ACORD Presentation
Federal Advisory Committee on Insurance

Bill Pieroni
ACORD President & CEO

June 1, 2023

ACORD Confidential Information. © ACORD Corporation 2023. All rights reserved. Do not copy, distribute or otherwise reveal content in whole or in part.
The ACORD name and logos are among the registered trademarks and trademarks of ACORD Corporation in the United States and other countries.

ACORD BY THE NUMBERS

50+ Years of Industry Service

36000+ Participating Organizations

1200+ Standardized Transaction Types

Forms & Standards
800+ forms, 400K elements

Reference Architecture
7 Models & frameworks

Training & Certification
3K Validations & sessions

Idea-Sharing Platforms
350+ Standards events

Research & Development
20+ Market studies

6K+ Regulatory Submissions

7K+ Core systems

400M+ Annual transactions

© 2023 ACORD. All rights reserved.

ACORD BY THE NUMBERS

R&D: AREAS & SELECTED STUDIES

Value

Technology

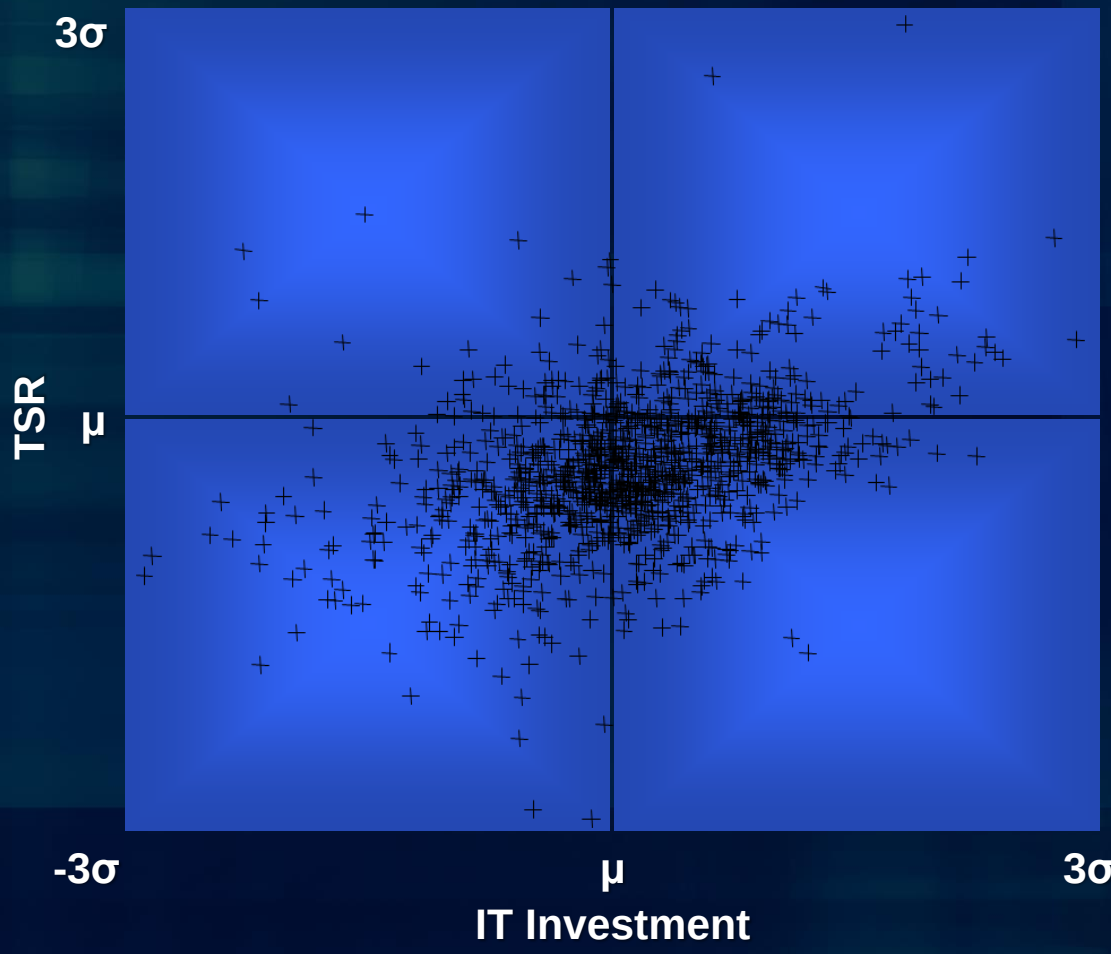
Execution

- Digitalization
- InsurTech
- 20-Year Outlook

© 2023 ACORD. All rights reserved.

