



September 2011 – March 2012

Life & Annuity

Working Together to Streamline Licensing	1
Latest ACORD L&A DTCC EDI Spec Released	2
eLabels and Life Forms Improving Workflow	2
Inside L&A: Why You Need to be at the ACORD LOMA Forum	3
ACORD L&A DTCC EDI Admin Spec Released	5
COV vs. COVOPTION: Solution In Sight	6
ACORD at ILTCI Conference	7
L&A Forms & Data Mapping Group Takes on Challenges	8
Voting Opens Shortly on ACORD L&A DTCC EDI Standards Changes	9
TRXie	9
Who's TRXie?	11
Employee Benefits Health Data Meeting	12
Inside L&A: Tools & Initiatives Shaping the Future	13
Dates for ACORD DTCC EDI Cycle	14
A Better Way to Document Standards	15
Pay as You Drive: Is There a Future? (Part 1 of 3)	16
Prudential Proves Value of AVI	17
Inside L&A: Updates on Priorities	19
ACORD 951 Released	20

Inside L&A: MRs, AIF	21
Employee Benefits Group Readies for Vote	23
Final Spec for L&A DTCC EDI Standard Released	24
L&A ACE Webinar Leads to More	24

28 March 2012

Working Together to Streamline Licensing

by Michael Carroll, ACORD

It started at session in 2011 ... an idea to streamline agency-carrier licensing communication.

While the flow of data has improved in many areas of the insurance industry due to technological innovations and Standards, some areas have not been able to keep pace. One such area is the gathering of licensing data. Now, that's changing rapidly.

"At last year's meeting, I was sitting in the audience when the discussion turned to the use of ACORD's standardized licensing forms. The moderator, Daniel Corridon who is now President of SILA, pointed me out in the audience. Based on audience discussions, we knew that this was the ideal time to take on the issue and that the group was ready to get moving on standardization," said Brian Marable, Market Development Manager, ACORD.

The Securities & Insurance Licensing Association (SILA) seized the moment and excitement and, supported by its membership, created a new steering committee called the SILA Agency-Carrier Subgroup Steering Committee. The group is co-chaired by Debbie Gregory of Lockton Companies, LLC and Eric Ratliff of State Farm Insurance Companies. Their mission is to create a single workflow using standardized forms for licensing data.

This is the culmination of several years of effort by both organizations. ACORD has produced licensing forms for both the Life & Health and Property & Casualty markets. Now, this new SILA Steering Committee will work with ACORD to take standardization and communication to the next level.

One of the first goals is to update and combine the Property & Casualty and Life & Annuity Producer Appointment forms creating a single standard across the industry. This would entail combining the ACORD Property & Casualty 817, 818 and 819 with the ACORD Life & Annuity 758 form.

"ACORD's Life & Annuity Forms & Data Mapping Working Group received the request from the SILA Agency-Carrier Subgroup Steering Committee. ACORD's Working Group began to review the forms right away and they were able to create a first draft of the combined form. Now, the Working Group is doing an initial review of this new form and determining next steps," said Yolanda Austin, Program Manager, ACORD. "With this much enthusiasm on both sides, we believe that we'll be able to get the form completed and implemented so that we can solve this data gathering and sharing problem."

The Bottom Line

"What this means for the industry is a simpler, cleaner, and streamlined way of gathering and sharing this information. By combining the capabilities of SILA and ACORD, the industry will have a single, standardized way to gather licensing data and share it consistently. This will save carriers and agencies hours and dollars," Marable added.

"After speaking to attendees at the meeting, the time is right, the industry is ready, and by working together, we can make a difference in agency-carrier communication of licensing data," concluded Marable.

The Forms ...

ACORD 817 - P&C Producer Appointment Form - Appointment Section

ACORD 818 - P&C Producer Appointment Form - Background Questions

ACORD 819 - P&C Producer Appointment Form - Additional Appointment or Termination

ACORD 758 - Life, Annuity and Health Producer Appointment Form

Latest ACORD L&A DTCC EDI Spec Released

by Michael Carroll, ACORD

The final release of the current version of the ACORD DTCC EDI specification is now available

This version includes the first of two scheduled enhancement releases for 2012. DTCC Insurance & Retirement Services (I&RS) Enhancement Releases include Review Board Enhancement Requests submitted by participants, as well as maintenance items the National Securities Clearing Corporation ("NSCC") deems necessary to improve the overall operational performance of the system.



This completes the current cycle for this specific ACORD Standard. The [deadline](#) for maintenance requests for the ACORD L&A XML Standard is this Friday.

To download this new release, [click here](#).

21 March 2012

eLabels and Life Forms Improving Workflow

by Michael Carroll, ACORD

Over the past few years, much has been written and discussed about ACORD's eLabels. They provide consistent, standardized labels within forms that make the transfer of data as well as the updating of systems faster, easier, and more efficient.

Recently, Jim Ferrell, Vice President, Product Management for Insurance Technologies [published a report](#) on the importance and use of ACORD's eLabels for the Life community. In this "Spotlight" on ACORD eLabels, Ferrell provides a great deal of background information on ACORD's eLabel initiative, the use and importance of eLabels, and how his company is using them to benefit their customers.

The focus in this case is on the ACORD Life & Annuity (L&A) 103 Transaction for new business. He shows that the general workflow can be improved and efficiencies gained by using eLabels in conjunction with the ACORD XML for Life & Annuity Standard.



"The ACORD Life & Annuity community is working hard to advance the mapping and use of eLabels. The 103 is the foundation for much of what they do. By showing how much can be gained by implementing eLabels, even more members will be interested and involved in the current data mapping initiatives and looking for ways to implement the eLabels so they can also increase their efficiency," said Yolanda Austin, Program Manager, ACORD.

eLabels and Life Forms Improving Workflow (continued)

Ferrell writes in the "Spotlight" that: "The ACORD eLabel library of standardized tags provides predefined and agreed upon tags that have defined mapping locations to elements within the ACORD 103 transaction. This same standard opens up the opportunity for the industry to "automagically" generate and maintain, through standards, conformant and industry guaranteed standardized ACORD business transactions, both in to and out of your own proprietary forms."

