

ACORD

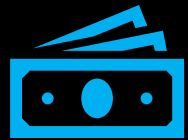
The Importance of Global Standards in (Re)Insurance ***15-Year Ruschlikon Anniversary***

Chris Newman
EVP & Global Managing Director

Singapore
June 28, 2023

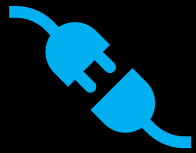
The Importance of Global Standards in (Re)Insurance

Standards Impact



Currency

180 currencies



Electric plugs

14 unique plugs



Weight & distance

3 systems



Accounting

100+ organizations



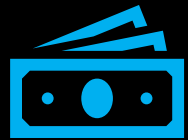
Conversion

Comparability

Usability

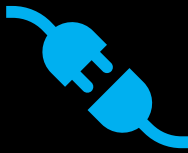
The Importance of Global Standards in (Re)Insurance

Standards Impact



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14 unique plugs



Weight & distance

3 systems



Accounting

100+ organizations



- ⊗ Diminished advantage
- ⊗ Deferred benefits
- ⊗ Scale & scope of change

ACORD[®] BY THE NUMBERS

50+ Years of Industry Service

36000+ Participating Organizations

1200+ Standardized Transaction Types

SERVING THE GLOBAL INSURANCE INDUSTRY

Top 20 by Stakeholders



100%
Brokers



100%
P&C Carriers



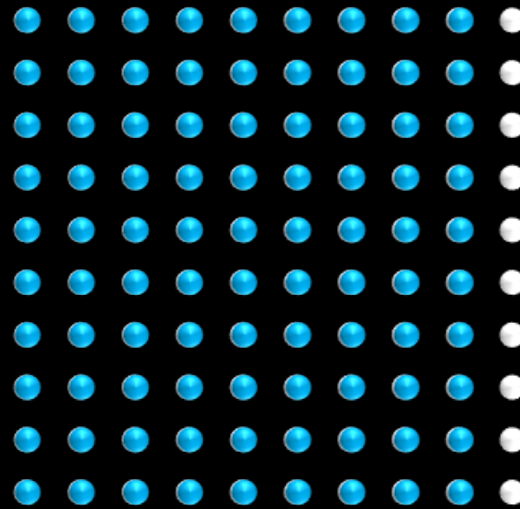
100%
L&A Carriers



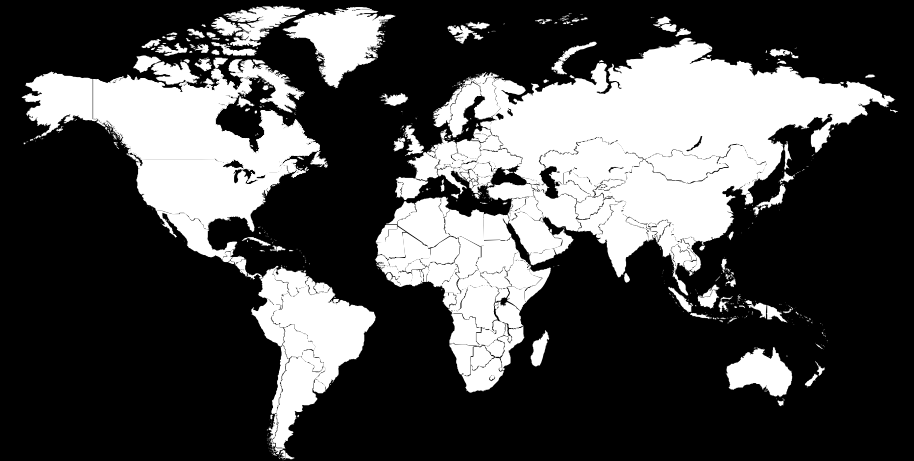
100%
Reinsurers



100%
Solution Providers



90%+ Addressable GPW



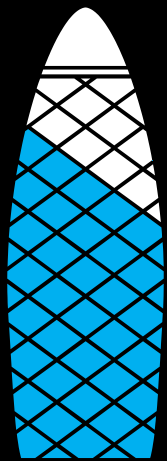
100+ Countries

ACORD[®] BY THE NUMBERS

GLOBAL REINSURANCE AND LARGE COMMERCIAL

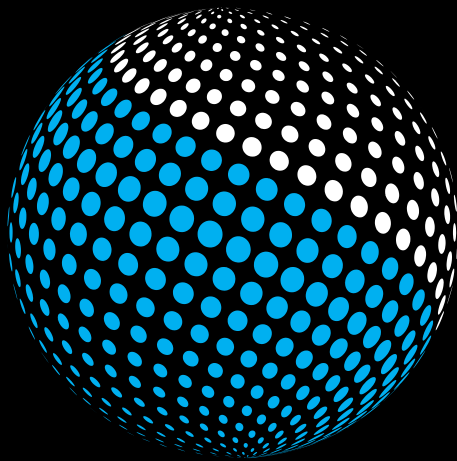
SERVING THE GLOBAL INSURANCE INDUSTRY

FACILITATING GLOBAL DATA EXCHANGE



75%

London
Market



60%

Global
Reinsurance



75%

Global Reinsurance
Broking



6

GRLC Standards – *Placing, Accounting, Claims, Settlement, Bordereau, Document Repository*



2M+

Annual Placing & ECF Write Back Messages



8.5M

Annual Accounting, Claims & Settlement Messages



10M+

Annual Document Repository Messages

ACORD[®] BY THE NUMBERS

50+ Years of Industry Service

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1200+ Standardized Transaction Types

PORTFOLIO



