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# **Insuring Terrorism, Assuring Subjects, Ensuring Politics: The Politics of Risk after 9/11**

**Claudia Aradau, The Open University, Milton Keynes  
Rens van Munster, University of Southern Denmark, Odense**

**Abstract:** Security has been located either in the political spectacle of public discourses or within the specialised field of security professionals, experts in the management of unease. This article takes issue with these analyses and argues that security practices are also formulated in more heterogeneous locations. Through a governmental analysis of risk, this article locates security practices in the ‘shadows’ of the insurance industry. Since the early days of the ‘war on terror’, the insurance industry has had an instrumental role and ‘underwriting terrorism’ has become part of the global governmentality of terrorism. We explore the political implications of the classificatory practices that insurance presupposes and argue that the technologies of insurance foster subjects who are consistent with the logic of capitalism and entrench a vision of the social where antagonisms have been displaced or are suspended by an overwhelming concern with the continuity of social and economic processes. These effects of insurance will be discussed as the ‘temporality’, ‘subjectivity’ and ‘alterity’ effects.

## **I Introduction**

*Terrorism could devastate your organisation. An attack on, or near, your facilities could result in loss of life, property damage, denial of access and business interruption. In an increasingly litigious society, liability is also becoming a major concern*

AON Corporation (2005a)

Chicago-based AON Corporation is a global leader in risk management, insurance and reinsurance broking. This statement might come as a surprise to those who associate insurance with social security, often viewed as unrelated or in stark contrast to practices of national security. Whereas national security is often argued to involve more directly differential and exclusionary modes of governing, François Ewald has argued that the notion of insurance is not related to that of peril or danger but, instead, correlated to probability, hazard and risk management (Ewald, 1991). Rather than related to danger and the forms of enemy construction entailed by security practices, insurance as a form of collective social security was seen as a ‘social technology of justice’ (Ericson et al., 2003:

6). Michel Foucault, too, envisaged the possibility that insurance might be deployed differently, allowing more liberty and autonomy to the subject (Foucault, 2000). Given this distinction between national and social security – the Copenhagen School, for example, clearly delimits the realm of securitisation from social security concerns – the practices of insuring terrorism have drawn little interest in security studies.<sup>1</sup>

And yet, a quick internet search of some of the main insurance companies that underwrite terrorism post-9/11 would come across statements that engage in threat construction to provide a remedy in the form of terrorism coverage. Terrorism is a danger and the insurance industry tells us they can ensure the continuity of social and economic life by underwriting this danger. If terrorist attacks might not be prevented, security practices shift their attention to what the Democrat Senator Lieberman has called ‘mitigating the damage from an attack’ and ‘recovering rapidly’ (Lieberman, 2005). Here the role of terrorism insurance is paramount. Insurance enters the field of the war on terror as a complementary strategy in the prevention and management of terrorism.

This article argues that insurance is located on a continuum of danger and risk rather than a separate rationality that can provide a radically different logic for governing the social. As we have shown elsewhere, insurance has become allied with precautionary technologies and has entered the heterogeneous dispositif for governing terrorism (Aradau and van Munster, 2007). Therefore, insurance is consonant rather than disruptive of the global modes of security practices and a governmental analysis of risk should therefore not just locate security practices in the bureaucratic field of the ‘professionals of unease management’ (Bigo, 2006) but also in the ‘shadows’ of the insurance industry. Although insurance and its actuarial practices have been seen as inconspicuous practices of social life (and hence unconnected with security), their ‘unobtrusiveness is precisely why they have become so important: they make power more effective and efficient by diminishing its political and moral fallout’ (Simon, 1988: 772). Insurance is placed on the continuum of national security/social security, ordering a future of precariousness, threat and uncertainty through actuarial practices.

Locating insurance in the continuity of security practices allows us to unpack the political implications of underwriting terrorism. How does terrorism insurance enter the dispositif of governing terrorism and what does this mean politically? The insurance industry has had an instrumental role since the early days of the ‘war on terror’ and ‘underwriting terrorism’ has become part of the global governmentality of terrorism (Ericson et al., 2003). We explore the political implications of the classificatory practices that insurance presupposes and argue that the technologies of insurance foster subjects who are consistent with the logic of capitalism and entrench a vision of the social where antagonisms have been displaced or are suspended by an overwhelming concern with the continuity of social and economic processes. Underwriting terrorism is an integral part of securing capitalism and its processes. While connections between the ‘way of life’ that the war on terror purports to secure and the neoliberal economy have been explored (Brown, 2003; Lafer, 2005), this article explores the political consequences of insuring terrorism to ensure social and economic continuity. To this purpose, it proceeds in three stages: it starts by questioning the inattention to insurance in security studies, it moves on

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<sup>1</sup> Mark Neocleous has argued that, in excluding social security, the Copenhagen School has missed perhaps the most remarkable historical example of this process, namely in the political fabrication of a set of concerns as ‘social security’ (Neocleous, 2006: 366).

to offer a specific interpretation of the logic of insurance and its practices that situation in the continuity of security practices and finally turns to an analysis of the political implications of underwriting terrorism.

