



# Life & Annuity Program

**Life Standards Training  
Business Messages (TXLife) &  
Life Data Model (XMLife) Specification**

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Life Standards Program Manager**

# Agenda for Today

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- **Why Standards?**
- **Who is ACORD?**
- **Why XML?**
- **Intro to the ACORD Life Standards**
- **Intro to Life Specifications**
- **Life Data Model Review**

# Objectives

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- ✓ **Understand ACORD's Role, Mission & Process**
- ✓ **Learn goals and design of the Life Standards**
- ✓ **Know what resources are available**
- ✓ **Familiarize you with principles and patterns**
- ✓ **Enable you to implement ACORD Standards**

*Not going to go through every message or every object, property or table... we will however review all the key elements so you know how to use the Life Model.*

# Why Standards?

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**“Reason for Standards”**

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# Why Standards?

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## Decrease Costs

- ✓ **Reduce time & cost to implement interfaces**
  - Move from many-to-many to one-to-many
    - Internal / Enterprise: 1 view, re-use
    - External / Trading Partner
- ✓ **Reduce data translation errors**
  - Common Vocabulary
  - Common Structure & Format
  - Common Messages
- ✓ **Reduce human intervention in routine business processing**

# Why Standards?

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## Increase Sales/Revenue

- ✓ **Make it easier to do business with you**
  - ✓ Connect quicker
  - ✓ Connect adhoc
  - ✓ Connect more accurately, less mapping
- ✓ **Improve efficiencies**
  - ✓ More “well-formed” applications
  - ✓ More detailed information
  - ✓ Decrease time to issue
    - ✓ Fewer “not takens”
- ✓ **More Satisfied Agents and Consumers**

# Why Standards?

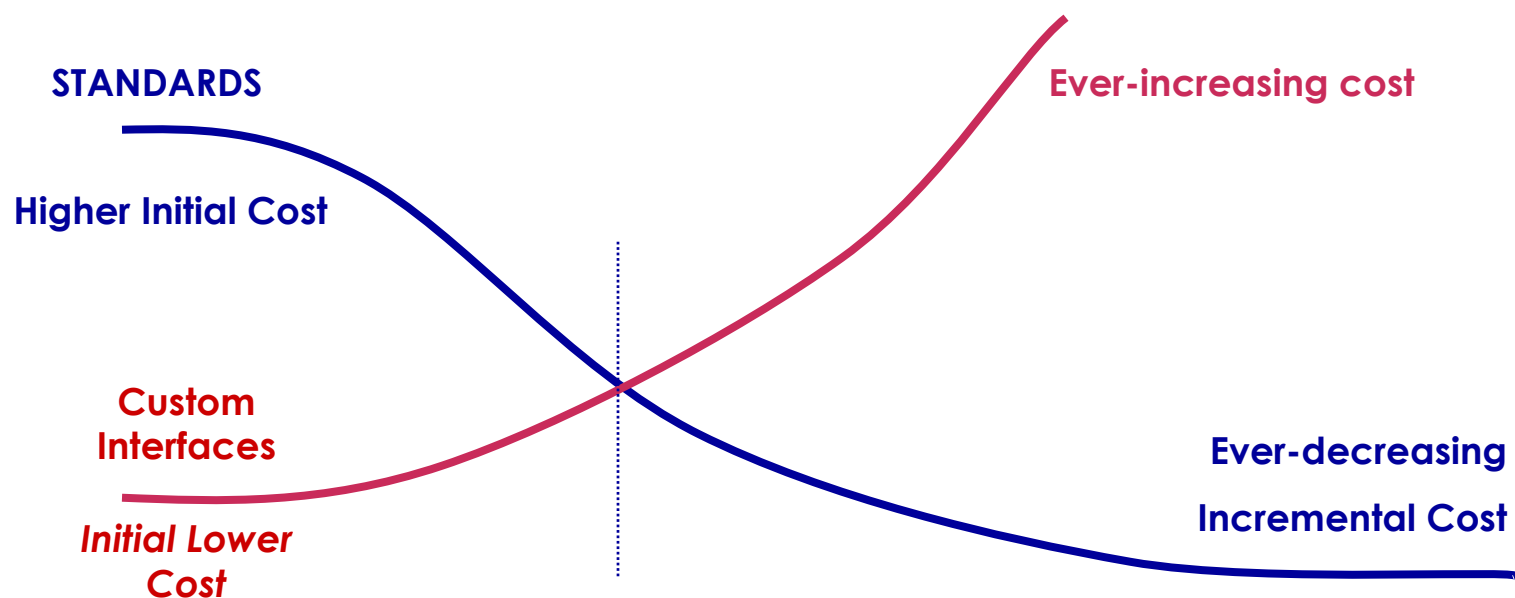
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## Improve Service

- **Develop common view of disparate systems**
- **Increase richness of shared information**
- **Reduce time between upgrades**
  - Decouple Sender and Receiver
- **Enhanced network/system data**
  - Develop richer msgs
  - With more frequent updates/enhancement

# Business Issues

- **Proving ROI**
  - Analysts: Celent: \$250 million in savings
- **Not a Single Quarter Investment**
  - Initially more expensive/time consuming



# Fear, Uncertainty and Doubt

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- **XML is a an immature technology**
  - Wrong – Gartner: “64% of all new integration projects are using XML”
- **“ZML” is coming next**
  - There is nothing on the horizon to indicate a new technology any time (Gartner/IBM Report)
- **What about UDDI, WSDL, SOAP, etc.**
  - They are all supporting technologies, NOT disruptive technologies. They leverage and build on XML.
  - It all starts with XML!

# Who is ACORD?

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**“Defining a Standards Organization”**

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# Who is ACORD?

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- **Independent and Objective Trade Association**
  - Serving the Industry since 1970
  - Facilitating Industry-Driven Standards for Agents, Carriers, Solution Providers, Associations
  - Not-For-Profit Corporation
- **Develops, Manages, and Promotes Standards**
- **Anti-Trust protected forum for developing Standards and promoting implementation**

# ACORD's Mission Statement

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***“Facilitate cost-effective communications between trading partners in Insurance and related Financial Services through the use of Standards.”***

# Standards Supported

## ■ Life Insurance

- Life
- Annuities
- Disability
- Investments
- Group Life
- Reinsurance
- Global

