ePlacing

Aon and Swiss Re Collaboration to Implement ACORD Placement and Post Placement

CARe Seminar June 2019, Bermuda

Swiss Re

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In this session you will learn about...

- The joint project between Aon and Swiss Re to operationalize the exchange of Placement and Post Placement messages: why we do it, the journey thus far, and the way forward

- Broader impact and benefit to other industry efforts including a newly established Ruschlikon ePlacing Community

01 Why We Do It

02 Journey Thus Far

03 Broader Industry Impact and Benefit

04 Way Forward

WHY WE DO IT

Our Industry is Evolving

We must advance rapidly to stay ahead...

Client Centricity

- Need better engagement...easier to do business with
  - Faster response times
  - More efficient...enhanced interoperability with increased quality of data

Market Opportunity

- Strong industry interest to quote, negotiate, and bind business digitally
- Placing platforms expanding...eliminate need for people to understand and interact with them

Operational Excellence

- E2E message flow
- Reduce manual processing and duplicate data entry
- Optimize process handoffs

Future Ready

- Global standards
- Stronger relationship and interconnectivity to client
- Enhanced capability to lead / partner for industry / technology change

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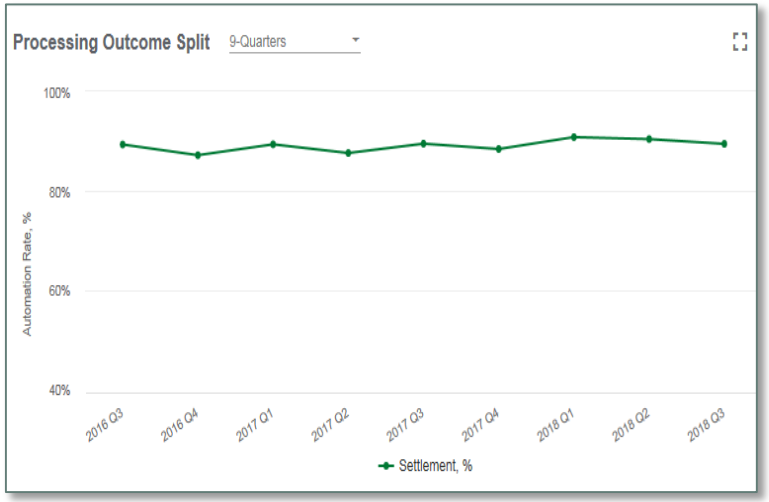
Messaging: Past Success – Automation of Routine Functions

CASH ALLOCATION

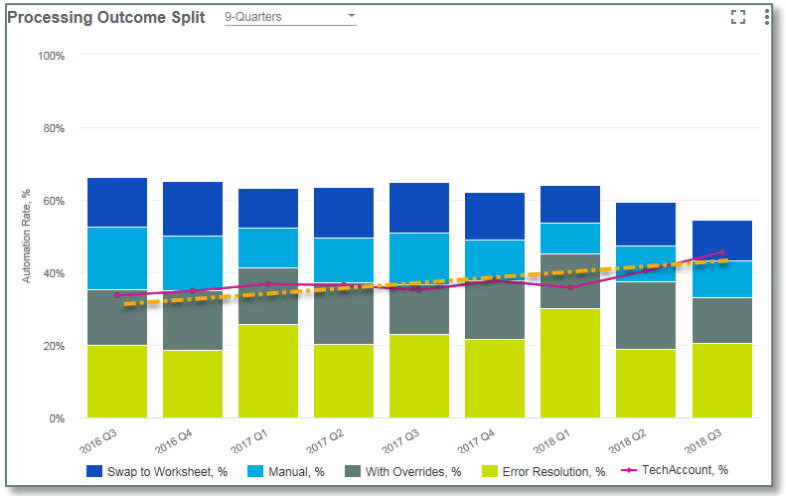
INFORMATION INPUT

EFFICIENCY

90%+ Financial Accounting (FA) message automation rate (no touch)