## 2 From Writing Security to Underwriting Security<sup>2</sup>

After 9/11, politicians and policy-makers have become increasingly aware of the important role insurance plays in reducing vulnerability and promoting preparedness and prevention in the current war on terror. Policy-makers have come to appreciate the role that insurance plays in securing vital economic interests while, at the same time, the insurance industry has began to recognise its reliance upon government security policies. Recognising the difficulty of calculating the frequency and severity of terrorist attacks, Joe Gunset, General Counsel for Lloyd's America, has argued that 'this peril ... is most uniquely linked to government policy and security measures and therefore is the proper focus on government role in this area of insurance' (Gunset, 2006). Also the London-based company Risk Management Solutions (RMS), an independent analysis and modelling company that provides services to the insurance industry and maintains close relations with the Department of Homeland Security, understands that security policies actively shape the risk of terrorism that insurance companies set out to cover:

Unlike the hazard of an earthquake or the occurrence of a hurricane making landfall, terrorism risk is not an absolute or a natural phenomenon. It can be changed by the actions of the government ... Government action, through the resources and direction it provides to law-enforcement agencies and to counter-terrorism intelligence operations, can reduce the threat of terrorism by catching terrorists, making it harder for terrorists to operate and by interdicting increasing numbers of the plots they device. Improved counter-terrorism effectiveness reduces the overall risk (RMS, 2005: 20-21).

Indeed, in many instances the government is seen as the insurer of the last resort (Moss, 2002) due to its capacity to allocate risk-taking through law making and its fiscal power to spread out risk over multiple generations: 'Government also has the greatest information resources about terrorism, and therefore its participation in an insurance programme is vital to both underwriting and preventive security measures in an overall protection package for both insurers and insureds' (Ericson and Doyle, 2004a: 167). Yet, if security policy and actors are seen here as influencing the insurance industry, we put forth a blunter proposition: insurance is placed in the continuity of national security practices.<sup>3</sup> Insurance is one of the technologies mobilised in the dispositif to govern terrorism and the future of potentially catastrophic risks.

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<sup>2</sup> The phrase 'Underwriting security' was coined by Mick Dillon in a discussion of a panel on risk (title needed) the 48<sup>th</sup> ISA Convention, San Diego, 2006.

<sup>3</sup> This continuity has also been recently noted by Mark Neocleous in a discussion of the imbrication of national and social security in the United States in the 1930s (Neocleous, 2006). Unlike Neocleous, we argue that the immanent connection between the two does not solely reside in the concept of economic security, but in the logic of governing the social.

Despite the fact that policy-makers have recognised the importance of insurance for maintaining security, the study of insurance has so far been relegated outside the boundaries of IR. Although David Campbell has pointed out that '[f]or both insurance and international relations ... danger results from the calculation of a threat that objectifies events, disciplines relations, and sequesters an ideal of the people said to be at risk' (Campbell, 1998: 3), he also assumes that insurance and international relations are to be thought of as two separate domains. In his book *Writing Security*, Campbell thus focuses solely on discourses of danger uttered by high-ranking policy officials, while no attention is given to how insurantal practices of *underwriting security* construct danger, constitute subjectivity and discipline social relations.

In fact, the discipline of security studies has found it difficult to reconcile the logic of insurance with their own understanding of security as being guaranteed by military techniques to neutralise dangers.<sup>4</sup> The relative absence of risk and insurance in security studies can be found in the theoretical premises of approaches within security studies. In their renowned understanding of security, for instance, the Copenhagen School explicitly distinguishes national security (defence) from social security (insurance): 'To the extent that we have an idea of a specific modality labelled 'security' it is because we think of national security and its modifications and limitations and not because we think of the everyday word "security"' (Wæver, 1995: 48). According to the Copenhagen School, it is therefore important to distinguish security in international relations from the more mundane concept of social security, because questions of the latter are not imbued with this same sense of danger, urgency and survival.