Forms & Standards
800+ Forms, **400K** elements



Reference Architecture
7 Models & frameworks



Training & Certification
3K Validations & sessions



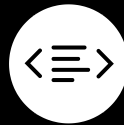
Idea-Sharing Platforms
350+ Standards events



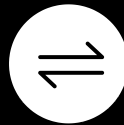
Research & Development
20+ Market studies

SOLUTIONS

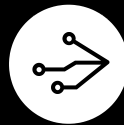
(as of Q1 2023)



ACORD Transcriber
(6M+ Pages)



ACORD Converter
(9M+ Mappings)



ACORD Conductor
(7M+ Transactions)



ADEPT
(10M+ Transactions)



Advisory Group
(25+ Engagements)

KEY OUTCOMES



6K+ ACORD Regulatory Submissions



7K+ Core systems leveraging ACORD Standards



13M+ Annual London Market Messages



375M+ Annual Forms, Messages, Data Assets



23M+ Solution-enabled transactions

ACORD Solutions Group
Licensed Integrator Partner Programme: Overview



ACORD
Solutions Group™

**LICENSED
INTEGRATOR**

Digital badge – emails, RFPs, marketing

Global events – access & sponsorship

Quarterly sessions – strategy, opportunities, updates

Semi-annual sessions – education & collaboration

ACORD Solutions Group Licensed Integrator Partner Programme: Community



ACORD's primary objective is to enable efficient & effective flow of insurance related data

ACORD

Data standards may seem abstract, but they serve the same purpose as any other standard

They provide a common language & are consistent, reliable, and effective

When used correctly, data standards will help to reduce costs & to help provide greater data insights

The Importance of Global Standards in (Re)Insurance

Standards Use



Establish rules for data elements, data definitions & business descriptions – *common language following best practice*



Allow stakeholders to exchange data consistently & reliably, regardless of how each party subsequently uses data



Eliminates need for data to be created or collected in a certain way as long as delivered in common format – *consistent & easily recognisable*