42% Technical Accounting (TA) message automation rate, increasing trend



TAT

FA msg. L4 Ack TAT:
95% within 3 days

TA msg. L4 Ack TAT:
Median: 1 day
3Q: 5 days

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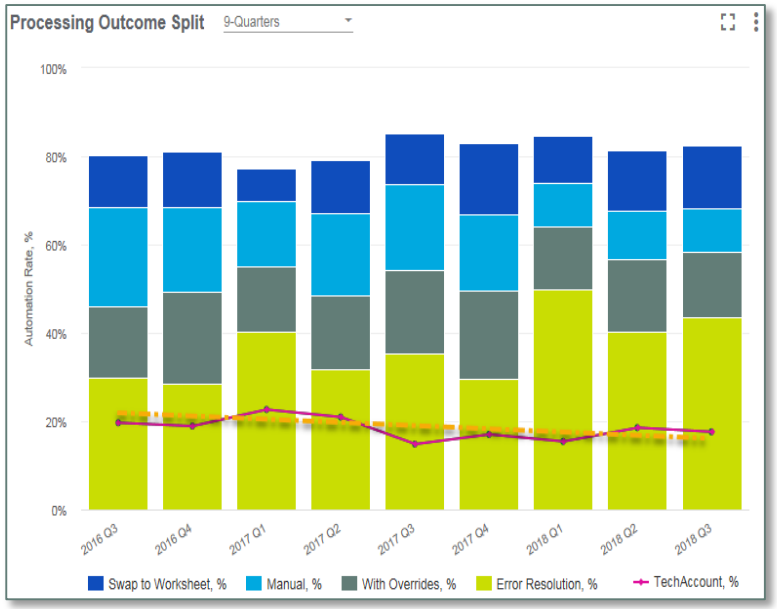
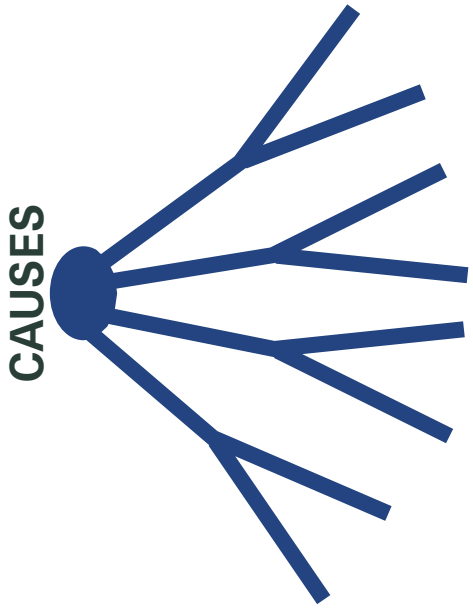
Messaging: Challenge - Further Extending Gains

PROBLEM

Message automation increases overall, but 1st messages don't automate as well as subsequent ones (less than 20% vs 40%). Expectation is higher automation rates overall (60%+)





Lack of consistent referencing (misaligned contract accounting sections)

Contract conditions set up differently

Solution

Post Placement Messages

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Vision

Digitisation & Automation of E2E value chain

- Maximize level of digitization by applying the ACORD standard and process along the full Reinsurance e2e value chain
- Make best use of the ACORD standard and process to enable straight through processing and increase people involvement in higher value activities

Global Processes and Standards for Placement and Post Placement

- Actively shape the development of ACORD industry standards & processes to enable global implementation for non-life reinsurance treaty and facultative
- Optimize process handshakes between ACORD message sender and receiver to minimize the message Turnaround time

