CRESC Working Paper Series

Working Paper No. 32

Prudentialism and the 'missionaries' of life assurance

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May 2007

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The support of the Economic and Social Research Council (ESRC) is gratefully acknowledged.

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Abstract

This paper sets out to explore the ways in which life assurance, as a specific form of financial conduct, was mobilized and shaped by the political rationality of liberal government. At a fundamental level, liberal modes of government are all about economic government. The political philosophy of liberalism informed the development of an assemblage of institutions and agencies in the nineteenth century which acted, with relative autonomy, to realise the liberal project of government at a distance. Life assurance institutions were part of a diverse range of institutions which provided the means of defining and promoting the duties and virtues associated with liberal, economic subjectivity. The political rationality of prudentialism as a particular way of conducting oneself as a liberal subject (O'Malley, 1996), the chapter will argue, informed the missionary zeal with which life assurance institutions pursued the project of equipping their publics with the skills and habits of prudence and thrift integral to the practice of insuring. The paper will investigate the material tools and practices that were deployed in the pursuit of this project.

Prudentialism and the 'missionaries' of life assurance

Introduction

> How selfish soever man may be supposed there are evidently some principles in his nature, which interest him in the fortunes of others and render their happiness necessary to him. (Smith in Force, 2003: 201)

The words above are how Adam Smith presaged his argument in *The Theory of Moral Sentiments* that self-interest was not - and should not be construed as - the sole motive of human actions. Within this judgement, Pierre Force (2003) has argued, lies Smith's sympathy with a neo-Stoic philosophical commitment to the perfectability of human nature. This commitment stands in opposition to an Epicurean tradition that has the pursuit of pleasure, in the shape-shifting form of self-interest, as the driver of all human action. It is this latter tradition that has been credited with informing the development of both economic science and those political rationalities that can be termed 'liberalist' in their attachment to a vision of social order arising from, and sustained by, the self-interested actions of individuals. That such a definition leaves a great deal of room for manoeuvre is made abundantly clear by even the most cursory review of the protracted moral and metaphysical debate aroused by questions of self-interest.[1] If self-interest is the most malleable - and least defined - of attributes it is well placed at the roots of liberalism, a political rationality that has itself taken many different forms. This paper focuses primarily on a variant of liberalism that Pat O'Malley (1996) labelled 'prudentialism'. Its particular goal is to explore the connections between 'prudentialism', Victorian political rationalities and, what in nineteenth century Britain, was widely characterised as the 'mission' of promoting commercial life assurance.

There are good reasons for exploring these connections. In granting populations the benefits to be derived from 'collectivizing' risk whilst promoting individual market-based freedoms, life assurance may claim to be an exemplary technology of liberal governance. Insurance, in general, offers a robust technique for knowing and managing risk in a given population but there is huge variation in how this can, and has been, achieved at different times and places. The precise form taken by insurance institutions, practices and technologies at particular junctures then is a matter of some historical and sociological interest. Insurance on lives in nineteenth century Britain came in the form of life **assurance.** The term 'assurance' has no specific meaning distinct from 'insurance', its use tends only to denote the specific, predominantly commercial and private, form taken by the enterprise in Britain from the late eighteenth century. One of the main aims of this paper is to show that the shape of this enterprise was connected to a much broader set of ideas and principles about how the problems posed by, what was increasingly understood as 'the social', might best be governed[2]. These ideas and principles are those generally associated with liberalism, and in particular with a nineteenth century strain that shares much common ground with the variant O'Malley has termed 'prudentialism'.

This is a move which is informed in large part by the significance, in the contexts of both political theory and insurance, of the concept of prudence. It may not be entirely startling to encounter the figure of prudence at the heart of the life assurance movement but formulations of prudence also circulate in the philosophical traditions of neo-Stoicism and Epicureanism which were themselves crucial to the development of early liberal thought. The paper begins with a short section exploring the role of ideas about prudence and self-interest in eighteenth century moral philosophies in an effort to mark the lineage running from these traditions to the emergence in the nineteenth century of liberalist modes of government. The presence of particular ideas about prudence, freedom and sacrifice in some variants of nineteenth century liberal thought chimes noisily, and quite deliberately, with the values espoused by the life assurance industry. This makes sense, as will be argued in the following section, in view of the importance of insurance technologies to the political rationalities emerging in the nineteenth century.

The use of the term 'rationalities' is meant to signal both the plurality of governmental modes and the technical, mechanical ways these modes were realised in material practice. Throughout Europe and the United States, over the last 150 years, a variety of solutions to the role insurance should play in governance have been articulated ranging from the state regulated model of 'actuarialism' to the neo-liberal, 'prudentialist' marketization policies of the late 1980s. Nineteenth century life assurance is a distinct form of insurance technology. It is one example of how the risks encountered by a population might be managed in accordance with liberal, political principles. That other solutions to the same problem might have been found is evident, I suggest in the final section of the paper, in the debates about the safety and propriety of the life assurance project and its fitness to be regulated by the market which gathered force from around the middle of the nineteenth century. These debates indicate how open the insurance field was, by the closing decades of the century, to different models and to appropriation by different governmental modes.

