The agencement of industrial branch life assurance

How to cite:

© 2009 Taylor Francis

Version: [not recorded]

Link(s) to article on publisher’s website:
http://dx.doi.org/doi:10.1080/17530350903063933

Copyright and Moral Rights for the articles on this site are retained by the individual authors and/or other copyright owners. For more information on Open Research Online’s data policy on reuse of materials please consult the policies page.
Agencements are arrangements endowed with the capacity of acting in different ways depending upon how they are configured. In advocating the term ‘agencement’ Callon’s aim is to signal the close interweaving of words and actions and thus jettison the more Austinian associations of performativity. Agencement calls attention to the various processes by which economic actors, both human and non-human, are endowed with the fixtures, fittings and devices necessary to conduct themselves in particular ways. Thus depending upon how things are arranged or configured, disinterested or selfish, calculative or non-calculative, individual or collective agencies become possible. This model works well to describe the emergence of markets for industrial branch life assurance in the UK from the nineteenth century. Companies like the Prudential and the Pearl reacted to the conflicts, crises and controversies in the commercial market and the competition between socialised and privatised or prudentialist insurance models with Industrial Branch Assurance. This claimed to provide security for the thrifty poor by employing an army of agents whose weekly premium collections helped impose the discipline of thrift and security. Through the notion of agencement, the effect of hybrid combinations of human bodies, material equipment, technical devices and cognitive processes in creating a sustainable market for a peculiarly expensive financial savings product targeted at the working classes thrift is exposed.

Keywords: life insurance, agents, agencement, performativity, market devices

Introduction

‘Industrial Assurance business is the class of life assurance which is for the most part taken up by the wage-earning members of the community and is defined in the Industrial Assurance Act, 1923, as being the business of effecting assurances upon human lives, premiums in respect of which are received by means of collectors who make house-to-house visits for that purpose…’ (From the Report of the Industrial Assurance Commissioner for the year ended 31st Dec. 1932 in Wilson and Levy, 1937, front matter)

The ‘turn to the economy’ within actor-network theory and allied approaches has invigorated debate over how economies and markets are best conceptualised. Much of this debate has revolved around the claim that economics itself ‘assembles’, ‘formats’ or
‘performs’ markets and attendant questions both about what this claim really means and about how distinctive a proposition it involves. One of the frustrations aroused by what has proved to be an increasingly fertile research stream concerns the extent to which the answers it produces offer nothing more than a proliferation of new terms to describe actions previously observed in other theoretical traditions. Such concerns may not be entirely baseless but the argument advanced in this article is that the term agencement, advocated by Michel Callon and others, offers a distinctive edge over close alternatives like assemblage. This edge comes from agencement’s conceptual injunction to describe precisely, and pragmatically, how it is that particular forms of action come into being and are sustained.

In concrete terms, my purpose in this paper is to explore how useful the concept of agencement is for thinking about how Industrial Branch Assurance emerged as a leading commercial solution to the management of financial security for those of limited means in the UK. Industrial Branch is the term given to a form of collection-based commercial insurance targeted at the working classes developed by companies like the Pearl, the Prudential and the Refuge in the latter part of the nineteenth century. Thinking about insurance as an agencement rather than, say, as a technique, technology or, in Francois Ewald’s (1991) terms, as an ‘insurantial imaginary’, helps unravel the character of Industrial Branch as a contingent, material and opportunistic response to the broader social and political context in which insurance was embroiled by the second half of the nineteenth century.
Crucially, this involves thinking about how governmental strategies for improving financial security among the working classes through insurance were themselves defined through ongoing experimentation with commercial insurance forms. This means discarding, both the idea of Industrial Branch companies as entities with predefined, preset, commercial strategies, and the idea of a predefined social compact in which the role of insurance is articulated along ‘socialized’ or ‘privatised’ actuarial lines. While the clarification of the status of insurance as a vital governmental technique remains a notable achievement of the governmentality literature, exploring the historical emergence of industrial branch as an agencement reveals the theoretical modelling of socialized versus privatised actuarialism to be somewhat overdrawn. At the level of material practice, the distinctions between different forms of insurance and different political insurance rationalities are much less clear cut than the abstract division between privatised models based upon individual responsibility and socialized models based on collective solidarity suggests. Nineteenth-century British life assurance, might have more in common with the neo-liberal prudentialist model outlined by O’Malley (1996) than with the solidarity project described by Donzelot (1988) but to classify too strictly in those terms risks understating how closely entangled governmental strategies and policies were with the commercial market.