He goes on to note that: "these industry standardized tags can be leveraged to bridge the gap between data collected on forms and the unified creation of the ACORD 103 transaction. Through the use of these standardized eLabels the data mapping for your fillable forms are defined and agreed upon by the industry. All that is needed is a business analyst to determine which of the industry standardized tags to utilize on your fillable forms implementation, and the new business messaging is taken care of by the industry."

The ACORD Forms & Data Mapping Working Group is currently underway and participation is open to all ACORD L&A Members. While addressing the forms needs within the L&A community, they are also working on enhancing the eLabeling and mapping the eLabels to ACORD's L&A XML Standard. For more information on the group and to participate, contact Yolanda Austin (yaustin@acord.org).

"This is a great step forward and we look forward to seeing even more advances in workflow optimization made in the L&A community," concluded Austin. "We encourage everyone to get involved in forms and mapping group, provide their assistance and input, and help the L&A community take standardized forms and eLabels to a whole new level. In today's competitive marketplace, the L&A industry needs to streamline wit standards rather than continue processing proprietary paperwork."

The "Spotlight" from Insurance Technologies is [available here](#).

If you are interested in participating in this working group:
Be sure you're registered at www.acord.org
Email workinggroups@acord.org and ask to be added to the list for the L&A Forms and Data Mapping Working Group

Inside L&A: Why You Need to be at the ACORD LOMA Forum

by Yolanda Austin, ACORD

It's less than two months before this year's [ACORD LOMA Insurance Systems Forum](#). You know this is always an important, educational, and fun event for all of us in the Life & Annuity community and I hope to see you there.

As we all get ready for it, I wanted to give you a few highlights of what you can expect. Also, don't forget to register before the deadlines for the Early Bird Special on April 13 and Room Block Discounts on April 20! Save money and take care of those tasks today.

Sessions

You've probably all [read about](#) the general session speakers Vivek Kundra, Ian Ayres, and Pat Williams so I want to point out just a few of the concurrent sessions that are specific to our community.

Buy, Build, or Reuse

He is an ACE. He's co-chair of ACORD's L&A Architecture Working Group. And he's speaking at this year's Forum. Ed Skoviak of MassMutual will be presenting a session on the build versus buy debate. Based on his experience in systems design, he'll explain what buy means, what build means, and where does reuse comes in.



Yolanda Austin
Program Manager L&A
ACORD

Inside L&A: Why You Need to be at the ACORD LOMA Forum (continued)

Annuities STP and Standards: Progress, Challenges, and Opportunities

We've all come a long way in bringing straight-through processing to the annuities market. This session will give you the latest advances on the Annuities STP Initiative - spearheaded by the Insured Retirement Institute and in close partnership with ACORD. Seamless paperless processing ... support for high-volume annuities sales ... lower costs ... that's what the goal is for the industry. Get new insights from New York Life, Aite Group, and Merrill Lynch.

The Future of Life Insurance Distribution

Hear the latest insights from Gartner on trends affecting the distribution of life insurance products. Agents are retiring. Direct to consumer agencies and insurers are growing. Cost containment continues to put pressure on insurers to cut costs. That's why the industry is looking at new distribution channels and these changes may impact you. Make sure you're armed with the latest information and forecasts.

Client Centralization – Key to Policyholder Self-Service

Self-service is all the talk today. But some companies have a roadblock to implementation - multiple admin systems. ING will be giving a case study on their challenges and how they overcame them to centralize client information with a single interface to multiple back end systems.

Look Beyond the Track

Just a reminder, don't just look at the Life & Annuity sessions. Go beyond the track and look for the content. There are lots of sessions for general and P&C tracks that can apply directly to you and your job. Getting ideas from the other side of the industry is what a conference like this is all about.

[View a full agenda here.](#)

Get Your ACE

If you're interested in getting your [ACORD Certified Expert](#) designation, you can take the exams on Tuesday, May 15 from 9:00 AM to 2:00 PM. When exams were given in November last year, we added several new L&A ACEs and you can be next.

To register for an exam, email ace@acord.org and include the exam you wish to take and the time you wish to take it.

Networking

One thing that makes events so essential to all of us is the ability to network with others in and outside the L&A Community. As always, there will be lots of chances to do so at breaks, during receptions, and at special networking opportunities. This is your chance to catch up with old friends, make new ones, and learn from each other.

Time to Register

With all of these opportunities, now is the time to register for the 2012 Forum. Remember...

- Early Bird Special ends April 13!
[Click here to register](#)
- Room Block Discount ends April 20!
[Click here to reserve a room](#)

We'll see you in Orlando!

14 March 2012

ACORD L&A DTCC EDI Admin Spec Released

by Michael Carroll, ACORD

The latest version of the ACORD DTCC EDI specification is now available as an administrative release for review by the membership.

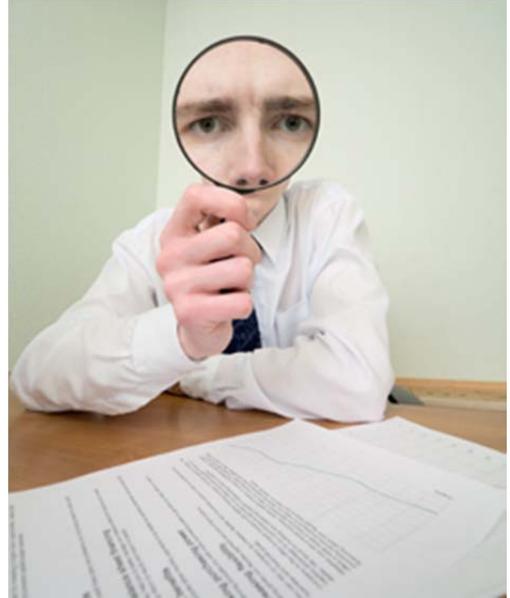
This version includes the first of two scheduled enhancement releases for 2012. DTCC Insurance & Retirement Services (I&RS) Enhancement Releases include Review Board Enhancement Requests submitted by participants, as well as maintenance items the National Securities Clearing Corporation ("NSCC") deems necessary to improve the overall operational performance of the system.

