ACORD Reference Architecture - Information Model – Release Notes

Version: 2.9
Edition: November 2021

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IMPORTANT NOTE:

ACORD INFORMATION MODEL v2.9.0 RELEASE NOTES (ed. November 2021)

This release is being delivered in support of ACORD's Information Model by adding Class/Property and Glossary term definitions to the model. The changes in this release are synchronized to similar changes in both the ACORD Data Model and the ACORD Business Glossary. The Information Model was enhanced to incorporate member contributions and feedback. Overall changes to the model are summarized below which includes classes and properties added or modified in this release. Full details of the changes can be found in the Release Documentation sub-folder Supplemental Documentation folder.

Changes to Classes and Properties

32 Added	7 Modified	0 Removed

Below are the highlights of the changes, arranged by subject area.

Activity

- Introducing "**Dispute Resolution Subtypes**" to Activity subject area. This concept represents the variety of ways to deal with disputes. Includes adjudicative processes, such as **litigation** or **arbitration**, in which a judge, jury or arbitrator determines the outcome. Another type of resolution is a collaborative approach such as **mediation** (negotiation), in which a neutral third party helps disputants come to a consensus on their own. The following classes are added for Dispute Resolution Activities:
    - Arbitration Activity
    - Litigation Activity
    - Mediation Activity

Agreement

- **Industry loss warranties ("ILWs")** are a type of reinsurance contract in which one party purchases financial protection from another in the event that insured industry losses from a catastrophic event are greater than a predefined trigger amount. For example, one party may purchase a Florida hurricane ILW that pays out USD 5 million if insured industry losses arising from a single Florida hurricane exceed USD 50 billion.
    - **ACORD** uses the term "Agreement" subject area to represent contracts of all types such as reinsurance treaties, primary insurance policies, annuities, etc. ILW agreements are usually documented as reinsurance contracts between the parties. In this release, to document an agreement having **ILW** aspect, "**Industry Loss Warranty Indicator"** is added to the "**Agreement Base**" class.

Event

- A Driving Event (offense) can be anything from a parking ticket to a DWI/DUI or speeding offense. In most cases, driving events can be classified into three categories: infractions, misdemeanors, and felonies. While felonies are considered criminal events which are more serious and punishable, evaluated by how much harm is caused, they are not the majority of driving offenses. Typically, driving events are not criminal in nature.
    - In this release, "**Driving Event**" is now a subtype of "**Event**" rather than "**Criminal Event**".

Product Specification

- The concept of **Perils** has existed in the Common subject areas in the ACORD Model. In this release, Perils is moved to the Product Specification subject area because of its primacy when designing insurance products. The goal of the P**roduct Specification** is to allow insurance carriers to create insurance products covering particular risks. What is and is not **covered** by the insurance product is outlined in the product specification. What **perils** are included and not included? Is it **open peril** or **named peril**?
    - Often, Peril is associated with a catastrophic event such as hurricanes, floods, etc. Perils have many causes such as man-made, natural calamities, accidents, morbidity and mortality, etc. For instance, Morbidity rate is important to a life insurer. Insurers use

morbidity rates to develop products (policies) for coverage, determine premiums, and set aside benefits for insurance claims. Many diseases can trigger an insurance payout.
- Peril types can include:
  - **Man-made perils** in the form of riots, **terrorism**, strike, **cyber-attack** (i.e. classes of perils: cyber extortion; cyber terrorism; data – malicious breach; data – physical lost or stolen), etc.
  - **Natural calamities** like storm, **hurricane, flood, fire, earthquake**, etc., damage caused by landslide, etc.
  - **Accidental peril** caused by pollution and contamination, bursting and/or overflowing of water tanks, apparatus and pipes, leakage from automatic sprinkler installations, or extreme case of missile testing operations, etc.
  - **Morbidity peril** caused by a specific illness or condition. Some examples of common morbidities are heart disease, diabetes, obesity, cancer, and pandemic.
- **Peril** class and "**Peril Type Code List Types**" are added to provide additional scope while designing insurance products.

Registration

- In this release, "**Party Role in Registration Subtypes**" is introduced in the "**Registration**" subject area. Party Role identifies, names, and describes different functions a Party may play when interacting with another party. Party Role is an important concept because it enables one person or organization to play multiple roles (e.g. a worker who is also a customer) without having to replicate name, address and other forms of common data.
  - A registration authority purpose can be in the capacity of regulatory compliance such as FDA or administration such as DMV. Following Party Role classes are added that represent **Registration Authority**:
    - Catastrophe Reporting Agency
      For example, **ISO's** Property Claim Services (PCS) unit is the internationally recognized authority on insured property losses from **catastrophes** in the United States. ISO publishes bulletins on PCS designated catastrophes. Bulletins include information on the perils causing damage and the jurisdictions affected. Insurers primarily use this information to benchmark internal company damage estimates in setting loss reserves and as a guide in deploying claims adjusters.
    - Department of Motor Vehicles
      In the United States, a **Department of Motor Vehicles** (**DMV**) is a state-level government **registration authority** that **administers** vehicle registration and driver licensing. Similar departments exist in other countries under different names.
      DMV is the **authority** on driving record for individuals, which is a collection of all public records related to you as a driver. This includes information about **accidents, license suspensions, tickets,** and more.
      Insurance carriers have access to driving records from DMV to paint a full picture of the risk exposure of a person before issuing an auto policy.
    - Food and Drug Administration

The United States **Food and Drug Administration** (**FDA**) is a federal **authority** responsible for protecting and promoting public health. FDA is responsible for authorizing pharmaceuticals. FDA approval is often linked to insurance coverage. Health Insurance carriers must cover FDA-Approved drugs.

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