



Standards Programs

General Guidelines & Procedures

Effective Date:

April 4, 2018

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1 Welcome

1.1 Your participation is an essential part of the industry standards-setting effort, because the process requires collaboration and consensus. These general guidelines & operating procedures (“Guidelines and Procedures”) are intended to provide you with a general overview of the process and not address all aspects of the ACORD Standards Programs.

1.2 ACORD standards (“Standard(s)”) are developed by consensus across a specified industry community having an interest in a particular type of Standard. Standards are used for the exchange of data/information, and include electronic and paper forms, as well as computer code.

1.3 Standards do not include items such as utilities, tools, best practices, methodologies or software used for the development or implementation of the Standards. For example, the ACORD Reference Architecture is a highly sophisticated tool for modeling the business of insurance. While it is useful for the development, enhancement and implementation of Standards, in itself it is not a Standard and is not subject to these Guidelines and Procedures.

1.4 All activities related to the ACORD Standards Programs are governed by the policies and procedures prescribed by the ACORD Board of Directors (“Board of Directors” or “Board”), as well as the terms of your contract(s) with ACORD (collectively, the “Rules”).

1.5 ACORD management is responsible for the administration of the ACORD Standards Programs and will expand upon these Guidelines and Procedures with more detailed methods and procedures as required to carry out these directives. Suggestions for improving the process are always welcome.

1.6 These Guidelines and Procedures are not subject to change by any council or group (sometimes collectively referred to as “Committee(s)”) except the Board of Directors.

2 ACORD Mission

2.1 ACORD is a global nonprofit industry-funded association organized in 1970 to provide Standards for the insurance industry, in order to remove the technical barriers to open trade.

2.2 ACORD provides the structure and process by which constituents in the insurance value chain work cooperatively to develop Standards.

2.3 ACORD’s mission is to preserve the high quality of the Standards developed, in order to optimize and preserve the competitiveness and efficiency of the insurance value chain and its members.

2.4 The Standards:

- Reduce the cost of doing business
- Connect trading partners efficiently
- Integrate disparate data stores
- Enhance data quality and transparency
- Improve customer service
- Advance the ease of doing business
- Speed product development
- Provide access to markets and partners globally

3 Core Values

3.1 The Standards are voluntary and developed by consensus to satisfy Members worldwide. Therefore, participants in the Standards process must:

- Understand, serve and anticipate market needs
- Encourage maximum participation and collaboration of all relevant parties
- Participate in Standards development exclusively within the ACORD organization and comply with its Rules

4 Vision of Excellence

4.1 To be the preferred standards used for all lines of business across the industry value chain for internal and external system integration.

4.2 To be the industry resource for harmonization of related vertical and horizontal Standards.

4.3 To be recognized as having a world-class standards-setting delivery platform and process for the development, certification and ongoing enhancement of global Standards.

4.4 To deliver Standards on a timely basis without compromising quality.

4.5 To provide Members with a wide range of tools and services to assist them in (a) developing a Standards-enabled strategy, (b) simplifying the process of adoption and implementation and (c) quantifying and maximizing return on their IT investments.

5 Antitrust Compliance

5.1 The ACORD Standards Programs are conducted in a manner that complies with the letter and spirit of applicable antitrust laws. Compliance guidelines are set forth in ACORD's Antitrust/Competition Law Policy included as Appendix 1 of this document.

5.2 The antitrust policy states that all interested parties have an opportunity to express their views on proposed Standards and that no participant shall seek adoption or modification of a Standard for the purpose of excluding the products of competitors from the market. No participant shall use any ACORD Standards Program to restrain competition and any discussion of competitively sensitive subjects is prohibited.

5.3 Any actual or suspected violation of the ACORD Antitrust/Competition Law Policy should be brought to the attention of the ACORD Corporate Secretary. Serious, intentional violations will result in loss of the right to participate in the ACORD Standards Programs.

6 Conflicts of Interest

For purposes of compliance with antitrust and other applicable laws, the Office of the Corporate Secretary may require participants in the standards-setting process to disclose information on ownership, corporate affiliations, sales of products or services to which Standards apply, and other matters relevant to the standards-setting process.

7 Standards Enhancements

7.1 Any then-current member of an ACORD "membership program," "associate membership program" or "forms pool program" listed in Section A of ACORD's Terms of Program Membership ("Member(s)") may submit a request for a new Standard or revision to an existing Standard (each, a "Standards Enhancement"). Standards Enhancements must be in writing, and submitted to ACORD on the template and through the process it establishes. ACORD staff ("Staff") are available to direct Members to the templates and assist with the submittal process.

7.2 The submission template must be fully completed prior to submitting it to ACORD. The business case must be defined, issues researched, impact considered (including the requester's recommendation on the geographical area and subdomain(s), domain(s) or cross-domain(s) affected), documentation provided and a solution proposed.

7.3 All Standards Enhancements must have a Member sponsor or be submitted by Staff. All requests must be acted upon by Staff and, where applicable, the appropriate Program Advisory Council (defined below) as follows:

7.3.1 All Standards Enhancements are logged and posted.

7.3.2 Staff will determine if the need described in the Standards Enhancement is already met by an existing Standard. Staff will also consider the number of organizations likely to be impacted, whether and when the proposed new or revised Standard, if accepted, would be used in an implementation, as well as the resources needed to complete the request.

7.3.3 Staff may decline Standards Enhancements that were previously submitted and declined, if no new and material information is provided. Staff may also decline Standards Enhancements if the need is already met by an existing Standard; if the proposed revision or new Standard would not likely result in significant and/or timely implementation; or if there are insufficient resources to efficiently and effectively evaluate,

or complete the work required to implement changes reflected in, the Standards Enhancement.

7.3.4 Staff may submit accepted Standards Enhancements to Ballot Review Sessions and ACORD membership vote, or to a Program Advisory Council (described below), with or without a recommended approach.

7.3.5 Accepted Standards Enhancements are prioritized by ACORD management. Staff will follow Standards Enhancements through the process until resolved.

