



Insurance Data Standards
Life & Annuity • P&C • Reinsurance

nonprofit • industry developed • solution provider neutral

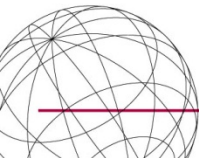
ACORD Standards

Cliff Chaney
Senior Architect
ACORD



Who is ACORD?

- **Independent and Objective Trade Association**
 - Serving the Industry since 1970
 - Facilitating Industry-Driven Standards for Agents, Carriers, Solution Providers, Associations
 - Not For-Profit Corporation
- **Anti-Trust protected forum for developing Standards and promoting implementation**
- **Offices in NY & London**
 - 60+ Staff many from the Insurance Industry
- **Develops, Manages, and Promotes Standards...**



ACORD: Role in Standards

- To foster cooperation among insurance companies, agents, brokers, solution providers and other associations.
- To provide legal framework for competitors to work together on common goals within antitrust guidelines.
- To promote solution-provider involvement to develop technologies enabling current and future implementation.
- To manage the standards process.



ACORD: Guiding Principles

- Remain Driven By Industry Needs and Requirements.
- Develop and Promote Open Standards.
- Create Cooperative Relationships With Other National and International Standards Organizations.
- Provide Advocacy and Education on Standards.
- Utilize and Promote Cross-industry Standards.
- Remain Technology and Vendor Neutral.



ACORD Standards: An Evolution

Non-Life History

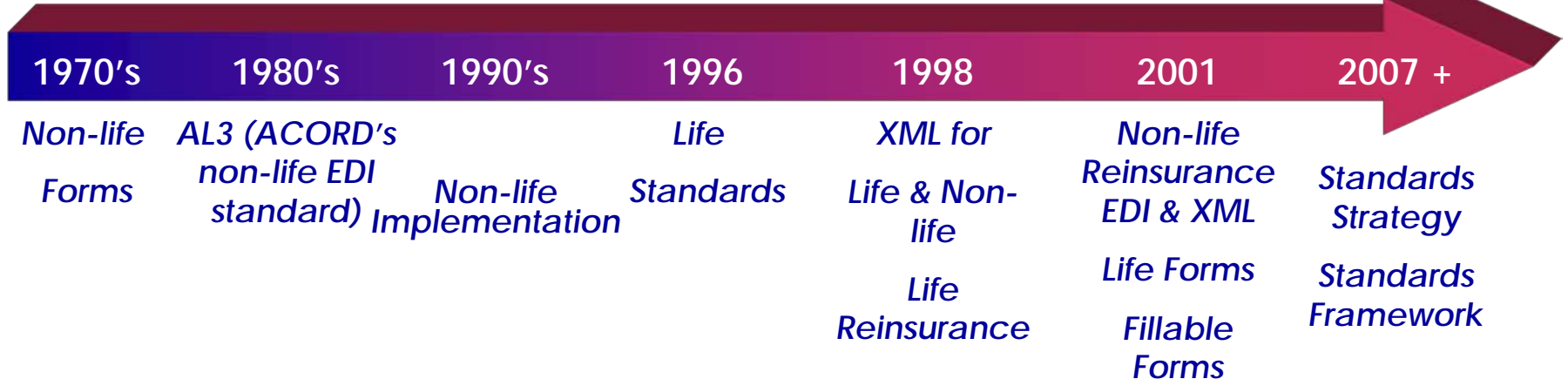
- 1980's – EDI developed
- 1999 – XML developed
- 2004 – New version of XML began development
- 2008 – Transition to global standards management

