S1. Risk, risk management, and insurance in the slave trade business: Connecting Atlantic experiences

Organisers

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Maximiliano Menz (Universidade Federal de São Paulo)

ABSTRACT

The slave trade was a long-lasting enterprise in which many European powers vigorously participated. Throughout the last century, the business of slavery has produced a prolific and hot debate, particularly as regards its actual profits. Both historians and economists have largely discussed on the impact that slavery and the commerce in humans had in the consolidation of capitalism in Europe and North America. On the other hand, abundant research on the activities of slave merchants has put forward the troubles of these ventures and their high transaction costs regardless of their being an apparently highly profitable business whose profits were partly due to sharp price differences across the Atlantic. Only recently, scholars have started focusing more carefully on private-order and formal institutions that contributed lowering business risks and facilitated risk management of Atlantic ventures that were perceived as being highly risky.

This panel seeks precisely to discuss how merchants managed risk through the implementation of a vast set of formal and informal institutions. We are particularly interested in connecting different Atlantic experiences, examining how English, Portuguese, French, Dutch, and Spanish traders faced risk and risk management. Papers will deal with different imperial and temporal settings in order to build a transimperial dialogue of the slave trade business.

S2. Alternative Risk Transfer and Insurance-Linked Securities

Organiser

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ABSTRACT

The increasing convergence of insurance and capital markets throughout the last two decades has led to the development of substitutes for traditional reinsurance contracts which are known under the term alternative risk transfer (ART). Insurance-linked securities (ILS), the most successful of these new tools, are financial instruments that allow sponsoring (re)insurance companies to hedge systematic insurance risks such as natural disaster or mortality/longevity exposures and offer investors an attractive source of yield paired with a low return volatility and very little correlation to other asset classes such as stocks, government and corporate debt, real estate, or commodities. In 2017, the amount of alternative insurance and reinsurance capital has reached new highs and clearly became a permanent force to be reckoned with. This session could bring together the leading researchers in this modern and fast-growing area of the insurance industry.

Main objectives: Discuss and present the latest insights on the impact of alternative capital in the insurance industry. This may include the pricing and risk premiums of systematic insurance risks, the application of ART instruments beyond the traditional insurance industry, the perspective of ILS investors, the future of the insurance industry in a world with strong alternative capital capacity and other related research questions.

S3. Marine Insurance: Origins and Institutions

Organisers:

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ABSTRACT

Marine insurance was, and remains, an important component of international trade, and has also frequently played a significant role in many aspects of economic, political, legal and social history. Yet despite its wide-ranging importance, for a long time this important topic remained substantially under-researched. In recent years, however, a growing body of scholarship on marine insurance has been emerging, and there have been a number of important contributions from scholars across a variety of historical disciplines, including economic, legal, financial, and business history. At this stage, conversation among those working in this active and intellectually diverse field is likely to be extremely fruitful.

This panel will explore the development of marine insurance from its origins in medieval Italy, through various markets in Western Europe, to the establishment of London as the world's leading international underwriting centre, and the early development of insurance in America. Our aim is to bring together a variety of scholars using different lenses and tools to explore the evolution of marine insurance institutions and organisations up to the early nineteenth century. The contributors may discuss aspects of the development of marine insurance in a specific country or city, or broader connecting themes such as the development of international legal principles, institutions or business structures from a comparative or transnational perspective.

S4. Risk, governance and supervision in the long run

Organiser

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ABSTRACT

Risk sharing is the essence of insurance, but insurance institutions itself are fragile and thus risky. Insuring can create problems, but also the investment activities which go with insuring. Looking at the past, insurers were convinced during mid-eighties that major problems would come to insurance via the assets side of the balance, if at all. Till today, academic literature qualifies the risks of insurance runs and fire sales of assets as unlikely. Such runs and sales signal, what is nowadays called systematic risk. This may be true, but is a non-life perspective. In life insurance, matching long-term liabilities with short-term assets can be a major aspect of systemic risk, exposing insurers to interest rate fluctuations. Investment strategies can and should solve the problem of a mismatch of maturities. In the end, much literature assesses the contribution of insurance to systemic risk as small. Smaller, at least, than the contribution of banking. The assumption is also based upon the assumption that market discipline is in the case of insurance is particularly strong. Market participants monitoring closely insurance companies explain why few bankruptcies occur. This then is an argument for limiting supervision by authorities, the more in combination with the “biting-back vision” that regulation itself induces less market discipline. Even authors like Eling and Pankoke, who are skeptical, conclude also that traditional insurance activities do not contribute to systemic risk.[1] Traditional is an important qualifier.

By now we have officially recovered from the financial crisis of 2008. Mergers and acquisitions and foremost the integration of banking and insuring made it not easy to distinguish the role of banking and insurance in the financial depression and even less easy to draw lessons for governance and supervision. The debate whether supervision of banking and insuring (and in social security) should be similar or specific continued and continues. It, however, is clear that also insurers were involved in what happened after the collapse of Lehman Brothers and fall of AIG. In the Netherlands, for example, major banks and insurers, both composite offices as specialized insurers, had to be bailed out. On a global scale it was true that the contribution of insurers to systematic risk was small, but nevertheless, the contribution of insurers to the fragility of the financial system peaked also around the financial crisis of 2008.[2] The problems of 2008 do remind of the shocks of the interwar period. In some countries, the early 1920s saw

[1] M. Eling, D.A. Pankoke, Systemic Risk in the Insurance sector. A Review and Directions for Future Research, in: Risk Management and Insurance Review 35, 1 (2016), 9-34.

[2] Ch. Bierth, F. Irresberger, G.N.F. Weiß, Systemic risk of insurers around the globe, in: Journal of Banking and Finance 55 (2015), 232-245.

both insurance companies and banking companies experience major problems, elsewhere a financial crisis accompanies the onset of the Big Depression. The unrest of the interwar years stimulated the introduction of supervision or of modernized regulation. The role of the state in the financial sector had been a matter of debate for some time. The problems of the early twentieth century caused a shift in the regime of supervision in liberal environments.