7.3.6 Notwithstanding the foregoing provisions of this Section 7.3, Standards Enhancements and other proposed changes to Standards that: (a) are based on law, regulation, or regulatory body bulletin or opinion; (b) would correct but not fundamentally change the intent/structure/design of a Standard; (c) would enhance the clarity of a Standard; and/or (d) would add additional codes to an existing code list, may each be considered by Staff and, if accepted, the resulting new or revised Standard may be released without submitting it to a Ballot Review Session (defined below) or vote. Declination of such Standards Enhancements will be for a reason described in Section 7.3.3.

7.4 Unless declined by the Staff or a Program Advisory Council (using the same criteria and process described in Sections 7.3.2 and 7.3.3), a Standards Enhancement may only be withdrawn by the Member submitting it. The notification of withdrawal must be in writing and received by Staff or the Program Advisory Council to which it was assigned, in either case prior to voting on the request.

8 Program Advisory Councils

8.1 A Program Advisory Council (“PAC(s)”) offers expertise and otherwise assists in the development and delivery of Standards to its community of industry participants. The PACs shall, where necessary, allocate work to smaller groups with specialized skills to facilitate decision making, make better use of the participants’ time and, wherever possible, reduce the elapsed time to create/update Standards. The PACs shall work with ACORD Staff and management to maintain

openness, fairness and integrity of the ACORD Standards Programs.

8.2 ACORD management determines the domain, cross-domain or subdomain of each PAC; and aligns resources within and across domains, giving consideration to industry demand, concurrent ACORD initiatives, any advice received from PACs and other appropriate factors.

8.3 Each PAC shall have a Chair, who shall be an ACORD director- or manager-level Staff member responsible for the related Standards program, and may have one or two Vice Chairs appointed by the Chair from members of the PAC. The Chair keeps the proceedings on time; ensures that action items are assigned and target dates established; and facilitates discussion while also expressing the Chair’s own views. The Vice Chair assists the Chair, and performs the Chair’s duties in his or her absence during scheduled meetings. The Vice Chair(s) serve one (1) year terms, without limit.

8.4 Each PAC will have members who are elected by the Board from candidates selected by ACORD management. Such candidates must be, or be staff of, then-current ACORD Members that are entitled to vote on ACORD corporate governance matters. The Board and management will consider each candidate’s ability to competently perform the duties, and devote the time, required of the position, and will also consider whether the candidate enhances the knowledge base of the relevant PAC.

8.5 PAC Chairs may invite third parties to designated meetings in order to obtain feedback and benefit from their expertise. Such invited participants do not vote on PAC matters.

8.6 All members of a PAC, except for its Chair, serve one or more consecutive one (1) year terms, without limit. Those appointed to fill a vacated seat will complete the unexpired term of the vacating PAC member. Notwithstanding the foregoing, each PAC member’s term will expire immediately if he or she ceases to be an ACORD Member entitled to vote on ACORD corporate governance matters, or a staff member thereof.

For the avoidance of doubt, PAC Chairs do not have term limits.

8.7 No member of a PAC shall be employed by or have direct line responsibility for any provider of software products or services. All members of a PAC shall disclose, in writing, to the ACORD Corporate Secretary if they (a) are employed by, or have a personal financial interest in, any vendor that might be affected by ACORD Standards, or which sells or distributes products or services to which ACORD Standards apply; (b) are employed by, or have a personal financial interest in, an entity having an affiliation with a vendor of software products or services; (c) are employed by, or have a personal financial interest in, a vendor (1) of products or services sold to or distributed by ACORD or which are or will be the subject of contractual negotiations with ACORD or (2) that sells products or services that compete with products or services sold or distributed by ACORD; or (d) serve as a consultant to any vendor or entity described in this Section.

8.8 Each PAC receives Standards Enhancements that Staff forwards to it for evaluation. PACs address each such Standards Enhancement directly (with or without the aid of one or more Industry Liaisons or Advisory Groups), or forms a Standards Project Group (defined below) to address it. After evaluating each Standards Enhancement, and to the extent that it is not declined, PACs shall submit the Standards Enhancement, along with a recommendation, to a Ballot Review Session (defined below) and ACORD membership vote.

8.9 Each PAC shall meet in person or by teleconference as required. A PAC member can designate an alternate to attend and vote in place of such member, provided that the alternate is: (a) limited to attending not more than three (3) meetings during the member's then-current term; (b) is the same individual in each instance during the then-current term; and (c) the PAC member and alternate are staff members of the same ACORD Member entitled to vote on ACORD corporate governance matters. Members of a PAC are required to attend two out of every three consecutive PAC meetings. Failure to do so may

result in removal from the PAC at the discretion of the Board.

8.10 Written minutes shall be taken at each PAC meeting, and shall be presented at a subsequent meeting of the group to allow insertion of changes, if any, for proper reflection of the prior meeting's proceedings, and approval.

9 Industry Liaisons

9.1 Each PAC may have one or more Industry Liaisons (defined below) participate in its deliberations in a non-voting capacity.

9.2 An Industry Liaison is an individual representing a trade association or other industry-related entity with constituents having an interest in, and that are affected by, ACORD Standards.

9.3 Applications to become Industry Liaisons are submitted to Staff. Industry Liaisons serve at the pleasure of the PAC. Notwithstanding the foregoing, ACORD management must first approve, and may subsequently revoke approval for, each Industry Liaison appointed by a PAC.

9.4 An Industry Liaison can designate an alternate liaison from the same entity, but only one individual liaison from an entity can attend any given PAC meeting.

10 Advisory Groups

10.1 An Advisory Group provides expertise or otherwise assists in the development of Standards.

10.2 Each PAC may establish Advisory Groups for specific, documented reasons, with specified and reasonable start and end dates. The PAC shall also define the participants who will be asked to participate in each Advisory Group.

10.3 Each Advisory Group reports to the PAC that established it.

10.4 ACORD management must approve the formation of all Advisory Groups, and its participants. ACORD management may discontinue Advisory Group operations or revoke approval of individual participants.