Focusing on the more mundane concept of risk, not all scholars share the understanding of security as something that goes beyond normal politics. For instance, arguing that writing security should not necessarily mean to overwrite, the Paris School<sup>5</sup> has introduced a risk approach that analyses how managers of unease use their bureaucratic authority to classify and prioritise threats and determine what exactly constitutes security (Bigo, 1996). In contrast to the Copenhagen School, this approach seems more tuned towards analysing the role of the insurance industry as securitising agents. For example, the focus on professional routines illustrates that the police makes use of insurantal knowledge, statistics and profiling for the purposes of prevention (Ericson and Haggerty, 1997). However, the war on terror cannot be reduced to routine practices of proactive risk management by security professionals as analysed by Didier Bigo. A whole array of other actors are regimented in the governing of terrorism risks: businesses, insurance companies and individuals.

References to insurance are not just absent from the research of the Paris School. They also play a marginal role in security analyses inspired by Ulrich Beck's thesis of risk society (Rasmussen, 2004). According to this thesis, insurance appears difficult to uphold in the context of terrorism, which appears to surpass the traditional technologies of insurance that rely upon measuring frequency and severity and quantifying ensuring

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<sup>4</sup> Governmentality scholars, by comparison, have largely ignored national security, instead focusing upon the split within social security between collective insurance on the one hand and neo-liberal schemes of private and individualised forms of insurance on the other (see e.g. Baker and Simon, 2002). For an exception, see Ericson (2007) which considers national security and social security as neo-liberal instances of governing through crime.

<sup>5</sup> On the 'school' terminology and their role in the recent debates in critical security studies, see c.a.s.e. collective (2006).

premiums. In fact, comparing the terrorist attacks of September 11 with Chernobyl, Beck has claimed that September 11 drove home the lesson that we now live in a world risk society in which there are uncontrollable and unpredictable dangers against which insurance would be impossible (Beck, 2002). Even if Beck in his more recent writings has somewhat moved away from the notion that 'it makes no sense to insure against the worst-case ramifications of the global spiral of threat' (Beck, 1999: 142), the risk society approach has not proven particularly useful to analyse how terrorism is already being appropriated by the insurance industry and others as a an insurable, if not necessarily quantifiable, risk. The emphasis on the 'nature' of catastrophic risk makes Beck oblivious of the practices that attempt to 'tame' the future. Attempts to govern terrorism have added a 'precautionary' element to risk management which has given birth to new configurations that go beyond the traditional, quantitative mechanisms of calculating insurance risks (Aradau and van Munster, 2007). Rather than absent from the configuration of counter-terrorist practices, the insurance industry has created new technologies for 'taming' the future of terrorism risks and has attempted to adjust its traditional tools to the situation at hand (Ericson and Doyle, 2004a).

The presence of insurance technologies in the *dispositif* for governing terrorism is supplemented by its own security rationality. The insurance industry draws particular lines of exclusion and division, which are not always superposed to the boundaries that practices of national security draw out. Mark Duffield has remarked that the difference between insured and non-insured life is contiguous to that between developed and underdeveloped life (Duffield, 2007). Insurance provides forms of solidarity and sustainability in the developed world, while the 'Third World' is expected to deploy other forms of resilience. While Duffield locates the boundaries drawn by insurance at the global level, the governmentality literature has already shown that insurance creates its own divisions within forms of 'developed life' (Ewald, 1986; Dean, 1999). Through practices of 'underwriting', insurance always already disqualifies certain categories of subjects from the solidarity of political community. Moreover, its category of 'moral hazard' has been shown to reproduce ideological forms of exclusion (Baker, 2000). The next section explores insurance as a *dispositif* for governing the social by means of 'taming' the future.

### **3 Insurance as governing (in)security**

Inspired by the work of Michel Foucault, François Ewald has offered a genealogy of insurance as a *dispositif* for governing the social (Ewald, 1986). The rationality of insurance is based on the principle of solidarity that replaces the juridical principle of responsibility as form of governing the social. In its early forms, insurance against accidents represented an answer to the insoluble question of responsibility. Who was responsible for industrial accidents? As the juridical answer was found to be incomplete in its negotiation of responsibility, the solution that insurance offered was that of doing away with responsibility and creating a form of solidarity. Accidents were part of the fabric of the social, something that happened and against which one could simply be insured. The particularity of insurance, according to Ewald, is that it no longer gives reparation on the model of charity, but on a model of justice given by a rule. This is also the case with terrorism risk, as many re-insurance companies operate with a definition of

terrorism that does not focus the intentions and motivations of terrorists but, rather, on the effects of a terrorist act (e.g. Swiss Re, 2002a: 2). The idea of risk, therefore, does away with causality. What matters is not the cause, but the rule according to which we decide reparation. Responsibility is no longer an issue. In this analysis, insurance appears as a desecuritising technology rather than a means of governing security. This desecuritising aspect is linked with 'social security', a different form of security – according to Ewald – that is build upon the logic of solidarity rather than danger or threat.

