



P&C/Surety Standards Overview

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Specialist**



Session Overview

- **Part 1 – General Background**
 - Who is ACORD?
 - Why Standards?
 - **Part 2 – P&C/Surety Forms**
 - **Part 3 – P&C/Surety AL3**
 - **Part 4 – P&C/Surety XML**
-
- **FYI – This PPT will be available for download at www.acordlomaforum.org**



ACORD vs. ACCORD

- ACORD facilitates Standards development and use for the insurance, reinsurance, surety and related financial services industries.
- ACCORD is a vehicle available from Honda.

The logo for ACORD, featuring the word "ACORD" in a bold, blue, sans-serif font. The letters are slightly italicized. Two red, curved lines sweep around the text, one above and one below, creating a sense of motion or a protective shield.A small logo in the bottom right corner that says "auto" in a stylized font, with "A Division of ACORD" written in smaller text below it.

Who is ACORD?

- **Association for Cooperative Operations
Research & Development**
- **Independent and Objective Association**
 - Serving the Industry since 1970
 - Facilitating Industry-Driven Standards (Insurers, Agents, Solution Providers, Associations)
 - Not For-Profit Corporation
 - Anti-trust Exemption



ACORD Membership

- P&C Insurers
- Life Insurers
- Reinsurers
- Independent Agencies
- Global Brokers
- Suppliers
- Lloyds Syndicates
- Trade Associations
- Rating Bureaus
- Financial Service Orgs
- Risk Managers
- Service Bureaus
- Lab Companies
- Consulting Firms

Plus alliances with numerous industry and standards organizations around the world.



Why Standards?

■ Decrease Costs

- Reduce time/cost to implement partner interfaces
- Reduce data transaction/translation errors
- Reduce human intervention in routine biz processing

