
2007 ACORD/XML for Life Usage Tracking Survey – *The momentum increases!*



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Agenda



Introduction and Background



External / Internal Usage



Observations and Conclusions

Background for Survey

- The use of XML for Life standards continues to grow.
- CLIEDIS conducts a survey of the use of XML for Life standards to help stakeholders plan their activities and provide a coordinated approach.
- NewLink was asked to assist CLIEDIS once again in understanding the current and near future uses of these important standards.

Methodology

NewLink designed the study and sought input and feedback from the CLIEDIS executive

The CLIEDIS Executive also vetted the intended audience

NewLink conducted the survey by *on line* following an introductory email from CLIEDIS (with alternate back up options)

Results

35 completes from a list of just over 60 companies

- ▶ 60% response rate – FAR above industry norm (but lower than last year)

Primarily (3/4) online responses (should be all...)

9 via fax or e-mail at respondents' request

Lower response by some due to 'no change from last year'

Respondents – Non-vendors

Manufacturers*

AEGON Canada
AIG Life
Canada Life
Empire Life
Equitable Life
Industrial Alliance
Manulife
London Life
RBC Life
Standard Life

Distributors

Assante
Bridgeforce
CIBC Wood Gundy
Credential
Dundee
Equinox
HUB
IDC
Investors Group
PPI

* 70+% of new business sales

Respondents – Vendors/Suppliers

DSPA

Microsoft

EDS Solcorp

E-Z Data

Virtgroup

Winsoft

Novinsoft

Illustrate Inc.

Insurfact

LabOne

MIB

Hooper Holmes

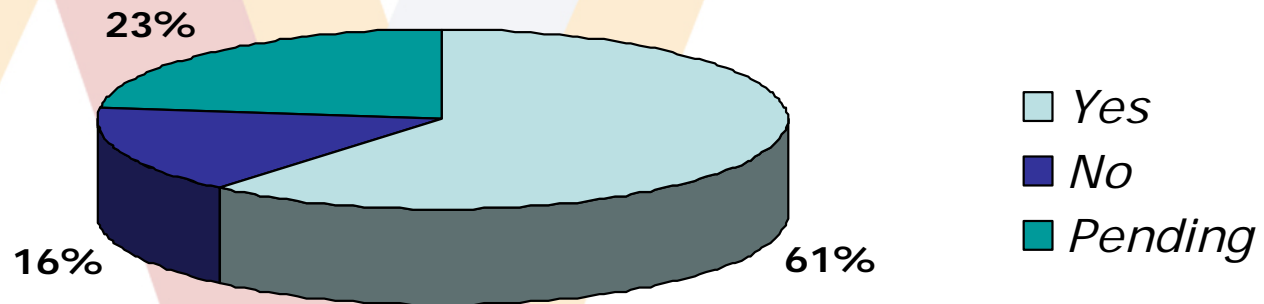
Fundserv

CITS – a big win...

Aware of CITS = 89%

CITS has made an impact in over 60% of these cases

We have not done New Business or In force business downloads yet. However, we have done commissions downloads and if the equivalent guide had been available for our implementation, we would have saved a lot of time. The CITS committee has done an excellent job and the fact that a consultant of this calibre was hired to help us was a definite plus.



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External Usage

Currently use XML for Life standards **externally** with your trading partners

New business application status	45%
Commissions	36%
MIB	18%
Paramedical	9%
In-force business	5%
New business application upload	5%
Reinsurance	5%
Software illustrations	5%
Contract/License status	0%
None	32%

BASE: Non-vendors (n=22)

How long used XML externally

New business application upload	Up to 2 yrs
New business application status	Up to 3+ yrs
In-force business	6 yrs
Commissions	Up to 4 yrs
Paramedical	Up to 1 yr
Reinsurance	1 yr
MIB	Up to 9 yrs
Software illustrations	3 yrs

BASE: Non-vendors (n=22)

Within next year plan to use XML **externally**

In-force business	64%
New business application status	41%
Commissions	32%
New business application upload	23%
Contract/License status	18%
Paramedical	18%
Reinsurance	9%
Other	5%
None	27%