Prudence, interest and liberalism

In positing the question of why we should obey God's will, Adam Smith proposed that only two answers were possible. Either we obey because of the rewards and punishments attached to obedience, in which case Smith maintained 'virtue consists in prudence, or in the proper pursuit of our own final interests and happiness'; or we obey irrespective of such rewards because 'there is a congruity and fitness that a creature should obey its creator, that a limited and imperfect being should submit to one of infinite and incomprehensible perfections' and thus virtue consists in propriety (Smith, 1976: 305). In this manner, Smith crystallised the debate between Epicurean traditions that equated virtue with a self-interested prudence and those like the Stoics and neo-Stoics who defined virtue as propriety. In this debate, Smith deployed neo-Stoic arguments to inform a polemical rejection of the Epicurean notion that self-interest was, or should be made, the sole motive of human action (Brown, 1994; Force, 2003). Thus, ironically, what is widely understood to be the first principle of economic science that every agent is actuated by self-interest, or characterised by utility maximising behaviour, stands at odds with Smith's view of human nature.

For Smith, the 'desire to better our condition' may be the foremost motive of behaviour in commercial society but this does not arise, as the Epicureans would have it, from a self-interested prudence. Rather, Smith locates the desire for material improvement in neo-Stoic assumptions about the desire for sympathy such that 'the ultimate goal of economic activity is something symbolic and intangible: approbation from others' (Force, 2003: 47). This neo-Stoic emphasis on the desire for sympathy stands in sharp opposition to the Epicurean emphasis on self-interest as the outcome of a universal human quest for pleasure. That eighteenth century thinkers like Smith came nevertheless to endorse commercial self-interest as a force that could be harnessed to counter the worst excesses of passion in the service of religious or aristocratic ideals should not then be taken as an indication that the character or source of self-interest was a matter of philosophical consensus. Rather as has been persuasively argued elsewhere 'self-interest' refers to a range of historically distinct ideas and behaviours and has been harnessed to a variety of different projects (cf. du Gay 2005; Poovey 1998; Hirschman 1977; 1992).

While most contemporary economic accounts of self-interested action, as Hirschman (1992) notes, regard self-centredness and rational calculation as the essential elements of self-interest, this significantly undersells the history and plurality of the notion. At one end of the spectrum, self-interested action was lauded in the eighteenth century as a calm and orderly alternative to actions dictated by unruly passions while at the other end, the notion of actions guided by 'narrow' self-interest was vilified, in Thomas Carlyle's words, as a 'brutish god-forgetting Profit and Loss Philosophy' (in Hirschman, 1992: 42). This openness to conflicting interpretation stems in part from the absence of a tight, settled definition. So self-interest has been accused of offering an empty, tautological explanation of human behaviour signalling only that 'a man had rather do what he had rather do' (Macaulay, 1829, in Hirschman, 1992: 48) while even the most magnanimous and generous of conducts may be labelled self-interested if the outcome is the esteem and good opinion of others. Smith's schema offers a further and very particular twist on self-interest by tracing the 'selfish' desire for luxury and riches to a quite unexpected source.

> If we consider the real satisfaction which all these things are capable of affording, by itself and separated from that arrangement which is fitted to promote it, it will always appear in the highest degree contemptible and trifling. But we rarely view it in this abstract and philosophical light. We naturally confound it in our imagination with the order, the regular and harmonious movement of the system, the machine or œconomy by means of which it is produced. The pleasures of wealth and greatness, when considered in this complex view, strike the imagination as something grand and beautiful and noble, of which the attainment is well worth all the toil and anxiety which we are so apt to bestow upon it. (Smith in Force, 2003: 160)

Striving to become rich then is the proper thing to do **not** because of the selfish pleasures to be derived from the things in themselves but because the modern economy is a well-ordered and well-balanced system. Smith's view here is informed by neo-Stoic ideas about the perfectability of human nature grounded in a proper, disciplined appreciation of the beauty and order of God's systems. The cardinal virtue for Smith derives from an elaborate, disciplined grasp of systemic order and propriety rather than prudence. Prudence, understood as a sort of tame, methodical route to the optimum gratification over the longest term is based purely on self-interest and forms, in the Epicurean scheme, 'the source and principle of all the virtues' (Smith in Force, 2003: 11). This philosophical propensity to account for all appearances by as few principles as possible - in this case self-interested prudence as the spring for all human behaviour - Smith argued, amounted to an unwarranted theoretical parsimony. That Smith did not simply substitute propriety for prudence - thus making the same error on different grounds - can be gauged from the fact that whilst he rejected the Epicurean location of self-interested prudence at the centre of all human action, prudence retains a significant place in his theory.

Prudence in Smith's schema is an aspect of the *amour de soi,* or self-love, that Brown (1994) describes as a form of caring for the self entirely consistent with moral behaviour. Prudence is about looking after the individual's health, fortune, rank and reputation. Prudent individuals display frugality, industry and steadiness and, importantly in the present context, an ability to sacrifice 'the ease and enjoyment of the present moment for the probable expectation of the still greater ease and enjoyment of a more distant but more lasting period of time' (Smith 1976: 215). This emphasis on the deferral of gratification in the service of future ease accords with a formulation which places security as the first and main objective of prudence. Prudence;

> … is rather cautious than enterprising, and more anxious to preserve the advantages which we already possess, than forward to prompt us to the acquisition of still greater advantages. The methods of improving our fortune which it principally recommends to us, are those which expose to no loss or hazard; real knowledge or skill in our trade or profession, assiduity and industry in the exercise of it, frugality, and even some degree of parsimony, in all our expenses. (Smith, 1976: 213)

Smith's discussion draws upon the long and variegated debates of the character of prudence as a virtue in the philosophies of Plato, Aristotle and Epictetus among others. In Smith's work however prudence takes on a more robust character as an ideal upon which new forms of financial and economic conduct could draw. The crucial point for present purposes is the influence of this formulation of prudence on the key systems of thought upon which the emerging mode of rule known as liberal governmentality was founded. This was a mode of government that prioritised a market based form of individual self-rule rather than rule through coercion. Liberal (self-)government relied upon voluntary compliance with a market based system of organisation which could manipulate the drive to 'better our conditions' in part by drawing upon the mechanisms of fashion and taste.