10.5 Only Staff, members of the PAC that established the Advisory Group, and those individuals approved and appointed to serve on an

Advisory Group may regularly participate in Advisory Group activities. However, an Advisory Group may open its meetings to others for discussion of specific topics when it deems it appropriate.

10.6 Each Advisory Group concludes on the end date set forth in its charter. Advisory Group participants do not otherwise have terms.

10.7 Minutes shall be taken at each Advisory Group meeting, and shall be presented at a subsequent meeting of the group to allow insertion of changes, if any, for proper reflection of the prior meeting's proceedings, and approval.

11 Standards Project Groups

11.1 Standards Project Groups ("SPG(s)") are convened to address issues that are too complex to be dealt with by a PAC.

11.2 The PAC establishing an SPG shall provide ACORD management with the written charter for the proposed SPG, defining the topic and scope to be addressed by it. The scope must be clear, with a specified and reasonable start and end date, as well as clear and reasonable deliverables, anticipated resource needs and anticipated available volunteers. ACORD management must approve each SPG prior to its first meeting, and may take subsequent action necessary to align resources and prioritize workflow.

11.3 Each SPG may clarify its charter only for the purpose of removing ambiguity or for narrowing the scope of the topic defined by the charter. An SPG may not broaden or otherwise change its scope, with any proposed changes requiring prior approval from the PAC that established it, as well as from ACORD management.

11.4 SPG participation is open to any interested party that is a then-current Member, or staff thereof, subject to any criteria for participation adopted by ACORD management. In all cases, individuals who volunteer need to have an interest and the skills required to address the work.

11.5 All SPGs must have a Chair either appointed by the PAC and ACORD management, or selected by a majority of the SPG participants and approved by the PAC and ACORD management.

The role of SPG Chairs is to work with Staff to set agendas and otherwise prepare for meetings; keep the proceedings on time; ensure that action items are assigned and target dates established; and facilitate discussion while also expressing the Chair's own views. Chairs must have the leadership and meeting facilitation skills required to manage group activities. SPG Chairs are required to attend three out of every four consecutive meetings. Failure to do so may result in forfeiture of the Chair by the PAC that appointed or approved the Chair, or by ACORD management.

11.6 Each SPG concludes on the end date set forth in its charter. SPG participants do not otherwise have terms.

11.7 At least five (5) Member organizations must serve on each SPG.

11.8 SPGs shall meet in person or by teleconference as often as required to accomplish the work assigned. SPG members that are absent from two (2) consecutive meetings of an SPG will be removed from the SPG member list, subject to reinstatement by Staff. SPG members will also be removed from the SPG member list to the extent that they cease to also be Members, or staff thereof.

11.9 Only Staff, members of the PAC that established the SPG, and those individuals serving on an SPG, may regularly participate in that SPG's activities. However, an SPG may open its meetings to others for discussion of specific topics when it deems it appropriate.

11.10 The PAC that established the SPG is responsible for managing its progress, imposing deadlines and modifying or changing deliverables expected.

11.11 Minutes of each SPG meeting shall be presented at a subsequent meeting of the group to allow insertion of changes, if any, for proper reflection of the prior meeting's proceedings, and approval.

12 Committee Quorum and Voting

12.1 Approval by a Committee of a Standards Enhancement, or a decision by a Committee on an

appeal of an ACORD Standards Enhancement membership vote, shall be by a majority of the membership of such Committee. Any other action taken by a Committee shall be decided by simple majority vote of those present, provided that a quorum is in attendance for the vote.

12.2 A quorum of any Committee shall consist of a majority of the membership of the Committee.

12.3 No ACORD Member organization is entitled to more than one vote.

12.4 Notwithstanding Sections 12.1-12.3, if staff of the same ACORD Member organization, or Member organizations under common ownership or control, participate on the same Committee, all such organizations in the aggregate will be counted once for quorum-calculation purposes in that Committee, and will share one vote in that Committee.

12.5 Voting results shall be accurately reflected in the minutes of the meeting during which the vote occurred.

12.6 For the avoidance of doubt, Section 14, and not this Section 12, addresses the process for ACORD membership voting on Standards Enhancements.

13 Ballot Review Sessions

13.1 The purpose of a Ballot Review Session is to provide a forum to inform Members concerning issues related to Standards Enhancements prior to an ACORD membership vote.

13.2 Background materials will be distributed to all participants in advance of each Ballot Review Session.

13.3 To the extent Ballot Review Sessions are convened in person, they shall also be broadcast via teleconference or videoconference. A summary of the discussion at each Ballot Review Session, including a non-binding vote (if one is taken), will be attached to the pertinent ballot in the voting process.

14 ACORD Membership Voting

14.1 Approval of a Standards Enhancement by ACORD membership requires an affirmative vote

of three-fourths (3/4) of ACORD Member organizations that participate in the vote.

14.2 No ACORD Member organization is entitled to more than one vote on any Standards Enhancement submitted to ACORD membership.

14.3 If multiple Member organizations in ACORD under common ownership or control, regardless of their geographical designations, participate in the same domain (including participation in a subdomain of a particular domain or in a cross-domain housing that particular domain), all such organizations in the aggregate shall have only a single vote notwithstanding any other provision of this Section 14.

14.4 A Member organization must specify the domain, subdomain or cross-domain and the geographical area (e.g., global, regional or national) in which it has an interest in Standards or Standards Enhancements and identify the individual(s) authorized to vote on the organization's behalf.

14.5 Every Standards Enhancement will have a description of the designated voting community attached to it, consisting of a geographical area and/or of cross-domain, domain or subdomain(s). An ACORD Member organization will be eligible to vote on a Standards Enhancement if it is a member of the designated voting community. Staff will have the sole power to determine if a Member organization is a proper member of the designated voting community, subject to the appeals process described in Section 15.

14.6 All Standards Enhancement voting by ACORD membership must be conducted electronically and allow a minimum of seven (7) business days from the date the ballot is distributed to the deadline for casting votes. The purpose of electronic voting is to (a) provide a convenient vehicle for all eligible ACORD Member organizations to participate, (b) encourage as much voting participation as possible, (c) provide an easy method for the attachment of supporting documentation to the ballot, (d) maintain a record of all votes by name of organization, name of voter and vote cast, and

(e) enhance the overall efficiency of the voting process.