## ■ Property & Casualty

- Personal Lines
- Commercial Lines

## ■ Surety

## ■ Reinsurance

- P&C Reinsurance
- Large Commercial Lines
- Global

Data/Object Model

XML

Forms

EDI

XML

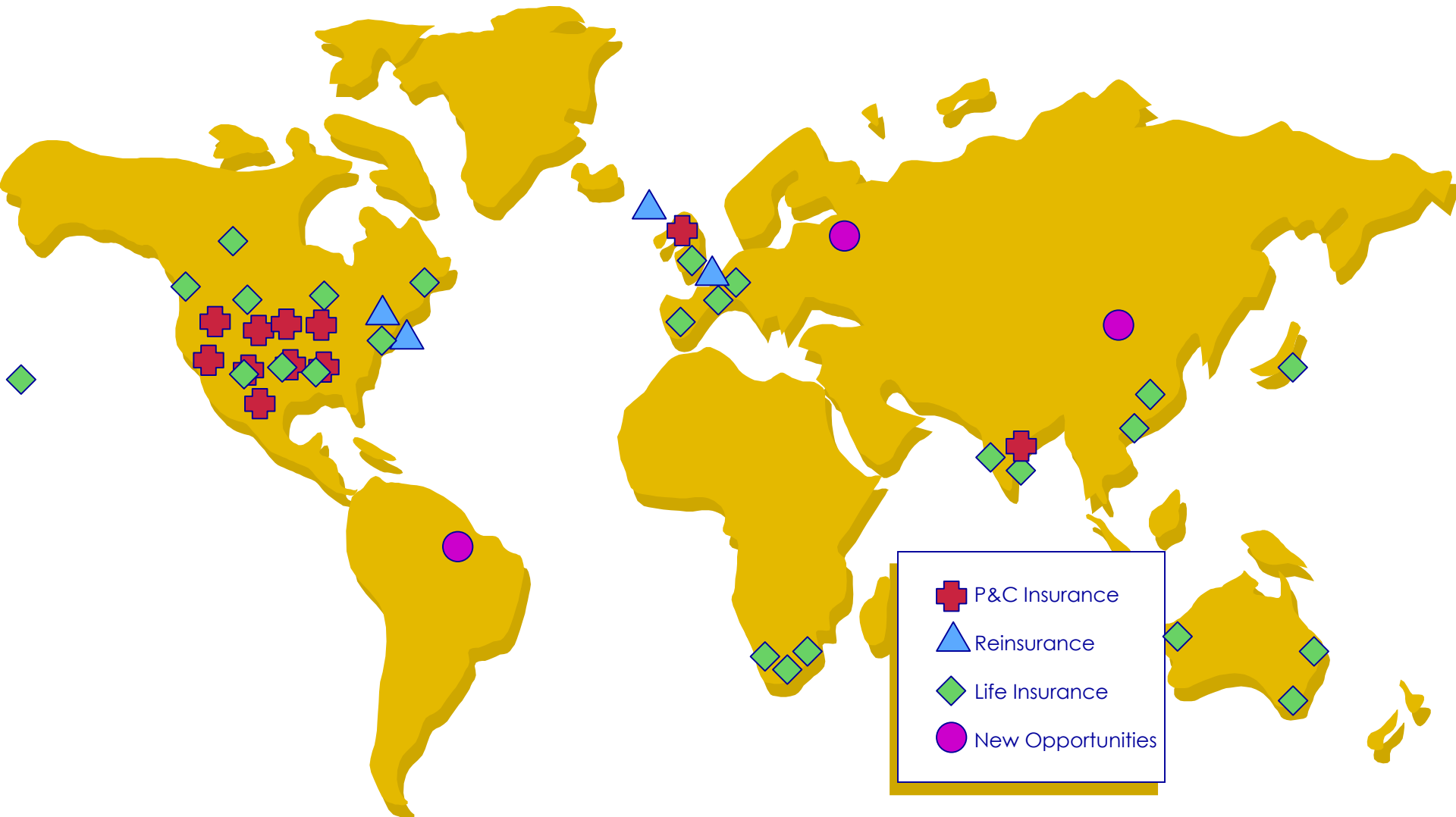
Forms

EDI

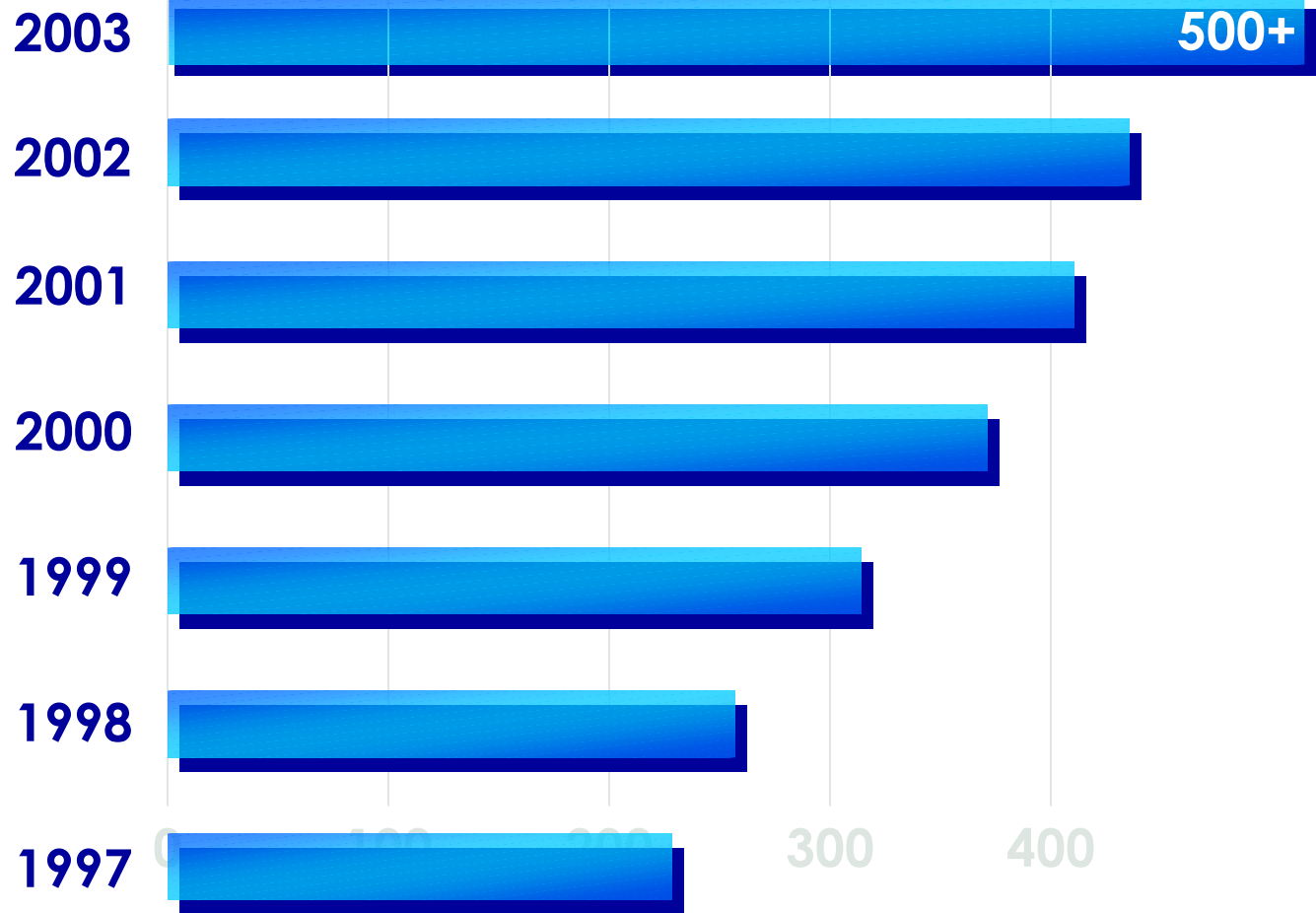
XML

# Global Reach

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# Member Growth - Carriers and Solution Providers



# Membership Profile

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- P&C Carriers
- Life Carriers
- Reinsurers
- Distributors  
/ Intermediaries
- Agents/Brokers
- Solution Providers
- Trade Associations
- User Groups
- Financial Services Org.
- Risk Managers
- Service Bureaus
- Lab Companies

*See [www.ACORD.org](http://www.ACORD.org) for most current membership listing*

# Alliances and Relationships

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## Cross-Industry

ANSI

ebXML

HRXML

IAA

IFX

OMG

UN/EDIFACT

W3C

## Property and Casualty Insurance

CSIO

eEG7

IDMA

ISO

MISMO

POLARIS

RIMS

WCIO

## Life Insurance and Wealth Management

CLIEDIS

FUNDSERV

LIMRA

LOA

MIB

NAILBA

NAVA

*See ACORD  
Standards  
Atlas  
for Details*



# Why XML?

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**“Fixing the problems with EDI”**

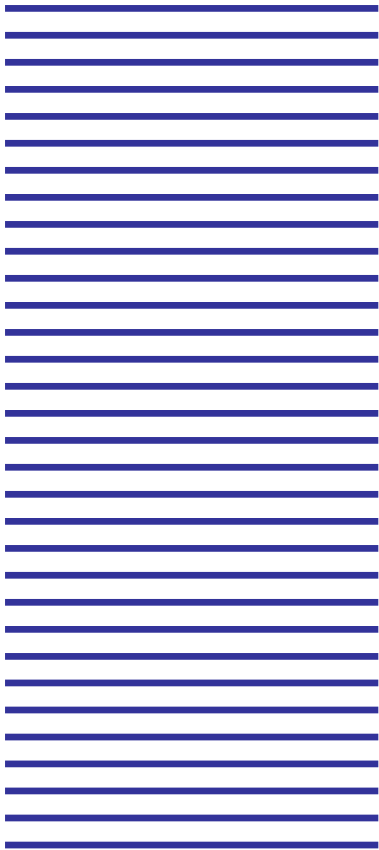
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# What is XML?

