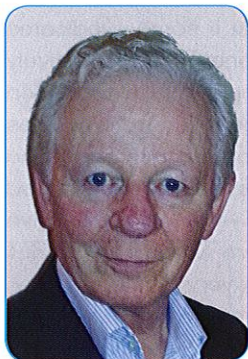


'On The Brink'

Retired ALM Consultant and former working Name Edward Vale reviews the most authoritative book on the Lloyd's mid-1990s crisis.



The more closely you were involved in Lloyd's R&R (Reconstruction and Renewal) back in the mid-nineties, the more compelling this book is likely to be. However, it ought to come with a warning for the thousands of Names around the world who were financially trampled underfoot by insurance losses. This is a book which will re-open old wounds, and bring back memories of stress-filled days and nights when they wondered if they would lose their homes, their families or both.

The author, Andrew Duguid, is an economist by training. He left the *Department of Trade & Industry* to join Lloyd's in 1986 as Director of Policy & Planning, and stayed for 14 years. His calm demeanour and highly developed listening skills were the perfect foil to many of the groups battling it out in the highly charged Corporation meeting rooms on the 11th floor.

Duguid has written *On The Brink: How a Crisis Transformed Lloyd's of London* more like a fast paced thriller than an academic tome, which gives it wider appeal than just to those caught up in the debacle. And, of course, it is as much a book about people as numbers. For this reviewer, and many other so-called working Names, it is a career aide-memoire akin to re-visiting family photograph albums at Christmas. Duguid even refers in the scene-setting opening section to the (Lord) Cromer Report of 1969, which followed the losses caused by Hurricane Betsy in 1965.

There is as good an introduction to the structure of Lloyd's as I have ever read – certainly more clearly explained than anything a new Name might have seen in 1980. We are reminded of the Lloyd's Act 1982, and also of Arthur Andersen's punchy and critical Ian Hay Davidson, who came to Lloyd's as its first Chief Executive. The book takes us back to the establishment of Action Groups and their leaders, and it lists three pages of acronyms we'd all forgotten, like SAFE (Struggle Against Financial Exploitation) and SID (Settlement Information Document).

Duguid reminds readers of the Lloyd's medals awarded in the glowing aftermath in December 1996: gold to Sir David Rowland; and silvers to Ron Sandler, the Lloyd's Chief Executive who replaced Peter Middleton after the abrupt resignation of the latter, Bob Hewes, Lloyd's Finance Director, Richard Keeling, the Murray Lawrence underwriter who chaired the Reserve Group which enabled the launch of Equitas, and

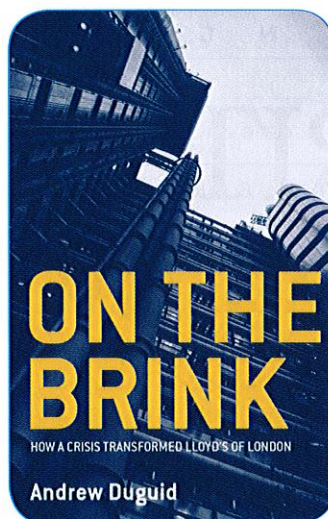
Barry O'Brien, the Freshfields lawyer who ensured the legal doors were watertight, especially in the USA. A sense of the scale of the task is provided by the story of Mr O'Brien's two separate working stints of 17, and then a further 13, weeks without a single day off. His wife would come to Lloyd's on Sundays bringing their children, and lunch!

In military terms, however, Duguid is clear who deserves listing in *The Gazette*. The VCs go to Sir David Rowland, the late Peter Middleton and Michael Deeny. And there are George Crosses for Sir Adam Ridley who chaired the Names' Committee, which allocated the Settlement Offer, Sir David Berriman, who led the Validation Steering Group, and for Peter Nutting and Tom Benyon, who gave the first credence to the responsible establishment of Action Groups. There's an honourable Order of Merit for Charlie Sturge and the groundbreaking Chatset, but I am also struck by the bravery of three female Names who stepped forward in a male-dominated world and also served on Lloyd's Council: Marie-Louise Burrows, Lady Rona Delves Broughton and Valerie Robinson.

Many Names will also remember the names of McKinsey's Charles Roxburgh, Heidi Hutter, Michael Wade, Robert Hiscox, David Shipley and Roger Sellek, all of whom played important roles at various stages, from their contributions to the Task Force established under David Rowland in 1991, to the launch of Equitas 5 years later. There are surprises too: Hiscox is quoted referring to ALM Chairman, Anthony Haynes, who did much to establish the Task Force, as "*utterly brilliant as a politician and organiser*". Indeed, the book is hugely indebted to the interviews Duguid conducted, urged on by Rowland, shortly after R&R was completed, when memories were still fresh.

Names can be proud of the role they played individually and collectively, and of their election of the right representatives; as Duguid says, "*at each of several stages of the Lloyd's drama, the leadership of the ALM played a critical role*".

Edward Vale was a Name until 1993. He worked for Holman Wade, and until July last year, the ALM.



ALM members receive a 20% discount when purchasing *On the Brink* through the Palgrave Macmillan website. Order your copy at the special price of £19.99 (rrp £24.99) by visiting: www.palgrave.com/page/alm-members, and entering reference code PM14TWENTY at the check-out. This code also entitles you to 20% discount on all Palgrave Professional Finance books.