

Setting the Standards for Success

CSIO has launched its EDI Assessment Project to smooth technological integration between brokers' and insurers' systems



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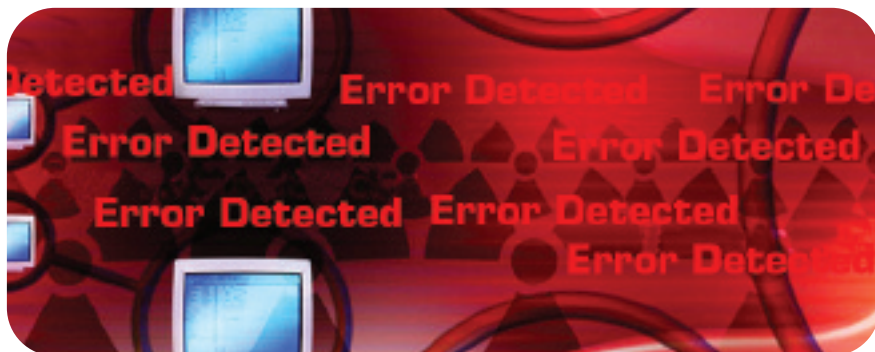
Since the early '80s, CSIO has been a facilitator of the Canadian Insurance Industry Standards for EDI, electronic data interface Forms, Web screens and most recently, Single Signon and the publication of the new XML Standards. But recently, CSIO's role has expanded beyond a mere facilitator of the standards. It now includes the job of being the industry's business analyst and our members' implementation consultant. We interpret the value of data elements to each trading partner, and we are providing

more guidelines designed to improve the brokers' data retention and the insurance companies' data collection. To this end, our EDI Assessment Project has snowballed into a year-long process of re-designing several CSIO forms. This process will continue during 2006-2007, and our members have shown great interest in participating in the process.

During the past year CSIO has worked to update the EDI Standard and address needed data elements. In holding to our responsibilities, when CSIO members reported concerns with the quality of brokers' downloaded data, CSIO's board of directors took action, initiating the EDI Assessment Project. The mission was to analyze trading partners' data, comparing

broker upload information with the insurance company's final download transaction, document any data loss or alteration, and if necessary, identify the causes and acceptable resolutions.

With full support of the IBAO, brokers representing each of the four major broker management systems were enlisted in the project. In addition, CSIO member companies appointed a project representative. Data collection was completed on site in the brokers' offices. Initial reviews of the broker data often lead to discussions on workflow and best practices. One of the project's observations is that few brokers had revised or leveraged the benefits of the EDI process. It was also noted that many brokers were unaware of CSIO's role as the



facilitator of trading partner problem resolution.

During 11 broker visits, CSIO reviewed 114 new business policy transmissions. This data represented a cross-section of 10 companies and four major vendor systems. The results identified a surprising 211 'Problem Determination Reports' (PDRs) to be logged by CSIO. Some PDRs were unique to individual brokers, companies or vendors; many were common throughout implementers.

EDI ISSUES

The first identified issue was that insurers do not support all the groups in the Standards. This in itself is not an issue. In fact, the Standards anticipates this limitation; brokers were to keep their own data for groups not sent in the download. But not all vendor systems manage the unsupported groups, as required by the Standards Implementation rules. As a result, some data is lost if vendors delete broker data that is not supported by insurers. CSIO and Standards Workgroups are now working to resolve this issue, by creating new guidelines and Standards. One proposed Standards change is to have insurers indicate what they do not support with every download. The vendors will then know precisely what the insurers do not support.

Insurers' partial implementation of the Standards has resulted in data loss or acceptance of misleading generic data. Some insurers are not supporting all code lists, choosing instead to regularly download codes identified in the Standard as "temporary codes." Those insurers were advised to inform brokers of the code lists they do not support, allowing brokers an opportunity to turn off the acceptance of such data.

The EDI Standards are updated and published three times a year. Nevertheless, it became apparent that some members

were not requesting coverage codes be added into the Standards, choosing to work instead company-unique coverage codes called "Z" codes. For brokers to support these codes, they had to create manual work-a-rounds. A few "Z" codes were replaced immediately with code values already in the Standards.

A growing broker workflow is to enter new business on insurer portals. A common misconception is that this, combined with EDI download, is the same as new business upload/download. But without an EDI upload transmission, the vendor system has no links between brokers' data and data downloaded by the company. As a result, the final policy download image would replace the brokers' data with the data sent by the company. The quality of the data would always be determined by how comprehensive the data capture was on the insurer's system.

CSIO has identified sensitive data and we recommended new guidelines for retention of specified broker data. This enhancement will be the responsibility of the vendor to implement.

