

Two Centuries and a half, Lloyd's

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Two Centuries and a half, Lloyd's ¹

Lloyd's, London, a voulu prendre part aux fêtes du *Festival of Britain* de 1951. Il a organisé une exposition appelée « Exhibition at Lloyd's, London », où ont été réunis certains documents et les pièces les plus précieuses de sa collection. Un catalogue de dix-huit pages les divise en deux groupes: « Lloyd's of the past » and « Lloyd's of the present ». Lloyd's a aussi publié des textes, dont il est intéressant de reproduire certains extraits pour fixer les aspects de la pratique des assurances dans cette puissante entreprise, dont le fonctionnement n'est pas compris par tous. En voici quelques-uns que nous tirons de « *Two Centuries and a half, Lloyd's* » :

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1. — L'essor de Lloyd's.

« Thus, some 20 years have passed since Lloyd's erected their new building in Leadenhall Street in order to cope with increasing business, and yet once again they are building an even bigger Lloyd's for the same reason. Between 1913 and 1936 the aggregate premium income of Lloyd's Underwriters was doubled; between 1936 and 1947 it was trebled again, and it was with confidence that the Committee took the steps to ensure that the present and future operation of the market should not break down through lack of adequate accommodation.

¹ Nous référons également le lecteur à un article sur Lloyd's, London, paru dans notre numéro d'avril 1949. Il y trouvera des notes très intéressantes qui compléteront les renseignements que donne « *Two Centuries and a half* ».

2. — La garantie accordée par Lloyd's.

While on the subject of safeguarding the future of Lloyd's, it may be as well to summarise the way in which the interests of the holders of a Lloyd's Policy are also safeguarded. They are as follows : —

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1. — *Every Lloyd's Underwriter is liable for his underwriting debts to the full extent of his means, and he is required to lodge with the Committee of Lloyd's security by way of deposit consisting of approved securities and/or cash for the underwriting business in which he proposes to engage.*

2. — *The whole of the premiums received by an underwriter must under the provisions of the Assurance Companies Acts, 1909 and 1946, be placed in a trust fund to be used exclusively for the payment of his underwriting liabilities and expenses and ascertained profits only can be released to the underwriter, and then only with the consent of the trustees.*

3. — *Every Lloyd's underwriter must submit his accounts to an annual audit on a basis laid down by the Committee of Lloyd's and approved by the Board of Trade under the Assurance Companies Acts, 1909 and 1946.*

3. — Le fonctionnement de Lloyd's.

The working of Lloyd's to-day may appear to the un-informed observer highly complex. A slight acquaintance with the history of Lloyd's will convince him that he is faced with the complexity not of casual elaboration but of a slow and vital growth in which each new formation has been rigorously tried by use before being admitted as a part of the whole. The last seventy years have brought a change in the method of underwriting at Lloyd's, and in this change is to be seen an instinctive move to secure the advantages of a modern principle — specialisation — while preserving in-

tact the virtue of an old — the unlimited liability of the individual underwriter, which remains the sine qua non of insurance at Lloyd's.

It is the practice of underwriters to-day to form themselves into groups known as syndicates, which usually specialise in a particular class of insurance. The underwriters comprising a syndicate appoint an agent who is empowered to accept risks on their behalf and to control all matters appertaining to the syndicate's business. If an insurance involves a substantial sum, a large number of syndicates may participate in it, but the underwriters are individually liable only for the proportion of the risk accepted on their behalf.

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The part the broker plays in the process is a leading one. Under the constitution of Lloyd's, underwriters may not accept business directly from members of the public, but from Lloyd's Brokers in London only, who must be connected with Lloyd's either as Members or Subscribers. The broker is the agent of his client : it is he who, having learnt his client's needs, prepares the memorandum (known as a Slip) which is the basis of the policy-to-be; presents it for consideration to likely Underwriters in the Underwriting Room; endeavours to secure the best terms of insurance; sees to the settlement of any claims; and in all particulars safeguards his client's interests. Lloyd's brokers have correspondents all over the world, by whom they are kept informed of the insurance needs of industry, commerce and the public at large, whether new or old in form. In this way, brokers present a perpetual challenge to the resource and business instinct of underwriters, and the modern history of Lloyd's has shown that for their part underwriters have never been unwilling to face the changing demands of a changing world. In the Room to-day, where the boxes at which the underwriters sit are a reminder, of Lloyd's coffee-house beginning, the solidity of tradition is

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to be found at one with the flexibility and efficiency indispensable to the variety and volume of modern business, for risks of every kind and nature are placed at Lloyd's from every country in the world. But more than these, good faith may be said to govern every form of dealing at Lloyd's. Without it, insurance as the sheet-anchor of trade and industry would fail, and for the Corporation's coat of arms no more pertinent legend than Fidentia could have been chosen. **124** To the preservation of that essential moral quality the Lloyd's of to-day is wholly pledged.