ACORD Presentation

Digitalization: Spend & Investment

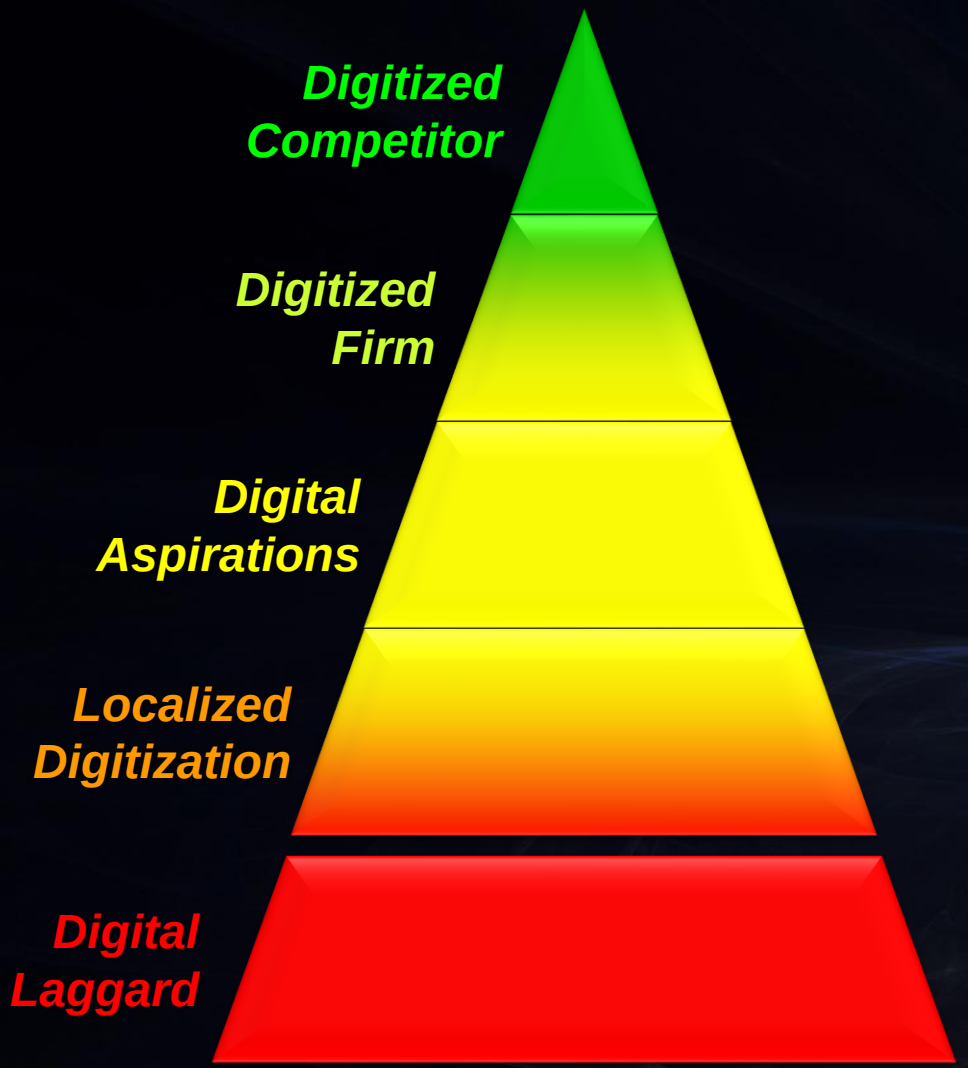


	Explicit	*Implicit*
Accretive	Features & Functionality	Architecture & Infrastructure
Dilutive	Capability Deficiencies	**Technical Debt**

Source: ACORD analysis 2023

© 2023 ACORD. All rights reserved.