Yet, Ewald adds another side to the reparation and compensation that insurance offers, namely prevention. The problem of compensating losses is inseparable from the problem of reducing the probability of their occurrence. In this sense one can argue that the neo-liberal modification of the paradigm of insurance and solidarity is rather a tipping of the balance in favour of prevention. Neo-liberalism has spelt the end of the solidaristic society in favour of new forms of prudentialism and prevention. Hence governing through crime is one of the defining characteristics of neo-liberalism (Simon, 2007). Insurance becomes a matter of individual responsibility, prudential conduct and ultimately choice. As neo-liberalism attempts to extend the criteria of the market and its forms of decision-making to other areas, insurance increasingly tends to only insulate the 'wise' against contingency. Thus, governmentality authors increasingly point out the divide between universal social insurance provided by the state and the 'privatisation of risk management' (Rose, 1996: 58). The technologies of prevention largely surpass the solidarity of reparation and compensation. When confronted with radically contingent and potentially catastrophic risks such as terrorism, insurance enters a precautionary dispositif in which prevention at all costs is paramount. The mitigation of damage through the provision of insurance is allied with technologies to prevent the occurrence of another terrorist attack.

In the wake on 9/11, the insurance industry has most explicitly combined compensation and prevention technologies. Although compensation was thought to be at stake in the face of catastrophic event, the insurance industry has offered probabilistic models for insuring against terrorism (Eqecat, 2002). Aware however that terrorist attacks such as that of 9/11 remain difficult to capture in the probabilistic terms of frequency and severity, it has also invented novel technologies to manage the future of potential terrorist attacks. It has attempted to model terrorism beyond actuarial knowledge by making use of game theory (e.g. RMS and Gordon Woo) and to create partnerships with the state, in which the latter would function as an ultimate insurer in case of catastrophic events (see OECD, 2005b; 2005a). Building on the model of speculation and gaming, it has also attempted to transfer risk to the financial market in the form of CAT bonds.<sup>6</sup> At the same time, the insurance industry has entrenched the idea

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<sup>6</sup> The most acute illustration of transferring risks to the financial market is the Pentagon's failed attempt to create a futures market in terrorism, the so-called Policy Analysis Market (PAM). Based on the knowledge that bets on random events (such as who will win an Oscar) tended to more accurate than other forms of prediction, PAM sought to replace or complement intelligence with a market-based betting system in which buyers and sellers could enter into futures contracts about terrorist events occurring. Trade in these events would produce price shifts that in turn could be translated into the likelihood of a particular event taking place (Looney, 2003). The betting on terrorist events brings forward the moral dilemma of insider trading in a specifically bizarre sense. That is, to stimulate predictability of events occurring, the system also encourages those who know a terrorist attack being prepared will bet their money in order to profit from the event. As Senator Reid Daschle argued in Congress: 'You ask whether there are traders or traitors – T-R-A-

that state security practices, surveillance and vigilance are indispensable for the very existence of insurance. Indeed, when scientific knowledge is unavailable, surveillance expands in the form of policing.

What interests us is not so much these technologies *per se*,<sup>7</sup> but rather what political imaginary makes them possible and what political imaginary they enact. Insurance starts by classifying and objectifying phenomena in order to be able to calculate the degree of chance or risk. Insurance has its own science, actuarialism, which claims to be able to assess risks in order to commodify them (Ericson et al., 2003: 8). The first imperative of insurance is to define. The insurance industry needs to define terrorism, create a calculable rendering of terrorism and constitute the subject who is to be insured. For even when the mathematical calculus of probability finds itself surpassed by catastrophic events and other means of governing more akin to the game model are proposed, insurance still relies upon classifications and definitions of what and who is to be insured. The other imperative of insurance is to represent the future and its relation to the present. In attempting to neutralise or even prevent the possibility of ‘dangerous interruptions’ (Castel, 1991) in the future, insurance also colonises the future.

#### 4 The politics of insurance

In defining and classifying risks as a potentiality for the future, insurance privileges a specific representation of the future. In colonising the imaginary of the future, insurance also attempts to make this imaginary real. Insurance is defined as restorative, inasmuch as it attempts to bring back people within the circuits of social order (Lobo-Guerrero, 2007, forthcoming). In restoring the future, insurance models the future on the present. Terrorism insurance both defines a future of catastrophic occurrences by depicting the possibility of chemical and nuclear attacks and attempting to enlarge the insurance portfolio and represents this future as uninterrupted continuity of the present. As a classificatory technology, insurance also makes up subjects. It simultaneously constitutes the model of the ‘terrorists’, an imaginary that supports the process of underwriting and a ‘we’ that is to be insured against terrorism. We unpack these effects in relation to temporality, subjectivity and alterity and argue that terrorism insurance reproduces modern possessive individualism, displaces social antagonism and reifies the *status quo* through a specific rendering of temporality as continuity.

