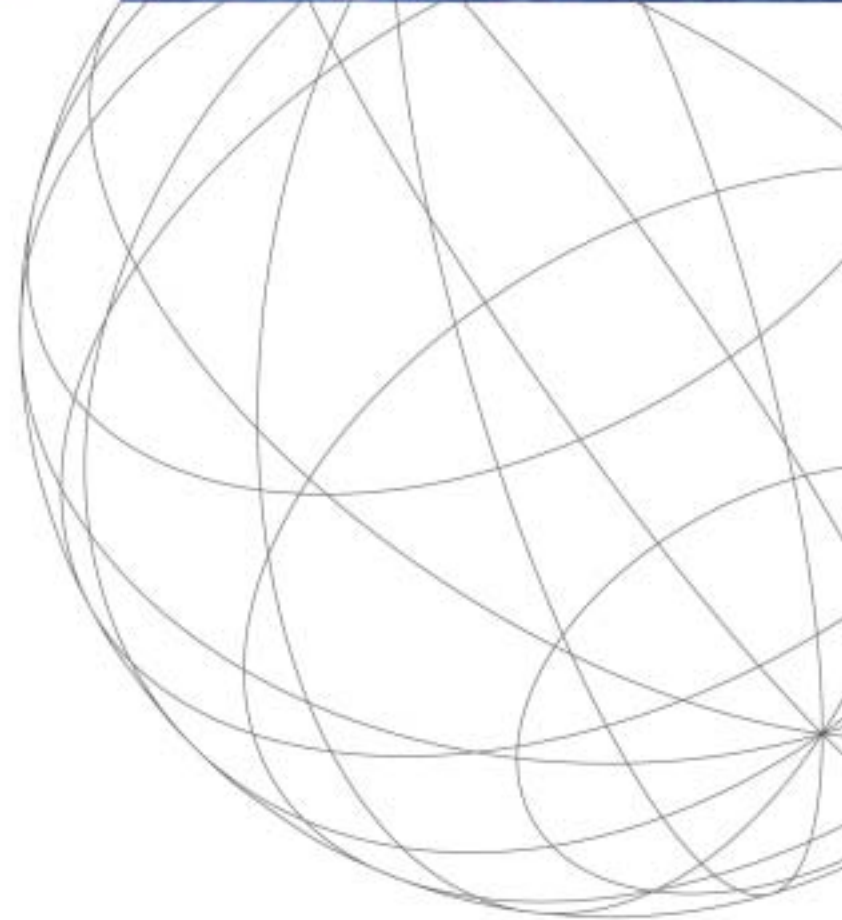




Business Success and Results with Standards Implementations

Monique Hesseling,
ACORD



Implementation Drivers

- Through 2004/05, the drive for **operational excellence and improved financial performance** will force insurance companies to develop time and unit-cost measures for business processes, and **integrate and optimize business processes across functional areas while using existing legacy applications.**
- Insurers and vendors will **leverage Web services and industry standards (ACORD XML standards), as key levers** to define common semantics across the significant business processes (mega processes).

