



Insurance Data Standards
Life & Annuity • P&C • Reinsurance

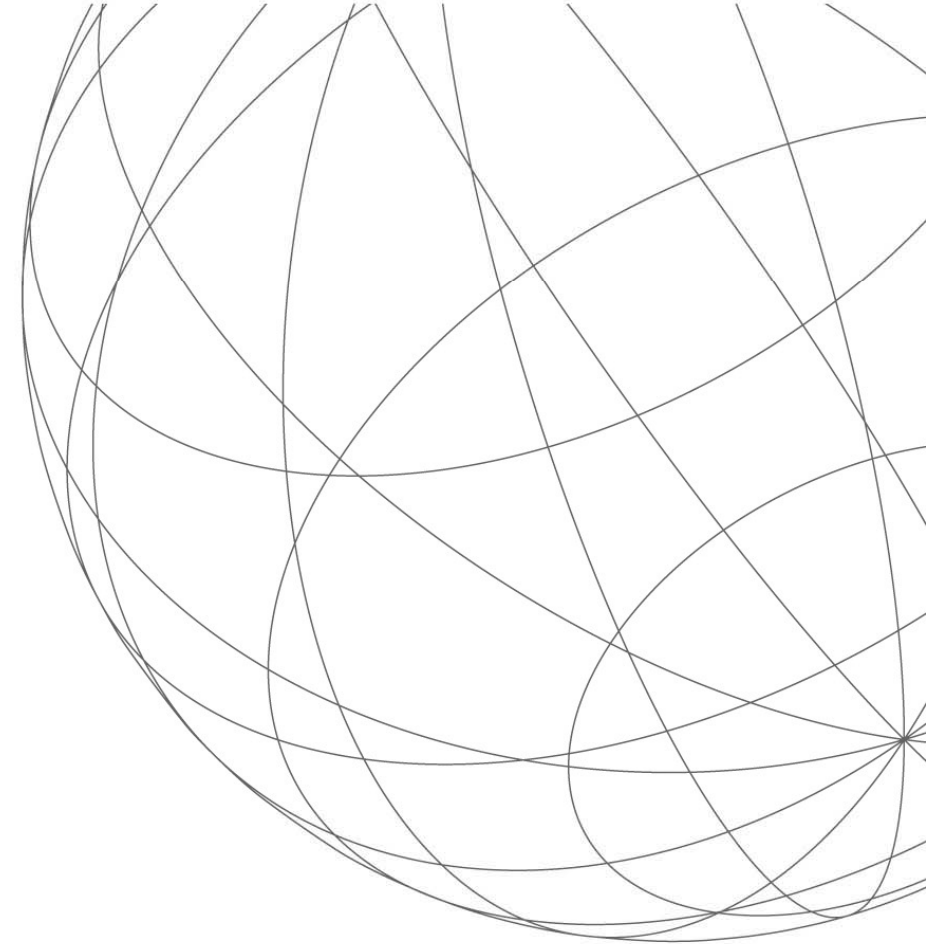
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ACORD Standards for Life Reinsurance