##### *The temporality effect*

To explore the relation to temporality that insurance brings about within the dispositif of governing terrorism, we draw on Donzelot’s account of the duplicitous role of insurance

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D-E-R-S or T-R-A-I-T-O-R-S. As we understand it, even terrorists would be allowed to bet on the likelihood of future terrorist attacks’ (US Senate, 2003). At the same time, presuming that betting would in fact lead to better predictability, this would make it possible for policy-makers to prevent these acts from happening, thereby changing the odds *after* bets were concluded.

<sup>7</sup> See Ericson and Doyle (2004a; 2004b) for a detailed analysis of how these technologies have been deployed or invented in the wake of 9/11.



as compensatory and restorative technology on the one hand and as a means of displacing the conflict between workers and the owners of capital on the other. Via insurance, workers' demands for the restructuration of society could be replaced by attempts to modify social relations without attacking the deep structure of society. Insurance does not ask questions of power, of right or wrong, but creates a form of collective solidarity to restore those who suffer a loss to social life. This account differs from that of Ewald, who distinguishes collective state-provided social insurance from privatised forms of insurance that fragment solidarities and subordinate them to the logic of the market. For Ewald, these two types of insurance do not have the same origin: once the state becomes the 'ultimate insurer' and provider of social security, the logic of insurance changes. Insurance would no longer be translated into a distribution of rights and duties between two groups or classes in society, between the working class and the capitalists and created a relation between citizens and the state.

According to Donzelot, however, insurance has *never* transgressed class struggle. Rather, insurance played a central role in society insofar as it could 'modify the relations between capital and wage-earners without distorting the historical logic on which they rest, ensure a better moralisation of the individual by transforming the social milieu, concretise the invisible bond between men of which the State is the visible expression' (Donzelot, 1988: 399). The injured, sick or unemployed worker did not need to demand justice before a court or by taking to the streets as the proletarians had done in 1848. Instead, the worker could be indemnified by the State, the greatest social insurer. Insurance was therefore a modality of normalising social struggles and institutionalising them within the framework of the state. Through insurance, workers could be protected against unemployment or accidents, in a word, against indigence, the great political concern of the century. Insurance as a technology of governance 'normalised' social struggles and avoided the partisan appropriation of the state. For example, workers' compensation schemes, included in terrorism insurance, are a technology of insurance serving the political and economic objectives of minimising a cause for industrial conflict and maximizing capital accumulation, while simultaneously managing the conduct of the injured worker.

If insurance tackles the forms of social relation and not the structures of society, what, then, is the time or temporality effect of insurance in relation to terrorism? The time of insurance is not simply the future that needs to be ordered against uncertainty and 'dangerous irruptions' caused by terrorism; rather, it is in-between present and future, defined as the time of indefinite continuity. As two risk management experts have argued in a recent article on insurance and terrorism, the insurance industry contributes to the social and economic continuity of the country (Kunreuther and Erwann, 2005: 51). Similarly, upon signing the Terrorism Risk Insurance Act (TRIA) designed to bail out the insurance industry in case of catastrophic losses resulting from acts of terrorism, President George Bush remarked that terrorism insurance and homeland defence are but two sides of the same coin:

My administration is determined to make America safer, to make our economy stronger... Yesterday I signed into law the new Department of Homeland Security, to organize our government for the long-term challenge of protecting America. Today, with terrorism insurance, we're defending America by making our economy more secure. Both these achievements show

the unity of our nation in a time of testing, and our resolve to lead America to a better day (Bush, 2002).

The TRIA does thus not just function to make sure terrorism insurance remains available against affordable prices. More significantly, perhaps, insurance is directly related to the protection of the American homeland and the securing of economic processes. The compensation system is thought to help the economy rebound after an attack, thus reducing the vulnerability to terrorism. It can also reduce the ‘amount of social fragmentation caused by the attacks’ (OECD, 2005a: 65).

The temporality effect of insurance is further reinforced by the precautionary element of terrorism insurance. The precautionary approach to terrorism governance makes an explicit statement about the *status quo* as something worth preserving, as a value in itself: ‘It is concerned with ensuring the continuity of the future with the past. The precautionary principle is counter-revolutionary. It aims to restrict innovation to a framework of unbroken progress’ (Ewald, 2002: 284). Faced with the prospect of a looming catastrophe, the precautionary approach introduces a state of permanent emergency awareness and readiness in society. At the limit of knowledge, the state is required to step in, buttress insurance mechanisms to ensure the continuity of social and economic processes. What processes of underwriting restore are actually social and economic processes disrupted by terrorism rather than simply particular subjects. Insurance stimulates social and economic agents to take a precautionary interest in reducing their vulnerability to contingency through emergency planning, crisis management and the protection of critical infrastructure (e.g. MARSH, 2006: 25-28; RMS, 2006; AON, 2006). As attempts to create an imaginary of the social devoid of political conflict, terrorism insurance guarantees the indefinite continuity of an unmodified present, the non-interruption of social and economic processes and normality.