The ambition of this session is to discuss governance and supervision of the financial sector in the long run and contrast recent experience and today's differences of opinion with the historical record. Major crises are low probability events.[3] That does not imply that governance or supervision itself are low probability events or cannot cope with these. The test is rare. Despite the theoretical notion of active monitoring by stake holders, the industry is not fully transparent for outsiders and these have to thrust the business both daily and in special circumstances. Thrust might have become increasingly and difficult with the growth in scale and blurring of barriers between domains due to integrating businesses. For the session it might be especially interesting to look cases of mobilization of the insured or savers and consider the interaction with the design of internal and external supervision. Furthermore, both the culture of governance – the norms and values glueing consumers, intermediaries and firms – and the design of financial supervision by authorities are very pathdependent. For purposes of comparison, Masciandaro constructed two indices, producing surprising, perhaps telling outcomes. For example, the Netherlands is a remarkable outlier relative to Belgium or northern Europe overall and is classified close to southern Europe.[4]

All these aspects make it interesting (1) to compare regimes of supervision and governance over time and (2) to compare differences between countries in order (3) to understand designs and the changes of design. A focus upon stress might be extra valuable (4) to understand change under duress, thus design under special conditions. Stress can be seen as major upheavals, bankruptcies or insolvencies, but also institutional frictions involving intermediaries. It is also interesting (5) to have a financial sector perspective and to look, at least at the level of the session, not only at insurance companies – in itself covering already distinct fields – but also pension funds and banks.

[3] C. O'Brien, Insurance Regulation and the Global Financial Crisis. A Problem of Low Probability Events, in: Geneva Papers on Risk and Insurance 35 1, (2010), 35-52.

[4] D. Masciandaro, E Pluribus Unum? Authorities'Design in Financial Supervision. Trends and Determinants, in: Open Economies Review 17, 1 (2006), 78.

S5. New Approaches to the History of Insurance Law

Organiser: Phillip Hellwege (Universität Augsburg)

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ABSTRACT

Modern scholars of insurance law refer to insurance as a legal product. In a contract of sale, for example, the parties exchange goods against money. By contrast, in an insurance transaction the parties exchange money against money: the insurer receives the premiums from the policy holder and in turn promises to pay the insured sum when a certain risk eventuates. The right of the insured to the insured sum is determined in the contract, a legal document, and the boundaries of what the parties can agree upon are set by the law. Against this background, it comes as a surprise that research in the history of insurance has been dominated by economic historians and that within the domain of legal history the history of insurance law has hitherto played only a marginal role. And were research into the history of insurance law exists it is (as traditional research in legal history tends to be) confined to the boundaries of a given jurisdiction. As a consequence, different national narratives have developed. The development of such national narratives is highly problematic. Only recently, legal historians have rediscovered the field of the history of insurance law as a field of study. However, research into the history of insurance law faces a number of challenges. (1) It is an interdisciplinary field of study. Without a firm knowledge of the history of the socio-economic background and without a thorough understanding of insurance markets an analysis of legal questions is impossible. (2) Nevertheless, legal historians have to define their research object independently of other disciplines. Lawyers of all times tend to transpose known solutions to new problems. For the understanding where legal rules in insurance law originated from, legal historians, thus, have to look beyond the sphere of insurance. (3) Finally, insurance practice often has not left any traces in the legal discourse, in legislation or in the case law. And where it has legal historians do not always appreciate that insurance practice may have followed different paths.

The session will have four presentations of 20 minutes each, followed by a discussion. The Organiser invites submissions which challenge, and go beyond, the traditional narratives of insurance legal history without restricting them to any specific field or time frame. Submissions related to, for example, marine insurance, fire insurance, life insurance, guild welfare or state run insurance schemes, to name just some, and covering any legal question will be considered.

S6. History (and the Future) of Microinsurance

Organisers:

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Krzysztof Ostaszewski (Illinois State University) krzysio@ilstu.edu

ABSTRACT

Microinsurance refers to all form of insurance products aimed at low-income people, typically defined as those living on between approximately $1 and $4 per day. The types of insurance products may vary, but the products are designed with the understanding of the financial limitations of the target market. Microinsuarance may be viewed as a part of the more general microfinance market, and it has arrived on the global financial scene relatively later than the more established microfinance. Nevertheless, microinsurance has taken hold and it has been growing, often against all odds. In this session, we will present an overview of microinsurance and its history, and then discuss what the future can hold for it. We will provide historical evidence on how microinsurance has supported economic activity and innovation, and what those historical lessons mean for the future.

Main objectives of the session:

• Presentation of the history and development of microinsurance

• Comparison of the challenges of microinsurance versus the challenges of more traditional insurance markets

• Historical examples of importance of microinsurance for economic activity and innovation

• Discussion on the future of microinsurance

S7. Regulation and the Impact of Regulatory Dynamics on Insurance Markets

Organisers:

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Grietjie Verhoef (University of Johannesburg) gverhoef@uj.ac.za

ABSTRACT

The regulatory environment in which insurance markets operate has been a focus of historical inquiry in many countries. Regulation in various forms has had an impact on the structure, conduct and performance of insurers across the spectrum. At times these effects may have been positive, encouraging the expansion of the industry. At other times they may had had negative impacts inhibiting the growth of a well-functioning market. The rationale for the introduction of regulatory requirements has varied. Arguments FOR have emphasized potential market power, consumer protection, quality standards, market stability and the promotion of broader economic objectives. Arguments AGAINST have referred to the efficacy of free market outcomes and the promotion of competition. Not all forms of regulation have been mandated or imposed by government. Self-regulation, has been a feature of major insurance markets. This has manifested in collusive agreements such as those policed by the U.K. Fire Office Committee in the nineteenth and twentieth centuries. More indirect forms of regulatory behaviour have been an outcome of the growth of mutual insurers with a vested interest in protecting the interest of policyholders. In the last quarter of the twentieth century, financial sector deregulation has been a mantra adopted by many governments and this has had direct and indirect impacts on insurance markets. The rise and fall of bancassurance is a case in point. The turbulence after the Global Financial Crisis introduced another regulatory dimension affecting the insurance industry world-wide. This session aims to investigate the many and varied connections between regulation and risk. It will also consider the broader implications regulatory issues for insurance markets.

Key questions that could be addressed are: What impact has growing insurance market regulation had on risk? Has risk been mitigated by increased State regulation? To what extent has the insurance industry contributed to higher regulatory prevalence? What are the sources of increased regulation, in which areas of risk has regulation escalated and why? What has been the impact of private as opposed to public regulation? What do we know about the types of regulation: prudential, competitive, consumer protection and their impact? What of influence of regulatory externalities (the effects of regulation on other financial sector institutions) and their implications for the development of insurance markets? What do we know about the regulatory cycles and their implications? How has financial sector deregulation changed the market

environment and impacted on risk? This session would also welcome other investigation which highlights the impact of regulation on the nature of risk and broader implications which enhance our understanding of the history and development of insurance markets.