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- “eXtensible Markup Language”
- Technology not tied to a platform or vendor
- Standard Developed by the W3C



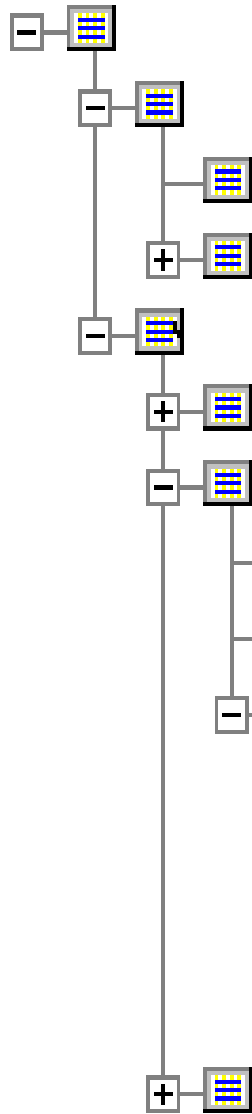


Party\_1Gallo, Joseph M.  
30350892145 Ohio  
1USA1Home108 Dawson St  
Philadelphia PA 19130 USA  
Joseph Michael  
Gallo 2 Single 1Male 1965-  
04-22

*Hard to read*

*Rigid*

*Versioning  
problems*



*Self Describing*

*Structured*

*Extensible*

```

<Party id="Party_1">
  <FullName>Gallo, Joseph M.</FullName>
  <GovtID>303508921</GovtID>
  <ResidenceState tc="45">Ohio</ResidenceState>
  <ResidenceCountry tc="1">USA</ResidenceCountry>
  <Address>
    <TypeCode tc="1">Home</TypeCode>
    <Line1>108 Dawson St</Line1>
    <City>Philadelphia</City>
    <AddressState>PA</AddressState>
    <Zip>19130</Zip>
    <AddressCountry>USA</AddressCountry>
  </Address>
  <Person>
    <FirstName>Joseph</FirstName>
    <MiddleName>Michael</MiddleName>
    <LastName>Gallo</LastName>
    <MarStat tc="2">Single</MarStat>
    <Gender tc="1">Male</Gender>
    <BirthDate>1965-04-22</BirthDate>
  </Person>
</Party>

```

# ACORD's Contribution to XML = "The Model"

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## ■ XML Provides the Language

## ■ ACORD Provides the Vocabulary

- Reusable
- Expandable
- Interoperable

# ACORD Life & Annuity Program

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**“The Life Standards”**

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# ACORD Life Subcommittee – Data Standards

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- **Forum for Industry Attendees**
  - Collaborative Development of Standards
  - Working Groups
  - Individual Members
- **Open to ALL Members – *participate!***
- **Review & Approve Maintenance Requests**
- **Advise the Life Steering Committee**
- **Meet semi-annually**

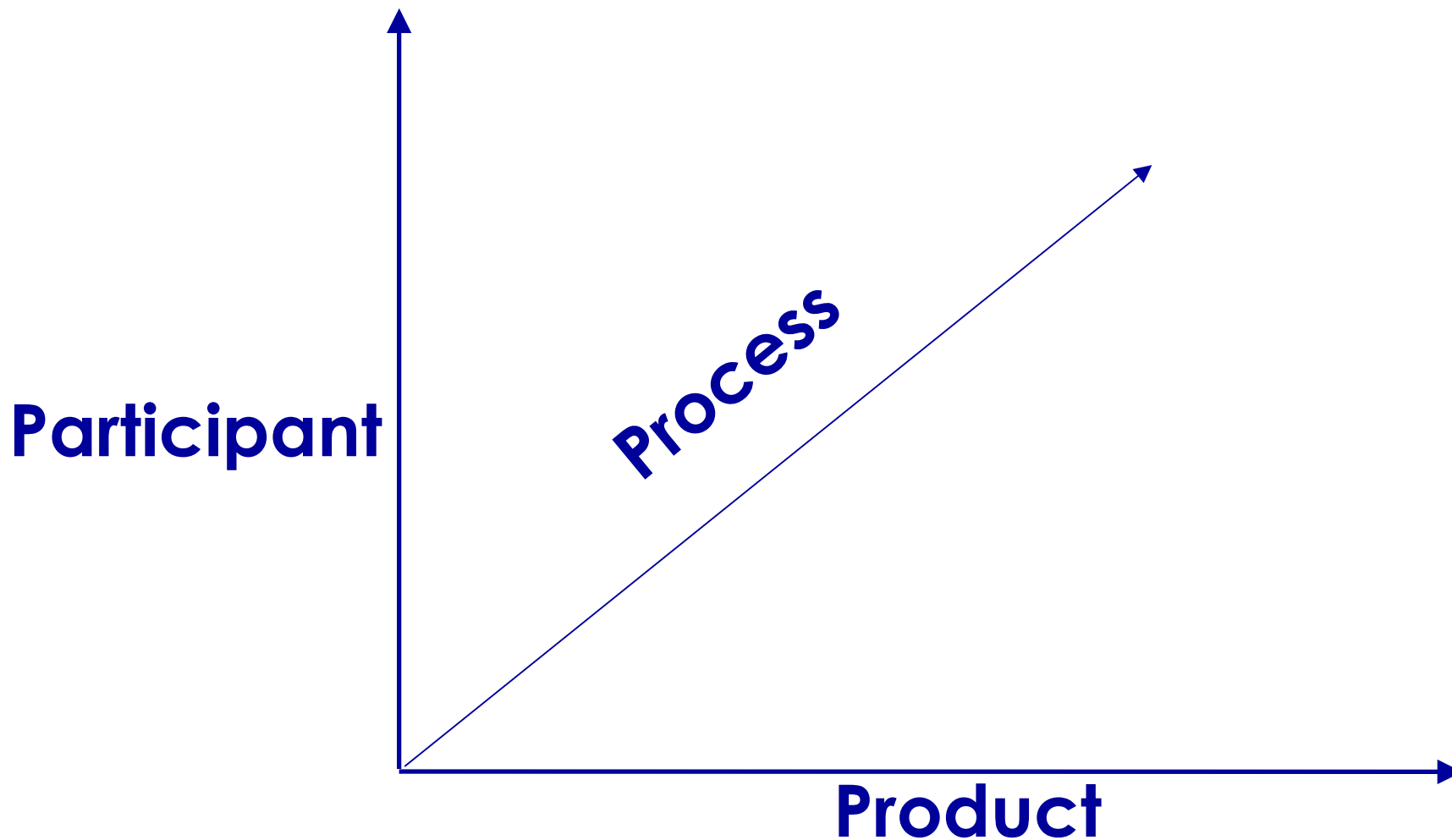
# ACORD Life Subcommittee – Forms Standards

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- **Develop industry standard forms**
- **Working Groups to develop forms**
  - Life Forms
  - Annuity Forms
- **Review & Approve Life Standard Forms**
- **U.S. Only**
- **Advise Life Steering Committee**

