

the whole, low. This will mean unusually heavy manufacturing to care for even average purchases in 1910, and in my opinion purchases should in the present prosperous conditions be above the average of the past two years."

CORPORATE VERSUS PERSONAL SURETY.

Abuses growing out of the practice of personal bonding have led the Chicago Board of Public Improvements to formulate the following strict rules governing the acceptance of personal sureties.

"That the total penalties of all personal bonds running to that department given by one personal surety shall not exceed the value of the property he schedules; and that when a personal surety transfers property which he has scheduled in giving bonds, new bonds will be required."

As the Western Underwriter remarks, it is to be expected that a hot fight will be waged on this change by those most seriously affected, namely, contractors who have been accustomed to give personal bonds. It will be supported by those contractors, especially corporations, which have not been in a position to give personal bonds and have been accustomed to furnish corporate bonds. These latter contractors have been placed at a disadvantage in bidding on city work, as they had to figure the contract price to include the surety premiums, while their competitors, who gave personal bonds, did not have to do this.

It is claimed that various contractors have been in the habit of going on each other's bonds, and some of them are on bonds whose penalties exceed many times over all the property they own. There has also been a custom of making accommodation transfers of property to enable one to become surety for a large amount and then a retransfer after the bond was signed.

Regarding the superiority of corporate over personal surety—in all branches of guarantee insurance—our Western contemporary well remarks that even if, measured by his ability to pay, a wealthy individual may be superior to any of the surety companies, as a bondsman he is not the equal of even some of the weaker ones. The obligee under a personal bond receives merely a promise of indemnity for loss under certain conditions. The obligee under a corporate bond gets this, and, in addition, the service which is furnished by a highly organized business institution, its agents and its legal department.

DECLINE OF AMERICAN LLOYDS.

But few remain of the scores of American Lloyds Underwriters that did business in New York State, twelve or fifteen years ago. Superintendent Hotchkiss recently transmitted to Governor Hughes the

results of the insurance department's investigations into the whole matter of individual and inter-insurance in the State of New York. The superintendent is of the opinion that Lloyds insurance may be made reliable, though he believes this can be done only by legislation "of an emphatic character," and states that he will make specific recommendations on the subject later. The department has begun proceedings against two of the organizations mentioned in the report and the facts as to the others are shortly to be brought to the attention of the attorney general.

Out of between 100 and 150 Lloyds which claimed the right to do business fifteen years ago, official investigations, restrictive legislation and action by the courts have proved so effective that there are now but twenty-two Lloyds which claim the right to do business in New York, while three other Lloyds charters are used by inter-insurance organizations. In addition, there are three associations of inter-insurance, which assert that they are in no respect Lloyds or amenable to the provisions of the insurance law, and yet annually report to the department.

Of the twenty-two Lloyds, fourteen are active and eight dormant, the latter ostensibly retaining their right to do business by the issue of a few policies each year. Of the twenty-two Lloyds, nine seem to be entitled to transact business; nine have no right to do so, while as to four the right is doubtful; indeed, of the fourteen which are active, but seven are beyond question authorized to write insurance in the state.

These twenty-two Lloyds, through failures to meet obligations, changes in underwriters or sale of charters, have together done business under sixty-two different names in the past eighteen years. Some indeed, have written policies under four or five different names. It is significant that the nine clearly entitled to do business have, however, used but twelve names—a large majority of them still operating under the name assumed by the original underwriters.

The statistics as to inter-insurers are much more creditable. All six of the inter-insurance organizations are active and the right to do business of but one is in question. Two out of the six still operate under their original names.

The present investigation is the result of the large number of complaints made by bargain-hunting property owners, who had taken out Lloyds insurance and found it not all they had hoped for.

According to The Standard, of Boston, there would be general satisfaction if, while Mr. Hotchkiss is devising some plan for regulating the home Lloyds, he would also devise one for the regulation of the business transacted in the United States by the fire underwriting syndicates of the great British institution.