The Importance of Global Standards in (Re)Insurance

Rationale & Selected Benefits

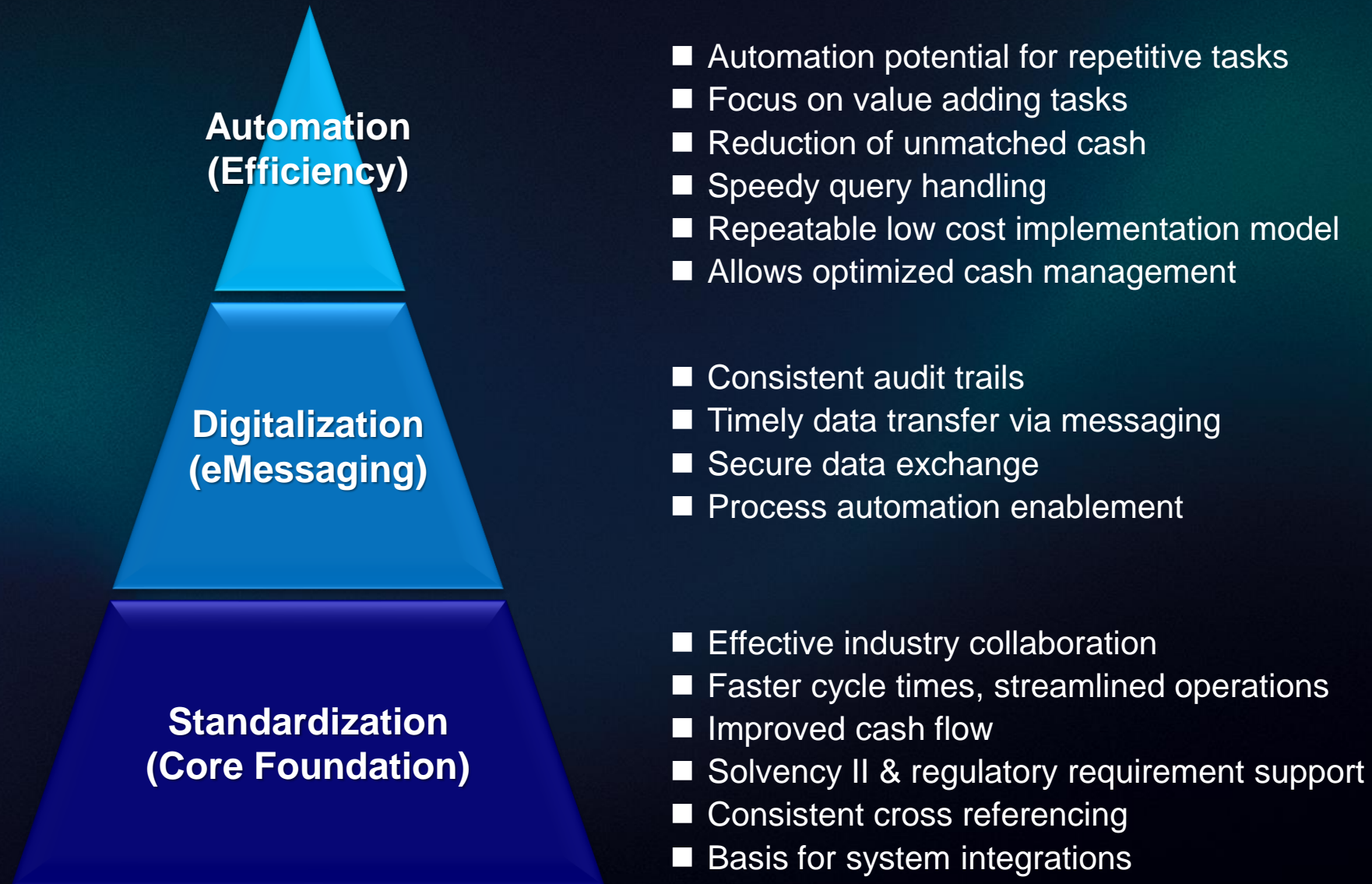
- Exponential growth of data across industry
- Accelerated changing regulatory environment
- Data use throughout insurance value chain



- ✓ Support streamlined operations – *e.g. automated cash reconciliation*
- ✓ Framework to assist operating model – *reduced internal & external ambiguity*
- ✓ Enable integration across stakeholders – *facilitating new regions and markets*

