

PRIME MINISTER

"NAMES" AT LLOYD'S

Sir Peter Green raised with me the question whether you were satisfied with the present policy governing Ministers remaining as "names" at Lloyd's while they hold office. He gave me in confidence (Flag A) his copy of a Lloyd's working paper, from which you will see that the issue came to the attention of the Council of Lloyd's because Mr Pym, Mr Edwards and Mr Adam Butler were "names" at Lloyd's during the period of the Falklands crisis which put a number of merchant ships at risk.

The present rules are that the Prime Minister, Chancellor of the Exchequer and the Secretary of State for Trade should not be "names" while holding office; other Ministers should not take an active part in the management of the syndicates of which they are members; and all Ministers, on appointment whether to their first or any subsequent Ministerial office should obtain your permission before continuing as "names" at all.

The relevant paragraph of Questions of Procedure for Ministers is at Flag B.

I attach immediately below Sir Robert Armstrong's advice. It is that

- i) it should be made clear that what is meant when it is said that a Minister may not be a "name" it is that he should not become a "name" if he is not one already and, if he is one already, should cease underwriting during his period of office;
- ii) the list of Ministers automatically disqualified should continue to include the Prime Minister, Chancellor of the Exchequer and the Secretary of State for Trade. The Secretaries of State for Social Services and for Employment should be excluded from membership of syndicates dealing with pensions, life insurance and employer's liability; the Secretary of State for

Transport should be excluded from membership of syndicates dealing in motor insurance business; and Junior Ministers in the Treasury concerned with taxation and the Junior Minister in the Department of Trade responsible for the insurance industry should cease underwriting;

- iii) newly appointed Ministers should continue to be required to obtain your permission for continuing a connection with Lloyd's and as a double check the Secretary of the Cabinet should be required to ask every Minister on appointment to a first or subsequent office whether he is, and if so whether he wishes to continue to be, a "name" at Lloyd's. This would enable the Secretary of the Cabinet to maintain a central register. It would be useful if a copy of that register was kept in No 10 so that it is readily available to you when you are thinking about Ministerial appointments.

Do you agree that Sir Robert Armstrong should discuss with Sir Peter Green a further definition of the rules governing Ministers' participation in Lloyd's on this basis and, if he reaches agreement, prepare an amendment to "Questions of Procedure for Ministers" accordingly ?

*Yes - and importantly.
These matters have not
been considered during
reshuffles as they should
have been.*

F.R.B.

11 March 1983

mt.



L. U. AH

10 DOWNING STREET

From the Principal Private Secretary

PERSONAL AND CONFIDENTIAL

SIR ROBERT ARMSTRONG

"NAMES" AT LLOYD'S

Thank you for your minute of 10 March (A083/0787), which I have shown to the Prime Minister.

Mrs Thatcher agrees that you should talk to Sir Peter Green with a view to strengthening the rules governing membership of Lloyd's as you propose. She has suggested that this should be done urgently since these matters do not appear to have been consistently considered in relation to recent Ministerial appointments.

It is not clear from paragraph six of your minute whether the reference to exclusion "from membership of syndicates" in the case of the Secretaries of State for Social Services and for Employment is intended to be a more far-reaching prohibition than what is suggested in paragraph four, but I take it that it is not. Sir Peter Green will be able to advise whether Lloyd's syndicates are sufficiently involved in pensions and life insurance to make it necessary for the Secretary of State for Social Services to cease underwriting: my understanding is that Lloyd's syndicates are not generally involved in this sort of business.

It would be helpful if your office could make sure that No 10 always has an up to date copy of the central list of Ministers who are "names". Perhaps Mr Hatfield would organise this in due course.

F.R.B.

14 March 1983

"Names" at Lloyds

74. A Minister should not be a "name" at Lloyds while holding office as Prime Minister, Chancellor of the Exchequer or Secretary of State for Trade. As regards other Ministers who, on appointment to office, are "names", it is clearly inappropriate that they should take an active part in the management of the affairs of the syndicates of which they are members; and there may be cases in which, because of the emphasis of a syndicate's business, any continued participation in it must be regarded as inconsistent with the holding of a particular Ministerial office. All Ministers are therefore required, on appointment whether to their first or to any subsequent Ministerial office, to obtain the permission of the Prime Minister before continuing a connection with Lloyds, however nominal, which they had established before appointment or establishing any such connection during their term of appointment. Before granting permission, the Prime Minister will need to be satisfied that the conditions indicated above will be met.