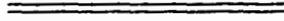




# LLOYD'S ACTS.



LLOYD'S ACT, 1871.



PUBLISHED BY THE CORPORATION OF LLOYD'S,  
LIME STREET, LONDON EC3.

NOTE.

The words appearing in the following Lloyd's Act in italics and the marginal notes printed in italics do not form part of the original text or marginal headings of the Act.

Where a Section of the Act has been repealed, it is not produced in the text, but a marginal note indicates the date of repeal.

The Lloyd's Act, 1888, the Lloyd's Signal Stations Act, 1888, and the Lloyd's Act, 1925 have been wholly repealed.

**LLOYD'S ACT, 1871.**

---

**ARRANGEMENT OF ORIGINAL  
SECTIONS.**

---

*Section.*

1. *Short title.*
2. *Cessor of existing constitution.*
3. *Incorporation of Lloyd's.*
4. *Property, &c., vested in Society.*
5. *Contracts, &c., to remain in force.*
6. *Actions, &c., not to abate.*
7. *Debts to be paid and received by the Society.*
8. *Officers continued.*
9. *General saving for rights and liabilities.*
10. *Objects of the Society.*
11. *Committee—number and quorum. (repealed)*
12. *First Committee. (repealed)*
13. *Retirement of Members of Committee. (repealed)*
14. *Rotation of Committee-men. (repealed)*
15. *Elections of Committee-men. (repealed)*
16. *Re-eligibility of Members (of Committee). (repealed)*
17. *Casual vacancies. (repealed)*
18. *Voting at meetings. (repealed)*
19. *Fundamental rules in schedule. (repealed)*
20. *Exclusion from membership for violation of fundamental rules, &c. (repealed)*
21. *Exclusion from membership for fraud, &c. (repealed)*
22. *Exclusion from membership for bankruptcy, &c. (repealed)*
23. *Exclusion from membership for non-payment of subscription, &c. (repealed)*
24. *Power to make bye-laws. (repealed)*
25. *No exclusion from membership by bye-laws. (repealed)*
26. *Allowance of bye-laws by Recorder. (repealed)*
27. *Printing and proof of bye-laws. (repealed)*
28. *Continuance and annulling of existing bye-laws.*
29. *Powers to be exercised by Committee. (repealed)*
30. *Application of parts of Companies Clauses Act.*
31. *Penalty on imitation of stamp, &c.*

*Section.*

32. *Provision respecting protection of interest of members in shipping, &c. (repealed)*
  33. *Publication of information under Merchant Shipping Act, &c.*
  34. *Power to undertake recovery of wreck, &c.*
  35. *Salvage operations as to wreck of Lutine.*
  36. *Trusts of capital stock. (repealed)*
  37. *Indemnity to trustees. (repealed)*
  38. *Trustees individually responsible. (repealed)*
  39. *Agreements for incorporation of other societies, &c.*
  40. *Saving for liability of members, &c.*
  41. *Saving for rights and powers of Crown, Board of Trade, &c., as to wreck.*
  42. *Savings respecting exclusion from membership.*
  43. *Expenses of Act.*
- Schedule. (repealed)*
-

**CHAPTER XXI.**

An Act for incorporating the members of the Establishment or Society formerly held at Lloyd's Coffee House in the Royal Exchange in the City of London, for the effecting of Marine Insurance, and generally known as Lloyd's; and for other purposes. A.D. 1871

[25th May, 1871.]

**W**HEREAS there has long existed in the Royal Exchange in the City of London an Establishment or Society formerly held at Lloyd's Coffee House in the Royal Exchange, for the effecting of marine insurance, and generally known as Lloyd's:

And whereas the Society is regulated by a deed of association, dated on or about the thirtieth day of August one thousand eight hundred and eleven, which deed, or a deed of accession referring thereto, has usually been from time to time executed by the several members of the Society, and the Society is governed by rules or regulations from time to time made under that deed:

And whereas the affairs of the Society, and the business conducted by its members as such, are of large and increasing magnitude and importance, but the constitution of the Society is imperfect, and difficulties arise therefrom in relation to legal proceedings, and the management of the affairs of the Society and the incorporation of its members with proper powers would be of great benefit to the shipping and mercantile interests of the United Kingdom, and it is therefore expedient that they be incorporated, and that provision be made for the government of the Society and the conduct of its affairs:

And whereas by section four hundred and forty-eight of the Merchant Shipping Act, 1854, it is enacted to the effect that any receiver of wreck, or in his absence any justice of the peace, shall, as soon as conveniently may be, examine on oath any person belonging to any ship which may be or may have been in distress on the coast of the United Kingdom, or any other person who may be able to give an account thereof or of the cargo or stores thereof, as to the matters in that section specified, and that the receiver or justice shall take the examination down in writing, and shall make two copies of the same, of which he shall send one to the Board of Trade and the other to the Secretary of

A.D. 1871

the Committee for managing the affairs of Lloyd's in London, and such last-mentioned copy shall be placed by the said Secretary in some conspicuous situation for the inspection of persons desirous of examining the same:

And whereas it will be necessary on the incorporation of the Society to secure the continuance of the operation of the said section:

And whereas the capital stock of the Society consisted on the first day of December 1870 of the sum of forty-eight thousand pounds three pounds per centum consolidated annuities standing in the names of four persons being trustees for the Society:

And whereas in or about the year 1799 a vessel of war of the royal navy, named the *Lutine*, was wrecked on the coast of Holland with a considerable amount of specie on board, insured by underwriters at Lloyd's, being members of the Society, and others, and Holland being then at war with this country the vessel and cargo were captured, and some years afterwards the King of the Netherlands authorized certain undertakers to attempt the further salvage of the cargo on the conditions (among others) that they should pay all expenses, and that one half of all that should be recovered should belong to them, and that the other half should go to the Government of the Netherlands, and subsequently the King of the Netherlands ceded to King George the Fourth on behalf of the Society of Lloyd's, the share in the cargo which had been so reserved to the Government of the Netherlands:

And whereas from time to time operations of salving from the wreck of the *Lutine* have been carried on, and a portion of the sum recovered, amounting to about twenty-five thousand pounds, is by virtue of the cession aforesaid in the custody or under the control of the Committee for managing the affairs of Lloyd's:

And whereas, by reason of the mode in which the business of insurance has always been carried on by members of the Society, the names of those who underwrite a particular policy cannot, when a considerable time has elapsed, be traced with certainty, if at all, especially as regards policies anterior in date to one thousand eight hundred and thirty-eight, in which year the books and papers relating to the affairs of the Society were lost in the fire which destroyed the Royal Exchange:

And whereas it is expedient that the operations of salving from the wreck of the *Lutine* be continued, and that provision be made for the application in that behalf, as far as may be requisite, of money that may hereafter be received from those operations, and for the application to public or other purposes of the aforesaid sum of twenty-five thousand pounds, and of the unclaimed residue of money to be hereafter received as aforesaid:

And whereas it is expedient that various powers be conferred on the Society as incorporated, and that its functions be as far as may be defined:

And whereas it is expedient that provision be made for the incorporation, from time to time, by agreement, with the Society, of other societies,

associations, companies, or corporations instituted for purposes connected with shipping or marine insurance:

A.D. 1871

And whereas the objects aforesaid cannot be attained without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted; and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows; (that is to say),

1. This Act may be cited as Lloyd's Act, 1871.

Short title.

2. On the passing of this Act, the deed of association, dated on or about the thirtieth day of August one thousand eight hundred and eleven, executed by members of the Establishment or Society of Lloyd's as existing before the passing of this Act, and any deed executed by other members by way of accession thereto, shall be and the same are and each of them is hereby annulled.

Cessor of existing constitution.

3. The Right Honourable George Joachim Goschen, William Simpson, James Leverton Wylie, William Young, Henry Caspar Heintz, Frederic Bernstein Bernard Natusch, James Bischoff, George Dorman Tyser, Michael Wills, William Wilson Saunders, Leonard Charles Wakefield, and Thomas Chapman, and all persons admitted as members of Lloyd's before or after the passing of this Act, are hereby united into a Society and Corporation for the purposes of this Act, and for those purposes are hereby incorporated by the name of Lloyd's, and by that name shall be one body corporate, with perpetual succession and a common seal, and with power to purchase, take, hold, and dispose, of lands and other property (which incorporated body is hereafter in this Act referred to as the Society).

Incorporation of Lloyd's.

4. All property and rights of or to which the Committee for managing the affairs of Lloyd's, or any person on their behalf, or any trustee for that Committee, or for the members of Lloyd's, are or is possessed or entitled at law or in equity at the passing of this Act, shall by virtue of this Act belong to the Society to the same extent and for the same estate and interest as the same respectively is and are at the passing of this Act vested in that Committee, person, or trustee, and may be held used, and enjoyed accordingly; and all trustees for the Establishment or Society as it existed before the passing of this Act, or for that Committee, shall be and continue trustees for the Society, as nearly as may be as if this Act had not been passed.