ACORD Presentation
Digitalization: Scope & Approach

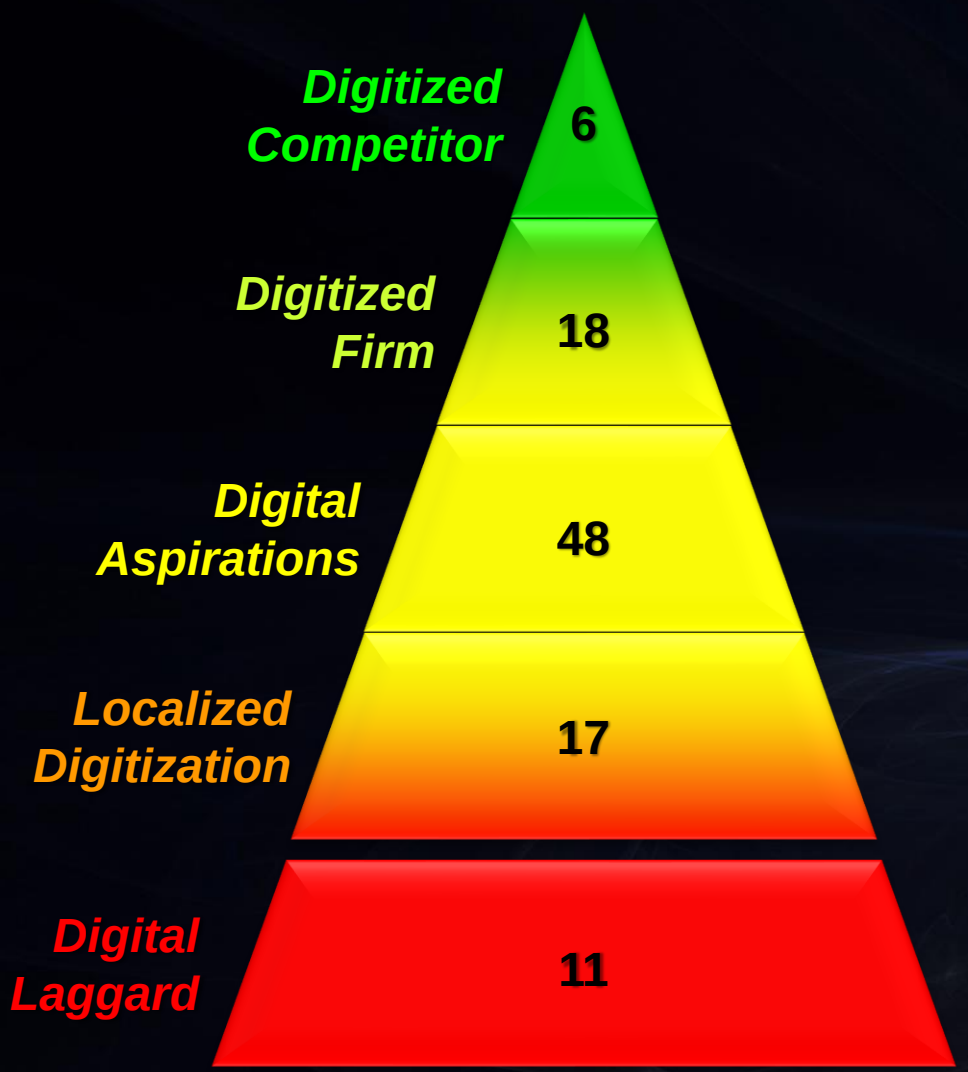


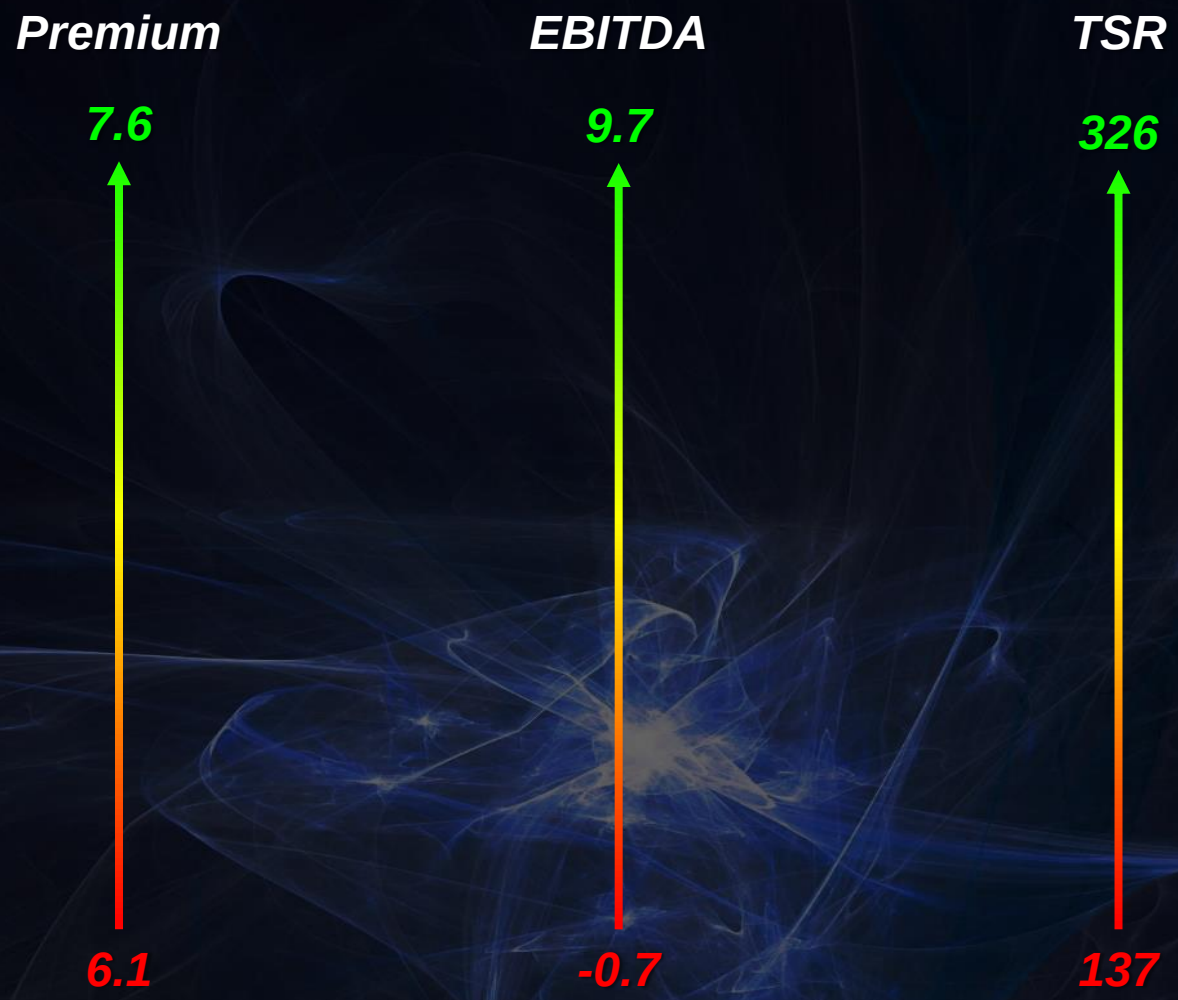
- **200 insurers – *$3.4T GWP, 61% world***
- **10 years – *TSR, Revenue, EBITDA***
- **Maturity vs. outcomes – *implications & imperatives***

© 2023 ACORD. All rights reserved.