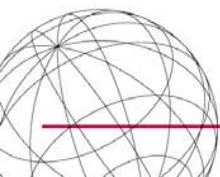
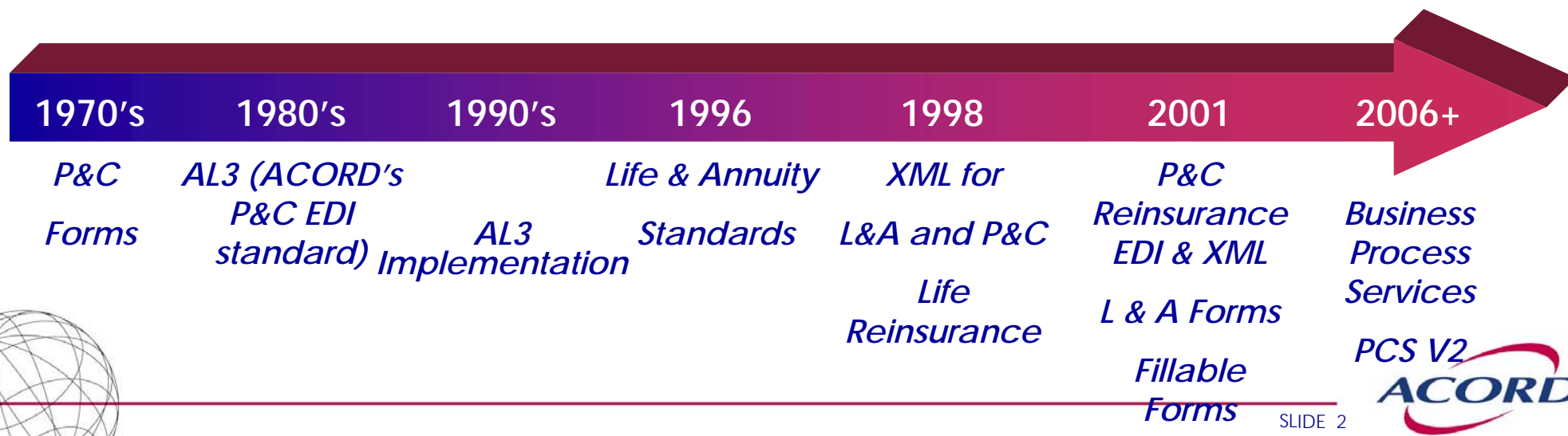
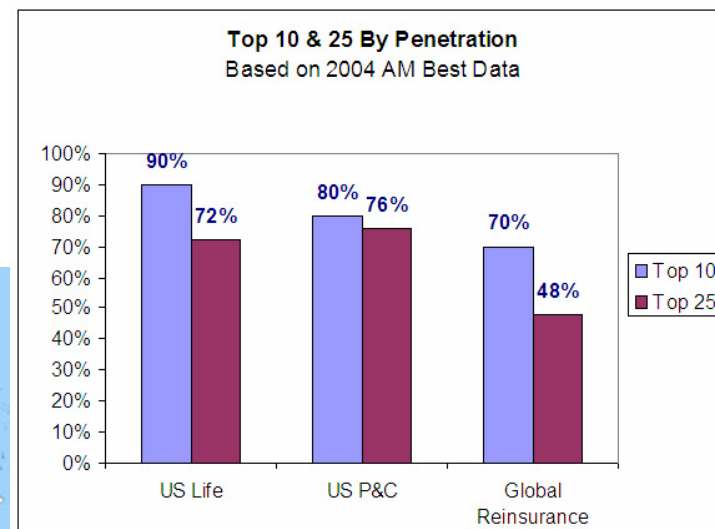
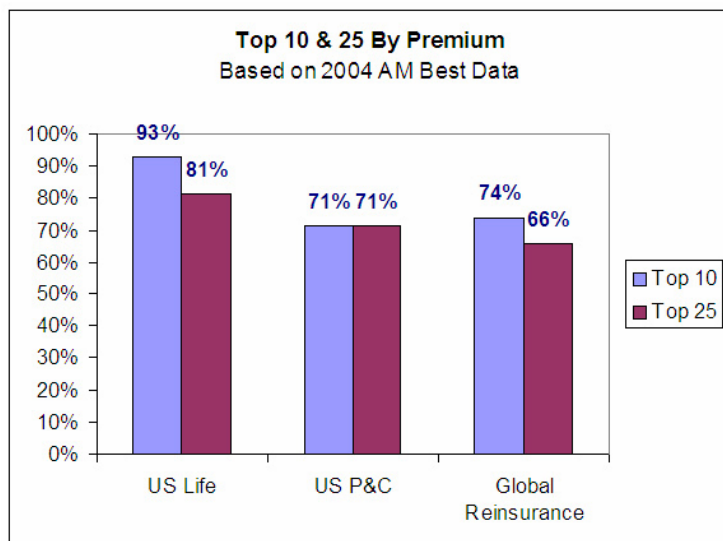
Lloyd A Chumbley
ACORD

Leroy McCarty
Transamerica

Simon Bell
LOGiQ3



ACORD Membership: Leading the Industry



A Brief History

- **Pre-2001**
 - ANSI / X12 EDI Standards
- **2001 Life Reinsurance Working Groups Priorities**
 - Treaty Reinsurance Activities (Nov 2001)
 - ▶ Policy Status
 - ▶ Policy Activity
 - Facultative Reinsurance Activities (Nov 2002)
 - ▶ New Business
 - ▶ Underwriting Requirements
 - Claims Activities (Outstanding)
 - ▶ Notice of Loss
 - ▶ Payment Notice



