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| Nota di contenuto | Chapter 1: Introduction -- Chapter 2: Lloyd's: its history and business practices -- Chapter 3: Lloyd's people: their social composition and political economy -- Chapter 4: Expansion, scandals and frauds -- Lloyd's in the 1970s -- Chapter 5: The first reforms and public scrutiny -- Chapter 6: The school for scandals -- Chapter 7: Liability crisis, LMX spiral and collapse -- Chapter 8: Reform, survival and recovery -- Chapter 9: Conclusions -- delusions of competence -- Chapter 10: Epilogue -- Lloyd's redivivus. |
| Sommario/riassunto | This book examines the crisis at the famous insurance market, Lloyd's of London, during the late twentieth century, which nearly destroyed the 300-year-old institution. While rapid structural change resulting from system collapse is less common in insurance than in the history of other financial services, one exception was the Lloyd's crisis. Hitherto, |

explanations of the crisis have focused on the effects of catastrophic losses and poor governance. By drawing on contemporary accounts of the crisis, the author constructs the first comprehensive scholarly analysis of the public and political response. The book applies theoretical concepts from behavioural economics and economic psychology to argue that multiple delusions of competence were at work both within and outside the Lloyd's market. Arrogance, elitism and defence of vested interests comprised endogenous elements of the crisis. Entrenched ideas about the virtues of self-regulation and faith in insider experts also played a role. The result was a misdiagnosis by both insiders and politicians of what ailed Lloyd's and a series of reforms that failed to address the underlying causes of its disease. This book offers a salutary lesson from recent history about the importance of the transparency, accountability and effective monitoring of financial institutions. It is of interest to academics and students of economic and financial history, business, insurance, political economy and history. Robin Pearson is Professor of Economic History at the University of Hull, UK. He has published widely on British and international economic and business history, with a particular focus on insurance. .