> Administering self-rule in a market society involved understanding human motivations, including the desire to consume, rather than simply measuring productivity or overseeing obedience. As a consequence, the knowledge that increasingly seemed essential to liberal governmentality was the kind cultivated by moral philosophers: an account of subjectivity that helped explain desire, propensities, and aversions as being universal to humans as a group. (Poovey, 1998: 147)

Eighteenth century moral philosophy, whether operating in an Epicurean, Augustinian, Stoic or neo-Stoic traditions, as can be surmised from the discussion above, concerned itself in particular with questions of human motivation and for this reason it was well placed to offer a knowledge base for emerging liberal rationalities of government. Questions of motivation were posed, as Poovey (1998) explains, more for their social implications than what the answers might mean for matters of individual happiness. They were addressed towards achieving a better understanding of the regularities of the moral universe and the principles underpinning the human willingness to submit to government. As individuals were assumed by eighteenth century moral philosophers to be instances of a universal human nature, so knowledge about that nature could offer the grounds of a theory about a governmental mode based on individual self-rule structured by the market. It is for this reason that ideas about prudence and self-interest occupy such a prominent position in nineteenth century liberal political rationalities. These rationalities were articulated on the grounds of a set of knowledges and ideas about the character of human motivation, the drives to acquire, to consume and to emulate. An appreciation of this, as will be suggested below, offers valuable insight into the shape taken by the nineteenth century life assurance project.

The intellectual debt liberalist political rationalities owe to the varied, contradictory and competing discourses of eighteenth century moral philosophies helps explain why it is more accurate, if admittedly more awkward, to insist upon the plural. As a number of writers exploring the history of liberal ideas have observed there is some debate on the precise definition of core concepts like freedom and self-interest adopted by key nineteenth and twentieth century liberal thinkers[3] Biagini (2003) notes that if Quentin Skinner's injunction in *Liberty Before Liberalism* is followed, the liberal conception of liberty has to be understood as a negative one, as in the absence of restraint. This, Biagini argues, is not a conception shared by some key Victorian liberal thinkers, notably T.H. Green.

Green subscribed to the Nonconformist entanglement of liberty with responsibility. This informed his positive conception of liberty as involving 'the liberation of the powers of all men equally for contributions to a common good' (Green in Biagini, 2003: 60). Citizens who were to be able to exercise this form of liberty required virtue, and virtue could best be instilled by education and legislation. Thus, in Green's schema, state coercion should be applied to create the conditions in which men can develop a character disposed to do good. It comes as little surprise then that Green was a supporter of prohibitionism. Prohibitionism, he maintained, fostered virtue, so it followed that it must also foster true freedom. This was not the freedom to do as one pleased but the freedom to 'turn to the best account all the talents and capabilities God had given' (Green in Biagini, 2003: 61). Green's prohibitionism was not just an idiosyncrasy, as Biagini notes, the temperance movement was a major influence on Victorian liberalism. The tenets of sacrifice, education, restraint and religious feeling that underpinned the temperance movement were active currents in Victorian liberalism. This variant of liberalism sought to bring science, religious feeling and active self-sacrificing philanthropy together in a missionary approach to the social problems of industrial society. A liberal vision in this mould, I want to suggest, offered the perfect justification for the type of solution offered by the life assurance project in nineteenth century Britain. In an attempt to make this clearer, I turn now to consider a little more closely some of the connections between liberal political rationalities and the technology of insurance.

Insurance, actuarialism and prudentialism

> Insurance, then is the practice of a certain type of rationality. It has no special field of operations; rather than being defined in terms of its objects; it is a kind of ubiquitous form. It provides a general principle for the objectification of things, people and their relations. (Ewald, 1991: 206)

A baseline definition of insurance would describe it as a technology that compensates the effects of chance or 'risk' through the mechanism of mutuality organised according to the laws – to the extent that they are understood – of large numbers[4]. Individual losses caused by death and accident are offset by spreading them across a community, diverting the effects from the individual to the community, definitively for Ewald (1991: 206), according to 'a principle of justice, a rule of right'. In the insurance technique, a distinctive idea of justice emerges, one which replaces cause, blame or fault with the idea of a distributive sharing of a collective burden, to which members' contributions can be fixed according to explicit rules (Ewald, 1991). In his genealogy of the emergence of the welfare state from the nineteenth century, Donzelot explains how, with cause and blame being so difficult to ascertain juridically, the notion of accidents as the 'effects of an unwilled collective reality' had a powerful appeal (1988: 400). As soon, he explains, as 'social problems are viewed from the angle of interdependence between people, rather than in terms of the argument about individuals' respective duties and faults, the insurance technique offers a considerably *more effective* and *more moral* solution' (Donzelot, 1988: 401). It was this potential to provide an effective, moral solution that made insurance techniques central to the international debate on how social problems might best be managed in the years running up to the First World War. The vision of insurance as a technique that can realise solidarity, solidify the invisible bond between men and transform the social milieu, that Donzelot describes, is of course not quite in line with the liberal ideas outlined above. Indeed the 'new school' discourse of solidarity Donzelot was concerned with was articulated in opposition to classical liberal ideas. Despite its fit with the solidarity project and the emerging principles that would inform the formation throughout some European countries of 'welfare states' the insurance technique has since the eighteenth century lent itself without prejudice to a variety of different political projects[5]. Insurance as a type of rationality, I want to suggest in this section, has that kind of generality of principle and technique that has allowed it to bend to quite different governmental modes.