■ Increase Sales/Revenue

- Make it easier to do business with you

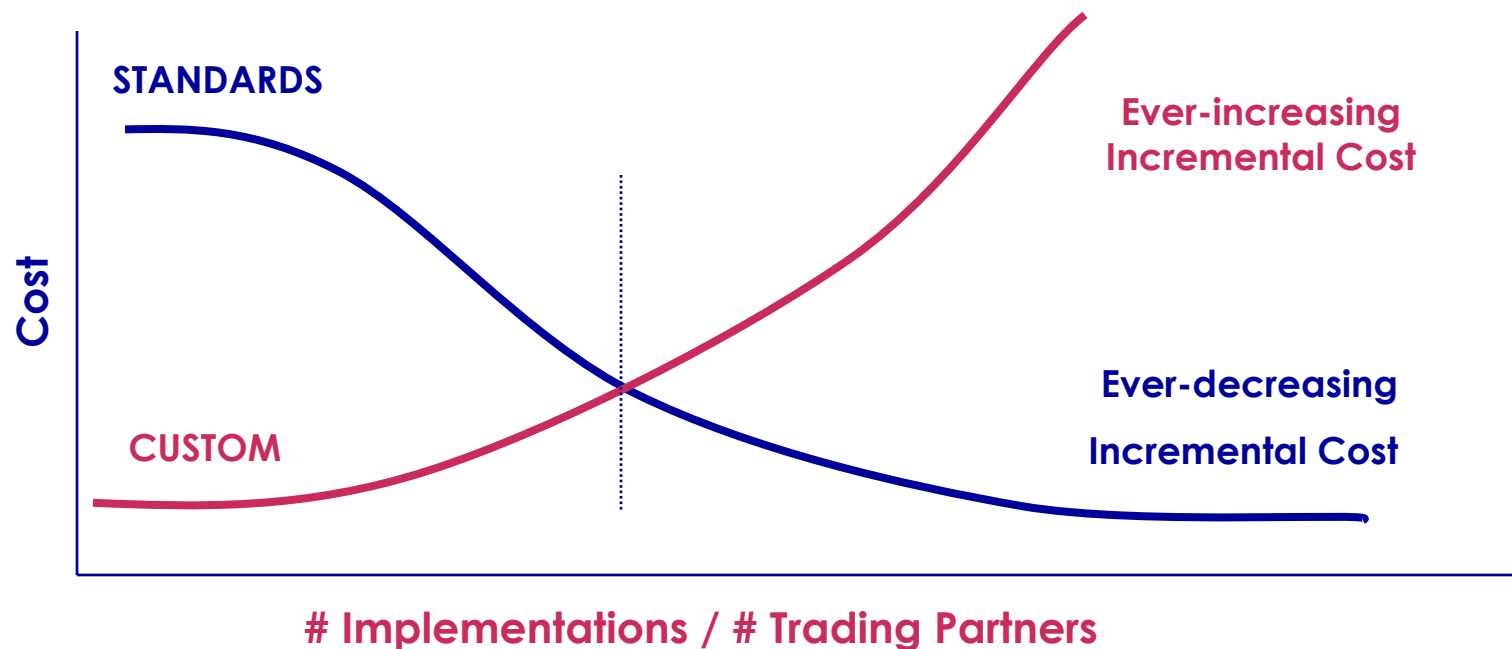
■ Improve Service

- Decrease time to process transactions



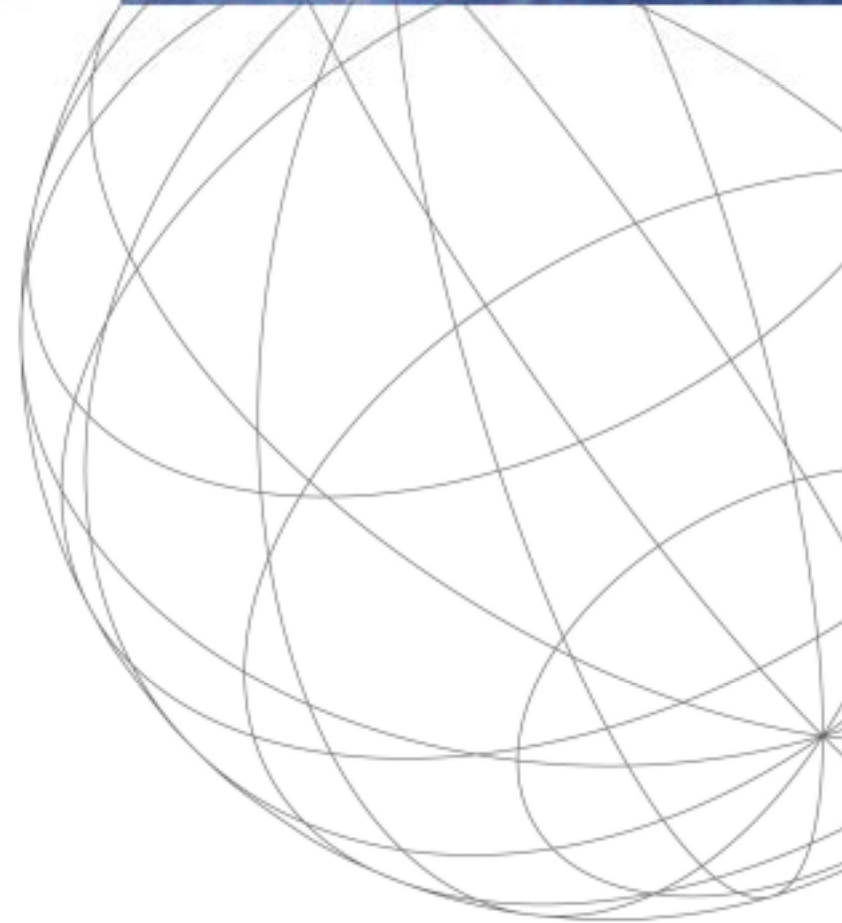
Business Issues

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





Part 2 P&C/Surety *Forms*



Forms - Process & Statistics

- **ACORD facilitates insurer consensus and negotiates with state regulators to adopt a single form in place of multiple forms**
- **ACORD Forms Results**
 - Discontinuation of 80,000+ company-specific forms
 - Saving the industry millions of dollars annually
- **ACORD P&C Forms Library**
 - 450 forms (and growing)
 - In use by 1100 companies



Forms - Benefits

- **Timely and Automatic Updates for Legislative Mandates**
 - ACORD continuously researches legislative changes, and updates forms as required, when required
 - Notices of regulatory changes are posted on the ACORD web site to inform members of compliance issues
 - No successful court challenge to the use of ACORD Forms*

***ACORD has defended their forms in deposition and testimony, this service will continue, when needed.**



Forms - Benefits

■ Cost Savings - Resources

- Maintenance of forms libraries, inventories, and distribution of forms
 - ▶ SAFECO estimated that it cost \$4 to 5 Million to maintain their Auto Application
 - ▶ One life company estimated that their annual distribution costs were \$200,000
- Monitoring ever-changing legislation
- Research and development of new forms
- Legal review and state filing fees

Forms - Implementation Options

- **Single source library, held at ACORD, benefits carriers, brokers and agents in obtaining the most current form at all times**
 - Member companies have the option to link their web site directly to the ACORD forms library
 - Forms available electronically, on paper or CD
- **ACORD forms are supported directly by many application solution providers (ACORD certified)**



Sample ACORD Form

ACORD™ CONNECTICUT PERSONAL AUTO APPLICATION												DATE (MM/DD/YYYY)								
AGENCY PHONE (A/C, No, Ext): FAX (A/C, No):			APPLICANT'S NAME AND MAILING ADDRESS (Include county & ZIP+4)										NAIC CODE							
													TELEPHONE NUMBER							
CODE: AGENCY CUSTOMER ID			SUBCODE:					CO/PLAN			POL#:									
			EFFECTIVE DATE			EXPIRATION DATE		ACCT#:		DIRECT BILL	MAIL POLICY TO AGENT	PAYMENT PLAN								
							AGENCY BILL	MAIL POLICY TO APPL												
RESIDENCE			CURRENT RESIDENCE IS			OWNED	RENTED	GARAGE LOCATION IF DIFF FROM ABOVE (Inc county & ZIP)												
YRS AT CURR	ADDR PREV	PREVIOUS ADDRESS (If less than 3 years)					VEH #													
VEHICLE DESCRIPTION/USE												TOTAL NUMBER OF VEHICLES IN HOUSEHOLD:								
VEH	YEAR	MAKE, MODEL AND BODY TYPE							VIN/REGISTERED STATE				HP/CC	DATE LEASED	DATE PURCH	NEW/USED				
VEH	COST NEW	SYMBOL AGE GRP	TERR	MILE 1 WAY WK/SCHL	# DAYS WEEK	# WKS MONTH	USAGE	PER-FORM	MULTI-CAR	CAR POOL	GAR-AGED	ODOMETER READING		ANNUAL MILEAGE		GOVERN DRIVER	DRIVER USE % (Each veh must equal 100%)			CLASS
VEH	PASSIVE SEAT BELT	AIRBAG DRV/BOTH	ANTI-LOCK BRAKES 2/4	ANTI-THEFT DEVICES		CREDITS/SURCHARGES			VEH	PASSIVE SEAT BELT	AIRBAG DRV/BOTH	ANTI-LOCK BRAKES 2/4	ANTI-THEFT DEVICES		CREDITS/SURCHARGES					