# ACORD Life Standards Scope

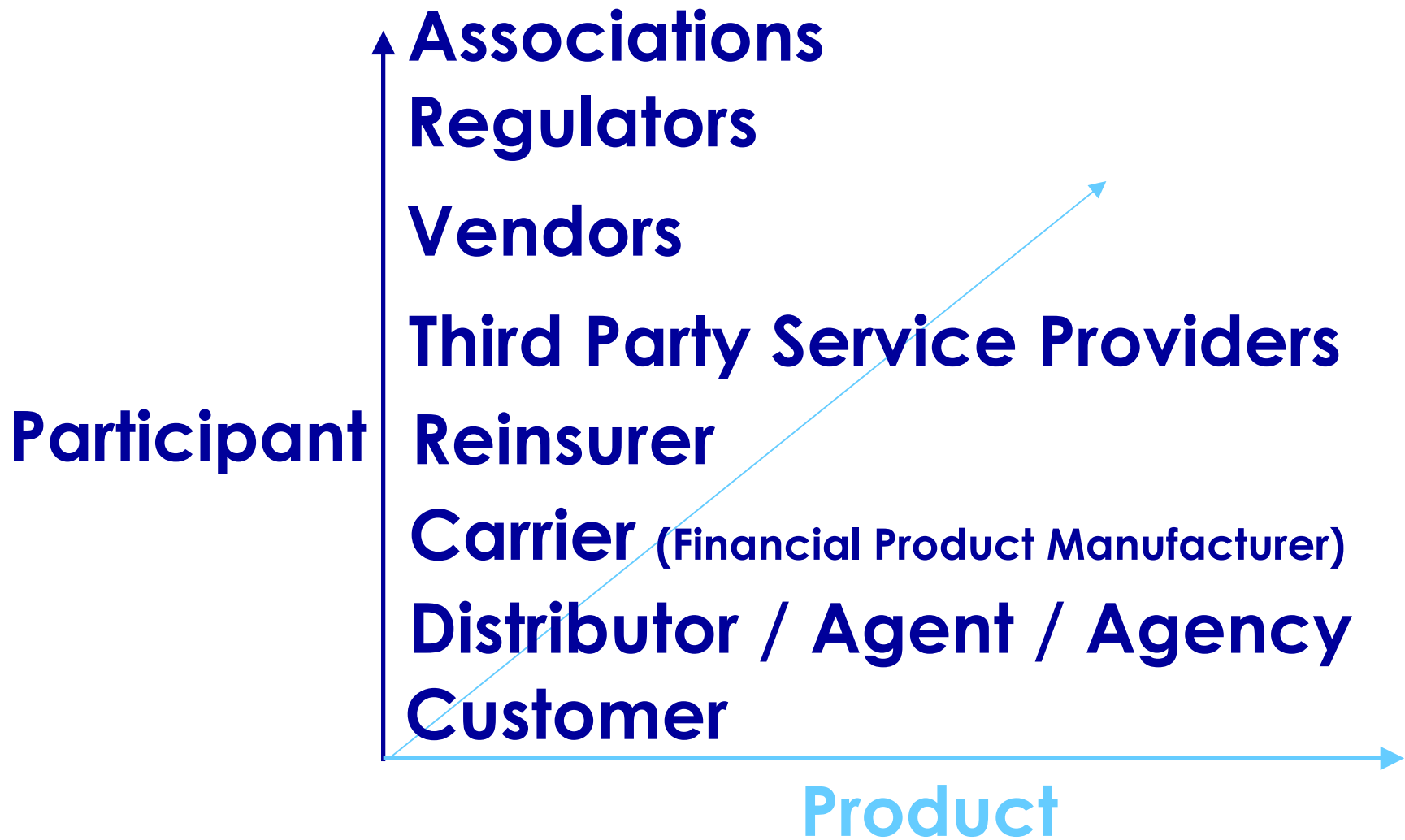
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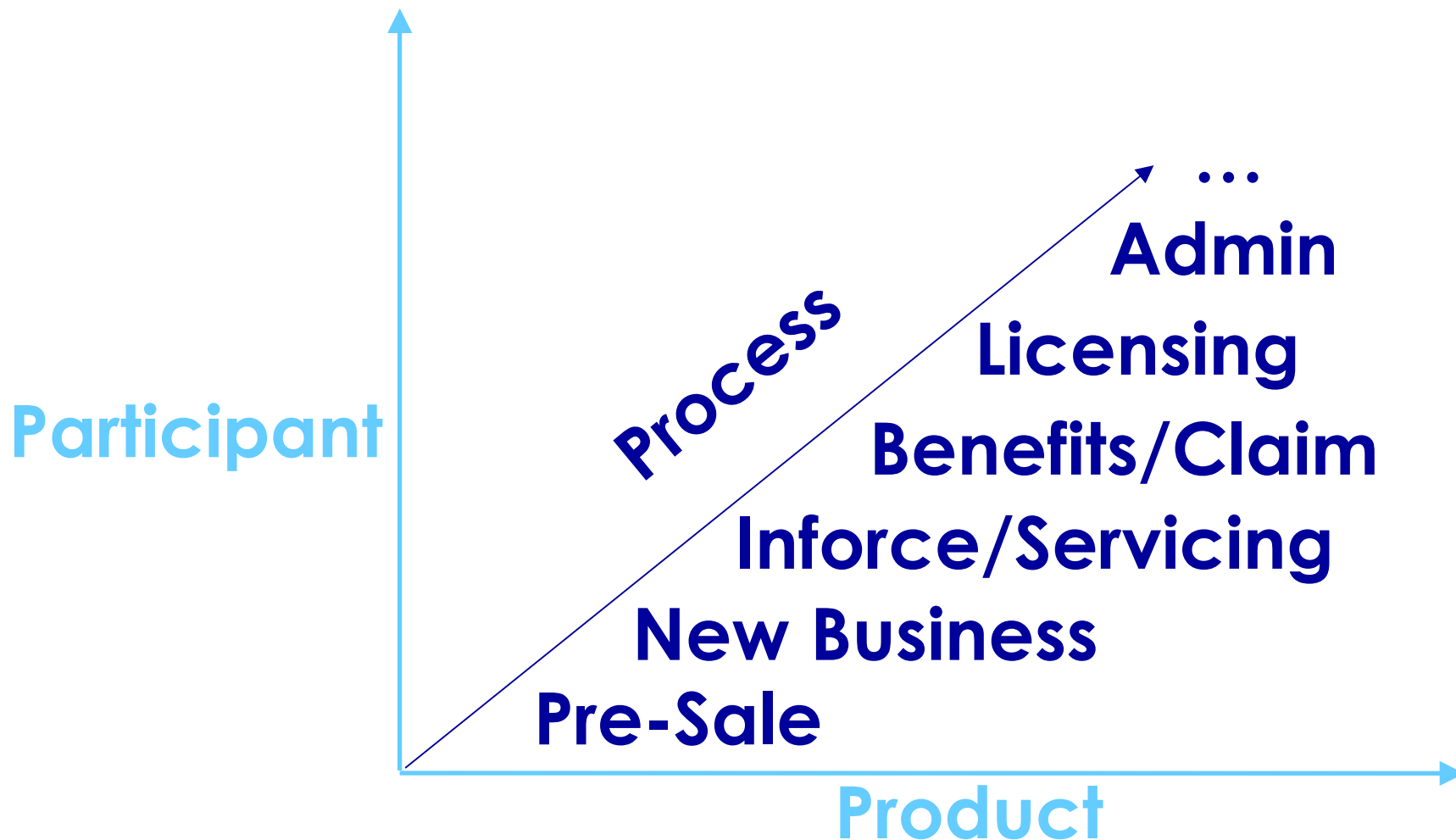
# ACORD Life Standards Scope – Product



