

# 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 \(acord.org\)](https://www.acord.org/best-practice-guide-post-placement-v1.0)

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](#)

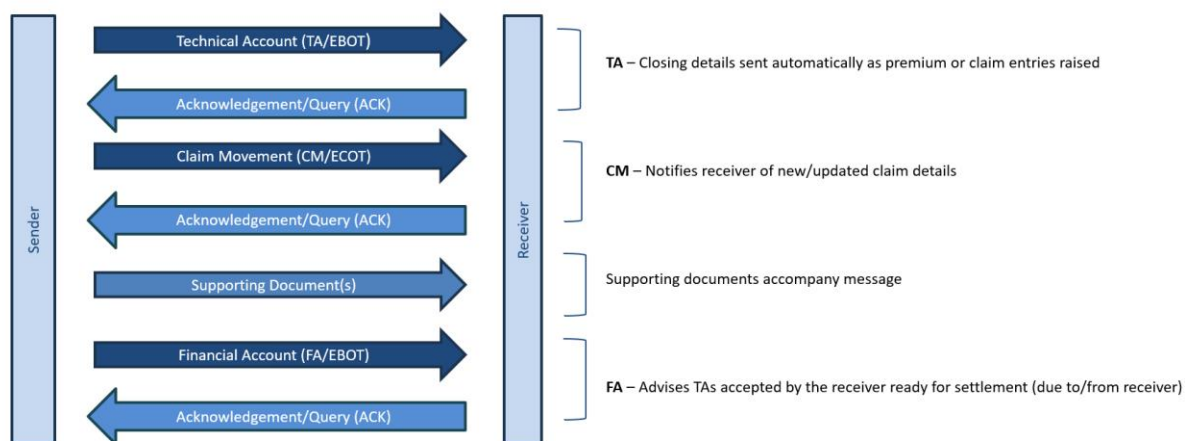
They provide details on

- 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.

## 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 \(acord.org\)](https://www.acord.org/big-eAccounting-Claims)  
[Regional Implementation Groups \(acord.org\)](https://www.acord.org/regional-implementation-groups)

### *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.

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

### *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/remains 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.

### *DUNS Codes as unique partner entity identifier*

The DUNS number was chosen to be the unique identifier for the exchange of messages within the Ruschlikon community. It is a general rule that each business entity must have its own DUNS code to allow seamless message transfer.

For eDeployments, the alignment of the DUNS codes in scope is done during the technical connectivity set up phase. [Ruschlikon eDeployment guide eAccounting and Claims](#).

These steps are also applicable when rolling out additional entities with existing business partners.

Industry partners should inform counterparties in a pro-active manner if administration responsibilities are shifted from one entity to another to allow for preparation and testing, if needed.

More information on Dun & Bradstreet:

*The Dun & Bradstreet D-U-N-S® Number (DUNS No.) is a unique nine-digit identifier for businesses that is associated with a company's business identity which may help evaluate potential partners, seek new contracts, apply for loans and much more. Details of DUNS Code/DUNS No. for existing companies can be queried/requested through their central site: <https://www.dnb.com/duns-number/lookup.html>. Alternatively, details can be checked with their local representative office.*

*In principle all existing businesses have a DUNS No., partners new to the Ruschlikon community and processes may just not be aware. When a new business is set-up, Dun & Bradstreet or their representative office, where relevant, do their own due diligence on this business and set them up in their database.*

### *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 (see Note 1 at foot of table).	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

Use case	Frequency	Pre-condition Sender	Follow-up action Receiver	Comments
				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.

Use case	Frequency	Pre-condition Sender	Follow-up action Receiver	Comments
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.

*Note 1: For clarity, the raising of a query pauses the measurement of turnaround time against the original message. So for example, if a query takes 2 business days to resolve and the response to the original message takes the full 10 business days, then the turnaround time is reported as 10 days even though the total elapsed time is 12 business days (10 for response and 2 for query).*

It is highly recommended that senders and receivers of messages use the AccountTransactionType field to distinguish between the above use cases and in order to meet the guideline's turnaround times.

#### 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.

## Recommendations on how to best leverage Ruschlikon's automation potential

### *Two way query handling*

The ACORD GRLC Two-Way Query messaging process allows sending and receiving companies to have full transparency on the status of a query that the receiver of an original GRLC message has raised. If the four QueryFlowTypes Initial, Holding, Chaser and Response are used as described in the EBOT/ECOT guide, the number of pending queries on receiver and sender side should be in sync. Both parties have an accurate audit trail and full transparency on the query status. For more detailed information, see [Two-Way Query Messaging Overview and Benefits](#).