In his discussion of risk, O'Malley (1996) characterises writers like Ewald and Donzelot as being of the view that insurantial or 'actuarial' techniques of power have, due to their superior efficiency in the regulation of populations, superseded disciplinary techniques of power focused on the individual. In offering a more subtle, technical approach to social regulation, actuarial techniques seem to de-dramatise social conflict. The emphasis is shifted away from the causes of social problems to different technical options for their management through insurance based schemes. These features permit actuarialism to appear 'as incorporative, rather than exclusionary, meliorative rather than coercive, statistical and technical rather than moral and individualized, tolerant of variation rather than rigidly normalizing, covert rather than overt and so on' (O'Malley, 1996: 191). Such accounts, O'Malley contends, carry with them something of an evolutionary undertone in their assumption that disciplinary techniques can be assessed and ranked on the grounds of their efficiency. Thus the insurance technique is cast as dominating throughout the twentieth century because of its superior qualities for regulating populations. This is not a view to which O'Malley subscribes. On the contrary he emphasises the need to follow Foucault's injunction to trace the fragmentary and dynamic nature of social relations across time and space.

Actuarialism, for O'Malley, has to be seen not as an inevitability of risk society, but as a technology that varies enormously in its character and in its fit with specific political programmes. Technologies, he insists, come to prominence as a consequence of the ascendant political rationalities in any given context. To support his case O'Malley describes how the socialised insurances of actuarialism began to give way from the late 1980s to a quite different 'insurantial imaginary'. The guiding philosophy behind social insurance had been to provide a mechanism which could increase national efficiency by improving labour productivity and by reducing the effects of social problems like unemployment and poverty which arise in a market based economy. By the 1980s, such socialized actuarial developments as unemployment and sickness benefits had come to be seen by neo-liberals as in need of stripping back if the proper efficiency and enterprise of populations was to be restored.

> This should not be taken to imply that neo-liberalism opposes actuarialism, for it accepts that individuals should manage risks. Rather, it implies that they should be prudent instead of relying upon socialized securities. They should cover themselves against the vicissitudes of sickness, unemployment, old age, accidental loss or injury by making such privatised insurances as they see fit – including taking out the private insurances they can afford. In this fashion, risk-management techniques certainly play a vital role, but this is not the socialized actuarialism of Donzelot, Simon, Ewald and others. Better understood as *prudentialism*, it is a technology of governance that removes the key conception of regulating individuals by collectivist risk management, and throws back upon the individual the responsibility for managing risk. (O'Malley, 1996: 196-7)

Prudentialism then is used to denote a form of privatised actuarialism which came to the fore by the mid 1990s as a result of a series of political interventions designed to promote the play of market forces across a range of different areas of government from crime control to health and personal financial planning. A quite particular conception of the individual as responsible/moral and rational/calculating was, O'Malley notes, a recurrent theme in these interventions. Informed by data about risks, the rational, responsible individual combines calculative self-interest with actuarialism as part of a prudent strategy for the everyday management of risk. Understood in this way prudentialism involves not merely the privatisation of actuarial risk management but a recasting of the individual subject as rational, responsible, knowledgeable, calculative and most importantly, in control. Enterprising and prudent subjects have acquired the knowledge necessary to take control of everyday risks.

O'Malley's characterisation of prudentialism is underpinned by an astute assessment of how the fit between given technologies and specific political programmes shifts over time. In flagging the partial transformation to a privatised form of actuarialism in the last decades of the twentieth century O'Malley resists the temptation to see in insurance technologies an irresistible direction to the governing of populations. Ewald (1991), for instance, may have defined insurance as the practice of a certain type of rationality, a ubiquitous kind of form with no special field of operations, but it is clear nevertheless that in his schema insurance has particular valency as a political technology which can institute judgements about justice and social justice in particular. There is something of a slippage in the work of authors like Ewald and Donzelot which identifies on the one hand the malleability of insurance as a technology that can lend itself to many objects whilst on the other privileging a sort of sovereign historical association with the political rationality of socialized actuarialism. This raises questions about how the relationship between modes of government and technologies that lend themselves to governing populations is to be understood. In highlighting how the emergence of neo-liberalism promoted a new form of *privatised* actuarialism or prudentialism at a specific historical moment O'Malley quite persuasively demonstrates that ascendant political rationalities utilise those technologies, or variants thereof, which are best suited to their purposes. The problem which arises is how best to account for the partial, fragmentary and contradictory character of this relationship. At any one time an ascendant political rationality, as was the case with neo-liberalism, may utilise ideas drawn from a range of political philosophies and have at best a thinly articulated relationship with the institutions managing the technologies that it may make seek to utilise.

This is the nub of the dilemma raised by O'Malley's model of prudentialism. As a variant of liberalism, the relationship between prudentialism as a modelled political philosophy and the mechanics of the technologies, institutions and practices that enact it is necessarily loose. As Burchell (1996) remarks of early liberal governmental reason, it does not so much set out what government policy should be as define its essential problem-space as a real, open-ended space for politico-technical invention. Thus the gap between what liberal political rationalities may define as governable and the mechanics of how that governing should be carried out arises. More concretely, where a political programme of socialized actuarialism may have the institutions and technologies for administering the appropriate social insurances under its more or less direct management this, by definition, cannot apply under the model of privatised actuarialism. Prudentialism strips back social insurances and relocates the responsibility for managing risk to the rational, calculating individual. In practice this means that the relevant information and technologies for risk management are under the control of market or quasi-market institutions. The government's role then, as O'Malley explains, becomes one, not of controlling the policies of relevant institutions, but of manipulating the environment such that taking individual responsibility becomes the most palatable, profitable and effective mode of provision for security against risk.