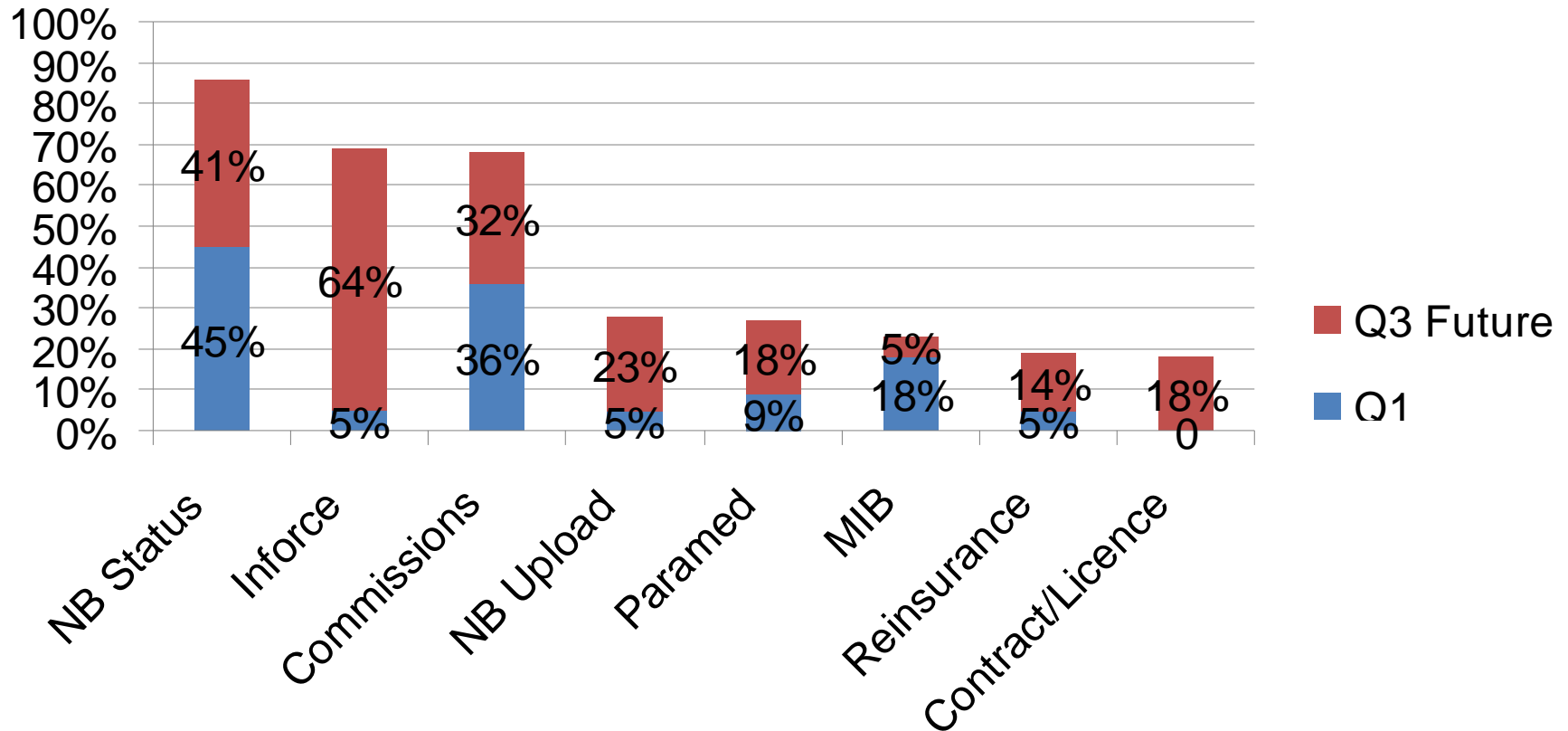
BASE: Non-vendors (n=22)

High adoption & growth for **external** usage

- ▶ 2/3 using now!
- ▶ 3/4 plan to use in next year
- ▶ Even the “slower growth” apps will almost double their penetration
- ▶ New Business Status approaching 90% total adoption within year is planned
- ▶ In force & Commissions approaching 70%

BASE: Non-vendors (n=22)

Use XML for Life standards **externally**



BASE: Non-vendors (n=22)





Internal Usage

Currently use XML for Life standards **internally**

Commissions	18%
New business application status	14%
In-force business	14%
New business application upload	9%
Contract/License status	5%
MIB	5%
Other (SPECIFY)	5%
None	68%

