

scope (e.g., by Makowski on religious orders, where the chapter really only summarises her earlier scholarship on cloistered nuns). Nevertheless, the editors have done a tremendous service to medievalists and legal historians by designing a volume that addresses medieval canon law from multiple perspectives and includes expert discussions of key topics, alongside sources, that represent well the breadth, complexity, and contemporary and long-term impact of canon law.

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## Leonard, A. B., *London marine insurance 1438–1824*

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The back cover describes this as ‘the first comprehensive history of marine insurance transacted in London’, and indeed the temporal scope is impressive. Leonard writes with narrative flair and covers a lot of ground in these four chapters.

The first chapter describes the introduction of the marine insurance business to London by Italian merchants during the fifteenth and sixteenth centuries, forcefully arguing that the customary rules of the Law Merchant (the effectiveness and even the very existence of which has been questioned by some scholars) provided a flexible framework for governance and dispute resolution that enabled the market to flourish.

The subsequent chapters focus on three critical episodes during which market participants changed, or attempted to change, the rules. Each of these ‘interventions’ arose, Leonard argues, from conflicts between ‘insiders’ – market participants who were well established and connected within the market – and ‘outsiders’, new to the market, who refused to follow the existing ‘rules of the game’. Leonard is at pains to distinguish his insider/outsider framework from the collectivist/individualist distinction used by other authors, but ultimately arrives at a similar destination. For ‘insiders’ (or collectivists) governance and dispute resolution rely on reputation mechanisms and trust, which can only be sustained within a stable group. To successfully transact with strangers (‘outsiders’), more formal and impersonal (individualist) governance mechanisms are required. The categorisation of individuals at times seems rather arbitrary. In effect, an ‘outsider’ is anyone who does not play by the (insiders’) rules. So, for example, a broker who engages in fraud is thereby revealed to be an outsider by definition, whereas one who transacts honestly presumably remains an insider.

The first 'intervention' occurred in the late sixteenth century when informal dispute resolution proved insufficient to deter outsiders from engaging in fraud. As a result, insiders petitioned the government to create (in 1576) an 'Office of Assurance' with a monopoly on registering policies and (in 1601) a 'Court of Assurances' to adjudicate disputes. Leonard argues that these institutions 'dominated the market for a relatively long period' (p. 8), but this story is a little too neat. In fact, by most accounts, many merchants and insurers – insiders, surely – opposed the creation of the Office, and bypassed both the Office and the Court, preferring to rely on private arbitration. This period also saw unsuccessful abortive efforts to codify insurance rules. While Leonard has thoroughly plumbed the archives, the paucity of records means that any inferences about the effectiveness or durability of these institutions are necessarily rather speculative. In any case, by the late seventeenth century at the latest, they became defunct.

The second intervention was the creation of two joint-stock marine insurance corporations in 1720. Although many of the companies' projectors were merchants, in challenging the existing institutional structure they became 'outsiders' in Leonard's terms, seeking to corner the market for marine insurance at the expense of the existing private underwriters. Leonard provides perhaps the most complete and detailed treatment to date of the political maneuvering that led to the apparently anomalous merger of the bill creating the corporate marine insurance duopoly with the Bubble Act that restrained other incorporations.

The third intervention occurred in the late eighteenth century, by which time London had become established as the world's leading insurance market. Insiders were motivated to develop new institutions in response, again, to the actions of 'outsider-sellers of ill repute' (p. 171) who used insurance policies as a form of wagering. There were several strands to this third intervention: legislation in the 1740s; Chief Justice Mansfield's judicial articulation of the principles of insurance law based on merchant custom; the creation of 'New Lloyd's' in 1769, in an effort to expunge undesirable 'outsider' elements; and the development of a system at Lloyd's for gathering and disseminating information. By the outbreak of the French Revolutionary wars, Leonard claims, Lloyd's 'basic institutional structures and roles were in place' (p. 204). This is not the view taken in Wright and Fayle's magisterial *History of Lloyd's*. Indeed, they devote several chapters to the subsequent institutional development of Lloyd's, particularly during the crisis of 1810–1811, an episode that Leonard ignores, perhaps because it arose from a conflict among insiders. Instead, he incorrectly claims (p. 210) that 'no further significant changes were made' during this period.

Much of the ground Leonard covers is already well-trodden. There are several excellent histories of marine insurance law, as well as histories of Lloyd's, and company histories of both the corporations. Leonard usefully synthesises and elaborates aspects of this literature, adding numerous instructive examples gleaned from archival sources and contemporary records. He is at his best when he wears his historian's hat, offering a wealth of insightful detail on the backgrounds, motivations, relationships and arguments among the men involved in the political debates surrounding, for example, the creation of the corporations in 1720, or the introduction at various times of legislative proposals that were enacted or (frequently) abandoned.

He is less sure-footed when discussing the economic interpretation of these events. In trying to explain a key puzzle of London's eighteenth-century insurance market – the failure of the corporations to dislodge private underwriters after 1720 – Leonard follows many other authors in noting that the corporations were more 'cautious' in their underwriting. He cursorily dismisses the idea that (as I have argued) this reflected asymmetric information. Instead, he bizarrely suggests that the corporations, as a single underwriting body, had less 'appetite' for risk. Yet the corporations' primary advantage was precisely their ability to spread risk widely by drawing in capital from those who lacked the mercantile expertise needed to underwrite.

While there is much of value here, the structures imposed on the narrative seem at times like an awkward fit. The first and third 'interventions' were multi-faceted processes that played out over several decades, rather than a coherent or deliberate act. The first and second interventions arose from efforts to use state power to gain control of the market, while the third intervention involved several distinct processes of institutional change largely originating within the community of underwriters at Lloyd's.

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