That this policy fell some distance short of producing the efficiency gains forecast in the area of personal financial planning is tentatively indicated by some of the catastrophes which have occurred in the insurance industry over the last 15 year. The near collapse of *The Equitable* (ironically an insurance company with a long history of prudence carried to the point of excess) and the appearance at this point in time of the neologism 'mis-selling' to refer to the advised sale of investment products to consumers which do not meet the standards of a good sale defined by the financial services authority (FSA) would serve to suggest as much.[6] That the model of prudentialism recasts individual subjects as prudent, responsible, rational and knowledgeable does not, of course, mean that they will become such.

What is interesting in the present context is the extent to which the neo-liberal strategies of prudentialism emergent in the 1980s and 90s strike a chord with the aims and failures of strategies in evidence in the nineteenth century. As I aim to show in the section below, nineteenth century life assurance companies embarked on a dogged mission to recruit individuals through promoting, and appealing to, particular forms of moral responsibility and financial reason. The manner in which this project was conducted bears striking similarities to the aims of a broader prudentialist liberalism. In insinuating a quite unprecedented drift away from socialized actuarialism O'Malley's account of the emergence of prudentialism may be guilty of underplaying the historical interplay between liberalism and insurance generally and between liberalism and privatised actuarialism in particular. What a longer and closer review of the insurance industry serves to illustrate is the extent to which insurance has continuously morphed in tandem with the demands of a range of political philosophies and shifting regulatory frameworks. In the years from 1850 to 1930 insurance stood as an exemplary technology in a number of distinct political rationalities from the various shades of Victorian liberalism, to what Donzelot (1988) terms the solidarity project in France and the model of 'voluntary socialism' in the United States (Creek, 2005).

The Missionaries of Life Assurance

The history of life assurance, even in Britain where it met less resistance than in most other European countries and the United States, as has been demonstrated elsewhere, was one of numerous failures and false starts.[7] That this difficult history can be attributed, as in Zelizer's (1979) account, to an entrenched public resistance on the grounds that life assurance blasphemously defied a normative division between the marketable/profane and non-marketable/sacred seems increasingly unlikely. The intertwining relations between the religious establishment, the life assurance industry and the ascending political rationalities of the eighteenth and nineteenth centuries make such an explanation of the industry's difficulties untenable.[8] Resistance to life assurance on theological grounds certainly existed in Britain but it was too patchy to have accounted for the industry's many troubles. It is clear moreover that life assurance institutions cast *themselves* as engaged in something of a moral enterprise. References in company documentation are repeatedly made to insurance on lives as a project, a mission, pitched to rid the world of so many 'social evils'. This section explores both the 'missionary' character of life assurance promotion and the connections between this and a broader political philosophy of 'prudentialist' liberalism. These connections however are far from seamless and as a brief review of debates about how the assurance industry should be regulated will show there were moments in the century when this model came under serious threat and alternatives which ran closer to a version of 'socialized actuarialism' begun to be seriously considered.

Throughout the nineteenth century the burgeoning enterprise of life assurance was supported by a vast printed literature that came in a bewildering array of forms. There were explicitly promotional materials including advertisements, pamphlets, prospectuses and handbooks issued directly by the companies themselves. By the end of the century, a whole subset of trade press existed aimed at agents, potential customers or indeed anyone connected with the enterprise with titles including *The Insurance Post*, *The Policy Holder Journal; The Insurance Spectator of London, The Insurance Agent, The Insurance Review, The Insurance Sun, The Insurance Guardian, Insurance and Banking Review, The Insurance Journal* and *The Insurance Gazette*. In addition there were a range of publications with no direct connection to the industry in which the topic was regularly featured. Life assurance provoked comment from political economists, mathematicians and statisticians in the pages of outlets like *Edinburgh Review*, it prompted advice in household management journals, it was regularly satirised in magazines like *Punch* and popped up surprisingly often in the novels of the period[9].

One of the most striking features of much of this printed material, especially the promotional matter, is the extent to which it relied upon the repetition, regurgitation and repackaging of a relatively small number of themes. Prominent among these were claims about the inherent propriety, prudence and piety of the practice of life assurance. No company prospectus was complete without some reference to the intrinsic benevolence of the institution albeit that the reference may simply be to the superfluity of mentioning again this manifest and incontrovertible characteristic[10]. This printed matter hints at just how extensive the promotional assemblage – comprising advertising, publicity, sales promotion and personal selling – deployed by nineteenth century life assurance companies was.[11] The industry drew upon a range of devices from the commodity spectacle of the bonus declaration system (Alborn, 2002) to the steady and relentless effort to persuade the public that as rational and responsible individuals it was their *duty* to insure.

This latter effort was conducted as something of a moral, if not quite religious, mission. Life assurance promotion was frequently characterised in Britain and the United States as 'missionary work'[12]. As Solomon Huebner told his audience of insurance salesman 'you are and will always be as a class, essentially teachers, persuaders of men and the missionaries of a great and noble propaganda' (in Creek, 2005: 660). This interpretation of life assurance is one that the companies were of course keen to promulgate. It was an image that was carefully carried to consumers through a variety of different mechanisms, notably through the medium of the sales force or 'agents'. Agents were absolutely central to the promotional enterprise and were subject to continual exhortations by companies to embrace the missionary vision through numerous manuals and handbooks. In one manual, agents were informed that an 'eminent minister once said "Were I to leave the ministry, I should take an Agency for Life Assurance; for I consider that it, next to direct religious efforts, is doing most to benefit society"' (Wynkoop & Hallbeck, 1868: 50). Manuals and handbooks featured elaborate claims about the social, religious and moral value of insuring in an effort to induce agents to devote the proper zeal and energy to overcoming the obstacles they faced in selling the product.