BASE: Non-vendors (n=22)

How long use XML internally

New business application upload	1 + yrs
New business application status	1 – 3 yrs
<i>In-force business</i>	Up to 5 yrs
<i>Commissions</i>	Up to 3 yrs
<i>Contract/License status</i>	4 mo
MIB	2+ yrs
Other (SPECIFY)	4 mo

BASE: Non-vendors (n=22)

Within next year plan to use XML **internally**

New business application upload	5%
New business application status	9%
<i>In-force business</i>	9%
<i>Commissions</i>	5%
<i>Contract/License status</i>	5%
MIB/Other	0
None	82%

BASE: Non-vendors (n=22)

Low adoption & growth **internally**

Barely 1/3 use any apps now

- ▶ Highest = 18% (Commissions)

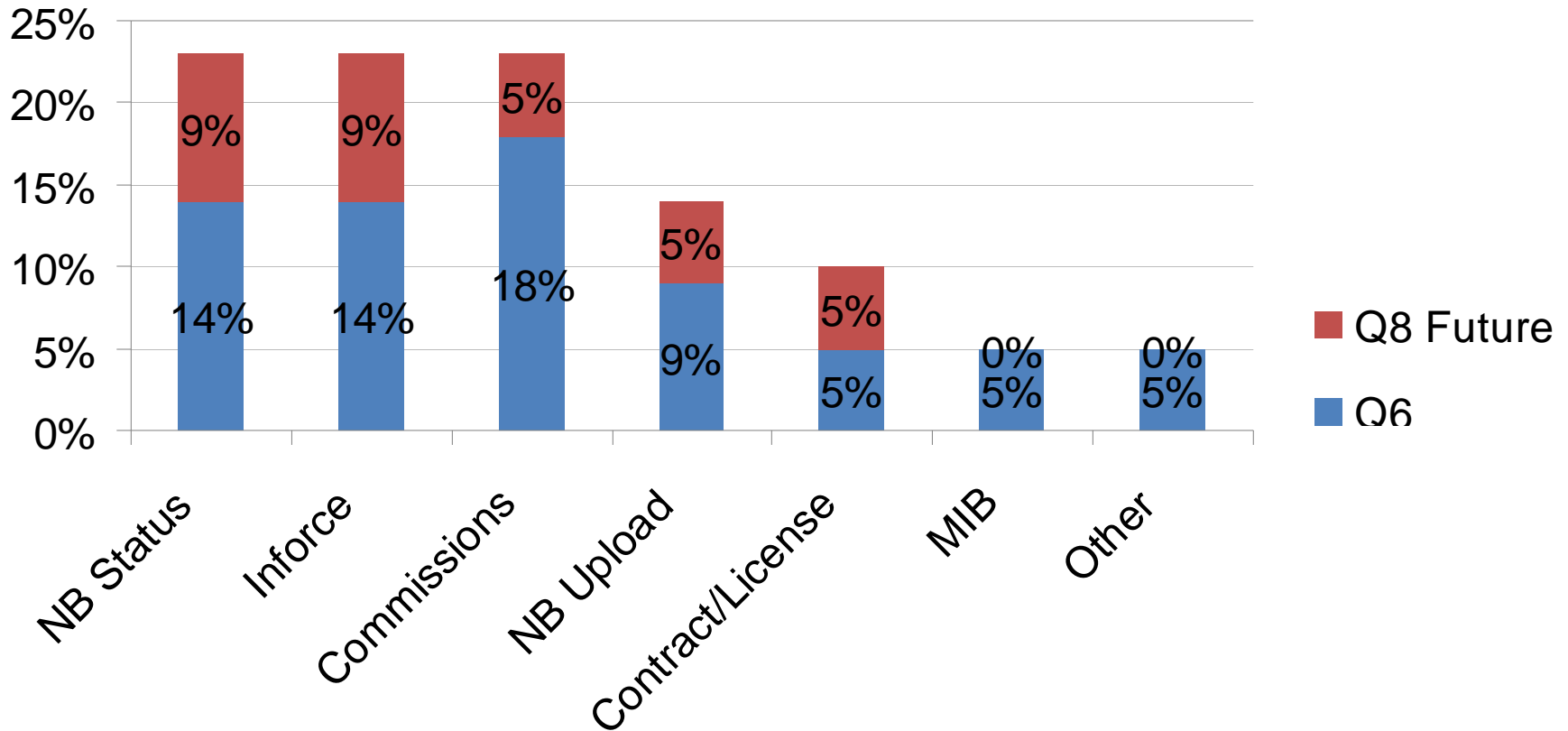
Less than 20% plan new apps in coming year