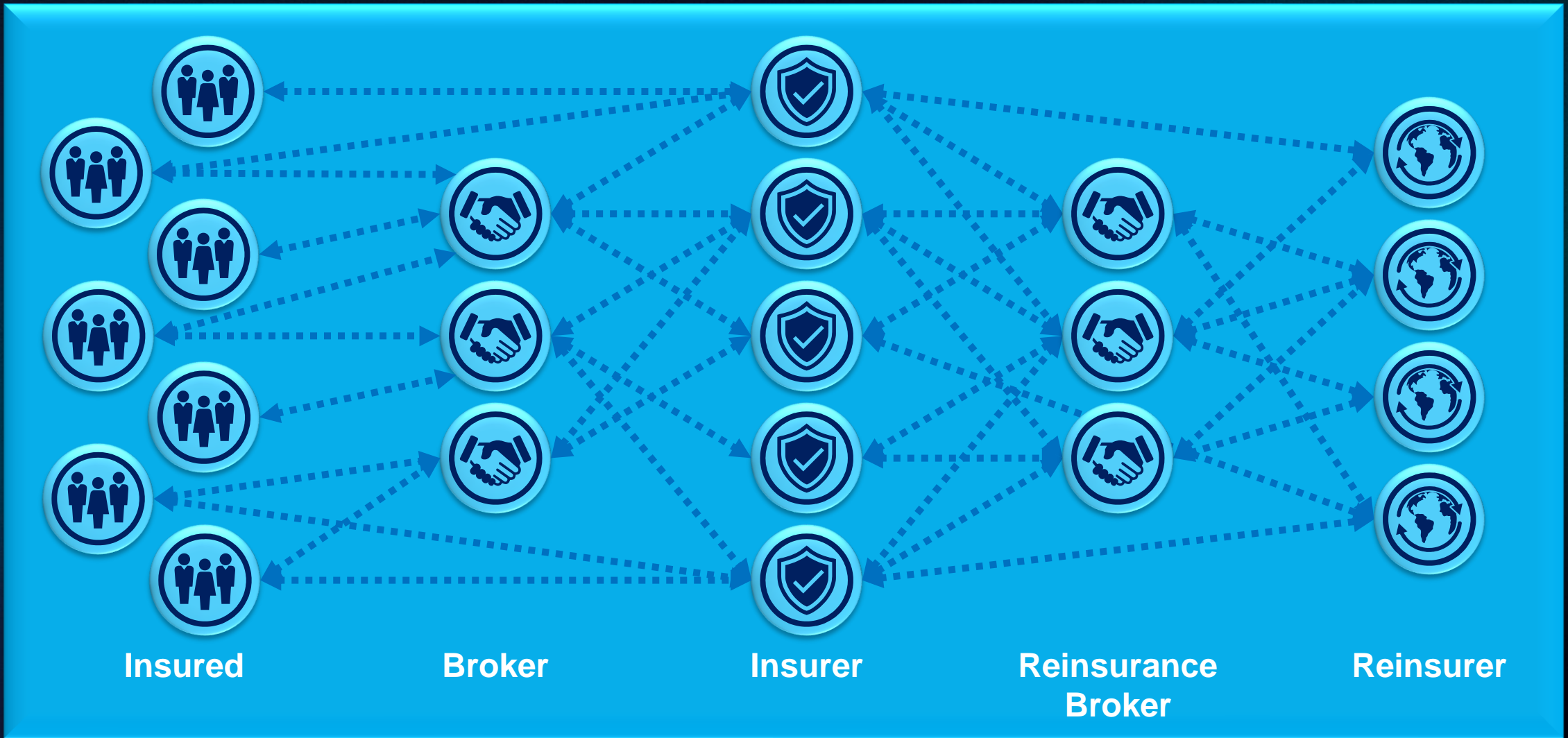
The Importance of Global Standards in (Re)Insurance