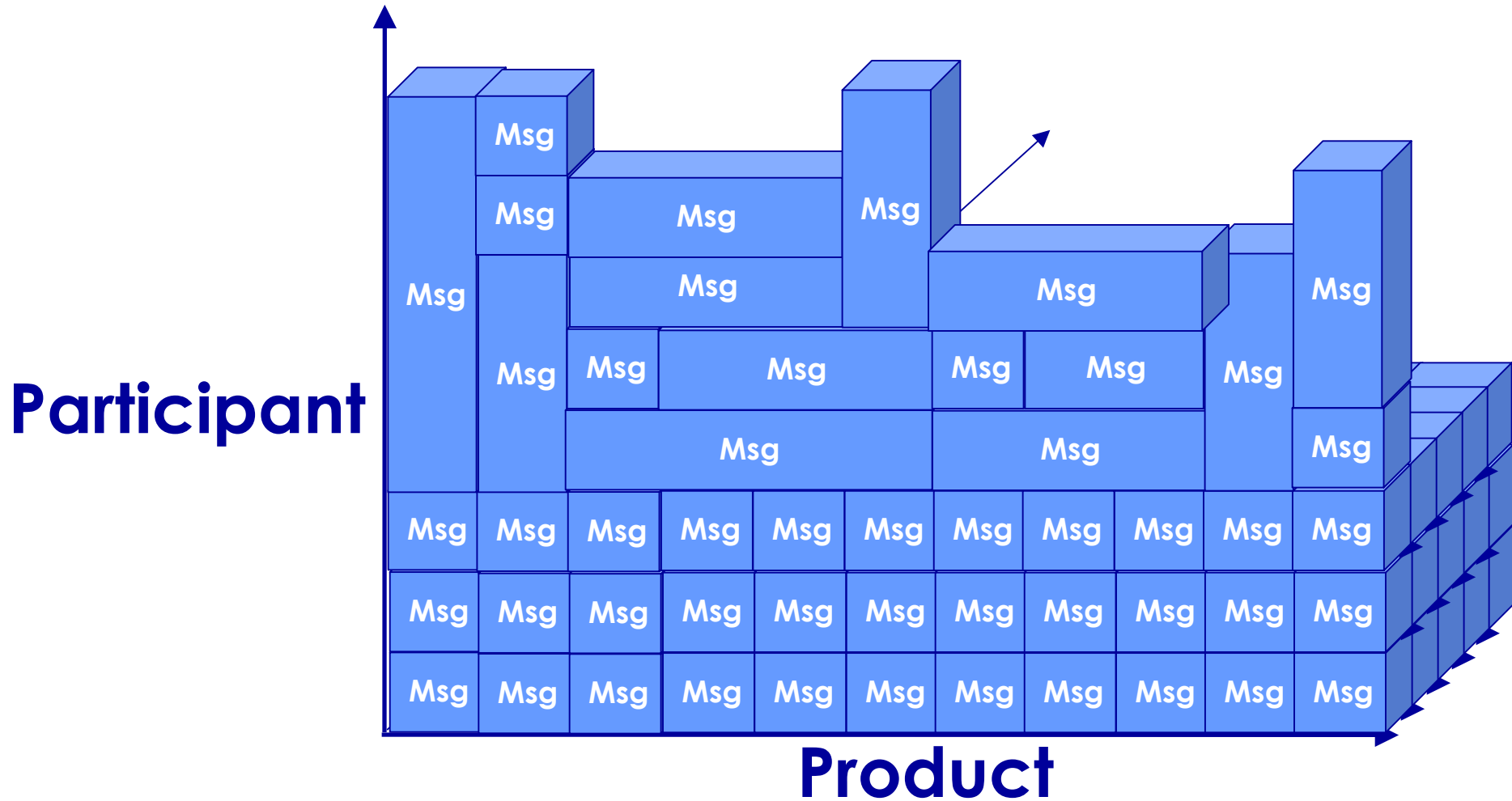
# ACORD Life Standards Scope – Participant



# ACORD Life Standards Scope – Process



# ACORD Life Standards Scope – The Vision



# The ACORD Life Standard

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## Life & Annuity Standards

**Workflow** – Implementation Guides

**Business Messages** – TXLife

**Object Model** – XMLife

**Data Dictionary** – Life Help File

# Implementation Guides

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*Provide standardized workflow and messages*

- **Case Status Inforce & Pending**
- **Commission Statement Profile**
- **Commission Profile**
- **Life Illustrations**
- **Product Profile for Annuity**
- **Product Profile for Life**
- **New Business for Annuity**
- **Replacement**
- **Settlement**
- **more...**

# Life & Annuity Standards

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## Introduction

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# ACORD Life & Annuity Standard

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## Three core specifications:

- TXLife – Life Business Messages
- XMLife – Life Object Model & Data Dictionary
- XTbML – Tabular Data Model

# Life & Annuity Standards

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## “Life Specifications: Messages (TXLife)”

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# Transaction Architecture Support

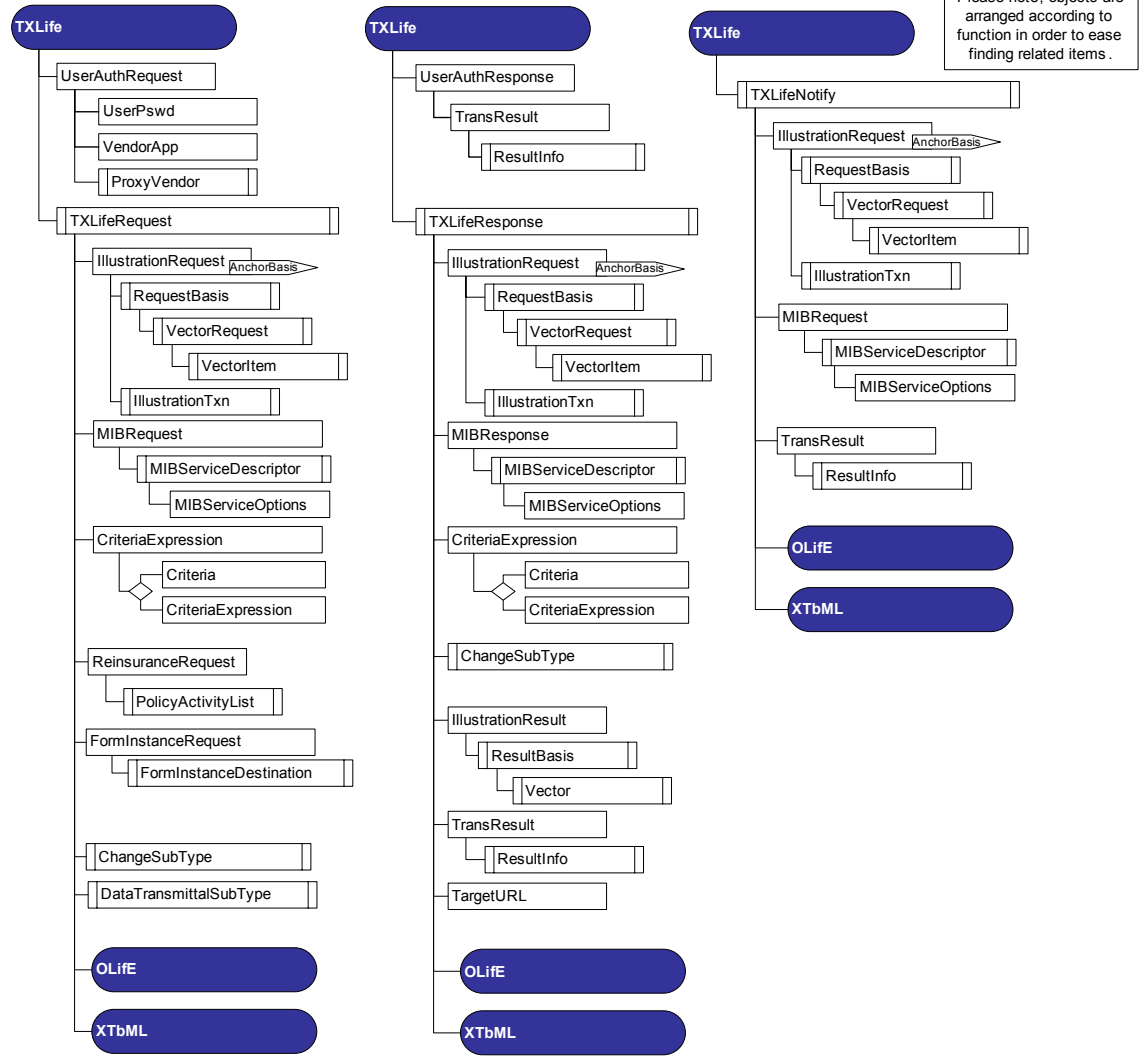
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## Request and Response Processing

- User Authentication
- Message Identification
- Request/Response Data Requirements
- Error Handling
- Trial submits
- Synchronous and Asynchronous
- Updates or cancels of Asynch requests
- Fire and Forget Functionality

*As other transport/transaction standards emerge much of this will move to the transaction wrapper layer – e.g. SOAP*

# ACORD Life Transaction Reference Model - Version 2.9.91



## ACORD Messages TXLife Specification

- Over 150 Messages
- Request
- Response
- Notify
- Transmittal

**Legend**

- Primary Object
- Object Collection
- Single Object Occurrence
- Foreign Object Reference
- Choice (only one child)
- Blue = Release Candidate

# Life Standard Business Message Catalog

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## New Business

- ✓ New Business Submission
- ✓ Paramed Report Order
- ✓ Paramed Requirements Results Request
- ✓ Paramed Requirements Results Transmittal
- ✓ General Requirement Order Request
- ✓ General Requirement Results Request
- ✓ General Requirements Result Transmittal
- ✓ Requirement Inquiry\*
- ✓ Requirement Request
- ✓ Requirement Transmittal
- ✓ Case Status Notification Request
- ✓ Case Status Notification Transmittal
- ✓ Replacement Notification Request
- ✓ Replacement Processing Request
- ✓ Pharmaceutical Profile Request
- ✓ Underwriting Action Update\*
- ✓ Denial of Risk\*