ACORD Presentation

Digitalization: Selected 10-Year Metrics, %

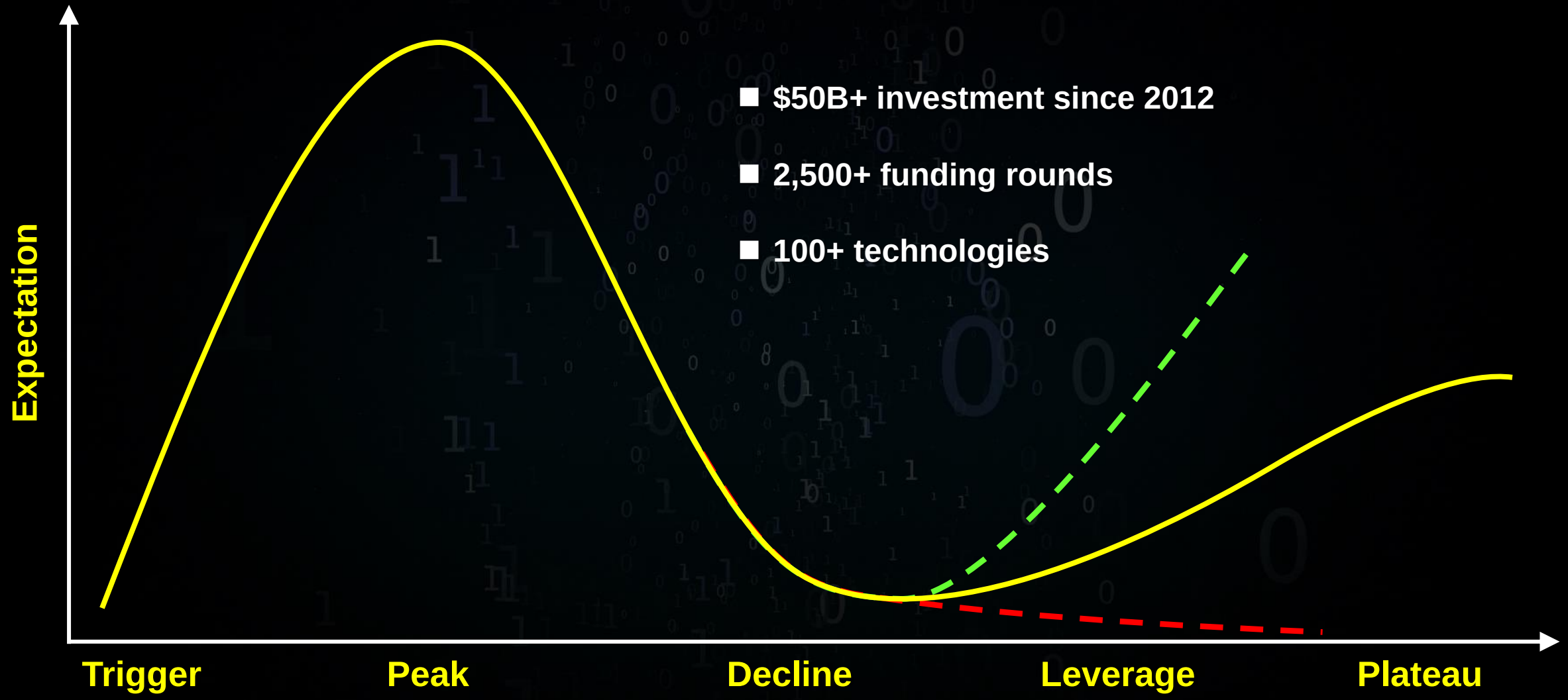




© 2023 ACORD. All rights reserved.

ACORD Presentation
InsurTech: Scope & Approach

ACORD

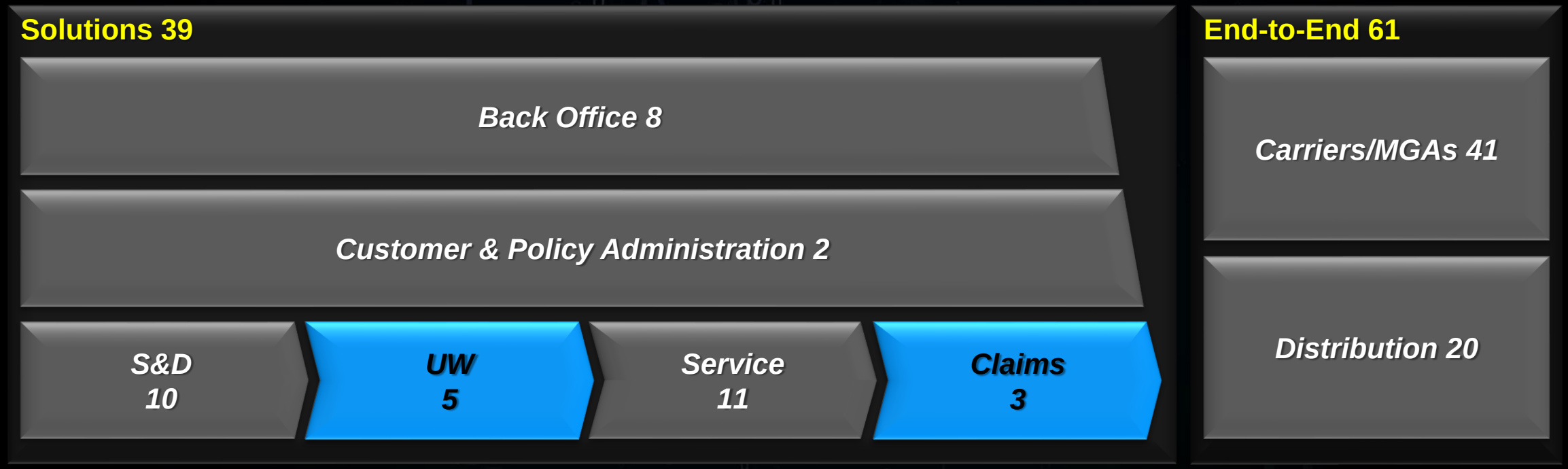


- **$50B+ investment since 2012**
- **2,500+ funding rounds**
- **100+ technologies**

© 2023 ACORD. All rights reserved.

