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Paul Myners
Review of Governance of Life Mutuals
Room 4/16, HM Treasury
1 Horseguards Road
London SW1A 2HQ

Thank you for your letter of 24 August and the very interesting enclosure.

I have to say that I have no direct experience of the life insurance business and I therefore do not feel competent to comment on any of the detailed questions which appear in your consultation document.

However, I thought it worth mentioning a general concern which I have about the trends in governance over the last couple of years and it is a criticism which I would make of the Higgs Review. There seems to be an increasing belief that you can set up systems and regulation to prevent any mistakes, be they at the extremes of poor judgement or deliberate fraud. Clearly there must be precise regulation covering the disclosure, for example, of financial information, but what is absolutely critical is that the non-executive component of any organisation has, in addition to absolute integrity, absolute experience and sound judgement. This latter I fear is getting lost in the world of political correctness and over-regulation in which we now live.

Yours ever

Ronnie