S8. Friendly Societies/Societies of Mutual Aid and health risk coverage

Organiser:

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ABSTRACT

A comprehensive historical study of the Health Insurance sector requires us to examine the development and the functions of the Friendly Societies and Mutual Insurance Systems. In general, a health-care system has been defined as the means by which health care is financed, organized, delivered, and reimbursed for a given population. It includes considerations of access, expenditures, and resources (Gil-Sotres, 2010). From the nineteenth century, diverse health-care systems such as the Friendly Societies, Mutual aid societies and health insurance companies have been closely associated with the social and economic vulnerability of workers. The existence of these Mutual Insurance Systems coincided with other traditional charitable institutions (general hospitals, homes for the elderly, asylums, orphanages), and others organized at municipal or national levels. Private health insurance companies also began to offer medical-pharmaceutical services in urban centres. It is a time that reviewed the notion of a subsidiary role of the State in Health and Social care of the population.

Care and assistance to society arises as a result of the sum of all these systems and institutions. This idea serves as the impulse for the essays collected here. The study of Mutual Health Insurance in general has increased its presence in the agenda of world social and economic history.

The session will consider questions as the following:

- Costs and Benefits of Friendly Societies/Mutual Insurance Systems
- Friendly Societies/Mutual Health Insurance Systems and the management of Health risks
- Contributions of Friendly Societies/Mutual Health Insurances to the Hospital care
- Relationship between Friendly Societies, Mutual Insurance and Private Health Insurances

S9. Global Cultures of Risk: Insurance in Non-Western Contexts (1870–1980)

Organisers:
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Robin Pearson (Hull University Business School)

ABSTRACT

The session contributes to the growing body of research into the institutional and cultural conditions of globalisation. Taking insurance as a representative branch of the tertiary sector, it analyses the expansion of the service sector into non-Western markets. The period investigated stretches from the 1870s to the 1970s. Geographically, the project focuses on three regions: the Middle East (with a focus on Turkey in the late Ottoman period and the early Republic), Asia (South, South-East, and East Asia, focusing on India, China and the Philippines), and sub-Saharan Africa (with a focus on Nigeria, Cameroon, and the activities of international organisations in the region). The session highlights the concept of cultures of risk as an analytic tool for understanding the institutional and cultural conditions of non-Western approaches to risk. How did Western and non-Western insurance companies deal with the cultural contexts of non-Western regions and markets? How did they sell their intangible services in foreign markets?

S10. The risk economy and the dimension of uncertainty: forms of sharing and investment opportunities in the modern and contemporary age

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ABSTRACT

The contribution to be proposed to the Scientific Committee of the next International Conference about Risk and the Insurance Business in History, wants to deepen two aspects of the insurance environment: the risk economy and the purposes of participation in the market of insurance policies by individuals or companies. The analysis will be conducted both with reference to the period in which the insurance contract was stipulated between individual economic subjects (late medieval and early modern age), and to the next phase which, on the other hand, sees the birth and the emergence of insurance companies and the expansion of the insurance offer. The survey covers the main insurance markets in the Mediterranean area, in particular those operating in Italy. In essence, the contribution aims to demonstrate, with empirical research, how the insurance has represented, depending on the historical phases and the type of organization of the market, an indispensable tool for sharing the risk in front of the irresolution of economic events, but also an attractive operation of capital investment.

The essay is divided in three parts. The first analyzes the character and the socio-economic implications of risk, its evolution over the long term and the close correlation between uncertainty, insurance practices, phases of expansion and development of the economy. In the second part, on the other hand, the goal is to deepen, through the use of unpublished archive sources and the critical analysis of the research conducted to date, the study of the different purposes and the multiple forms of participation in the insurance deal by individuals or groups of insurers. To this end, with regard to the early modern age, we will proceed to analyze for some areas the individual positions of insured and insurers and, more generally, of the socio-economic components of the insurance policy market. In the third part, the analysis on risk sharing and insurance investments is developed with reference to the contemporary age, addressing important issues in the mutual insurance companies and the various Italian companies in the sector in question, up to the involvement of the State in safeguarding the

economic interests of the various social partners, expanding the concept of social security and, at the same time, increasing the importance of its central role as an investor in the Italian economy. In particular, with regard to the forms of risk sharing, it will be possible to understand how some mercantile communities in modern age, thanks to the involvement of the various components of the economic and civil system, have adopted innovative measures designed to counteract situations of extreme criticality, reflecting strategic socialization phenomena. We will also try to investigate the extent to which the participation of the various socio-professional groups in the insurance market has led to various types of associations, aimed at countering obstacles to the regular progress of business activities and trades.

With regard to the investment opportunities that the policy market offers to private individuals or companies, the contribution goes in two directions, depending on the type of organization on which the market was founded. Until the conclusion of the contract involved one or more individual insurers, and the insurance forms have affected almost exclusively maritime transport, the investment was considered as an alternative form of invested capital, or as a reason for co-participation aimed at countering the risks by sea. When, however, the organization and management of the insurance sector evolved, the analysis of investments concerned, first, the social structure and, secondly, the investments of the insurance companies aimed at creating reserves necessary to guarantee, especially in the life business, the financial commitments assumed in the contract.