Life History

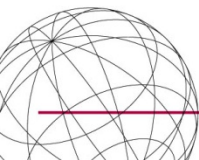
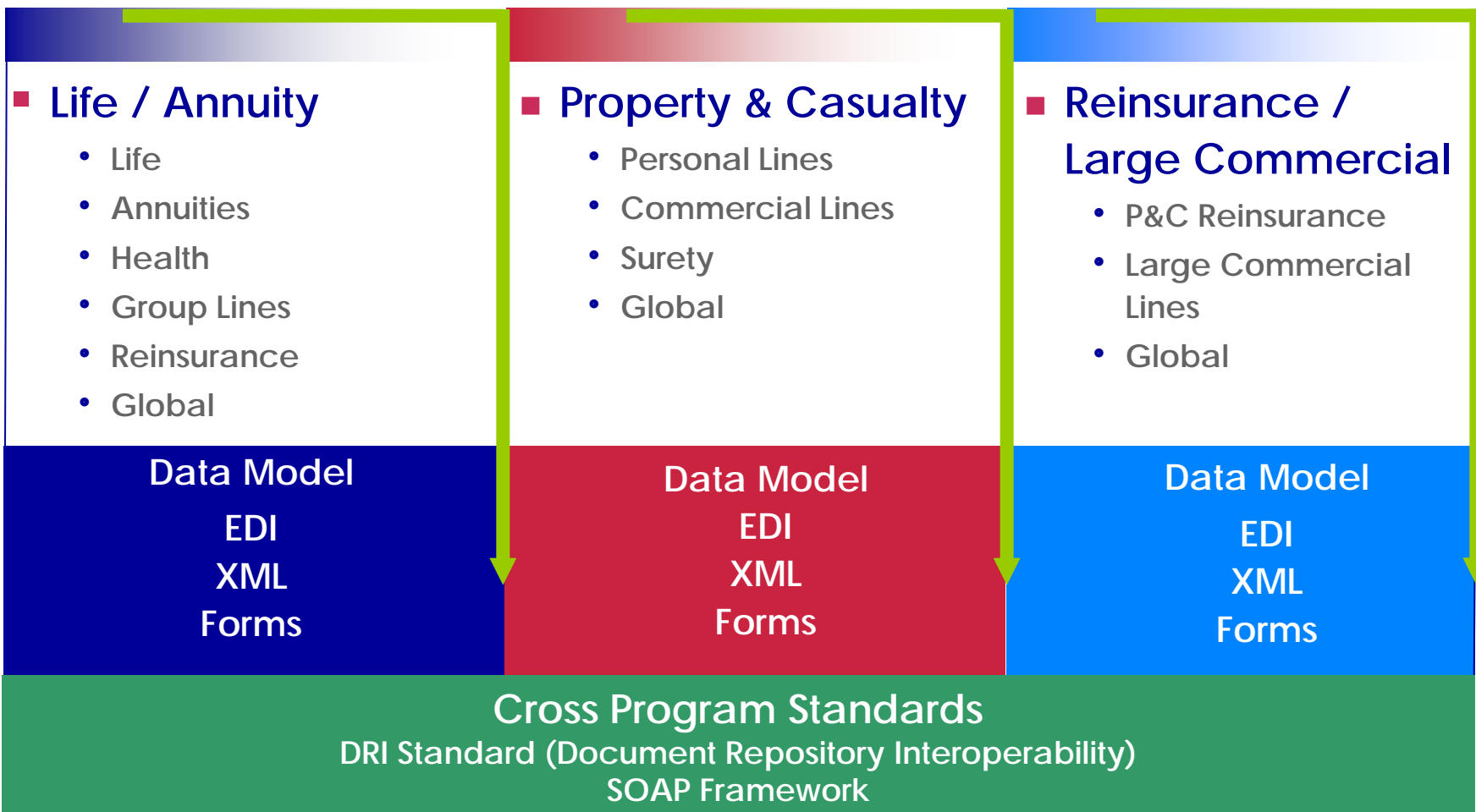
- 1996– Microsoft donated OLE Technology
- 1998 – XML developed
- 2000 – XML Version 2

