

to describe the many circumstances which tempt men who are ordinarily honest to forget their duty to their employers.

APPRECIATION OF COMPANIES' VALUE.

Employers are very rapidly appreciating the value of surety companies, particularly for the reasons just stated. The employee who knows that he has a good record does not hesitate to make application for a bond, since he realizes that being under a surety bond is creditable to him, and having passed the test, is more likely than not to be proud of the fact, as well he may.

From the above enumeration of the several classes of bonds, it will be appreciated that there is no line of business where the assistance of a surety, and particularly a corporate surety, is not desired in order to facilitate the doing of business, and particularly the doing of business between people who must transact it upon credit, but who have not sufficient acquaintance with each other to inspire the necessary confidence upon which credit must be based; and there comes between them the corporate surety who is able, through its agents, to obtain the necessary information from the principal and to guarantee the performance by him of his obligation, whatever it may be, with the obligee.

IMPORTANCE TO BUSINESS MAN.

It is to the interest of every business man, therefore, to promote the spread of corporate suretyship, to the end that he may deal with whom he will and be able to obtain responsible guaranty that the party with whom he desires to deal will perform his contracts. In addition to that, suretyship so far partakes of the character of insurance that to meet the thousand and one business hazards which, if in any particular case they overtook an individual, might seriously embarrass him, the corporate surety can charge a sufficient fee to cover the average of such hazards and thereby distribute the risk over all the business, the consumer paying merely a premium to insure him against that average hazard.

You will have noted that there is a peculiarity in the surety business wherein it is different from other kinds of insurance business. In every other line of insurance the companies engaged in that insurance are the only sources from which that insurance can be obtained. There is not one of you that can insure his life except with a life office, or house against fire anywhere except in a fire insurance company. None of you can procure health or accident insurance except from a company engaged in that business, but in suretyship, if any of you has to give bond, you can go to your nearest neighbor and get that bond from him if you want to, and you might get it for nothing. Any man with a house and a piece of land, or any man with a piece of land without a house can give a bond of suretyship of almost any kind whatever. So that the competition which we have is not the competition alone with other companies engaged in the surety business, but we have the competition of personal sureties all over the country.

WHY CORPORATE SURETYSHIP INCREASES IN FAVOR.

But this is rapidly changing and some of the reasons among others why corporate suretyship is superseding personal sureties, and why it is becoming

so strongly in favor, when you have selected a responsible company, are:

First—Litigation is avoided.

Second—Losses are paid promptly.

Third—It obviates frequent inquiry as to the responsibility of bondsmen.

Fourth—It prevents the possible removal from the jurisdiction of the bondsman.

Fifth—It is a constant incentive to right doing on the part of the persons bonded.

Sixth—It relieves those required to give bonds from incurring obligations to any one.

Seventh—It avoids the possibility of the bondsman dying before the termination of the trust and his estate being distributed among his heirs.

Eighth—It relieves those who are asked to be sureties from doing so to their own discomfort and possible loss.

PRINCIPLES OF SAFETY.

Corporate suretyship, like all other things, must be based upon certain principles which experience demonstrates are necessary to the safe transaction of the business. Obligations should run for a reasonable length of time only, and there should be a short period subsequently during which action may be taken, if necessary; thereafter it should be possible to cancel the obligation absolutely. There should be the utmost good faith between the obligee and the surety, and the obligee should promptly notify the surety of anything likely to give rise to a loss. The obligation assumed should be carefully and accurately defined, and after this is done the restrictions should be as few as possible. Principals applying for suretyship should always be ready to furnish full and detailed information as to the transaction in connection with which suretyship is desired, and either to furnish collateral security or signed detailed financial statements of their affairs, for it is to the interest both of principal and obligee that suretyship shall not be assumed except under conditions that will make it reasonably certain to be profitable to the surety, to the end that surety companies may continue in business and continue to protect business men against the various kinds of hazards covered by suretyship obligations.

WHAT BUSINESS INSURANCE MEANS.

1. Cash to replace brains.
2. Cash to safeguard credit.
3. Cash by way of collateral loans, to snap up cash bargains.
4. Cash to protect endorser's of company's paper.
5. Cash to protect company from an endorser's death.
6. Cash without endorser's.
7. Cash without publicity.
8. Cash without deleterious effect on credit.
9. Cash to buy out a retiring partner's interest.
10. Cash immediately available in time of financial stress, when all other resources fail.
11. Cash increase in your assets each year.
12. Cash asset which means credit.
13. Cash to protect extended credit.
14. Cash asset which is untaxable.
15. Cash for your retirement.
16. Cash available for any emergency which may arise at any time.