



Global Reinsurance & Large Commercial Program Activity and Implementation Report

December 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 and Implementation Report is prepared to 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.

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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)
- 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.

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| <p>GRLC Steering Committee Chair – Steve Williams - JLT Director, Implementation Services (GRLC) – Maggy Leon, mleon@acord.org GRLC Program Director – Phil Brown, pbrown@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</p> |
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Achievements

Current highlights are:-

- Standards
 - Implementation of GRLC backoffice standards (accounting and claims) remains strong and continues to increase for commercial insurance and reinsurance sectors promoted by the “Ruschlikon” ACORD Standards Implementation Community
 - Globally between major commercial insurance and reinsurance brokers and carriers, and
 - Within specific communities; North American reinsurance; UK commercial insurance, Bermuda, APAC
 - Implementation of GRLC Placing messages remains focused in the London market, where their endorsements (policy administration) project has achieved good volumes of implementation. In addition
 - London is also reviewing its strategy for placing platforms and this should open up the possibility of increased implementation of full electronic placing during 2015
 - London's “Genesis - Data Capture Service” project (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) has expanded the data in the ACORD Placing Standards and is now considering requirements for moving from its pilot into a full production system
 - The agile process will have been in place for two years at the end of 2014. This continues to be very effective in allowing:-
 - Issues from any implementer/s to be reviewed as soon as they are raised – and an appropriate amount of time and resource then leveraged to solve them quickly
 - Changes to standards to be implemented quickly (a review by the GRLC Steering Committee based on the first 6 months of 2014 found that 84% of issues were resolved within 60 days of being raised)
 - The ACORD process to not be an inhibitor in the timing of rollout of new versions of standards requirement by implementation communities.
 - The Binding Authority working group that commenced in June 2014 to develop risk data reporting standards for delegated underwriting facilities globally has completed its first draft for commercial property insurance, and is now considering plans for addressing commercial liability lines of insurance.

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: Chris Rees, Chaucer

Facilitators: Melanie Harding / Phil Brown

Contact: See community pages on ACORD website

Latest Status (updated December 11th, 2014)

Green – This working group has met 9 times since commencing in June 2014. It has completed review of data reporting requirements for global commercial insurance risks and drafted an implementation guide for this. Their next goal is to address commercial liability data requirements.

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:

Nine 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, and a draft implementation guide is now completed. They now plan to 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 |
|---|---|
| General Insurance Council of India | The Council has implemented an ACORD AML-based solution to collate market data from all carriers in India. This data is used to produce monthly, quarterly and annual stats books. |
| 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 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 during 2014 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 |
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| Ruschlikon Steering Group For ACORD – Lindsay Wälder | 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:- <ul style="list-style-type: none"> • They are now an official ACORD Community. |

| Community | Key Goals and Activities |
|---|---|
| | <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 – but for 2014 and onwards Ruschlikon is considering different ways of portraying metrics to give a better sense of progress (e.g. percentage of electronic transactions compared to paper) • The Steering Group met 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 continues to meet regularly to focus on ways marketing and communication can help support 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 • Introducing a social media strategy which includes a LinkedIn group (more than 170 members now active) and a Twitter account (to be launched in 2015). |
| <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,</p> |

| Community | Key Goals and Activities |
|--|---|
| | <p>Claims & Settlement. One of their key priorities is to get more brokers engaged. They are also looking to utilize the 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 continues their advocacy work, and in 2014 <ul style="list-style-type: none"> ○ attended the 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. ○ 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"> • Twelve reinsurers, two brokers (Aon and Guy Carpenter) and two cedents (AIG and the Hartford) are live. <p><u>Events</u></p> <ul style="list-style-type: none"> • See “highlights” above re recent events at BRMA and in NYC • The community also met at AIF in October 2014. |
| <p>Ruschlikon UK working group For ACORD – Melanie Harding</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 2014/15 are:- insurer systems integration; coinsurance in Europe; outbound reinsurance; ECOT adoption; PPWs/PPCs; settlement performance statistics; retail business.</p> <p><u>Implementation</u></p> <p>There are now a total of 57 live partnerships with two more hoping to complete before year end 2014. Seven brokers are now live and more than 30 carriers.</p> |

| Community | Key Goals and Activities |
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| <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> Eight Carriers live with three brokers. Two 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).</p> <p><u>Implementations</u></p> <ul style="list-style-type: none"> • Trust Re of Bahrain and Willis have completed implementation. Trust Re is now working to finalise its integration with another global broker • XL Insurance and Willis have completed implementation in Singapore for domestic business, and business from London • GIC Re of India is now working to finalise its integration with a second global broker <p><u>Events</u></p> <ul style="list-style-type: none"> • The second “ACORD Forum Asia” event was held on 27/28 February 2014. • ACORD Forum Asia 2014 ACORD Forum Asia 2015 is scheduled for March 10-11, at The Fullerton Hotel, Singapore. The Forum takes on a more interactive format and is being co-located with Celent's Model Insurer Asia Awards. ACORD is working with Singapore market associations to refine the program and promote the event to its members. |
| <p>Business Implementation Group (BIG) For ACORD - Phil Brown</p> | <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</p> |

| Community | Key Goals and Activities |
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| | <p>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"> • BIG has held three face to face meetings in 2014 – the last of which was a 2-day meeting on 30th-31st October in Fort Lauderdale (in conjunction with AIF). |
| <p>London Placing For ACORD – Phil Brown</p> | <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"> • The Genesis Data Capture Service project 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 – it is now considering requirements to move from pilot to a full production service. • Placing Platform Ltd (PPL) is a central initiative working in conjunction with London market associations considering the need for a common placing platform in the London market. They aim to agree an approach during 2014. |