RLC History

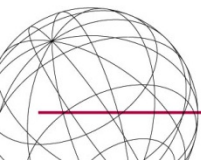
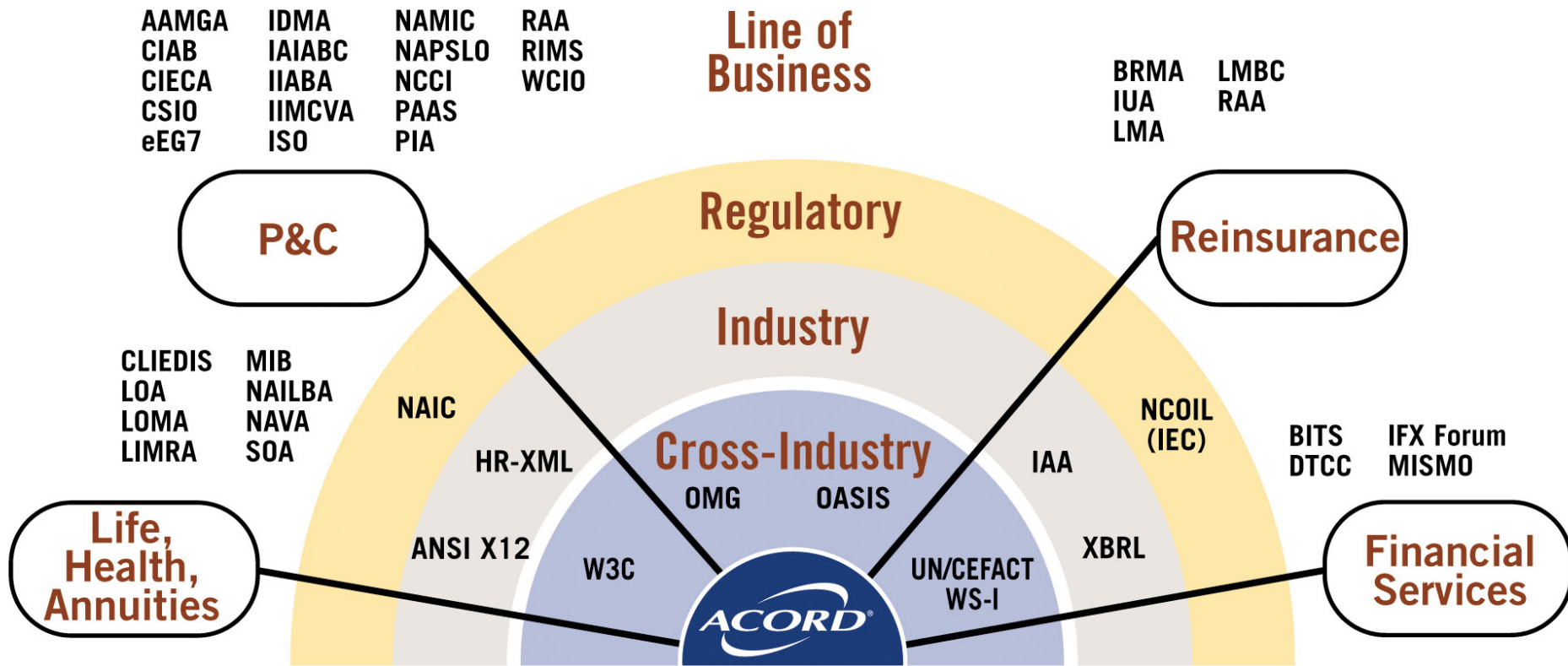
- 1980's – EDI as Joint Venture
- 2001 - Acquired by ACORD
- 2002 – XML developed