Property, &c., vested in Society.

5. Notwithstanding the annulling by this Act of the aforesaid deeds of association and accession, and the incorporation by this Act of the Society, all deeds of trust, leases, mortgages, bonds, contracts, agreements, securities, transfers, and other acts and things before the passing of this Act made, entered into, executed, or done by or with the Committee for managing the affairs of Lloyd's, or any person or trustee as aforesaid, shall be as good,

Contracts, &c., to remain in force.

A.D. 1871

valid, and effectual to all intents for, against, and with reference to the Society as they would have been for, against, or with reference to such Committee if this Act had not been passed, and may be proceeded on, executed, used, dealt with, and enforced accordingly, the Society being only substituted in or in relation thereto respectively for such Committee.

Actions, &c., not  
to abate.

6. Notwithstanding the annulling and incorporation aforesaid, any action, suit, prosecution, or other proceeding instituted before the passing of this Act by or against the Committee for managing the affairs of Lloyd's, or any person or trustee as aforesaid, shall not abate or be discontinued or be prejudicially affected by this Act, but on the contrary, shall continue and take effect both in favour of and against the Society, as it would have done in favour of or against that Committee, or the members thereof, or any of them, or any person or trustee as aforesaid, if this Act had not been passed, the Society being only substituted in or in relation thereto respectively for that Committee or the members thereof, or any one or more of them, or such person or trustee.

Debts to be paid  
and received by  
the Society.

7. All debts due to the Committee for managing the affairs of Lloyd's, or to any person or trustee as aforesaid, with all interest (if any) due or to accrue due thereon, shall be paid to the Society, and shall be recoverable by them, and all debts due by such Committee person, or trustee as aforesaid, with all interest (if any) due or to accrue due thereon, shall be paid by the Society, and shall be recoverable from them.

Officers  
continued.

8. All officers of and persons employed by the Committee for managing the affairs of Lloyd's, in office or employment at the passing of this Act, shall continue in their respective offices and employments, according to the tenure of their respective offices and employments, and as if they had been appointed by the Society, and be deemed to be officers of or persons employed by the Society, and they and their respective sureties shall be liable as if they respectively had been appointed by and had become bound to the Society.

General saving  
for rights and  
liabilities.

9. Notwithstanding the annulling and incorporation aforesaid, and except as by this Act otherwise expressly provided, everything before the passing of this Act done or suffered by or with reference to the Committee for managing the affairs of Lloyd's, or any person or trustee as aforesaid, shall be as valid as if this Act had not been passed, and the annulling and incorporation aforesaid and this Act respectively shall accordingly be subject and without prejudice to everything so done or suffered, and to all rights, liabilities, claims, and demands, both present and future, which if this Act had not been passed would be incident to and consequent on any and everything so done or suffered, and with respect to all such rights, liabilities, claims and demands the Society shall to all intents represent and be deemed a continuation of the Establishment or Society constituted or regulated by the deeds of association and accession aforesaid, and the generality of this enactment shall not be restricted by any other provision of this Act.

10. *The objects of the Society shall be:—*

*The carrying on by Members of the Society of the business of insurance of every description including guarantee business ;*

*The advancement and protection of the interests of Members of the Society in connection with the business carried on by them as Members of the Society and in respect of shipping and cargoes and freight and other insurable property or insurable interests or otherwise ;*

*The collection publication and diffusion of intelligence and information ;*

*The doing of all things incidental or conducive to the fulfilment of the objects of the Society.*

A.D. 1871.

—  
*Objects of the Society.*

*As amended by Lloyd's Act, 1911, Section 4.*

11, 12.

*Repealed by Lloyd's Act, 1982, Schedule 3.*

13 to 17.

*Repealed by Lloyd's Act, 1925, Section 4 as from 25th July 1966.*

18, 19.

*Repealed by Lloyd's Act, 1982, Schedule 3.*

20. If any member of the Society—

1. Violates any of the fundamental rules of the Society; or,
2. Is guilty of any act or default discreditable to him as an underwriter or otherwise in connexion with the business of insurance—

Exclusion from membership for violation of fundamental rules, &c.

