

Market Bulletin

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Title Sir David Rowland, former Chairman, Lloyd's

From Bruce Carnegie-Brown, Chairman, Lloyd's

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It is with great sadness that I am writing to inform you of the passing of our former Chairman, Sir David Rowland.

Sir David was Chairman of Lloyd's between 1993 and 1997 and, as many of you will remember, he played a critical role in safeguarding the future of the Lloyd's market through perhaps its most difficult period.

Under his stewardship, Lloyd's was able to confront and address the losses it was facing and put in place many of the necessary structural changes that still underpin the market, ensuring it remained on a firm footing.

The challenges facing Lloyd's and the wider insurance market during the 1980s and 1990s are now well known. Asbestos, Pollution and Health Hazard (APH) losses mainly originating from the USA were continuing to grow. In addition, the late 1980s and early 1990s saw an exceptional run of major catastrophe losses, including Piper Alpha, the Exxon Valdez Oil spill, the San Francisco earthquake plus several major hurricane and other loss events. Together with the emergence of the London Market excess-of-loss spiral (LMX), Lloyd's found itself faced with unprecedented challenges.

Against this background, Sir David played a critical role in ensuring Lloyd's not only addressed its immediate challenges but, just as critically, made the changes necessary to ensure it remained the world's leading specialist market.

It was the Task Force, first of all, which Sir David chaired prior to becoming Chairman of Lloyd's, which put forward a series of critical reforms aimed at improving Lloyd's competitiveness. This seminal report recommended, amongst other proposals, changes to Lloyd's corporate governance, the introduction of corporate capital and changes to Lloyd's capital structure, making it easier to invest while reducing costs.

As Chairman from 1993, Sir David led the process that became known as Reconstruction & Renewal. It was R&R that provided Names with the finality they needed through a single settlement offer in respect of their outstanding liabilities. This in due course allowed for the

settlement of much of the litigation that had started and which was placing a strain on the operation of the market. As part of R&R, Sir David was also instrumental in the establishment of Equitas, a new insurer set up to reinsure the market's 1992 and prior liabilities, bringing finality to a difficult period in the market's history.

As recommended by the Task Force, it was also Sir David who oversaw in 1994 the admittance of corporate capital to Lloyd's, introducing a new era of underwriting for Lloyd's which saw other professional insurers bring their business into the Lloyd's market.

Sir David remained as Chairman of Lloyd's until 1997, continuing to pioneer the changes that made sure Lloyd's remained the world's largest and most innovative insurance market. The market clearly had confidence in Sir David's vision and from 1990 to 1995 the overall assets at Lloyd's increased from £17.9bn to £27.3bn.

Sir David was awarded a Gold Medal for Services to Lloyd's in 1996. The medal has been awarded just 17 times since it was first struck in 1919.

It is certain that those of us who continue to take pride in what Lloyd's has achieved owe much to Sir David. It is no exaggeration to say that it is only because of the efforts of Sir David and his team that Lloyd's has continued not only to survive but to thrive.

We would like to express our sympathy and send our condolences to Sir David's family. We would also like to acknowledge the debt of gratitude that we at the Corporation and as a Market owe to him.

We will share further information regarding arrangements in due course.