Source: Meta Group



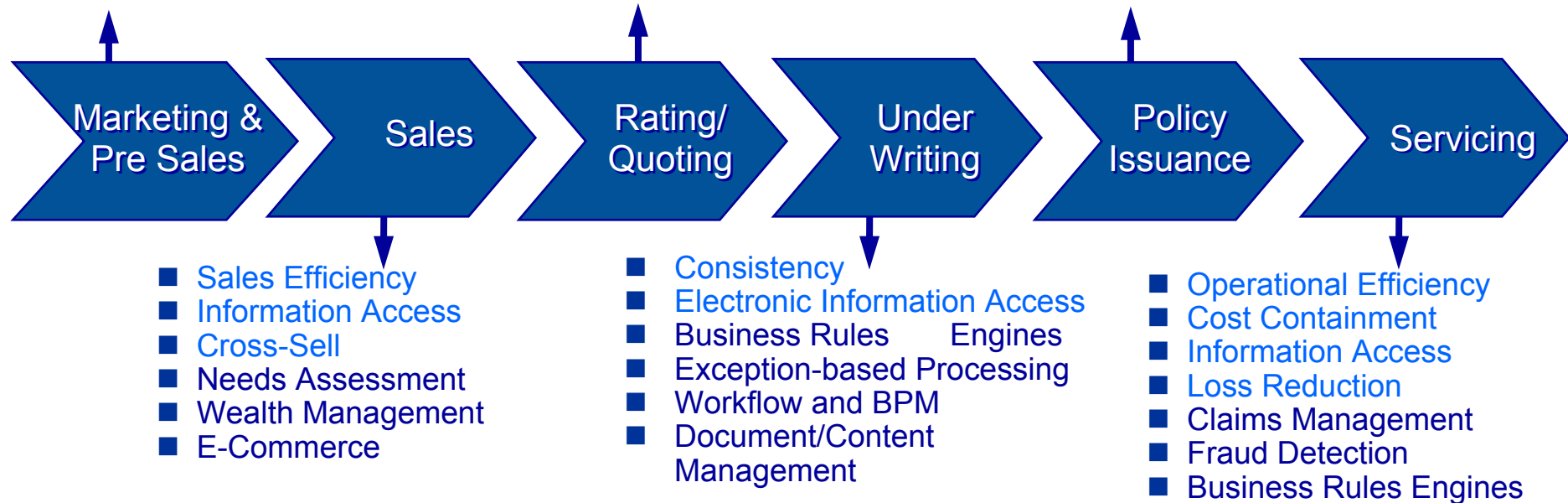
Seeking Process Improvements

Source: Gartner

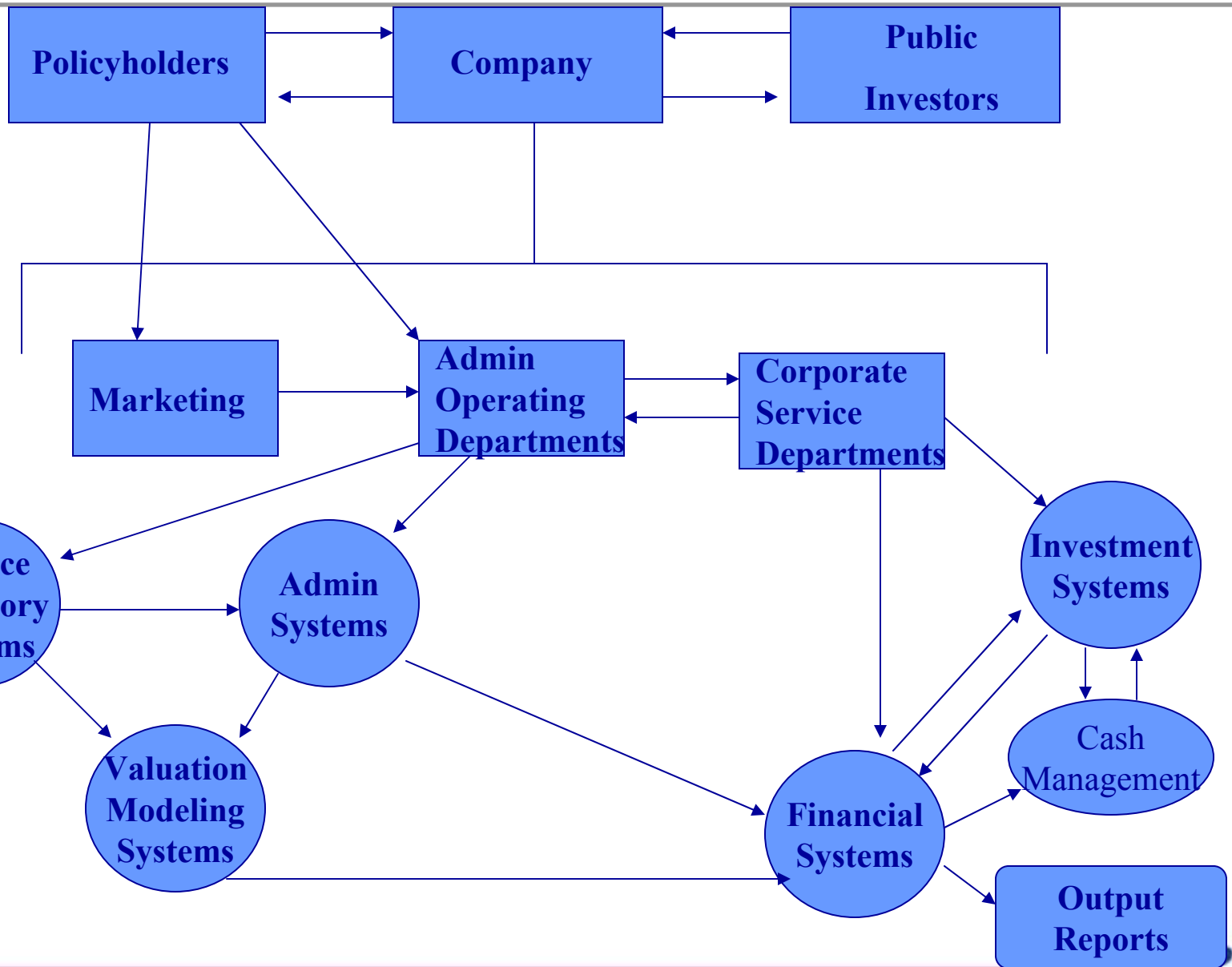
- Segmentation/Data Mining
- Cross-Sell
- Partnerships
- Product Configuration/Development
- Campaign Management