A Year of Progress: A Life Reinsurance Panel

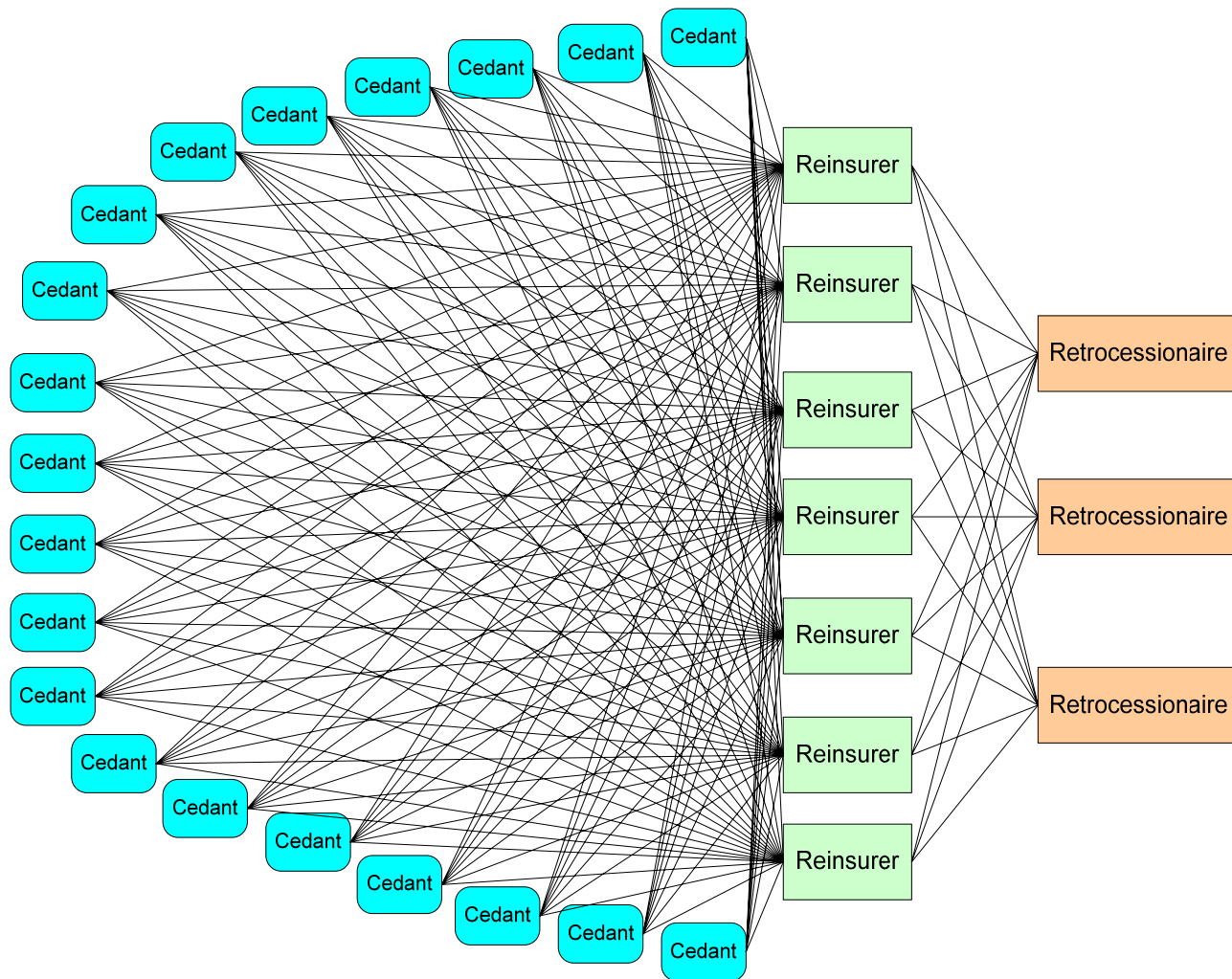
Leroy McCarty

Vice President, Reinsurance Operations

Transamerica Occidental Life Insurance Company

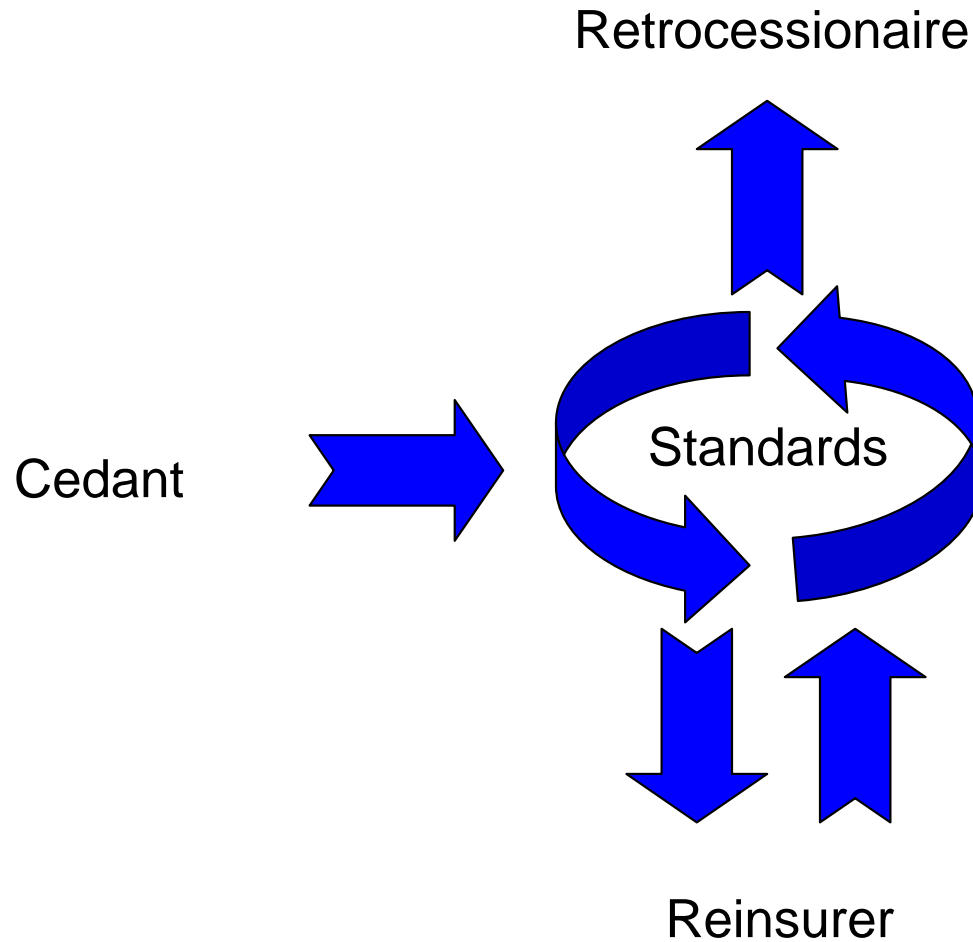
May 25th, 2006

Why Standards Are Needed



Transamerica Occidental Life Insurance Company
2006 ACORD LOMA Insurance Systems Forum

Role of Standards



Role of Standards

- Standards are not a “magic pill” that will fix data quality problems, but ...
- Standards are the first step.
 - We must be speak the same language
 - Common attributes
 - Common definitions
 - We must define the minimum data required to do business

Cedant Benefits

- Current
 - Goodwill
 - Reduce Cost – Time and Money
 - Fewer reinsurer requests and questions
 - Fewer changes to reporting going forward
 - Realize benefits of XML
 - Better Audit Results
 - Fewer onsite reinsurer audits
 - Efficient internal and regulatory audits
- Future
 - Improved Quality
 - Treaty Process Simplification
 - Data Certification
- Wish List
 - Pricing
 - Capacity

Pre 2005 ACORD LOMA Insurance Systems Forum

- ANSI
 - LREACT
 - LRECLM
 - LREFAC
 - LRESUM
- RAPA – Reinsurance Administration Professionals Association
(www.reinsadmin.org)
- ACORD

Post 2005 ACORD LOMA Insurance Systems Forum

- ACORD Meeting Summer, 2005
 - Business vs. technology focused
 - Committed Cedant
 - Pilot defined
- ACORD RAPA Affiliation Winter, 2005 - 2006
 - Reciprocal association membership
 - RAPA engaged in process representing cedants, reinsurers, and retrocessionaires
- ACORD Working Group Spring, 2006
 - Chaired by RAPA Data Management Committee Chair
 - Facilitated by ACORD staff

Post 2005 ACORD LOMA Insurance Systems Forum

- Consensus standards are necessary
- Inforce File
 - File format (minimum data set)
 - Attributes and definitions
 - Implementation guide
 - ACORD certification
 - Transamerica to produce starting Summer, 2006
- Transaction / Billing File
- Next Steps – More Cedants!

