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

EDITORIAL

The past 4 months have seen lunch-time talks on a wide range of themes and three of them, by Professor Hugh Cockerell on "Insurance Confronted by the Changing Notions of Liability" (a review of the UK Report for the forthcoming AIDA Congress), by Mr. Marshall Field on "UK Investor Protection Legislation and the De-Regulation of Financial Services" and by Mr. K.D. Reinhold on "The German Pharmaceutical Pool and its Experience" are covered in this issue. The fourth paper, by Mr. W.H. Börner on "EEC Competition Law: Its Practical Effects on Community Insurance Markets" together with a summary of the ensuing discussion points will appear in our September issue.

This last session also saw our farewell to the old ILU Council Chamber as a venue for the Association's lunch-time meetings. Our thanks are due to the ILU for having granted us this excellent facility over many years and, judging by the large attendance at Mr. Börner's talk in April in the new ILU premises, we can now look forward to many stimulating meetings in these new and most elegant surroundings.

This year's Annual General Meeting is set for Tuesday 16th September, but we have decided to go for a different format this time by organising as part of the proceedings a seminar covering recent developments in insurance and reinsurance law. A panel of eminent speakers is being drawn up and full details will be sent out as soon as they are finalised. In the meantime, please reserve the whole day as opposed to just a couple of hours in the early evening.

At a time when the principle of the utmost good faith seems to be receding more and more into the distance it was a little distressing to come across yet another example of a breakdown in communications in the Edmunds v. ADAS case (Court of Appeal 10th February 1986 - Financial Times 12th February 1986). One can have sympathy with a reinsurer who for valid reasons denies a claim, but it is difficult to conjure up any positive thoughts when one reads a report which reveals that a reinsurer has simply failed to pay what was due and then, having been served with a writ, has offered the sums due without interest, thereby ensuring that yet another aspect of reinsurance law has an airing in the courts.

Reinsurance has also surfaced in the perhaps rather unlikely framework of the Financial Services Bill. Following the Commercial Court decision in Phoenix General v. Halvanon [1985] 2 Ll.Rep. 599 it is fairly clear that, although an innocent insured has a valid cause of action against an unauthorised insurer under a policy issued by such insurer, that unauthorised insurer can not rely on the policy concerned to obtain payment from his reinsurers. Now Clause 113 of the Financial Services Bill seems to be aiming to upset this decision, very much to the detriment of reinsurers, by providing in sub-section (6) that, even if an insurer was not

authorised, then this fact "shall not affect the validity of any reinsurance contract entered into" in respect of a contract of insurances issued by such insurer. But even if this Clause becomes law as it stands one can quite easily imagine there

being an action or two aimed at clarifying precisely what its ambit is and also to clarify exactly how far along the reinsurance "chain" the principle should be extended.

Last November the DTI put out its so-called "explanatory and consultative note" concerning the implementation of the Products Liability Directive requesting comments by 19th February 1986. There has been quite a lot written about the various options which are open to H.M. Government with regard to its implementing legislation and it will be interesting to see exactly what the draft Bill contains, especially on the contentious issues of including or excluding a State of the Art defence and having limits of liability. But no matter what our Act ultimately contains it is still a great pity that so many options have been left open to individual Member States, thereby seriously undermining the whole principle of harmonisation of laws within the European Community. The one positive aspect of the sad tale is that the Directive obliges the Commission to submit regular reports to the Council on the working of the Directive, especially with regard to the State of the Art defence and the issue of financial limits, so, who knows, full harmonisation might actually be achieved in a couple of decades.

Gordon Cornish

1985 PRESIDENT'S LUNCHEON

Sir Denis Marshall, President of BILA, had invited Michael Ogden, Q.C., Chairman of the Criminal Injuries Compensation Scheme, to give the post-luncheon address. Over 100 members and guests attended the event in the now traditional venue of the Elizabeth Suite in Barrington House, London EC2.

Mr. Ogden recalled that the Board had originally been