Collaboration to Help Make it Happen

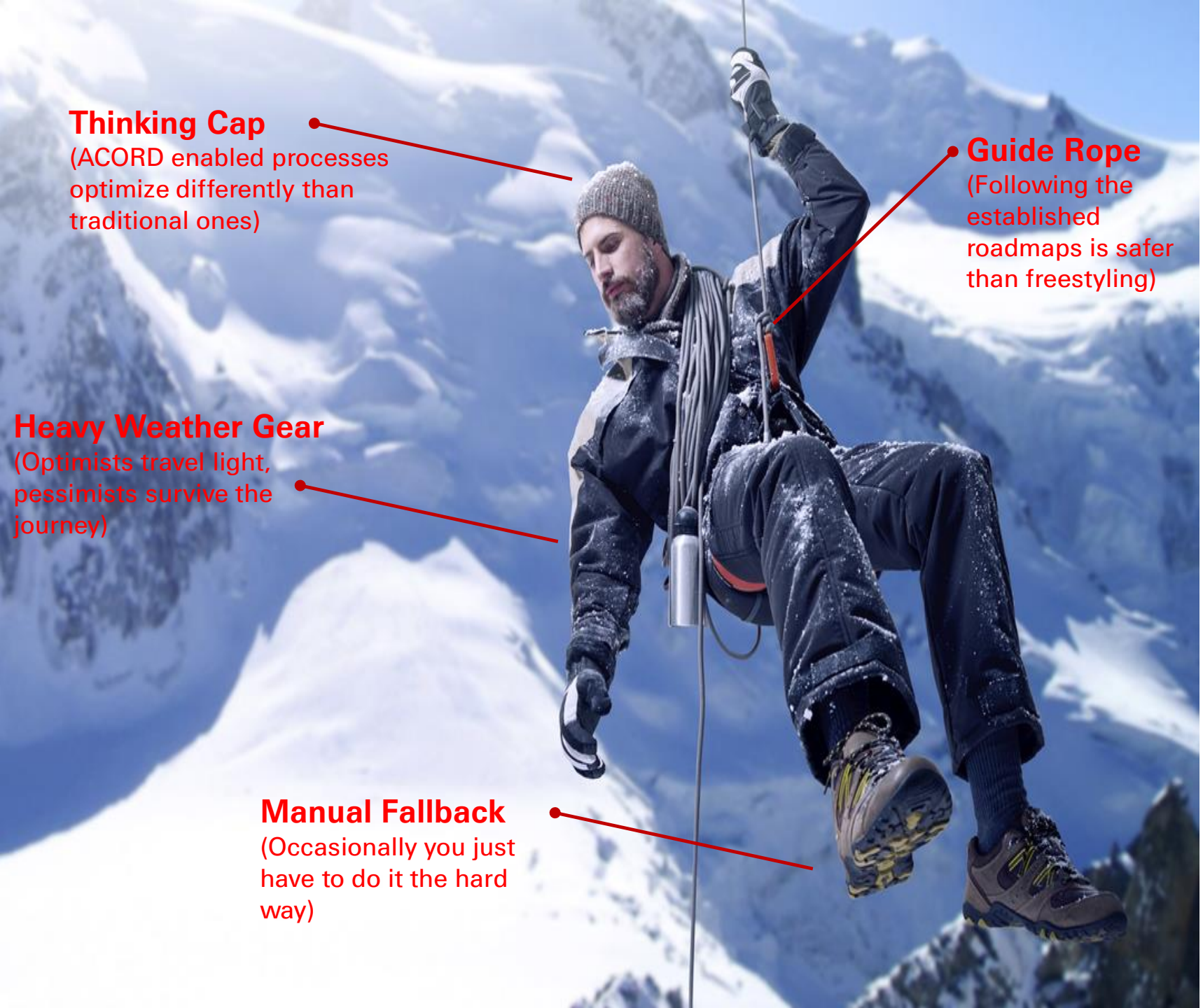
AON Empower Results®

ACORD

Ruschlikon POWERED BY ACORD

Swiss Re

JOURNEY THUS FAR



ACORD EXPLORER

The ascent can be arduous and you need the right equipment to succeed…

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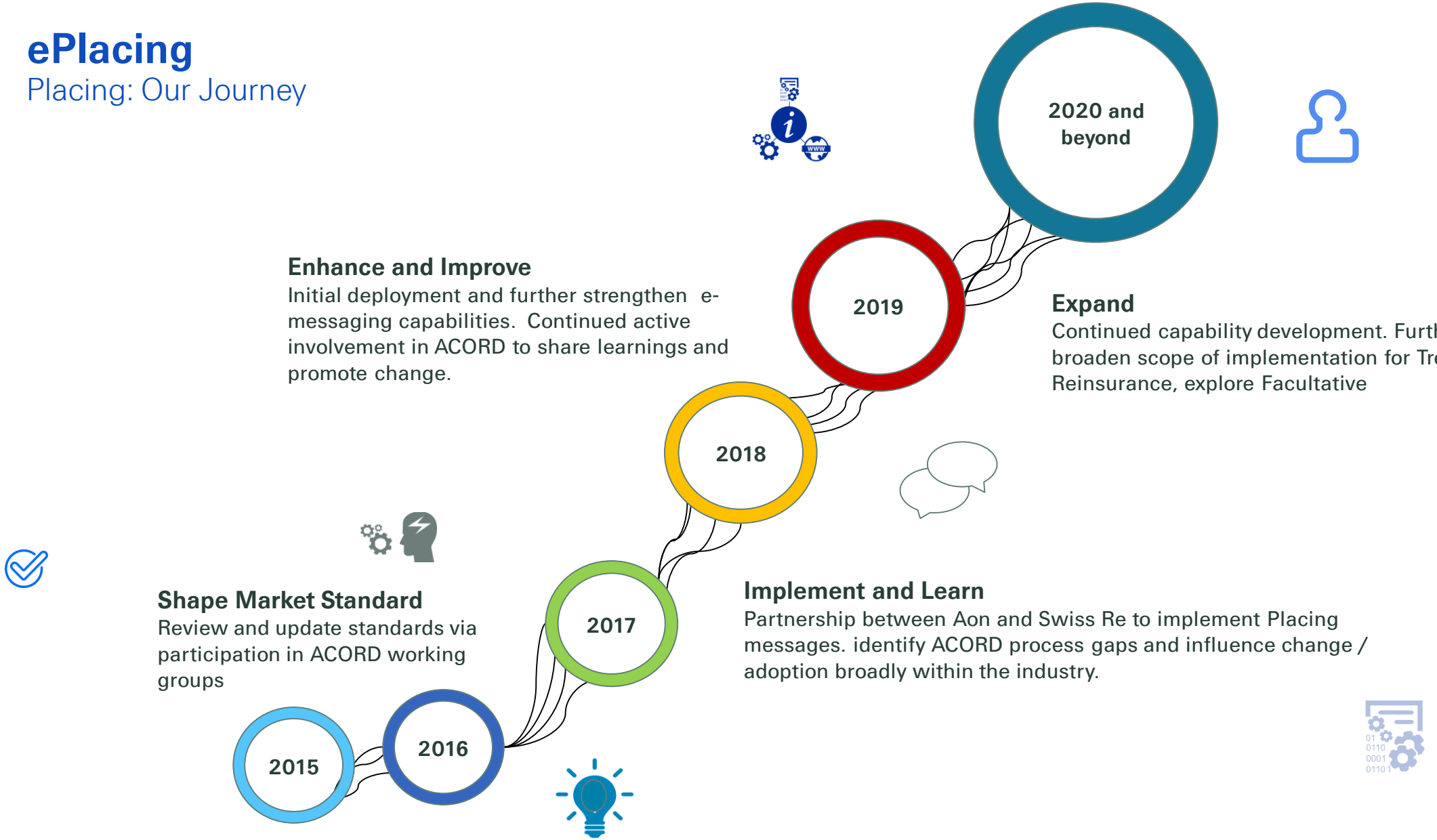
Placing: Our Journey



Shape Market Standard
Review and update standards via participation in ACORD working groups

Enhance and Improve
Initial deployment and further strengthen e-messaging capabilities. Continued active involvement in ACORD to share learnings and promote change.

Implement and Learn
Partnership between Aon and Swiss Re to implement Placing messages. identify ACORD process gaps and influence change / adoption broadly within the industry.