Historically, insurance projects exemplify the practical hybridization of private and public. Insurance projects are examples of what Callon (2007a: 140) has called socio-technical market agencements which respond to, and trigger ‘matters of concern’ that neither commercial companies nor successive governments have been able to clearly,
fully or satisfactorily resolve. In practice, this means that the form taken by insurance projects is a consequence of particular collisions of private and public; collisions which mark the character and boundaries of each. It is not just that insurance projects are hybrid entities, it is that in their operation they define and redefine the relationship between, and character, of private, commercial activity and public, governmental activity.

I begin by looking more closely at the term agencement with a view to unravelling both the implications of its compound, hybrid character and the perspective it offers on how particular market devices are enacted in ways that allows them to become successful, at least for a time. Exactly what the idea of agencement generates in the context of commercial life assurance is the subject of the main section. Here the emphasis is on changing historical approaches to the market device of sales agency. Life assurance promoters were faced with the task of getting people to think about the less than seductive mix of death, money and numbers. With such a challenging product, promoting life assurance involved fraught and continual adjustments and modifications in an effort to produce devices capable of effectively connecting consumers to products. If the potential for success or failure was immanent throughout the nineteenth century, it was constant rearrangements and modifications in the device of sales agency that helped sway the balance. It is within the concrete steer towards such processes and their part in the material co-emergence of devices and their worlds that the conceptual edge of agencement, I suggest in the concluding section, lies.

*Agencement, market devices and performation*
Following Deleuze and Guattari’s (1988) elaboration of agencement as a philosophical concept concerned with connections, Callon (2005) advocated the term as a way of emphasizing the interconnections between agencies and arrangements with the capacity to act and give meaning to action. Callon’s definition elaborates on the conception of actors in actor-network theory, defining actors as agencies ‘made up of human bodies but also of prostheses, tools, equipment, technical devices, algorithms, etc. which together constitute ‘agencements’ (Callon, 2005: 4). Thus in Mackenzie et al.’s (2007: 15) collection, agencements are defined as the human and non-human, textual and material, social and technical assemblages ‘from which action springs’. This latter qualification is key to understanding the hybrid, collective character of market devices as agencements that do things, ‘they act or make others act’ (Muniesa et al. 2007: 2). It is also key to the conceptual edge agencement has over its close synonym ‘assemblage’.

Agencement is an everyday term in French, but it is unwieldy and unfamiliar in English, which partly explains why it has tended to be translated as ‘assemblage’. Assemblage may be easier for Anglophones to handle but its very familiarity tends to mean that it is used loosely to refer to collections or ensembles and, where it is used technically, it is often to denote its archaeological and artistic associations. These latter associations with collections further draw attention away from the philosophical, conceptual character of the connections Deleuze and Guattari, Callon and others deploy ‘agencement’ to signify. This conceptual character can be elusive partly because agencement is like assemblage and it is meant to point to hybrid collections but it is meant also, and more precisely, to point towards the character of the connections between
the elements of an assemblage. Agencement refers to the connections between a state of affairs and the statements that can be made about it but ‘designates the priority of neither the state of affairs nor the statement but of their connection, which implies the production of a sense that exceeds them and of which, transformed, they now form parts’ (Phillips, 2006: 108). It is signalling this transformative action, a consequence of distinct forms of arrangements and patterns of connections between elements, that gives agencement its peculiar character. Through privileging dynamic articulation and its effects, agencement targets not the assemblages per se but how they produce particular forms of action and agency. It is for this reason that understanding market devices as agencements is about tracing what Muniesa et al. call the ‘evolving intricacies of agency’ (2007: 3).

The seeds of an understanding that agency is diverse, spatially and temporally, and distributed, materially and technically, is not the sole preserve of ANT. As du Gay (2008a) has explained, an understanding that the capacity to conduct oneself as a person of a particular sort – whether as the author of one’s own actions, as a subject or as the possessor of something called agency – is not fixed for all time but acquired through technical, material and limited processes, is present in the work of authors ranging from Weber and Mauss to Foucault and Bourdieu. Notwithstanding this conceptual heritage, in privileging the generative, transformative significance of connections, agencement offers a concrete direction to efforts to explain how forms of market activity come to be instantiated. If agencements are to be understood as arrangements endowed with the capacity of acting in different ways depending upon how they are configured, this points not only to the sovereignty of the material form of such arrangements, but crucially to the
relationship between description and action, between what Callon (2007) terms the relationship between statements and their worlds. Agencements include the statements which point to them such that they act in accordance with each other in the way that operating instructions help make a device work.

