

xBRL | EUROPE



EDI in the Dutch insurance industry



Introduction

- ▶ Not XBRL, no regulatory reporting!
- ▶ Standards in the Dutch insurance industry
- ▶ The manager of these standards is SIVI
- ▶ Small not for profit organisation
- ▶ Board is formed by all key players in the Dutch market
- ▶ Yearly fixed budget and appointed targets for investigating possible new standards
- ▶ Staff consists of one director, one officemanager and eight consultants
- ▶ Investigative examples for 2016:
 - Block chain
 - Artificial intelligence
 - XBRL reporting



History in branche collaboration

- ▶ Insurance started with the joining of agricultural risks
- ▶ Cooperations grew and started to have their own sales force
- ▶ For private products independent intermediaries rose
- ▶ In the 1980's a new distribution channel opened: direct writing
- ▶ The cost efficiency of direct writers forced the traditional channel
- ▶ Edifact and approx. 10 individual messages were agreed upon
- ▶ Three initiatives arose: ADN, FDN, HDN (insurance, private loans, mortgages)
- ▶ The branche needed a hub and software to exchange Edifact
- ▶ Today standards and hub are separate activities
- ▶ SIVI is the heir to ADN



Dutch semantic insurance standards

| | |
|------------|--|
| AFD | Policy maintenance all products (claims, health, life, pension, business)* |
| Verzuim | Non-attendance for employee maintenance (as a policy)* |
| Letsel | Injury based exchange, has legal status in court* |
| NVGA | Accountability from proxy to insurer* |
| RDW | DMV information |
| GBA | Dutch persons register |
| BKR | Debts register |
| VNAB | Large exposures exchange |
| HDN | Mortgage information (on some life policies) |
| PolisAdmin | Income and social insurance register |

*) Maintained by SIVI



Users of standards

| | |
|-------|---|
| 1.100 | Insureres (200 that matter) |
| 300 | Insurance proxy businesses |
| 5.000 | Indepedant intermediaries |
| 40 | Service providers |
| 1.500 | Vehicle repair businesses (+ unknown nr property related) |
| 1.300 | Claim valuator |
| 3 | SOS Services for vehicle and travel |

*) Most businesses use software from third parties that have standards built in. Only the largest of organisations built their own solutions.



Facts: Insurance in EU and NL

| | Premiums bln EUR | Investment bln EUR | Insurers | Employees |
|-----------------|------------------|--------------------|----------|-----------|
| Europe | 1169 | 9900 | 4860 | 1.000.000 |
| The Netherlands | 74 | 460 | 200 | 50.000 |

| Country | Premium bln EUR | Ranking | Cummulative % |
|-----------|-----------------|----------|---------------|
| UK | 241,4 | 1 | 21% |
| FR | 197,1 | 2 | 38% |
| DE | 192,4 | 3 | 54% |
| IT | 143,3 | 4 | 66% |
| NL | 73,8 | 5 | 73% |
| ES | 54,4 | 6 | 77% |
| CH | 48,9 | 7 | 81% |
| SE | 31,3 | 8 | 84% |
| BE | 27,1 | 9 | 86% |
| DK | 26,5 | 10 | 89% |



Facts: NL in the EU

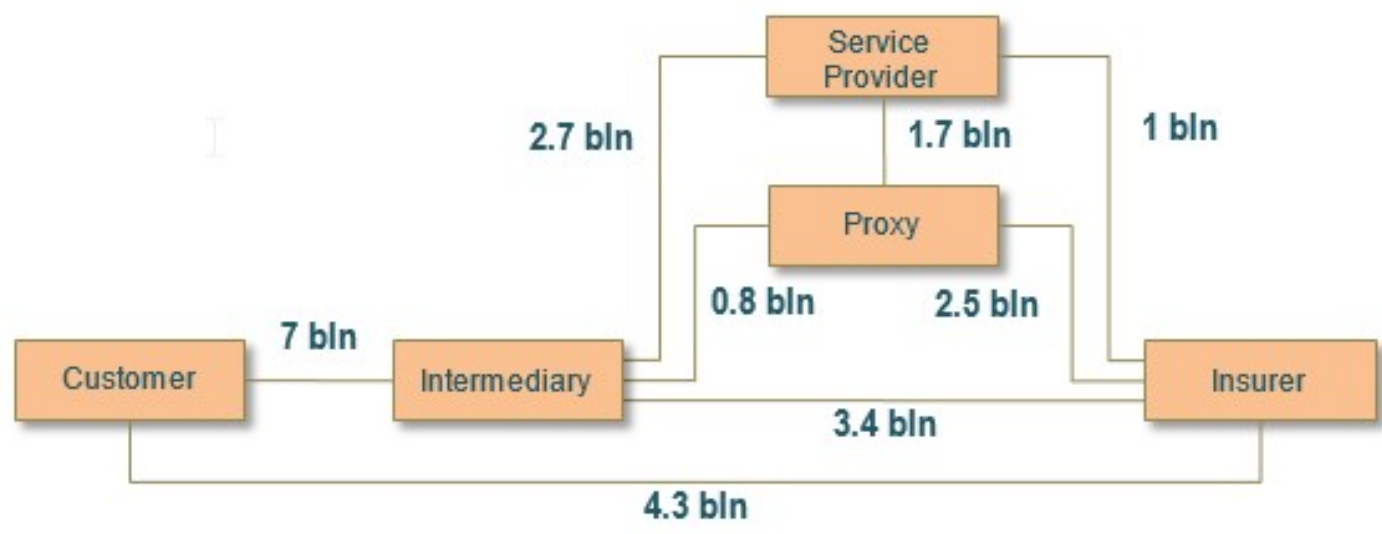
| Country | Premium/Inhabitant | Ranking |
|-----------|--------------------|----------|
| CH | 5.963 | 1 |
| LU | 5.800 | 2 |
| DK | 4.732 | 3 |
| NL | 4.341 | 4 |
| FI | 4.278 | 5 |
| UK | 3.714 | 6 |
| NO | 3.196 | 7 |
| SE | 3.194 | 8 |
| FR | 2.968 | 9 |
| IE | 2.739 | 10 |