Expand
Continued capability development. Further broaden scope of implementation for Treaty Reinsurance, explore Facultative

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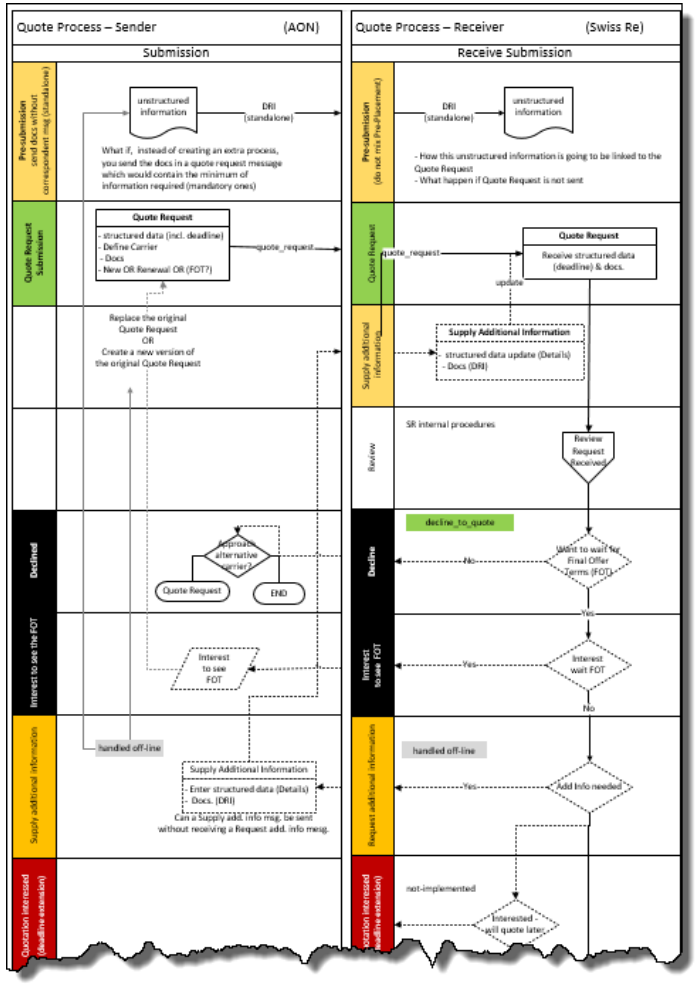
Placing: Phase I Development

SHARED PROCESS (PHASE I)