Understanding the relationship between the constitutive elements of agencements, between statements and their worlds, involves a model of performative action which signals how these connections allow things not so much to become true or false, but to succeed or fail. Referring to Mackenzie’s discussion of Black and Schole’s option pricing formula, Callon concludes that the ‘formula progressively discovers its world and a world that is put into motion by the formula describing it’ (2007: 320). The action Callon is describing is one in which worlds acquire their form, precision and robustness through continual, intensive observation and experimentation. This ongoing work of gradual, mutual adjustment is what agencements do and what makes them performative. It is, moreover, within this performative dimension that the conditions of a given agencement’s success lie. From this perspective the history of life assurance can be read as one in which the market device of agency was continually adjusted, tinkered with and recalibrated in ways which directly affected the success of its different forms. Moreover these processes were co-elaborated alongside political rationalities and governmental strategies toward insurance. What continual adjustments in the methods, techniques and materials of direct selling and governmental regulative responses did was summon up a world in which life assurance, in certain new and particular forms, could succeed.
Agencement’s advantages as a tool for thinking about how these processes work reach further than ideas like self-fulfilling prophecy, prescription or performance because of what the term includes. While self-fulfilling prophecies, for instance, may come true because they reflect human beliefs that people subsequently act in accordance with, success or failure here is defined in terms of belief only. Agencement on the other hand includes everything - beliefs, statements, devices and their worlds - there is ‘nothing left outside’ (Callon, 2007: 320). Agencement might thus explain, not only how certain things become true or succeed, but also how they fail or produce consequences unanticipated by human beliefs or statements. This is a powerful element of the concept’s appeal in accounting for a field like life assurance that was so beset by commercial and political crises throughout the nineteenth century that it might easily have gone in a substantially different direction than it did.

Agencement’s edge over notions like prescription and expression similarly derives from its capacity to incorporate all elements, all materialities which, taken together, perform the whole. This enables agencement to advance a model of performativity less bound by either an Austinian emphasis on the performative as ‘doing things with words’ (Mackenzie et al. 2007: 15) or a Butlerian emphasis on the constructivist primacy of performance. The link between the performative and performance, Callon suggests, has fuelled a privileging of language and discourse and a concomitant neglect of the socio-technical, material and, importantly, corporeal, elements of agencement. It is partly for this reason that theorists like Callon and Cochoy (2007; 1998) have sometimes preferred the term ‘performation’ to describe the action of devices as a way of signalling that
something more than language and discourse is involved in making the worlds in which
certain agencements succeed or fail. As Callon (2007) puts it;

> We can agree to call performation the process whereby socio-technical
arrangements are enacted, to constitute so many ecological niches within and
between which statements and models circulate and are true or at least enjoy a
high degree of verisimilitude. This constantly renewed process of performation
encompasses expression, self-fulfilling prophecies, prescription and performance.
(2007: 330)

This accent upon the material, and especially the corporeal, is crucial here for both
theoretical and empirical reasons. Theoretically while Foucauldian approaches have
helped explicate insurance as the practice of a certain type of rationality with a ubiquitous
and adaptable form the emphasis in this work has been on insurance’s role within abstract
political rationalities. While there is nothing within Foucauldian approaches that denies
the importance of the material and mundane, neither is there a steer towards these
arrangements. Empirically, the accent upon the material within agencement directly
acknowledges the value of looking down towards material and mundane arrangements. It
is through adopting such a perspective that the deep imbrication between the bodies,
manners, clothing and comportment of agents, the articulation of commercial strategies
and governmental policies and ultimately the successes and failures of different life
insurance projects starts to emerge.

*Life Assurance Agency*

Establishing markets for life assurance was no simple matter. Across many of the
countries of mainland Europe and the United States it was perceived until well into the nineteenth century as rather disreputable, not only a usurious contract but a blasphemous proposition. Britain was the primary exception to this trend with a relatively lively trade in life insurance contracts dating back to the early part of the eighteenth century. Even in Britain however uptake was sluggish and by the mid nineteenth century there was growing pressure to secure a more widespread adoption of insurance as a technique of financial planning that carried with it social, moral and political benefits well adapted to the needs of the emerging civil society. This delay in securing widespread adoption persisted in spite of the neat intersection between life assurance and the political and religious culture of Protestant Britain which fitted it as an exemplary compromise between market-based self-interest and Christian ethics (cf Hilton, 1988; Clark, 1999). The source of the trouble can be traced to three distinct but inter-related issues: concerns about the moral and religious propriety of insuring lives, the technical complexity of insurance, and doubts about the financial safety and probity of the institutions offering it.

