

EDITORIAL

Everybody in the Association should know of Jonathan Spencer, the UK Insurance Industry's chief regulator. Many members of the Association will have heard him talking about the Department's role both in general and as regards Equitas in particular. I am particularly grateful to him for preparing the Article with which the Journal opens.

Most buyers of life insurance products hope for an ordinary return on their investment. Not so Aetna's assured, Fuji. From a single premium of £50,000 paid in 1986 on a unit-linked policy, Fuji achieved a return of £1.1 million in 1992, and claimed damages for breach of Contract said to be equivalent to the gross National Product of the UK for a few hundred thousand years! Inevitably, there was litigation. Our second Article reviews this, casts light on the nature of life assurance and revisits the Life Assurance Act of 1774. The third Article is a retrospective on the three leading reinsurance cases of 1996. The Market has produced its own pragmatic reactions to that litigation, largely through making sure that Underwriters express their intentions even more clearly. This Article considers whether there is a judicial trend and if so, what it is.

Our contribution from abroad comes from Frank Stadermann, an eminent insurance practitioner in the Netherlands. As you will read, Dutch principles of Equity can produce unexpected results both in liability law and in insurance law. Insurers should be aware!

No reader can fail to have noticed the debate about European Monetary Union. The London Market has a number of claims settling systems. Whether we join EMU or not, if it goes ahead it will have effects both on the Underwriting side of the business and on its financial side, particularly as regards reserves and claims settlement systems. I am very glad to have persuaded Dorothy Livingston and Robin Patterson to produce their Article on the legal impact of the single currency on the insurance sector. It should be compulsory reading for those involved in the regulatory aspects of running a European insurance company or broker, and will provide a reliable background against which to place future developments.

Anthony Fitzsimmons