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Much to learn from the Steadfast model

In my first Technology article last summer, I spoke about the exciting work IBAC's Technology Committee was involved in regarding the Data Exchange project. In that article, I promised to report back to you on the status of the project and am taking the opportunity now to fulfill on that promise.

As some of you may know, this project entered into Phase III at the beginning of the year. To recap, this project is about transacting business directly between the BMS in your office and an insurance company's system. The particular transaction this project has chosen to focus on is policy change. Starting with a common policy, Phase I required that our BMS vendor partners each generate an electronic transaction resulting from a simple policy change being applied to that policy (i.e., the 'Request'). Phase II required that our insurance partners accept this transaction and generate an appropriate reply (i.e., 'Response') back to the originating BMS. The initial half of Phase III now turns our attention back to the BMS vendor partners as they accept this reply and determine how to commit this policy change to the BMS itself.

Up until now, each of these three phases has taken place independent of one another. The latter half of Phase III will involve all stakeholders as we begin to tie all of these independent pieces together to create one, single, continuous transaction. The key to making this happen is the language on which these transactions are based. This language – i.e., the CSIO/ACORD XML standards – is fundamental to making these transactions work seamlessly between our systems. With the continued support of our BMS vendor and insurance partners, I am excited to see this project enter into Phase III.

Recently, a few members of IBAC's Technology Committee participated in a demonstration hosted by Steadfast.

Steadfast is Australia's largest brokerage group (similar to HUB International) consisting of more than 280 brokerages. They represent over 30% of the market in Australia writing about \$3.3B in GWP.

This group of brokerages operates about five different BMS systems – not too much different than what we have in Canada. A few years ago, they embarked on a project similar in concept to IBAC's Data Exchange project and have since implemented it with five different insurers. Their project did not tackle personal lines policy change, but rather small business commercial with a focus on the following transaction types: new business quote, renewal, endorsement, and cancellation.

It was truly amazing to see how any one of these five BMS systems could quote and bind, and then apply an endorsement to a small business commercial package electronically without the intervention of a human underwriter. All policy information was sent and received inside the broker's

BMS including electronic copies of the policy, wordings, the declaration page, and even the invoice! What we witnessed truly allowed the broker to focus on servicing the client rather than dealing with company-specific workflows or portals, or having to deal with delays in paperwork and/or invoicing. If anything, the Steadfast model reinforces the simple notion that transacting electronic transactions between a BMS and an insurer's system is, in fact, possible. This is exactly what we hope to accomplish with IBAC's Data Exchange project.

The sooner we can eliminate the administrative effort and cost that is requisite with processing policy changes, the sooner independent brokers can return to what they do best – spending time with clients understanding their requirements to assist them with choosing a product that best suits their needs or assisting them with a claim. More cost efficient ways of transacting our business will always help our customers come out on top. ♣