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L'economia del rischio e la dimensione dell'incertezza: forme di condivisione e opportunità di investimento in età moderna e contemporánea Il contributo che s'intende proporre al Comitato Scientifico del prossimo Convegno Internazionale su Risk and the Insurance Business in History, vuole approfondire due aspetti peculiari dell'ambiente assicurativo: l'economia del rischio, con l'incertezza a essa legata, e le finalità di partecipazione al mercato delle polizze da parte di singoli privati o società. L'analisi sarà condotta sia con riferimento al periodo in cui il contratto di assicurazione era stipulato tra singoli soggetti economici (tardo medioevo e prima età moderna), sia alla fase successiva, che, invece, vede la nascita e l'affermarsi delle compagnie di assicurazione e l'ampliarsi dell'offerta assicurativa. L'indagine riguarda le principali piazze assicurative dell'area mediterranea, in particolare quelle operanti sul territorio italiano. In sostanza, il contributo si pone l'obiettivo di dimostrare, con ricerche empiriche, come l'assicurazione abbia rappresentato, a seconda delle fasi storiche e del tipo di organizzazione del mercato, un indispensabile strumento di condivisione del rischio di fronte alla irresolutezza delle vicende economiche, ma anche una attraente operazione di investimento di capitali. Il saggio si suddivide in tre parti. Nella prima vengono analizzati il carattere e le implicazioni socio-economiche del rischio, la sua evoluzione nel corso del lungo periodo e la stretta correlazione tra incertezza, pratiche assicurative, fasi di espansione e sviluppo dell’economia. Nella seconda parte, invece, l’obiettivo è quello di approfondire, attraverso l’utilizzo di fonti d’archivio inedite e l’analisi critica delle principali ricerche condotte sino ad oggi, lo studio delle diverse finalità e delle molteplici forme di partecipazione all’affare assicurativo da parte dei singoli o di gruppi di assicuratori. A tal fine, relativamente alla prima età moderna, si procederà per alcune piazze all’analisi delle posizioni individuali di assicurati e assicuratori e, più in generale, delle componenti socio-economiche del mercato delle polizze. Nella terza parte l’analisi sulla condivisione del rischio e sugli investimenti assicurativi si sviluppa con riferimento all’età contemporanea, affrontando importanti questioni nell’ambito delle mutue assicuratrici e delle varie società italiane del settore in questione, fino al coinvolgimento dello Stato nel salvaguardia degli interessi delle diverse parti sociali, espandendo il concetto previdenziale e, nel contempo, accrescendo l’importanza del suo ruolo centrale di investitore nell’economia italiana. In particolare, per quanto riguarda le forme di condivisione del rischio, sarà possibile comprendere, come alcune comunità mercantili in età moderna, grazie al coinvolgimento delle diverse componenti del sistema economico e civile, abbiano adottato misure innovative, volte a contrastare situazioni di estrema criticità, riflettendo fenomeni di socializzazione strategica. Si cercherà, inoltre, di approfondire in che misura la partecipazione dei vari gruppi socio-professionali al mercato delle assicurazioni abbia determinato forme associazionistiche di varia natura, volte a contrastare gli ostacoli al regolare svolgimento delle attività d’impresa e dei traffici. In merito alle opportunità d’investimento che il mercato delle polizze offre a soggetti privati o societari, invece, il contributo va in due direzioni, in base al tipo di organizzazione su cui si fondava il mercato. Sino a quando la stipula del contratto ha visto coinvolti uno o più assicuratori individuali, e le forme assicurative hanno interessato quasi esclusivamente i trasporti marittimi, l’investimento è stato considerato come forma alternativa del capitale investito, ovvero come motivo di compartecipazione finalizzata a contrastare i rischi via mare. Quando, invece, l’organizzazione e la gestione del comparto assicurativo si sono evolute, l’analisi degli investimenti ha riguardato, da un lato, la compagine sociale e, dall’altro, gli investimenti delle società assicuratrici finalizzati alla creazione di riserve necessarie a garantire, soprattutto nel ramo vita, gliimpegni finanziari assunti nel contratto.

S11. Insurance theory in historical analyses of risk mitigation

Organisers:

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Lars Fredrik Andersson (Umeå University)

Mike Adams (University of Bath)

ABSTRACT

This session welcomes papers using insurance theory and concepts such as adverse selection and moral hazard, for investigating how risk mitigation, assessment and insurance solutions have evolved and varied across countries. We welcome both quantitatively and qualitatively oriented papers with an empirical focus on the dynamics between policymaking, social and economic context and insurance markets. Purely theoretical and/or historiographical papers will also be most welcome. Examples of suitable topics include the changing roles of self-insurance, private and public insurance. Other examples are the function, evolution, co-existence, regulation and competition between different forms of strategies and organizations such as mutual and investor owned organizations, self-insurance including within-family insurance solutions. Also papers aiming at analyzing how risk mitigation and assessment strategies have changed in relation to economic growth are welcome.

The evolution of risk mitigating strategies and various insurance solutions plays an important role for understanding economic, political and social history. Accountability and pricing of risks have affected investment decisions in business life and various choices made by the households. Our ambition is to broaden the analyses of these transformations by using basic insurance theory, either for developing testable hypothesis or for developing interpretative frames to be used in more traditional historical narratives. By taking such a stance we believe that analyses of historical risk mitigation can become more holistic, counteracting the tendency to develop analyses, narratives and theoretical explanations based on specific empirical outlooks and corresponding theoretical frames.

S12. Historical development of insurance markets in the countries of Central and Eastern Europe

Organisers:
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Piotr Manikowski (Poznań University of Economics and Business)
Ryszard Pukała (The Bronisław Markiewicz State Higher School of Technology and Economics)

ABSTRACT

The main objective of the session will be to present the specifics of the development of insurance markets in the countries of Central and Eastern Europe (including Poland, Russia, Lithuania, Belarus, Ukraine, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria). The markets of these countries are currently at various stages of development, which largely depends on historical and economic conditions (including the country's membership in the EU). In some countries, such as the Czech Republic, Poland or Slovakia, insurance markets are more developed but in the others (e.g. Russia, Ukraine, Bulgaria) they are at very early stage of the development. Differences can be observed not only in the level of macroeconomic indicators (i.e. density and penetration), but also in the market structure (number of insurers, organizational and legal form of insurance companies, number and structure of products, demand for insurance [insurance awareness of customers and their protection], role and importance of insurance intermediation, the nature and importance of the supervisory authority and guarantee funds).

Main objectives of the session:

It is expected to find answers, among others, for the questions connected with:

- common features in the development of CEE insurance markets,
- differences in the development of CEE insurance markets,
- reasons for these differences,
- directions in the development of CEE insurance markets ,
- description of the factors in the development of CEE insurance markets (including economic, financial, social, legal and technological factors).

S13. Behaviour-based personalisation in contemporary insurance markets

Organisers:
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Ine Van Hoyweghen (KU Leuven)
Liz McFall (Open University)
Hugo Jeanningros (Université Paris-Sorbonne)

ABSTRACT

Big Data is promising a revolution in different societal spheres such as security, health and (online) shopping (Mayer-Schönberger & Cukier, 2013). Massive amounts of personal data (genetic information, shared information from wearable devices, internet behavior information) will become manageable in real-time now or in the near future. In the field of insurance, the best known example of Big Data is usage-based car insurance (Car UBI). Big Data – in the form of predictive modelling, Machine Learning (ML), Artificial Intelligence (AI), Internet of Things (IoT), and other technologies that enable the treatment of 'personalised data' – is considered to be a 'disruptive technology' (FINEOS, 2014; McKinsey Global Institute, 2013), altering the stabilised insurance practices of risk selection through the introduction of predictive data and modelling and the personalisation of risk.

Hypes and fears of the 'disruptive' potentials of predictive modelling in insurance abound. Big Data comes with the promise of reducing insurance costs, more accurate pricing and personalising risk, to support healthy lifestyles, make clients accountable, and/or secure their responsible behaviour celebrating predictive modelling solutions as the 'new way to be smart' (Ayres, 2007) or as a desirable shift because 'the ongoing trends towards real-time risk assessment, product and process simplification and automation could accelerate moves towards more radical business models in insurance' (Swiss Re 2017, 25). Others fear that predictive data and modelling in insurance would increase inequality and discrimination (O'Neil, 2016), resulting in 'social sorting' (Minty, 2014), 'the end of solidarity' that characterises European insurance markets (Gayant, 2015) as well as the end of insurance-'as-we-know-it' (Llull, 2016).