Part 3 P&C/Surety AL3

What is the AL3 “Standard”?

- **Multiple “Standards” that together form a whole**
- **Standards**
 - Data Groups
 - ▶ Data Elements
- **Data Elements are basic units of information**
 - Ex. policy number, effective date, etc.
- **AL3 Standards include**
 - instructions about usage
 - definitions
 - implementation guides



AL3 Standards (High Level)

- **Implementation Guides**
- **Personal Lines**
- **Commercial Lines**
- **Claims**
- **Accounting**
- **Joint/Common and Technical**

- **Historically, these were all originally text files. All are now delivered in a Microsoft Access Database.**
- **Refer to the AL3 CD for historical documents.**



Standards Numbering Scheme

- **Implementation Guides** = 200 series
- **Personal Lines** = 300 series
- **Commercial Lines** = 500 series
- **Claims** = 600 series
- **Accounting** = 700 series
- **Joint/Common and Technical** = 900 series



Standards Numbering Scheme and Shared Groups

- **900 series = Common/Technical**
 - 920 = Common Shared Groups
- **300 series = Personal Lines**
 - 320 = Personal Lines Shared Groups
 - ▶ (ex. 5DRV Driver Group)
 - 301 = Homeowners
 - 302 = Personal Auto
 - ▶ (Young Drivers Questionnaire)
- **500 series = Commercial Lines**
 - 520 = Commercial Lines Shared Groups



ACORD P&C/Surety AL1, AL2, AL3 Standards

- **ACORD Automation Level 1 (AL1)**
 - AL3 Standard 930 Print Image Format
- **ACORD Automation Level 2 (AL2)**
 - AL3 Standard 401 Electronic Memo Structure
- **ACORD Automation Level 3 (AL3)**
 - A series of Standards that combine to form “One”



AL3: Suggested Reading Material

A person unfamiliar with AL3 should review the Standards files in this order:

- **000 Standards Documentation Conventions**
- **900 Element Groups and Data Elements Structure, Conventions and Lists Standard**
- **921 Insurance Policy Transactions - Hierarchy**
- **910 Transaction Structure Standard**
- **920 Insurance Policy Transactions - Common Groups**



AL3: In General...

■ Standards

- Groups
 - ▶ Elements

■ Hierarchies

- Logical “tree” of various, related Groups that together, make-up a given policy, claim, or accounting transaction
- Refer to I.G. 234 for complete display of hierarchies.



