



Harnessing the Enormous Indian Opportunity

The case for ACORD standards and ACE

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Puneet Bharal

Director, Global Development, ACORD

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About ACORD

- Association for Co-operative Operations, Research and Development
- Not-for-profit, membership-funded Standards Development Organisation
- Unique, neutral, collaborative
- Supporting the global insurance industry
- Advocating greater efficiency and reach



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Standards?

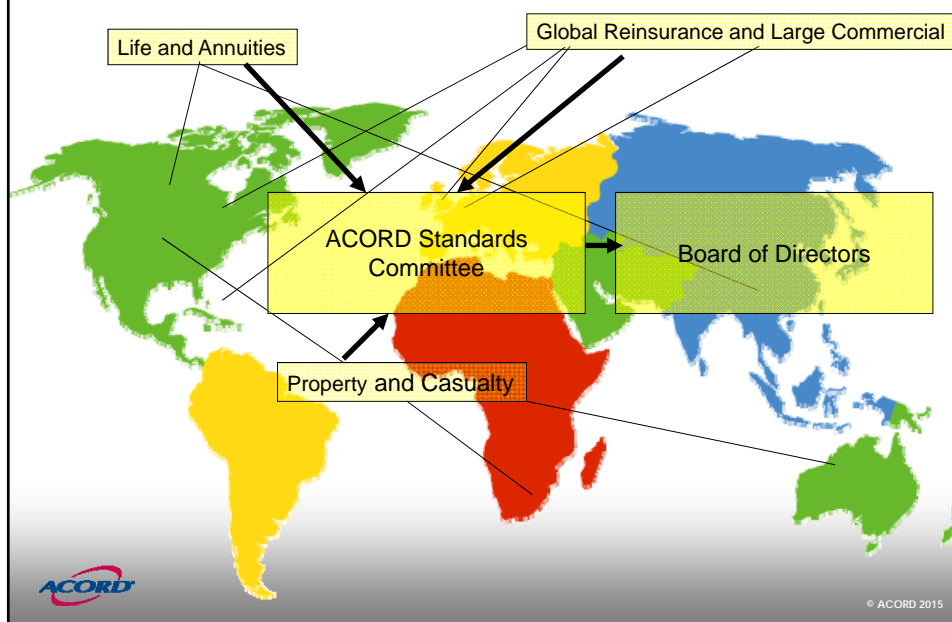
- There are many types of standards employed in Insurance:
 - Accounting
 - Market conduct
 - Rating and pricing
 - Financial reporting
 - Policy coverage
- And for sharing data across the insurance enterprise and industry...


ACORD Data Standards



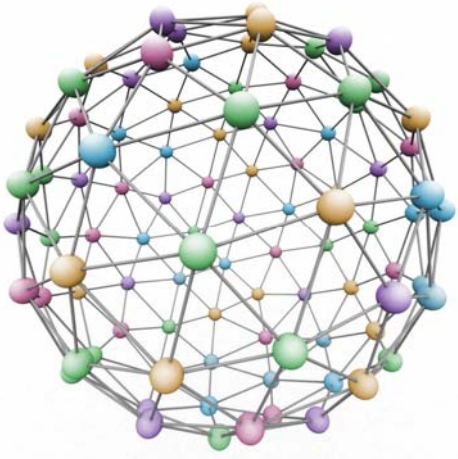
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ACORD Standards Domains



