

Ruschlikon

Global (re)insurance

Best Practice Guide

eAccounting and Claims

A consistent community approach to implementing the
ACORD Global Reinsurance and Large Commercial (GRLC)
message standards

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Introduction

ACORD and Ruschlikon

Faster cash, higher efficiency, better information, enhanced client service – the Ruschlikon Initiative enables leading players of the (re)insurance industry to implement advanced processes for risk placing, technical accounting, claims, and settlement using the ACORD Global Reinsurance and Large Commercial (GRLC) Standards.

Ruschlikon is a small town outside Zürich, Switzerland. Here, a group of pioneering (re)insurers and brokers agreed to a common vision for reducing back office frictional costs and streamlining processes for the (re)insurance sector by implementing global ACORD Data Standards together with an agreed set of business processes and rules. This initiative was named Ruschlikon in honour of its beginning.

ACORD is a not-for-profit standards organisation that has been working with the Global Reinsurance and Large Commercial Insurance industry to create electronic messaging standards since 2001. Today ACORD continues to maintain and publish these “Global Reinsurance and Large Commercial” (GRLC) standards for the industry and has a close working relationship with implementation communities such as Ruschlikon.

Purpose of the document

The purpose of this Global (Re)insurance Best Practice guide is to provide overall direction to cedents, brokers and (re)insurers on how to implement ACORD Global Reinsurance and Large Commercial (GRLC) XML messages globally. The document currently covers administration processes relating to claims, accounting and settlement administration. An extension of the guide to post-placement and ePlacing is planned in due time.

There is a separate Global Best Practice guide for ePlacing available, covering the Post-placement topic.

[Best Practice Guide \(Post-Placement\) v 1.0 \(acord.org\)](#)

The Global (Re)insurance Best Practice guide eAccounting and Claims is not intended to replace the content or terms or provisions detailed in any insurance or reinsurance agreement. It provides the context in which a set of electronic messages are to be exchanged to be compliant with Ruschlikon best practices.

ACORD Global Reinsurance and Large Commercial (GRLC) standards

ACORD GRLC standards implementation

The Ruschlikon community, jointly with ACORD, has produced a package of documents and assets that provide the overall guidance that Ruschlikon members need to follow. The main documents are:

- ACORD's EBOT Quick Reference Guide – [Documents accessible by ACORD members](#)
- ACORD's ECOT Quick Reference Guide – [Documents accessible by ACORD members](#)

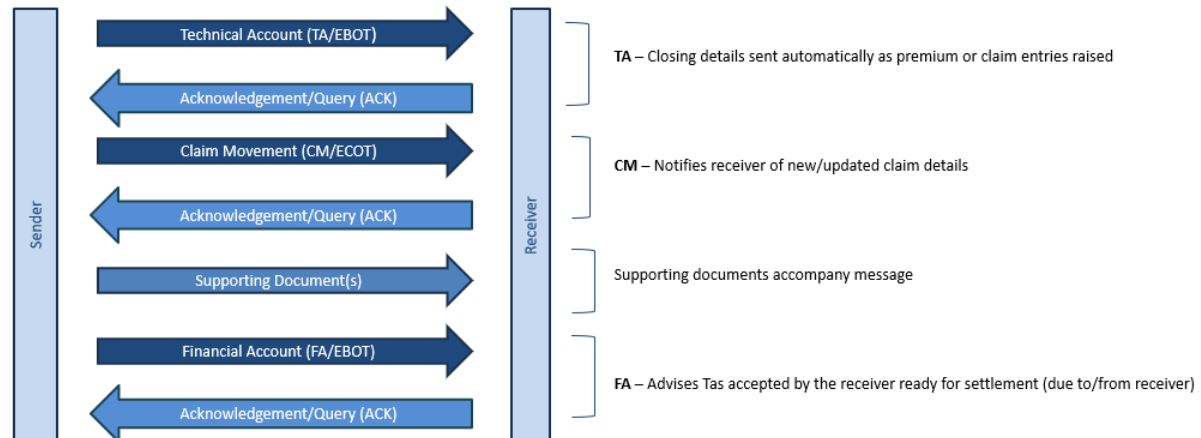
They provide details on

- How messages should be used, and their data content.
- Validation rules for data items within the messages.
- A full drill down into message flows and processes.
- How messages interrelate (e.g. cross referencing between related messages).

The [Ruschlikon-edeployment-guide may-2024-1.pdf \(acord.org\)](#) provides more information on how best to approach the Ruschlikon implementation.