*Repealed by Lloyd's Act, 1982, Schedule 3, but continuing in force until the time specified in Lloyd's Act, 1982, Schedule 4, Part II Paragraph 11.*

*Amendment made by Lloyd's Act, 1911, Section 5.*

he shall be liable to be excluded from membership of the Society by the votes of four-fifths of such members of the Society as are present at a meeting of the Society specially convened for the purpose, with notice of the object by circular issued to every member six days at least before the day appointed for the meeting, there being present and voting at the meeting one hundred members at least, but a member shall not in any case be deemed for the purposes of this section to have violated any fundamental rule, or to be guilty of any act or default as aforesaid, unless the fact of such violation or guilt has been first ascertained and determined by the award of two arbitrators (each of them being a merchant or shipowner or underwriter, and one of them being nominated by the Committee and the other by the member complained of), or, in case of difference between the arbitrators, by the award of the Recorder of the City of London, or, failing the Recorder, then of one of Her Majesty's Counsel nominated by him as umpire; and the provisions of *the Arbitration Act, 1950, or any statutory modification or re-enactment thereof for the time being in force* shall apply in every such case, and the arbitrators and the umpire respectively shall take into consideration all the circumstances of the case, moral as well as legal.

*Substitution made by Lloyd's Act, 1951, Section 7(1).*

A.D. 1871.

21 to 27.

Repealed by  
Lloyd's Act, 1982,  
Schedule 3.

Continuance and  
annulling of  
existing byelaws.

28. The general rules and regulations or bye-laws for the management of the affairs of Lloyd's, passed at a general meeting of the members of Lloyd's held on the fourth and confirmed at a subsequent meeting held on the eleventh day of January one thousand eight hundred and seventy-one, may be annulled by byelaws under this Act, and, as far as the same are not inconsistent with this Act, the same (except those numbered ninety-three to ninety-nine inclusive) shall continue in force for four months after the passing of this Act (unless sooner so annulled), and no longer, and while so in force shall apply to the Society as incorporated by this Act, and the members thereof; but nothing in this Act shall give any validity or force to any such general rule, regulation, or byelaw as aforesaid, made before the passing of this Act, further or other than it would have had if this Act had not been passed.

Repealed by  
Lloyd's Act, 1982,  
Schedule 3.

29.

Application of  
parts of  
Companies  
Clauses Act.

30. Sections ninety-seven to one hundred of The Companies Clauses Consolidation Act, 1845, relating to contracts by and proceedings of and liabilities of directors, are hereby incorporated with this Act, and shall apply to the Committee, and the Society in like manner, mutatis mutandis, as they apply to directors and a company.

Penalty on  
imitation of  
stamp, &c.

Amendment made  
by Lloyd's Act,  
1911, Section 5.

31. If any person, without the authority of the Society, or without other lawful excuse (proof whereof respectively shall lie on him) does any of the following things (namely) imitates or copies any stamp, mark, or other thing for the time being used by the Society to distinguish forms of policies of insurance underwritten by members of the Society or offers or utters or uses any form of policy bearing any such stamp, mark, or other thing as aforesaid, he shall for every such offence be liable, on summary conviction before two justices, to a penalty not exceeding twenty pounds.

Repealed by  
Lloyd's Act, 1982,  
Schedule 3.

32.

Publication of  
information  
under Merchant  
Shipping Act, &c.

33. Section four hundred and forty-eight of The Merchant Shipping Act, 1854, shall have effect as if the secretary of Lloyd's were therein mentioned instead of the secretary of the Committee for managing the affairs of Lloyd's, and the secretary of the Society shall accordingly continue to receive and publish in manner therein directed the documents therein mentioned, and shall also at all times receive and publish all such information relative to shipping and cargoes as is from time to time sent to him for the purpose by the Board of Trade or by their direction.

34. The Society may from time to time aid in or undertake in such manner as to them seems fit the discovery, recovery, protection, and restoration or other disposal of property before or after the passing of this Act wrecked, sunk, lost, or abandoned, or found or recovered in, on, or beneath the sea or on the shore, at home or abroad.

A.D. 1871.

Power to undertake recovery of wreck, &c.

35. The Society may from time to time do or join in doing all such lawful things as they think expedient with a view to further salving from the wreck of the Lutine, and hold, receive and apply for that purpose so much of the money to be received by means of salving therefrom as they from time to time think fit, and the net money produced thereby, and the said sum of twenty-five thousand pounds, shall be applied for purposes connected with shipping or marine insurance, according to a scheme to be prepared by the Society, and confirmed by Order of Her Majesty in Council, on the recommendation of the Board of Trade, after or subject to such public notice to claimants of any part of the money aforesaid to come in, and such investigation of claims, and such barring of claims not made or not proved, and such reservation of rights (if any), as the Board of Trade think fit.