While in Britain life insurance did not universally register the kinds of doubts which led Zelizer (1979) to conclude that it offended the system of values upholding the sanctity and incommensurability of human life, it nevertheless provoked some unease on the grounds that to insure lives was to interfere in God’s business. Continual references in the promotional literature to the moral and religious propriety of insuring were undoubtedly made in response to the persistence of such reservations. The financial and technical complexity of the product presented a further obstacle. Insurance companies presented detailed statements about insurance; tables of premium rates were printed alongside
spirited defences of the mathematical certainties and financial, social and moral benefits
which underpinned them. Yet insurance company practice was less firmly grounded in
what were still emerging and contested bodies of mathematical and statistical knowledge
than the companies claimed. Reliable statistics on mortality were only beginning in the
first half of the nineteenth century to become a standard element in commercial practice
and the process by which statistical knowledges attained their contemporary credibility
was long and incremental (Daston 1988; Hacking 1990; Porter, 1996). Even after
mortality statistics became more widely accredited the existence of a ‘law of mortality’
that could be meaningfully applied within insurance companies remained a matter of
fierce debate both within and beyond the actuarial science community (Mcfall, 2007a).

In addition to the confusion surrounding actuarial knowledge and practice, there was
mounting evidence, by the middle of the century, that not all companies were as ‘safe’ as
they claimed. Numerous offices were established in the first half of the nineteenth
century but a good percentage of them failed as a result of inadequate accounting and
fraudulent practices. These failures prompted a growing conviction that insurance
required specific accounting procedures and regulation which culminated in a series of
legislative interventions including the 1825 Select Committee on Laws Respecting
Friendly Societies, the 1844 Companies Act, the 1853 Select Committee of Inquiry into
Assurance Associations and the 1870 Life Assurance Companies Act. That the regulative
framework which resulted from these interventions was ultimately fairly light-touch is
deceptive. Pressure to regulate insurance to produce a model imagined, sometimes as
collective, compulsory and nationalised, or what might be termed 'socialized
actuarialism’ and sometimes as voluntaristic and fraternal, in preference to a privatised, prudentialist model grounded upon individual responsibility in fact persisted well into the twentieth century. The success and persistence of Industrial Branch, as a privatised form of insurance, belies the extent of conflict and uncertainty which characterised the field\textsuperscript{5}.

This emanated from the encounters between the social, technical and material elements of life assurance and the worlds in which it struggled to establish itself. For commercial life assurance companies to overcome doubts about the propriety, complexity and safety of their products involved continual adjustments, modifications and experimentation to make a world in which consumers, government and the emerging institutions of civil society might be convinced that they offered a plausible solution to the uncertainties of risk. Such ongoing tinkering is evident in what became the decisive market device for commercial insurance until well into the twentieth century; sales agency. Agents played a pivotal role in commercial life insurance from the early decades of the nineteenth century. As might be anticipated their role, techniques and practices have shifted enormously over time yet by the closing decades of the nineteenth century a model of practice emerged that persisted, unchanged in many of its key particulars, until well into the twentieth century. The remainder of this section is devoted to the changes which took place through three main phases of sales agency.

\textit{Gentlemen Agents (c.1810-1850)}

In the first half of the nineteenth century the most established sectors of the British life
assurance industry found the bulk of their market amongst the respectable middle classes. Companies like the Equitable, the Royal Exchange and the Sun, established in the eighteenth century, employed careful marketing designed to bolster their growing reputations for safety, probity and quiet rectitude. Such companies relied heavily on marketing devices which could promote business but without any tarnish of brashness or vulgarity. Once established in one or two companies, marketing devices were soon mimicked by other offices. Alborn (2002), for instance, has documented how the periodic division of profits back to policy holders, a system which arose in part from inaccurate, and excessively cautious, actuarial accounting in companies like the Equitable, became, quite by accident, a central promotional device across the industry. Similarly the reliance on architecture to convey a sense of corporate solidity dominated promotional literature throughout the century (Mcfall & Dodsworth, 2009). Insurance company archives offer a testament to the conservative, repetitive and self-referential character of printed promotional matter and the extraordinary reliance upon the parroting, by both new and established offices, of themes like benevolent self-interest and mathematical certainty (Mcfall, 2007a). As this material suggests, company’s attitudes towards promotion in the early part of the century were ambivalent and contradictory. Companies were of course keen to expand their markets and were prolific promoters by the standards of the time, but they were also profoundly cautious in their selection of methods.