ACORD messages not included in Phase I

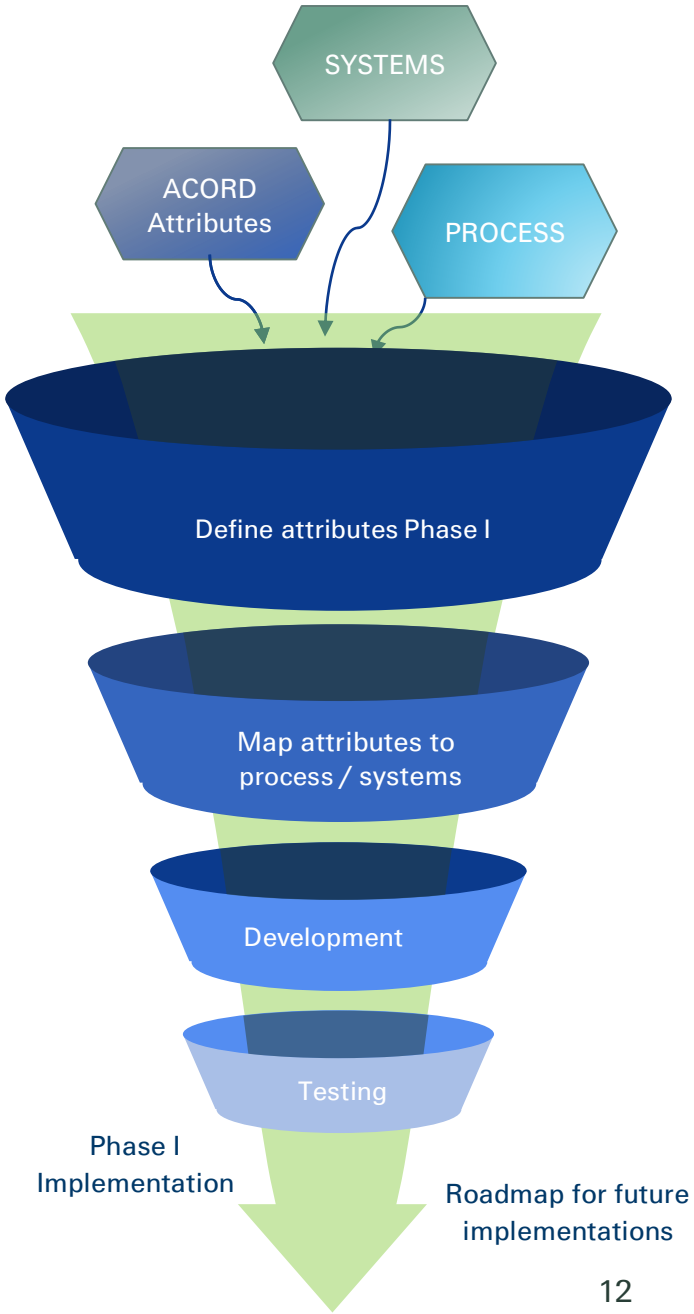
ACORD messages to be included in Phase 1

Process steps that align with day-to-day business, but are not specifically outlined in existing ACORD workflows

ACORD messages for consideration not to implement

ACORD PROCESS

Pre-Placement	Submission (build)
Placement	Quotation
	Order
Post Placement	Admin.