## Pre-Sale

- ✓ Illustration Request\*
- ✓ Product Profile for Annuities\*
- ✓ Product Profile for Life
- ✓ Licensing Inquiry\*

## MIB Transactions

- ✓ MIB Inquiry
- ✓ MIB Update
- ✓ MIB Follow-up

# Life Standard Business Message Catalog

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## Inquiries/Status

- ✓ PolicyProduct
- ✓ InvestProduct
- ✓ Holding
- ✓ Party
- ✓ Grouping
- ✓ Commission Statement Inquiry
- ✓ Billing Statement Inquiry
- ✓ Billing Information Inquiry
- ✓ Billing Change\*
- ✓ Financial Activity Inquiry
- ✓ Values Inquiry\*
- ✓ Requirements Inquiry\*
- ✓ Arrangement Inquiry\*
- ✓ Activity Inquiry\*
- ✓ System Message Inquiry\*

## Reinsurance

- ✓ Life Reinsurance Activity (LREACT)
- ✓ Life Reinsurance Facultative Transaction\*

## Group

- ✓ Group Enrollment

## Search

- ✓ Party, Holding, InvestProduct, PolicyProduct, Activity, Grouping

# Life Standard Business Message Catalog

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## Tabular Data

- ✓ Tabular Data Request\*
- ✓ Tabular Data Transmittal\*
- ✓ Tabular Data Search\*

## Investment Specific

- ✓ Fund Allocation
- ✓ Fund Transfer
- ✓ Financial Activity
- ✓ Settlement\*
- ✓ Arrangement Administration\*

## Inforce Messages

- ✓ Payment
- ✓ Withdrawal
- ✓ Holding Change
- ✓ Holding Status Change
- ✓ Endorsement Update

## General Messages

- ✓ Address Change
- ✓ Phone Change
- ✓ E-Mail Address Change
- ✓ Party Change
- ✓ Activity Update Change\*
- ✓ Change Attachment (Note) Msg\*
- ✓ System Message Update\*
- ✓ Generic Data Transfer

# Life & Annuity Standards

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## “Life Specifications: Tabular Data (XTbML)”

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# Overview of XTbML

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- **Handles information that is tabular in nature**
- **Examples:**
  - Lists
  - Tables (2 dimensional)
  - Multi-Dimensional
    - ▶ Rate tables, etc.
- **Purpose - To provide a standard means of expressing just the physical tabular data in an easily accessible and self-describing structure**

# Type of Tables

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- **Mortality Rates**
- **Premium Rates**
- **Front and Rear End Loads**
- **Cash Value Tables**
- **Tabular Reserve Rates**
- **Commission Rates**
- **Targets (Premium, Surrender, Commissions)**
- **Fees, Charges, Expenses**

# Access to Tables

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- **Need to be able to navigate tables via any number for potential 'axis'**
  - Age
  - Gender
  - Date
  - Status
  - Class
  - Face Amount
  - Premium
  - ... virtually any property in the Life Data model

# Usage

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- **Can be used standalone**
  - e.g. SOA is publishing their mortality and other survey data via XTbML
- **As reference in Life Data Model messages**
  - Commission Schedule
  - Interest Rates
  - And others being considered
- **Linkage is via TableIdentity and ProviderDomain**

# Life & Annuity Standards

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**“Life Specifications: Life Data Model (XMLife)”**

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# Data Model Training Agenda

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- Part 1 – Intro & Primary Data Objects
- Part 2 – Non-Holding Related
- Part 3 – Holding Related
- Part 4 – Product Profile/Definition Objects
- Part 5 – Supporting Objects
  
- Then...
  - Use Cases
  - Scenarios
  - More Examples

# Part 1: DATA OBJECTS

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## “The Model”

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# Problems being solved: Life Data Model *Standard Data Exchange*

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## **Agreement on Common Structures:**

- Vocabulary (Life Data Dictionary)
  - Structure (Life Object Model)
  - Support Unique Requirements in Standard Way
  - Eliminate Custom Data Feeds
- 
- **How not to “Break” Applications**
  - **How to Send Down Data in Bulk Files**

# ACORD Life Basic XML Concepts

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- **Dates**

`<Birthday>YYYY-MM-DD</Birthday>`

- **Type Codes (Lookup Values)**

`<MarStat tc="1">Married</MarStat>`

# Object / Aggregate Identifiers

---

- **Identifiers**

  - <Party id="Party\_1">

    - ....values...

  - </Party

- **Key/SysKey**

  - <PartyKey>

  - <PartySysKey> [0..\*]

- **Entity Recognition Rules**

# Primary Objects

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- Party
- Holding
- InvestProduct
- PolicyProduct
- FinancialStatement
- DistributionAgreement
- CommSchedule
- Relation
- Grouping
- FormInstance
- Criteria
- Currency
- Activity
- Scenario
- SettlementInfo
- SourceInfo
- SystemMessage

# Extension Mechanisms

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## ■ Keyed Value

- Named Value Pairs
- Simple

## ■ OLifExtension

- Block of XML of type Any
- Allows inclusion of anything, recommend only using well-formed XML
- More flexible

**May also use Namespaces**

# Part 2: DATA OBJECTS

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**“Non Holding Related”**

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# The Party Object

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## ■ Subtypes - Person / Organization

- Property List For Party combined with appropriate property list for either person or organization

## ■ Further Classification

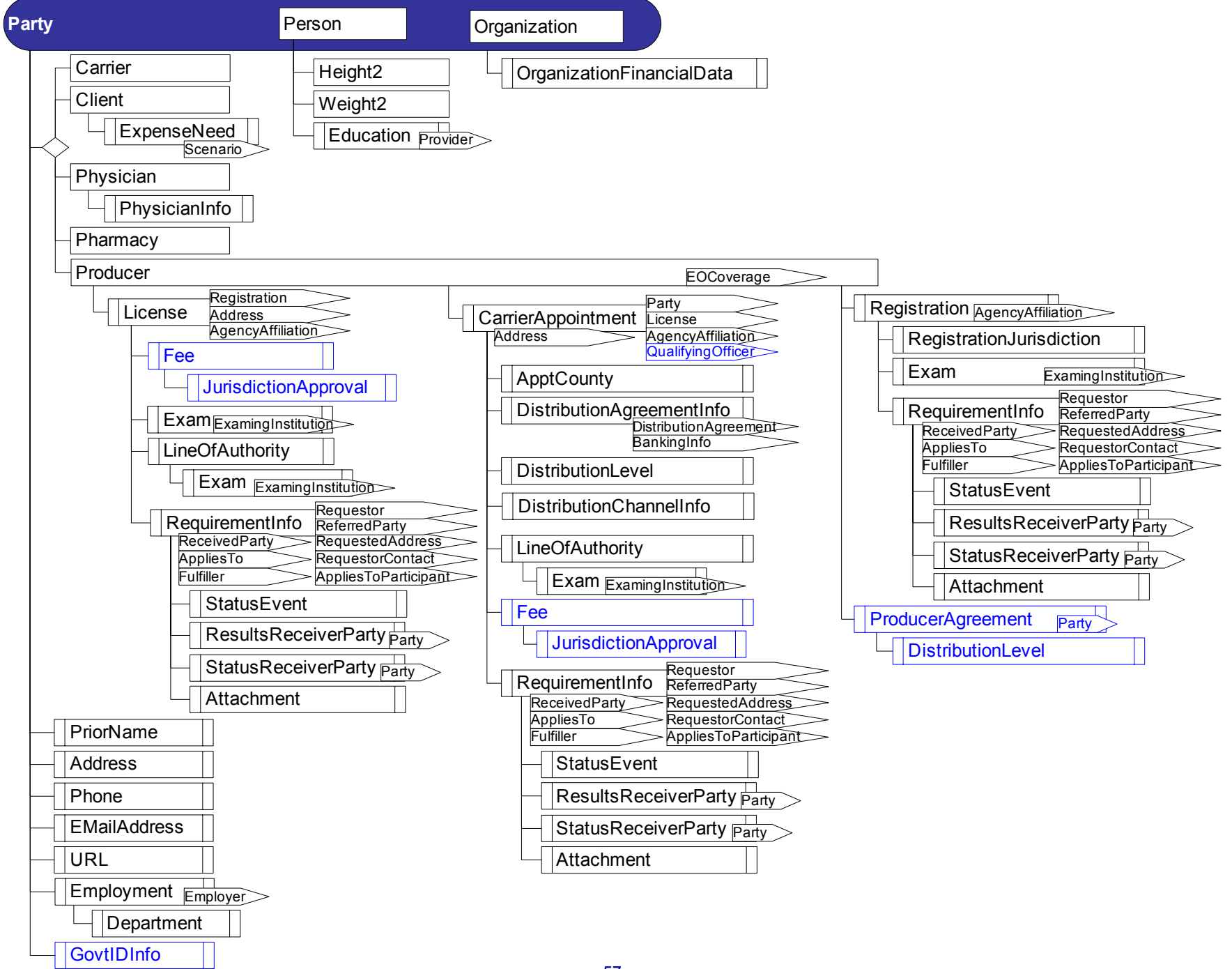
- Producer – distributor or agent
- Client - prospect / client (sale made)
- Carrier - insurance or investment carrier  
*a.k.a.* Financial Product Manufacturer
- Physician
- Pharmacy