This was clearly an uphill struggle. As the author of one of the more prominent agent's manuals noted, despite life insurance's capacity to promote 'economy, forethought, prudence, industry, perseverance, self-sacrifice and all the qualities which most distinguish and ennoble the human character' few had yet availed themselves of its many advantages; 'out of a population of some 30,000,000 it is questionable if more than 250,000 are insured by all the insurance offices' (Phillips 1857: 5). In the 'unbiased' words of another writer;

> the truth is that, whist all conditions of men, rich and poor, old and young, married and unmarried, are constantly exhorted to assure their lives by means of pamphlets, hints, suggestions, and even the threats of agents, the public as a matter of fact do not assure, generally speaking. They are reminded that a man who does not provide for his household is worse than a heathen. They admit the fact, but are too puzzled to know what to do. In the endless labyrinth of reports and prospectuses (issued, by the way, at the expense of assurers), how are the uninitiated to discern the sound office from the rotten, the cheap from the dear or the liberal from the illiberal? (200h81 4, 1871: 11)

Like many others Phillips saw agents as the key to expansion.

> To remove this barrier to success, and enlighten the public on the subject mainly depends upon the agents of the various Insurance Companies throughout the country. It is their special mission – much may be done, it is true, through the press, but with them rests practically to illustrate its advantages, and show its applicability to individual cases, and successfully persuade its adoption. (1857: 5)

If agents were to achieve this goal, Phillips argued, huge improvement in their performance was necessary. According to his estimate at that time there were around 40000 agents operating out of 200 life offices. Phillips maintained that 'if half this number were efficient, active, zealous, intelligent and persevering Agents, they would effect a social revolution in the country, and confer upon it a lasting and enduring good'. Agents should be doing their duty actively and efficiently 'on public grounds' as 'to be an agent in *name* and not in *reality* is a public evil' (1857: 6). The importance of diligence and perseverance against all setbacks was a sentiment echoed across the trade press and agents' manuals.

> It is quite clear that the only method to be depended on for obtaining business is personal application to the parties; and that where that plan of bringing the matter before the public is adopted, and conversation on the subject had on every convenient opportunity, the expensive and useless plan of advertising may be completely

> superseded. Whilst one agent may be puffing his office in every newspaper in his neighbourhood from year to year, the *working* agent is steadily, noiselessly, and successfully accumulating a large and extensive business, and securing for the families around him the means of independence and comfort, for which hundreds will have to bless his exertions and perseverance. (Agents Instruction manual, GD294/29: 7; NAS)

This insistence that the key to success lay in 'a perseverance nowise daunted by a refusal, but rather stimulated to increased exertion' (GD294/29: 7; NAS) betrays a consciousness of the difficult conditions in which agents operated. The 'steady rhythm of failure' encountered even by successful agents in the United States later in the century (Creek, 2005: 657) might equally be applied in this context. Insurance archives bear witness to this in files of standard letters exhorting agents, with varying degrees of severity, to improve their performance.

> The Directors regret to observe that for some time your Agency has not contributed to the business of the Society. In an old Institution like this, it is of the utmost importance to have a constant influx of new Members, so as to keep up or increase its Bonus-giving power. Pray do your utmost, and every assistance which we can render you will be cheerfully given.' (NU173, Letter Norwich Union to Agents, c.1880, Aviva)

> I regret to observe that notwithstanding the advantages this society offers to the public your agency has not been more successful … The managers trust you will not only use your personal influence to obtain life proposals, but will also adopt such means as you may think expedient, for placing the agency in a better position than it is at present (MS18262; Letter Sun Life to Agent, 1878; GH)

A range of tactics were deployed to persuade agents to try harder. Companies educated, cajoled, threatened, inspired and sweetened agents with detailed technical handbooks, ethical pleas, admonishing letters, tales of triumph against the odds and offers of improved commission. This amounted to a sustained pressure upon agents akin to that which the agents were expected to exert upon their prospects. Central to all this was a socio-technical project to equip, or in Callon's (1998) terms to 'format' agents – and consumers by proxy – with technical, practical and moral knowledges about insurance. Publications and tracts with titles like *Life Assurance: Objections Answered* (Sim, BOD) *Why should I insure my life? A dozen sound reasons* (Risborough-Sarman, 1868, BOD) *A Gift to the Uninsured: 30 short replies to 30 common objections* (Hannam, 1857, BOD) were legion. These publications were not directly promotional matter but a form of indirect promotional publicity – they seldom bore company marks but they were often authored and distributed by company personnel.[13] Through such means companies sought, *ad nauseum*, to explain the technical, actuarial principles of insurance, the social and moral reasoning behind it and the practical means by which consumers could acquire the 'habits' of thrift and prudence necessary to afford the premium.

Attempting to communicate so many different things may seem somewhat unwieldy but it was nevertheless a highly integrated promotional strategy. Life assurance companies did not rely exclusively on cultivating morally charged messages about the quasi-sacred, benevolent character of their enterprise but astutely combined this with claims about the regularity and certainty offered by the actuarial knowledges upon which insurance was based.[14] Thus the industry's claim to offer a financial service to the orderly, pious and prudent was underwritten by its apparent basis in objective, scientific laws. In pitching the enterprise in this way life assurance companies mirrored the emphases in Victorian liberalism on combining scientific principles, moral and religious feeling with a self-sacrificing philanthropy of a very particular sort. The targets of nineteenth century life assurance were, for the most part, men especially men with dependents. It was to these men, as heads of households, husbands, fathers and providers, that the virtues of prudent self-sacrifice, through 'an occasional mislaying of the key of the wine cellar, a tight stopper in the spirit bottle, a few less cigars smoked… and a thousand other matters of the kind' (GD294/29: 16; NAS) were most explicitly directed.

