Southern Africa Short Term Insurance Program Activity and Implementation Report

December 2014

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 Report is published quarterly to provide non-technical descriptions of ACORD's standards development efforts to ACORD members and other interested parties. . Annually, the first quarter report introduces the year's priorities, mid-year reports provide statuses, and the year-end report summarizes accomplishments.

Any and all comments and questions are appreciated. Please contact Alan Stitzer at astitzer@acord.org

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Introduction

Purpose of this Guide

This guide provides regular quarterly updates to all standards participants and interested parties regarding the current activities, issues and accomplishments in the ACORD Australia General insurance Program Standards Program.

The ACORD Southern African Short Term Insurance (SA ST) Program

The ACORD SA ST Program was established in 2011 to provide insurance process, messaging and data standards for the Southern Africa Short Term Insurance marketplace (aka commercial property & casualty).

The scope of the standards includes all short term insurance products for the Southern Africa Region (countries such as South Africa, Botswana, Namibia, Zimbabwe, Zambia, etc.) including personal lines (motor, property, liability, accident, etc.) and commercial lines (motor, property, liability, accident, etc.). It focuses on the entire insurance value chain from product design, quotation, sale, policy issuance, in-force policy activity and through to benefit and claim management. It involves all constituencies in the life insurance community including agents & brokers, distributors, insurers, service providers, software providers, and regulators.

The Program manages one data standards; the ACORD Messaging Library (AML) Southern Africa Standard V1.0.0 currently in candidate recommendation stage. Other deliverables include a growing library of Implementation Guides all available at www.acord.org.

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SA ST Steering Committee Chair – Deon Olckers, SAIA
SA ST Steering Committee Vice Chair – TBA
ACORD Standards and Steering Committee Members 🖹
Public Program Information 🖹
Public Standards Site 🖹
Member Collaboration Site 🖹
ACORD Governance Documents 🖹

History

Over the past year, ACORD has supported the work of several members in Southern Africa. Over that period, activity and interest in standards implementation has increased to today's heightened levels.

"Brokers manage a lot of the information in South Africa and need to find ways to be more efficient and meet regulatory requirements," stated Alan Stitzer of ACORD. "Last year, the FIA joined ACORD to cooperatively determine how to share this information with the insurer and in anticipation of new legislation and requirements. Now, the movement towards standards is expanding as the need has grown to standardize data."

The group kicked off weekly meetings at the end of January and they expect to have their first deliverables available at the end of the 2nd quarter of 2011. "We have very aggressive timelines for completion of the first deliverables, but our scope is well defined and we're all ready to get started."

As with any new initiative, the insurers, vendors, and brokers involved are excited to get started and move forward on this first initiative. At the same time, they are planning for future stages and developments that include claims processing and bordereaux messages.

In a short amount of time, major advancements have been made in the development of ACORD Standards for the South African insurance industry.

"The ultimate goal this group has set for itself is to complete personal lines standards this year," said Alan Stitzer, Program Manager, and ACORD. "The work being done in South Africa will also be used by other ACORD members in other geographies. In particular, the Australian Market is interested in the same areas and they are looking to this development project to support their market's needs."

What's New in SAST

Numerous draft releases for the program have been posted to the working group site, adding content for mostly commercial lines and bordereaux messages.

Objectives 2014

The committee is pleased to announce that all goals have been achieved.

The Steering Committee approved the following goals for 2014:

Goals	Focus Areas	Objectives	Expected Outcome	Actionable Steps
Build Awareness and Expertise of Standards	Encourage the creation of experts that can guide carriers and solution providers toward the optimal use of ACORD transactions	Cultivate new A.C.E.s	Increase in number of A.C.E.s	Contribute to education program and documentation / training material publication efforts
Refine and Enhance Communication	Better understand the needs of our entire user community	Leverage relationships with ACORD and industry organizations as AUGIE, ACT, agency management system User Groups, vendors Publicize P&C important issues and program progress through ACORD media, keeping our P&C membership	Initiatives aligned with industry needs Recognition of ACORD's responsiveness and agility in evolving standards to meet business needs	Monitor organizations for issues that may be addressed by this program Publish relevant, emerging news in ACORD Newsletter

Goals	Focus Areas	Objectives	Expected Outcome	Actionable Steps
		up to date with current information		
Refine and Enhance Standards	Finalise the personal lines standard and get it into operations across at least 5 insurers to ensure that the standard is comprehensive and stable	Make sure the Personal lines standard is stable by 3Q 2014	The STRIDE Switch is processing messages.	Work closely with STRIDE to collect and enter business requirements into AML.
	Commercial Lines Batch processing of Claims Synchronization messages Real time (policy fulfillment) messages	After release 2.1 is posted and available, work with insurers to review commercial lines requirements. Work with insurers to get the Claims Synch messages into a stable state. Work with insurers to implement the policy fulfillment messages	Draft versions of the standard will be available on the working group site.	Update the business rules document to ensure market processing requirements are met.
	Development of the vehicle finance and insurance message standard	Work with the industry associations to gather business requirements for the new vehicle finance message being proposed by STRIDE	Data and business requirements for these new messages will be included in Southern Africa Short Term Standard	Continue to work with STRIDE to collect the information and also work with ACORD staff to ensure the requirements are captured and included in AML
Refine and Enhance SDO Processes	Support and promote the adoption and use of tools that enhance the ability to develop and utilize ACORD	SDO Process Repository Dynamic steering committee engagement	List of processes (internal and external) illustrating steps followed in producing standards	Contribute process information to PWG Community page. Continue using

Goals	Focus Areas	Objectives	Expected Outcome	Actionable Steps
	standards		Communities focused on understanding business problems rather than simply "adding elements to a standard"	issue list for WG agendas, minutes, MR review, Plenary, ballot, and continuing education
	Ensure working groups employ the most efficient use of member / ACORD time and resources. Working groups are listed in the Program Activity Report.		Engagement and involvement of ACORD architectural staff in standards evolution process	Succession planning, event planning, WG reviews, Awards
			Increased contributions to AUGI program, new expert leaders	

Program Key Activities & Work Streams

The Southern Africa Short Term Programs activities fall into two major categories; Program Initiatives and Working Groups. Work in each of these areas is described below.

