

Creating Standards for Niche Markets



An Aviation Case Study

Introductions

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Overview

- ✈ Our goal today is to show how standards are viable for niche markets
- ✈ We will explain the benefits of using standards
- ✈ Finally we will walk you through the steps we took to create standards for Aviation
 - A line of business previously not supported by ACORD



The Benefits of Standards




Sally Marston, CPCU
St. Paul Travelers

Benefits of Standards

- ✈ First business partner takes most time
- ✈ Subsequent partners take less time though variances occur based upon the experience of the partner
 - Experience in using ACORD standards
 - Experience in Insurance
- ✈ Subsequent partners require no additional coding to begin implementation

Benefits of Standards

- ✈ Inquiry transactions have been most successful with the bulk of our retail agents
 - ✈ Quote transactions have been most successful with our managing general agents
- 

XML Standards Supported

✈ Commercial Lines

(production)

- BOP Quote
- Workers Comp Quote
- Middle Market Schedules
- Inquiries
 - Loss Runs
 - Policy View
 - Billing
 - Claim

✈ Personal Lines

(production)

- Personal Auto Quote
- Inquiries
 - Billing
 - Policy View
 - Claim

Surety/Bond Support

- ✈ Report of Execution
 - ✈ Mod
 - ✈ Reinstatement
 - ✈ Cancellation
 - ✈ Audit
 - ✈ Synch
 - ✈ Renewal Notification List
 - ✈ Renewal/Rewrite
- ✈ 2005 processed over 13000 transactions representing \$17 million of business
- ✈ Currently extending existing support to other business partners – standards make it easier – workflow around messages is different
- ✈ Production date 12/2004

Future XML Projects

- ✈ Replacing Legacy applications with Web applications that are built using ACORD XML standards as a foundation





Initial Steps



Steve Bruss
Wings Insurance

Aviation Software Alliance

✈ Formed in March, 2004 by Steve Bruss, Dick Wissmiller, and Larry Marrs

✈ Need for an organized and collaborative effort to promote standardization

✈ ASA Mission

- To remain an objective, independent advocate for sharing information among diverse platforms, and to encourage the development and use of standards in an effort to improve efficiency within the aviation insurance community.

Aviation Software Alliance

Members Include:

- ✈️ Airsure, Ltd.
- ✈️ Aviation Insurance Agency
- ✈️ AUA, Inc.
- ✈️ Davidson & Derion
- ✈️ Hope Aviation
- ✈️ Insureamerica
- ✈️ Kimmel Aviation Insurance
- ✈️ PIK*West
- ✈️ Professional Insurance Management
- ✈️ Regal Aviation Insurance
- ✈️ Wings Insurance Agency
- ✈️ Sutton James, Inc.

1. Commitment

- ✈ In order for Interface to be achieved a commitment must be made by all parties in the process
- ✈ ASA worked together to find partners that would help them create the standards
- ✈ Applied Systems has been a leader in the development of interface standards
 - Participated in the standards process since 1985
 - Actively Participate in ACORD and CSIO
 - Forms
 - AL3
 - XML

2. “Buy-In” from the Industry

- ✈ The ASA hosted a carrier meeting at the Aviation Insurance Association Conference (AIA) in April 2005
- ✈ Explained the difficulties we had in processing Aviation policies
- ✈ Showed what was happening in Real-Time using ACORD XML standards in other P&C Lines of Business
- ✈ Got companies to agree to participate in the process

3. Determine Strategy & Technology

Strategy	Function												
New Business	Data Entry Rating Issuance Schedule Submission												
Servicing	<table><tr><td>Billing</td><td>Claims</td></tr><tr><td>Inquiry</td><td>Inquiry</td></tr><tr><td>Payments</td><td>Download</td></tr><tr><td>Policy</td><td>First Notice of Loss</td></tr><tr><td>Inquiry</td><td></td></tr><tr><td>Endorsements</td><td></td></tr></table>	Billing	Claims	Inquiry	Inquiry	Payments	Download	Policy	First Notice of Loss	Inquiry		Endorsements	
Billing	Claims												
Inquiry	Inquiry												
Payments	Download												
Policy	First Notice of Loss												
Inquiry													
Endorsements													
Policy Renewal	Daily Download Automated Invoicing												
General	Company Messages												

