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No More Paper Policies
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There's been movement to eliminate the agent copy of personal lines policies. Most agencies do not receive a physical "agent's" copy of a policy anymore. They receive ACORD standard policy download to maintain current personal lines data in their management systems (although many carriers provide access to the full policy on their agency portals). With personal lines being almost exclusively direct bill, the carrier sends a printed copy of the policy to the policyholder.

But commercial lines is still working to catch up. Carriers still print, collate, and mail paper policies to the agency – both the agent's and the insured's copies. The upshot is the agency then mails the insured's copy to them. Agencies on the whole want to eliminate their dependency on paper copies of policies, but they may feel a need for a copy in order to service their customers. At the same time, many of their customers are interested in receiving electronic copies rather than paper.

A carrier can use ACORD XML standard 'Activity Notification' messages to electronically send a full copy of a policy to an agency. These notification messages are very simple in format, and can include a PDF attachment of the policy when needed – which the agency can then store in their agency management system. For the carrier, this eliminates the cost of the printing infrastructure and postage - which can be very high on commercial policies. As an added benefit, the Activity Notification process works to eliminate paper storage in the agency.

ACORD notification messages are used today by a number of companies to send copies of policies to their agents. The messages are currently sent via the IVANS network, just as policy download is sent. The policies are sent separately and do not replace the policy download.

"More and more of our agents are receiving their policy copies (agent, insured, or both copies) through daily ACORD Activity Notifications. They love the fact that they no longer have to scan, index, and shred paper copies in their offices. The documents are automatically delivered to their agency management system daily. Even those agencies not receiving commercial lines download are excited about Activity Notifications because there is no chance of the transaction overwriting any data in their system, and they receive much faster than through USPS."
- Susan LaBarre, Liberty Mutual

These Activity Notification messages are an ACORD XML standard developed to provide secure communications between carrier and agency. While historically carriers and agents have shared documents via email attachments, email is not as secure as the use of ACORD notification messages. It is becoming increasingly obvious that focus must be put on securing data as it travels over the Internet.

Activity Notifications can also be used for more than policy attachments - Typically today, carriers send pending cancellation notices (e.g., late payment notices), renewal lists, and policy activity. Additionally, they can send claim updates if they are not using claims download, or also to supplement their existing claims download. This information is often available on a carrier's website, but an agency must interrupt daily work flows to log in to their individual carriers to see this data – and then manually key the information into their management system. Using ACORD notification messages, the agency management systems can process this data automatically in to desktop activities.

*"Activity Notifications messages are also a great way to send agent policy updates for lines of business they don't receive in their carriers' policy download. They then make the updates to those policies in their management system without having to log in to a carrier's system and see what changes were made. For example, in renewal situations, it can reduce the changes of policies ending up in an expiration list because they receive the renewal policy when carriers generate the renewal.   The agent then goes into their system and renews the policy with any necessary updates. This is a big time-saver, and can also reduce E&O." **- Caleen Alexanderson, Agencyport**

There are many benefits for carriers and agencies in using the ACORD XML Activity Notification messages: cost savings, efficiency, security, and timeliness of information. If you are not using ACORD Notification messages, talk to ACORD (standards@ACORD.org) about how to get started.

This article reflects the views of the author and should not be construed as an official statement by ACT.