ACORD Presentation

InsurTech: 2012 – Q1 2023 Cumulative Investment, %



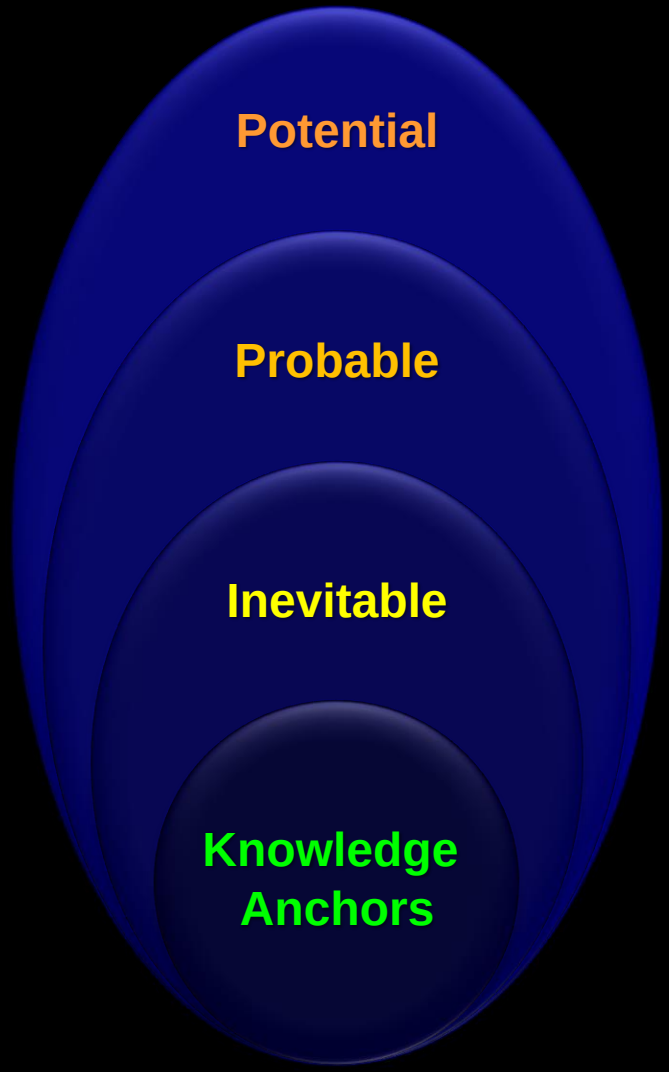
➢ *7 discreet factors determine technology viability*
. . .required but not sufficient

© 2023 ACORD. All rights reserved.

ACORD Presentation
20-Year Outlook: Scope & Approach

ACORD

- Global survey of 36,000-participant community
- Past and future business and technology perspectives
- Stakeholder implications and imperatives



© 2023 ACORD. All rights reserved.

ACORD Presentation

20-Year Outlook: Technology Predictions

ACORD

© 2023 ACORD. All rights reserved.