14.7 The electronic balloting system and procedures shall be developed, maintained and administered by ACORD management in a way that best serves the needs of ACORD participants and complies with procedures established by ACORD.

14.8 After the electronic balloting is complete, results and final tabulations are submitted for review and approval (of voting result accuracy) by (a) Staff (if no PAC was assigned to the underlying Standards Enhancement), or (b) the PAC to which the Standards Enhancement was assigned.

15 Appeals Process

15.1 In order to afford participants in a vote an appropriate opportunity for review of proposed Standards and changes to Standards prior to adoption, each PAC shall administer appeals for all Standards Enhancements within its domain.

15.2 For a ten (10) calendar-day period after the voting results have been released, any interested party that is an ACORD Member may appeal a vote to the appropriate PAC assigned by ACORD management.

15.3 Notices of Appeal must be submitted to the Office of the Corporate Secretary. ACORD staff will notify all participants in a vote that a notice of appeal has been filed. The appeals process does not include reporting of errors found in a previously approved Standard.

15.4 ACORD will convene an appellate hearing of the PAC (either in-person or a conference call) within thirty (30) days after receiving the notice of appeal.

15.5 Any participants in a vote wishing to attend the appellate hearing must, in advance of the hearing, notify the Office of the Corporate Secretary.

15.6 The PAC shall affirm the ACORD membership vote, or decision by Staff in the event of a challenge pursuant to Section 14.5, if it finds that it was in conformity with all legal and

procedural requirements, and not arbitrary and capricious.

15.7 After a hearing on an appeal, the PAC shall decide on the issues presented and issue a written statement of the reason(s) for its decision. Such decision shall be rendered within a reasonable period of time. ACORD will transmit the PAC's statement to all participants in the vote.

16 Standards Retirement

16.1 From time to time, ACORD management may: (a) no longer develop or accept Standards Enhancements for a Standard or portion thereof; and/or (b) cease providing support to organizations that implemented a Standard.

16.2 Prior to retiring any Standard, ACORD management will consider applicable domain, subdomain or cross-domain Member input.

17 Online Discussion Groups

ACORD uses online and email discussion groups to facilitate effective group communications among participants in the Standards development process. ACORD reserves the right to delete content that does not directly relate to the purpose of the group, is inconsistent with ACORD's Rules, or is otherwise inappropriate.

18 Volunteer Participation

18.1 Participants must abide by the Rules, including the ACORD Antitrust/Competition Law Policy (which is included as Appendix 1 of this document). In the interest of conducting efficient, effective and lawful Standards Programs, ACORD management may remove from Committees any participants that violate ACORD's Rules.

18.2 Participants are expected to engage in email and online discussions, meetings and teleconferences of their Committee assignment.

18.3 Volunteerism drives the standards-setting process. Therefore, participants who volunteer to actively serve on Committees are expected to be present during the meeting. A roll call will be taken at the beginning of every meeting and attendance records will be maintained. Efficient

and responsive ACORD Standards Programs require promptness and continuity of participation.

18.4 Participants are expected to cover all expenses associated with participation in the ACORD Standards Programs.

18.5 Chairs, Vice Chairs and members of each Committee whose work product is intended to contribute to the body of ACORD Standards shall commence and maintain their activities under the aegis of ACORD solely within its Standards development process pursuant to the provisions of this document.

18.6 While engaged in activities on behalf of ACORD, participants, regardless of their employment, are expected to perform in the best interest of ACORD and the insurance industry.

19 Copyright Assignment

19.1 The Standards are the sole property of ACORD and protected by ACORD copyrights.

19.2 Each person (natural and legal) participating in the development of any Standard, agrees that by virtue of his/her/its participation, he/she/it and his/her/its employees will acknowledge and respect the Standard as the copyrighted work(s) of ACORD.

19.3 Furthermore, participants agree not to challenge ACORD's sole and undisputed copyright in such Standard and to cooperate with and assist ACORD by taking such further action as requested by ACORD that may be reasonable to perfect ACORD's sole ownership of all copyrights in ACORD Standards.

19.4 It is ACORD's policy to encourage the widest possible use of its Standards subject to copyright protection designed and enforced to prevent unauthorized modification of an ACORD Standard.

20 Code of Conduct

20.1 As participants in the ACORD Standards Program, we all accept the personal obligations of our professions and commit to serve the best public interests. In so doing we do hereby commit

to the highest of ethics and professionalism and agree:

20.1.1 To treat everyone fairly and respectfully;

20.1.2 To respect the rights of privacy for all participants;

20.1.3 To avoid actual or perceived conflicts of interest, and to disclose conflicts to ACORD when one does exist;

20.1.4 To comply with antitrust and other applicable laws;

20.1.5 To maintain focus on agenda items distributed by ACORD for Committee meetings;

20.1.6 To seek, accept and offer honest assessments of technical work to acknowledge and correct errors;

20.1.7 To refrain from intruding on administrative issues that are the responsibility of ACORD management or Staff;

20.1.8 To conduct all communications within the generally accepted framework of courtesy and civility; and

20.1.9 To encourage all to follow this code of conduct.

21 Glossary

ACORD Reference Architecture - A series of interrelated assets designed to make the process of standards development more efficient.

Cross-domain – A matter affecting, or group representing, two or more ACORD domains.

Domain - An ACORD Standards Program such as Life & Annuity, Personal Lines P&C or Global Reinsurance and Large Commercial (a geographical designation by itself, e.g., Australia, is not a domain).

Subdomain - Line of business within a domain.