A Year of Progress: A Life Reinsurance Panel

Simon Bell
Chief Operating Officer
LOGIQ³
www.logiq3.com

Agenda

- What is a standard?
- Why do we need a standard?
- Why are standards not adopted?
- What is different this time?
- What have been the issues?
- What needs to happen next?

What is the standard?

- ANSI
 - LREACT
 - LRECLM
 - LREFAC
 - LRESUM
- ACORD
 - XMLife

Why do we need a standard?

- Proprietary standards which change frequently
 - Consolidation
- Lack of common understanding
- Improve Data quality
 - Consistency
 - Timeliness
 - Completeness

Why are standards not adopted?

- Compelling story for Direct Writers
- Time and dollar investment
- “Cathedral versus Bazaar”
- Lack of implementation focus
- Champion

What is different this time?

- Business driven
 - Back to basics
- Implementation focused
 - Implementation guide
- Technology
 - Use of XML

What have been the issues?

- Communication
 - Cross industry understanding
- Lack of XML experience
 - Context
 - Inheritance
 - Flexibility

What needs to happen next?

- Completion of pilot
 - Acceptance and processing by reinsurers
 - Feedback process
- Broadening of adoption
 - Increased participation of Direct Writers
 - Timing of adoption

How about your organization?

Web poll

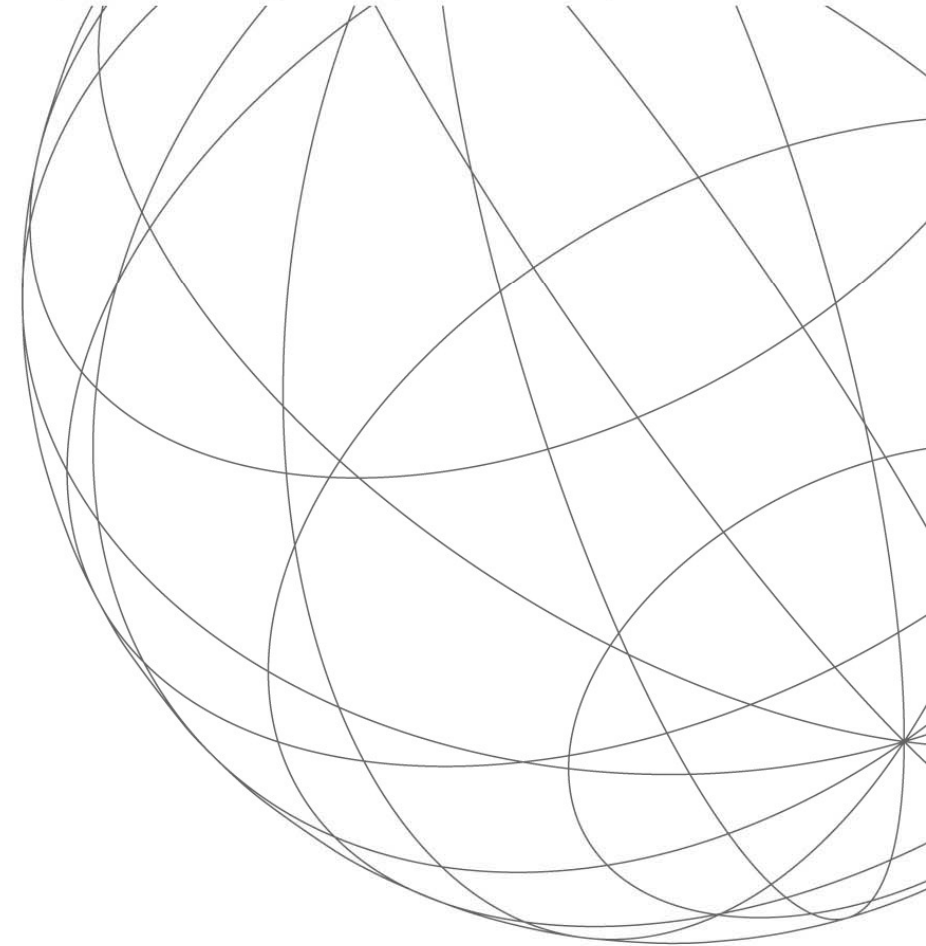
“Would your organization support/use a life reinsurance standard?”