Standards Programs Today



ACORD Standards: Industry Collaboration



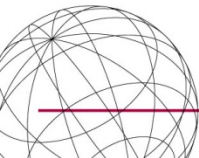
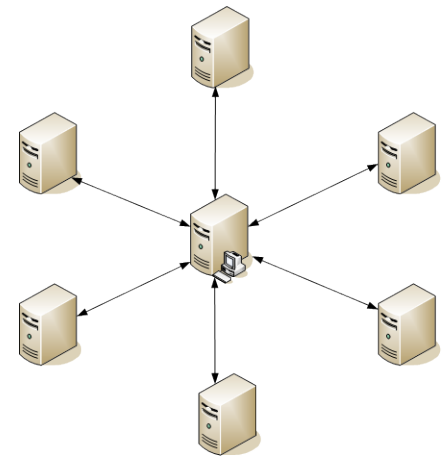
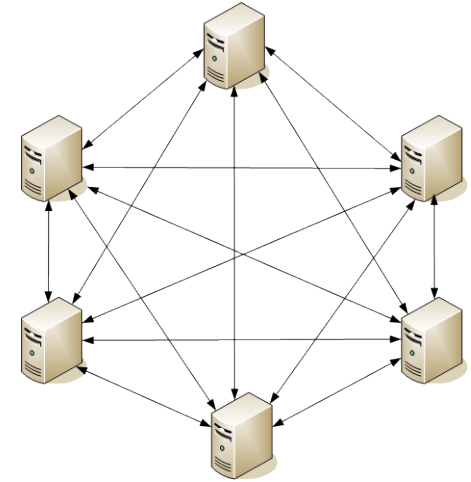
Industry Analyst View

- “Maximizing the use of standards is how grown-up organizations operate.” — Marc Cecere, Forrester
- “Standards are crucial to enable real-time transactions with internal and external users.” — Kimberly Harris-Ferrante, Gartner
- “Use of ACORD Standards is central to establishing an overall enterprise architecture.” — Deborah M. Smallwood, TowerGroup
- “Web services using data standards will have an advantage.” — John Flynn, Gartner
- “ACORD Standards are a key tool for insurers to improve their business capabilities” — Matt Josefowicz, Celent
- “Without data standards like ACORD, industry improvement efforts will fail.” — Todd Eyler, Gartner

Why Standards?

- Move from this...
 - 60 Proprietary Interfaces
 - Many Interfaces represent a “chain” of dependencies
 - One upgrade creates a ripple effect

- To this...
 - 12 Standard Interfaces
 - No dependency chain
 - One model to maintain



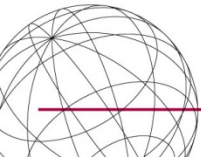
Why Standards?

■ Do More with Less

- Major Insurance Company Implemented XMLife for Pending Case Status
- First year of Implementation
 - ▶ One interface for all distributions
 - ▶ Support twice as many feeds
 - ▶ Cost savings 50%
 - ▶ Twice the return, half the investment!

■ Leverage Cost with Trading Partners

- Exhaustive study by Major “Hub Provider”
- Found non-ACORD interfaces cost three times as much to support





Insurance Data Standards
Life & Annuity • P&C • Reinsurance

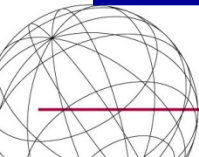
nonprofit • industry developed • solution provider neutral