### *The subjectivity effect*

If the time of insurance is that of indefinite continuity, who are the subjects who are fostered through its practices, the subjects that are to be restored to their social and economic functions? Analyses of security have placed at their core ‘life’ that is to be protected. As security practices draw boundaries between bare (*zoe*) and politically qualified life (*bios*), life is considered to have become the common denominator of all security practices (Agamben, 1998; Dillon and Lobo-Guerrero, 2008 forthcoming). Life is however an underdetermined category, which does not shed any light on the historical and political context in which it functions. Insurance is not interested simply in life, but in a particular form of life and subjectivity. What is considered valuable or worthy is not just the life of subjects *per se* but, first and foremost, life understood as propertied life. The life to be insured is that which convertible into profitability, life which is defined through assets and, through life assurance, becomes a property for the family for which it ensures economic and social continuity. Insurance is also doubled by another technology, that of resilience. The UK government has defined resilience as ‘the ability at every relevant level to detect, prevent, and, if necessary, to handle and recover from disruptive challenges’ (Cabinet Office, 2003: 1). Unlike collective insurance, which helps restore subject to social life, resilient subjects are left on their own. As Mark Duffield has acknowledged, insurance vs. resilience creates a system of signification in social life.

However, this system of signification valorises propertied life, the life that defines its worth through ownership or can be translated into property and ownership for others.

When insurance dissolved the juridical dispositif of responsibility (Ewald, 1986), it replaced it with a project of social regulation that is based on a limitless social technology. Its utopia is that of a society of 'pure economy', where all values are determined by economic calculations (Ewald, 1986: 384). Within this utopia, life is quantified and translated into numerical and monetary value. Post-9/11 forms of reparation have included not only victims' compensation schemes but also workers' compensation, business interruption, life assurance, etc. As all of these are forms of calculation that measure life according to a monetary principle, the question is what types of subjects and forms of life insurance creates in relation to terrorism.

The modern subject has been defined as the subject that has first self-ownership (Hegel, 1996). Property is the very definition of the subject, whether one appropriates oneself or appropriates a thing. Life is valued only inasmuch as it can reassume its role within social and economic processes. As Thierry van Santen, President of the Federation of European Risk Management Associations (FERMA), argues: 'Day after day we see that terrorism has no frontier, and that one of the terrorists' objectives is to destabilise the economies of developed countries' (AON, 2005b: 15). It is not life that is at the heart of the processes of government. Life can be lost – what counts for insurance is that economic and social processes can go on.

In this sense, Rousseau's comment on the catastrophic Lisbon earthquake in 1755 exposes a different facet of life from Foucault's analysis of the contemporaneous birth of biopolitics: 'How many unfortunates perished in this disaster for wanting to take – one his clothing, another his papers, a third his money? They know so well that a person has become the least part of himself, and that he is hardly worth saving if all the rest is lost' (Rousseau, 1756). In short, life without property is worthless.

The logic of property and appropriation that insurance entrenches is that what unites societies is property ownership and property-related wealth. The aporia that confronted the modern subject was that property, even if necessary to its formation as a citizen, was impossible to universalise. Yet, even those who do not own anything still own themselves and their labour force. Life is only valuable inasmuch as – through the mediation of labour – it can lead to the possession and accumulation of property. Labour became a form of transition to property, as private property was seen as indispensable for founding the autonomy of the modern subject. According to Robert Castel:

The valorization of private property ... ran the risk of maintaining a cleavage, or rather a fundamental antagonism, between property-owners and non-property-owners, which would have been still more serious than a class struggle, for it would have marked the opposition between social existence and non-existence, between being able to exist positively as a subject and being sent back to total insignificance (Castel, 2002: 319).

The aporia of private property – an aporia mediated through social security in the 19<sup>th</sup> century – is no longer experienced as such. The world is divided between propertied and property-less subjects. The technologies of insurance reinforce this distinction by

providing services for the first, while keeping the others in a state of ‘insignificance’.<sup>8</sup> If there are processes of preparing certain categories for elimination, as Hannah Arendt has suggested, one of these processes is the construction of property-less people, who do not own anything or do not have self-ownership.