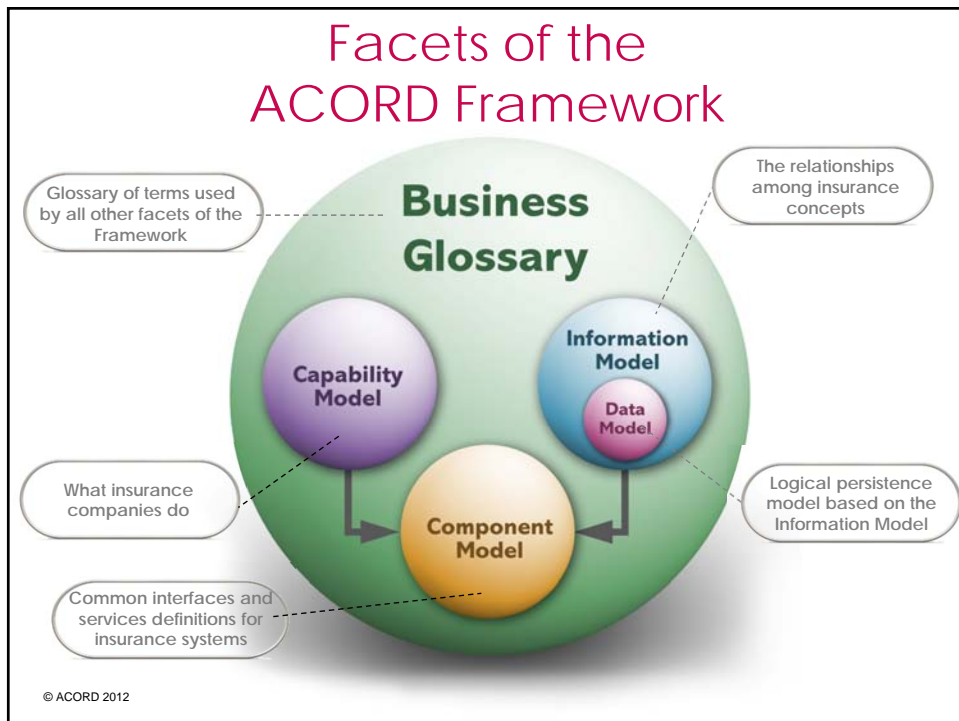


The ACORD Framework



An Insurance Enterprise Architecture

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Using Framework facets depends on what you are trying to achieve

- Framework is not "all or nothing"
- Facets can be used individually or not at all
- ACORD will use the Framework to better serve members and industry

A Few of the ACORD Assets

Non-Technical

- Global Governance
 - Harmonize in Many Areas
- Governance
 - Everyone Participates with a Voice
- Facilitation
 - Everyone Participates with a Voice
- Member Participation
 - Input From Greatest in Industry
- ACORD Certified Engineer
 - Validates Knowledge of Individuals

Technical

- Message Standards
 - Core of data exchange
- ACORD Framework
 - Architectural Model of the Industry
- Product Modeling
 - Ability to share product definitions with others
- eForms
 - Technology specifications for Forms
- Web Service Definitions
 - Technology specifications for Internet



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What does ACORD provide?

- **Insurance Data Standards**
 - Data Definitions
 - XML Schemas for various lines of business
 - AML (next generation ACORD XML covering all LOBs)
 - Property & Casualty
 - Life & Annuities
 - Global Reinsurance & Large Commercial insurance
 - Forms (Paper, PDF and fillable e-docs)
 - Infrastructure standards (messaging, file sharing)
- **Enterprise Model** (ACORD Framework / Reference Architecture)



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What does ACORD provide?

- **Advisory**
 - Research Papers and White Papers
 - Conferences and Forums
 - ACORD LOMA, ACORD Implementation Forum and Insurance Data Analytics in USA
 - Forums in London, Singapore and Russia
- **Accreditation and Training**
 - Advisory Groups
 - ACORD Certified Expert (ACE)
 - Testing and Certification Facility (TCF)
- **Free access & Member-only benefits**



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ACORD Internal to Insurers

- ACORD Framework & Standards

Peter Sammons, VP Systems Implementation at XL Re was recently quoted saying that:

"ACORD has become the DNA of XL Re. This is all about data and so the standard for exchanging that data has been crucial. We use ACORD as the basis for compliant messaging across our global offices and when dealing with our business partners."



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ACORD in London Market

- Sue Langley, ex- of Lloyd's of London had said:

"ACORD is the thread running through all the projects as Lloyd's strives to deliver clear information standards for an electronic infrastructure that supports placements, claims, and accounting and settlement transactions."