Never mind their respective intuitive merits, such claims on hypes and fears popularise the idea of big data as a paradigm shift. As such, they often neglect the way predictive data and modelling concretely affect, transform, disrupt or reinforce existing practices. In this session, we want to pay attention to contemporary insurance practices, and more specifically to experimental practices of behaviour-based personalisation. Our hypothesis is that behaviour-based personalisation, as a process driving the domain of insurance, does not simply increase the amount of available data and optimise the processes it is applied to, but also changes our

ways of knowing, our ways of social ordering and the way we make decisions (Ewald 1991, 2012, Baker 2002, Meyers & Van Hoyweghen 2017). The practices of traditional insurance are being challenged by new forms and uses of data.

This session will accept contributions presenting research on the challenges surrounding behaviour-based personalisation in insurance, triggered by, but not restricted to, the following general question: how does behaviour-based personalisation affect existing insurance practices and institutions?

More precisely the following specified research questions will be discussed:

- What is behaviour-based personalisation insurance?
- Which are the technical, legal and social conditions and considerations for behaviour-based personalisation in insurance practices? How is ‘risk’ enacted as ‘personalised’ in insurance experiments?
- Which are the technical, legal and social consequences of behaviour-based personalisation in insurance practices?
- How does the emergence of behaviour-based personalisation in insurance reconfigure the role and responsibilities of the insurer and the insured, as well as the idea of ‘risk’? Can this be considered as a shift away from insurance-‘as-we-know-it’?
- How does the emergence of behaviour-based personalisation in insurance reconfigure the role of insurance as an institution generating solidarity?

Main objectives

The session has four objectives. It will:

- Empirically document current involved actors and discourses on behaviour-based personalisation in European insurance markets, as well as investigate its national and supranational regulatory contexts;
- Empirically study behaviour-based personalisation - processes of data collection, curation, analysis and prediction, including their usage in insurance risk assessment processes - in insurance practices, in terms of its actuarial, legal and social aspects and consequences;
- Reflect more broadly on the future role of insurance in an era of Big Data and its implications for discrimination, solidarity, and fairness.

S14. Climate, Race, and the Measurement of Risk in Expanding Life Insurance Markets.

Organisers
Sharon Ann Murphy (Providence College) sharon.murphy@providence.edu
Timothy Alborn (City University of New York)
Kathryn Olivarius (Stanford University)

ABSTRACT

This session will examine the challenges faced by Anglo-American life insurers as they attempted to expand their markets beyond the confines of their limited actuarial knowledge during the long nineteenth century. The industry's success at convincing the public of the necessity of life insurance, as well as its continued need to attract new applicants, created a demand for policies that outpaced the statistics available for forming accurate mortality tables. Facing unfamiliar climates and disease environments, companies were forced to rely on a combination of imprecise statistics, racial and ethnic stereotypes, and guesswork in defining the premium rates and criteria for these new policies. The 3 papers in this panel explore (1) the mid-nineteenth century expansion of northern insurers into the American Deep South, (2) the sale of policies to soldiers, engineers, and civil servants engaged in the support of the British Empire, and (3) the late-nineteenth-century expansion of US companies into underdeveloped markets in the Caribbean, South America, Asia, and Europe.

THIS SESSION IS CLOSED FOR NEW PAPERS

S15. Sustainability in the insurance sector

Organisers

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ABSTRACT

The business model of the insurance sector is particularly suited to supporting sustainability (High-Level Expert Group on Sustainable Finance; Interim Report to Advice on Developing a Comprehensive EU Strategy on Sustainable Finance, July 2017). The insurance industry plays a significant role in investments across different classes of assets, being one of the largest institutional investors in the world. However, the implementation of the 'market consistency' principle in Solvency II may lead to excessive penalization of long-term investments and/or illiquid assets, with negative effects on sustainability. Moreover, the prudential regulatory regime for insurance companies set out in Solvency II does not explicitly require sustainability issues to be addressed by firms or supervisors. Recognizing sustainability issues more explicitly could facilitate investment in (green) infrastructure projects. Sustainability factors should be incorporated into each of the three pillars of the prudential framework but without undermining the stability of the financial system.

This Section will comprise a selection of papers addressing concerns linked to the role of insurance companies and pension funds in sustainability. It may include, among others, the following topics: i) consideration of adjusting Solvency II to enable greater investment by insurance companies in sustainable equity and longterm assets; ii) analysis of the three Pillars of the new prudential framework in the context of sustainable finance; iii) the study of the environmental commitment of insurance companies and their implications for financial performance and iv) the way in which insurance companies integrate the environment into their business model, the development of environmental management actions and the promotion of environmental responsibility.

S16. A tale of two globalisations: Multinationals and transnational companies in the Italian insurance market, 1870-1980

Organiser

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ABSTRACT

The Italian insurance market has traditionally shown a clear-cut polarisation both as to standing and size of its companies. In fact, on the one side, from the mid-19th century it represented a relatively backward market, slowly evolving as the haphazard result of slow integration processes of local and regional markets in which small- to medium-sized companies predominantly operated. Yet, on the other side, European multinationals entered the richest markets of the country, especially in the North-West, whilst two major transnational companies, Assicurazioni Generali (Trieste and Venice) and Riunione Adriatica di Sicurtà (RAS) (Trieste and Milan), successfully established their respective multinational networks both in Italy and Europe by the First World War. The former side of the story suggests a strong correlation between modest income per capita levels and underinsured markets, largely protected from competition, captured by less efficient firms. The latter side suggests a tale of two forms of multinationalisation: foreign multinationals entering, or leaving, the Italian market according to a changing regulatory framework and transnational companies constituting the most dynamic component within the domestic market. Such strategies were alternately implemented throughout the two globalisations responding to market stimuli and geopolitical forces as well. In fact, geopolitical forces and backlash to globalisation played a major role in shaping strategies and capital/investment flows, not to say timing of technology transfers from more sophisticated players and markets.