B1

5BIS

9BIS

F1

5BPI

L1

5LAG

R1

5VEH

5VEH

W1

6CVA

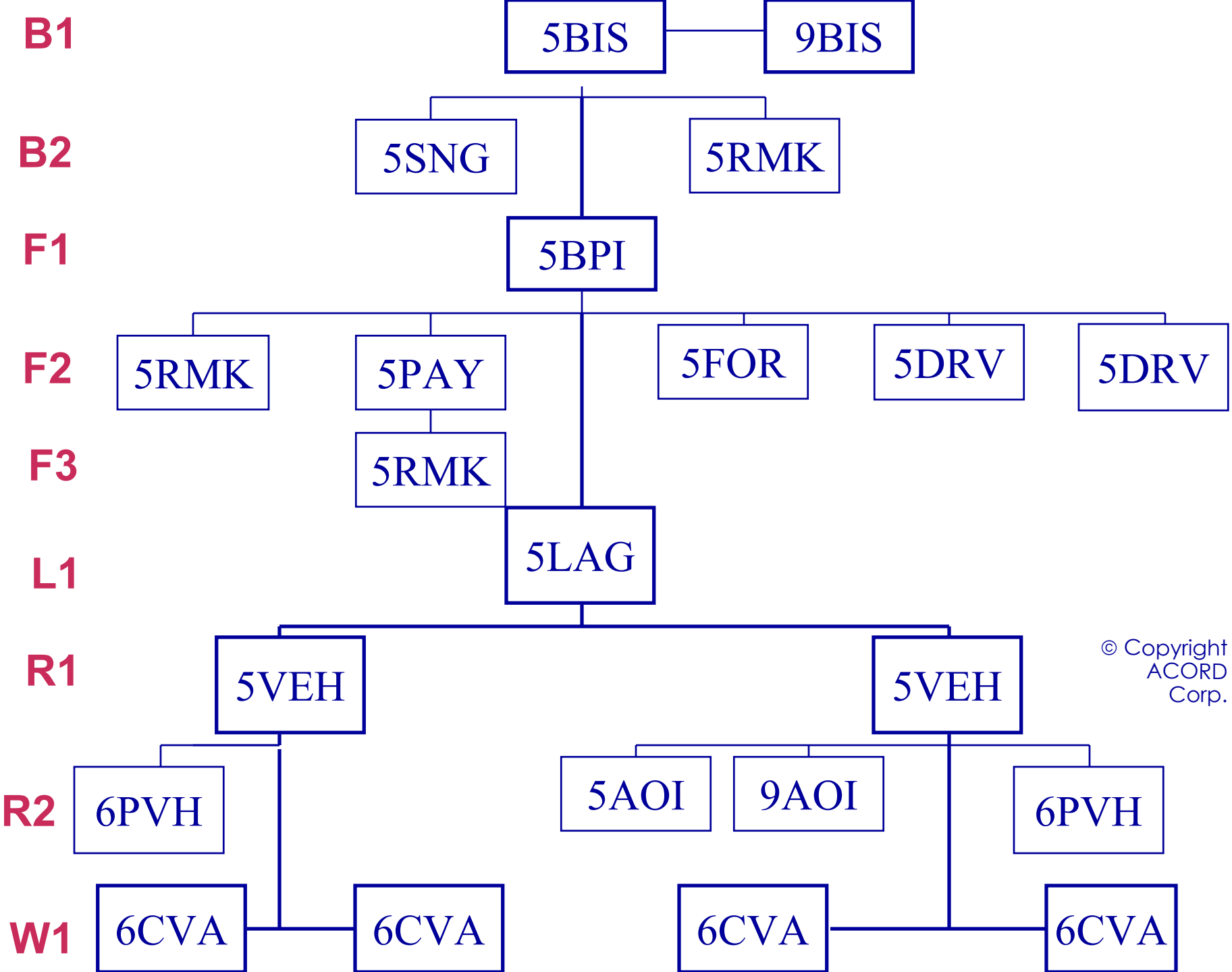
6CVA

6CVA

6CVA

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AL3 Standards Inventory

- 18 Implementation Guides
 - 3 Personal Lines
 - 12 Commercial Lines
 - 3 Claims
 - 4 Accounting
 - 18 Joint/Common and Technical
 - 2 Interactive
 - 6 Other
-
- 66 Total

- Available in MDB file on ACORD website; or
- Available on AL3 CD.





Part 4 P&C/Surety XML



AL3 (Automation Level 3) Example

```
5DRV176 F200015BPIF10001 ? 0001CJOSEPH M GALLO  
? ? OH? 650422M?? ?? 19650422
```

Hard to read

Rigid

*Versioning
problems*

- All on one line and run together

Ref		Data	
Name	Description	Start	Length
GROUP	Driver Group	000	193
HEADR	Header	001	030
DRVNO	Agency Driver's Number	031	004
DRVNO	Company Driver's Number	035	004
DRVNM	Driver's Name	039	060
SSNO	Social Security Number	099	009
LICNO	Driver's License Number	108	025
STATE	Licensed State	133	002
ZZMOV	Deleted - Date Licensed	135	006
ZZMOV	Deleted - Date of Birth	141	006
SEXCD	Driver Sex Code	147	001
LICCD	License Class Code	148	001
ZZMOV	Deleted - Date Hired	149	006
DRTCD	Driver Type Code	155	001
FIXID	Fixed Identifier	156	005
BIRDT	Date of Birth	161	008

XML Example

```
<Party>  
  <FullName>Gallo, Joseph M.</FullName>  
  <GovtID>303508921</GovtID>  
  <Address>  
    <TypeCode>Home</TypeCode>  
    <StreetLine1>108 Dawson St</StreetLine1>  
    <City>Philadelphia</City>  
    <State>PA</State>  
    <Zip>19130</Zip>  
    <Country>USA</Country>  
  </Address>  
  <Person>  
    <GivenName>Joseph</GivenName>  
    <OtherGivenName>Michael</OtherGivenName>  
    <SurnameName>Gallo</SurnameName>  
    <MaritalStatus>Single</MaritalStatus>  
    <Gender>Male</Gender>  
    <BirthDate>1965-04-22</BirthDate>  
  </Person>  
</Party>
```