If the temporality effect of insurance shows that the risk to be managed is that of destabilisation, the subjectivity effect of insurance illustrates that the life to be secured is propertied life. As the ‘we’ to be security increasingly turns into the propertied we, the security of social relations is imagined in terms of possible destabilisation of economic processes. Business continuity is a central concern of risk management as risk awareness and worst case scenario thinking is increasingly inscribed in corporate structures: ‘An organization must be able to assess its situation relative to its terrorism exposures ... This is best accomplished by adopting a Threat-Based Tiered Security Program, which allows a corporate security manager to properly test for, train for, and procure in advance for any threat levels’ (MARSH, 2006: 25, 26). The goal of insurance is to restore society to the *status quo ex ante* and reproduce the propertied subject of modernity without an awareness of the aporias of property. In entrenching particular subjects and economic continuity, insurance technologies also foster representations of the other who threatens the stability of social order.

### *The alterity effect*

The actuarial attempts to assess terrorism have yielded an interesting representation of what terrorism is and how it functions. In a paper published one year after 9/11 Swiss Re described the challenges it faced in the following terms:

The totally inconceivable lack of human respect on the part of the planners and the terrorists who carried out the attack; The unimaginable cold-bloodedness of the attack using innocent airline passengers – men, women and children – as human bombs; The concerted action carried out uncompromisingly and with totally devastating precision by kamikaze pilots; The intention of achieving maximum media impact (Swiss Re, 2002b).

Besides explaining why 9/11 took the majority of the insurance industry by surprise, statements as these also illustrate how insurantal discourses and practices create ‘abnormality’. However, the abnormality that insurance represents is not radically different from normality. Cast in the language of insurance, abnormality needs to be captured within categories of calculability. Insurantal abnormality refers to a specific understanding of the normal as statistical average, yielding calculation possibilities. According to Ian Hacking, it was Auguste Comte who made famous the continuity between the normal and the pathological, the pathological being only an extension of the variation of a normal organism (Hacking, 1990: 166). All abnormal characteristics are to be defined in relation to a normal thing; they can be derived and computed in relation to the normal. However, when Comte transferred the analysis of normality from medicine to

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<sup>8</sup> It is important to note, though, that property is not, by definition, right. Property can be fraudulent. We have seen that the rationality of insurance leads to a concern with fraud. Property can be fraud, hence the surveillance of all forms of money and property transfer deemed fraudulent become linked to terrorism (see Amore and de Goede, 2005).

the social sphere, he added an extra twist: the normal is not simply the ordinary healthy state, but the 'purified state towards which we should strive' (Hacking, 1990: 168). Therefore, the normal comes to encapsulate a fundamental tension: 'the normal as existing average, and the normal as a figure of perfection to which we might progress' (Hacking, 1990: 168).

Terrorists are often represented as either abnormal in the sense of evil, where normality is taken in its normative, moral sense of right or good, or they are a deviation from what the normal as the average can mean. They are either 'radicalised' average citizens or Muslims or unimaginably evil others. These contradictory representations are indicative of a tension that has been built within the concept of the normal between what is right and normal and what is average or non-exceptional as right. If the normal is what is right and what we are to strive for, then abnormality is monstrous and evil. If normality is simply average, then abnormality is a degree of deviation which can be modelled and understood from the standpoint of the normal. For insurance, the terrorist is only a variation and a deviation of 'normal' rationality:

The al-Qaeda war game is like no other. Omar Saeed Sheikh, the convicted killer of the Wall Street Journalist Daniel Pearl, was a London school chess champion, and a student of mathematics at the London School of Economics, before he switched from economic to war games. A mathematician might play a war game like chess: cold-blooded enough to dispose mercilessly of opponents; and hard-headed enough to sacrifice one's own forces if this was the optimal move ... Thinking well ahead in the game, al-Qaeda preferred its members to chat up the beauties of Paradise than chat to security services in captivity. Those who are skeptical that terrorism risk can be understood and modeled underestimate the intelligence and rationality of al-Qaeda (Woo, 2002).

Yet, if the split in the definition of the normal appears to Hacking as a tension, insurance makes the two representations appear non-contradictory. For insurance practices, the average normal is also the right normal, as the starting point of insurance technologies is the probabilistic normal. Yet, this normal has already blurred the 'is' and the 'ought', the descriptive average and the normative. This approach to normality and abnormality that blurs the descriptive average and the normative reinforces the imaginary of continuity and smooths out the contradiction at the heart of the normal. By blurring the tension between 'is' and 'ought', practices of insurance sustain the normal and the present in its existing configuration. Moreover, they erase the tension within the representation of the other's normality. Terrorists can be either evil or rational calculators. Different technologies of insurance will be deployed to cater for both representations. CAT bonds or probabilistic calculations are connected with these different representations. The technologies of insurance suspend the questioning of the various representations of abnormality. Instead, they provide remedies for each case, without ruling out any possibility. Hence, both the definition of terrorism and the representation of terrorists can be infinitely expanded to encompass more and more possibilities that are seen as deviations from the 'ought/is' of the present.