These sorts of messages can be read as a practical exercise in the principles of prudential, liberal government. It was, in part, through such messages that life assurance companies modelled themselves as a benevolent, moral enterprise which drew upon liberal values to promote very specific ideals of good conduct. At root the life assurance project sought to induce individuals to participate in a market-based technique of self-managed financial planning on the basis that it was both economically rational and morally responsible. This project relied upon very particular ideas about the character of human motivation which resonate strongly with those espoused in liberal governmental theory and the eighteenth century moral philosophical debates it grew out of. In particular the life assurance project relied heavily on the assumption that individuals would be destined to participate in a market project that appeared – through the much trumpeted twin mechanisms of a basis in actuarial mathematics and a commitment to benevolent morality – to act in their prudent self-interest.

This assumption may have been a little optimistic. By the middle of the century, despite significant advances life assurance had not achieved quite the level of general adoption that had been hoped for. Notwithstanding the mountains of paper devoted to reassuring the public as to the soundness of the principle and practice of 'respectable' insurance companies there was by 1850s mounting evidence that not all companies were as 'safe' or as 'prudent' as they claimed. The collapse of companies like the Great Middlesex in the 1830s and the difficulties rumoured by the 1850s to be facing companies like the Albert and European, helped fuel lobbying for tighter regulation of the industry (Clifford, 1876; Insurance Policyholders' Mutual Protection League, 1888). In response to public concern Parliament appointed a Select Committee of Inquiry into Assurance Associations in 1853. The committee sought reassurance from the industry that the threat of unsafe and/or bogus companies could be managed through a tighter regulatory framework which demanded greater transparency and more precise, objective measurement of the assets and liabilities companies faced. This, as Porter (1996) has argued, reflected a broader governmental clamour for objectivity that insurance company actuaries obstinately resisted. Strict adherence to actuarial methods alone, actuaries giving evidence to the committee insisted, could not make companies safe; that depended on prudence, judgement and discretion. Part of the problem was that no amount of paper could counter the very real confusion that lay at the heart of actuarial practice or the complexity and contentiousness of its emerging principles.[15] Even a light touch regulatory framework levelled at 'making insurance readily interpretable, of standardising the calculations sufficiently that potential purchasers could judge the companies from a few critical numbers' was resisted by the actuaries on the grounds that the true solvency of companies simply could not be adduced from the summary figures of assets and liabilities in published accounts (Porter, 1990: 111).

That the Select Committee failed to produce a more effective regulatory framework might be surmised from the eventual collapse of the Albert and European Assurance Associations between 1868-9 which led to the Life Assurance Companies Act of 1870. The long forecast collapse of these companies and the passing of the Act prompted waves of panic across the industry. As one writer put it 'no great commercial interest ever before lay under such imputations … formerly the British underwriter or insurer was ever held to be the type of commercial honour' (200h81 4. 1871). The Act required companies to deposit £20000 surety at establishment, to keep separate accounts for life and other forms of insurance business, to have their affairs periodically valued by an actuary and introduced changes to the law relating to business amalgamations and transfers (Bunyon, 1870). While some companies baulked at these terms, the Act seems to have triggered a much broader reappraisal of the whole project of life assurance and how it should be governed both inside and outside the industry.

Central to this reappraisal was the question of whether insurance upon lives should be left to the market. As one commentator noted responses to the Act took three basic forms; an attitude of resistance to state interference, a desire for government inspection; and finally a demand that the State should take the matter altogether in its own hands. In a century in which life insurance on a private, commercial pattern had dominated the field this latter response may be a little unexpected. Nevertheless there was real pressure to reframe insurance as a special case that should, like the Post Office, be directly administered by the government.[16]

> While it is not the province of government to compete with sound private enterprise, it is its own particular and special duty to interfere whenever the public – professionally ignorant of what so nearly concerns them – are entirely at the mercy of those whose interests it may be to keep them quite in the dark. Years will have passed by before the injustice can be consummated, and long before then unholy gains will have found their way into the wrong pockets, whilst it will be too late to mend matters. (200h81 4. 1871: 7)

There was little confidence that the Act could resolve the difficulties faced either by the insurance industry or its consumers. The industry was resistant to moves to open accounts to public scrutiny on the basis that 'no other business could be conducted upon the principle proposed, of requiring a trader to blow a trumpet to announce his own misfortunes' (Bunyon, 1870: 9). Added to this there was considerable cynicism – akin to that voiced by the actuaries testifying to the 1853 Select committee – over whether revenue accounts and balance sheets had any value aside from the intangible quantity of liabilities (200h81 4. 1871). As only the companies own actuaries had access to the data which might reveal the real solvency of a company it seemed unlikely that the measures proposed by the Act would do much to protect consumers. It was in response to similar reservations that Bunyon, the actuary of the Norwich Union, pondered whether the outcome of the Act would be to;

> so inform and instruct the government upon the insurance statistics of Great Britain, that in spite of inherent objections to the scheme, it may be determined hereafter to amalgamate the whole of the Offices in one central government institution. Against the injustice of such a plan, and the arguments of the unfitness of the government to act as money dealers, and the impropriety of committing to its charge resources practically unlimited, there are recommendations to be urged in the economy and safety with which the business might be conducted, and in the benefit to the nation in dealing with the capital, and especially to the Landed Interest in cheapening money and lightening the burthen of mortgage securities; and it would not be difficult to elaborate the system in such a manner as to commend it to many judgements. (1870: 13)