- <http://www.logiq3.com/poll/>



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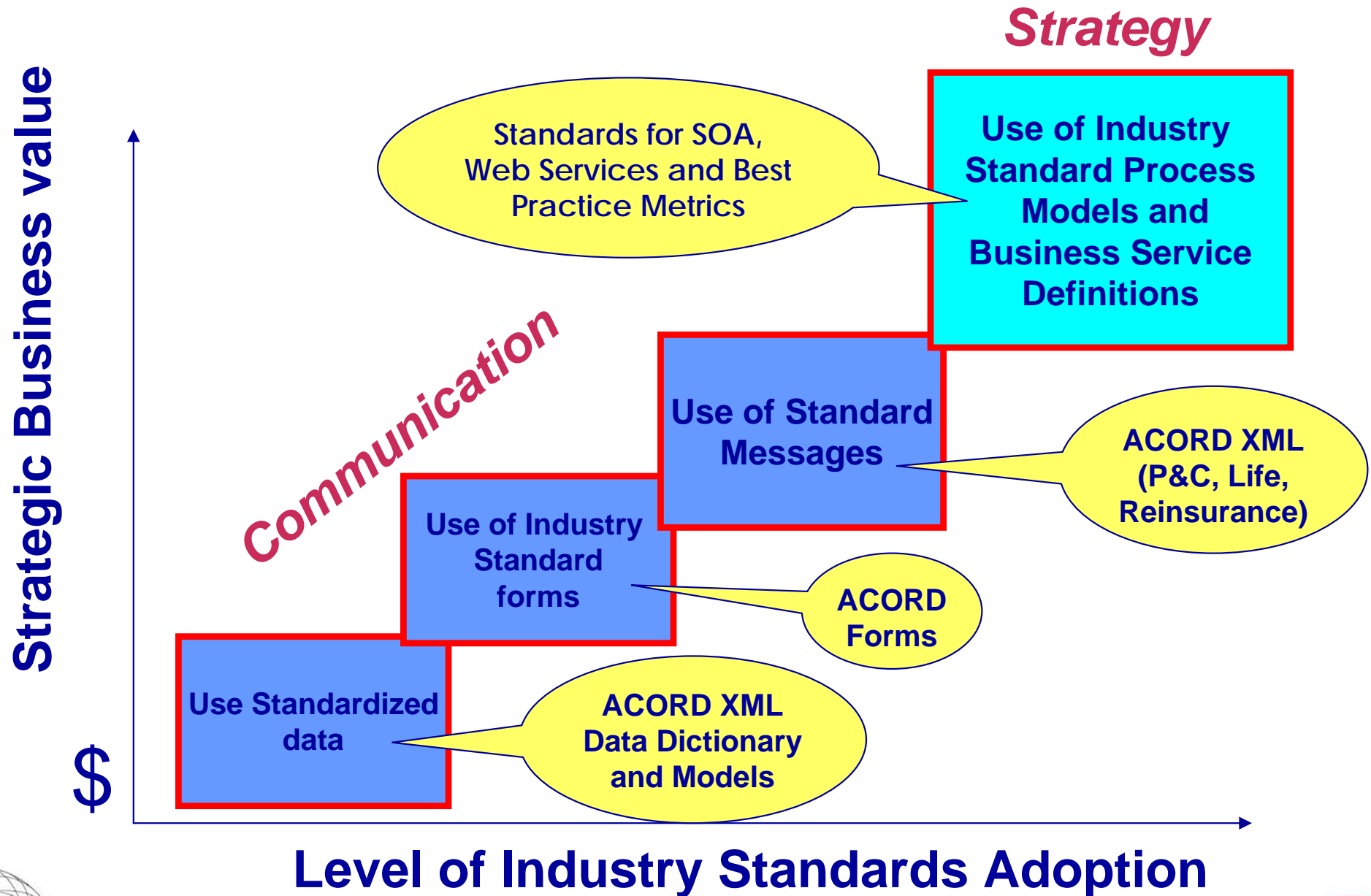
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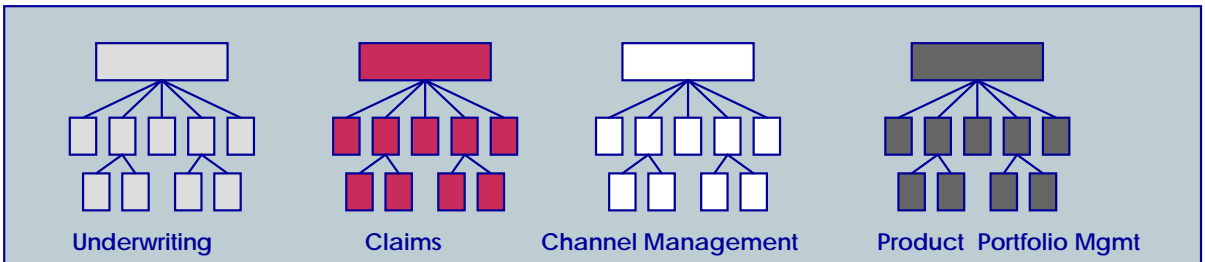
Lloyd A Chumbley