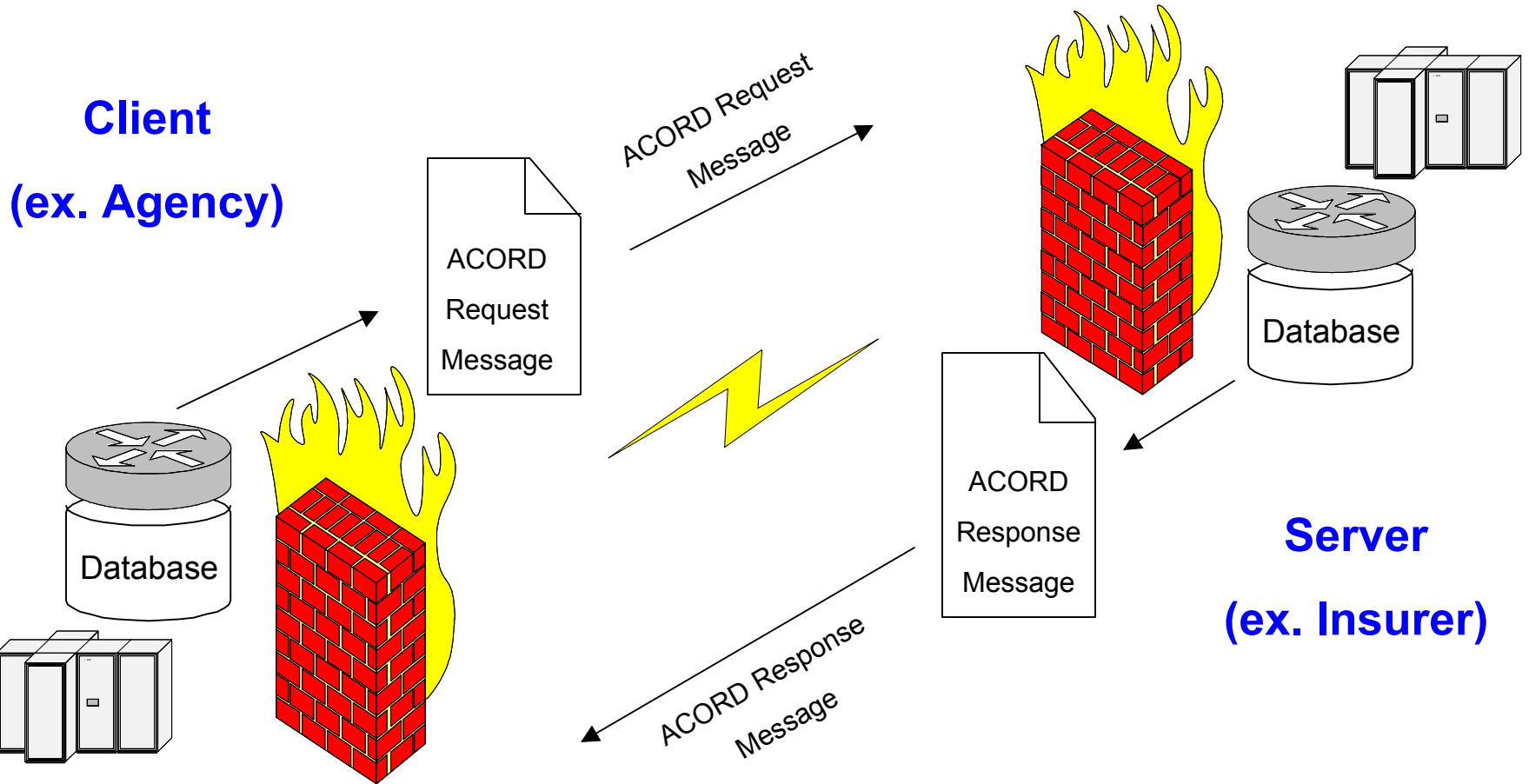
Easier to read

*Free use of
whitespace*

*Structure can be
checked with
standard tools*

- DTD or schema

Processing Environment



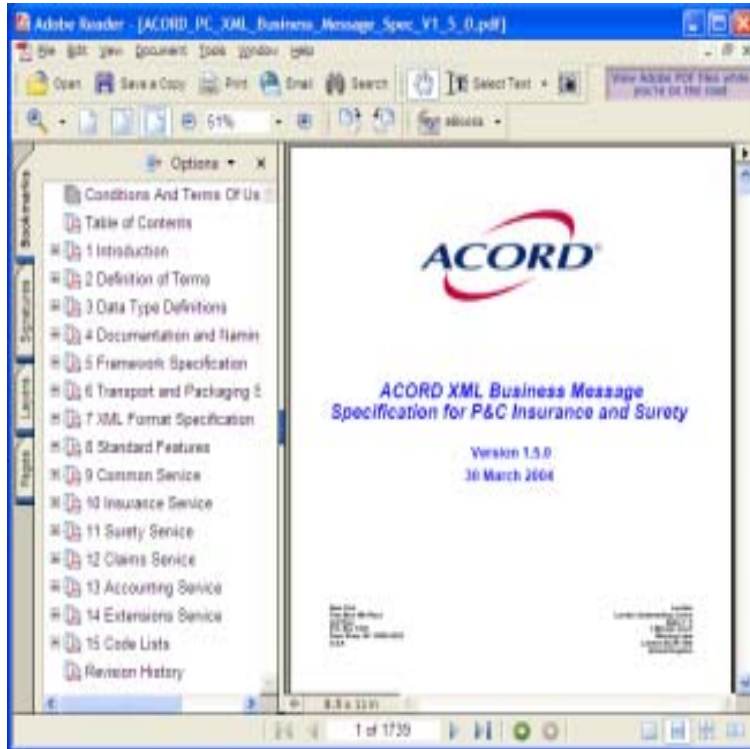
Background

- **Started as Chapter 9 of the IFX specification**
<http://www.ifxforum.org>
- **Compliance vs. Compatibility**
- **Created from a dump of the AL3 data dictionary**
- **Combination of AL3 features, hacks, legacy issues, combined with new ideas**
- **Influences from:**
 - IFX rules - no attributes
 - AL3 - inconsistent code list values
 - XML and others