| Country | Premium/GDP EUR | Ranking |
|-----------|-----------------|----------|
| FI | 0,113 | 1 |
| NL | 0,113 | 2 |
| UK | 0,109 | 3 |
| DK | 0,104 | 4 |
| FR | 0,092 | 5 |
| CH | 0,091 | 6 |
| IT | 0,089 | 7 |
| PT | 0,083 | 8 |
| LI | 0,078 | 9 |
| SE | 0,073 | 10 |



Facts: Insurance market in NL

| Insurer | Branch | Turnover in bln € | Market share in % |
|-------------------|----------------------|-------------------|-------------------|
| Achmea | Life, Claims, Health | 18.8 | 25 |
| VGZ | Health | 10.5 | 14 |
| CZ groep | Health | 8.3 | 11 |
| Menzis | Health | 5.2 | 7 |
| ING | Life, Claims | 5.0 | 7 |
| Aegon | Life, Claims | 4.3 | 6 |
| ASR | Life, Claims | 4.1 | 5 |
| Delta Lloyd groep | Life, Claims, Health | 4.0 | 5 |
| Vivat | Life, Claims | 3.2 | 4 |
| Allianz | Life, Claims | 1.0 | 1 |



Processes supported by standards

- ▶ Premium calculation
- ▶ Quotes, requests, amendments of policies
- ▶ Report, evaluate claims
- ▶ Instruct repair, payment of claims
- ▶ Renewal and financial consequences (system to system)
- ▶ Mutations in collective agreements (income or family changes of employees)
- ▶ Changes in investment portfolio

- ▶ Branches
 - Private general claims, life and health products and their claims (excl. health claims)
 - Collective general claims and income (pension) products
 - Business general claims



Current messaging with standards

- ▶ SIVI has no hub, and the branche only supports a hub for renewals
- ▶ Estimate: 40 mln private general claims policies with a 15% yearly mutation on them, would result in 12 mln messages (2x6 mln, request and result) plus 480 mln renewals yearly, general claims only!
- ▶ Estimate: 12 mln private health policies, monthly renewal is 144 mln messages yearly.

- ▶ All parties involved can create their own message definitions as long as they use the elements provided by SIVI. A small number of rules have been set to guarantee reliable semantic connections between parties:
 - Identifiers on multiple levels: message, parties, contracts, objects, coverages, claims.
 - Identification of the process the message is for.
 - Mandatory set of financial data: gross/nett premiums, taxes, discounts, costs, commission.



All Finance Datacatalog

- ▶ AFD LOOKS like a taxonomy. But AFD is syntax neutral. It's a dictionary of elements that the insurance branch needs to communicate all insurance products and processes.
- ▶ AFD contains 24.000 attributes of which 7.500 unique;
- ▶ AFD contains over 300 entities in which the attributes are arranged;
- ▶ AFD contains 450 codelists with 15.500 values in them;
- ▶ AFD contains 21 different hierarchies (10 types of contracts, 6 types of parties);
- ▶ Single language (Dutch), coded entities, attributes and codelist values.
- ▶ A monthly version of AFD is being made available on the first working day of each calendar month.

- ▶ Recently there is a shift away from attributes to support just system to system connection, towards attributes that support system to presentation, i.e. no more intelligence on the receiver side.



AFD Core component model

▶ [Link](#)



Syntax and transaction standard

- ▶ Edifact, still in place for some laggard renewals
- ▶ XML, main stream
- ▶ JSON/Rest for new development
- ▶ There is also a small contingent of users using AFD internally, especially with insurers integrating new back office systems due to replacement or merging of activities or service providers that want to support just a single semantic standard.



Future

- ▶ Extension on insurance processes into the area of employee insurance products
- ▶ Provide standards for a national portal for private persons
- ▶ Bring salary software industry on board (or help brokers)
- ▶ Bring HR software industry on board (or help brokers)
- ▶ Transformation registry for switching between semantic standards



Questions