ACORD Global Reinsurance and Large Commercial (GRLC) message types

For eAccounting and Claims, there is a set of four basic message types in use. Industry partners are keen to roll out with all message types as most benefits are seen when implementing the full message suite.



The four basic ACORD message types for eAccounting, Claims and Settlement

The four basic ACORD message types used for Accounting, Claims and Settlement are as follows:

- Technical Account - **TA/EBOT**
- Claim Movement - **CM/ECOT**
- Financial Account - **FA/EBOT**
- Business Acknowledgement and electronic 2-way query message - **ACK**

Usage of all message types for all business types constitutes a complete implementation. Some partners may agree to a partial or phased implementation.

ACORD validators provide a programmatic representation of the EBOT and ECOT requirements that can be used by implementers to check messages sent or received. These validators define individual element validation, including inter-element relations (Note: these validators check all ACORD coded items, but not external codes such as ISO country or currency codes).

Implementers should engage with ACORD to certify their message implementations prior to commencing live usage.

The Ruschlikon member community is committed to strict adherence to EBOT and ECOT rules and limitations, i.e. the sender is able to send, and the receiver is able to receive and acknowledge all types of EBOT and ECOT data fields. There are three types of data fields:

- Mandatory
- Conditional/Mandatory (i.e. mandatory under certain conditions)
- Recommended

Elements outside of EBOT and ECOT are not allowed. If new data items are required, they need to be raised with ACORD as part of the standard enhancement request procedure, which will feed into the standard upgrade mechanism for their solution.

Business validation acknowledgements (L4) to messages relate to mandatory and conditional/mandatory data items only. This means, unless agreed bilaterally, that the sender should not assume that the receiver processes and/or acts upon recommended elements nor should the receiver assume that the sender will provide such information.

For information about the ACORD test harness, please refer to [Testing & Certification \(acord.org\)](https://www.acord.org/testing-certification).

Document exchange standards

Supporting documents are exchanged alongside in either of below described ways:

- Document Repository Interface (DRI): This is an automatable method for document transfer and it is specified by ACORD. It allows the retrieval of supporting documents from the counterparty's document repository using DRI commands.
- Instream attachment: In this case the supporting document(s) are sent together with the business message and are attached in MIME parts 2 and following.

Whilst both methods for data transfer are widely used, the DRI method allows limitation of the document transfer between business partners to the required minimum.

ACORD GRLC standard version and future implementations

ACORD publishes updates to standards as and when requested by implementers. Ruschlikon contributes to the establishment of the versions to be used by implementers. The community follows the principles that only two versions are live at the same time (latest and previous). This opens a sufficiently large time window for implementers to upgrade to the most recent version.

The information on the current live version can be found on the ACORD website:

- ACORD's EBOT Quick Reference Guide – [Documents accessible by ACORD members](#)
- ACORD's ECOT Quick Reference Guide – [Documents accessible by ACORD members](#)

Ruschlikon community agreed guidelines

Security and confidentiality

Global Data Protection Regulation (GDPR) compliance is not inherent in the properties of data standards themselves, but in how they are applied. The methods of transporting and holding the data are required to observe GDPR regulations. It is the responsibility of the participating organizations to ensure compliance. It is highly recommended that data transportation is undertaken using established web security standards.

Outside Certificate Authorities will be used to provide sender and receiver authentication for exchange of messages in production between business partners. Messages transported over a public network must be encrypted. At a minimum, transport level encryption such as SSL must be used. All information in the XML messages is considered confidential. Messages are intended solely for the purpose of facilitating reporting requirements pursuant to the terms of the reinsurance contracts.

How to ensure interoperability amongst trading partners

Interoperability between trading partners

Implementers are able to build and maintain a globally compliant ACORD messaging and process capability which enables the roll-out of a single operational model with all current and future trading partners. As interoperability depends on functions provided by the ACORD standards, it is highly recommended for trading partners to participate in the discussion of ongoing standard enhancements by joining the Ruschlikon eAccounting and Claims Business Implementation Group (eA&C BIG) and/or by participating in the Ruschlikon Regional Implementation Group(s).

[BIG- eAccounting & Claims \(acord.org\)](#)
[Regional Implementation Groups \(acord.org\)](#)

Message version control

The Ruschlikon community has decided to maintain a limited number of live message versions. This makes implementations easier and reduces the cost associated with maintaining multiple versions. The community follows the principles that only two versions are live at the same time (latest and previous).

ACORD certification to lower onboarding time and costs

Certification of compliance with the Ruschlikon Best Practices and the related EBOT and ECOT standards is available from ACORD. Their Test Harness facilities are used to test an organisation's messaging capability as either message sender or receiver. Full certification is given by ACORD where it is demonstrated that an organisation's messaging capability is fully compliant.

