



Eliminating Z-Codes Leads to Broker Benefits

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You may have never thought about the importance of standardizing data but it plays a major role in making our lives easier. Take the example of a supermarket: almost everything you buy comes with a barcode. Why is this important? Managed barcodes allow stakeholders throughout the supply chain to use the same ‘language’ when they’re talking about an item. This form of standardization enables systems to talk to each other about the same food item, with little or no human intervention required.

Everyone benefits from standardizing data. Customers have a seamless, hassle-free experience making their purchases. Manufacturers, distributors and store owners obtain valuable data insights regarding product inventory, customer purchasing behavior and marketing opportunities. Like the success of barcodes in the grocery sector, the Property and Casualty (P&C) insurance industry benefits in the same way by using CSIO’s EDI and XML Standards.

The Role of Standards in Insurance

CSIO’s Standards are the complete source for data elements that are used to exchange information for personal and commercial lines. Using the same Data Standards, brokers and insurers are able to exchange accurate information between their customer management systems. Data elements such as a policyholder’s name, for example, won’t be confused with the name of the broker. The CSIO Standards are designed to handle business messages such as eDocs, automobile, property, liability, cyber, claims and billing.

Z-Codes Create Barriers for Efficiency

Even though there is a complete data set for standardized coverage codes, many insurers still use proprietary “Z-Codes” to identify coverages on a policy. These codes fall outside recognized industry standards. While they are often used for temporary purposes or legacy system workarounds, Z-Codes are not required, nor are they a quick and easy solution. In some cases, an insurer uses a Z-Code even when a standard code exists, creating duplicate codes. Too many Z-Codes represent coverages today, creating obstacles for brokers to process requests, run accurate reports and access an insured’s information.

Brokers Benefit from Standardized Data

Businesses need better ways to get value from their data and stay at the forefront of innovation. Insurance is no different: brokers must tailor their products to customers’ needs. By implementing standardized coverage codes, all stakeholders can realize these benefits:

- Accurate reporting
- Targeted marketing
- Improved customer experience
- Operational efficiency
- Seamless data exchange

Agile Implementation of Standardized Codes

The National Standards Working Group, comprised of CSIO members, meets monthly to review and approve submitted requests for new codes, called Maintenance Requests (MRs), to reflect changing business requirements and more product offerings. The Working Group meetings give members a frequent, agile process to create new industry-wide codes, rather than introducing a Z-Code. As products evolve and business needs change, the Data Standards used to transmit insurance information between brokers and insurers must be continuously updated.

Eliminating Z-Codes

CSIO insurer and broker management system (BMS) vendor members can request that a Z-Code be eliminated by submitting an MR to csio.com. The MR will be reviewed by CSIO's Standards team and then be added to the agenda for the next National Standards Working Group meeting. Approved MRs can be programmed in members' systems immediately, eliminating the need for Z-Codes.

If a broker receives a Z-Code in a download from an insurer, they can forward the details to standards@csio.com.

CSIO also works closely with insurers to analyze their Z-Codes and help identify which ones can be replaced with standard codes going forward. Insurers who demonstrate to CSIO that they use only CSIO Standard codes in data exchange services with brokers, can apply to attain CSIO's Compliance Certification.

All of this means brokers can expect to see a sustained decline in Z-Codes that promises better customer data in their BMS.

Learn more about CSIO Standards

To stay up to date on the progress of Z-Codes and other technology initiatives, sign up for an account at csio.com. You'll start receiving our monthly newsletter and have access to CSIO's Professional Development courses, webinars and other resources. Membership to CSIO is a free benefit included as part of your IBAA membership. Also, remember to follow us on our social channels.