It is recommended to build a reporting framework that provides insights on query status and turn around times. Below is a non-exhaustive list of the most common external query reasons that the Ruschlikon community sees on a sender and a receiver side:

- Mismatch in carrier (legal entity)
- Mismatch in contractual terms
- Mismatch in calculation
- Mismatch in Claim FGU
- Missing reinstatement premium
- Missing supporting documents for Tech Account
- Missing supporting documents for Claim Adjudication
- Missing supporting documents for reinstatement
- Missing Endorsements
- Missing Tax information
- Missing Signed Line

Those query reasons are currently not used by the ACORD GRLC 2016.10 standards but may be (or a subset of them) useful in internal workflows for easier query resolution.

It is recommended to periodically reconcile open queries between sender and receiver to ensure resolution of long pending queries.

### *Inclusion of FA Reference in all outgoing payments*

By FA reference, we understand <Settlement> <CedentReference> OR <Settlement> <BrokerReference> OR <Settlement> <InsurerReference> derived from the Sender of the message, available in the Header of the message.

- Sending and receiving companies are asked to include the FA reference into the related outgoing payment. This will allow the receiving company to easily reconcile the unsettled balances included in the respective FA, ideally with no manual intervention.
- Multiple FA's should not be merged into one payment. Each FA (whether single or multiple Level4 agreed TA's) should be paid out separately, per currency, to allow automatic cash allocation of payments for senders and receivers.
- There is no need for emails related to payment advice to be sent, as the FA reference is systematically provided with the outgoing payment.
- The actual payment is executed with a value date of 5 days maximum from FA-acceptance. No chasers (e.g. follow-up emails) should be sent within that timeframe.
- Wire payments are the preferred payment method: FA reference information sent with wire payments generally arrives in the receiving company system. Whereas with automated clearing house (ACH) payments this information is not transmitted.

### **Example:**

<b><u>Do</u></b>							
a)	FA	USD 100'000.00 =	1 x TA	USD 100'000.00 =	Wire Transfer	USD 100'000.00	(1 x FA Reference)
b)	FA	USD 300'000.00 =	1 x TA	USD 100'000.00			
			1 x TA	USD 50'000.00			
			1 x TA	USD 150'000.00			
			3 x TA	USD 300'000.00 =	Wire Transfer	USD 300'000.00	(1 x FA Reference)
<b><u>Do not</u></b>							
c)	Combine a & b above in one Wire Transfer (it requires 2 or more payments, with a separate FA references each)						

### *Partial Payments within Settlement Messages*

In the Ruschlikon emessaging process, an agreed (L4-ACK) Technical Account message (TA/EBOT) is ready for payment. It is expected that the TA/EBOT will be fully paid, in a single Financial Account (FA/EBOT). Partial payments (= TA/EBOT amount not fully paid in a single FA/EBOT) are subject to prior agreement by the receiver as they always require manual intervention on the receiver's side.

To allow for fully automated payment allocation, there are two ways for the sender company to proceed if they have not received the funds for the full amount of the TA/EBOT:

- Do not pay until the full amount has been collected.
- Reversal (cancellation) of the TA/EBOT-message with the full amount and resend (replace), split into two TA/EBOT-messages, one with the amount available for settlement and one with the amount to remain open.

If neither of the above two options can be used, the partial payment request should be handled outside of the ACORD process, since none of the receiving companies can handle partial payment requests automatically, and they require a manual workaround.

### *Usage of L4 response type acknowledge do not settle (L4-DNS)*

The "response" type with "acknowledged\_do\_not\_settle" status (L4-DNS) is used by the receiver to indicate that until further notice, no settlement item should be raised for the TechAccount concerned.

The "response" type with "acknowledged\_do\_not\_settle" status is typically used to cover the following business cases:

- Possible sanctions
- Rated as financially troubled
- Claim/contract in litigation
- Claim/contract in commutation
- Internal payment stop due to further investigation

It is highly recommended to provide the business partners with an explanation on why the amount must be excluded from the settlement process by using the "Response description" field.

If the TechAccount with the "response" type "acknowledged\_do\_not\_settle" status is ready to be included in a future settlement, the receiver must send a L4 business validation response with status "acknowledged" to indicate that a settlement item can now be raised for the TechAccount concerned.

In exceptional circumstances, a financial handling outside of the ACORD process may be required. Both business partners will mutually agree on way forward.

Periodic review of L4-DNS items amongst involved business partners is recommended.

## 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 GRLC 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 will not exist for paper accounts, and it shows 9s instead. 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](mailto: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 \(acord.org\)](#)