

The Law of Reinsurance in England and Bermuda By P.T. O'Neill and J.W. Woloniecki. London: Sweet & Maxwell, 1998, Hardback £140.

This book is a welcome addition to the textbooks on reinsurance law. When I first became involved with reinsurance litigation in the 1970s there was a dearth of reinsurance law texts to consult. Now thanks to the expansion of reinsurance litigation, the newcomer to this field can turn to a number of useful texts, including this one.

The authors are to be congratulated on writing about a complex subject in an easily readable style. They start the book by explaining the nature of reinsurance and its historical roots in a manner which makes the reader want to read on. The narrative is helped by liberal doses of quotations, including a welcome sprinkling of humorous citations. Indeed, each chapter starts with an appropriate quotation which sets the scene and entertains the reader.

The book is divided into five parts starting with the nature of reinsurance transactions and general principles of reinsurance law, moving on to reinsurance intermediaries and then reinsurance disputes and the conflict of laws. The final part covers reinsurance regulation and insolvency. The book is part of Sweet & Maxwell's "Insurance Practitioners Library" series. It is aimed at legal practitioners generally and should prove useful to those just venturing into this area of law as it explains reinsurance law from first principles before embarking on the more technical aspects of the subject. It should also appeal to those better versed in reinsurance law it includes the most important and recent authorities in English reinsurance law and provides a useful commentary on legal developments. It also seeks to tackle some of the more difficult points that have arisen and discusses other uncertain areas which are not yet the object of judicial determination or regulation.

The authors have provided thoughtful legal analysis of the roles of various parties in the reinsurance transaction, for example, the duties of the leading underwriter to the following market and the duties of reinsurance brokers. This sort of commentary is one of the strengths of the book. However, maybe due to the need to keep within the bounds of a one volume text book or due to the inclination of the authors themselves, the depth of analysis or discussion varies somewhat from topic to topic. Thus, for example, in the section on Limitation of Actions (see

paras 13-73 to 13-88) I would have welcomed further guidance on limitation problems rather than copious citations from the Limitation Acts and would have wished to see some comment on the implications for reinsurance law of the Law Commission's proposed reforms of limitation periods. In fairness to the authors I should mention that there is an interesting discussion of the importance of limitation issues to reinsurers at paras 5-77 to 5-78, but for some reason this is not specifically referred to under "Limitation" in the index. The authors give here, as they do in other parts of the book some practical tips, which may help to lessen the risks of further disputes or litigation, e.g. they suggest that "In the light of the present state of the law, the parties should write into the contract careful language defining the first point in time at which the insurer/reinsurer is liable to pay."

The reader is assisted at various points with useful practical illustrations of how different types of reinsurance contracts operate and how different constructions of reinsurance provisions affect the financial outcome of the reinsurance contract (see, for example, the passages on the ultimate net loss clause at p.303). There are also some helpful diagrams which make the reinsurance chains easier to follow.

A particular attraction of this book is its comparative nature. Anyone involved in litigation or arbitration in Bermuda will welcome the sections concerning reinsurance law and regulation in Bermuda. Those who are not familiar with conducting business or litigation in Bermuda, may still find it intriguing to dip into the sections dealing with that jurisdiction.

One concern I did have about the usefulness of this book is that it is not loose leaf unlike its most obvious competitors, namely "Reinsurance Law" by Butler and Merkin. These volumes are established leaders in this field and serve practitioners well by producing regular updates. If reinsurance law continues to develop at the rate it has done in recent years, texts have to be kept fairly current. I understand that Sweet & Maxwell are intending to issue supplements to this book. Hopefully it will not suffer the drawback that afflicted the previous addition of MacGillivray on Insurance Law, which became progressively dated as developments in insurance law gathered pace.

This book is to be commended to readers who do not simply want to know the leading reinsurance cases, the rules and regulations, but also wish to understand the history behind them and how they have developed. The commentary and analysis serve to enlighten the reader and at times to provoke further discussion.

For the reader who may not have the time to delve more deeply, there are helpful summaries of the law at various points in the text. In conclusion, this is definitely a book to add to a reinsurance practitioner's library.

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