# The Party Object

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## Objects that support data capture for parties

- **Addresses**
- **E-mails**
- **URLs**
- **Phones**
- **Prior Names / Aliases**
- **Employment Information**
- **GovtIDInfo**



# Supporting Multiple Languages

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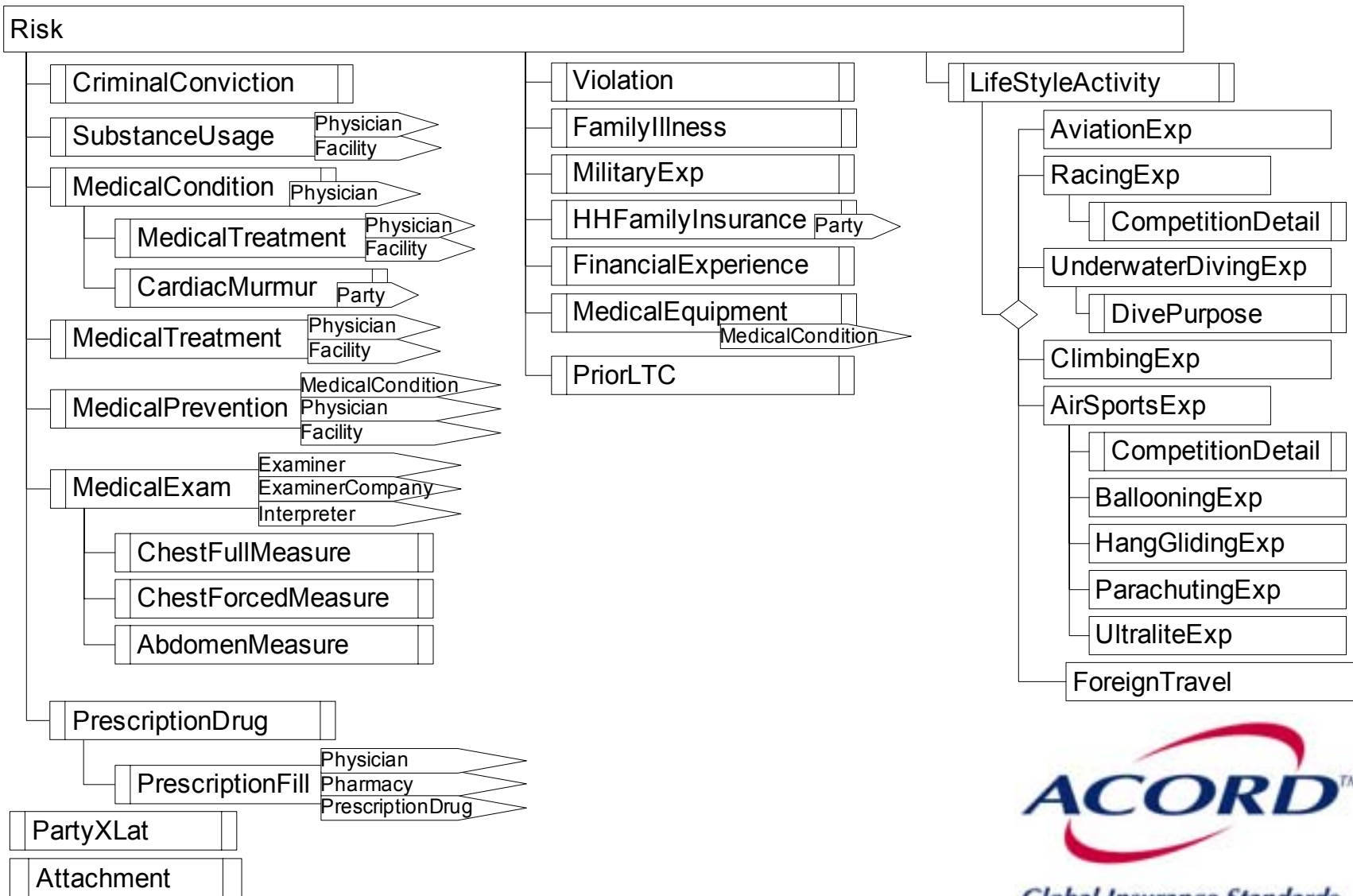
## Identifying Language

- **Client.PreferredLanguage**
- **Client.AlternateLanguage**
- **Client.AlternateLanguageProficiency**
- **Use of lookup values**
- **Use of XLat objects**

# Risk Object

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- **Supports Underwriting data**
- **Detailed information about areas of risk for insured**
- **Much of information captured on various questionnaires**
  - FormInstance can be used to hold the raw data from application forms
  - Risk object holds standardized representation of the same information



# The Activity Object

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- **Allows other applications to record activities in the Life Data Model**
  - e.g., Sales illustration creation, electronic app submission
- **Can track all activities done by a user, regardless of what application**

# The Grouping Object

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- **Generic grouping of parties**
- **Possible applications:**
  - householding
  - bowling clubs, etc.
  - group insurance
  - etc.