APPENDIX 1

**ACORD ANTITRUST/COMPETITION
LAW POLICY**

EFFECTIVE: APRIL 4, 2018

New York

One Blue Hill Plaza
15th Floor
P.O. Box 1529
Pearl River, NY 10965-8529
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London

London Underwriting Centre
1 Minster Court, 8th Floor
Mincing Lane
London EC3R 7AA
United Kingdom

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ACORD Policy on US Antitrust Compliance

Association for Cooperative Operations Research & Development
One Blue Hill Plaza, 15th Floor, Pearl River, NY 10965-8529
Effective: April 4, 2018

ACORD Corporation maintains an exemplary record of complying with the antitrust laws and with your help we can continue to do so. It is the policy of ACORD that its standards-setting program comply in all respects with the letter and spirit of federal and state antitrust laws.

Compliance with the antitrust laws is not only a legal obligation but is also in the best interest of ACORD and its membership. The central purpose of ACORD standards is to enhance the efficiency and competitiveness of the insurance industry. That goal requires standards that maximize the widest possible range of computer hardware, software and Internet products. Thus, attempts to misuse the standards-setting process to favor one vendor's products at the expense of others, or otherwise to limit product availability and innovation, directly conflict with ACORD's fundamental mission. Any violation of the antitrust laws would, moreover, seriously damage the credibility of the ACORD standards-setting program.

Of equal importance, violations of the antitrust laws could result in severe sanctions against ACORD, its member companies, and others involved in the standards-setting process. The antitrust laws entitle any company or person, injured by an antitrust violation, to sue for three times the damages suffered. These "treble damage" actions can result in huge jury awards and, at a minimum, necessitate heavy defense costs and disrupt normal business activities.

Because of the uncertainty involved in determining the application of the McCarran-Ferguson Act and various immunities from state antitrust laws to standards relating to computer, communications and Internet hardware and software, it is imperative that we avoid any possible suspicion that our conduct violates the antitrust statutes.

To implement this policy of antitrust compliance, the ACORD Board of Directors has approved the attached **ACORD US Antitrust Compliance Guidelines**. These guidelines go beyond the strict requirements of the antitrust laws, so that ACORD can maintain the highest standards of business ethics. All participants in the standards-setting program should familiarize themselves with the guidelines and carefully observe them.

Under the antitrust laws, the actions and statements of those serving as ACORD officers, directors, employees, and members of councils and groups involved in the standards process, may be binding on ACORD. This remains true even when an individual acts without authorization, but appears to an outsider to have the proper authority to represent ACORD.

Therefore, no officer, director or employee of ACORD, or ACORD council or group member, has the authority to take any action that might violate the antitrust laws or the **ACORD US Antitrust Compliance Guidelines**. Moreover, no officer, director, employee, council or group member has the authority to direct, approve or condone any such action. To the contrary, all participants in the ACORD standards-setting process have the affirmative responsibility to ensure that those working under them comply with the law and ACORD's guidelines.

Violations of the guidelines will be grounds for disciplinary action, adapted to the circumstances of the particular violation. Serious, intentional violation of the ACORD guidelines will be brought

to the attention of the ACORD Board of Directors and will usually result in suspension of the right to participate in the standards-setting process. The ACORD Board of Directors may also refer suspected anti-competitive conduct to the attention of appropriate antitrust enforcement agencies.

ACORD Board of Directors

ACORD US Antitrust Compliance Guidelines

The **US Antitrust Compliance Guidelines** are designed to help you identify potential problem areas, but they cannot provide answers to every possible question. Accordingly, the Board of Directors has appointed the Corporate Secretary as antitrust compliance officer. You should contact him or her whenever you have a question or concern with antitrust compliance. He or she will have available the resource of outside antitrust counsel for advice on legal issues.

The purpose of these guidelines is to ensure that all participants in the ACORD standards-setting program comply fully with the letter and spirit of federal and state antitrust laws. Any questions concerning the applicability of these guidelines, or any other question or complaint relating to antitrust compliance, should be directed to the ACORD antitrust compliance officer.

A. The Applicability of Antitrust Laws to Standards-Setting

Federal and state antitrust laws apply to ACORD's standards-setting program because it entails a cooperative effort among competing insurers and competing vendors of computer hardware, software and Internet products and services. It is well-established, however, that industry standardization programs do not offend the antitrust laws if the standards promote efficiency and do not restrain price competition, restrict terms of sale, limit production, result in boycotts or exclusion of competitors, restrict product innovation or otherwise limit competition unreasonably.

ACORD's standards-setting program fully meets these requirements. By standardizing the communications process among all trading partners, ACORD fosters efficiency by reducing transaction costs and speeding up information flows. Furthermore, ACORD's standards enhance the ability to work with multiple trading partners, thereby increasing the competitive sources of supply available to insurance consumers. As a result, the goals of the ACORD standards-setting process are fundamentally pro-competitive.

Nevertheless, every standards-setting program, including ACORD's, has the potential for being misused towards anti-competitive ends. Industry standards can have a significant impact on the product preferences of buyers in the marketplace. Consequently, the sellers of those products may have an incentive to seek the adoption of standards that would exclude or disadvantage products of their competitors, or otherwise restrain trade. Because of this possible incentive, "product standards have a serious potential for anti-competitive harm" and "private standard-setting associations have traditionally been objects of antitrust scrutiny." Allied Tube & Conduit Corp. v. Indian Head, Inc., 108 S. Ct. 1931, 1937 (1988). To comply with the antitrust laws, therefore, standards-setting associations must adopt "procedures that prevent the standards-setting process from being biased by members with an economic interest in stifling product competition." *Id.*

ACORD has adopted four types of procedures for the purpose of antitrust compliance. These are: (1) procedures guaranteeing that all interested parties have an opportunity to express their views on proposed standards; (2) rules assuring impartiality, that is, guarding against attempts to subvert the integrity of the process; (3) prohibitions against attempts to coerce adherence to standards, as opposed to voluntary use; and (4) bans on competitor discussion of competitively-sensitive subjects not relevant to the standards process (e.g., individual company strategies on pricing and marketing). Specific guidelines in each of these four categories are set forth below.

B. Open Access to the Standards-Setting Process

Participation in the standards-setting process shall be open to all interested parties through ACORD membership and as otherwise described in ACORD's Standards Programs General Guidelines & Procedures. ACORD membership is available to insurers, agents and vendors of standards-related products or services, among others. No insurer, producer or vendor shall be excluded because of its manner of doing business or method for distribution of insurance. No ACORD officer, director or member shall take any steps to preclude or discourage participation as described above by any interested person.