Fundamental Building Blocks & Selective Benefits



The Importance of Global Standards in (Re)Insurance

GRLC End-to-End & Selected Use Cases



Insured

Broker

Insurer

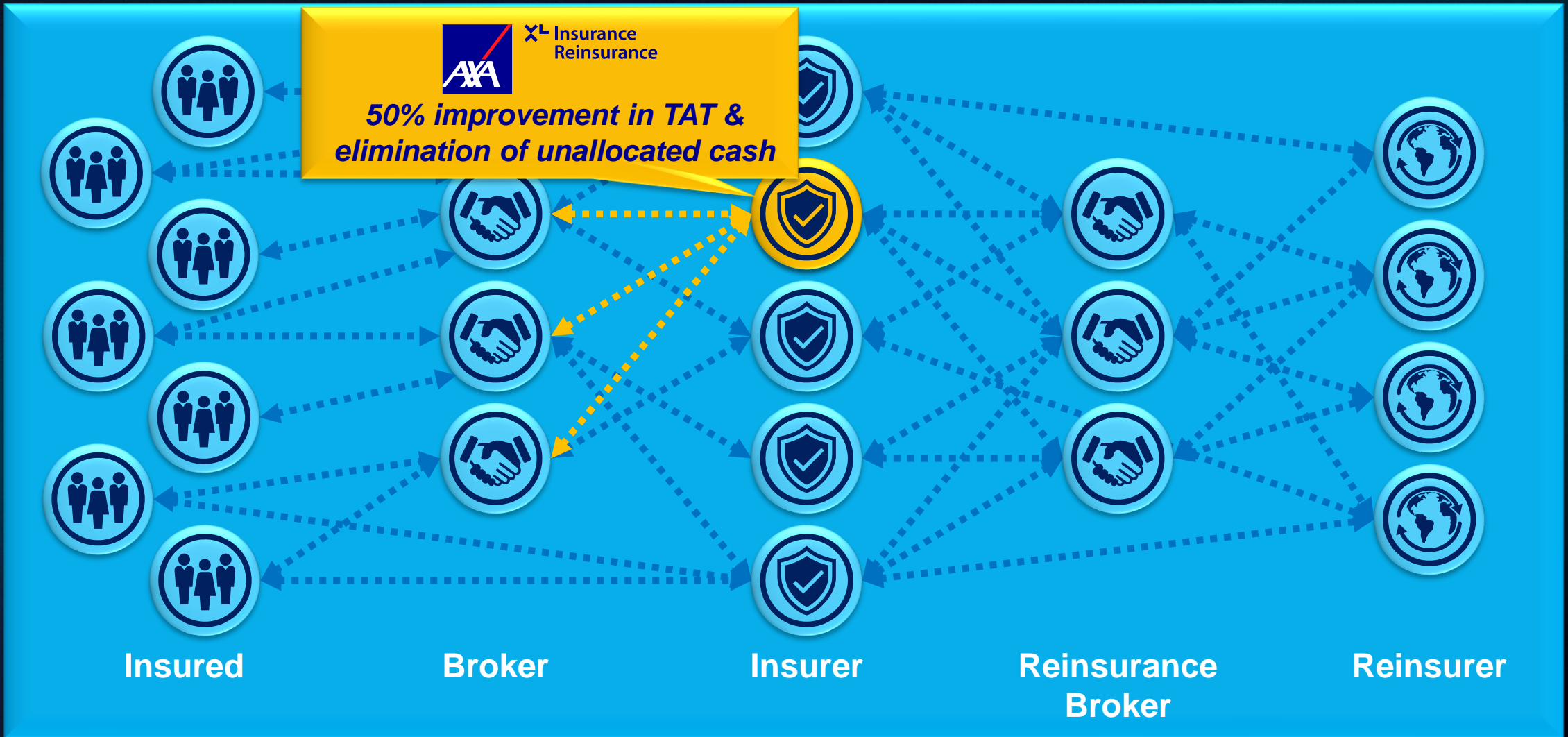
Reinsurance
Broker

Reinsurer

ACORD Messaging

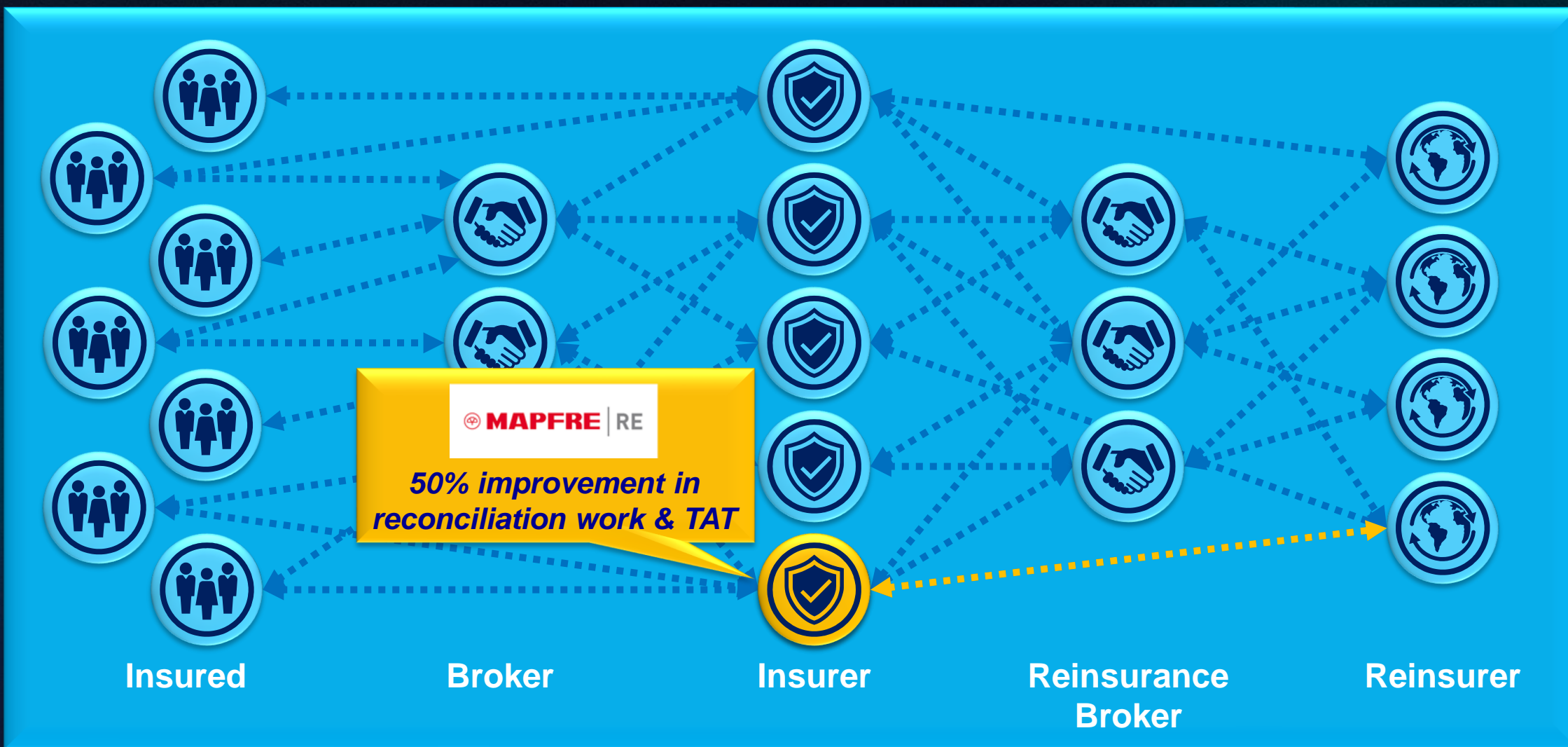
The Importance of Global Standards in (Re)Insurance