Highest <25% Current + Future

- ▶ Contrast vs. 90% figures Externally

BASE: Non-vendors (n=22)

Use XML for Life standards **internally**



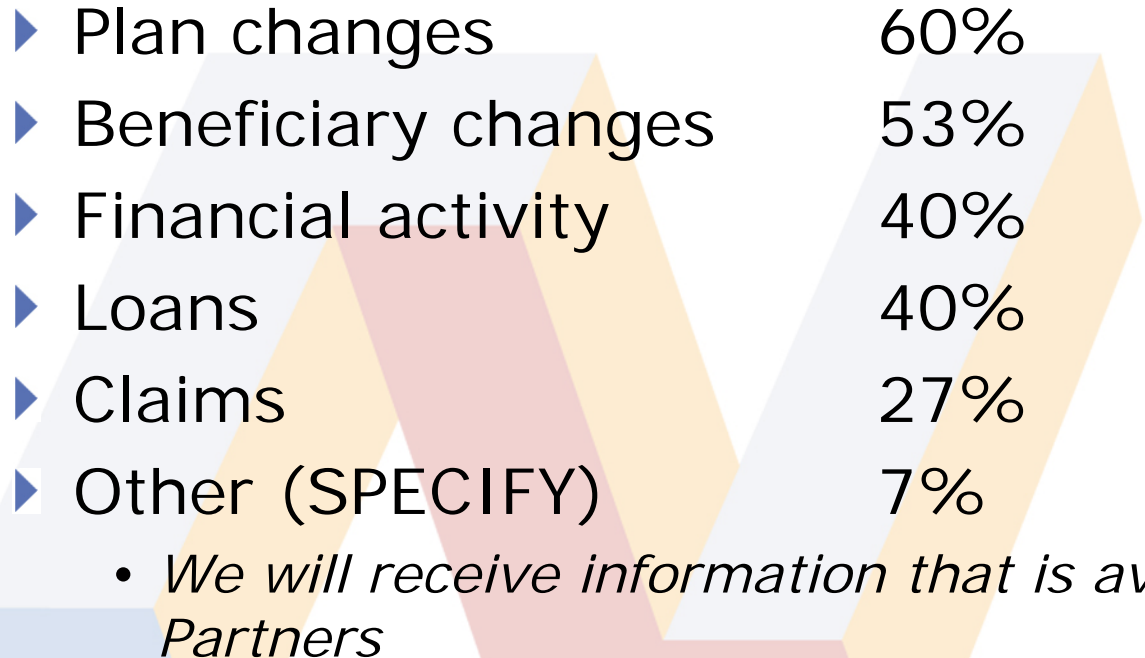
BASE: Non-vendors (n=22)





Planned Usage

For **In-force business**, do/will you use XML for Life standards for:

- 
- | | |
|-----------------------|-----|
| ▶ Plan changes | 60% |
| ▶ Beneficiary changes | 53% |
| ▶ Financial activity | 40% |
| ▶ Loans | 40% |
| ▶ Claims | 27% |
| ▶ Other (SPECIFY) | 7% |
- *We will receive information that is available from our Partners*

BASE: Non-vendors Currently/Planning
INFORCE use (n=15)

For **Commissions**, do/will you use XML for Life standards for:

- ▶ Statements 56%
- ▶ Schedules 25%
- ▶ Other (SPECIFY) 25%
 - *[Electronic] data feeds [to producers]*
 - *Daily activity*
 - *Paying comp to Consultants*

BASE: Non-vendors Currently/Planning
COMMISSIONS use (n=16)

For **Contract/License** status, do/will you use XML for Life standards for:

- ▶ Producer inquiry 80%
- ▶ Producer validation 60%
- ▶ Third Party search 20%

BASE: Non-vendors Currently/Planning
CONTRACT/LICENSE use (n=5)



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External / Internal Usage



Observations and Conclusions

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Observations and Conclusions