These changes will impact:

- ACORD L&A EDI DTCC APP Application
- ACORD L&A EDI DTCC COM Commissions
- ACORD L&A EDI DTCC FAR Financial Activity Reporting
- ACORD L&A EDI DTCC L&A Licensing & Appointments
- ACORD L&A EDI DTCC POV Positions & Valuation

For download instructions, [click here](#).

Don't miss the session **Annuities STP and Standards: Progress, Challenges, and Opportunities** at the [2012 ACORD LOMA Insurance Systems Forum](#).



29 February 2012

COV vs. COVOPTION: Solution In Sight

by Michael Carroll, ACORD

COV vs. COVOPTION — it's a battle that may be coming to an end very soon. For several years, the ACORD Life Product and Policy Lifecycle Working Groups have been discussing clearer definitions for the use of these two terms used for modeling messages.

"After several false starts, we settled on a set of guidelines we called 'The Foxworthy Approach', named after comedian Jeff Foxworthy's 'you might be a redneck' routine. We believe we've finally come to a conclusion," said Karen Mottley, Business Architect, ACORD. "What we need now is to get the entire life community involved in reviewing the solution and voicing their opinions so that we meet everyone's needs."

The Guidelines

To make things clearer, specific guidelines were established to specify when something is a coverage option and when it is a rider. By following these guidelines, it should make it easier to determine which to use based on the circumstances.



Coverage Option

A component is most likely a coverage option if

- It is a natural extension, enhancement, or addition to a component already defined as a coverage.
- It is electable for a specific base or non-base coverage.
- The benefit it provides is a direct function of some aspect of a component already defined as a Coverage.

Rider Coverage

A component is most likely a separate rider coverage if

- It is not the base coverage and it "stands by itself".
- The component has a monetary benefit (e.g. face amount) of its own that is determined independently from the amount of the base coverage (with the exception of some minimum or maximum values). This benefit amount is not a direct function of some aspect of another component.
- The participants and roles (e.g. insureds, beneficiaries) relative to the component are different from those defined on the base coverage.
- There can be one or more additional components on the component.
- The component is individually underwritten with the potential for different rating results from the base coverage.

For a full list of guidelines and the accompanying white paper, please contact Karen Mottley at kmottley@acord.org.

"One thing we learned from this process is the passion of many members of the life community. Their level of involvement and participation was crucial to this project and we appreciate all the input we received," Mottley concluded.

ACORD at ILTCI Conference

by Michael Carroll, ACORD

ACORD President & CEO Gregory A. Maciag, Program Manager Yolanda Austin, and Market Development Manager Brian Marable will be representing ACORD at the [12th Annual Intercompany Long Term Care Insurance](#) (ILTCI) Conference March 18-21, 2012 at the Paris Hotel in Las Vegas.

"We've been participating in this annual conference for several years and we're working to help the LTCI community become more knowledgeable about ACORD's standardized LTC forms," said Austin. "[Last year](#), we were exhibitors and we got to meet a lot of people who didn't know about or fully understand the value of standards or what was available for this market. This year, we're continuing on that mission with the help of our member advocates as well and spreading the word about ACORD LTC Standards."

Several standardized forms are available for the LTC market including:

- ACORD 650 - Authorization For The Release Of Health Information
- ACORD - 651 Electronic Funds Transfer Authorization Form for Long Term Care Insurance FIG 2007/07 PDF/PDF Fillable
- ACORD 652 - Credit Card Payment Authorization Form for Long Term Care Insurance
- ACORD 653 - Policy Delivery Receipt

These standards were developed by ACORD's Life & Annuity LTC working group chaired by Sandra Latham of LTCI Partners. The group meets twice a month to take on these and other standards developments and enhancements and is currently finalizing the development of the 103 New Business Submission for LTC transaction specification.

"Because of the work done by this Working Group, we're able to help the industry streamline LTC data sharing. These member volunteers are also publicly advocating for the implementation of these forms and we're glad to recognize all they've done for ACORD and for the industry," concluded Austin.



See ACORD in Booth 80!

22 February 2012

L&A Forms & Data Mapping Group Takes on Challenges

by Michael Carroll, ACORD

Taking L&A forms to a new level, the newly formed ACORD L&A Forms & Data Mapping Working Group is busy reviewing, planning and enhancing. Chaired by Pam Simonds of VERTEX and Rolando Rodriguez of John Hancock, the group is focused on a full review of ACORD's catalog of L&A forms and planning for updates. At the same time, they are taking on eLabeling, advocacy activities, and industry education.

"The goal is to review ACORD's existing L&A Forms, see which forms need to be enhanced and updated, and determine gaps. They'll also be ensuring that the eLabel mappings to the ACORD Life & Annuity XML Data Model are provided and updated to ensure electronic data portability," said Yolanda Austin, Program Manager, ACORD.



eLabels

eLabels are an essential part of ACORD's eForms. They provide mapping capabilities from the form itself to ACORD XML while providing consistency. These eLabels will be reviewed and updated by the group as needed.

"We showed a demo to the group of how eLabels work with ACORD Standards using the NBfA [New Business for Annuity] transaction spec and the benefits were clear to all," added Austin. "This will make the ACORD L&A forms more essential for the industry and help drive adoption and implementation."

Replacement and State Mandated Forms

State mandated forms including NAIC forms and other state specific replacement forms are first on the agenda. A Replacement Matrix is under development and will list the replacement and NAIC usage for each state.

ACORD had created state replacement forms and they will be updated accordingly. The first existing forms being reviewed are the ACORD 759 - Important Notice Regarding Replacement - Model Regulation States and ACORD 760 - Important Notice Regarding Replacement.

Producer Appointment & Continuing Education Forms

Another priority being addressed is the L&A Producer Licensing & Appointment continuing education requirements. There is an existing ACORD 758 - Life, Annuity and Health Producer Appointment Form that will need to be reviewed and updated to meet current regulations.

