of the ACORD Standards for Global Reinsurance and Large Commercial Insurance.

The ACORD GRLC Standards are designed to provide a seamless transfer of information between insured's, brokers, insurers and reinsurers for non-life reinsurance and large commercial insurance lines of business.

The Program manages eight standard XML messages:-

- "Placing" – quotation/placing of ins/reinsurance contracts and subsequent changes
- "TechAccount" – advice and agreement of payment amounts for premiums, claims, and all other types of accounting transactions
- "ClaimMovement" – first notification of claim and also notification of subsequent claim movements

- “Bordereau” – provides a more granular breakdown of items reported in one of the above messages
- “Settlement” – agreement of items to be settled between two parties
- “Acknowledgement” – responses to any of the above messages to confirm acceptance or raise a query
- “RegulatoryReporting” – reporting of data to support regulatory requirements

It also manages a number of guides (transaction specifications), which specify at a detailed level how GRLC messages are to be used:

- Placing implementation guide and reference guide
- Electronic Back Office Transactions reference guide (EBOT)
- Electronic Claims Office Transactions reference guide (ECOT)
- Bordereau Reference Guide
- Global Placing Document (GPD) Implementation Guide and data dictionary

The Program also participates in and uses cross-domain standards such as:

- ACORD Message Profile (AMS) – profile for using W3C SOAP1.1 standards
- Document Repository Interface (DRI) – standard messages supporting interoperation of document repositories)
- Binding Authority Premium Transaction Report
- Binding Authority Claim Transaction Report
- Exposure Reporting Standards

Supporting all of the above is an interactive data dictionary – providing detailed definitions of all data items, codes and mapping to messages.

The above standards can be downloaded from www.acord.org.

GRLC Steering Committee Chair – Steve Williams - JLT
 Director, Implementation Services (GRLC) – Maggy Leon, mleon@acord.org
 GRLC Program Director – Phil Brown, pbrown@acord.org
 Director, UK Implementation – Mark Barwick, mbarwick@acord.org
 Representative for Continental Europe – Lindsay Waelder, lwaelder@acord.org
 Director, Global Development – Puneet Bharal, pbharal@acord.org
 Director, Membership – Trevor Maddison, tmaddison@acord.org

Achievements

Current highlights are:-

- Standards
 - The GRLC Steering Committee has completed its review of the agile change process (in place in GRLC since January 2013), to match it against targets set by the steering committee at the start of 2014. They have found that since January 2013 84% of issues have been resolved and agreed within 60 days of being raised (target set was 90%). They have noted that performance has improved steadily as the process has bedded in, and if only 2014 is taken into account, so far 100% of issues have been resolved within 60 days of being raised. This will continue to be monitored, but this is seen by the steering committee as being a real success for agile.
 - The Genesis project in London (this is an initiative whereby a central provider has been engaged by the London market to capture risk data from paper contracts and send this to carriers in the form of ACORD Placing messages) plans to adopt the new 2014-06 schema in October 2014.
 - The Business Implementation Group (BIG) ACORD Implementation Community is very active at present – with bi-monthly calls being held to clear issues awaiting their attention relating to Ruschlikon usage of the accounting and claims ACORD standards. They will hold a 2-day face to face meeting at the end of October in Fort Lauderdale (after the end of the ACORD AIF meeting) to address issues raised by implementers and also to review implementation guidelines to further tighten up on areas of optionality that might lead to divergence within implementations.
 - A new Binding Authority working group that commenced in June 2014 to address extending the current ER3001 binder exposure reporting standard is making good progress. They have completed analysis of UK property data requirements, and matched this to requirements from Australia. They now plan to rematch to latest requirements from North America, and then move onto other lines of business, starting with general liability.
- Implementation (also see 'implementation communities' section at the end of this report for more detail of what's going on around the globe)
 - The focus of implementation in GRLC remains in the 'back office' part of the insurance/reinsurance process, including Accounting, Claims and Settlement. ACORD works with the Ruschlikon implementation community on this which is active in the following regions; North America, UK, Bermuda, Europe and Asia/Pacific. From 2012 to 2013 message volumes increased from 750,000 to 1.5 million per annum, and a further significant increase is expected for the 2014 year, based on the many new implementations being reported by the community.

