

# MRCE

## Market Reform Contract

## Endorsement (MRCE) - FAQ

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The MRCE Implementation Guide provides detail on how Market Reform Contract Endorsements (MRCE) should be prepared and used. The following is a list of questions and answers that may assist you further in using the MRCE standard (Click on each question to take you to the answer).

**Can I use the MRCE where the original contract was not presented on an MRC?**

Yes. In this case the headings you would typically use in the Contract Changes section of the MRCE would follow those in the original contract.

**Do we need to repeat on every page: UMR/Risk Reference, Endorsement Ref, Reinsured, Original Insured, etc?**

No, but it is advisable to repeat the UMR/Risk Reference and Endorsement Reference on each page.

**Do I need to split the endorsement across more than one page even when it could all fit on one page?**

No. You can use a single page. However, if there is a Contract Administration And Advisory section that you wish to exclude from the eventual client documentation you may choose to put this section on a separate page at the end of the MRCE.

**Can I number the pages as “X of Y”?**

Yes. However, if you wish to separate out sections that are sent to the client you may require the numbering sequence to restart for the client and non-client parts of the MRCE.

**If I have a partially agreed endorsement on a “Honeycomb” will I have to re-draft this as an MRCE for remaining agreement parties after 31st March 2008?**

No. It is permissible to complete the endorsement on the Honeycomb.

**When can I start using the MRCE?**

The MRCE has been available for Open Market business and declarations off Lineslips since December 2007 and is already in widespread use. It will be the London Market standard from the end of March 2008.

**Can I still use the MRCE if I implement electronic processing such as email or ACORD messaging?**

Yes. The e-MRCE Overview and Implementation Guide documents (Click here for more information) provide details on how you can do this.

**Can I use the MRCE in other markets?**

Yes. It is expected that firms will want to adopt a common standard.

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**Must my MRCE's look like the examples in the MRCE Implementation Guide?**

Sections 1 to 4 in the Implementation Guide provide the standards that should be followed in preparing MRCE's. The examples show a tried and tested layout that affords a consistent and recognisable document. Nevertheless, it is anticipated that there may be some variation in how brokers present some of the detail in the document.

**Must the MRCE only state the new information, or can I include the original content?**

As is done now, either format is acceptable.

**We still place contracts on a client exempt basis - thus not in MRC format. Do we have to endorse these using MRCE? It has the potential to expose us to further E&O risk.**

No. As was previously the case, you may use client-prepared contract change documentation where this is a requirement of the client. The MRCE replaces existing "standards" such as the Honeycomb and Cover Note Addendum, not client specific documents.