



Ref. A083/1558

MR BUTLER

Names at Lloyds

With my minute of 10 March I indicated the proposals which I had in mind for tightening up the rules governing membership of Lloyd's, and you authorised me to talk to Sir Peter Green on that basis.

2. I have now talked to Sir Peter Green and to Sir Lawrence Airey. I propose that the rules governing membership of Lloyd's should be as set out in the attached draft paragraphs, which will be included in the next edition of Questions of Procedure for Ministers.

3. The proposals are largely unchanged from those which I put before you in March, save that I have added to the list of Ministers who should be disqualified from membership at Lloyd's in respect of departmental business, the Minister of Agriculture, Fisheries and Food.

ROBERT ARMSTRONG

1 June 1983



DRAFT REVISED PARAGRAPHS

Membership of Lloyd's

1. A Minister holding office as Prime Minister, Chancellor of the Exchequer, or Secretary of State for Trade, or as a Minister in the Treasury dealing with taxation, or as a Minister in the Department of Trade dealing with insurance matters, should not be a member of Lloyd's or, if already a member of Lloyd's on appointment, should suspend his underwriting so long as he holds that office.

2. As regards Ministers in other offices who are members of Lloyd's on appointment to office, it is clearly inappropriate that they should take an active part in the management of the affairs of syndicates of which they are members and they should on appointment as Ministers withdraw from such active participation. There may also be cases in which, if a Minister is a member (as a "name" only and not as an active participant in management) of a syndicate which underwrites business in an area in which his Department has responsibility, he may be required to suspend underwriting risks in that area (or, if necessary, in the whole business of the syndicates) so long as he holds that office. Thus the Secretary of State for Health and Social Services would be required, if a member of Lloyd's, to suspend underwriting pensions and life insurance; the Secretary of State for Employment would be required, if a member



of Lloyd's, to suspend underwriting employers' liability insurance; the Secretary of State for Transport would be required, if a member of Lloyd's, to suspend underwriting United Kingdom motor insurance while he held that office; and the Minister of Agriculture, Fisheries and Food would be required, if a member of Lloyd's, to suspend underwriting livestock insurance; so long as they held those offices.

3. Every Minister is required, on appointment to a first or subsequent Ministerial office, to obtain the Prime Minister's permission before continuing a connection with Lloyd's, however nominal. Any Minister wishing to establish any such connection during his term of appointment should likewise obtain the Prime Minister's permission to do so. Before granting permission, the Prime Minister will need to be satisfied that the conditions indicated above will be met.

4. The Secretary of the Cabinet is required to keep a list of Ministers who are members of Lloyd's. He will ask every Minister on appointment to a first or subsequent office whether he is a member of Lloyd's, and if so whether he proposes to continue or suspend underwriting while he holds Ministerial office.

[Lloyd's will also supply the Secretary of the Cabinet with a copy of the Annual List of Members.]

Ministry
May 79
Odtride witnesses



CONFIDENTIAL



File 39

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

NAMES AT LLOYDS

Thank you for your minute of 1 June (A083/1558) about the rules governing membership of Lloyds. I will not show these to the Prime Minister at this stage: in view of the very minor amendment since the version which the Prime Minister previously saw, may I suggest that we clear them with her by your referring to them in your covering minute when submitting the new version of Questions of Procedure for Ministers to be circulated after the Election?

FRS

2 June 1983

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