ACORD Presentation

20-Year Outlook: Technology Predictions

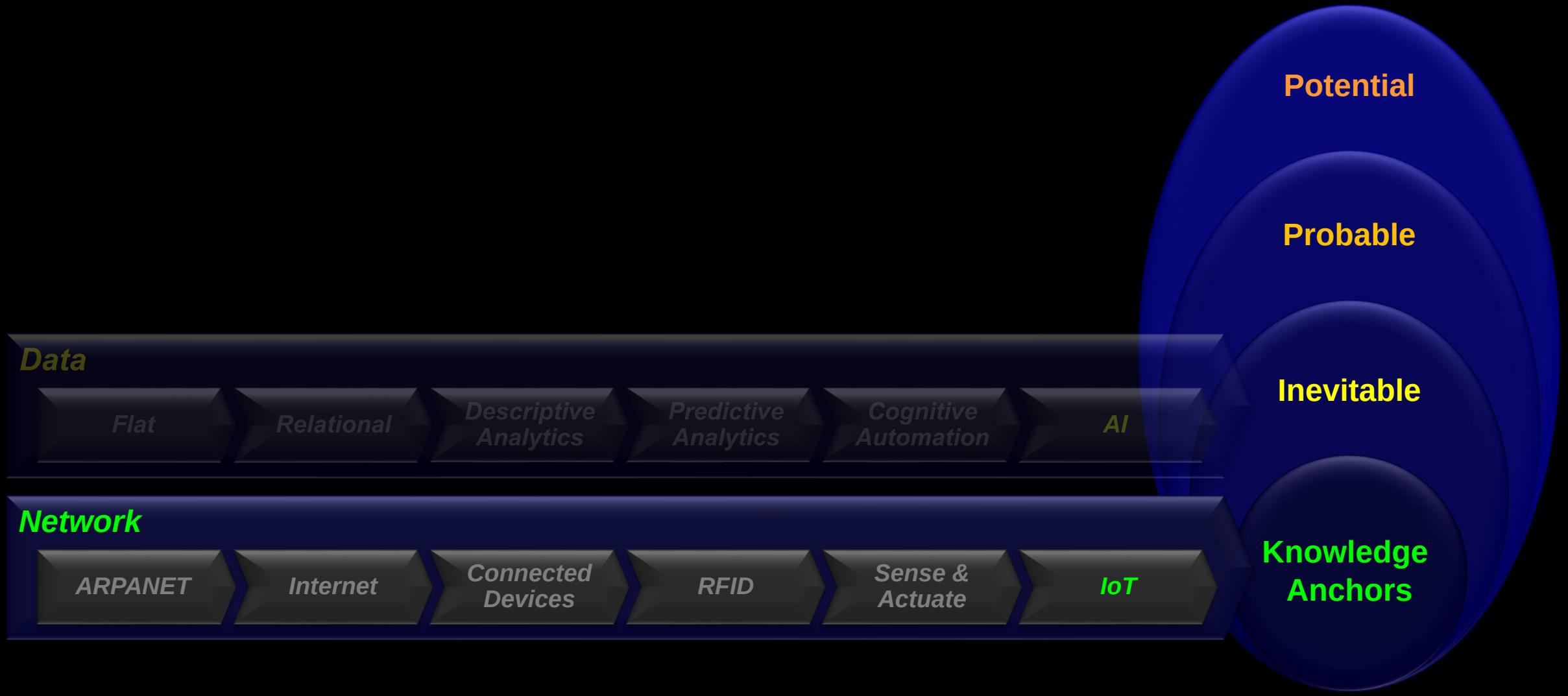
ACORD

© 2023 ACORD. All rights reserved.

ACORD Presentation

20-Year Outlook: Technology Predictions

ACORD



© 2023 ACORD. All rights reserved.

ACORD Presentation
20-Year Outlook: IoT Overview

ACORD

Sensor Capability

- ☐ Acceleration & Velocity
- ☐ Chemical & Gas
- ☐ Gyroscopic
- ☐ Humidity & Hygroscopic
- ☐ Image & Trace
- ☐ Infrared & UV
- ☐ Level & Altitude
- ☐ Location & Motion
- ☐ Optical
- ☐ Pressure & Density
- ☐ Smoke
- ☐ Temperature
- ☐ Vitals
- ☐ Water Quality

>45 Billion Devices

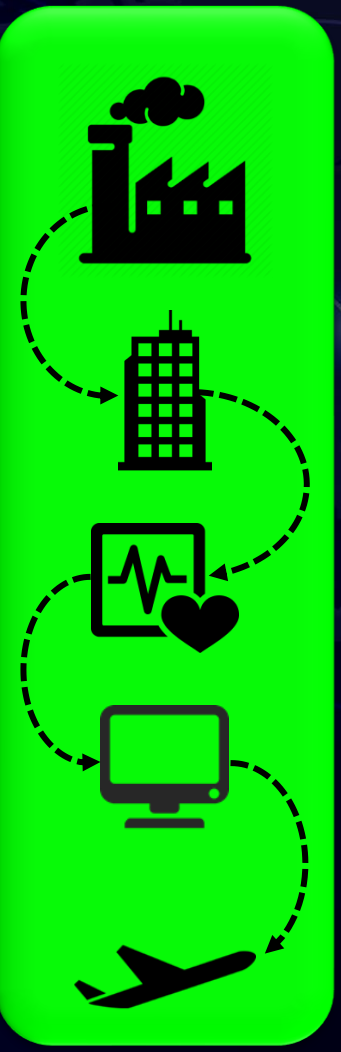
~6 devices/person

Decreasing Cost

<$0.40 in 2023 to ~$0.01

Data Generation

80 ZB annually in 2023 to 100EB



$20T+ Connected Economy

Enabled cross-sector Economic value

Source: IoT Analytics; McKinsey; THOMAS; ACORD Analysis 2023

© 2023 ACORD. All rights reserved.

ACORD Presentation

20-Year Outlook: Selected IoT Use Cases

ACORD

© 2023 ACORD. All rights reserved.