- Rating Accuracy & Consistency
- Real-Time Quote Generation
- Quote Management
- Quoting Engines

- Electronic Fulfillment
- Workflow
- Imaging and Document Management
- EBPP Options



Insurance Company



Technology Trends: Leveraging Roles of Vendors and Solution Providers

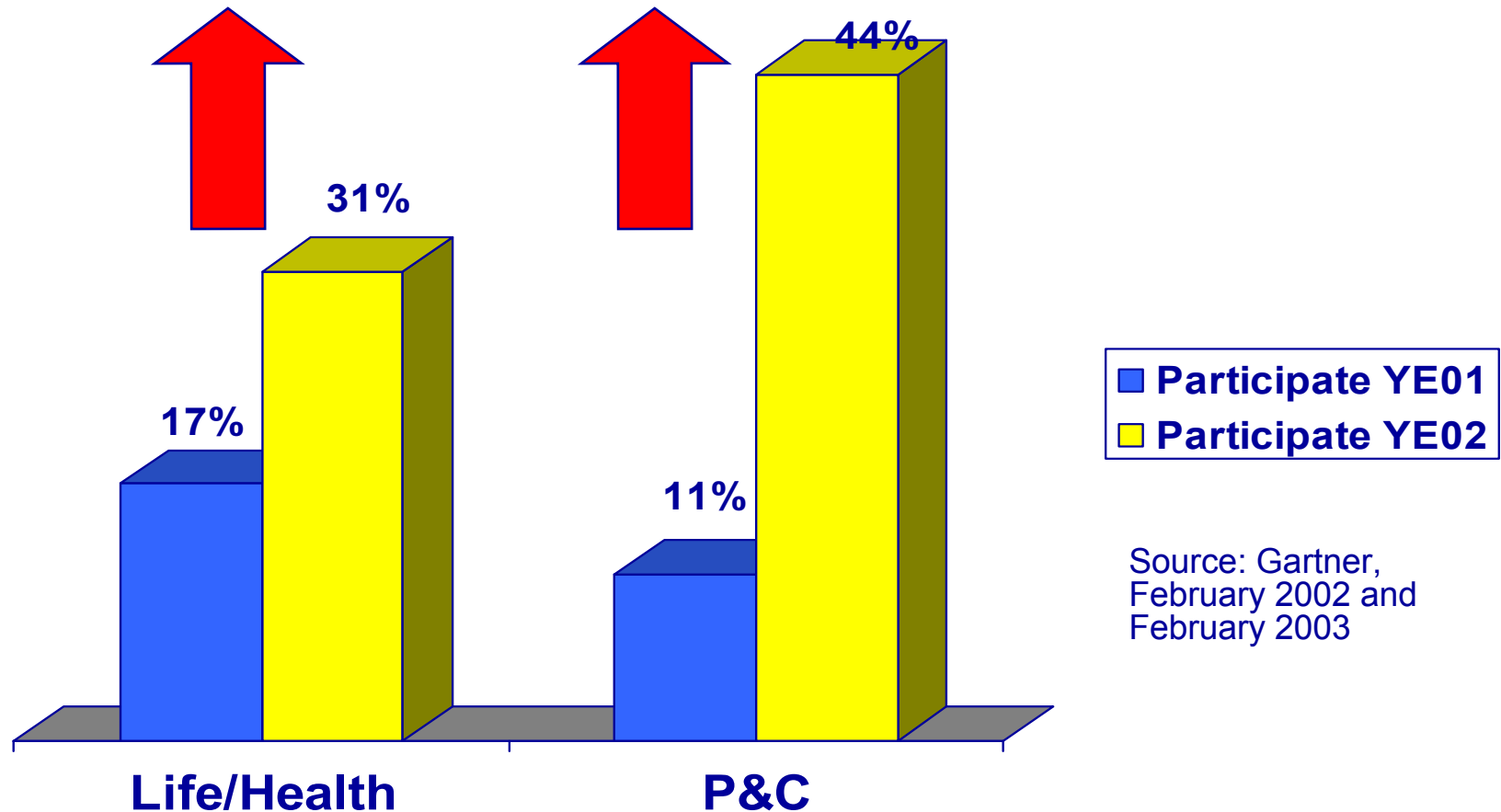
- **Interoperability internally and externally is a key strategic driver.**
 - Major vendors and technology providers are transitioning from integration to interoperability solutions.
 - Interoperability of repositories using ACORD standards is quickly emerging to link trading partner repositories and share structured and unstructured data.
 - ACORD data standards are an enabler of interoperability via Web Services.