3. Determine Strategy & Technology

Strategy	Function	Technology												
New Business	Data Entry Rating Issuance Large Schedule Submission	Forms Real-Time Interface: → Broker-to-Company Web Services → Broker-to-Company Data Bridging → WebEdits Batch Interface: → Upload: Broker-to-Mailbox → Download: Company-to-Mailbox												
Servicing	<table border="0"> <tr> <td>Billing</td> <td>Claims</td> </tr> <tr> <td> Inquiry</td> <td> Inquiry</td> </tr> <tr> <td> Payments</td> <td> Download</td> </tr> <tr> <td>Policy</td> <td> First Notice of Loss</td> </tr> <tr> <td> Inquiry</td> <td></td> </tr> <tr> <td> Endorsements</td> <td></td> </tr> </table>	Billing	Claims	Inquiry	Inquiry	Payments	Download	Policy	First Notice of Loss	Inquiry		Endorsements		Real-Time Interface: → Broker-to-Company Web Services → Broker-to-Company Data Bridging → Company Website Login Batch Interface: → Download: Company-to-Mailbox
Billing	Claims													
Inquiry	Inquiry													
Payments	Download													
Policy	First Notice of Loss													
Inquiry														
Endorsements														
Policy Renewal	Daily Download Automated Invoicing	Real-Time Interface: → Broker-to-Company Web Services Batch Interface: → Download: Company-to-Mailbox												
General	Company Messages	Real-Time Interface: → ALERTS! Messaging to Broker												

3. Determine Strategy & Technology

Decisions Made:

- ✈ Existing Inquiry Messages work for all lines of business as long as the LOB codes are part of the standards
 - Create Maintenance Requests (MRs) to add the LOB codes and subcodes to the existing ACORD standards
- ✈ Concentrate on New Business Workflows
 - Develop ACORD Standard Forms
 - Develop XML Standard Messages for Rating and Issuance

4. Define Data Elements

✈ The working group defined all data elements required for each line of business

✈ Grouped the Data Elements

- Determined which data elements were required to identify each item
- Example: List all data elements required to identify an aircraft
 - Year
 - Make
 - Model
 - Registration ID (Tail Number)
 - Base Airport, etc.

4. Define Data Elements

✈ Refined Data Elements

- Data Type
 - Alphanumeric, Numeric, Date, Code List, etc.
- Usage
 - Required, Optional, Repeating, etc.
 - It is important to know which elements repeat before additional design is done
 - This ensures that the forms are able to capture the data properly
- Definitions
 - Create a definition for each data element
 - These definitions are used in the Forms Instruction Guide and the electronic standards

Next Steps



Donna Gilbert
Applied Systems, Inc.

5. Develop Standard Forms

- ✈ Review all Lines to determine elements that are common between all lines
 - Create the ACORD 325 - Aviation Insurance Application - Applicant Information Section form
 - This form works similar to the ACORD 125 – Commercial Insurance Application – Applicant Information Section
- ✈ Determine if existing ACORD forms can be used
 - The ACORD 140 – Property Section worked well for aviation with the exception of few missing pieces of information
 - Airport Code
 - Airport Fire Departments, etc.
 - Created the Airport Property Supplement

5. Develop Standard Forms

- ✈ Review all Lines of Business for other similar data
 - Created the Hangar Schedule
 - Created the Pilot Experience form
- ✈ Create Applications for the remaining Lines
 - Airport & Fixed Base Operator (FBO) Liability
 - Private Hangar Liability
 - Aviation Products Liability
 - Aircraft Section
- ✈ Create the Forms Instruction Guide for Each Form
 - Describe how and when the form is used
 - Define the contents of each field on the form

5. Develop Standard Forms

✈ Improve Existing Methodologies

✈ Example:

Pilot Experience

- Old Method - Unable to determine which certification applied to which aircraft

CERTIFICATES and RATINGS			
Student	<input type="checkbox"/>	Single Engine Land	<input type="checkbox"/>
Recreational	<input type="checkbox"/>	Multi-Engine Land	<input type="checkbox"/>
Private	<input type="checkbox"/>	Single Engine Sea	<input type="checkbox"/>
Commercial	<input type="checkbox"/>	Multi-Engine Sea	<input type="checkbox"/>
ATP	<input type="checkbox"/>	Helicopter	<input type="checkbox"/>
Instructor	<input type="checkbox"/>	Glider	<input type="checkbox"/>
IFR Instructor	<input type="checkbox"/>	Instrument Rating	<input type="checkbox"/>
ME Instructor	<input type="checkbox"/>		
Type Ratings:	_____		
Medical Date	_____		
Medical Class	I II III (Circle Class)		
Flight Review Date:	_____		
Flight Review Completed In:	<i>(List Aircraft Type)</i>		