The proposed session will focus on this dynamic component of the Italian insurance market relying upon first-hand research on the archives of Assicurazioni Generali and RAS and emphasising the far-reaching European network built up from the mid-19th century. Both Generali and RAS, established in Trieste in 1831 and 1838 respectively, adopted the public limited company structure and an innovative business model (all-risk insurance). Their organisational structure was peculiar because of its transnational organisational structure centred upon Trieste and Venice, the former under the Austrian Empire until 1919, for Generali and Trieste and Milan for RAS. Up to the late 1940s the multinational strategies pursued by Generali and RAS largely depended on the very specific array of human capital, network relations and core capabilities constituted by the multiethnic and -religious profile typical of Trieste as an international trading emporium. Under such circumstances, in the late 19th century emerged outstanding managers whose business competence and expertise proved to be crucial

in their ascending to top positions allowing both Generali and RAS to be at the forefront of the insurance industry on a global scale, even contributing to define its technical and managerial standards. Thus, by the eve of the Great War Generali and RAS had established a string of successful subsidiaries and companies throughout Europe, critically depending on a variant of internationalism and unrestricted capital mobility as well as moderate State welfare intervention. The end of the first globalisation deeply altered and eventually disrupted the essential conditions of success of such an idiosyncratic organizational model and ownership structure, whilst these companies had to face mounting nationalism, restricting regulation and State intervention in welfare provision. In Italy in the 1920s such tendencies were embodied in the expansion of public expenditure and in the State-owned insurance company Istituto Nazionale delle Assicurazioni (INA), a competitor in the domestic market. In the interwar years, as the most internationalised Italian insurers, these companies had to face all the difficulties arising from financial instability and geopolitical turmoil, both at home and abroad. After the post-WWII recovery, their management resumed the long-standing multinational strategies by reorganising operational structures and business divisions of their respective networks of subsidiaries and companies in Western Europe and liquidating their interests behind the Iron Curtain. In a changing insurance market, from nuclear risks to other great risks, Generali and RAS extended their networks to American and extra-European markets emerging as relevant players within the insurance sector at least on a European scale.

The second aim of the session is proposing a reconstruction of multinational insurers operating in the Italian market in the long run, since mid-19the century. Foreign insurance companies entered the Italian market in the mid-19th century and had to cope with an increasingly restrictive regulation from the early 1920 to the 1970s. As a result their presence was relatively volatile from the early 1920s. Their relative ability to conquer and control market shares largely depended on regulation and, secondarily, market dynamics. As for the two largest Italian insurers, on the whole, the success of foreign companies depended upon regulatory intervention and geopolitical conditions. Those conditions amply oscillated over time following rhythm and direction in a way imposed by, or related to, the two globalisations.

Main objectives

The main objective of the proposed session is to provide an opportunity to present and discuss a research conducted on the archives of the major insurance companies by Giulio Mellinato, Anna Millo and Giandomenico Piluso. The session will present main its empirical results emphasizing long-term characteristics of the Italian insurance market as well as of the two major companies, Generali and RAS. The multinational trajectories of the major Italian insurers appear tightly connected to a specific genetic process stemming out from the international trading emporium of Trieste and its as much specific multi-ethnic networks that proved to be pivotal in assuring an adequate social and human capital, outward-looking strategies and technical competencies. The international conference in Seville will provide the right context in order to favour comparisons and attract potential participants, both from Italy and from main countries in which operated Italian companies and from which came foreign multinationals operating in Italy. It is expected also to offer a stimulating discussion and precise criticisms that will contribute to give a convenient shape to a publication proposal to be submitted to an international publisher or journal.

The insurance business history – and insurance history in general – is a rather overlooked field of studies in Italy and the Conference may represent an important opportunity to stimulate and gather scholars fostering future research on the evolution of the insurance industry in the Peninsula by adopting a broader and comparative approach.

S17. Natural Catastrophes and Risk Management in the United States

Organisers

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ABSTRACT

Throughout its history the United States has experienced a myriad of natural catastrophes such as hurricanes, earthquakes and floods. Adapting to such risks has been a major challenge not only for insurance and reinsurance companies, but also for governmental institutions and American citizens. This session looks at these specific dimensions of American risk management from an interdisciplinary perspective. Contributions tackle the U.S.'s particular exposure to natural catastrophes, the development of risk taking and risk management strategies in an international comparative view, also compared to the global south, and specific cultural and societal manifestations of risk exposure and management. The focus is on long term developments and major events since the end of the Second World War.

S18. Risk-spreading and risk-shifting: Insurance and General Average late medieval and early modern Europe

Organiser

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ABSTRACT

As it is well known, the early modern period saw the rise of insurance (chiefly, maritime one) on a global scale. While several works have been written on the subject, however, our understanding remains significantly patchy. Insurance is often taken as a riskshifting instrument that appeared almost ex nihilo, as if beforehand there was nothing to support maritime trade. Much on the contrary, insurance developed alongside different and pre-existing practices, chiefly that of general average. This panel will focus on their relationship, and the influence of the one on the other, seeking to provide a wider overview on the development of risk-mitigation techniques.

General average is a risk-spreading technique widely attested in medieval Europe before the elaboration of insurance. Its success and importance are both shown by the simple fact that it is still an important part of today's shipping law. General average redistributes costs across all interested parties (both merchants and shipmaster) for damages and other expenses which can befall ships and cargoes from the time of their loading aboard until their unloading (due to accidents, jettison, and unexpected costs).

While the history of insurance is (at least, in its broad lines) known to scholars, that of general average is not. Moreover, their interaction has never been investigated. This gap is of significant importance, for it prevented a proper assessment of the economic and legal implications of the rise of insurance. Insurance built on a system already in place (that of general average), seeking not to displace it, but rather to extend the protection which general average already provided. This 'extension', however, operated on a different level: no longer risk-spreading, but risk-shifting. The shift element (the true novelty of insurance) led to important changes in the position of the parties, both economically and legally. Such changes, however, have never been assessed.

The development of insurance is in many ways a history of the changing approach to the balance of interests between the parties. The same, crucially, can be said of general average: some local variants of a same principle were more favourable to the shipmaster, others to the merchant damaged, others still to the other merchants who would have to contribute towards the damage or the expenses. Since averages developed well before insurance, it is extremely likely that the balance of interests reached on insurance within any market, custom or regulation did take into account the balance of interests resulting from the specific rules on general average in

that same market, custom or regulation. At the same time, however, it is far from clear whether the interaction of insurance and general averages just entailed a better cover for the risk or also some overlaps, and even contradiction between them. The co-ordination between averages and insurance in their historical development is a subject virtually unexplored.

The interplay between general averages and insurance may also be appreciated in terms of cross-circulation of ideas. Maritime compilations contained rules on both insurance and general average. Their circulation favoured the progressive refinement of both practices. Did this refinement develop along similar ways and following the same rationale for both average and insurance?

Lastly, and very importantly, another aspect that needs to be addressed concerns economic culture. Averages redistributed risk within the subjects already bearing it. Insurance shifted it to a party that was third in respect to the underlying economic activity. Did this change entail a similar shift in the notion of risk itself?