Source Gartner



Best Practice: Participation in Standards Body

Percentage of Insurers Who Participate in Standards Body

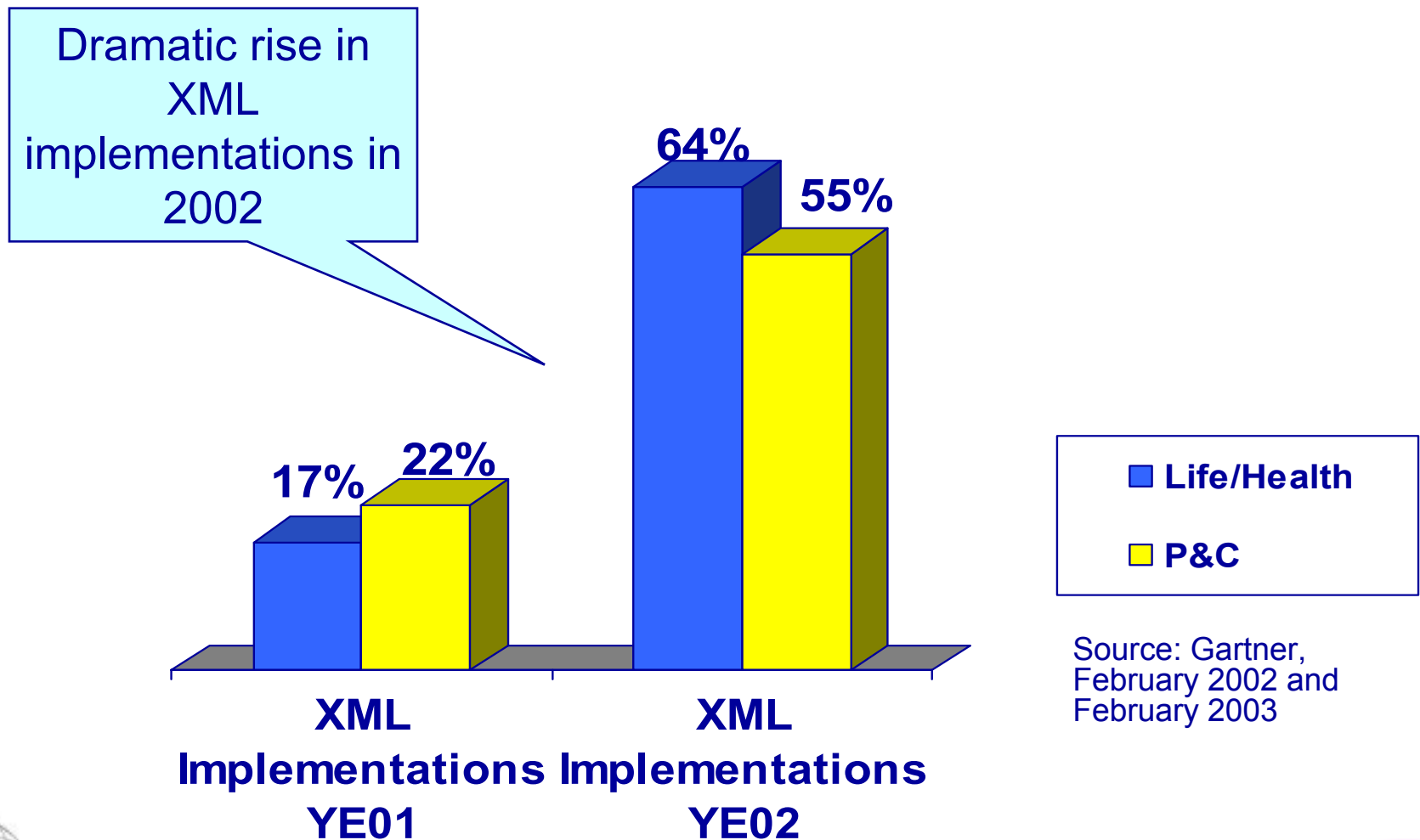


Source: Gartner,
February 2002 and
February 2003



Insurers Completed an XML Implementation

Percentage of Insurers With XML Implementations

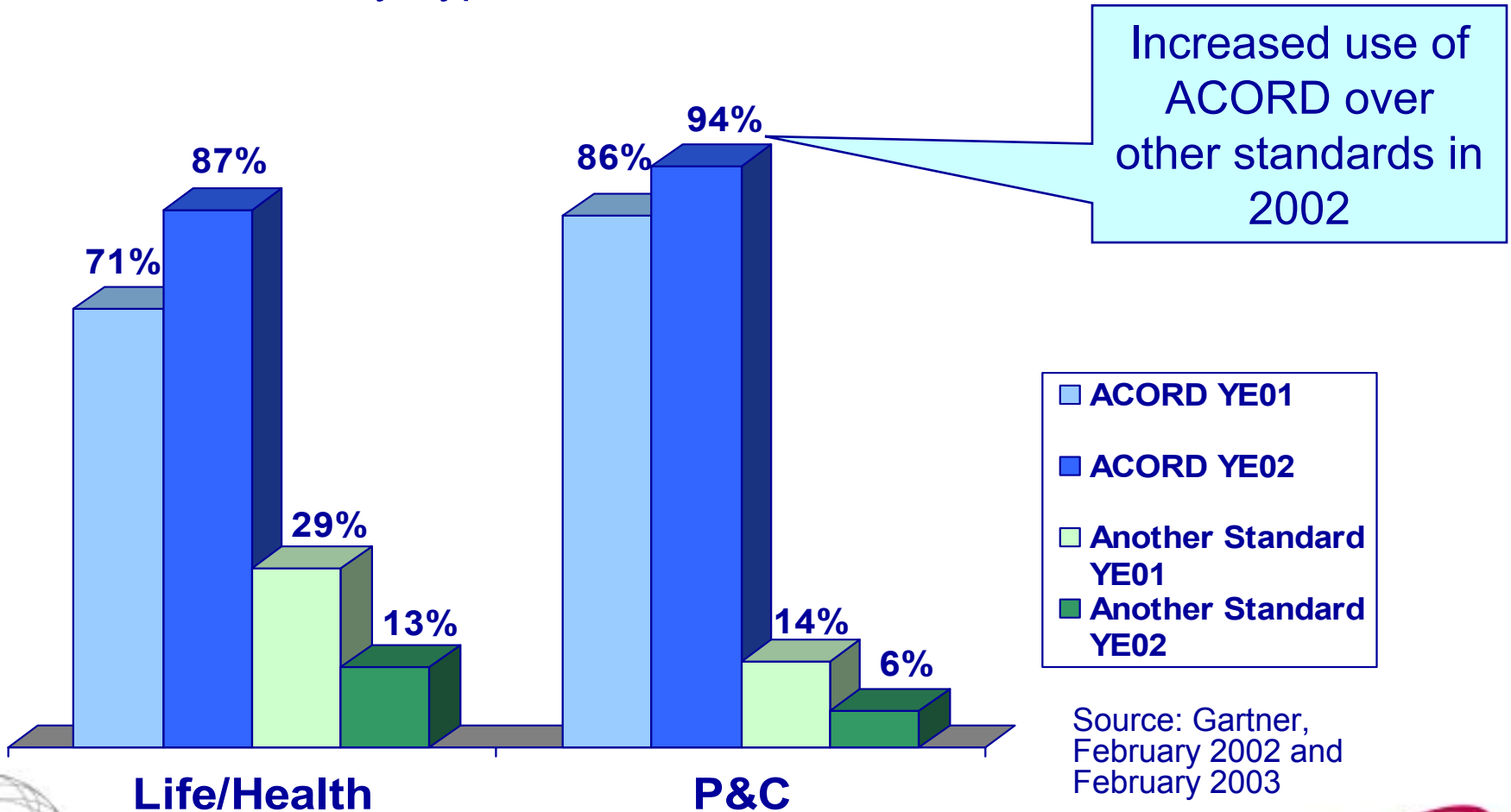


Source: Gartner, February 2002 and February 2003



Best Practice: Support of ACORD Standards

Percentage of Insurers With Implementations
by Type of Standard Used



ACORD Member Best Practices

- **Build Business and IT strategy to include ACORD standards as core component.**
- **ACORD standards as part of IT operating and project management principles.**
- **RFI and RFP should include ACORD standards requirements.**
- **Solution provider contracts require ACORD standards.**
- **Establishment of Standards Officer in the organization.**