- Exchanges in London

- Xchanging
- Lloyd's Exchange



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ACORD in USA

- Basis for all Electronic Communication Between Agents and Insurers. Maryellen Waggoner, Executive Director of NIPR (National Insurance Producers Registry) has said,

"The benefit for the insurance industry will be that producers can create NIPR transactions out of the same message elements they are using today to communicate with each other. This will make it easier to integrate NIPR messages into their systems, bringing us one step closer to a uniform system for the industry."



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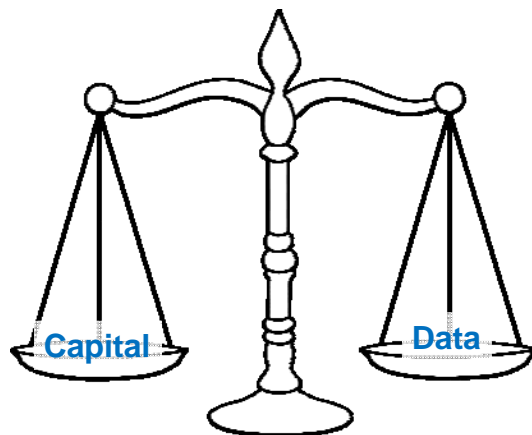
ACORD in South Africa

- Multiple versions of the ACORD Standard implemented by multiple companies
- FSB Requirement
 - ACORD Standard recognized as an FSB compliant way to send customer and risk data from brokers to insurers
- Desire to have one consistent standard for the short term industry
- A global standard with a local flavour



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Insurance requires a balance



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A snapshot of the enormous Indian opportunity.

- **Enormous number of people**, especially *young* people.
 - World's 2nd most populous country, over 1.2bn people
 - Approx. 60% of populace is of *working age* (15-60)
- **Enormous amount of land.**
 - World's 7th largest country by area
- **Enormous amounts of money.**
 - World's 10th largest GDP at US\$1.84tr
- **Enormous growth.**
 - GDP growing at >5% pa
 - Insurance sector is growing at a rate of 15-20% per annum



But, insurance penetration is <1%

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A snapshot of the enormous Indian opportunity.

- **Enormous social change.**

- Rapidly emerging new middle class with growing spending power
- More smaller, nuclear families
- Fewer shared, inherited assets
- Increased use of financial products e.g. mortgages, investments
- More assets that require protection
- More dependence on fewer earners e.g. health and life cover

Enormous opportunities for personal lines insurers



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A snapshot of the enormous Indian opportunity.

- **Enormous investments**

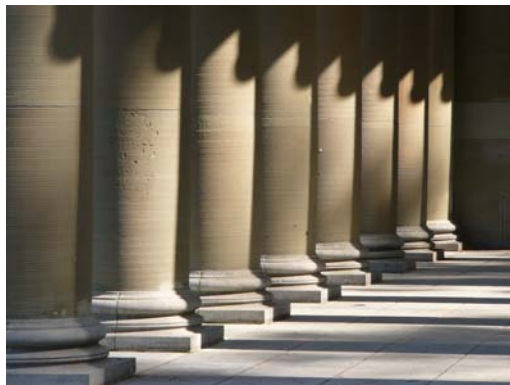
- Current investments estimated at **US\$1.32tr** / Rs53.2 lac cr. Est spend in Indian infrastructure was US\$500bn 2010-12.
 - Navi Mumbai and New Chennai International Airports
- More than 20 *new* mega-projects (>US\$1bn) under consideration
 - A fast-developing space program
 - Chandrayaan lunar exploration program & Mangalyaan Mars mission
 - Rapid urbanisation with plans for >20 smart cities
 - Navi Mumbai & GIFT – Gujarat International Finance Tec-City

Enormous opportunities for specialty insurers, large commercial insurers and reinsurers



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A strong foundation to build on



Insurance provides economic resilience. Economic growth benefits from greater insurance access, it frees capital and encourages enterprise. It is the foundation upon which growth can happen.