October 2014 - A note from your Program Chair, Deon Olckers

Work continues to move forward in the implementation of STRIDE and the ACORD messages. Although there can always be more, we are very pleased with the pick up of the standard.

We're looking forward to increased implementation and extended scope for the coming years.

ACORD Forum Southern Africa was a huge success with record attendance. Our hope is to continue that trend for next year's event!

Program Initiatives

The SA ST Program Steering Committee has set up several major initiatives independent of day-to-day standards maintenance responsibilities and the working groups activities (details following).

These include;

- **Publication of First Public Southern Africa Insurance Standard** – the efforts of the past several years of initial development work has been fruitful with a final draft specification diligently being reviewed and tested. Expectation is we will publish the first open public version of the standards developed thus far this summer, and then continue maintaining and improving them going forward.

- **Implementation Services Support** – ACORD is increasing efforts to develop a wide range of innovative and effective tools, services and activities to encourage and support *implementation* of standards. The ZA ST Program, in the course of its responsibilities to manage the standards development process, wants to insure we do everything in our power to support this effort. This focused effort has begun with the recently launched ACORD 2020 Advisory Council.

- **Communication** – With so much going on at ACORD both within programs and globally across programs this effort will continue to improve the content as well as delivery of standards development information.

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.

> *Get involved…it's easy. Contact the facilitator for more information or simply join in any one of the recurring conversations to add your voice!*

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 in alphabetic order.

▲ SA ST Program WG

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Latest Status (updated December, 2014)

As the community moves towards the common goal of everyone on release 2.1.0, there has been background work being done on commercial lines as well as bordereaux messages.

We're hoping to have some real time messages in 2015!

This is the primary working group for the program. All day-to-day maintenance requests and standard development work is done by this group. All participants in the SA ST Program are encouraged to participate. It meets weekly at 3:00 PM South Africa time for 90 minutes.

The current main focus of the group is validation of the business messages included in phase one of the STRIDE initiative.   The progress continues at a rapid pace and is on target for delivery in the third quarter of 2012.

The group has begun focusing on business rules to be applied as a secondary validation (after schema validation) to ensure that the messages are "business valid". Rules are being put into place that, while ensuring the message is valid, will also not place too big of a burden on the brokers when sending the policy information to the insurers.

The working group has also been looking at the next set of messages to be designed. On the list is first notice of loss, engineering, contractors, etc. The Steering Committee will be validating and prioritizing that list.

Schedule & Milestones

- During 1Q 2014 the group shall:

  - Produce goals and objectives for the program
  - Release version 2.1

- During 2Q 2014 the group shall:

  - Continue to enhance the standard for commercial lines.
  - Gather business requirements for peripheral industries as they relate to the insurance value chain.

- During 3Q 2014 the group shall:

  - Continue to enhance the standard for commercial lines.
    - COMPLETE

- During 4Q 2014 the group shall:

  - Continue to enhance the standard for commercial lines.
    - COMPLETE

Benefits of Participation

Participation in this working group gets you a voice and a vote in the data required for a standard way to do both policy placement, but also claims business transactions one way.

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.

Sponsor / Community	Key Objectives and Activities
Southern Africa Short Term Implementation Community	This community https://www.acord.org/Community/ZA/ZASTIC/default.aspx has been created to allow discussion of the ACORD Southern Africa Short Term XML standard and the implementation of such using the STRIDE switch.
STRIDE	STRIDE provides input to the Steering Committee to ensure that we are meeting the needs of the short term industry.

Implementation Activities

Appendix:Program History & Achievements

Achievements

By growing activity and participation to represent the majority of market participants in the community have emerged as a robust standards program in its own right; with local governance, development and deployment of standards and local implementation support. These areas continue to grow and evolve to meet member needs.

This program is an expansion of what started out as the South Africa Program. It has become apparent after many visits to the region, other countries in Southern Africa would benefit from the work being done in South Africa.

The Insurance Council of Botswana joined ACORD as an Association Member in early 2011.

In late 2011, the ICB committed to using the standard as developed in South Africa for domestic short term insurance in Botswana. It was at this same meeting that investigation began into increasing the scope of the South Africa Standard to include the entire Southern African Region.

Achievements 2014

Numerous draft iterations were produced this year, enhancing the standard for commercial lines and bordereaux messages.

Achievements 2013

Released version 1.0 of the standard

Released version 2.0 of the standard

Achievements 2012

Completed first pass of business validation rules

Completed and finalized business validation rules for the Policy Synchronisation messages.

Released Version 1.0 of the Southern Africa XML Specification

Achievements 2011

Completed validation of all commercial and personal lines messages, as well as the Policy Synchronization message required by the Financial Services Bureau (FSB).

ACORD announced the move from draft status to Candidate Recommendation Status.

Pilot Testing can now begin.

Achievements 2010

Completed initial draft of all lines of business both commercial and personal. These lines are Watercraft, Personal Motor, Personal Property, Personal Accident, Personal Liability, Commercial Motor, Commercial Property (including things such as Business Interruption, Crime, Fire, Building, Contents, etc.)