ACORD Specification Release

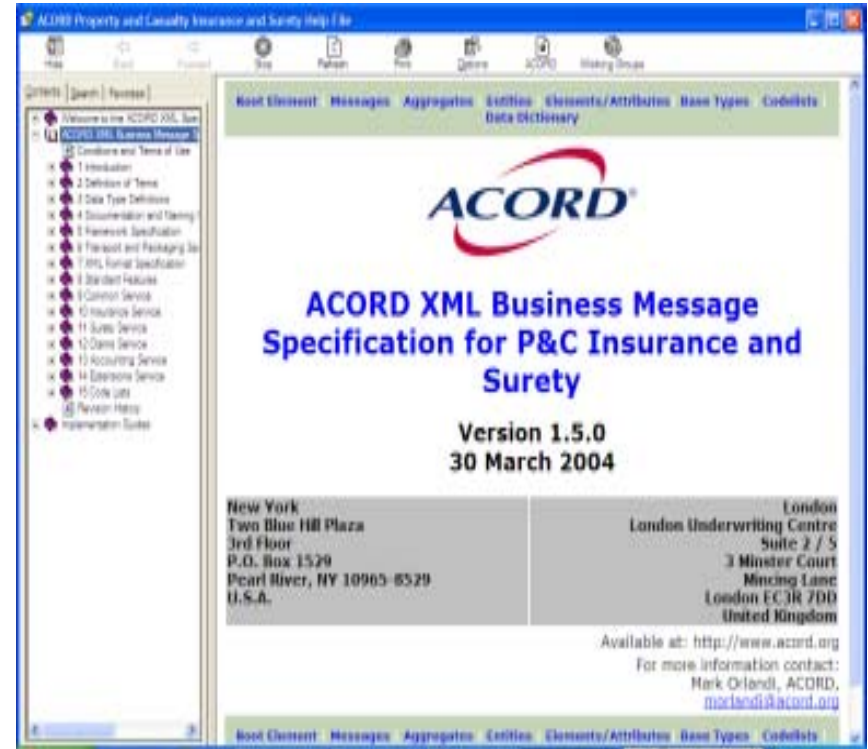
Public



Spec Document
Adobe (PDF) Format

Members Only*

* Includes Public Materials



Spec Document
Help Format

Documentation Deliverables

- **The Specification / Standard**
 - Adobe formatted file
 - Windows Help file *
- **DTD**
- **Schemas / 4 Layouts (all draft) ***
 - One set includes TargetNamespace
 - One set omits TargetNamespace
- **Dump Of ACORD database ***
 - Includes DTD for layout
- **Deviations from IFX**
- **Readme**

*** ACORD
Members
Only**



Schemas: 4 Layouts / 2 Sets

Documentation / Tag Descriptions	Code List Data / Code Values	ACORD Delivery
Yes	Yes	ACORD Members
Yes	No	ACORD Members
No	Yes	Public
No	No	Public

One set includes TargetNamespace

One set omits TargetNamespace

Specification Structure - Part 1

- Ch 1) Introduction - Governing Principles
- Ch 2) Definition of Terms
- Ch 3) Data Type Definitions
- Ch 4) Documentation and Naming Conventions
- Ch 5) Framework Specification (IFX)
- Ch 6) Transport and Packaging Specification
- Ch 7) XML Format Specification
- Ch 8) Standard Features



Specification Structure - Part 2

- Ch 9) Common Service
- Ch 10) Insurance Service
- Ch 11) Surety Service
- Ch 12) Claims Service
- Ch 13) Accounting Service
- Ch 14) Service Provider Extensions Service
- Ch 15) Code Lists
- Revision History



Specification Versioning

- **Version 1.0.0 - released July 2001**
- **Three level versioning scheme**
 - maintenance 1.0.1 - minor changes like documentation cleanup
 - release 1.1.0 - voted upon changes, backward compatible
 - version 2.0.0 - defined as breaking backwards compatibility
- **Minimum Requirement**
 - Version 1.x lived for 18 months or longer
 - Requirement exceeded



Messages Are Contained within Services

- **Accounting Service**
 - Accounting Messages
- **Base Service**
 - Framework Messages
- **Claims Service**
 - Claims Messages
- **Common Service**
 - Common Messages
- **Insurance Service**
 - Insurance Messages
- **Surety Service**
 - Surety Messages

<Service>
 <Messages/>
</Service/>



Basic Business Messages

- **Insurance (Typical LOB Message Sets)**
 - **Lines Of Business**
 - ▶ Commercial
 - ex. Commercial Auto
 - ▶ Farm
 - ▶ Personal
 - **Transaction Type**
 - ▶ Quote
 - ▶ Add (new business)
 - ▶ Mod (modification - policy change)
 - ▶ Reinstate (overrides a cancellation)
 - ▶ Renew
 - ▶ Reissue (correction to a previous issue)



Insurance Messages

- **Typical LOB Message Sets**
 - **Submission Message Sets**
 - ▶ Quote / Add / Mod / Reinstate / Reissue / Renew (6)
 - **Notification Message Sets**
 - ▶ **Update Message Sets**
 - Add / Mod / Reissue / Renew / Reinstate (5)
 - ▶ **Replace Message Sets**
 - Add / Mod / Reissue / Renew / Reinstate (5)
- **$6 + 5 + 5 = 16$ Message Sets (transactions)**
- **$16 \times 2 = 32$ individual messages**
 - 1 set of requests / 1 set of responses



