

## Introduction

by Julius Neave \*

One of the chief objectives of the Geneva Association is to bring about a better understanding of the insurance and reinsurance industry in areas which previously were either neglected or disregarded by the industry as a whole. In the past there has been, for example, little or no communication between insurers and scientists, economists, academics or even politicians. It is of comparatively recent origin that "interfaces", to use modern jargon, between insurance and these areas have attracted attention.

It has always seemed to me unfortunate but true, that insurance has an almost universally bad public image, far worse than it deserves, and this is because in practical terms whatever happens in the insurance transaction is bad news with the general public at large. It is a truism that insurance provides protection against something that all who are involved hope will not happen. The initial bad news is that this has to be paid for by a premium and if the event for which insurance protection has been bought fails to take place the premium may be considered by the insured as paid in vain. But if, on the other hand, a loss occurs all parties to the transaction are also unhappy for obvious reasons. To the general public, therefore, insurance is regarded as a kind of necessary evil and it is very much to the long term benefit, therefore, of insurers and reinsurers that the essential functioning and economic value to the international community of the services provided by insurance and reinsurance are better understood than they are at the present time. Like any other commercial enterprise today insurance needs support and understanding, from the community at large, for its activities, its aims and its aspirations.

By undertaking research in areas not already covered by the insurance industry's existing considerable involvement with its own immediate commercial concerns, the Geneva Association helps, without duplication of effort, to bring about a better understanding of problems of real concern. This has already had a distinctly beneficial and healthy influence for insurance and reinsurance interests.

But, of course, such efforts take a long time to mature if they are to produce tangible and long term advantages. They also need wider contacts than those that occur in our day-to-day life.

This makes research by insurers and reinsurers in isolation almost an impossibility. Thus, the profession has been quick to recognise the value of the Geneva Association's work in the wider field which it is able to encompass and in the contribution its researches are able to make to their problems. Most of the world's leading insurers and reinsurers are supporting this work and I am very pleased to have this opportunity of applauding in warm terms the efforts of the Geneva Association which are directly beneficial to us.

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\* Vice-President of the Geneva Association.

The papers published here have been written for the Geneva Association General Assembly, by important leaders of the political and economic world. They reflect the high level and the wide scope of the Geneva Association's activity. Together with the more theoretical articles published in previous issues of the Geneva Papers, they provide invaluable information on the risks and the problems that insurers and reinsurers have to face in the modern world.