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Keeping India Growing

Quotes from **John Nelson**, Chairman of Lloyd's of London

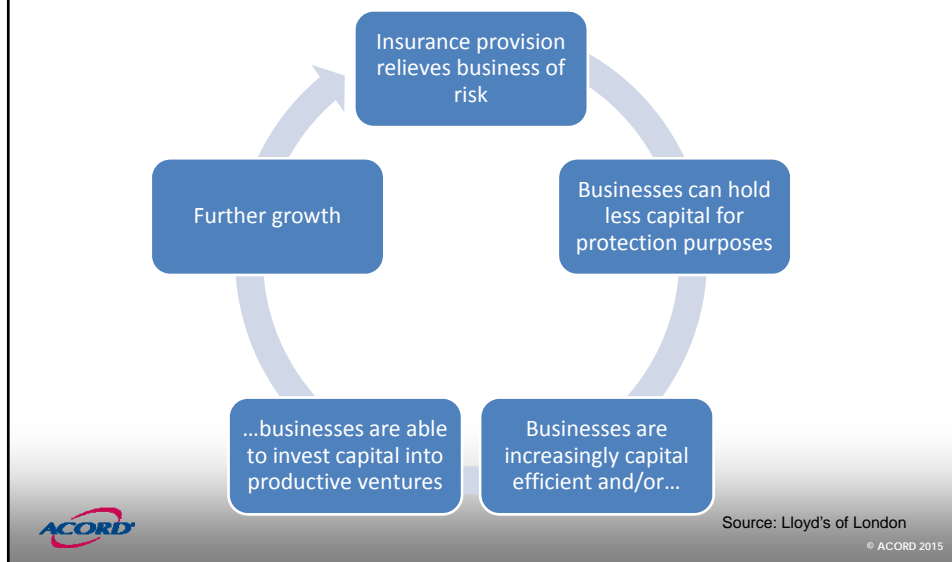
- If India is to sustain and protect its impressive economic growth - it must develop its insurance industry and integrate it into the international industry.
- India's growth – as the country has commercialised and industrialised – will be jeopardised unless the extraordinary risks it faces, particularly the risks from natural catastrophes, are mitigated.
- Lloyd's own research... found that **India has an annualised premium gap of just under \$20bn** and that over 80% of its natural catastrophe losses remain uninsured

- John Nelson, Chairman of Lloyd's of London

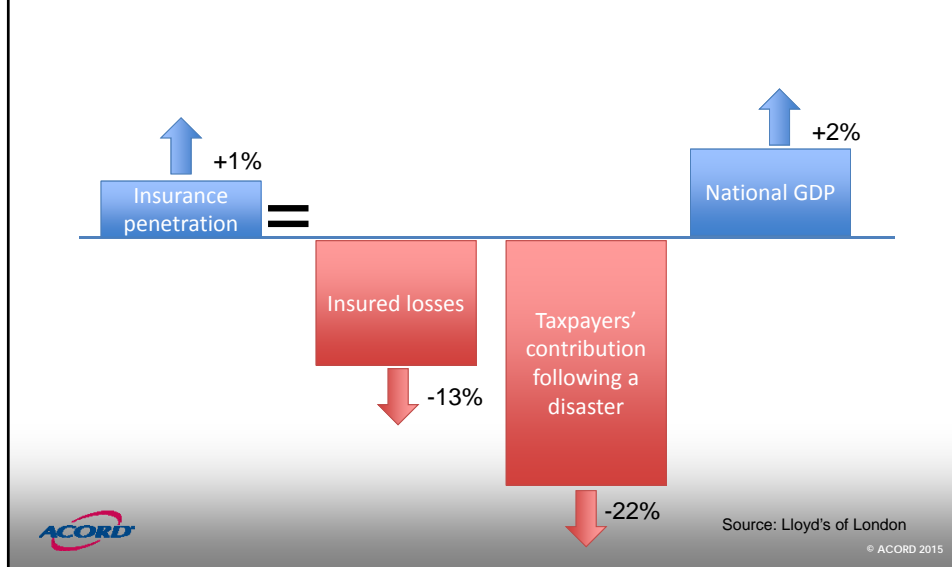


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The virtuous growth cycle enabled by insurance provision



The effect of a 1% increase in insurance penetration



Weak foundations will limit your potential to seize opportunities



You will spend disproportionate sums supporting this

instead of developing this



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Inefficiencies grow as your business grows

- New operations have an advantage – no legacy systems to maintain
- Legacy maintenance often accounts for 80%+ of IT budgets
- Maintenance means companies miss out on growth and investment opportunities
- A solid foundation to your business assets sets you fair for the future

Make industry data standards part of your future-proofing



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Leapfrog to the future



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Leapfrog to the future



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ACORD defines standards for peer-to-peer transactions and Enterprises



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A strong foundation to build on



Data may seem near the bottom of your IT stack, but it flows through every business critical system you run.