ACORD Presentation

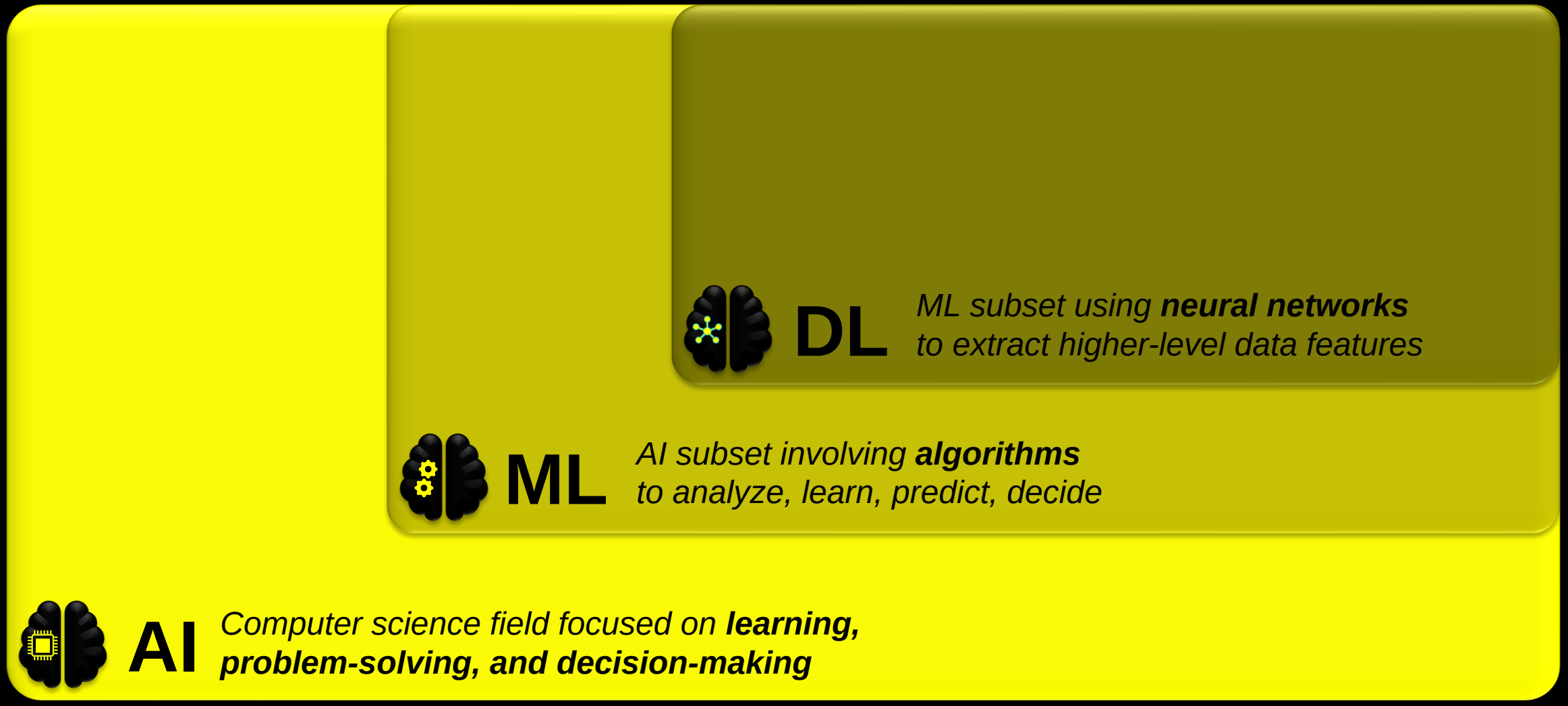
20-Year Outlook: Technology Predictions

ACORD

© 2023 ACORD. All rights reserved.

ACORD Presentation
20-Year Outlook: AI Components

ACORD



© 2023 ACORD. All rights reserved.

ACORD Presentation

20-Year Outlook: AI Evolution

ACORD

1950 *Turing Test*

1956 *AI coined*

1966 *ELIZA NLP*

1986 *Backpropogation*

1997 *Deep Blue defeats Kasparov*

2011 *Watson wins Jeopardy*

2012 *Siri introduced*

2015 *AlphaGO*

2016 *Self-driving Uber pilot*

2017 *MSFT quantum dev kit*

2020 *Waymo*

2022 *Chat GPT*

AI

© 2023 ACORD. All rights reserved.

ACORD Presentation
20-Year Outlook: AI Key Enablers

ACORD

- High-performance **computing power** at scale – *hardware, software, architecture*
- Large, diverse, high-quality **data** sets – *text, image, audio, video, sensor*
- Recognition, prediction, decision **learning algorithms** – *supervised, unsupervised, reinforcement*
- Advanced **computer & human language** interaction– *understand, interpret, generate*
- **Human expertise** across domains – *design, refine, interpret, decide*
- **Regulatory & ethical** support – *privacy, security, transparency, accountability, impact*

AI

© 2023 ACORD. All rights reserved.

ACORD Presentation

20-Year Outlook: AI Levels

ACORD

Level 4: Self-Awareness
Hypothetical: conscious and autonomous

Level 3: Theory of Mind
Emotion, belief, intention-based prediction (self-driving)

Level 2: Limited Memory
Past informs future actions (recommendations)

Level 1: Reactive Machines
Specific situations/inputs (computer chess)