- London continues to tackle the implementation of GLRC Placing messages. The London market now has 30+ brokers, all 50+ Lloyd's syndicates and around 30 insurance companies all connected and are pushing forward with electronic agreement of endorsements and other types of placing transactions. As already mentioned the new Genesis project in London is also utilising ACORD Placing messages to send data to carriers and has been in pilot since January 2014.
- Good progress is being made by ACORD in re-writing its test harness. This will replace the current ACORD Testing and Certification Facility (TCF) which has been an important tool for the GRLC community in testing implementations and providing certification that business partners can rely on to prove an organisation is compliant with GRLC standards and implementation guides. The new test harness will enrich current functionality and offer options for even more in depth testing – something that has been requested by some parts of the GRLC community to help facilitate migration between versions in the future.

For more information and resources be sure to check out the GRLC community page on the ACORD website –

<https://www.acord.org/Community/wg/SDO/GRLC/Pages/default.aspx>

2014 Goals

The goals for the 2014 GRLC Program are as follows:

1) Steering Committee goals

The GRLC Steering Committee is responsible for standards-related matters for the GRLC domain – they have stated goals for 2014 as summarised below:-

Oversee working groups

GRLC standards are mature and so very few new working groups are instigated, but for those that are the Steering Committee aims to monitor them proactively to ensure they are progressing in line with their targets and maintain required participation levels.

Direct the change management process

With increasing levels of implementation it is important to address questions and issues quickly and effectively. GRLC's adoption of the agile process is a key part of achieving this. The Steering Committee has a key role in monitoring the proper running of the agile process, and has set some targets to measure this. In 2014 they will measure actual performance of the agile process against these targets:-

- Target: 90% of items resolved within two months from when first raised
- Target: 100% of resolved items published on website within one month of resolution
- Target: Average of 10 participants on all PWG calls
- Target: Top 5 brokers and carriers involved in either PWG or related implementation community meetings (i.e. involved in the review of all issues relevant to their communities)

Consider new areas for standards development

The Steering Committee also has stated goals to

- Monitor requirements from implementers and communities, and
- Proactively sponsor new standards developments as the needs arise

Give feedback to the ASC on matters of joint interest across the ACORD domains

A key part of the Steering Committee role is to join with other ACORD domain Steering Committee in considering overarching issues that impact all ACORD standards.

2) Advocacy goals

The ACORD GRLC program also supports ACORD Implementation Groups that use the GRLC standard. ACORD works with these groups to:-

- Advocate the increased implementation of GRLC 'back office' standards (in line with the EBOT and ECOT guides) worldwide, in particular working with the active implementation communities which exist for premiums and claims processing:
 - a) Ruschlikon Steering group
 - b) Ruschlikon North American Committee
 - c) Bermuda Ruschlikon Steering Committee (BRSC)
 - d) Ruschlikon UK working group
 - e) Ruschlikon Asia Pac Implementation Group
 - f) Business Implementation Group (technical-level group that considers issues raised by all implementers and gives advice)

- Support & assist the active e-placing activities underway in the London market (and elsewhere if they arise)
- Support and promote the Exposure reporting standards and the cedent loss bordereau in all relevant implementation communities
- Advocate implementation in other areas of standards recently completed by GRLC working groups; Binding authority premiums and claims and Cedent Bordereau.

Working Groups

The driving force of standards maintenance are 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.

Working Group Status Indicator Definitions:

- ▲ Good – Group is meeting regularly, with representative attendance, has defined objectives it is achieving on schedule.
- ▶ Warning – Group is correcting its issues and expected to be Good next report.
- ▼ Critical – Group is lacking in attendance, defined objectives or progress
- ◀ On Hold – Future direction is being determined

The current groups are listed below.