RESOLVING ISSUES

Since the first implementation of EDI, CSIO has been the negotiator to resolve reported issues between trading partners. Prior to this project, there were no unresolved reported issues. Many brokers involved in our project advised that they had reported issues directly to insurers with no success. With renewed interest and greater participation, CSIO members gathered at private vendor meetings, known as the e-Partners Vendor Forum (EPVF), to raise concerns. One at a time, members would discuss the

problem and assign the responsibility to the vendor, company, or broker. Action plans were documented, and follow-up was included as part of the process. The EPVF meetings, held regularly in April and October, continue to monitor ongoing issues and work with the members to find agreeable resolution.

The PDR process identified forms to be a weakness of EDI implementation. Some vendors had scaled down their Standards development by supporting only those data elements that appear on CSIO Forms. In order for brokers to meet company upload data requirements, trading partners years ago created a common work-a-round to send remarks. We found that brokers continue to add those same remarks, even though the vendor has captured the data and the company therefore no longer requires the remarks.

REDESIGNING FORMS

CSIO provides the form template the vendors use to generate the forms. Broker members can access these same forms from the CSIO Web site as printable or fillable forms. The Forms Workgroup – made up of volunteer member brokers, underwriters and vendors – began a year-long process to re-design five core industry forms: Habitational Application, Automobile Notice of Loss, Property Notice of Loss, Payment Plan Authorization and the standalone Umbrella Application. The work group also designed three new forms: Policy Change Request (for both Automobile and Habitational) and a Property Insurance Binder.

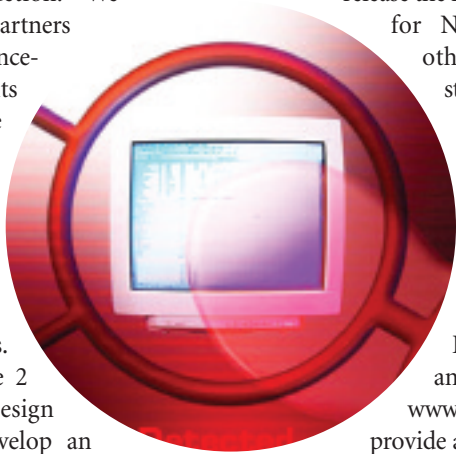
The forms design process not only had to accommodate the brokers' and the insurers' underwriting data requirements, but now they also had to represent the data elements structure within the Standards and the "machineability" process the vendors needed. In August 2006, CSIO published these revamped forms. Vendors are expected to implement the new forms within six months following their release.

The forms' new design will expand the collection of brokers' data and improve



the quality of data transmitted to insurers. The new design also reduces the need for manual remarks because it adds formatted fields that respect the data elements Standards construction. We anticipate trading partners will review their once-unique requirements that brokers have endured as remarks, and make enhancements to their EDI process to receive and send the data from these new formatted fields.

For CSIO, Phase 2 of the forms redesign process was to develop an alliance with the Provincial Superintendents of Insurance in charge of the Automobile Application. CSIO began this new initiative in an effort to address the structural machineability deficiencies found on the Automobile Application forms. After nine months of negotiations, CSIO published a machineable Automobile Application for the Province of Alberta in March 2006. It included a



field layout structured to the EDI Standards, fields large enough for the required data entry and use of a paper size that brokers prefer. In Fall 2006, CSIO will release the new Auto Application for Newfoundland, with others following in stride.

As an ongoing process to improve data quality, the IBAO appointed brokers to continue to communicate with CSIO on any EDI issues. As always, any member can visit www.csio.com, where we provide a site to report issues.

A CRITICAL EYE

The EDI Assessment Project was an opportunity for CSIO to take a critical eye to our trading partners' implementation of the EDI Standards. It must be re-iterated that our members' involvement in Standards development is vital to CSIO providing better Standards. It also emphasized that better CSIO forms

design is crucial to data collection on vendor systems. Our forms must support the same structure as our Standards.

During the past year, CSIO has worked to update the EDI Standard and address needed data elements. Our biggest reward to come of this project was that all of the improvements to the EDI Standard were automatically retrofitted into our new XML Business Specification, version 4.0.0, which was released in May 2006. The CSIO XML Standard is the future of our trading partners' communication. XML Standards implementers can now use real time data transfer, better data validation, and more lines of business reaping the benefits of electronic processing.

We can't do it right without our members. Brokers that are members of their provincial brokers' associations are automatically members of CSIO. We want to thank all the project participants. The benefits to come out of the EDI Assessment will be seen in not only improved EDI Standards but also in CSIO forms design, and the XML Standards. We look forward to your continued support. ☐