

ITP and the MRC

Introduction

The Market Reform Contract is a cornerstone of the London Market placing reforms.

According to the Market Reforms Office -

“The introduction of a placing standard - initially LMP and now MRC - has delivered value to the London Market by providing a standard form of submissions. It offers a clear structure and means that brokers present contracts in a consistent manner. This in turn adds clarity to the broker/underwriter discussion and thus enhances the efficiency of the placing process. The MRC has also delivered other advantages - most notably ensuring the content was aligned with the needs of contract certainty.”

Given its central role in the Placing process, it is vital that the MRC can be produced in the most efficient manner possible. Anything less may hinder the placing broker in getting to market and in presenting the contract in accordance with the required standards.

Definition and Execution

When considering the MRC from a document production perspective, two distinct ‘lifecycle’ stages must be considered; each stage having its own specific and very different needs.

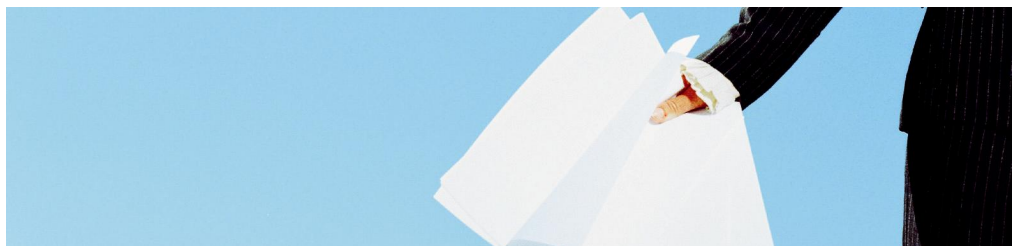
Definition

The definition stage involves defining a ‘typical contract’ covering a specific line-of-business or similar lines-of-business. The purpose of which, is to act as a ‘starter-for-ten’ or base ‘template’ for a broker with a specific risk to place. A ‘library’ of such templates is required to cover all lines-of-business handled by the wider broking organisation.

To be effective, the ‘template’ definition process requires that:

- The MRC structure should be clearly and directly represented
- Reusable content items can be associated at the appropriate level within the MRC structure
- Conditional rules can be defined to automate the selection of content where possible
- Conditional rules can be defined enabling the optional selection of content by the end-user where required
- Validation rules can be defined to ensure that data entered by the end-user is appropriate

The above should support the implementation of Contract Certainty and other regulatory compliance rules, wherever possible.



Execution

The execution stage occurs when the placing process is initiated and usually involves selecting the appropriate contract 'template', which is then 'completed' by the placing broker. Other options at this stage may be to base this case on a previous similar example or a renewing case and make the necessary changes to those.

To be effective, the execution process should ensure that:

- The MRC structure should be clearly represented to the end-user
- Mandatory content is automatically included
- Optional content can be selected /de-selected
- Content can be edited 'as permitted'
- Application sourced data can be reviewed / updated* as required
- Document specific data can be captured and validated
- Document specific data can be reused on a subsequent occasion
- Final documents can be produced and distributed as required

*only if application data is subsequently updated in a 'refresh loop'

The above process should support the implementation of Contract Certainty and other regulatory compliance rules, wherever possible.

ITP Positioning

ITP provides the functionality to enable both the definition and the interactive execution of the MRC in an effective and efficient manner.

Next steps

To learn more about how ITP can help you to meet the challenges of e-Placing, please contact the Aia Software UK Sales team.

Offices

The Netherlands, HQ	+31 24 371 0230	info@aia-itp.com	www.aia-itp.com
Australia	+61 3 9534 6925	info@aia-itp.com.au	www.aia-itp.com.au
Germany	+49 6081 583606	info@aia-itp.de	www.aia-itp.de
North America	+1 877 225 4914	nasales@aia-itp.com	www.aia-itp.com
Switzerland	+41 41 7114432	info@aia-itp.ch	www.aia-itp.ch
United Kingdom	+44 1702 335887	info@aia-itp.co.uk	www.aia-itp.co.uk