Binding Authority Risks Bound Bordereau Working group



Chair: Steve Reid, Xchanging / Chris Rees, Chaucer
Facilitators: Mark Barwick/ Melanie Harding / Phil Brown
Contact: See community pages on ACORD website

Latest Status (updated October 1st, 2014)

Green – This working group was approved in May – its first meeting has been arranged for mid-June 2014.

Objective:

An ACORD standard is already in place for Risk Bound Reporting (“ER3001”). This was designed to allow reporting of exposure information for personal and commercial property risks located in the USA under delegated authority facilities (aka “binding authorities”. Coverholders, Brokers and Insurers have identified the opportunity to extend the usage of this standard by extending it to allow reporting bound risks for:-

- Further lines of business and coverages (e.g. Liability, etc – to be defined by the working group)
- Further countries of origin (e.g. the later Premium and Claims reporting standards were worldwide in scope – and the ER3001 should also become worldwide)

Benefits of Participation:

Coverholders – Consistent format to send information.

Brokers – Data arrives quicker and does not require reformatting.

Insurers – Consistent data in a reusable format.

Service Providers - Participation in the design to aid with incorporation into software solutions.

Schedule & Milestones:

- Commence in June 2014
- Further milestones to be set by the working group – but aim to complete standards for highest priority lines of business by end of 2014

Deliverables:

- An implementation guide (transaction specification) that defines the data and message flows required for reporting of bound risks
- XML messages in the formats required by implementers to send these messages (to be confirmed – but expectation is that there will be a need for messages in both P&C and AML syntaxes for different geographies)

Latest:

Five meetings of the group have now been held since June 2014. They have completed analysis of UK property data requirements, and matched this to requirements from Australia. They now plan to rematch to latest requirements from North America, and then move onto other lines of business, starting with general liability.

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 P&C 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.

Associations	Key Goals and Activities
IRLA - Insurance and Reinsurance Legacy Association	They have become ACORD members to assist with advocacy and communication.
IUA – International Underwriting Association	They are ACORD members and strong advocates for use of the ACORD Standards, particularly within the London insurance and reinsurance companies market.
LIIBA - London and International Insurance Brokers' Association	They are ACORD members and strong advocates for use of the ACORD Standards and efficient workflows, particularly within the London insurance and reinsurance broker market.
LMA - Lloyd's Market Association	They are ACORD members and strong advocates for use of the ACORD Standards and efficient workflows within the Lloyd's underwriting market in London.
LMG - London Market Group	They are ACORD members and strong advocates for use of the ACORD Standards and efficient workflows. They pull together views and instigate implementation projects within the London insurance and reinsurance markets.
RAA - Reinsurance Association of America	ACORD are working with the RAA to include the Standards/Ruschlikon operational efficiencies in the RAA's Basic and Claims courses.
Regional Insurance Standards associations	ACORD is maintains relationships with Polaris in the UK and BIPRO in Germany, who both address retail insurance standards in their respective countries, to consider matters of mutual interest. The Ruschlikon initiative has also engaged recently with BIPRO regarding implementation initiatives in Germany. ACORD also participates in the UN initiative to harmonise standards under UN/CEFACT and via this route meets regularly with European standards bodies BIPRO (Germany), Telebib (Belgium) and SIVI (Netherlands).

Community	Key Goals and Activities
Ruschlikon Steering Group For ACORD – Lindsay Wälder	<p>This group has brought together the main global (re)insurers and brokers to realise the full business benefit of GRLC message implementation. The committee is dedicated to implementing ACORD Accounting, Claims and Settlement messages as defined in the ACORD EBOT and ECOT guides. The community has produced a document (the Global (Re)insurance Best Practices – Accounting, Claims & Settlement) that defines their activities. Recent highlights:-</p> <ul style="list-style-type: none"> • The decision to become an official an official ACORD Community was agreed on in October 2013. • The Ruschlikon Lite pilot successfully concluded at the end of February 2014. Ruschlikon is now identifying further cedents who could use Lite (which converts spreadsheet accounts from cedents into ACORD