This hints at just how nimble the technology of insurance has proven historically. Although life assurance on a private commercial model had become quite well established by the 1870s the field was in many crucial respects open to transformation should the right conjunction of governmental and other interests collide. That the private, commercial model survived the storm without any major reorganisation through the nineteenth century serves as an indication both of its resilience and adaptability but also of just how neatly it intersected with the larger goals and values espoused in a still prevailing liberal political rationality. In key respects life assurance functioned as a mechanical element of a rationality which quite closely resembles the neo-liberal 'prudentialist' project of privatised actuarialism. In casting individuals as capable, on the one hand, of calculating rationally the advantages of actuarially informed insurance and as willing, on the other, to act responsibly in accordance with liberal ideals of good conduct, nineteenth century life assurance operated as a semi-autonomous technique of prudentialist government.

Concluding Comments

> '[*Insurance is*] the only science to have mathematics at its basis and morality for its crown' (Cheysson, in Donzelot, 1988: 404)

Nineteenth century life assurance institutions can almost be read as an instrument of liberal government. In promoting a product which so neatly captured the spirit of market based self-government and which so insistently trumpeted the ideals of rational and responsible individual conduct, life assurance companies may seem to be in uncanny sympathy with liberalism in general, and with a prudentially inflected liberalism in particular. One of the underlying aims of this paper however has been to illustrate that while this may be a fair assessment in the round in practice matters are not quite so straightforward.

Liberal theories of government were informed by particular debates about the character of human motivation, the status of self-interest and prudence, which lay at the centre of eighteenth century moral philosophy. These debates came, unsurprisingly, to no firm resolution on questions of what motivates human behaviour or on the nature of self-interest. Rather they provided an intellectual heritage upon which liberalist theories of government drawing upon ideas about interest and prudence could be articulated. These foundational ideas were of course interpreted in a variety of ways in different 'strains' of liberalism seeking to provide a framework for an economically structured form of government at a distance. Life assurance was one of those techniques that seemed to spring up to fill this gap between liberal governmental theory in the abstract and the management of concrete social problems. It would however be a mistake to read life assurance as an inevitability of liberal government. Rather, life assurance should be understood as a privatised variant of actuarial technology which has at its core the generality of principle that allows it to commend itself to a variety of distinct political rationalities. Thus when Cheysson refers to insurance as the only science to have mathematics at its base and morality for its crown he refers to its role within a model of socialised actuarialism. That the same claim could equally be applied to life assurance within a prudentialist mode of government illustrates something of its adaptability to changing circumstances. Despite the relentless parroting of messages which could have been taken direct from a handbook of Victorian liberal thought, life assurance institutions conducted their business with an eye focused primarily on their competitors and their customers turning only occasionally to the broader, governmental context when prompted by regulatory crises.

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[1] See for example du Gay (2005); Force (2003); Hirschman (1977); (1992).

[2] See Poovey (2002); Donzelot (1988) for a more detailed discussion of the emergence of 'the social' as an object to be governed.

[3] See for example Biagini (2003) on nineteenth century liberalism and Shearmur (1992) on the twentieth century movement of prudential liberalism.

[4] Defert (1991) Ewald (1991) and Hacking (1990) emphasize the epochal break signified by statistically informed insurance techniques but as Clark (1999) documents the insurance industry flourished in England prior to the widespread acceptance and articulation of statistical knowledges in the nineteenth century.

[5] Clark (1999) describes compellingly the coexistence of competing and contradictory political aspirations for insurance techniques in eighteenth century England.

[6] See http://www.cookham.com/community/equitable/ for a short history of the fortunes of the Equitable over the last decade. Alborn (2002) describes the excessive caution exercised by the Equitable throughout the nineteenth century regarding the division of profits under the bonus declaration system. See http://www.fsa.gov.uk/Pages/Library/Communication/PR/2003/052.shtml for a

clarification of the term 'misselling'. Thanks to David Saunders for highlighting the question of 'mis-selling'.

[7] See Clark (1999) for a history of eighteenth century British life assurance, Alborn (2002) and Mcfall (2007 forthcoming) on the promotion of the industry in nineteenth century Britain. Zelizer (1977) and Creek (2005) offer some useful insights into the industry in the US in the nineteenth and twentieth centuries

[8] For more on this see Clark (1999); Mcfall (2007 forthcoming)

[9] The fate of the rotten *Anglo-Bengalee* company is a sub-plot in Dicken's Martin Chuzzlewit but passing reference to life assurance is also made in novels like George Eliot's *Middlemarch* and Wilkie Collin's *The Woman in White.*

[10] This is abundantly clear in the several boxes of promotional material contained in the Insurance Series of the John Johnson Collection of Printed Ephemera. See also Mcfall (forthcoming 2007)

[11] The emphasis in many studies of consumption underrates the significance of advertising and promotional activity in C19 service industries, especially railways and financial services. These industries deployed much more sophisticated promotional tactics than has been widely acknowledged in the social and cultural study of consumption. Cf Mcfall (2004).

[12] See for example Erith (1855); Hartley-Withers (1951)

[13] Indirect or 'below-the-line' promotional publicity is still often perceived by consumers to offer a more objective source of information and is often preferred by companies as a means for communicating complex information.

[14] See also Mcfall (2007 forthcoming)

[15] See also Hacking, 1990; Daston, 1988.

[16] Ultimately this pressure would culminate in the National Insurance Act of 1911 which as it turned out left the main commercial life assurance companies' business intact.

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