Source Gartner



ACORD Member Best Practices

- Incorporate ACORD standards as part of SLA's with outsourcers and shared services.
- Incorporate ACORD standards in data warehouse and enterprise architecture. Trading Partner and third party agreements should include ACORD standards as part of agreement.
- Oversight executive committee actively promote adoption, participation and involvement.

Source Gartner



Implications for the Marketplace

- **Repositioning, realignment and redefinition underway**
 - Profitability and viability
 - Data transparency and quality
 - Product design and offerings
 - New business models
 - Core competencies
- **Evaluation of trading partners to**
 - Position market opportunities
 - Create flexibility
 - Leverage new distribution opportunities
 - Expand market revenue opportunities



Implications for the Marketplace

- **Operational cost efficiencies**
 - Address legacy systems
 - Address proprietary 1-to-1 interfaces (internal & external)
 - Position for and leverage web services
 - Position for BPO flexibility



Implementations

- **Insurers/Reinsurers/Brokers:**
 - AEGON USA
 - Allstate Insurance Company
 - ING Americas
 - GE Financial Assurance
 - Mutual of Omaha
 - Phoenix Life Insurance Company
 - Principal Financial Group
 - Prudential Financial
 - SAFECO Companies
 - Western & Southern Financial Group
 - Zurich Life



Implementations

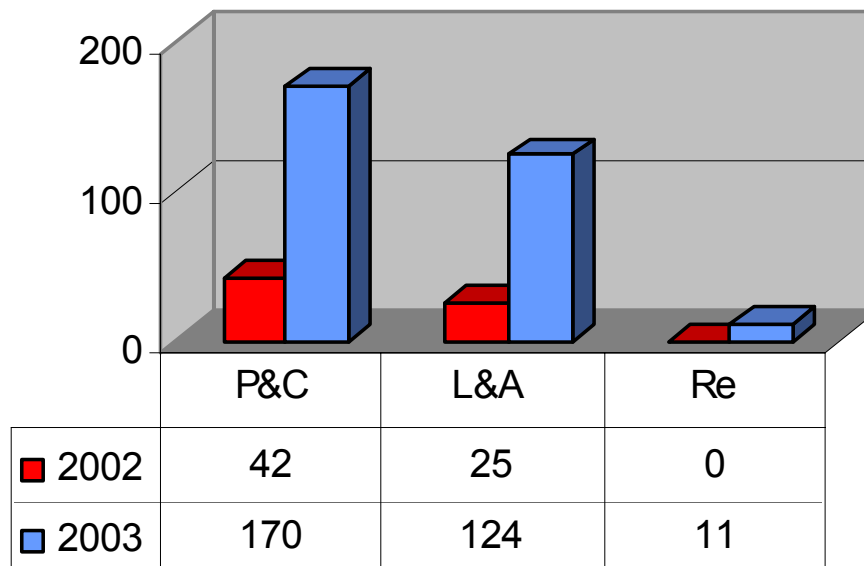
■ Solution Providers:

- AdminServer Inc
- Allfinanz
- Blue Frog Solutions
- COSS
- CSC Financial Group
 - ▶ PolicyLink
 - ▶ nbAccelerator
- Data Life Associates Inc
- DSPA Software Inc
- DTCC
- Finetre Corporation
- Fiserv Life
- Focus Solutions Group
- Hooper Holmes Portamedic
- Impact Technologies Group
- Insurance Technologies
- InSystems
- Lewis & Ellis Inc
- LIDP Consulting Services Inc
- LifeLink Corporation
- VERTEX



Number of implementations

Companies Implementing ACORD Standards



Implementation Focus

- **New Business**
- **Case Status**
- **Servicing**
- **Underwriting Requirements**
- **Financial Inquiries/Activity**
- **Licensing & Appointments**
- **Commission Statements**
- **Product Profile Annuities/Life**