C. Procedures Assuring the Integrity of the Standards-Setting Process

1. Anti-Competitive Conduct

No participant in the standards-setting process shall seek adoption or modification of a standard for the purpose of excluding products of competitors from the market or otherwise restraining competition.

2. Role of ACORD Staff and Antitrust Compliance Officer

It shall be the responsibility of the ACORD staff to evaluate all proposed standards and revision of standards to determine that they do not unreasonably exclude any product from the relevant market and do not have an improper anti-competitive purpose. The staff shall refer any suspected instances of anti-competitive exclusion or similar conduct to the antitrust compliance officer, who shall make further inquiry and consult legal counsel as necessary. Additionally, any participant in the standards-setting process or other affected party may bring any complaint of anti-competitive conduct to the antitrust compliance officer. The antitrust compliance officer shall recommend any disciplinary action to the ACORD Board of Directors.

3. Disciplinary Action

Any party that is the subject of such recommendations for disciplinary action may appear before the antitrust compliance officer to present its views, as may any complaining party. Upon the recommendation of the antitrust compliance officer, the ACORD Board of Directors may take any appropriate action, including but not limited to: (a) suspension of a party from further participation in the standards-setting process; (b) suspension of voting rights; (c) referral of the matter to appropriate antitrust enforcement agencies; or (d) modification of final or proposed standards to cure the effects of any anti-competitive conduct. No member of the ACORD Board of Directors employed by or affiliated with any party which is the subject of disciplinary recommendations, or which is a complaining party, shall participate in the applicable proceedings.

4. Approval of Standards

Approval of standards shall be subject to the voting requirements set forth in the Standards Program General Guidelines & Procedures. No company shall have more than one vote regardless of how many individuals represent it at a given meeting. Those voting against a proposed standard shall have the opportunity to submit dissenting views in writing. Such views shall be made available to all participants eligible to vote.

5. Conflicts of Interest

No member of a Program Advisory Council shall be employed by and have direct line responsibility for any computer or Internet vendor operation. Furthermore, all nominees to the Program Advisory Councils or the ACORD Board of Directors shall disclose whether: (a) they have a personal financial interest in any vendor that might be affected by ACORD standards; or (b) are employed by an insurer having an affiliated vendor of computer or Internet products or services; or (c) serve as a consultant to a vendor of computer or Internet products or services.

The antitrust compliance officer shall conduct investigations where necessary to determine whether there is a conflict of interest that should disqualify an individual from service on any Program Advisory Council or a failure to make disclosures required of members of Standards Project Groups. Any complaint concerning conflicts of interest or failures to disclose may be brought to the attention of the antitrust compliance officer. The antitrust compliance officer shall make any appropriate recommendations to the Board of Directors concerning conflicts of interest or failures to disclose, including recommendations of appropriate disciplinary action (e.g. removal from office) or requiring additional disclosures. No member of the ACORD Board of Directors that is the subject of such a recommendation shall vote on the proposed action.

D. Voluntary Use of Standards

1. Voluntariness

The implementation and use of ACORD standards shall be entirely voluntary on the part of member companies, agents, vendors and others. No ACORD officer, director, staff, member company, subscriber or participant in the standards-setting process may enter into unlawful agreements concerning use of ACORD standards, attempt to coerce use of such standards or retaliate against a company for not using the standards (e.g., exclusion from a Standards Project Group).

The antitrust compliance officer may investigate any alleged violations of the foregoing on his or her own motion, on the advice of ACORD staff or upon receiving a complaint from any affected party. The antitrust compliance officer may make appropriate recommendations for disciplinary action to the Board of Directors, including but not limited to suspension of the right to participate in the standards-setting process or referral to appropriate antitrust enforcement agencies.

2. Statements Accompanying Publication of Standards

When ACORD publishes an approved standard, it shall state that:

- (a) Implementation and use of the standard is voluntary;
- (b) Publication of the standard does not imply that there is an operations requirement for hardware or software or Internet products or services meeting the specified standard;
- (c) ACORD does not endorse any product or service designed or built to the standard.

E. Prohibition on Discussions of Competitively-Sensitive Topics

The antitrust laws also prohibit use of the standards-setting process as a forum for competitors to enter into agreements to restrain trade. The most serious antitrust violations are:

1. Price-fixing agreements, that is, agreements to raise or stabilize prices or an element of pricing;
2. Boycotts, that is, agreements to refuse to deal, or agreements to threaten to refuse to deal, with competitors, customers or suppliers; and
3. Agreements among competitors allocating customers, territories or percentage shares of the market.

These types of agreements are usually deemed illegal per se, meaning that the courts will not consider any excuses or justifications, whether ignorance of the law, good faith or reasonableness. Nor is it a defense that the agreement did not actually result in price increases or otherwise harm competition.

"Agreements" within the meaning of the antitrust laws include more than written contracts or explicit conversations at a meeting. In addition, an agreement may take the form of a tacit understanding, what the courts sometimes describe as a "meeting of the minds" or a "knowing wink." Consequently, discussions of competitively sensitive subjects may be perceived as circumstantial evidence of an illegal agreement, especially when coupled with parallel conduct in the market (e.g., parallel price increases).

The standards-setting process often requires discussions of the types of information needed in order to conduct the business of insurance; however, it does not require discussions related to the use of such information for competitive purposes or require disclosure of competitively-sensitive practices. Accordingly, anyone participating in the ACORD standards-setting process should assiduously avoid discussion of the following competitively sensitive topics:

Insurance Industry Participants

- (1) Current or future rates and pricing strategies;
- (2) Internal underwriting standards or guidelines, including favored or disfavored classes of customers;
- (3) Marketing plans, particularly plans to withdraw from a particular state, territory or line of business;
- (4) Internal guidelines for coverages, especially exclusions, limits and deductibles;
- (5) Current or future agent commissions, complaints about rebating of commissions or complaints about agent terminations;
- (6) Efforts to combat or retaliate against competition using other distribution systems, mass marketing programs, or banks.