Should an organisation only be partially compliant (example: they have not yet completed their internal systems build) a 'statement of capability' can be issued which explains the extent of their compliance.

The Ruschlikon Best Practice guide recommends that all trading partners are fully certified. Although testing with each trading partner is still required, the implementers are unlikely to encounter issues with the message design, the technical connectivity, the security and structure as all this has been tested during the certification process. This significantly speeds up the implementation.

A trading partner may choose not to exchange messages unless both implementing partners are ACORD certified.

Company internal system change/upgrade

If it is necessary for a sender or receiver to upgrade their internal system and/or data set(s) unrelated to a messaging upgrade (new system release, addition of new data fields to become/remain compliant with the Ruschlikon Global (Re)insurance Best Practice guide, etc.), the partners will work together to adequately test the system changes and any impact to messaging.

How to best manage business continuity

Disaster recovery process

Each business partner is responsible for its own disaster recovery process to ensure there is no significant interruption of message exchange.

The infrastructure of the trading partner is expected to work 24/7. Exceptions are scheduled maintenance windows or unexpected service interruptions. Whilst the maintenance windows will be communicated to trading partners in a timely fashion, unexpected service interruption must be solved as soon as possible.

In the event of a critical situation within the sender's or receiver's production system, it may be necessary for the sender or receiver to request an emergency change to messaging without the usual lead time for production changes. In this situation, the business partners should communicate the changes, and plan in appropriate testing, as soon as possible to ensure the change does not impact other conditions within the messaging environment.

As part of the implementation process, contact details of counterparts on sender's and receiver's side are exchanged.

[Ruschlikon-edeployment-guide_may-2024-1.pdf \(acord.org\)](#)

General recommendation for mail communication

If emails are exchanged, it is recommended to provide the following information for easy issue handling:

- Subject Line should be "ACORD XML Messaging". Details of issue should be provided in the body of the email, including the following specific information when possible:
- Trading Partner Company Identification
- Contact Name
- Contact Phone #
- UUID of message(s)
- Date of Transmission
- Type of message (Technical Account, Claim Movement, etc.)
- Specifics of issue:
 - missing transmission
 - apparent missing message
 - apparent duplicate message
 - request for retransmission of message(s) with reason
 - other specific issue (explained)

Recommended processing times

The Ruschlikon community agreed recommended processing times for different types of transactions. The indicated number of days relates to business days (not calendar days). Implementing business partners may agree other timelines during the actual implementation process, especially for the financial handling.

[ruschlikon-edeployment-guide_may-2024-1.pdf \(acord.org\)](#)

Nothing in this document will override specific targets laid out in insurance/reinsurance contracts, policies, wordings or in legal agreements in place between trading partners. Organizations should strive to maintain the processing times, but trading partners are asked to adopt a sympathetic approach if the performance dips temporarily.

Use case	Frequency	Pre-condition Sender	Follow-up action Receiver	Comments
1. Technical Account (TA/EBOT)	Continuous	Placing (via messaging or out of band) completed and reference ID available	Receiver of TA messages to send 'business validation level' (L4) ACK message (Accept or Query) within <u>10 days</u> of receipt	Separate per contract, contract period, line of business and currency
2. Query (ACK) – Initial query, query response, query follow-up (Chaser), Holding	Continuous	TA received and validated	Receiver of L4 'query' ACK message to respond to the query within <u>5 days</u> of receipt	The meaning of the business validation level query or acknowledgement is defined in the EBOT and ECOT guides.
3. Financial Account (FA/EBOT)	Weekly	Respective TA positions positively acknowledged	Acknowledgement of business content (L4): Accept or Reject within <u>3 days</u>	Not applicable for the 'settlement advice' FA flow.
4. Acknowledgement of FA (ACK)	Weekly	FA received and validated	Respond to/Rejection within <u>3 days</u> of receipt	A business level query or ACK message does not imply any level of acceptance of