Your data needs to provide your business with strong foundations



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Leading the way in India, and the World

- **GIC Re**
 - The only reinsurer in the World to be certified on all of ACORD's Reinsurance standards
 - Automated back office transactions have greatly reduced errors and efficiencies and improved payment speeds for broker-led business
 - *eThru* enables electronic placement of risks
- **L&T Infotech**
 - The largest number of ACORD Certified Expert-accredited (ACEs) on staff amongst ACORD's entire global membership
- **General Insurance Council**
 - Using ACORD standards to collect market level data, monthly
- **IRDA**
 - Used ACORD standards in ETASS pilot



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Data for data's sake?

- Data is essential to insurers, to know your
 - customer
 - risk
 - exposure
 - claims performance
 - outwards reinsurance needs
 - investment portfolio
 - performance
 - channel performance
 - marketing results



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Who in your organisation needs access to quality data?



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ACORD Data Standards

- Enable growth and reach
- Simplify and speed-up processes
- Reduce errors and re-work
- Reduce costs
- Ensure clean, reliable data
- Enable innovation
- Enable enterprise-wide insight



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The Steel Thread

- Data flows through organisations, making connections
- Data flows between departments
- Data flows between companies, too making trade possible
- **Data connects like a thread**
- Data flowing through our business must be a steel thread, or it breaks
- ACORD standards add steel to the insurance data thread



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A call to action

- India faces enormous opportunities
 - Fast growing economy
 - Fast growing middle class
 - Major infrastructure projects underway
 - Ambitious Superpower projects
- Insurance is the foundation for economic growth
 - Frees up capital
 - Encourages investment and enterprise



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ACORD Certified Expert (ACE)

ACORD Certified Experts are an elite group of people within the insurance industry who hold an expert-level understanding in **ACORD Standards Implementation**



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How will you benefit from having ACEs on staff?



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- Expertise in ACORD standards
 - Lowers the cost of your work
 - Improves the effectiveness of your work
 - Extends the usefulness of your work
 - ...across an enterprise, across clients and across the globe



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The demand for **ACORD** standards implementation is growing rapidly within the global insurance marketplace.



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You will be able to meet that demand and compete within it.

- Your competitors (L&T Infotech, for example) are utilizing and highlighting their ACEs on staff to demonstrate their expertise. Join the ACE Race.
- Having ACEs on staff makes you even more valuable to your clients in that it guarantees an efficiency and expertise in ACORD Standards implementation. Your ACEs will become the go-to experts at your company and a valuable resource for your clients.



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ACORD will help your organization to achieve the goal of providing straight-through-processing, therefore creating a more efficient global industry.



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**LEADING THE CHARGE IN GLOBAL
ACE GROWTH:**

L&T Infotech
Infosys
Xchanging

Join Us!

WWW.ACORD.ORG

Register to join our
ACE Community Online



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Signing up for ACE

- Enrollment fee is US\$325 for access to study materials
 - Study materials can be purchased for US\$100 (optional)
 - Or both can be bundled for US\$400
- Computer-based exams can be taken at Kryterion exam centres worldwide for US\$125
- Cost to accreditation is US\$400 (US\$525 with study materials)
- Paper-based exams can be taken at III facilities (price on application).



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Contacts

Sanjeev Vaz, ACORD India Representative.

Mumbai. svaz@acord.org

Puneet Bharal, Director of Global Development.

London. pbharal@acord.org



One Blue Hill Plaza
15th Floor
Pearl River, NY 10965
USA
+1 845 620 1700



London Underwriting Centre
Suite 1/3
3 Minster Court
Mincing Lane
London EC3R 7DD
UK
+44 (0)20 7617 6400