

BILA maintains contact with various other insurance law bodies and so we asked the Hon. Secretary of the Life Assurance Legal Society to do a few notes on that organisation.

A SHORT HISTORY OF THE  
LIFE ASSURANCE LEGAL SOCIETY by Dermot Gallaher

The formation of a society of legal advisers to Life Assurance Offices was exhaustively discussed at a meeting which took place on the 13th December 1950 and was attended by nine senior legal advisers to some of the major Life Offices. It was decided at that meeting that a Society should be formed with the object of providing a forum for the discussion of matters of common interest to all those advising life offices on the law relating to life assurance.

The first meeting of the Society took place on the 21st February 1951 at the Offices of Sun Life Assurance Company of Canada where most of the regular meetings of the Society are still held. This meeting was attended by thirty-five representatives of the major Life Offices and three or four of those founder members still maintain a connection with the Society through honorary membership although they have all retired from practice many years ago.

Membership of the Society is open to all individuals who are qualified as Solicitors or Barristers practising in England and who advise Life Assurance Offices on matters of law. The Society meets five times a year in October, November, January, February and April with the object of exchanging information relating to matters of common interest to Life Assurance Offices, the discussion of such matters and the making of recommendations and/or representations in relation to any such matter. There are at present sixty-five members, including four honorary members and most of this number are actively concerned with the legal aspects of their respective Client Companies' affairs.

The meetings of the Society have, over the years, provided a very useful forum for the representatives of the Life Offices to hear talks given, in the majority of cases, by members of the Society on topics of current interest to the members, and the discussions which follow those talks are normally very wide ranging. Such discussions provide the opportunity for members to seek the views of their fellow members of the Society on any problems which they have encountered when advising their Client Companies on a particular matter. Another member of the Society is quite frequently able to suggest a solution to the problem with which the original member has been struggling.

The Society has discussed many varied topics, including insurable interest, the creation of trusts in respect of life policies, assignments of life policies by way of mortgage to banks and building societies and the rights acquired by such assignees under their security deeds, the Consumer Credit Act 1974, the Data Protection Act 1984, and the many provisions of the annual Finance Acts and the Income and Corporation Taxes Act 1970 which affect, either directly or indirectly, the manner in which a Life Office carries on its business.

The meetings of the Society last for approximately one and one-half hours and it is possible for members of the Society to bring guests to the meetings, provided those guests themselves advise a Life Office on matters of life assurance law.

The members of the Society did, in the early years, spend a substantial proportion of their time at the meetings discussing the form and content of life policies themselves, but recently the discussions have more frequently been concerned with the problems which Life Offices in general, or a particular Life Office for which one or more members act, have encountered in dealing with third parties. Such problems have included the withdrawal of Life Assurance Premium Relief in 1984 and the substantial number of fraudulent death claims which were made against some Life Offices during the early part of this decade.

The Society is always looking for new members who will be prepared to devote a small amount of their time to attending the meetings of the Society which commence at 5 p.m. and last, as previously mentioned, for approximately one and a half hours.

The Society has a number of members who are either employed by or act for those Life Offices which have specialised in unit-linked business but this aspect of life assurance business has not, despite its general acceptance by the industry, provided a great deal of discussion at the Society's meetings.

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Our penultimate lunchtime talk took place on Wednesday, 12th March, in Committee Room 2 of Aldermay House, the headquarters of the ABI. (The change of venue was necessary because the new ILU premises were not at that time available for us).

The large audience heard Mr. Klaus-Dieter Reinhold, a lawyer with the Munich Reinsurance Company, speak on

"The German Pharma Pool and its Experience"

As you surely know and as Mr. von Bechtolsheim (BILA Committee member - ed.) mentioned before, the development in Products Liability insurance and, specifically, Products Liability insurance for pharmaceuticals on international markets over the past two or three years has been catastrophic. Severe losses, often in the range of hundreds of millions of US\$, the subsequent sharp reduction of insurance capacity on all markets, increasingly stringent conditions and premium increases characterize the situation. The fact that premium increases are often not only 100% but anywhere from 200, 300 to 500% is of some significance. At the same time brokers have often not been able to place this business even though the premiums increased so tremendously.