Life and Annuity Program

September, 2011 Update

2011 L&A Goals and Objectives

2011 Goals	Focus Areas	Objectives
Improve Standards	<ul style="list-style-type: none"> Improve the standards creation, validation, consistency and usability by continuing to build out the ACORD Framework 	<ul style="list-style-type: none"> Info Model v2.0 to L&A messages Integration of DTCC contribution into existing processes . Manage Working Groups and Output, i.e., LIMRA Message Delivery
Improve Tools & Processes	<ul style="list-style-type: none"> Continue to optimize tools that help generate and test transactions, and refine processes needed to interact with the standards Align L&A efforts with ACORD's Agile Standards Development Organization (ASDO) initiatives 	<ul style="list-style-type: none"> Version comparison tool Revision highlights in Help files TCF/Framework integration MR Knowledge base Improve Consistency in the data model
Drive Implementation	<ul style="list-style-type: none"> Reshape how ACORD transactions and services can best be enhanced and documented for easiest implementation Determine responsibilities and communication methods between L&A Steering Committee, ACORD 2020 and Advisory Services 	<ul style="list-style-type: none"> Plug N Play Consortium <ul style="list-style-type: none"> Tooling Jamboree More transactions
Build Awareness & Expertise	<ul style="list-style-type: none"> Encourage the creation of experts within the standard that can then guide carriers and vendors towards the optimal use of ACORD 	<ul style="list-style-type: none"> New LAH ACE's in 2011 Starter Kit
Give Brokers a Voice	<ul style="list-style-type: none"> Provide a forum for Brokers to share their collective needs and challenges and therefore influence the direction of standards 	<ul style="list-style-type: none"> Forms brochure for NAILBA First event with 5 Brokers Continued growth of Life Brokerage Technical Committee
Share Value & Direction	<ul style="list-style-type: none"> Increase awareness of industry standards and specifically ACORD value to carriers 	<ul style="list-style-type: none"> Begin Road shows Value Proposition Materials



Active Working Groups & Life & Annuity Team

Yolanda Austin

- Long Term Care, Employee Benefits, Policy Lifecycle, Illustrations

Karen Mottley

- Life Product, LIMRA, Automated Vendor Invoicing

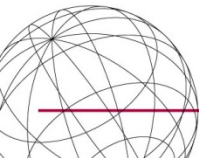
Mike Bauer

- LAWG, MR Review

Brian Marable

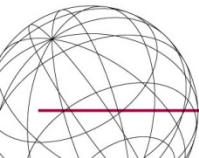
- Membership

Contact Life@ACORD.org



What's in Progress

- Maintenance Review Process Underway
- Forms Focus Group Completed Analysis of Forms and Determined Development Priorities
- Process underway to provide consistent and detailed message specifications.
- Address 2011 Goals & Objectives



Information Online

Home > Life & Annuity

LIFE & ANNUITY COMMUNITY



Overview



Program



Membership

ASC

ACORD
Standards
Committee



Teams



Working
Groups

MR

Maintenance
Requests



Training
Program



Downloads

TCF

Testing &
Certification
Facility



Program Activity
Reports

RELATED NEWS

19 Oct 2011

ACORD 951 Released

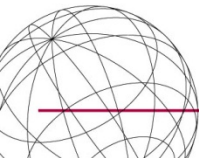
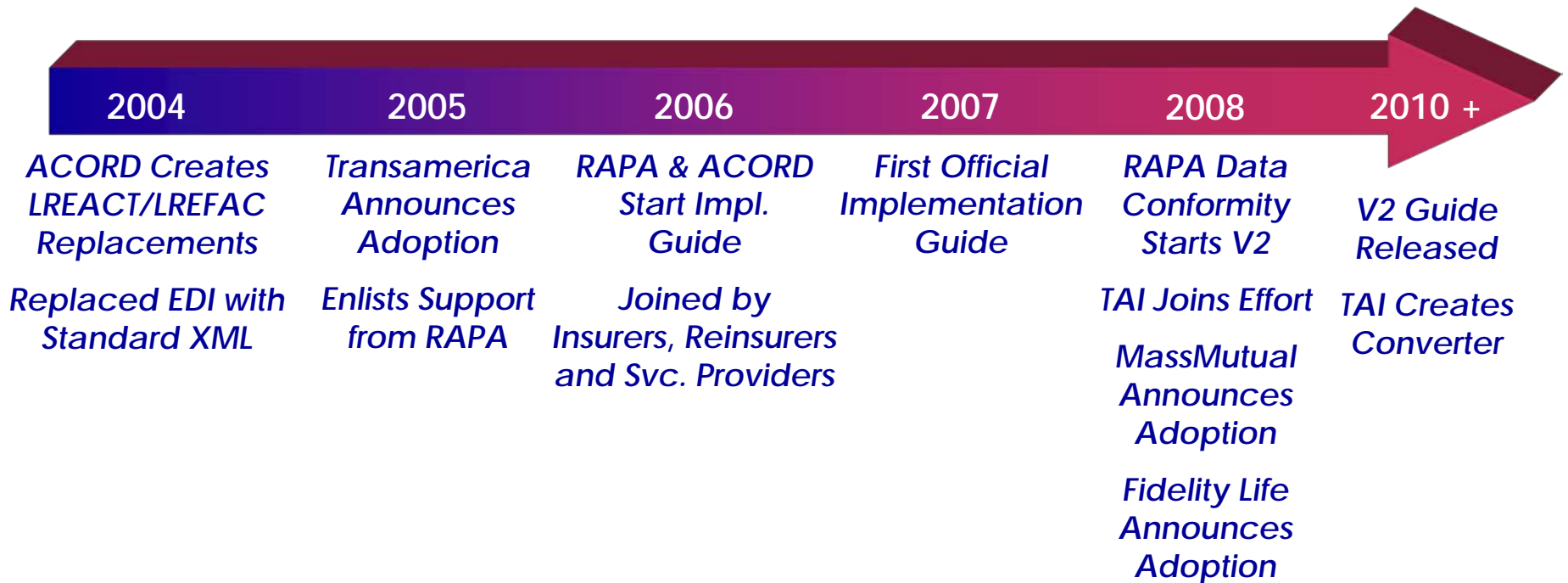
12 Oct 2011