General average was – and remained – a mutualistic form of protection. Spreading the risk to all parties meant increasing the likelihood of its occurrence for each of them, but greatly reducing the actual cost borne by any single party. Already in its earliest forms, by contrast, insurance was a speculative instrument. One party would increase its total costs by paying a third subject to bear the consequences of a possible but uncertain event. In real life, the two institutions have always been considered as complementing each other. Scholarly work has neglected the one and focused almost exclusively on the other. It is time for a reassessment.

S19. Performance measurement in the insurance industry

Organiser

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ABSTRACT

The aim of this session is to provide an international forum for discussing advances on performance measurement in the insurance industry. Papers presented at this research meeting will use frontier methodologies and other innovative techniques in order to test hypotheses and assess performance questions for insurance firms.

Main objectives

The goal of this session is to provide an international forum for discussing advances on performance measurement in the insurance industry.

S20. The ‘Avería’ in the Carrera de Indias: an indicator of the maritime risk in the Atlantic trade (XVIth-XVIIth Centuries)

Organiser

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ABSTRACT

Due to the growth of the commercial traffic between Spain and the New World and, above all, to the huge gold and silver remittances from the Indies, the risk of Atlantic trade grew significantly during the sixteenth and seventeenth centuries, particularly through the incursions of pirates and corsairs from France, England and the Netherlands.

In order to face this specific risk, armed fleets became essential in the first years of the sixteenth century, as they provided an escort service first on the arrival route of the ships of America and, later, even on departures from Spain to the New World. All the costs of these fleets used for the protection of the Carrera de Indias’ convoys, or the route of the Spanish colonial trade, formed part of the so-called “avería": a contribution proportionally distributed among the various owners of goods and remittances and in reason of the remittances value transported on the ships. The distribution of the avería, which according to Céspedes del Castillo represented "a form of insurance against the specific risk of piracy", was initially entrusted to the commissions formed by public officials and representatives of merchants, being then attributed to a receiver (repector) landlord, forming later, mostly during the seventeenth century, one of the main tasks of the Consulate of the merchants of Seville.

The avería rate, expressed as a percentage, would represent a great indicator of risk in the Atlantic trade, especially considering the flows of the remittances - public and private - of the American precious metals. These resources represented the main object of desire of European sovereigns, due to the ever more relevant use that these resources had in the financial and military policy of the sovereigns of Castile.

The first studies about the “avería” of the Carrera de Indias were published, almost in the midtwentieth century, by Zumalacárregui and Céspedes del Castillo, authors of two articles that were focused on the state of the matter and analyzed the organizational and legal aspects of this contribution. In particular, Céspedes del Castillo provided to the historiography the first important data, even if quite fragmented, about the avería rate which was charged for dividing all costs related to the protection of the fleets of the Carrera de Indias. Later, Otte and Martin Acosta had stimulated the interest of the historians offering concrete studies on the collections of the avería in two different moments, like the years 1507 and 1602.

More recently, Del Vas Mingo and Navarro Azcue have returned to the argument, contributing to significant approaches about the maritime risk, while Luque Talaván has focused mainly on

the etymology of the word "avería". However, until today the two studies that have offered more continuity of data to the historiography are those less recents, such as the French historian, Pierre Chaunu (with his wife Huguette), and the Spanish Eufemio Lorenzo Sanz, who have tried to offer a realistic idea on the incidence of these costs in the system of American remittances.

The first objective of this paper is to offer a medium-term approach of the avería rates of the Carrera de Indias: starting from the 1520s and until the middle of the seventeenth century. Specifically, this study aims to collect, correct and integrate some of the quantitative data on the aforementioned avería rate, adding also unpublished data and revising partially erroneous values for a part of the historiography. This analysis is based, in particular, on the systematic tracking of some of the unused Proposal by Sergio SARDONE – Università degli Studi di Napoli "Federico II" or not completely exploited sources by the main scholars who have analyzed this issue: the notarial protocols and the treasury books of the Casa de la Contratación and the Consulate of Seville, which will complement those already mentioned by Chaunu and more by Lorenzo Sanz and Céspedes del Castillo.

The study also has the ambition to fill an information gap that refers particularly to the reign of Carlos I (1516-1556), a time of the least investigated by the specialists of the avería, due to the few and intermittent data collected and to the limitation of the available records, being the main documentary series of the receptores de avería -exploited yet by Chaunu- available only from the second half of the sixteenth century. Another object of the study is offer an acceptable indication of the maritime risk in the Carrera de Indias, which is pursued through a weighting of the damage rate with the value of the remittances received in Seville. In this way, the failure rate would be refined from a distorting element such as the entity of the precious metals brought from America, which suffered significant fluctuations according to the time considered.

Finally, it will be focused the most critical moments of the period considered, offering, in the limit of the possible, the negative and economic impacts of the corsair attacks suffered by the convoys of the Carrera de Indias.

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S21. Markets created, regulated and destroyed by the State: State action as a driver of private insurance enterprise 1850-1950

Organisers

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Luca Froelicher (Federal Institute of Technology)

ABSTRACT

"The business is entirely a creation of law." That's how W.A. Dinsdale, in his 1954 History of Accident Insurance in Great Britain, dryly defines the primary feature of interest in the history of employers liability insurance. The law creating this opportunity for private business enterprise was the Employers' Liability Act of 1880, imposing a liability on employers for accidents to their employees, which did not previously exist. Similar legislation was introduced in various European countries in the second half of the 19th century most notably in Germany but also in Switzerland and France. Everywhere with the same effects: 1. the foundation of private companies offering liability insurance and workmen' compensation, the other mayor line of business involved; 2. the expansion of existing companies across borders. Even though the market fundamentalist brand of neoliberalism is in retreat, the idea, that it is best for private enterprise and therefore economies if states leave maximum space for individual initiative and interfere as little as possible in private business activity, is still a very forceful underlying assumption lingering around business sciences. The main problem this idea poses for business history and the history of the private insurance in specific lies therein, that it obstructs the view on the very dynamic interdependences between state action, markets and private enterprise, the transformational impact this interdependence had on business enterprises on the one hand and states and state organizations on the other. This interdependence is especially obvious in the history of insurance business.

Session objectives:

The session wants to contribute to a dynamic understanding of the relation between capitalism and state power by looking at the specific history of private liability, collective accident insurance and any other types of insurance similarly dependent on state legislation. It invites papers on the history of such types of insurance, and the history of companies, which underwrote them, but also on the larger socio-political contexts and legal frameworks wherein this took place. Histories about how these companies thrived and throttled on legislative action, creating, regulating and destroying demand for the insurance, they offered, but also how the relevant concepts and political discourses developed and influenced the business.