Industry Standards Framework Expansion



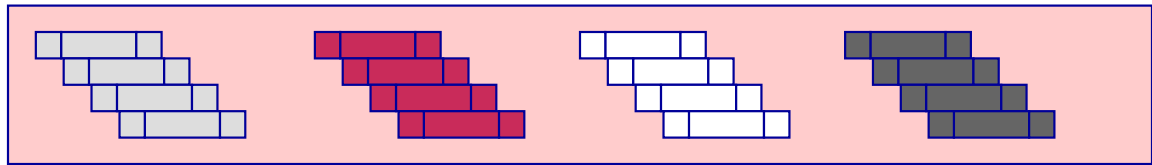
Expanded Business Process and Data Standards Framework

Cross Domain Process Standards



Provides the Business Context or a list of standard business processes

Inventory of ACORD Process Service Definitions



Provides the Business Services performed and process inputs and outputs

Supported by a Common Data Architecture comprised of:

Business Term Dictionary

Contextual Data Model = Listing and definition Of things that are important to the business.
User = Business Strategy

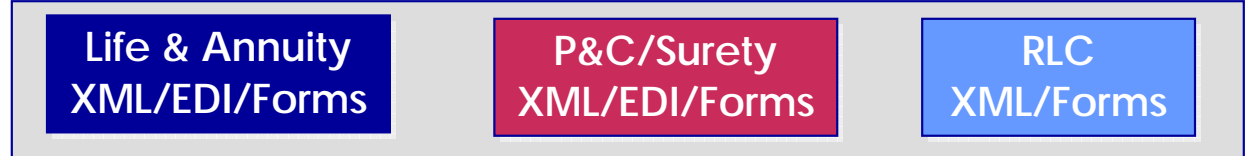
Conceptual Data Model

A Semantic Model = Entity = Business Entity Relationship = Business Relationship.
User = Business Owner

Logical Data Model

A System Data Model = Entity = Data Entity Relationship = Data Relationship.
User = System Designer

Technology Layer supported by XML Messaging and Forms Standards



By separating the technology layer, investments in standards stand the test of time as you swap out the technology but not the standard

Strategy?

- **Top - Down**
 - Process Information
 - Data Dictionary
- **Bottom - Up**
 - Messaging
 - Forms
 - Interfaces
- **Come Together As Unified Framework**



So What's Next?

- **ACORD Life Reinsurance Working Group**
 - Inforce Policy Status
 - Transaction / Billing Information
- **Leroy McCarty**
 - Next Step – More Cedants!
- **Simon Bell**
 - Web Poll
“Would your organization support / use a life reinsurance standards?”
<http://www.logiq3.com/poll/>



Contact Information

Leroy McCarty

Vice President, Reinsurance Operations
Transamerica Occidental Life Insurance Company
1100 Walnut Street Suite 26G
Kansas City, MO 64106-2152
Tel: 816 855 4524, Fax: 816 855 4341
leroy.mcCarty@transamerica.com

Simon Bell

Chief Operating Officer, LOGiQ3 Inc.
26 Soho Street, Suite 202
Toronto, Ontario M5T 1Z7
Tel: 416 340 7435, Fax: 416 340 9977
simon.bell@logiq3.com

Lloyd Chumbley

Assistant Vice President, Standards, ACORD
3578-E Hartsel Drive, Suite 369
Colorado Springs, CO 80920
Tel: 719 264 9621, Fax: 845 620 3694
lchumbley@acord.org



Global Insurance Standards



World Headquarters:

Two Blue Hill Plaza
3rd Floor
Pearl River, NY 10965
USA

+1 845 620 1700

London office:

LUC - Suite 2/5
3 Minster Court
Mincing Lane
London EC3R 7DD
UK

+44 (0) 207 617 6400