				that business transaction by the receiver of the corresponding FA message. Rejections have to carry a meaningful text and relate to individual FA items.
5. Claims Movement (CM/ECOT)	Continuous	Placing (via messaging or out of band) completed and reference IDs of contract and claim available	Acknowledgement of business content (L4): Accept or Query within <u>10 days</u> of receipt.	The meaning of the business validation level query or acknowledgement is defined in the EBOT and ECOT guides
6a. Cash Call/Special Settlement	Part of weekly FA	Same as 1-4 above	Same as 1-4 above	Should be the normal case with scheduled FA processing
6b. Cash Call/Special Settlement	For urgent cases: TA (with or without FA)	Placing (via messaging or out of band) completed and reference ID available	Acknowledgment of TA, payment within delays as stated in orig. contract.	Usual payment condition in reinsurance contracts for Cash Calls is between 5 and 10 days. Such cases should be excluded from regular FA. The bank advice must be cross-referenced to the TA.
7a. Premium Payment Warranty (PPW) or other urgent premium payment/Special Settlement	Part of weekly FA	Same as 1-4 above	Same as 1-4 above	Should be the normal case with weekly FA processing. A separate sender/receiver agreement may state that the PPW is deemed met when the

				amount is included in the FA before or on the warranted day.
7b. Premium Payment Warranty (PPW) or other urgent premium payment/Special Settlement	For urgent cases: TA only without FA (and with immediate payment)	Placing completed and reference ID available	Acknowledgment of TA	Such cases should be excluded from regular FA. The bank advice must be cross-referenced to the TA.

Time Period For Rejecting messages Due To Non-Arrival of Related Messages

The EBOT and ECOT guides specify that certain related messages (e.g. messages linked by use of grouping references, and TechAccount / ClaimMovement messages that are linked using cross reference/s) are rejected if all expected messages have not been received within a time period agreed between business partners. For Ruschlikon community members this time period will be 8 hours.

Implementation guidelines

Ruschlikon eDeployment guide eAccounting & Claims

The Ruschlikon community has established the Ruschlikon eDeployment Guide to inform industry partners of the steps required to prepare for a successful roll out with eMessaging using the ACORD GRCL Data and process standards.

[Ruschlikon-edeployment-guide_may-2024-1.pdf \(acord.org\)](#)

Options for financial handling of outstanding balances during the transition phase

When shifting from traditional to message based reinsurance administration, the parties will have outstanding balances for traditionally processed accounts and await financial handling. The business partners will establish a plan on how to proceed with the booked but not settled balances.

There are two options:

- Leave outstanding accounts out of the electronic process
Only new accounts, processed via TechAccount messages, will appear in subsequent Settlement messages. Outstandings from non-message handled accounts will be settlement via the former process. For a runoff period, sender and receiver will have to support both processes for financial handling.
- Include both, outstanding paper accounts and new electronic accounts in Settlement messages
Only new accounts are processed via TechAccount messages. In the Settlement messages, both outstanding paper accounts and new electronic accounts are processed together. Settlement items relating to outstanding paper accounts may be more difficult for receivers to reconcile the original accounting entries in their systems. The referred Tech Account UUID won't exist for paper accounts, and it shows as all 9s. The referred Tech Account sender reference must be provided (which may aid the receiver in matching back to original accounting entries).

Impact on transactions in progress when partners move to a new ACORD GRLC message version

When messaging partners move to the next ACORD GRLC Standard version, it is recommended that all messages use the new version. It needs to be ensured that pending transactions are completed following the new standard.

The trading partners will jointly work on the successful version upgrade.

Concluding remarks

There are clear business benefits to being involved with the Ruschlikon initiative. Ruschlikon is a committed community of brokers, carriers, and reinsurers (and their vendors), all striving towards the reduction of back office frictional costs and streamlining processes for the (re)insurance sector by implementing global ACORD Data Standards together with an agreed set of business processes and rules.

There is governance in place, and the standards employed are mature and stable – i.e. the initiative is already set up with partners end points in place.

[Link to Ruschlikon Adoption Directory \(RAD\)](#)

Onboarded practitioners from the various industry partners, organised in regional implementation groups, are committed to share their wealth of experience with more recent joiners and prospective Ruschlikon members and provide support on your eMessaging journey.

Please do reach out to contact@ruschlikon.com for any assistance or get in contact with your closest regional implementation group chair(s): [Regional Implementation Groups \(acord.org\)](#).

Other Useful Resources

ACORD Test Harness

[Login \(acord.org\)](#)

[Testing & Certification \(acord.org\)](#)

Useful information concerning Ruschlikon

- [What is Ruschlikon?](#)
- [How does Ruschlikon achieve these benefits](#)
- [Ruschlikon Case Studies](#)
- [Link to Ruschlikon Adoption Directory \(RAD\)](#)
- [Regional Implementation Groups \(acord.org\)](#)
- [Engaging with Ruschlikon – Selecting Technology Options and vendors](#)
- [Ruschlikon-edeployment-guide may-2024-1.pdf \(acord.org\)](#)
- [Best Practice Guide \(Post-Placement\) v 1.0 \(acord.org\)](#)