Salvage operations as to wreck of Lutine.

36 to 38.

Repealed by *Lloyd's Act, 1911, Section 6.*

39. The Society, and any other society, association, or corporation instituted for purposes connected with shipping or insurance, may from time to time enter into and carry into effect such agreements as they think fit for the incorporation with the Society of such other society, association, or corporation, and for the transfer to the Society of the property and funds, rights and liabilities, and officers and servants, of such other society, association, or corporation, and for other the incidents and consequences of such incorporation; but no such agreement shall have effect unless and until it is confirmed by Order of Her Majesty in Council, on the recommendation of the Board of Trade, whereupon it shall have the like operation as if the terms thereof had been enacted in this Act; and no such agreement shall be recommended for confirmation as aforesaid if by virtue thereof the Society would acquire any power or authority different from the powers and authorities conferred on the Society by this Act.

Agreements for incorporation of other societies, &c.

Amendment made by *Lloyd's Act, 1911, Section 5.*

40. Nothing in this Act shall confer limited liability on the members of the Society, or in any manner restrict the liability of any member thereof in respect of his individual undertakings, or make any member of the Society as such responsible in any manner for any of the undertakings, debts, or liabilities of any other member of the Society as such, or affect or interfere with or empower the Society or the Committee to interfere with any business whatever other than the business of insurance carried on by any member of the Society.

Saving for liability of members, &c.

Amendment made by *Lloyd's Act, 1911, Section 5.*

41. Nothing in this Act shall take away, abridge, or prejudicially affect any right, title, power, or authority vested in Her Majesty, her heirs or successors, or in any admiral, vice-admiral, or lord of a manor, or in any person

Saving for rights and powers of Crown, Board of Trade, &c., as to wreck.

A.D. 1871.

—

or corporation, or in the Board of Trade, or in any receiver of wreck or other officer under The Merchant Shipping Act, 1854, or otherwise in relation to wreck, as defined in The Merchant Shipping Act, 1854, or any interest or right of dealing of any shipowner or other person in or with any property before or after the passing of this Act wrecked, sunk, lost, or abandoned, or found or recovered in, on, or beneath the sea or on the shore, at home or abroad.

Savings respecting  
exclusion from  
membership.

42. Nothing in this Act shall confer on the Society as incorporated by this Act any right or power to exclude, by or under any byelaw or resolution or otherwise, any person from membership of the Society by reason of anything done or omitted before the passing of this Act, or confirm or enlarge any such right or power, if existing at the passing of this Act, in the Establishment or Society of Lloyd's, and on the other hand nothing in this Act shall take away from the Society as incorporated by this Act any such right or power if so existing, or abridge or weaken the same, or prevent the Society as incorporated by this Act from exercising the same, but on the contrary such right or power if and as so existing shall remain in and be exercisable by the Society as incorporated by this Act, in the same cases and in like manner (if any) in which the same would have existed in and been exercisable by the Establishment or Society of Lloyd's if this Act had not been passed, but not further or otherwise.

Expenses of  
Act.

43. The costs, charges, and expenses preliminary to and of and incidental to the preparing, applying for, obtaining, and passing of this Act shall be paid by the Society.

## THE SCHEDULE.

A.D. 1871.

## THE FUNDAMENTAL RULES OF THE SOCIETY.

1. There shall be underwriting members and non-underwriting members.

2. A non-underwriting member shall not underwrite in his own name at Lloyd's, or empower another person to underwrite for him at Lloyd's.

3. All underwriting business transacted at Lloyd's shall be conducted in the underwriting rooms, and not elsewhere.

4. An underwriting member shall not, by himself or by any partner or other substitute, directly or indirectly, underwrite in the city of London a policy of insurance as follows:

(1.) In the name of a partnership, or otherwise than in the name of one individual (being an underwriting member of the Society) for each separate sum subscribed; or,

(2.) For the account, benefit, or advantage, of any company or association, unless they are subscribers to the Society, nor unless every policy underwritten for their account, benefit, or advantage is underwritten in their ordinary place of business.

5. A member shall not open an insurance account in the name of any person not being a member or subscriber.

---

*Repealed by  
Lloyd's Act, 1982,  
Schedule 3, but  
continuing in force  
until the time  
specified in Lloyd's  
Act, 1982,  
Schedule 4, Part II  
Paragraph 11.*