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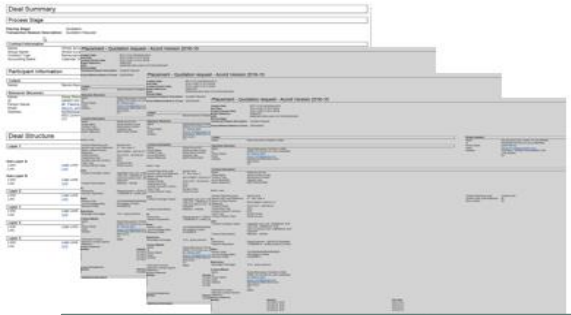
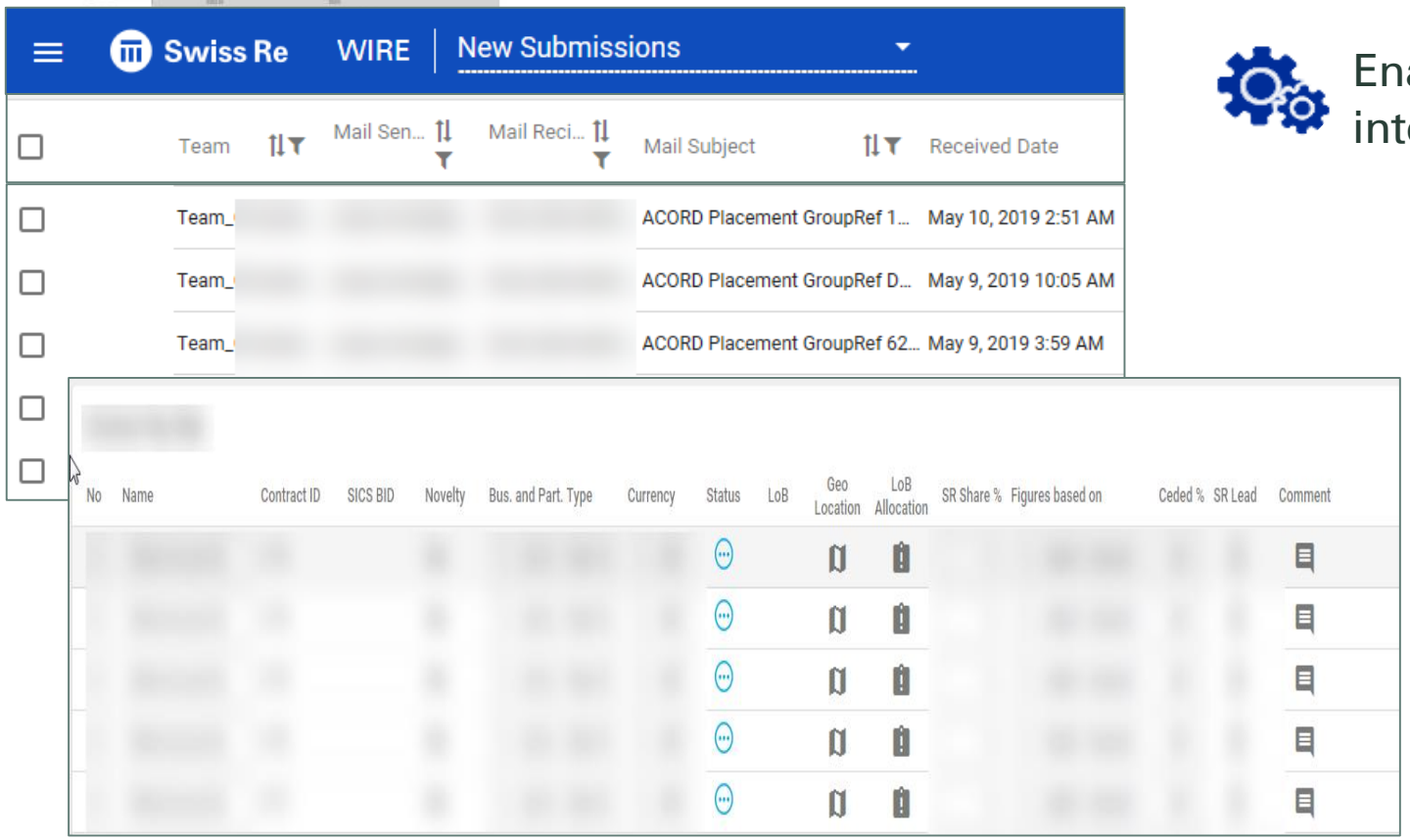
Placing: Phase I Development



First messages being received



Enables automation (ex: induction into process / systems)

Enhances efficiency, accuracy, and speed via consumption of message content

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Placing: Key Challenges / Learnings

Realization and shared understanding that automation comes at a setup cost

Build up ACORD expertise

(typically few experts lying around)

Phased approach... learning by doing

Maintain tight alignment with traditional process and supporting systems

Expectation management

(will take longer than expected)

Always with an eye toward full contract lifecycle (e2e)