Suppliers of Products and Services to Insurance Industry Customers

- (1) Current or future prices, including list prices, discounts, prices in recent transactions with individual customers, or complaints about price discounting;
- (2) Unannounced plans for introduction of new products or changes in existing products;
- (3) Current or future plans concerning production or output;
- (4) Marketing plans or strategies, particularly desired or undesired classes of customers;
- (5) Complaints about excessive competition or efforts to stabilize competition.

ACORD Policy on EU Competition Law Compliance

Association for Cooperative Operations Research & Development

One Blue Hill Plaza, 15th Floor, Pearl River, NY 10965-8529

Effective: April 4, 2018

ACORD Corporation maintains an exemplary record of complying with competition laws and with your help we can continue to do so. It is the policy of ACORD that its standards-setting program comply in all respects with the letter and spirit of European Union and Member State competition law.

Compliance with the competition laws is not only a legal obligation but is also in the best interest of ACORD and its membership. The central purpose of ACORD standards is to enhance the efficiency and competitiveness of the insurance industry. That goal requires standards that maximize the widest possible range of computer hardware, software and Internet products. Thus, attempts to misuse the standards-setting process to favor one vendor's products at the expense of others, or otherwise to limit product availability and innovation, directly conflict with ACORD's fundamental mission. Any violation of the competition laws would, moreover, seriously damage the credibility of the ACORD standards-setting program.

Of equal importance, violations of the competition rules could result in severe sanctions against ACORD, its member companies, and others involved in the standards-setting process. Competition law entitles any company or person, injured by a violation of the rules, to file a complaint with EU or Member State competition authorities. These actions can result in huge fines and, at a minimum, necessitate heavy defense costs and disrupt normal business activities.

To implement this policy of competition law compliance, the ACORD Board of Directors has approved the attached **ACORD EU Competition Law Compliance Guidelines**. These guidelines go beyond the strict requirements of EU and Member State competition law, so that ACORD can maintain the highest standards of business ethics. All participants in the standards-setting program should familiarize themselves with the guidelines and carefully observe them.

Under the competition laws, the actions and statements of those serving as ACORD officers, directors, employees, and members of councils and groups involved in the standards process, may be binding on ACORD. This remains true even when an individual acts without authorization, but appears to an outsider to have the proper authority to represent ACORD.

Therefore, no officer, director or employee of ACORD, or ACORD council or group member, has the authority to take any action that might violate competition law or the **ACORD EU Competition Law Compliance Guidelines**. Moreover, no officer, director, employee, council or group member has the authority to direct, approve or condone any such action. To the contrary, all participants in the ACORD standards-setting process have the affirmative responsibility to ensure that those working under them comply with the law and ACORD's guidelines.

Violations of the guidelines will be grounds for disciplinary action, adapted to the circumstances of the particular violation. Serious, intentional violation of the ACORD guidelines will be brought to the attention of the ACORD Board of Directors and will usually result in suspension of the right to participate in the standards-setting process. The ACORD Board of Directors may also refer suspected anti-competitive conduct to the attention of appropriate competition enforcement agencies.

ACORD Board of Directors

ACORD EU Competition Law Compliance Guidelines

The **EU Competition Law Compliance Guidelines** are designed to help you identify potential problem areas, but they cannot provide answers to every possible question. Accordingly, the Board of Directors has appointed the Corporate Secretary as EU competition law compliance officer. You should contact him or her whenever you have a question or concern with competition law compliance. He or she will have available the resource of outside competition counsel for advice on legal issues.

The purpose of these guidelines is to ensure that all participants in the ACORD standards-setting program comply fully with the letter and spirit of EU and Member State competition laws. Any questions concerning the applicability of these guidelines, or any other question or complaint relating to competition law compliance, should be directed to the ACORD competition law compliance officer.

A. The Applicability of Competition Law to Standards-Setting

EU and Member State competition laws apply to ACORD's standards-setting program because it entails a cooperative effort among competing insurers and competing vendors of computer hardware, software and Internet products and services. It is well-established, however, that industry standardization programs do not offend the competition laws if the standards promote efficiency and do not restrain price competition, restrict terms of sale, limit production, result in boycotts or exclusion of competitors, restrict product innovation or otherwise limit competition unreasonably.

ACORD's standards-setting program fully meets these requirements. By standardizing the communications process among all trading partners, ACORD fosters efficiency by reducing transaction costs and speeding up information flows. Furthermore, ACORD's standards enhance the ability to work with multiple trading partners, thereby increasing the competitive sources of supply available to insurance consumers. As a result, the goals of the ACORD standards-setting process are fundamentally pro-competitive.

Nevertheless, every standards-settings program, including ACORD's, has the potential for being misused towards anti-competitive ends. Industry standards can have a significant impact on the product preferences of buyers in the marketplace. Consequently, the sellers of those products may have an incentive to seek the adoption of standards that would exclude or disadvantage products of their competitors, or otherwise restrain trade. Because of this possible incentive, product standards have a serious potential for anti-competitive harm. To comply with competition law, therefore, standards-setting associations must adopt procedures that prevent the standards-setting process from being biased by members with an economic interest in stifling product competition.

ACORD has adopted four types of procedures for the purpose of competition law compliance. These are: (1) procedures guaranteeing that all interested parties have an opportunity to express their views on proposed standards; (2) rules assuring impartiality, that is, guarding against attempts to subvert the integrity of the process; (3) prohibitions against attempts to coerce adherence to standards, as opposed to voluntary use; and (4) bans on competitor discussion of competitively-sensitive subjects not relevant to the standards process (e.g., individual company strategies on pricing and marketing). Specific guidelines in each of these four categories are set forth below.

B. Open Access to the Standards-Setting Process

Participation in the standards-setting process shall be open to all interested parties through ACORD membership and as otherwise described in ACORD's Standards Programs General Guidelines & Procedures. ACORD membership is available to insurers, agents and vendors of standards-related products or services, among others. No insurer, producer or vendor shall be excluded because of its manner of doing business or method for distribution of insurance. No ACORD officer, director or member shall take any steps to preclude or discourage participation as described above by any interested person.