Consequently, the insurance interest in terrorism has also been extended to other events (strikes, popular unrest, dissent) considered disruptive of the existing property

regimes. For example, AON annually publishes a ‘Global Terrorism Risk Map’ that ranks the threat of terrorism in relation to foreign investment potential. The risks included are not just those of terrorism but include widely diverging issues such as extreme right violence, nationalism, separatism, single interest groups, Marxist-inspired violence, religious extremism and narcotics trade (AON, 2005c). Bundled under the label of terrorism, these acts have little in common other than the fact that these are social disorders that can lead to destabilisation. Consider for instance the following claim scenario by Philadelphia-based ACE USA, which provides stand-alone insurance against terrorism:

### **Claim # 1 — A Domestic Terrorist Act**

**Location:** Manufacturing plant in the United States

**Situation:** A truck allegedly delivering supplies drives through the security gates of a plant. Once inside the gate, the truck veers toward the main manufacturing section. The truck explodes as it hits the building.

As the police investigate the crime, they determine that the driver was actually part of a conspiracy to destroy the company because the company’s products polluted the environment.

**Claim:** Damages from the destruction total \$15 million of property damage and \$30 million of business interruption losses. The claim adjustor determines that the event is an act of terrorism. The insured has purchased TRIA coverage from the all risk carrier; however, the act is never “certified,” since the conspirators were not foreign, nor were they working for a foreign entity. The claim is denied since the all risk coverage included coverage only for “certified” terrorist acts.

Coverage could be afforded under a non-certified stand alone policy purchased from ACE USA. Coverage could also be afforded under a combined coverage stand alone policy purchased from ACE USA (ACE, 2006).

The purpose of ACE USA is to ‘protect businesses from the devastating financial impact of terrorism’ (ACE, 2004). As the scenario shows, terrorist insurance has also become available against ‘non-certified acts of terrorism’, i.e. acts that do not follow the definition of terrorism as provided in the TRIA. More specifically, ACE and other companies provide terrorism insurance against criminal or politically motivated acts that do not fit the federal definition of a terrorist attack.<sup>9</sup> The only commonality of these risks seems to be their potentially disrupting effects upon businesses, which leads to a blurring of terrorism, crime and forms of political resistance.

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<sup>9</sup> TRIA defines a terrorist attack as being committed by foreigners in the US with a total damage of more than \$5 million. Companies, however, have extended the meaning of terrorism to also include domestic attacks and/or attacks with less than \$5 million total damage.

In sum, if Donzelot criticised insurance for only attempting to change the form of social relations and pacifying class relations without attacking structural relations, terrorism underwriting preserves the present in its unmodified form and structure. The securing of economic processes is important insofar as property is considered a precondition for liberty and freedom and therefore only a 'proprietor' or owner is truly independent, free, and becomes a citizen. Insurance reminds us how 'bare life' is intrinsically connected to issues of property. Practices of security are not simply securing liberal regimes but are securing existing property regimes and propertied citizens not only against terrorism but against many other forms of disruption. As a result, the future that insurance imagines is an endless and unmodified replica of the present, the normal is what should always be, thus suspending possibilities of symbolising conflicts and processing different relations to the other.

#### **4 Conclusion**

In this paper, we have taken issue with the inattention to insurance in (critical) security studies. Often considered to be the 'other' of national security, insurance and its formulation as social security has been relegated to the margins of academic interest. Moreover, analyses of neoliberalism have reinforced this inattention by exposing the disappearance of traditional practices of insurance towards the privatisation of risk management and forms of risk embracing. Assurantal practices as defined by Francois Ewald thus acquired an almost nostalgic aura. Drawing inspiration from Ewald and Donzelot, we have re-located insurance in the continuity of security practices. If forms of underwriting terrorism have shown their resilience and adaptation in governing terrorism, we have focused on how their definitional and classificatory practices order the social and therefore restrict the ways in which we can practice politics.

The three effects we have unpacked, the 'temporality', 'subjectivity' and 'alterity' effects, have shown that underwriting terrorism fosters the imaginary of the indefinite continuity of the present as capitalist social and economic processes, of the propertied subject and of normality as the blurring of 'is' and 'ought'. The definition of terrorism instantiates forms of continuity between all actions deemed 'destabilising' to social and economic processes. The other that terrorism insurance represents is a deviation from the average normal which is both the desired and desirable normal. Insurance makes impossible the symbolisation of social conflicts and aspires to a society stabilised in the present, whatever its inequalities and injustices. In/ensuring social and political continuity negates a politics of disruption of the given social order and limits the possibilities of political agency.

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