Plenary Just Two Weeks Away

<http://www.acord.org/LAH>

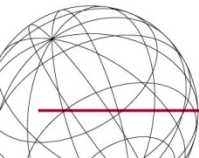
SLIDE 15

History of Life Reinsurance Message



Major Challenges to Development

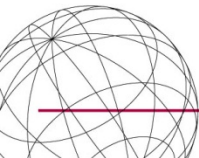
- **Using Common Terminology**
 - Started with ANSI/EDIFACT
 - ▶ Technically correct, not widely understood
 - RAPA Data Conformity Key to Solving
 - ▶ Still refining today
- **Industry Wide Involvement**
 - RAPA & ACORD Worked Together
 - Individual Involvement Varied Over Time



Challenges Toward Implementation

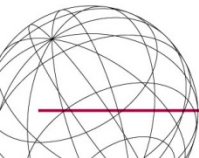
- **Gaining Adoption**
 - TAI Focus Instrumental
 - Biggest Challenge Today
- **Validation Utility**
 - Member Only Access
- **Larger XML File**
- **Development Costs (ROI)**
- **Publicizing Advantages**

What are your challenges?



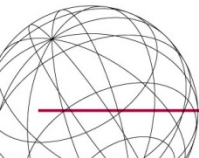
Lessons Learned

- **Technically Correct is Not Good Enough**
 - Early Implementations were Inconsistent
 - Barrier to Implementation
- **Standards Can't Lead Without the Business**
 - RAPA Critical to Development
- **Can't Develop in a Vacuum**
 - Focus on TAI format was a clear differentiator
 - Gave group a stable target
- **A Great Guide Takes Time & Effort**
 - The more, the better
 - Can still be improved



Next Steps

- Focus on Implementation
- Message Only as Good as the Data Coming In
- Enhancing the Guide
 - RAPA Data Conformity Taking Charge
 - Refining Terminology
 - Adding Sample XML / Use Cases
 - What else does it need?





Global Insurance Standards

Lloyd Chumbley
Assistant Vice President
Standards Technology
3578-E Hartsel Drive, Suite 369
Colorado Springs, CO 80920
Tel: 719 264 9621
Fax: 845 620 3694
Ichumbley@acord.org



World Headquarters:

Two Blue Hill Plaza
3rd Floor
Pearl River, NY 10965
USA

+1 845 620 1700

London office:

LUC - Suite 2/5
3 Minster Court
Mincing Lane
London EC3R 7DD
UK

+44 (0) 207 617 6400