Commercial Lines

- **Auto**
- **Business Owners Policy (BOP)**
- **Crime**
- **Directors & Officers (D&O)**
- **Employers Liability (EPLI)**
- **Errors & Omissions (E&O)**
- **General Liability (GL)**
- **Package Policy**
 - Any combination of the mono-lines
- **Property**
- **Work Comp**

Commercial Schedule Submit/Respond Pairs

- Drivers
- Named Insured and Locations
- Property
- Umbrella underlying coverage
- Vehicles
- General Liability
- Workers Compensation



Personal Lines

- **Auto**
- **Dwelling Fire**
- **Homeowners**
 - includes mobile home
- **Inland Marine**
- **Package Policy**
 - Any combination of the mono-lines
- **Umbrella**
- **Watercraft**



Insurance - Miscellaneous

- **Certificate Of Insurance**
- **Commercial Schedules**
- **Dwelling Valuation**
- **Farm**
- **Flood (not a line of business)**
- **Lender Replace Mod**
- **Policy Cancellation (partial image)**
- **Policy Reinstatement (partial image)**
- **Policy Finance**
- **Policy Inquiry**
- **Policy Sync**
- **Premium Audit**

Claims Message Sets

- **Claims Investigation**
- **Claims Notification (FNOL / FROI)**
 - First Notice Of Loss
 - First Report Of Injury
- **Claims Subsequent Report**
- **Claims Status Inquiry**
- **Loss Run**



Misc. Business Message Sets

- **Accounting Message Sets**
 - Billing Inquiry
- **Common Message Sets**
 - Account Inquiry
 - View Inquiry
- **Service Provider Extensions (SPX)**
 - SP Extensions Inquiry
 - SP Extensions Sync



Surety Message Sets

- **Submission / Notify Message Sets**
 - **Mimics Insurance Message Set Design**
 - ▶ Quote / Add / Mod / Reissue / Renew
 - ▶ Partial Image Cancellation
 - ▶ Partial Image Reinstatement
- **Inquiry**
- **Rate Sync**
- **Bond Sync**
- **Report Of Execution**



Framework Message Sets

- **Sign On**
- **Base Service Message Sets**
 - Service Profile Inquiry
 - Pending Response
 - Message Set Request *
 - Message Set Response *
- **Sign Off**

* Associated with Notify Messages



Approved Message Sets for v 1.5.0

- **Claims FNOL/FROI Download**
- **Commercial Lines: Boiler & Machinery**
 - Also added this LOB to Commercial Package
- **Work Comp Statistical Reporting (WCSTAT)**
- **Surety**
 - Bond Sync Status
 - Partial Image Renew
 - Contract Audit
 - Pended Response Notify



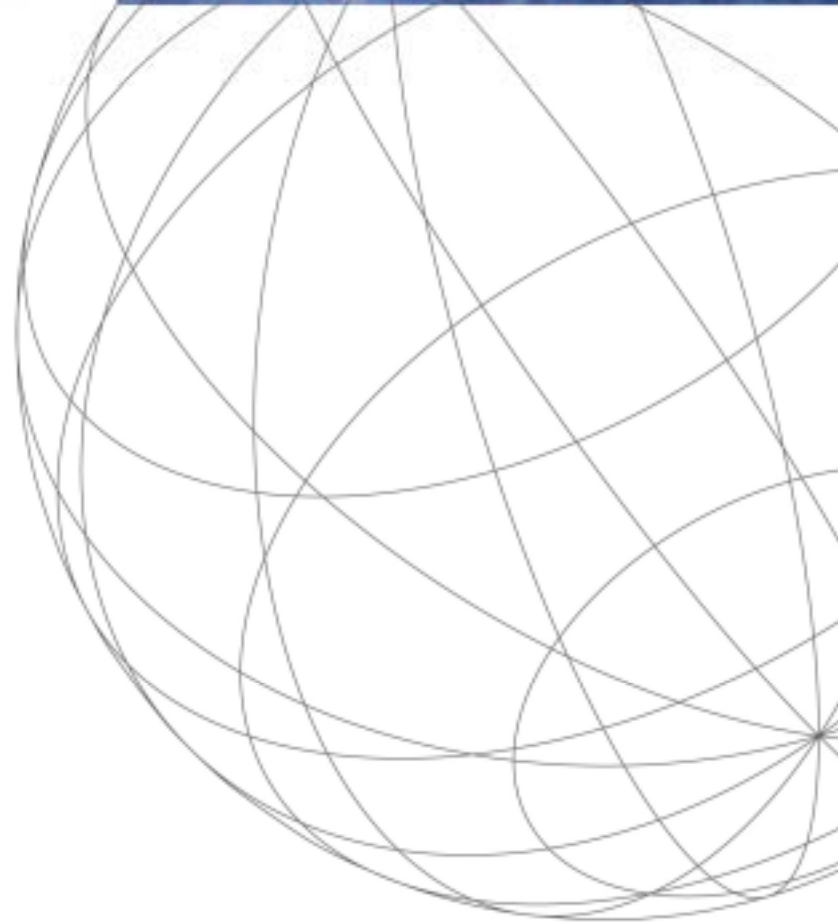
Message Sets “In Development”

- **Activities & Notes Download**
- **Claims Status Download**
- **Comml Lines: EDP (electronic data processing)**
 - Will be added to Commercial Package
- **Work Comp Statistical Reporting (WCSTAT)**





Part 5 Certification AL3 / XML



Why Certify?