Community	Key Goals and Activities
	<p>standard TA messages and sends these to reinsurers), and has put a mechanism in place for this to become a multi-vendor environment.</p> <ul style="list-style-type: none"> • Steering Group members continue their program of proactive engagement with new brokers and carriers to further widen implementation globally • Volumes continue to rise – 1.5 million messages were transacted in 2013 (double that of the previous year) and a further significant increase is expected for 2014 • The Steering Group is scheduled to meet in October 2014 at the ACORD Implementation Forum, together with representatives from the North America and Bermuda implementation communities.
<p>Ruschlikon Global Marketing Group For ACORD – Lindsay Wälder</p>	<p>The Marketing Group has a recently elected new chair, Heather Griffiths, coming from XL. After a recent face-to-face meeting in May in London, the Group reconfirmed their support of the Ruschlikon goals of:</p> <ul style="list-style-type: none"> • Increasing traffic & the critical mass within the Ruschlikon community and building on strong brand value • Creating new relationships with existing partners • Attracting additional members such as new brokers, co-insurance market players, and new reinsurance members (both sending & receiving) <p>With the main actions being:</p> <ul style="list-style-type: none"> • Reviewing, streamlining and updating key information and creating a core database that is easy-to-use and provides all relevant MI • Standardizing regular interaction within the Ruschlikon Community as well as with the “outside” insurance market (e.g. quarterly standardized reports, etc.) • Promoting growth opportunities with local/regional press publications , awards, events and local trade associations • Ensuring focus and progress, given resource constraints
<p>Ruschlikon North American Committee For ACORD –Maggy Leon</p>	<p>This committee represents and promotes the needs and priorities of the North America reinsurance community. The committee is dedicated to implementing ACORD Accounting, Claims and Settlement messages as defined in the EBOT and ECOT guides, and have also lent their support for the Global (Re)insurance Best Practices – Accounting, Claims & Settlement. One of their key priorities is to get more brokers engaged. They are also looking to utilize the</p>

Community	Key Goals and Activities
	<p>Placing message as a means to establish the contract account.</p> <p><u>Recent highlights</u></p> <ul style="list-style-type: none"> • The community has a new chair; Shawn Sylvester of Swiss Re • The community continues their advocacy work, and attended the recent BRMA Annual Rendezvous to present to an audience of high-level claim and contract professionals. Debbie Worthington (AIG), John Canavan (Guy Carpenter) and Shawn Sylvester (Swiss Re) were on the panel and the presentation was very well received. • The community held a lunchtime meeting in New York City on June 10th to present the Ruschlikon case to New York based companies. The meeting was very well attended and featured a very interactive dialogue between the attendees and the presenters <p><u>Implementations</u></p> <ul style="list-style-type: none"> • Eleven reinsurers, two brokers (Aon and Guy Carpenter) and two cedents (AIG and the Hartford) are live. One further broker is planning to go live this year (Willis Re). <p><u>Events</u></p> <ul style="list-style-type: none"> • See "highlights" above re recent events at BRMA and in NYC • The community is now planning the session for AIF in October 2014.
<p>Ruschlikon UK working group For ACORD – Mark Barwick</p>	<p>This group is focusing on insurance/reinsurances processed directly between brokers and carriers in London (as opposed to those processed via the London bureau run by xChanging). Priorities for 2014 will be: insurer systems integration; coinsurance in Europe; outbound reinsurance; ECOT adoption; PPWs/PPCs; settlement performance statistics; retail business.</p> <p><u>Implementation</u></p> <p>The following brokers and carriers are live; Willis, Aon, XL, ACE, Allianz, Axis, Generali, Zurich, QBE, AIG and Global Aerospace. Other brokers and carriers working towards live usage or showing interest are; Prices Forbes, JLT, Locktons, UIB, Marsh, A J Gallagher, Travelers, Liberty, Chubb and MapfRe.</p>