Carriers provide product-specific training to their producers and administer it in a variety of ways. To meet these specific needs, the group is gaining a better understanding of what those requirements and regulations are so that the form can be reviewed and updated to meet industry needs.

Participation

"This Working Group has an ambitious list of priorities that will really help all of the industry in the end. They are meeting twice a month and looking for all the input and participation possible to make these goals realities," said Austin.

L&A Forms & Data Mapping Group Takes on Challenges (continued)

To participate:

- Be sure you're registered at www.acord.org
- Email workinggroups@acord.org and ask to be added to the list for the L&A Forms & Data Mapping Working Group

"Standardized L&A Forms are essential for improving data communication in this market. By working together, we can make this happen quickly and efficiently. It's ACORD members who drive this process and who have the expertise to bring these new and updated forms to the market," Austin concluded.

8 February 2012

Voting Opens Shortly on ACORD L&A DTCC EDI Standards Changes

by Michael Carroll, ACORD

Voting on Maintenance Requests (MRs) for the ACORD Life & Annuity DTCC EDI Standard opens on February 10 and runs through end of day (Eastern US) on **February 17th**.

Voting is open to ACORD regular Life & Annuity members and/or Associate Members in good standing with ACORD at the time of vote. There is one vote per organization for each Maintenance Request (MR).

Voting

To vote on these changes:

- View the voting instructions [online here](#).
- Once you have completed your ballot, email it to mrvoting@acord.org by close of business (eastern US), February 17, 2012.



TRXie



25 January 2012

ACORD DTCC EDI Plenary

by Michael Carroll, ACORD

A plenary session specifically for the ACORD Life & Annuity DTCC EDI Standard is set for February 7, 2012, from 1:00 PM to 2:00 PM (Eastern US).

Plenary sessions are the final opportunity to discuss any and all issues related to proposed maintenance requests prior to voting. All members should attend. However, it's particularly important if you proposed an MR during the cycle or will be impacted by the proposed changes.

Registration

To register for this plenary:

Email workinggroups@acord.org and ask to be registered for the ACORD L&A DTCC EDI Plenary.



ACORD will send all registered members logistics information for the events selected prior to the session(s).

TRXie is here!



TRXie Says ...

AMAZINGLY, A RECENT SURVEY SAID THAT MOST PEOPLE DO NOT KNOW YOU CAN DO A FIND (CTL-F) ON A WEB PAGE - YEEKS. CLICK HERE TO FIND OUT MORE! XOXOX

FOLLOW TRXIE AND ALL OF LIFE & ANNUITIES AT @ACORD_LA

18 January 2012

ACORD DTCC MR Deadline Nears

by Michael Carroll, ACORD

The deadline for submissions of Maintenance Requests (MRs) is coming up soon for the current ACORD Standards Cycle.

All submissions must be received by close of business (Eastern US time) on **January 27, 2012**.

Maintenance Requests (MRs) are changes or enhancements proposed to existing standards. Any interested party may submit an MR for consideration. However, voting on MRs is a benefit of ACORD membership.

To learn more about the MR process and how to submit them, [click here](#).



Upcoming Dates

The following are upcoming dates in the [ACORD DTCC EDI Calendar](#):

- **February 7, 2012**
1 pm - 2 pm Eastern US Plenary
- **February 10-17, 2012**
MR Voting Period
- **February 21 2012**
Voting Results
- **March 9, 2012**
Administrative Release
- **March 22, 2012**
Final Spec Release

Who's TRXie?

by Michael Carroll, ACORD

&Annuity Standard? Did you ever look for an answer to what could be an odd yet important question?

You're not alone.

Hear from a new voice in the L&A Community who has the inside track and isn't afraid to share it. That's TRXie.

Look for her in the L&A section of the ACORD Weekly newsletter to share insights, links, tips, and tricks to help everyone from a new L&A member to a seasoned professional. She'll also be tweeting these tips so sign up for [@acord_LA](#) and be the first to know.



11 January 2012

Employee Benefits Health Data Meeting

by Michael Carroll, ACORD

On January 9, leaders of the Employee Benefits Working Group met in ACORD's Pearl River office and virtually to discuss their next endeavor - Health. Initiative sponsors and group leadership focused on the need to standardize this area.

Co-chairs Burt Tower, M3 Insurance Solutions; Jeff Bergan, Principal Financial Group participated by phone.

The meeting was facilitated by ACORD's Yolanda Austin, Program Manager; Rick Heil, Director of Standards; Karen Mottley, Program Manager; and Mike Bauer, Technical Architect.

The overall goal is to develop a message specification along with the elements and rules needed to communicate health data via a Product Profile for Health.

"We laid the groundwork and generated a lot of great ideas and plans. In the next couple of weeks, we'll be providing a lot more details about the plans, schedules, and objectives," said Austin. "If you or your organization is involved with the communication of health data for employee benefits, this is the time to sign up and get involved with the initiative. The more input we receive, the more robust the schema messaging can be."

Participating in the Working Group

If you are interested in participating in this working group:

- Be sure you're registered at www.acord.org
- Email workinggroups@acord.org and ask to be added to the list for the Employee Benefits Working Group



(l to r) Back Row: Paul Pedota, Ebix Health; Gary Parent, VERTEX; Rick Heil, ACORD, Peter Everett, Ebix Health; Mike Bauer, ACORD. Front Row: Steven Lazar, Ebix Health; Ellen Milantoni, Ebix Health; Yolanda Austin, ACORD; Frank Sentner, CIAB.



Everett and Lazar



Sentner and Austin



Pedota, Mottley, Parent



Lazar and Milantoni

4 January 2012

Inside L&A: Tools & Initiatives Shaping the Future

by Yolanda Austin,
Life & Annuity Program Manager, ACORD

In 2011, the ACORD Life & Annuity program took on a number of areas from the usual Standards enhancements to supporting and driving implementation to finding ways to improve the way we deliver the Standards. Thanks to the work of ACORD's members, we've made major advances which only increase our commitment to take on more.