Such caution is pronounced in references to life assurance agency dating to the first part of the century. The recruitment, appointment and training of early agents were marked by a desire to employ those who might capture business but who could do so with
delicacy and gentility. Securing appointment as an agent to offices like the Pelican, the Sun and the Hand-in-Hand involved a long series of correspondence, testimonials and personal recommendations. Archibald McNeill’s attempts in 1829 to secure an appointment as an agent for the Pelican left a trail of 48 letters over a four month period of which the following are typical extracts (Gd306/1; NAS).

My dear McNeill

I have just heard that you are a candidate for the Agency in Edinburgh of the Pelican Insurance Association and I now address you to inform you that I shall be most happy to forward your views from having had some connexion with the director of another office, I think I know what are the essential qualifications of an agent these are accuracy, extensive connexions and an agreeable manner in transacting business, you possess all of them, and I am satisfied that the office can not select an agent, more likely to extend their business in Scotland. D.Horne Esq WS & Agent for the Excise. 17 October 1829

I do not happen to be acquainted with any directors of the Pelican … or I should have been most happy to recommend your brother Archibald, who I am certain would make an excellent agent for them, from his habits of business and his numerous and respectable acquaintances in this country. Sir Henry Jardine, the Kings Remembrancer in the Exchequer of Scotland 31 October 1829

I hereby certify that I have been acquainted with Mr Archibald McNeill almost from his infancy – that he was a highly respectable student at the University of St Andrews for 4 sessions of the United College … from his own personal talents and knowledge of business, and the great respectability of his numerous relations and connexions in various parts of the Country, I have no doubt of his being eminently qualified for managing and extending the business of a respectable insurance company. Dr James Hunter, Professor of logic, University of St Andrews, 31 October 1829

These letters betray the importance attached to reputation, personal standing and influence. Companies went to great lengths to establish networks of influential and prestigious connections. Boards of directors were formed from the ranks of the nobility,
gentlemen and the clergy in an effort to reinforce the respectability and standing of companies. The Scottish Widow’s Fund had devoted two years to securing the services of the Duke of Buccleuch as first patron of the society before he finally agreed in 1814 and the company boasted at a general meeting in 1815.

the list of our members will be found to include some of the most exalted names in the peerage – several of the highest judiciary functionaries – many of the first names at the Bar, and among the learned professions, numerous individuals connected with the landed and mercantile interests of the country – and a rapidly increasing number of the clergy, whose connection with the Society has already had extensive influence in drawing public attention to its benefits. (Reprinted in pamphlet dated 1837, Box 7, JJ)

Other companies went to equal lengths sometimes lending substantial sums of money in tacit return for patronage⁷. This emphasis on quiet influence made sense in a context in which, while many companies employed agents, others publicly stated their opposition to the ‘objectionable plan’ of using commissioned agents to further their business⁸. In a similar vein, Robert Steven of the Hand-in Hand writes to a prospective agent

I consider that the vulgarity of a sign board is by no means an essential part of the apparatus, an acquaintance with the house owners and the influence possessed by solicitors will do us more good than placards and advertisements. (MS8670, 23 May 1838, p255, GH)

This sense of restraint can also be detected in agents’ manuals. The following is extracted from a small, green leather, gilt edged booklet dated 1837 entitled Caledonian Insurance Company Agency Instruction Book.
Mr ----
Agent at -----
Will be so good as to read this book with great attention, and make himself generally master of its contents.

I. The first duty of the Agent, on receiving his appointment, will be to address solicitations for orders to the most influential of his connexions, in order to procure their assistance in obtaining business …

II. The directors deem it essential that the Agents, on being appointed, do not only as above advised, address proposals for Insurance to all respectable and influential persons in the county and town and neighbourhood in which the Agency is established, but also, afterwards, wait on the parties and solicit their orders, and continue to do so previous to each quarter day; and use all due and proper means to excite an interest in favour of the company. The Directors would here express their confidence that the system of causing the Agent to insure his own life on the participation scale, and thereby become a sharer in the profits, as well as paying him by a commission on the receipts of his agency, will insure his constant exertion to obtain safe business.