GRLC End-to-End & Selected Use Cases



The Importance of Global Standards in (Re)Insurance

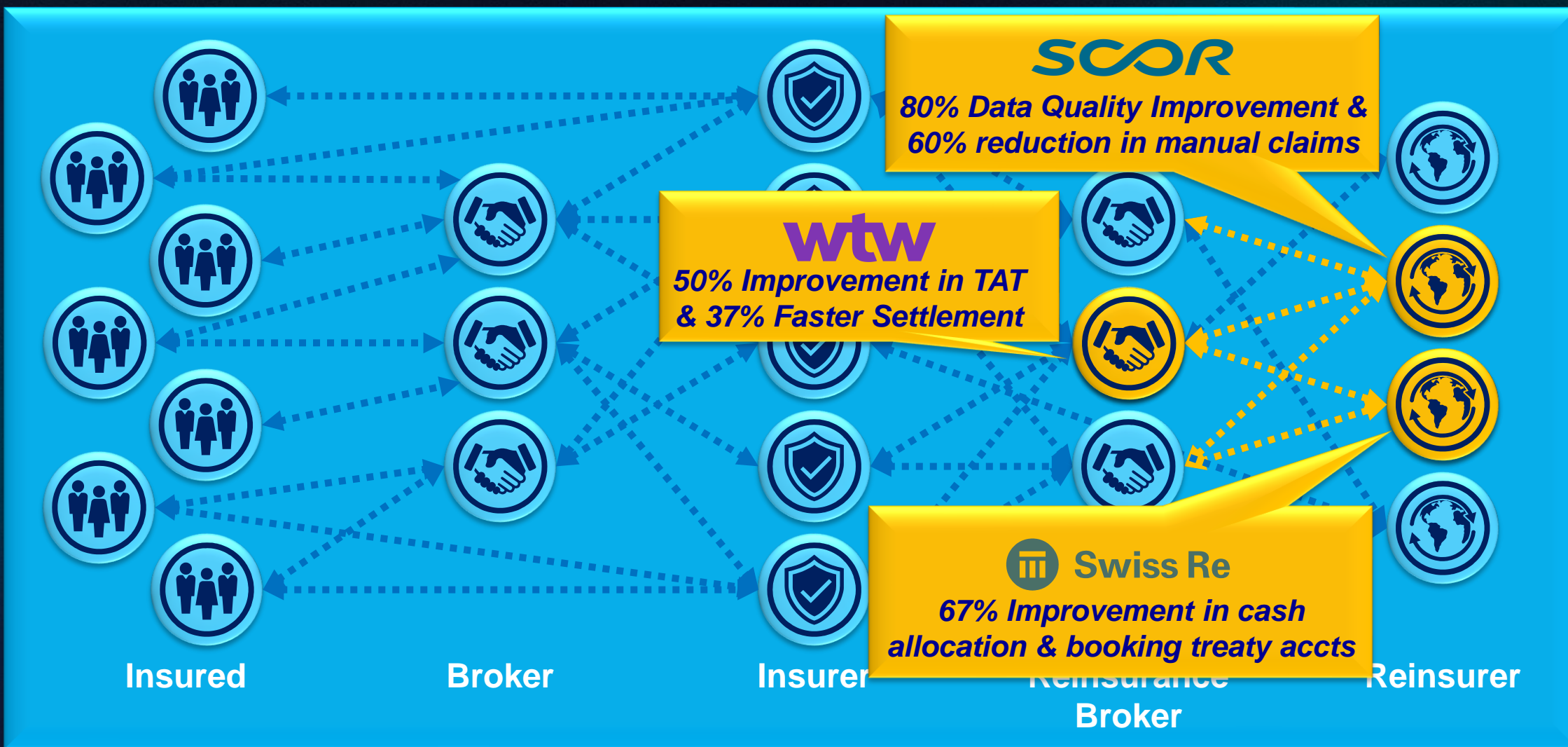
GRLC End-to-End & Selected Use Cases



ACORD Messaging

The Importance of Global Standards in (Re)Insurance

GRLC End-to-End & Selected Use Cases



ACORD Messaging

The Importance of Global Standards in (Re)Insurance

Selected Ruschlikon Case Studies



- **Secure & Auditable – *Facilitated by the query management system***
- **50% improved turn around time using the full suite of messages**
- **Significant reduction in queries compared to the traditional approach**



- **Elimination of unallocated cash on the electronic portfolio**
- **60-day improvement in information transfer between trading partners**
- **Over 30% improvement in turn around times compared with traditional approach**



- **50% improved turn around time for collection**
- **50% reduction in reconciliation work**
- **23% improvement in data quality**



- **60% reduction in manual effort to process claim transactions**
- **80% improvement in data quality**
- **50% improvement in turnaround time for claims payments**



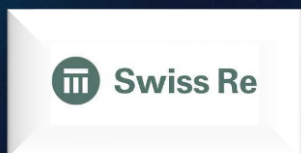
- **45% improvement in turn around time for claims payment approval**
- **69% improvement in turn around time for cash allocation**
- **67% improvement in turn around time for booking treaty accounts**




- **Secure & Auditable – *Facilitated by the query management system***
- **Up to 70% reduction of turn around time for query handling**
- **37% faster agreement and settlement of funds**