In early 2011, ACORD announced an enterprise-wide focus on becoming more agile. It began with a new ACORD Standards Committee structure as well as the formation of the ACORD 2020 Advisory Group. In July, and under the chairmanship of Walter Berkowicz of Allstate, we released our first [L&A Priorities Document](#).

Improving Standards

Following the [contribution](#) of DTCC's EDI layouts, we've integrated them into ACORD and our Standards process. The latest cycle of changes is now underway. We also formed a Forms Focus Group which is taking a fresh look at ACORD's L&A Forms in relation to industry needs. We also completed two very successful Standards cycles where we made major advances in enhancing the L&A Standard with 161 Maintenance Requests being approved by the membership.



L&A Chair Walter Berkowicz and I preparing for the L&A Steering Committee Town Hall Lunch in November

Improving Tools and Processes

We made a lot of advances in 2011 to improve the consistency of the L&A Data model as well as the way we deliver message specifications to you. Consistency improvements were made to the data model to ensure the descriptions and definitions conform to naming conventions. Help file revision highlights were also made available to provide additional information on the source of changes and enhanced navigations. The proof-of-concept of the [Message Forge](#) toolset was a success and is currently being used to create detailed message specifications to provide effective and consistent implementations.



Ed Skoviak, ACE, MassMutual and co-chair of the L&A Architecture Working Group

Driving Implementation

Two areas in particular are helping to increase implementation of the ACORD L&A Standard. [Plug and Play](#) was a major initiative in 2011 with successful events at both the ACORD LOMA Forum and ACORD Implementation Forum. We've also been working with the ACORD 2020 Advisory Group to support their efforts towards implementation.

Building Awareness and Expertise

Working with the ACORD Certified Expert area, we continued to increase awareness of the program and its importance. This added several more L&A Experts to the list. We also worked to build a new "starter kit" for members to help them more easily implement the Standard and increase knowledge of the resources available.

Those are just a few highlights. Look for more information on these and other priorities in the coming weeks.

Inside L&A: Tools & Initiatives Shaping the Future (continued)

In 2012 ...

While much was done towards our 2011 goals, it was just the beginning. We laid the groundwork for even more advances that will not only improve the L&A Standard, but how that information is provided to members. These include:

- Better defining messages as we roll out the Message Forge tool set
- Incorporating aSDO within L&A as was done within other areas of ACORD Standards
- Publishing the new Life & Annuity Member Tool Kit
- Publishing the Life & Annuity Value Proposition Kit
- Continuing to improve Standards
- Continuing to improve Tools & Processes



Jeff Bergan, Principal Financial and Burt Tower, M3 Insurance Solutions - co-chairs of the Employee Benefits Working Group

Be sure to keep up to date on what's happening and join a Working Group today!

14 December 2011

Dates for ACORD DTCC EDI Cycle

by Michael Carroll, ACORD

Dates specific to the ACORD DTCC EDI Standard are now available. These are only for this Standard. All others follow the [ACORD Standards Calendar](#).

27 January 2012	Maintenance Request Deadline
7 February 2012	Plenary
20 February 2012 - 17 February 2012	Voting
8 March 2012	Spec Release
22 March 2012	Final Spec Release

30 November 2011

A Better Way to Document Standards

by Michael Carroll, ACORD

Simply put, ACORD's Standards are large. They are all-encompassing documents and they continue to grow and evolve over time. This makes maintaining and updating documentation difficult and cumbersome as each standards cycle comes to a close and a new version is produced.

To streamline this process, ACORD is implementing a tool set known as Message Forge that helps automate the documentation process, thereby providing efficiency as well as consistency. It is currently being used within the Life & Annuity area. Other areas are evaluating its applicability to their specific communities.



"What we needed was a way to more agilely create more specific and exacting message specifications. The manual process, while it did the job, was not efficient and had a lot of redundancy," said Rick Heil, Director of Standards, ACORD. "Since many data elements within the Life and Annuity Standard are reusable, a change to one item would require changes in multiple specs ... each change, done by hand. That's why we needed a tool to do it once, do it consistently, and do it fast."

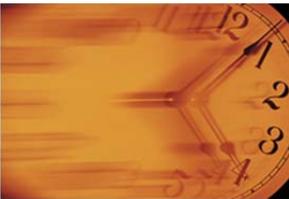
Message Forge is a metadata format for messages that complements the L&A Data Model, data, and Help file. The goals are to:

- Increase efficiency
- Increase ease of implementation
- Increase ease of change tracking

"You can even compare versions of documents for changes in Word. We wanted to let you get the information you needed easily, quickly, and independently," added Karen Mottley, Program Manager, ACORD.

Another benefit is the ability to add data to the specifications as proposals (maintenance requests). They can be voted on and added to the spec right away. "This supports the move towards an agile Standards Development Organization since we can be more responsive. It also gets rid of the need to cross-reference multiple documents. It's all there, as it will be if approved," said Yolanda Austin, Program Manager, ACORD.

Not only will the solution provide consistency in data, it also provides consistency in documentation. As the information is generated based on a template, all specifications will look and act the same way.



"All new changes are being made within Message Forge today. We're already transitioning older documents to the system so changes will be easier going forward," according to Mottley.

Some of the other benefits include:

- Easier, hyperlinked navigation
- Color-coding for specific elements such as proposed changes

"Message Forge will give us the ability to be more responsive to changes as well as make it easier for members to see and vote on changes to the Standard," concluded Austin.

Heil added that "this is a significant step towards a whole new Framework-based standards production platform to produce ACORD Standards quickly and on-demand."

For more information, download the [presentation](#), [MP3](#), or [MOV](#) file from the [ACORD Implementation Forum](#).

16 November 2011

Pay as You Drive: Is There a Future? (Part 1 of 3)

by Ara C. Trembly

The idea of pay-as-you-drive (PAYD) auto insurance is hardly a new one in our industry, but despite many trial balloons and much publicity, the concept has failed to catch on in a big way. On the other hand, insurers haven't given up on the idea, and with that in mind, we asked several industry analysts about the current state and future outlook of PAYD.