Persisting references

Broader Industry Impact and Benefit

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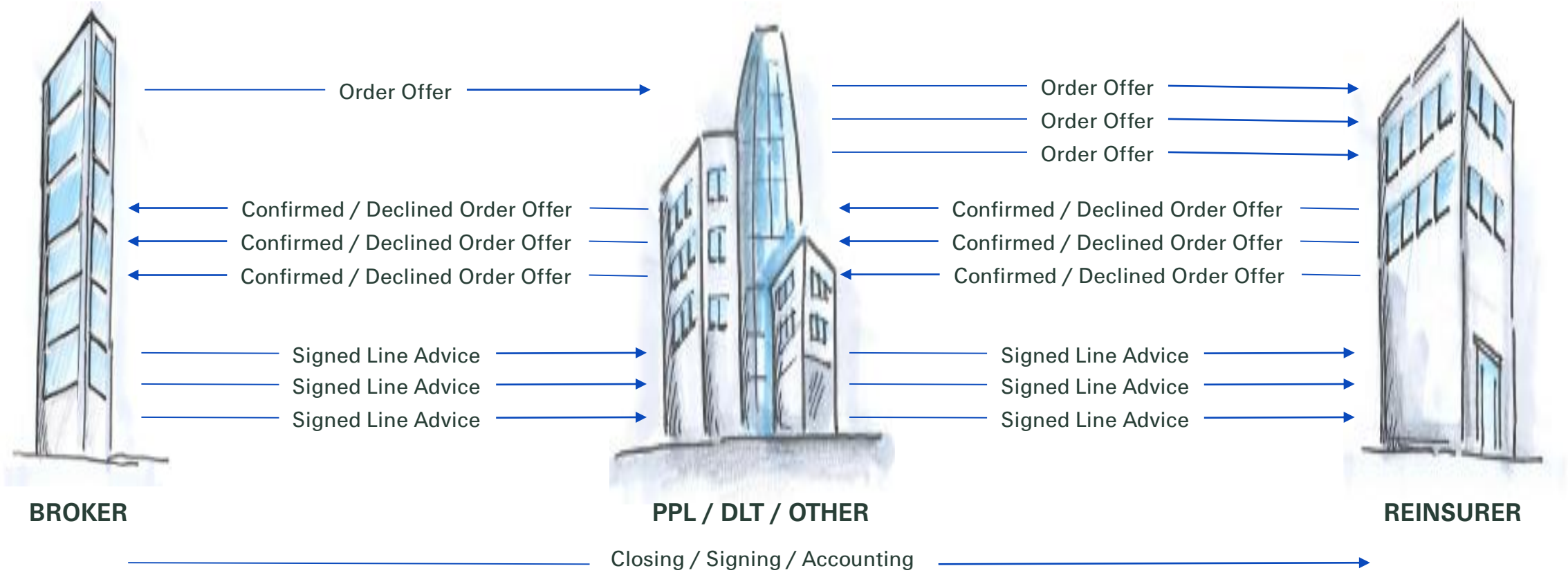
Placing: Other Initiatives



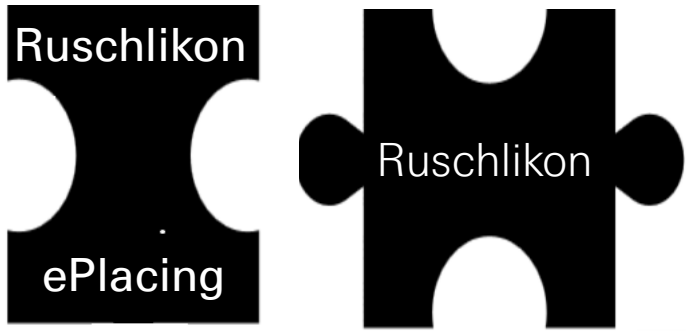
CONSISTENT ADVOCATE TO DRIVE ACORD STANDARDS ACROSS OUR INDUSTRY

Ruschlikon ePlacing

Missing Piece...Formation of an ePlacing Community

Overall Ruschlikon mission:

Reshaping the (re)insurance industry, through the design and implementation of processes that reduce operational cost and enhance client service.



The Ruschlikon ePlacing Initiative connects leading players of the (re)insurance industry to advanced electronic placement processes from submission to bind.

The Ruschlikon Initiative connects leading players of the (re)insurance industry to advanced back office processes such as technical accounting, claims and settlement.

Ruschlikon ePlacing

Current shape of ePlacing community

FOCUS		
short-term		long-term
Reinsurance	Industry	(Re)Insurance
Capture & quote	Process	Submission to bind
(Re)Insurers, Brokers	Members	Insurance Ecosystem
Placing Message	Format	Placing message Exposure/loss formats
yes when committed	New joiners ?	yes when committed

WAY FORWARD

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Placing: Onward!

- Continued development via joint project
  - Placement message capabilities and exchange
  - Grow and Refine Post Placement
  - Further expand coverage and automation
- Maintain strong engagement in other industry initiatives to support / influence development
  - Ruschlikon ePlacing
  - PPL
  - DLT (Blockchain)
  - Other

THANK YOU!

Q & A

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