Three thematic complexes of this interdependence are of special interest in the history of casualty insurance. The elements making them up could therefore also be themselves subjects of research papers, which the session would be happy to accept:

1. Creating demand.

a. The development of the concept of liability in the 19th century and national differences.

b. Liability as a tool of liberal welfare policy, Manchester liberalism’s answer to the social question.

c. Liability as insurable risk and the problems of negligence and moral hazard.

d. Insurance funds as means to national financial development.

e. National legislative projects and initiatives creating opportunity. For private (casualty) insurance, the specific political developments. And the socio-political processes making up the contexts of such. Legislation, national differences and similarities.

f. Private insurance companies taking on the opportunity; the concrete liability, collective accident or other insurance covers they offered; the development of the companies over time, and how state action changed them as organizations.

2. Regulating supply. The business model of insurance, selling the promise of future compensation, in case of specific occurrences, is especially prone to abuse and outright fraud. Accordingly, state regulation set in early on, mostly triggered by bankruptcies in the last quarter of the 19th century, which left customers without cover. Maybe the most important area of control was the solvency of insurance companies to guarantee that they could fulfil their obligations to their customers. Second came the control of the actual covers sold to make sure that they really covered the involved risk and were not to the disadvantage of the insured. Of main interest are specific regulations on liability and collective accident insurance. The impact they had on respective insurance companies, and the possible dynamics this triggered. In Switzerland, for example insurance supervision was created in 1886 and interestingly became a marketing argument for Swiss casualty insurance companies especially in foreign markets where regulation was not yet established.

3. Destroying demand. Germany had been the first European country that introduced business creating liability laws but also became the first country to nationalize collective accident insurance already in 1886. In Switzerland the political discussions about nationalizing workmen’s compensation started in the 1890s, a first vote in 1900 was negative but a second one in 1912 positive and the state monopoly insurance started in 1918. The UK and France followed in 1946 and nationalized workmen’s compensation too. These state interventions made the private casualty insurers lose significant portions of their collective liability business. Especially hard hit were their sales organizations, who lived mostly on commissions. They needed something to substitute for the loss. Existing evidence indicates that the substitute primarily came from other casualty lines mostly private and motor liability. This was facilitated by the fact, that the concept of liability had become commonplace in western societies by the first half of the 20th century.

S22. Reinsurance, Insurance, Foreign Aid, and Economic Development

Organisers

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Niels-Viggo Haueter (Swiss Re)

ABSTRACT

The purpose of this session is to address the shortage of historical research into how insurance and reinsurance support economic growth in least developed countries (LDCs) and emerging markets. Few people dispute the positive impact of insurance on societies and the economy. Yet, opinions differ widely as to what kind of insurance works best. The involvement of multinational enterprises in developing economies led to protectionist measures and state intervention in the insurance industry extending at times to nationalisation. Since the 1960s, for example UNCTAD has helped promote national reinsurance as a decisive prerequisite for economic growth in less developed countries. This met with scepticism from developed nations. Yet, their reinsurance industries were often promoted with the same arguments in the early days. Germany, Switzerland, and Russia, for example, founded reinsurance companies in the 19th century to bolster the local economy. As of more recently, the World Bank, MIGA, and other UN institutions are increasing partnerships with the private sector to address natural and health risks in Latin American, Asian, and African countries. Also government programmes especially for agricultural risks are widespread but often struggle to be economically viable. Yet, professional insurers are still eying these potentially huge markets. The insurance industry, reinsurers especially, are increasingly seeking to collaborate with the public sector to develop new markets. Insurers developed new products modelled on micro-credit schemes, often with so-called parametric indices to avoid costly loss assessment. Some argue that such practices and modern insurance as such compete with more traditional forms of community based risk mitigation. Such solutions also challenge the role of foreign aid, charity organizations, and national disaster recovery programmes.

The focus of this session is on LDCs and emerging markets and their views on how insurance and reinsurance could help economies grow. This includes former emerging markets such as, for example, Korea. It may also include critical sectors in difficult market environments such as agriculture in advanced economies. The following list of areas that may be covered is deliberately very broad, but contributions, in some form, should concentrate on the real, perceived, or expected impact of insurance and reinsurance on the economy:

- Insurance, reinsurance, and the political economy.
- Insurance solutions in international organisations.

- Case studies in emerging and LDC markets.
- State run insurance programmes in agriculture.
- Comparative studies of state versus private insurance.
- Insurance in the face of protectionism and import substitution policies.
- For-profit versus not-for-profit insurance.
- Insurance/reinsurance and public private partnerships.
- Community based risk mitigation in traditional societies.
- Economic viability and impact of not-for-profit organisations such as fraternal and friendly societies.
- Climate change and risk mitigation in LDCs.
- Regulation of insurance in transition economies.

S23. Public and private health insurance in historical perspective: between competition and complementarity

Organisers

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ABSTRACT

The literature has established the historical creation of two basic models of public health insurance system in developed countries: one inherited from the Bismarck system, based on funds from contributions, and the other derived from the National Health System, based on universalist principles and, to a large extent, public funds. Not all countries joined this process at the same rate, and moreover the two categories have not remained stable or homogenous over time, which has given rise to a situation that is more complex than that reflected by these two theoretical models. In Europe, from a historical point of view, and although with significant variations in each case, the public systems of health insurance coverage generally prevailed. These models based on public insurance, however, contrast with other countries, such as the United States, where the population's medical care has been covered by private insurance companies; a system considered by some authors to be more expensive in the long run due to its high cost, fragmentation and anti-democratic corporate structure. In these countries, the private interest groups involved in this process gained ascendancy over medical professionals and the politicians in government, thereby consolidating a system of private coverage.

On the other hand, private health insurance has become increasingly important in recent decades in the countries with public health insurance systems due to the economic crisis, which has led to waves of privatisations and a crisis of the welfare state. As a result of this process, some countries have a private health insurance that complements the public coverage. This means that the private sector offers services already provided by the compulsory system, but with additional advantages such as shorter waiting lists and other benefits and conveniences. In other countries, private health insurance plays a supplementary role by covering services and specialties excluded from the basic state package (e.g. Denmark, Hungary and the Netherlands). Finally, in some countries, private insurance provides substitute cover for people excluded from the system due to various factors, such as level of income or type of work (e.g. Germany). In general, the causes of the growth of private health insurance are very heterogeneous and a result of historical evolution, the power of different interest groups and the public policies implemented. Its increasing importance, however, is a common trend in all countries.

The main objectives of the session will be the creation of private and public health insurance schemes, an analysis of the financial, medical, institutional, political, cultural and social factors

that determine their creation and the conflicts generated in their development until each country establishes its own public or private model. Contributions in historical perspective are welcome from all disciplines and geographical areas.