5. Sample: Pilot Experience Form

- ✈ Carriers want as much information as possible about the pilots
- ✈ Give the Pilots an easy way to “brag” about themselves



PILOT EXPERIENCE

DATE (MM/DD/YYYY)

CERTIFICATIONS AND RATINGS (Check the appropriate boxes for all certifications / licenses and ratings held)

	SINGLE ENGINE LAND	MULTI- ENGINE LAND	INSTRU- MENT	SINGLE ENGINE SEA	MULTI- ENGINE SEA	ROTOR- WING	GLIDER	LIGHTER THAN AIR	OTHER:	OTHER:	OTHER:
STUDENT	<input type="checkbox"/>	N/A	N/A	N/A	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RECREATIONAL	<input type="checkbox"/>	N/A	N/A	N/A	N/A	N/A	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SPORT	<input type="checkbox"/>	N/A	N/A	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PRIVATE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMERCIAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ATP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
INSTRUCTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ARE YOU AN A&P MECHANIC? If "YES", enter date obtained.									YES	NO	DATE:
ARE YOU AN INSPECTION AUTHORITY (I/A)? If "YES", enter date obtained.									YES	NO	DATE:
MEDICAL	DATE:	CLASS: <input type="checkbox"/> I <input type="checkbox"/> II <input type="checkbox"/> III				FLIGHT REVIEW	DATE:	AIRCRAFT TYPE:			

6. Develop XML Messages

✈ Review all Data Elements to determine what aggregates/elements in the standards can be re-used

- The entire Aviation Package only required 28 new aggregates

✈ Define new Aggregates, Elements and Messages needed to complete the interface strategy

- | | |
|---------------------------|--------------------------------|
| ▪ AircraftPolicy | Aircraft Policy |
| ▪ AirportFBOPolicy | Airport & Fixed Base Operators |
| ▪ AviationPkgPolicy | Aviation Package Policy |
| ▪ HangarLiabilityPolicy | Hangar Liability Policy |
| ▪ ProductsLiabilityPolicy | Products Liability |

6. Develop XML Messages

✈ Define Code Lists

- For Each Open Enum data element create a code list for the valid entries
 - Codes and Descriptions

✈ Define Coverage Matrix

- Coverage Codes used
- Limits available on each coverage
- Deductibles available on each coverage
- Options applicable to each coverage

6. Sample Coverage Matrix

Coverage Code	Coverage Code Description	Num Limits	Limit Applies To	Num Deds	Deductible Applies To	Option Codes
PROD	Products Liability	2	Per Occurrence Aggregate	2	Ea Occurrence Aggregate	Incl Completed Ops Excl Completed Ops Includes Spacecraft Excludes Spacecraft
ACLB	Aircraft Liability	4	Per Occurrence Per Passenger Per Person Aggregate	2	Each Aircraft Each Engine Ground Equipment In Motion Landing Gear Collapse Not In Flight Not In Motion Rotors In Motion Rotors Not In Motion	Adjacent Fields BI Only Chemical BI Chemical BI & PD Chemical CSL BI & PD Excludes Passengers Includes Passengers Excluding Chemicals Total Limit

7. Review, Submission & Publication

- ✈ Do a final review with all working group members
 - Agent/Brokers
 - Carriers
 - Vendor
- ✈ Submit Maintenance Requests to Add the Forms and Messages to the Standards
 - Have Working Group Participants present the Maintenance Requests to the ACORD Plenary Session
- ✈ Vote YES!
- ✈ ACORD will then publish the forms and the standards after they complete a legal review

8. Implementation

- ✈ Once the standards are completed you must work with all partners on implementation
- ✈ Implementation is the key to success and will enable the standards to continue to grow
- ✈ Start with High Volume easy to implement transactions in order for your organization to see an immediate benefit

9. Continue Development

✈ Continue to develop the lines of business

- Loss Notices
- Change Requests
- Certificates, etc.

✈ Modify existing Forms and Messages

- Keep up to date with any changes required to the existing forms and messages
- Legislative Issues

In Summary



The steps involved to creating standards are:

1. Get Commitment from your partners to move forward
2. Get Industry Buy-In
3. Define a Strategy & Technology to be used
4. Define Data Elements
5. Develop Standard Forms
6. Develop Messages and Supporting Documentation
7. Review, Submit & Publish the Forms and Standards
8. Implementation
9. Continue Development

Any Questions?