# Part 3: DATA OBJECTS

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**“Holding Related”**

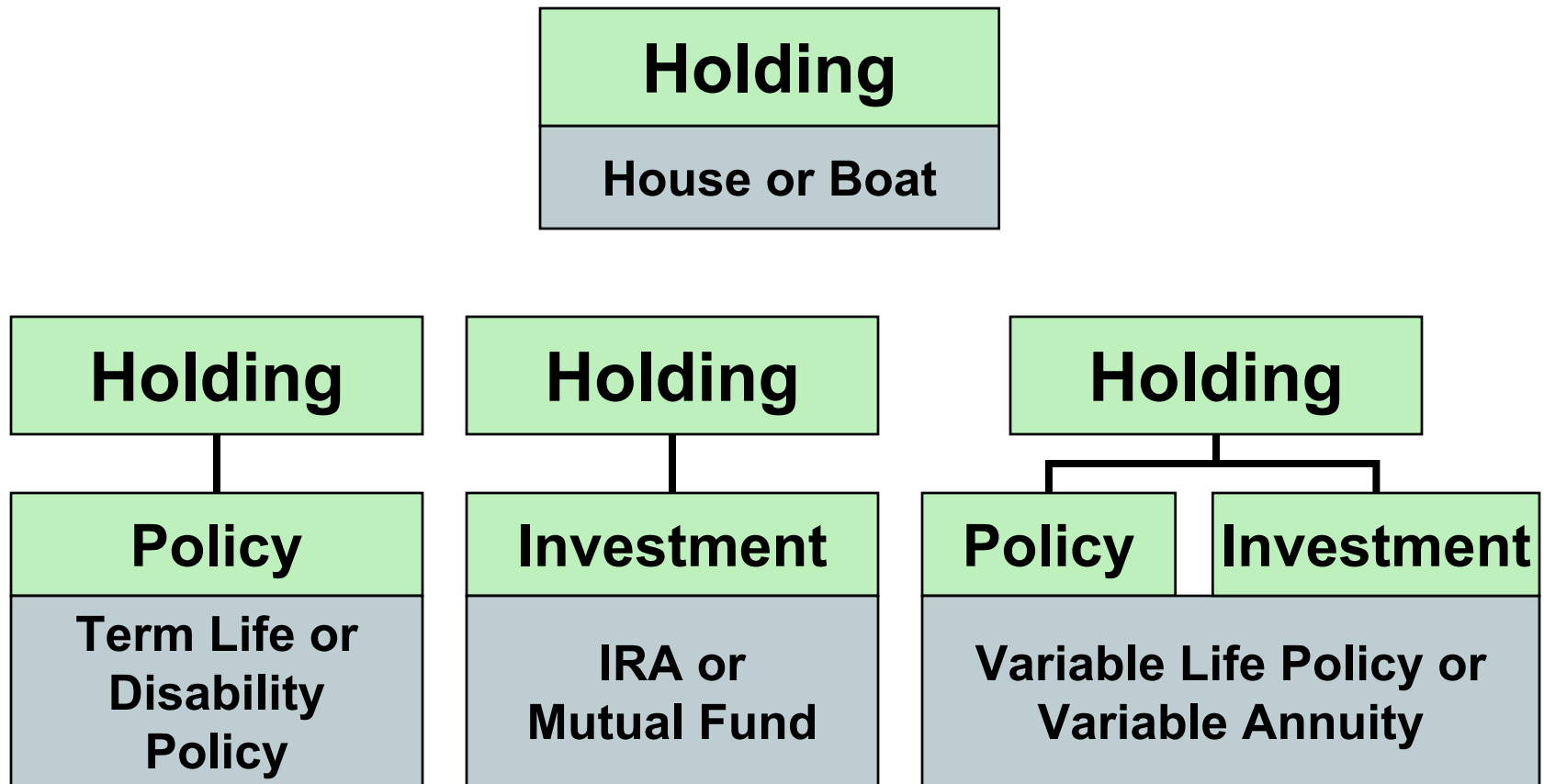
---

# The Holding Object

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- **Accounts for all lines of business**
  - Life
  - Annuity
  - Disability
  - Health
  - Mutual Funds
  - Other Investments
  - Other assets/liabilities
- **A holding can be a policy or an investment or asset/liability**

# Holding, Policy, Investment Combinations



# Investment Object Hierarchy

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- **The Investment appears for**
  - “Pure” investments (e.g. Mutual Funds)
  - Variable (or “unit linked”) Policies
- **Investment shows information related to the Investment as a whole**
- **Investment can have one or more subaccounts**

# Policy Hierarchy

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- **Four Major Subclasses of Policy**
  - Life Policy
  - Annuity Policy
  - Disability/Health Policy
  - Property & Casualty

# Life Policies

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## For Life Policy

- **Coverages == Riders & Base Coverage**
- **Options == Benefits**
- **Life Participants - information pertaining to a person for a particular coverage**
- **USA - USA specific policy information, primarily tax info**

# Annuity and Disability/Health

---

- **An Annuity can have:**
  - Payout options
  - Different participants for each payout option
  - Riders
- **Disability/Health can have:**
  - Riders
  - Different participants for the policy

# Supporting Policy (New Business & Inforce)

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- Risk (from Party)
- ApplicationInfo
- RequirementInfo
- FinancialActivity
- Endorsement
- Claim
- Fee
- FormInstance

# RequirementInfo

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- Provides statuses on all outstanding requirements (underwriting here)
- Identifies all parties involved in the completion of the requirement
- Allows for attachments of images associated with the requirement

# Financial Activity

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- Provides details for all financial transactions on a policy
- Records activities which HAVE occurred (past)
- Use Arrangement for activities you want to occur (future)
- Records
  - Payments
  - Withholdings
  - Accounting details

# Fee

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- **Used to record fees on a policy**
- **Used extensively in the model**
  - Context determines meaning

# Endorsement

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- Used to record special endorsement on a policy
- Includes exclusions as well as inclusions
- For contract amendments which are NOT coverages, payouts or riders
  - First look to C, P, & R's

# Claim

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- Used to record claims made against a policy

# Supporting Holding (Policy & Investment)

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- **Banking**
- **Intent**
- **Arrangement**
- **CompensationPayment**
- **Authorization**
- **Loan**
- **Fee**
- **SystemMessage**
- **Attachment**

# Arrangement

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- **Used to record future activities or changes to a holding (policy or investment)**
- **For future or present actions**
  - Arrangements become FinancialActivities
- **For financial arrangements**
  - Detailed ability to specify source and destination funds

# Intent

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- **Records reasons for purchasing a Policy**
- **Typically used by financial planning software or needs analysis software**
- **May be used to record Suitability information**

# Banking

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- **Holds Bank account information**
  - Checking Account
  - Credit Cards
  - Savings Accounts
- **Often referenced from other objects for bank details**

# Compensation Payment

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- Records commission/compensation payments paid out on a contract.
- These may also be recorded as Financial Activities, *IF*, the payment is a charge against the policy.

# Authorization

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- **Identifies what actions and what parties are authorized to perform policy activities**
  - e.g. Beneficiary Change, Loans, Withdrawal

# Loan

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- **Records loan activity against a Holding**
- **Records all loan details**

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# Remaining Primary Objects (non-Party or Holding)

# FormInstance

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- **Ties the answers of particular questions on a form to the data captured**
- **Ties multiple forms together**
- **Includes Attachments**
  - Supports forms - applications, etc.
  - Supports digital signatures - image, biometric data, etc.

# Scenarios

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- Used to support financial planning needs and sharing with an illustration system
- Supports multiple financial scenarios at a time
- Allows for multiple parties and holdings to be tied to a single scenario
- Ties to:
  - Client.ExpenseNeeds
  - Holding.Intentions

# Financial Statements

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- Supports data needed to reproduce a financial statement
- Ties the statement directly to the holdings and parties needed to produce statement
- Used for both:
  - billing statements
  - commission statements
- Ties to Compensation Payments on Holding

# Part 4: Product OBJECTS

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**“Defining Product Rules/Definitions”**

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# Product Objects

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- **InvestmentProduct and PolicyProduct**
  - Used for “Product Profiles” – information about the carrier’s products
    - ▶ Sometimes called “PPfA” (Product Profile for Annuities), “PPfL”, etc.

# Part 5: DATA OBJECTS

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## “Basic Support Services”

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# Relations

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- Used to relate one top level object to another
- Supports reciprocal relationships
- Examples:
  - Spouse
  - Employer / Employee
  - Parent / Child
  - Owner

# Attachments

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- **Attaches any binary data (scanned images, photos, etc.) where it applies in model**
- **Also used for text comments and notes!**
- **Supports multiple attachment data locations:**
  - **Inline**
  - **URL references for attachments**
  - **Multi-part MIME Segments**
- **Strategically placed in hierarchy**
- **Voting process to approve additions**

# SettlementInfo

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- Used to model a money settlement transaction (through a third party settlement service)
- Supports the TXLife “Financial Settlement” transaction (TX#140)
- Modeled after the DTCC settlement message

**ACORD™** Global Insurance Standards

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**ABOUT ACORD**  
Since 1970, ACORD has been serving the insurance industry as its nonprofit standards developer. Today, ACORD is recognized as a global leader in XML standards for electronic data sharing.  
[Read More »](#)

**EVENTS**

- **ACORD Annual Conference**  
May 18-20  
Orlando, FL
- **Reinsurance US Regional Input Group**  
March 24-25  
New York, NY  
For more information, email: [workinggroups@acord.org](mailto:workinggroups@acord.org)  
[All Events »](#)

**HEADLINES**

- [XML/EDI Industry Implementation Reports Now Available](#)
- [ACORD Announces the 2003 Awards Program](#)
- [Leonard and Milton Appointed to ACORD's Global Standards Committee](#)
- [ACORD P&C XML Specification Version 1.2.0 Now Available](#)
- [Norman Heads ACORD Board; Findley is Chair Elect](#)
- [ACORD Certifies New Standard for Claims Investigation](#)
- [Technology Today: Technology is More Art Than Science](#)  
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# Questions

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