



Panel report: Global Perspectives on Capitalising Lives (19th/20th centuries)

Zurich, June 6, 2019, 5th Swiss Congress of Historical Sciences

Convener: Martin Lengwiler

Participants: Claus Musterle / Robin Pearson

Comments: Christofer Stadlin

Report by Eva Kocher, University of Basel

Insurance history is a small branch of economic and business history which is strongly marked by the history of individual enterprises and the focus on national markets. International insurance as an independent field of research is still emerging and the globalization process of the insurance business still remains largely unexplored, with only a number of recent exceptions. In line with this tendency, this panel proved that the number of historical approaches to a more global perspective privileging also more socio-cultural aspects of insurance business is increasing. It consisted of two contributions to the SNSF-project «Global Cultures of Risk», conducted at the Universities of Basel and Hull.¹

CLAUS MUSTERLE (Basel) provided insights into the operations of French and British life insurers in the Ottoman Empire and later Turkey from the late 19th century until the interwar period, with particular focus on the Norwich Union Life and the Union Vie. His axis of analysis reaches from the individual market players, their marketing strategies, and their reactions to WWI up to the social structures of their clientele. His research therefore transgresses the scope of a more traditional business history and widens up towards more socio-economic and even cultural aspects. Musterle explained that religion constituted certainly not a barrier to insurance business: a considerable part of the Union-Vie's life portfolio consisted of Muslim clients, and they were also not absent from the Norwich Union Life's portfolio. Rather, management decisions and the network of the respective agent appear to be relevant, so he argues. For example, the Armenian agent of the Union-Vie sold almost half of his policies to Armenian clients. Moreover, marketing was a key to success: The

¹www.culturesofrisk.net



Union had a very prominent branch office in the centre of Constantinople (Istanbul), just next to the Ottoman Bank. As Musterle pointed out, it is remarkable that British and French life insurers reacted very differently to WWI. The former were not allowed to pay out insurance claims to subjects of enemy countries by virtue of wartime legislation. Due to their inability to respect the terms of their life policies during WWI, the British societies harmed their reputation and credibility in the long run. However, the principle of life insurance as a precautionary instrument had consistently spread in the region, even after the retreat of certain French and British insurers. By the 1930s, several insurance companies, led by the example of İş Bankası, were distributing small saving clocks, which had to be fed every 24h with a token in order to be wound up. The tokens thus collected amounted to the (life) insurance premiums that were to be paid to the respective insurance companies, as a small popular life insurance.

Cultural obstacles to the life insurance business, however, came up clearly in the analysis presented by **ROBIN PEARSON** (Hull). He presented first findings from his research (conducted together with Yong Qiang Han) on the Standard's life business in China from the mid- 19th until the early 20th century, tracing back the barriers to insurance expansion in China. The vast majority of the Standard's policyholders were white and male and represented most probably the expatriate community working in China. The only policy taken out by a woman was a travelling scheme. Pearson and Han found various reasons for this absence of native Chinese lives and women amongst the Standard's portfolio. Firstly, the high mortality rate and low average life expectancy of the population in combination with to high levels of poverty and political unrest hindered life insurance dissemination. Secondly, practical factors such as the multiplication of currencies and the poor transportation infrastructure in the interior of the country caused major problems for the sale of insurance policies beyond the treaty ports, for instance, which caused delay in the transmission of premiums and claim settlements as well as reporting deaths. Moreover, Pearson and Han detected that the lack of Chinese mortality data led foreign underwriters to arbitrarily apply existing mortality tables based on tropical or semi-tropical populations when pricing risks on Chinese lives. Many Chinese perceived these premiums, much above the ones charged for Europeans, as a discriminatory and disparaging practice. Besides this aspect, a number of other cultural obstacles seem to have affected the attractiveness of life insurance for the Chinese population. The outspoken mentioning of death, for example, was said to be socially unaccepted in turn-of-the-century China. The concept of life insurance in support of a spouse and descendants did not reflect the traditional



Chinese system of family responsibilities, which was rather prioritizing the older generation. Pearson and Han pointed out, however, that these were early findings of their research and that it was hard to estimate the weighing of the different factors yet.

In his comment, **CHRISTOPHER STADLIN**, historian and archivist at the ZURICH Insurance Group, stressed the relevance of international commercial centres as a common feature and prerequisite to the spreading of insurance in both presentations. With a view to historicising life insurance in the Global South and the role of cultural attitudes, he pointed to the constructed understanding of health and particularly the West's notorious anxiety of tropical climates. He further pointed out that a more explicit mesoeconomic approach to insurance dissemination could be enormously fruitful for the analysis and a greater understanding of the structural context and the behaviour of certain groups and institutions. The debate produced not so much disagreement, but large consensus about the fact that insurance history remains an abundant field for historians to better understand globalisation processes, international entrepreneurship, as well as institutional and socio-economic change.

Eva Kocher, University of Basel
eva.kocher@unibs.ch

Panel overview

Musterle, Claus: Coping with Kismet alafranga. British and French Life Offices and the Genesis of a Turkish Market for Life Insurance, 1890–1940

Pearson, Robin: Orientalist attitudes vs. local norms. The diffusion and reception of life insurance in Asia (1870–1970)

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