



FROM: Secretary to Lloyd's Disciplinary Tribunal
LOCATION: 58/NW1
EXTENSION: 5530
DATE: 30 December 1998
REFERENCE: 127/98
SUBJECT: ALAN JOHN CHARLES COLLINS

SUBJECT AREA(S): Disciplinary proceedings
ATTACHMENTS: Notice of Censure
ACTION POINTS: For Information
DEADLINE: None

In proceedings before a Lloyd's Disciplinary Tribunal three charges of conducting insurance business with a lack of good faith were proved against Alan John Charles Collins.

The Disciplinary Tribunal ordered that Mr Collins should receive the following penalties:-

- (i) permanent suspension from membership of the Society; and
- (ii) the suspension, permanently, of the right to transact, or be concerned in the transaction of, the business of insurance at Lloyd's or any class or classes of such business (other than in relation to business already written by him as an individual underwriting member of Lloyd's for his own account through an underwriting agent); and
- (iii) the suspension, permanently, of the right of admission to the Room and the other parts of the premises of the Society; and
- (iv) a fine of £25,000; and
- (v) a censure by the posting in the Room of a Notice of Censure.

The Disciplinary Tribunal also ordered that Mr Collins should contribute the sum of £15,000 towards the costs of the Council of Lloyd's.

At the relevant time Mr Collins was the Chairman and a director of P S Mosse & Partners Limited, a Lloyd's broker.

In 1992 and 1993 Mr Collins was instructed by his client, the Ararat Insurance Company ("Ararat") to arrange with underwriters at Lloyd's various reinsurances in respect of certain travel insurance schemes. In both years he dishonestly caused to be issued and initialled cover notes which stated that the reinsurance had been arranged. These cover notes were sent to Ararat, although Mr Collins knew that the cover had not been arranged with underwriters. Additionally, in 1993, Mr Collins sent Ararat, on its requesting confirmation of the security, a list identifying the underwriting members for two of the false cover notes. At the time he sent the list, he knew that cover was not in place.

Mr Collins failed to inform Ararat of the true position and took no steps to refund all or any of the premiums (totalling around US\$ 159,000) paid by Ararat in respect of the cover described in the cover notes.

In the circumstances, the Disciplinary Tribunal found that Mr Collins had conducted insurance business with a lack of good faith.

Mr Collins appealed against the fine and costs and the matter was remitted to the Disciplinary Tribunal. Before the Disciplinary Tribunal reconvened a settlement was reached between the Council and Mr Collins, which the Disciplinary Tribunal approved.

The Notice of Censure to be posted in the Room is attached to this bulletin.

Copies of the full report of the disciplinary proceedings are available from the Disciplinary Secretariat, telephone nos. 0171327 6989/5530.

This bulletin has been sent to all underwriting agents and Lloyd's advisers, Lloyd's Brokers, corporate members, market associations, the ALM and recognised auditors.

A P Barber
Secretary to the Lloyd's Disciplinary Tribunal

NOTICE OF CENSURE

ALAN JOHN CHARLES COLLINS

In proceedings before a Lloyd's Disciplinary Tribunal three charges of misconduct were found proved against Mr Collins.

Mr Collins was the Chairman and a director of a Lloyd's broker P S Mosse & Partners Limited. He conducted insurance business with a lack of good faith.

In 1992, and again in 1993 Mr Collins dishonestly caused to be issued and himself initialed cover notes stating that certain re-insurance had been effected for his client with underwriting members of Lloyd's when no such insurance had been effected and Mr Collins knew it. Thereafter Mr Collins failed to inform his client of the true position and took no steps to refund all or any of the premiums paid by the client in respect of the cover described in the cover notes.

In 1993 Mr Collins dishonestly sent the same client a list which purported to identify the underwriting members for two of the false cover notes when no cover had been obtained and Mr Collins knew it.

The Disciplinary Tribunal ordered that Mr Collins shall receive the following penalties:

- (i) permanent suspension from membership of the Society; and
- (ii) the suspension, permanently, of the right to transact, or be concerned or interested in the transaction of the business of insurance at Lloyd's or any class or classes of such business (other than in relation to business already written by him as an individual underwriting member of Lloyd's for his own account through an underwriting agent); and
- (iii) the suspension, permanently, of the right of admission to the Room and the other parts of the premises of the Society; and
- (iv) Mr Collins shall pay a fine of £25,000; and

(v) Mr Collins shall be censured by the posting in the Room of this Notice of Censure.

The Disciplinary Tribunal also ordered that Mr Collins shall pay the sum of £15,000 towards Lloyd's costs in these proceedings.

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Mr Ian Mayes Q.C. (Chairman)

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Sir David Berriman

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Mr C W Rome

17 December 1998