

ACORD XML for MGA Large Commercial Lines Bordereaux Reporting – Case Study

Temple Insurance Company

Frank Cowan Company

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Overview

To support business process rationalization goals, a Canadian Insurer and one of its MGA partners adopted ACORD PCS XML Standards for bordereaux reporting of large commercial lines property/casualty transactions. Both parties realized benefits of reduced user intervention in reporting. The MGA extended Standards-based reporting to second insurer in a compressed timeframe to support reinsurance reporting requirements.

Profile

Temple Insurance Company

Temple Insurance is an innovative Canadian company and is a leader in providing specialty insurance solutions. Based in Toronto, with regional offices in Vancouver and Montreal, Temple is federally registered and licensed in all provinces. Temple focuses primarily on underwriting niche products and specialty lines through a selective network of Managing General Agents (MGAs) countrywide.

Frank Cowan Company

Frank Cowan Company, an Ontario, Canada based full-service Managing General Agent (MGA), has grown to become one of Canada's leading providers of insurance and risk management solutions for public entities. For over 80 years, Frank Cowan Company has been a pioneer in the development and implementation of innovative insurance programs for the Municipal, Health Care, Education and Social Services sectors.

Challenge/Requirements

Insurers and MGAs in the large commercial insurance market are required to exchange significant amounts of complex data among multiple participants.

Temple Insurance:

- deals with multiple MGAs and risk managed accounts on different programs in several niche industry sectors.
- has to contend with information prepared by different systems in widely disparate formats, all of which must be presented to the Temple underwriters in a consistent format.

Frank Cowan Company:

- underwrites large to midsized public sector accounts, largely on a subscription basis through multiple insurance company partners.
- has proprietary electronic or paper based bordereaux reporting linkages for each of its carriers, resulting in significant duplication of effort and inconsistency in processes.
- assists several insurer partners with data required for reinsurance placement, frequently requiring additional reports.

When Temple Insurance began participating on Frank Cowan Company's program in 2007, the two companies decided to try to rationalize the reporting process by adopting ACORD Data Standards.

Approach

Temple Insurance and Frank Cowan Company employees knew the potential value of using ACORD Standards to support internal and external consistency, but had to select which ACORD Standards to implement – Reinsurance Large Commercial (RLC) or Property Casualty Surety (PCS).

As Temple Insurance is a wholly owned subsidiary of Germany based Munich RE Group, many of its employees were well acquainted with RLC Standards in use in the London Market and Europe. However, for the Canadian MGA market, Temple felt its distributors (including Frank Cowan Company) would have greater interest in using the PCS Standards, because the other carriers in the MGAs' offices were primary insurers, some of whom had already implemented the PCS Standards for personal lines and mid-market commercial business. In addition, both companies saw a longer term advantage with the PCS Standards being able to extend straight through processing to brokers and ultimately risk managed clients. After detailed analysis, Temple Insurance and Frank Cowan Company determined that either Standard could support the business requirements, and opted for the PCS Standards, to provide greater opportunity for extension to other partners.

Temple Insurance and Frank Cowan Company began development in early 2008, and by year-end had certified to three PCS Standards required for policy and premium advice and claims transaction notification. The premium transactions were put into production in 2008. The two companies submitted several maintenance requests for the Claims Standard, which, once approved by the ACORD membership, allowed the project to go into full production for the full range of policy and claims information in 2009.

Results

The ACORD Standards approach has allowed Temple Insurance and Frank Cowan Company to realize expected and unexpected benefits.

A major driver for Temple Insurance was the reduction of manual intervention required to put incoming data from its MGA force into a consistent format for loading into its underwriting and claims systems. ACORD Standards provided the vehicle, and once implemented, allowed one IT staff member to be relieved of the responsibility for providing manual fixes to numerous and disparate data feeds and spreadsheets, and return to more productive (and interesting) work.

Frank Cowan Company developed plans for introducing its other carriers to the Standards-based approach. One such market was fast tracked when, in negotiating its own reinsurance program for 2010, found it needed a significantly greater amount of detail on property risk and premiums than it had been collecting. Frank Cowan Company suggested use of the same premium reporting Standards (which allow for property underwriting and exposure detail) that had been put into production with Temple. After a few modifications to its own systems, the second carrier was able to receive the transactions, and satisfy its reinsurance reporting requirements.

Future

Temple Insurance and Frank Cowan Company are now actively promoting the use of Standards with other business partners and are taking leadership roles in various ACORD committees and working groups to promote the approach and effect any needed changes to Standards that emerge from wider penetration.