

Report of Luncheon Address by Mr. Michael Morris

The Guest speaker at the June Lunch for members of the British Insurance Law Association held at the Barrington Restaurant was Michael Morris - Director General, British Insurance Brokers Association.

Mr. Morris recalled that during the last 30 years, he had witnessed an increasing control over the private sector having been concerned with licensing, restrictive practices and more recently the supervision of insurance companies. Was this really necessary? In his view, it discouraged enterprise and inhibited progress, although a measure of public protection was vital. Adam Smith had postulated that an association for self-regulation of members of the same trade usually ended in a conspiracy against the public! The Confederation of British Industry and the National Farmers' Union could not accept responsibility for the actions of their members as corporations or individuals and hence Government inspection had to be used. The speaker thought it essential to have a right balance between safety and competition with respective control by Government or in the law courts: in the field of products liability, the two tended to overlap.

The position relating to the control of services was more complex than in the industrial field - for example, while master mariners were appointed subject to Government approval, professions like that of the accountant and the actuary were bound by their own codes of conduct and ethics: a situation which could be exploited as noted by Adam Smith. While he could not comment on Lloyd's at this stage, Government Regulations had obliged the companies to conform with the wider EEC control and with the Brokers' mandate for self-policing a good start had been made. He well appreciated the Government's difficulty in handling the problem of the gap on insurance intermediaries generally and stressed the need for considering the interests of the consumer - if only to avoid allegations of closing ranks. Mr. Morris concluded by saying that to enable Britain to maintain its trading superiority, regulations should be kept to a minimum but subject to all parties being educated to the best of our ability.

Dr. H.E. Gumbel, BILA Chairman, who presided, thanked Mr. Morris for his interesting talk.

A. McC.