- ▶ Conversions
- ▶ Success Stories
- ▶ Metrics
- ▶ Process
- ▶ Barriers and Issues
- ▶ SOA and other Standards

Conversions

XML for Life standards make conversions easier after corporate M&A

- ▶ Yes = 50%
- ▶ Not sure = 50%

Compared vs. last year, *doubt* seems to have grown

- ▶ Yes = 66%
- ▶ No = 7%
- ▶ Not sure = 27%

Conversions

- ▶ *If information is in a standardized format, the effort required for mapping information is simplified*
- ▶ *Using a well known data standard such as XML For Life reduces the time required to analyse what the expected output is going to look like.*
- ▶ *Once an organization has mapped their data to the standard, it becomes easier during a conversion ... the organization's side is already done. It also becomes easier when integrating new applications into an organization's portfolio of apps if both parties speak the same standard.*

Success stories

Any "success stories" about XML for Life implementation?

- ▶ Yes = 58%
- ▶ No = 19%
- ▶ Not yet = 23%

Prepared to share success stories?

- ▶ Yes = 50%
- ▶ No = 31%
- ▶ Not sure = 19%

Success stories

- ▶ *We have multiple clients using **FASAT** to create TXLife extracts that are sent to their external trading partners. The external partners benefit from having a relatively consistent format from multiple carriers. We also have a client with an internal implementation of our TXLife Producer Inquiry interface. They benefit from having a single source (or system of record) for all producer related data that can be accessed in real time.*
- ▶ *Manulife and RBC **Commission Integration***
- ▶ *Used XMLife to make available our **illustration systems** as a calculation and reporting engine to 3rd party applications (MGA shells, agency management systems, etc.)*

Success stories

- ▶ *We have successfully tested a **daily delta data delivery** mapping with an existing Insurance company. The existence of CITS made the procedure a simple task and saved enormous amount of time in the data mapping process.*
- ▶ *Since **CITS** there have been **feeds** from more carriers and that positively impacts our MGA customer stakeholders. XML for Life standards is also used between vendor trading partners and the instantaneously available documentation coupled with recyclable feeds for multiple purposes has greatly sped development.*
- ▶ ***MIB** implementation of XML standards resulted in a significant increase in the data exchange process. e.g. 5 minute process decreased to 1 minute per transaction*

Success stories

- ▶ *[We are] the first distributor to use a **pending status feed** to automatically update the status of the requirements and policies. Although the feed we used is not "CITS" compliant, the CITS initiative helped us move this feed to a usability that allowed us to have it update the system. Using the feed to update our data has allowed us to cut cycle times.*
- ▶ *During a recent initiative, we used the standard as the **primary communication between a suite of new applications**. In many cases it made their **integration easier**, as one side or the other, or both understood the standard, thus reduced the amount of effort that was required on our part to make the integration happen.*

Metrics

Measure volume of activity for each XML for Life standard that you use?

- ▶ Yes = 30% No = 59% Not sure = 11%

Able to provide CLIEDIS with statistics regarding use of standards?

- ▶ Yes = 37% No = 33% Not sure = 30%

Process

Every possible route to initiate/institute standards is mentioned:

- ▶ IT, software development (within life co)
- ▶ Distribution (within life co)
- ▶ New Business (within life co)
- ▶ Distributors (e.g., MGA)
- ▶ Suppliers (e.g., Paramedical)
- ▶ Vendor
- ▶ CLIEDIS, CITS committee

Barriers/Issues

Any barriers or issues that have delayed adoption?

- ▶ Yes = 69%
- ▶ No = 23%
- ▶ Not sure = 9%

Priority rank/conflict mentioned by lifeco's
Vendors, carriers & distributors sometimes blame each other (&
suppliers blame them all!)

Barriers – but all is not perfect...

- ▶ *Insurers move too **slowly**. Pending business downloads are still not available in the correct format - only [one life co].*
- ▶ ***Privacy** rules may prevent us from having a truly download & upload system.*
- ▶ *Development & operational **costs** are significant and have to be weighed against other corporate initiatives*
- ▶ *Vendor seems to be **slow** in implementing automation; insurance companies are impossibly **slow** with implementation, and often cannot agree on issues.*

Summary

Introduction and Background

A successful survey – thank you

External / Internal Uses

A definite increase Externally and trend is on target

Observations and Conclusions

Successes, not smooth sailing yet, but trending

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