The Importance of Global Standards in (Re)Insurance



Selected Ruschlikon Case Studies: Impact





Increased Efficiency

 **Up to 50%**  *TAT across full message suite*

Improved Cash Flow

 **Up to 69%**  *TAT cash allocation*

Improved Data Quality

 **Up to 80%**  *Over manual processing*

Increased Effectiveness

 **Up to 70%**  *Reduced query handling time*

The Importance of Global Standards in (Re)Insurance

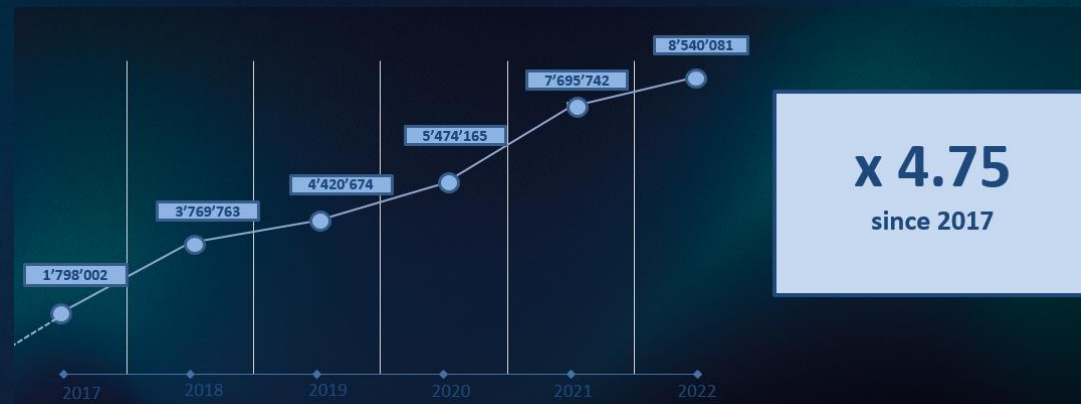
Standards Impact

- Before creation of Ruschlikon use cases, level of operational efficiency gains unclear – *today proven & expected “as byproduct”*
 - Today, real opportunity lies in redistribution of human capital in businesses to focus on value add & growth areas
 - Standards allow markets to compete & facilitate easier methods to trade – *global organizations want one way to trade with different markets*
 - London Market is a great example of being very forward thinking by leveraging ACORD global standards to achieve
 - ✓ Increased efficiency as a market – *cost savings*
 - ✓ Reduced trading complexity – *easier to deal with globally*
 - ✓ Accelerated growth of business – *market share increase*
- **More compelling business case to C-level & shareholders than back-office cost reduction alone**

The Importance of Global Standards in (Re)Insurance

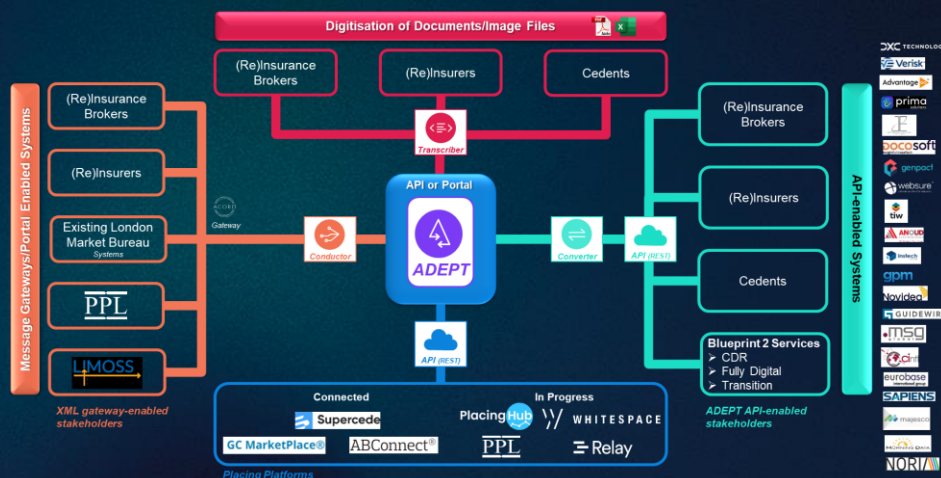
What Can The Journey Look Like?

- Standard templates for gathering required data are a good place to start – *the more familiar and consistent the templates are, the easier the data extraction becomes*
- The natural progression from standard templates is standard messaging – *thousands of organisations globally transact via electronic messages today and continues to grow*



- Future proofing - messaging supported using traditional methods (*XML & SOAP*), now provide the latest digital standards and API's (*JSON & REST*) ensuring interoperability between two methods

The Importance of Global Standards in (Re)Insurance Hub Concept, Technology & Services



- Central Italian market hub to facilitate electronic data exchange – *Ruschlikon/ACORD/ASG partnership*
 - Spanish market currently under review – *possible viable approach for Asian markets in future*
 - Central message exchange services with clear audit of activity to back up every transaction
 - Joint Venture IPOS/ICOS solution is a natural extension of model
- *ACORD is delighted to be working with London Market JV to help transform London Market via Blueprint 2 using ACORD GRLC Standards*