There are several flavors of pay-as-you-drive, notes Karlyn Carnahan, Principal, Novarica. The simplest is a pure odometer reading based on mileage (The more miles you drive the more insurance you pay.). "The most complex is a version that uses telematics to capture not only time and mileage, but more importantly, driving behavior," she adds. "Factors such as time of day, rapid acceleration or deceleration, and radius are all used to modify the premium based on the driving risk."

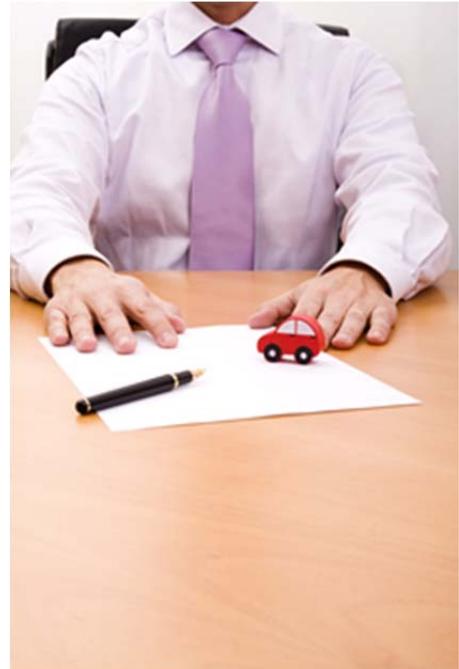
According to Carnahan, PAYD is still relatively new in the US, but some carriers are dipping their toes in those waters, including Progressive, Liberty Mutual, GMAC, Cooperative, and MileMeter.

"I think it is best to think about pay-as-you-drive as one type of telematics-based pricing (an insurer accessing a data set that includes miles driven, but could include time of day, GPS-provided locations, speed, acceleration/braking, etc.)," says Donald Light, Senior Analyst with Celent. "Many insurers are investigating and/or piloting forms of telematics-based pricing."

"Finally, it looks like interest in the notion is on the rise," asserts Ellen Carney, senior analyst with Forrester Research. "Progressive is marketing SnapShot more vigorously, and other carriers, including State Farm and AAA, are planning PAYD offerings as well. Consumers get rewarded for safe driving, and get to buy just what they need. Consumers that we've surveyed have expressed big interest, so it's potentially a great market opportunity for carriers. You're also seeing Policy Administration vendors stepping up with core applications for this product."

Next week, learn about who benefits from PAYD.

Ara C. Trembly is the founder of Ara Trembly-The Tech Consultant (www.aratremblytechnology.com), a writing, consulting, and advisory practice focusing on technology for the insurance industry.



2 November 2011

Prudential Proves Value of AVI

by Michael Carroll, ACORD

In 2009, an ACORD Working Group formed with the goal of improving the way data was communicated between carriers and vendors — Automated Vendor Invoicing. Following a successful pilot and implementation, Prudential Insurance has proven the value of Automated Vendor Invoicing (AVI) implementation.

In March 2010, Prudential blazed this new trail by being the first carrier to pilot the ACORD AVI standard with two of its vendors – EMSI and CRL. As documented in their [case study](#), the pilot implementation was a success. As of September 2011, Prudential once again led the way and launched AVI into production. This is the first full implementation of the solution, which uses ACORD messages to share vendor data rather than spreadsheets.

"This was a major step forward for the Working Group and the industry," said Working Group Chair Jerry Verden, EMSI. "By not only piloting but also implementing AVI, Prudential showed that this was a powerful way to save time and money while improving business processing. Being first is not always easy and we all appreciate their efforts and willingness to volunteer and implement."

History

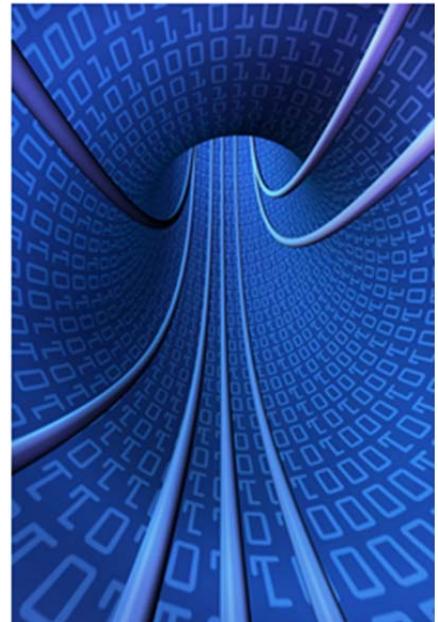
Prior to implementing the AVI Standards, each vendor submitted invoices in a different format that required manual research to validate. Invoices were submitted monthly and could take weeks to fully research before payments were released. It was time consuming and susceptible to errors due to the volume of billing records on each invoice. The invoice statements were typically in Excel spreadsheets.

The solution was to utilize ACORD Messages to automate the vendor invoicing process. While the approach might not alleviate 100% of the invoicing tasks, it would improve overall efficiency. Other goals included:

- Reducing the complexity of dealing with multiple formats
- Creating more granular, more consistent information • Saving money through an improved workflow
- Automatically reconciling undisputed items • Increasing accuracy by eliminating manual entry
- Reducing resource allocation reviewing/reconciling/completing invoice process
- Allowing certain types of denials to reprocess as part of the initial invoice submission reducing payment time

This AVI solution utilizes several ACORD transactions to streamline processing:

- 118 - Submit Invoice
 - 11801 – Submit Initial Invoice
 - 11802 – Submit Rebill Invoice
- 1119 – Invoice Status Transmittal
 - 11901 – Initial Invoice Status
 - 11902 – Rebill Invoice Status



Prudential Proves Value of AVI (continued)

Benefits of Implementation

According to Ray Slider, Vice President, Prudential, and business sponsor of the ACORD AVI Working Group, "this effort has exceeded our expectations and proven that the use of ACORD Standards is essential for any business looking to increase efficiency and accuracy while decreasing costs. With the elimination of much of the manual processing associated with invoice management, we will realize significant savings each month while improving the accuracy of the data exchanges. The Working Group should be proud of all they've accomplished and I'm glad we were able to prove the real value of these efforts."