Community	Key Goals and Activities
<p>Bermuda Ruschlikon Steering Committee (BRSC) For ACORD –Maggy Leon</p>	<p>The group was formed in November 2011 to promote the use of ACORD EBOT, ECOT and Best Practices in the Bermuda market. For 2014 advocacy is focus, with main priority to engage more brokers and they are defining an approach for this.</p> <p><u>Implementation</u> Six Carriers live with three brokers. Three more testing .</p> <p><u>Events</u> The Insurance Day Bermuda event was held on 24th/25th June 2014 – with ACORD sponsoring a panel at that event.</p>
<p>Ruschlikon Asia Pacific For ACORD- Puneet Bharal</p>	<p>This has been in place since February 2013. In May 2014 Geographic scope changed: Singapore and Australia have re-merged under Ruschlikon Asia-Pacific, with Japan, India, Hong Kong and Malaysia added (these markets have been added because of implementation work underway).</p> <p>Brokers and carriers involved are; Aon, SCOR, Willis, XL Re, XL Insurance, AIG, GIC Re, Guy Carpenter, and MNRB (and the group's aim is to continue to expand – in particular with a focus on engaging more global and local brokers). From May 2014 the meeting schedule for the group is being updated to include monthly teleconferences for each market, with a full Asia-Pacific meeting on a less frequent basis. The new chair for the group was confirmed in May 2014 - Peter Mungeam, COO for Asia-Pacific, Aon Benfield.</p> <p><u>Implementations</u> Two global brokers are already live with two carriers. Latest news:</p> <ul style="list-style-type: none"> • Trust Re of Bahrain and Willis have completed implementation • XL Insurance and Willis have completed implementation in Singapore • GIC Re of India passed ACORD certification <p><u>Events</u></p> <ul style="list-style-type: none"> • The second “ACORD Forum Asia” event was held on 27/28 February 2014; to coincide with that event, and coinciding with this event meetings of the Ruschlikon Steering Committee and the Ruschlikon APAC group were also held. • The next ACORD Forum Asia will take place in March 2015, in Singapore.

Community	Key Goals and Activities
	<ul style="list-style-type: none"> ACORD is working with interested Ruschlikon leaders in identifying Australian contacts to hold initial meetings.
Ruschlikon Australasia For ACORD – Puneet Bharal	This group now merged into Ruschlikon Asia Pacific.
Business Implementation Group (BIG) For ACORD - Phil Brown	<p>The BIG is a technical committee committed to ensuring the EBOT and ECOT implementation guides represent the needs of all GRLC members. It has representation from the implementation communities referenced above. It addresses a list of ongoing issues – and sends participants to the ACORD PWG to participate in the ACORD agile maintenance process. BIG holds monthly virtual meetings, with face to face meetings arranged to address more complex issues 2-3 times per year.</p> <p><u>Events</u></p> <ul style="list-style-type: none"> The last face to face BIG meeting was held on 18th June 2014 – which addressed ongoing and new issues raised by implementers. The next face to face BIG meeting is planned for 30th-31st October in Fort Lauderdale.
London Placing For ACORD – Mark Barwick	<p>London has taken the lead on promoting ACORD GRLC Placing message implementation in their community. Since 2010 their focus has been on promoting the use of Placing for 'endorsements' (i.e. changes to policies). Message volumes are holding steady, with an annual total of approximately 185,000 (this is the total of messages back and forth, and there can be a number to support each transaction and also more than one agreement party for a change – taking all this into account the current volume represents around 25,000 policy changes per annum being processed electronically (2,000 per month).</p> <p><u>Latest</u></p> <ul style="list-style-type: none"> A new project, the Genesis Data Capture Service, started in mid-2013 and pilot implementations commenced in January 2014 – this engages a central provider to key in data from paper placing documents which is then sent to carriers in ACORD standard "Placing message" format. Placing Platform Ltd (PPL) is a central initiative working in conjunction with London market associations considering the need for a common

Community	Key Goals and Activities
	placing platform in the London market. They aim agree an approach during 2014.