

# BRITISH INSURANCE LAW ASSOCIATION

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BILA Bulletin is the official journal of the Association. Any enquiries or other correspondence should be addressed to the Hon. Secretary, BILA, Plantation House, 31-35 Fenchurch Street. London, EC3M 3EX.

Views expressed in articles in the Bulletin are those of the authors not necessarily those of the Association.

## Editorial

The first proofs for this Bulletin have been prepared during the welcome period of warm weather and we trust that the contents will not have suffered in any way from the heat!

Your Hon. Sec., Mr. R.A. Sims, has also recently been suffering from heat of a different kind. On the night of 3rd/4th March, a fire started at his office with the result that the office had to be sealed off. Subscription notices had been sent out that day requesting subscriptions to be sent to an office which had, in fact, suffered badly from the fire. Fortunately, we are pleased to report that all subscriptions came through, due to the co-operation of the Post Office.

This Bulletin includes two learned papers: Arbitration Under International Reinsurance Contracts by H. Edward Gumbel, LL.D. and Accumulation of Payments and Subrogation in the U.K. 1974-1978 by Professor H.A.L. Cockerell submitted to the Fifth World Congress on Insurance Law which is to be held in October of this year at Madrid.

Your committee would like to express their sincere appreciation of the views submitted by members on the paper published in the previous Bulletin: Pollution Liability and Insurance in the U.K. by M.A. Cohen which he has submitted to the Fifth World Congress.

Readers will be interested to know that a report on the proceedings of the Danish Colloquim in 1977 is now housed in the C.I.I. Library and will be a useful source of reference. In addition, a 'Pictorial History of the Aachen Reinsurance Company' has been given to the C.I.I. Library in commemoration of the Company's existence for 125 years.

### Current Legal Changes

We have of course all seen, since the last Bulletin, the Report of the Royal Commission on Civil Liability and Compensation under the Chairmanship of Lord Pearson (published 16th June, 1978). There are some 188 individual recommendations contained in the Report and this perhaps explains the number of years it has taken to produce the Report and the considerable expense of purchasing copies. A great deal has already been written on the Report's recommendation both in the National newspapers and in the various insurance journals and we hope to include our own appraisal in a future Bulletin. In broad terms, the recommendations seek to achieve a compromise position combining no-fault liability, strict liability and tortious liability. We must now wait to see what, if any, Government legislation will emerge and this may depend to some extent on the forthcoming General Election.

Slowly but surely the Committee to Review the Functioning of Financial Institutions under the Chairmanship of Sir Harold Wilson is gathering together its evidence. The insurance industry's first stage evidence was submitted in June, 1977 and subsequently published. The second and final stage evidence has also now been published. This latter evidence contains familiar points, including the importance of insurance as a major contributor to invisible earnings and a rebuttal of the suggestion that the insurance industry is failing to provide manufacturing industry with funds. These valuable points must, of course, be constantly reiterated since the insurance industry's critics, are very audible in their constant denunciation of the present capitalist system.

Yet another White Paper on Industrial Democracy has appeared. The new recommendations largely reflect the recommendations of the minority report of the Bullock Committee. This is another area which is highly political and it will be interesting to see what legislation eventually emerges.

We had hoped to write a few lines on the recent case in the House of Lords, *Cookson-v-Knowles*, concerning the topical subject of interest on general damages. However, it is believed that another case is currently before the House of Lords which might throw further light on the subject and we will have to await a future edition.

Editor