The Working Group is not done yet. Efforts are underway on an Implementation Guide that will help and encourage other carriers and vendors to implement AVI and achieve their own business improvements.



28 October 2011

Inside L&A: Updates on Priorities

by Yolanda Austin, ACORD

Back in July, the ACORD L&A Steering Committee produced the [L&A 2011 Priorities](#) document. In it, they outlined plans for the year and key items they wanted to accomplish.

Now, as we're about to enter November, it seemed like a good time to look at how we're doing. While we aren't done yet, a lot has been accomplished in just a few months and other items are well underway thanks to the L&A leadership and members.

Priority: Improve Standards

The goal is to improve the standards creation, validation, consistency, and usability by continuing to build out the ACORD Framework. So what's been done?

- Integration of DTCC contribution into existing SDO process
- Improvement of consistency in the data model
- Forms Focus Group created and recommendations forthcoming
- Program Activity Reports provide updates to members on standards development efforts in consistent format
- Various Working Group deliverables produced and will be voted on by the membership

Priority: Improve Tools & Process

In this area, we want to optimize tools that help generate and test transactions, and refine processes needed to interact with the standards. We're also working to align L&A efforts with ACORD's Agile Standards Development Organization (aSDO) initiatives.

- We had a successful Proof-of-Concept of the new Message Forge tool that will improve consistency of Standards and documentation deliverables. A session will be held on that during AIF. Look for more information here in the ACORD Weekly Newsletter soon.
- Ten Plug-and-Play Services are now completed and the first PnP Tooling Jamboree in May was a success.

Priority: Build Awareness & Expertise

Here, the goal is to encourage the creation of experts within the standard that can then guide carriers and vendors towards the optimal use of ACORD.

- Several L&A ACE Designees that will be recognized at next week's ACORD Awards Ceremony. It's believed that many more will certainly follow.

Share Value & Direction

This priority focuses on increasing awareness of industry standards and specifically ACORD value to carriers.

- New Member Starter Kit is in development
- Value Proposition Materials is in development

Learn More

To learn more about the priorities and accomplishments of the L&A community, be sure to go to the L&A Steering Committee lunch at AIF where Walter Berkowicz of Allstate and chair of the committee will go over all this year's accomplishments. You'll also get updates on all the Working Groups and what they've completed during the year.



By Yolanda Austin,
Program Manager, L&A,
ACORD



19 October 2011

ACORD 951 Released

As discussed by Yolanda Austin, Program Manager at ACORD in her *Inside L&A* Column on the 12th, ACORD modified its 951 form to comply with changes from the US Internal Revenue Service, IRS Revenue Code 2011-38, which is effective October 24, 2011.

Those changes were made and the form is now available. It's essential that users of the 951 begin using the new version immediately.



The change to paragraph B of section 3 now states:

"I expressly represent that the sole purpose is to affect a partial 1035 exchange of an annuity contract. However, I acknowledge that Revenue Procedure 2011-38 states that withdrawals from, annuitization, taxable owner or annuitant changes, or surrenders, other than an amount received as an annuity for a period of 10 years or more or during one or more lives, of either the original contract or the new contract during the 180 day period following the partial exchange may affect the tax free status of the partial exchange.

Note: Other exceptions may apply and a subsequent direct transfer of all or a portion of either contract involved in the exchange could have tax and tax reporting consequences. Please confirm with the carrier if they will support partial 1035 exchanges."

Registered ACORD L&A Form Users can [download the form here](#).

12 October 2011

Inside L&A: MRs, AIF

By Yolanda Austin, ACORD

I wanted to let you know about some Maintenance Requests (MRs) that are coming up for a vote next month and that I think you should know about as well as changes to the ACORD 951 Form. It's also a good time to make your reservations for the [ACORD Implementation Forum](#) if you haven't done so yet.

Maintenance Request

Temporary Insurance Agreements (TIA)

MR 11.2PPFL.116

Proposed by the Life Product Working Group

The goal of this MR is to provide detailed product modeling for Temporary Insurance Agreements (TIA) and cleaner mapping to constructs on Holding.

Recent implementations of the Product Profile for Life (PPFL) message have encountered a need to be able to model the details of Temporary Insurance Agreements. The Life Product Working Group worked with the Policy Life Cycle Working Group to determine the attributes of these types of agreements that require modeling on the product side. After several discussions on ways to model TIAs, they proposed it as a CoverageProduct with a new IndicatorCode value for Temporary Insurance.

This approach provides model constructs for the majority of the TIA data elements identified in the joint working group meeting, including references to the max amounts, premium amounts, and underwriting guidelines.

Life Architecture Working Group (LAWG) MR Submissions

LAWG has submitted several MR's this cycle that clean up various items to resolve inconsistencies within the model. These MR's may have some compatibility concerns so it is important for you to review them.

MR: 11-2.LAWG.01

Synchronize on one table of state codes. Add missing sublist values to three State codes.

MR: 11-2.LAWG.02

Synchronize on one table of language codes.

MR: 11-2.LAWG.03

Rename the RelatedRefID attribute on SettlementInfo to remove name conflict with the RelatedRefID property.

MR: 11-2.LAWG.04

Rename LicenseID property to LicenseNum to remove conflict with LicenseID attribute.

MR: 11-2.LAWG.05

Change MailToPartyID property on the FormInstanceDestination Object to an attribute.



By Yolanda Austin,
Program Manager, L&A,
ACORD



Inside L&A: MRs, AIF (continued)

ACORD 951 Form Enhancements

This form is undergoing a couple of changes, one from a regulatory perspective and the other based on an MR submission. Let's discuss the regulatory change first.

Regulator Change

Since the ACORD 951 Form expressly references the tax treatment of a partial 1035 exchange, the form needs to reflect the current IRS Revenue Procedures.