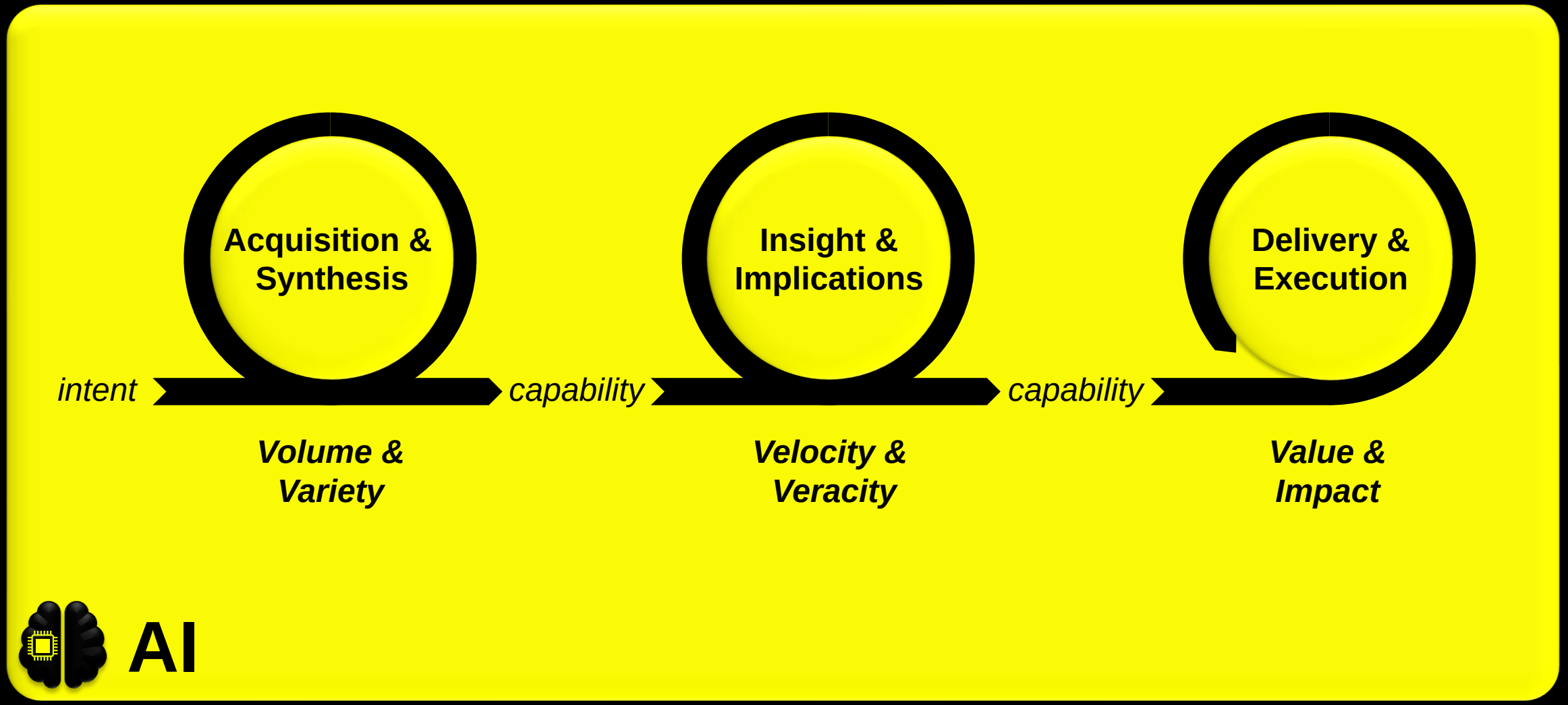
AI

© 2023 ACORD. All rights reserved.

ACORD Presentation

20-Year Outlook: AI Context

ACORD



© 2023 ACORD. All rights reserved.

ACORD Presentation

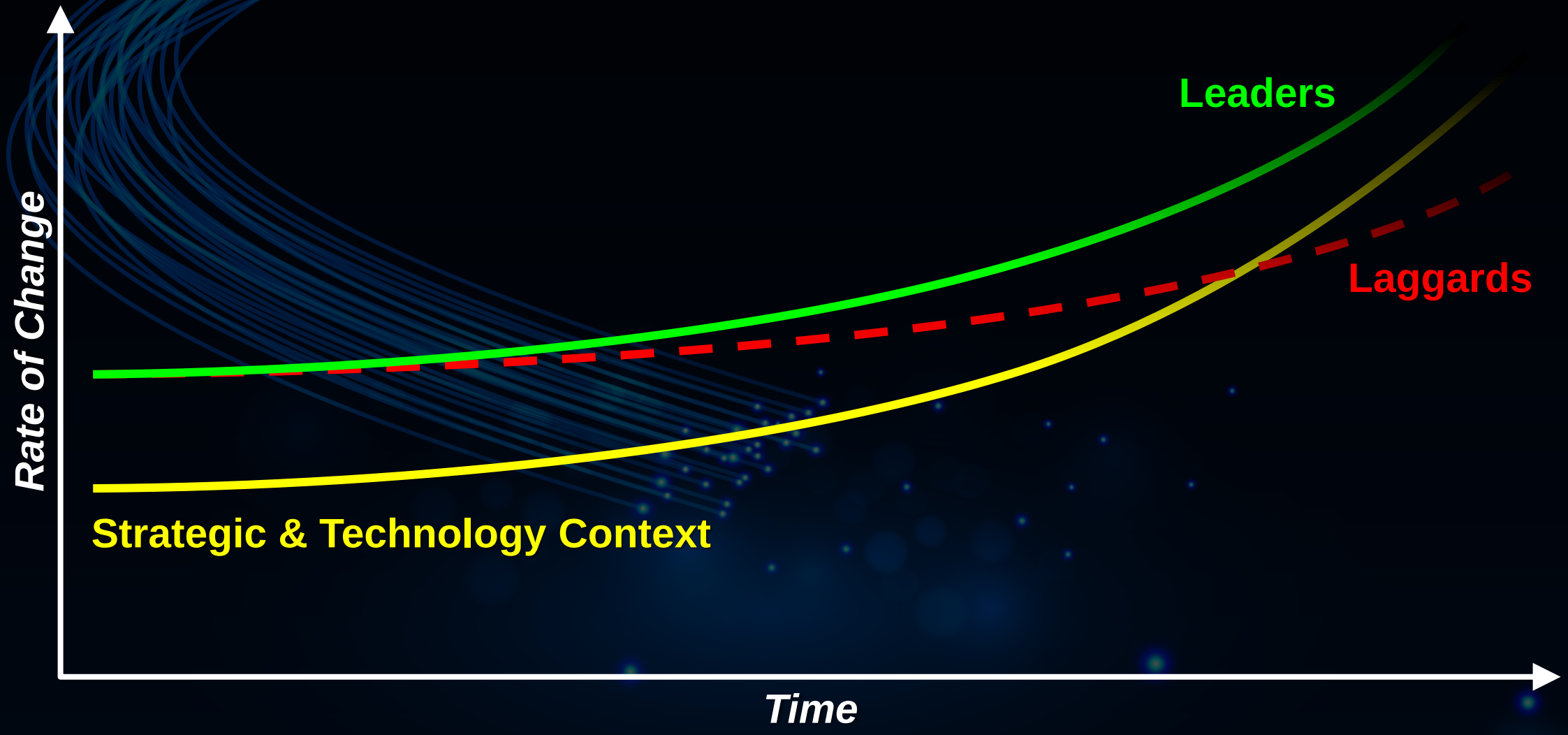
20-Year Outlook: Selected AI Use Cases

ACORD

© 2023 ACORD. All rights reserved.

ACORD Presentation
Industry Change Imperative

ACORD



© 2023 ACORD. All rights reserved.