- **Member Benefit**
- **Get to advertise conformance**
- **Should help leverage your partners**
- **Provides a third-party opinion on conformance**
- **If everyone conforms, then integration is easier**
- **Quiz your vendors - two different statements**
 - We implement ACORD
 - We are certified by ACORD



Certification

ACORD certifies member implementations of ACORD Standards. ACORD certification programs ensure that the standards are implemented accurately and meet the standards' specifications. ACORD members receive certificates of ACORD certification and can publish their certification results within their marketing materials and on their website. Customers of these applications can be assured that their implementations follow ACORD Standards rules.

Benefits to Certified Members include:

- Use of ACORD Certification Mark ® for software that has successfully passed certification testing.
- Certified companies and vendors that have led the way in standards implementation utilization are recognized with Awards at ACORD's Annual Conference. Award winners are published on the ACORD Conference website.

ACORD Certified Member Transactions

The list of specific transactions for which ACORD is the Downloader link below. This chart is updated as to

- [Download Certified ACORD Member Transa](#)

To obtain more information regarding certification or Certification@acord.org or phone One President at +1



ACORD MEMBER COMPANIES CERTIFIED - 2003 - By Line of Business / By Standard

Company	Number of Successful Certified Transactions	Transaction Details
ACORD - P&C and Surety XML Standards		
Acenture	2	<ClaimsNotificationAddRs>, 1.3.0 - <ClaimsInvestigation>
ACLUITY	7	<HomePolicyAddRs>, <HomePolicyQuoteInqRs>, <PersAutoPolicyAddRs>, <PersAutoPolicyQuoteInqRs>, <PersPkgPolicyAddRs>, <PersPkgPolicyQuoteInqRs>, <LossRunInqRq>, 1.3.0 - <ViewInqRs>
Applied Systems	15	<BOPPolicyAddRq>, <BOPPolicyQuoteInqRq>, <ClaimsNotificationAddRq>, <CommAutoScheduleSubmitRq>, <CommNamedInsuredAndLocationScheduleSubmitRq>, <HomePolicyAddRq>, <HomePolicyQuoteInqRq>, <LossRunInqRq>, <PersAutoPolicyAddRq>, <PersAutoPolicyQuoteInqRq>, <PersPkgPolicyAddRq>, <PersPkgPolicyQuoteInqRq>, <WorkCompPolicyAddRq>, <WorkCompPolicyQuoteInqRq>, 1.3.0 - <ViewInqRq>
CSC	1	<PersAutoPolicyQuoteInqRq>
Developers Surety and Indemnity Co.	8	<SuretyReportExecutionAddRq>, <SuretyReportExecutionAddRs>, <SuretyBondRequestAddRq>, <SuretyBondRequestAddRs>, <PendingResponseInqRs>, <PendingResponseInqRq>, <SvcProfInqRq>, <SvcProfInqRs>
Fair, Isaac and Company	1	<BopPolicyAddRs>
Fiserv	2	<HomePolicyAddRq>, <PersAutoPolicyAddRq>
IVANS	3	<PersAutoPolicyAddRs>, <HomePolicyAddRq>, 1.3.0 - <ViewInqRq>
Ohio Casualty Group	2	1.3.0 - <ViewInqRq>, <BOPPolicyQuoteInqRs>
Providence Washington	3	<PersAutoPolicyAddRq>, <PersAutoPolicyQuoteInqRq>, <HomePolicyQuoteInqRq>
Safeco Insurance	1	<SuretyReportExecutionAddRq>
St. Paul	1	<ClaimsNotificationAddRs>
Strategic Insurance Software	3	<HomePolicyAddRq>, <PersAutoPolicyAddRq>, <PersAndMarinePolicyAddRq>
Superior Access Internet	3	<WorkCompPolicyAddRq>, <WorkCompPolicyQuoteInqRq>, <SuretyBondRequestAddRs>, <CommAutoScheduleSubmitRq>, <CommAutoPolicyQuoteInqRs>, <CommAutoPolicyAddRs>, <SPExtensionsSyncRs>, <WorkCompPolicyAddRs>, <WorkCompPolicyQuoteInqRs>
The Hartford	8	<WorkCompPolicyAddRq>, <WorkCompPolicyQuoteInqRq>, 1.3.0 - <ViewInqRs>
Travelers	2	<VehicleScheduleRs>, 1.3.0 - <ViewInqRq>
West Bend Mutual Insurance	1	1.3.0 - <ViewInqRq>

Reports



Questions?

<http://www.acord.org>



Association for
Cooperative **O**perations
Research and **D**evelopment

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Pearl River, NY 10965-8529

845-620-1700

Side Title Goes Here

- **Click to edit Master text styles**
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 - ▶ Third level
 - Fourth level
 - ✓ Fifth level





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10/18/02

SLIDE 54