Today, paragraph B of Section 3 references the old rule that an exchange will not be treated as tax free if any amount is withdrawn from, or received in surrender of, either contract involved in the exchange during the first 12 months unless the taxpayer has demonstrated that one of the conditions listed in IRS Revenue Code section 72(q) (2) or a similar life event has occurred. The second paragraph of this section will need to be amended to comply with the new rules. The following changes have been proposed to this paragraph and an updated version of the form will be made available in October:

"I expressly represent that the sole purpose is to affect a partial 1035 exchange of an annuity contract. However, I acknowledge that Revenue Procedure 2011-38 states that withdrawals from, annuitization, taxable owner or annuitant changes, or surrenders, other than an amount received as an annuity for a period of 10 years or more or during one or more lives, of either the original contract or the new contract during the 180 day period following the partial exchange may affect the tax free status of the partial exchange.

Note: Other exceptions may apply and a subsequent direct transfer of all or a portion of either contract involved in the exchange could have tax and tax reporting consequences. Please consult your tax advisor."

MR 11-2.001.04

The second enhancement to this form involves an expansion of the signature fields to accommodate eSignature requirements from IRI (formerly NAVA) that states that an eForm signature field needs to be 3.7 inches width and .32 inches height to accommodate the 2-line signature block. Below is a view of how this enhancement will impact some of the signatures, please refer to the MR for further details.

These MR's come up for a vote starting November 1, 2011. Voting is open to all ACORD L&A members.

AIF

There's still time to register for the 2011 [ACORD Implementation Forum](#) this November 1-4 in Fort Lauderdale. Some highlights include:

- Sessions covering ACORD DTCC EDI, Life Product Trends, Plug and Play, Employee Benefits Standards, Schemas, and more
- Face to Face Meetings for the Policy Lifecycle Working Group, Life Product Working Group and a joint meeting of both groups
- A special lunch with the L&A Steering Committee
- The 2011 ACORD Awards Ceremony and dinner
- ACE sessions, training, and testing

Click here to see all that the [ACORD Implementation Forum](#) can offer you.

10. SIGNATURES	
The Internal Revenue Service does not require your consent to any provisions of this document other than the certifications required to avoid backup withholding.	
Signature of Owner / Plan Administrator / Trustee	Date (mm/dd/yyyy)
Signature of Joint Owner / Co-Trustee (if applicable)	Date (mm/dd/yyyy)
Signature of Proposed Insured (Life Only)	Date (mm/dd/yyyy)
Signature of Spouse (Required in AZ, CA, ID, LA, NV, TX, WA and WI only)	Date (mm/dd/yyyy)
Signature of Irrevocable Beneficiary (if applicable)	Date (mm/dd/yyyy)
Signature Guarantee (if applicable) (A separate guarantee is needed for each signature)	

Inside L&A: MRs, AIF (continued)

Dates to Remember

October 25, 2011: L&A Plenary Session

November 1, 2011: MR Voting

November 18, 2011: MR Voting Closes

Be sure to follow all of the news in L&A here in the ACORD Weekly, online at the [ACORD L&A Community](#) page, and on Twitter at [@acord LA](#). You should also tell a friend or colleague who you think will benefit from this information.

5 October 2011

Employee Benefits Group Readies for Vote

by Michael Carroll, ACORD

After a recent face-to-face meeting of the ACORD Employee Benefits Working Group, major advances were made in preparation for the upcoming plenaries and voting. The meeting was hosted by Principal Financial in their Des Moines, Iowa office.

Members discussed and resolved some outstanding issues regarding the Employee Benefits Census Form. They also defined any gaps in the existing Life & Annuity Standard that would need to be filled to develop an Employee Benefits XML Message. Maintenance Requests (MRs) were submitted for the current voting cycle.

"Before this Working Group began, there were no standards for enrollment and maintenance census data. This information is vital since it's used to communicate detailed plan subscriber and dependant data to the carrier across all lines," said Yolanda Austin, Program Manager, ACORD. "By creating first Standardized spreadsheets and then XML messages, carriers will receive and easily consume the data needed to implement the plan."

The group's next meeting is scheduled for October 20, 2011 at 2:00 PM (Eastern US) where they will address any outstanding issues. In addition, the group will discuss the census specification guide that's under development.



28 September 2011

Final Spec for L&A DTCC EDI Standard Released

Enhancements to the ACORD Life & Annuity DTCC EDI Standard are now completed and the Final/Official release is completed.

Version 1.02.00 can be downloaded and implemented.

Download Information

For instructions on downloading the results, [click here](#).



21 September 2011

L&A ACE Webinar Leads to More

by Michael Carroll, ACORD

The first Life & Annuity [ACORD Certified Expert](#) (L&A ACE) Webinar took place on September 15 and was highly successful. Approximately 30 people attended this highly interactive event. The objectives were to provide a foundation for ACE knowledge as well as determine the needs and preferences of the participants.

"There were a lot of questions, a lot of interest, and a strong drive to become ACEs within the group," said Mike Bauer, Technical Architect, ACORD. "From the feedback we have received, we will now be able to shape the content of future L&A ACE Webinars to match the needs of the ACE community. Some people studying for the exam have concerns that their knowledge of the ACORD Standards is too specific even though they work with the Standards every day. By covering a broad range of ACORD L&A topics they can more accurately judge their level of knowledge and know where to concentrate their attention as they prepare for the exam."



In fact, according to Karen Mottley, Program Manager, ACORD, "there were so many questions that we decided to develop an L&A ACE FAQ to help answer them and spread the word about the program. The number and diversity of questions shows the wide range of interests."

The webinar can be downloaded [here](#).

Based on the input from the attendees, a series of webinars will be planned out for the coming months. Participants provided their preferences as to frequency, times, and days of the weeks for the webinars. They also prioritized the topics to be covered.

"We're glad that the webinar was so well received and that so many in the L&A community are interested in proving their expertise with the Standard. We hope to see a lot of new L&A ACEs in the coming months," Yolanda Austin, Program Manager, ACORD said.

To find out more about becoming an ACE, [click here](#).