C. Procedures Assuring the Integrity of the Standards-Setting Process

1. Anti-Competitive Conduct

No participant in the standards-setting process shall seek adoption or modification of a standard for the purpose of excluding products of competitors from the market or otherwise restraining competition.

2. Role of ACORD Staff and Competition Law Compliance Officer

It shall be the responsibility of the ACORD staff to evaluate all proposed standards and revision of standards to determine that they do not unreasonably exclude any product from the relevant market and do not have an improper anti-competitive purpose. The staff shall refer any suspected instances of anti-competitive exclusion or similar conduct to the competition law compliance officer, who shall make further inquiry and consult legal counsel as necessary. Additionally, any participant in the standards-setting process or other affected party may bring any complaint of anti-competitive conduct to the competition law compliance officer. The competition law compliance officer shall recommend any disciplinary action to the ACORD Board of Directors.

3. Disciplinary Action

Any party that is the subject of such recommendations for disciplinary action may appear before the competition law compliance officer to present its views, as may any complaining party. Upon the recommendation of the competition law compliance officer, the ACORD Board of Directors may take any appropriate action, including but not limited to: (a) suspension of a party from further participation in the standards-setting process; (b) suspension of voting rights; (c) referral of the matter to appropriate competition law enforcement agencies; or (d) modification of final or proposed standards to cure the effects of any anti-competitive conduct. No member of the ACORD Board of Directors employed by or affiliated with any party which is the subject of disciplinary recommendations, or which is a complaining party, shall participate in the applicable proceedings.

4. Approval of Standards

Approval of standards shall be subject to the voting requirements set forth in the Standards Program General Guidelines & Procedures. No company shall have more than one vote regardless of how many individuals represent it at a given meeting. Those voting against a proposed standard shall have the opportunity to submit dissenting views in writing. Such views shall be made available to all participants eligible to vote.

5. Conflicts of Interest

No member of a Program Advisory Council shall be employed by and have direct line responsibility for any computer or Internet vendor operation. Furthermore, all nominees to the Program Advisory Councils or the ACORD Board of Directors shall disclose whether: (a) they have a personal financial interest in any vendor that might be affected by ACORD standards; or (b) are employed by an insurer having an affiliated vendor of computer or Internet products or services; or (c) serve as a consultant to a vendor of computer or Internet products or services.

The competition law compliance officer shall conduct investigations where necessary to determine whether there is a conflict of interest that should disqualify an individual from service on any Program Advisory Council or a failure to make disclosures required of members of Standards Project Groups. Any complaint concerning conflicts of interest or failures to disclose may be brought to the attention of the competition law compliance officer. The competition law compliance officer shall make any appropriate recommendations to the Board of Directors concerning conflicts of interest or failures to disclose, including recommendations of appropriate disciplinary action (e.g. removal from office) or requiring additional disclosures. No member of the ACORD Board of Directors that is the subject of such a recommendation shall vote on the proposed action.

D. Voluntary Use of Standards

1. Voluntariness

The implementation and use of ACORD standards shall be entirely voluntary on the part of member companies, agents, vendors and others. No ACORD officer, director, staff, member company, subscriber or participant in the standards-setting process may enter into unlawful agreements concerning use of ACORD standards, attempt to coerce use of such standards or retaliate against a company for not using the standards (e.g., exclusion from a Standards Project Group).

The competition law compliance officer may investigate any alleged violations of the foregoing, on his or her own motion, on the advice of ACORD staff or upon receiving a complaint from any affected party. The competition law compliance officer may make appropriate recommendations for disciplinary action to the Board of Directors, including but not limited to suspension of the right to participate in the standards-setting process or referral to appropriate competition enforcement agencies.

2. Statements Accompanying Publication of Standards

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E. Prohibition on Discussions of Competitively-Sensitive Topics

The competition laws also prohibit use of the standards-setting process as a forum for competitors to enter into agreements to restrain trade. The most serious competition violations are:

1. Price-fixing agreements, that is, agreements to raise or stabilize prices or an element of pricing;
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3. Agreements among competitors allocating customers, territories or percentage shares of the market.

These types of agreements are usually deemed illegal per se, meaning that the courts will not consider any excuses or justifications, whether ignorance of the law, good faith or reasonableness. Nor is it a defense that the agreement did not actually result in price increases or otherwise harm competition.

"Agreements" within the meaning of competition law include more than written contracts or explicit conversations at a meeting. In addition, an agreement may take the form of a tacit understanding, what the courts sometimes describe as a "meeting of the minds" or a "knowing wink." Consequently, discussions of competitively sensitive subjects may be perceived as circumstantial evidence of an illegal agreement, especially when coupled with parallel conduct in the market (e.g., parallel price increases).

The standards-setting process often requires discussions of the types of information needed in order to conduct the business of insurance; however, it does not require discussions related to the use of such information for competitive purposes or require disclosure of competitively-sensitive practices. Accordingly, anyone participating in the ACORD standards-setting process should assiduously avoid discussion of the following competitively sensitive topics:

Insurance Industry Participants

- (1) Current or future rates and pricing strategies;
- (2) Internal underwriting standards or guidelines, including favored or disfavored classes of customers;
- (3) Marketing plans, particularly plans to withdraw from a particular state, territory or line of business;
- (4) Internal guidelines for coverages, especially exclusions, limits and deductibles;
- (5) Current or future agent commissions, complaints about rebating of commissions or complaints about agent terminations;
- (6) Efforts to combat or retaliate against competition using other distribution systems, mass marketing programs, or banks.

Suppliers of Products and Services to Insurance Industry Customers

- (1) Current or future prices, including list prices, discounts, prices in recent transactions with individual customers, or complaints about price discounting;
- (2) Unannounced plans for introduction of new products or changes in existing products;
- (3) Current or future plans concerning production or output;
- (4) Marketing plans or strategies, particularly desired or undesired classes of customers;
- (5) Complaints about excessive competition or efforts to stabilize competition.