III. The managers will furnish from time to time, all necessary forms and books for conducting the business, as they do not authorize their Agents to print or circulate any letters or advertisements, except those which will come directly authorized from the Board’s managers. (GD 294/30, NAS)

The manual goes on to emphasise the importance of agents ‘acquiring a reputation for prudence and circumspection; and, therefore, the Directors forbid them to allow (even to the family or intimate friends of the insuring) any expression to escape them, which may be calculated to convey the most remote idea of arrangements of any kind having been entered into with the Company’. The emphasis throughout is on decorum, propriety and comportment and in tone the manual is not very far removed from that of the conduct guides widely circulated in the seventeenth and eighteenth centuries. Decorum, had of course to be balanced with the necessity of gathering business, and by the middle of the century published manuals began enthusiastically to stress the necessity of active canvassing.
Rhythms of Failure: mid nineteenth century agency

Many Agents are probably diffident of their powers of thus canvassing or may consider it not part of their duty. Quite the reverse. We have numerous instances of men of fortune, and even titled Agents, who canvass most actively for the offices they represent. (GD 294/29)

Statements like this were made in the face of a growing awareness that agents were rather too subtle, genteel or relaxed in their approach. There was growing dissatisfaction at the level of uptake of life insurance despite its much trumpeted economic, social and political benefits. Agents began to be portrayed in the insurance media as having a ‘special mission’ to ‘enlighten the public’ as to its many advantages (Phillips, 1857: 5; Francis 1860). Yet as Phillips (1857) complained less than half of the estimated 40000 agents registered with a company were ‘efficient, active, zealous, intelligent and persevering’.

The importance of diligence and perseverance was a sentiment echoed across the insurance media and agents’ manuals but its constant repetition betrays a consciousness of the failures and shortcomings of the particular form or device of agency employed by most companies at the time. Archives bear witness to this in files of standard letters exhorting agents, with varying degrees of severity, to improve their performance.

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

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

you should not only appeal to your friends who may already be members, so that they may increase their Insurances, but, by personal application, endeavour to add to the number of your Policy Holders. More is done in this way than by any number of Advertisements or Circulars. But includes some ‘fly-leaves’ anyway. These carry the symbols of the society, year of institution, that this is the bonus year, and the head offices and secretary and actuary on the front. (NU173, Printed Letter Norwich Union to Agents, Oct 16 1880, AVIVA)

A range of tactics were deployed to persuade agents to try harder. Companies educated, cajoled, threatened, inspired and sweetened agents with detailed technical handbooks, ethical pleas, admonishing letters, tales of triumph against the odds and offers of improved commission. Detailed publications and tracts with titles like *Life Assurance: Objections Answered* (Sim, BOD) *Why should I insure my life? A dozen sound reasons* (Risborough, 1868, BOD) *A Gift to the Uninsured: 30 short replies to 30 common objections* (Hannam, 1857, BOD) were legion. Agents were enjoined to distribute the material paraphernalia of the industry; labels, business cards, named prospectuses and other literature to prospects and in prominent civic buildings. Through such means companies sought, *ad nauseum*, to explain the technical, actuarial principles of insurance, the social and moral reasoning behind it and the practical means by which agents might help equip their prospects with the ‘habits’ of thrift and prudence necessary to afford the premium.

These efforts can be understood as part of a market device that sought to equip agents with technical, practical and moral knowledges about insurance which they might then
pass on to their consumers. The trouble was that despite constant tinkering with a range of promotional market devices the commercial life insurance project remained a relatively small niche in a contested environment. In particular because of the design of their product based on the collection of costly annual premiums, this generation of commercial companies struggled to establish a market among the working and lower middle classes. No matter how much advice on the economies that might be made by all classes the companies offered, their product was an awkward fit with the social realities of working class life.

Collecting Agents: the growth of industrial branch insurance from 1850

The limitations of commercial life assurance as a tool to foster working class thrift exacerbated the controversies surrounding the commercial model. Successive governments had, since the start of the nineteenth century, perceived the potential of the insurance technique as a mechanism for sponsoring working-class thrift and alleviating the burden on the poor rates. By the middle of the century, pressure emanated from a range of institutions to develop a different insurance model. The articulation of alternative ‘insurantial imaginaries’ whereby the abstract techniques of insurance might be linked in different ways to the practicable projects of government formed a real and, by the end of the century, mobilizing, pressure on a new generation of commercial companies.

One source of pressure emanated from the Friendly Society movement. The fraternal, voluntaristic approach to collective financial responsibility promulgated by friendly
societies retained considerable political support within the broad framework of Victorian liberalism until well into the twentieth century. Yet friendly societies had their own problems. Their tardiness at adopting actuarial principles and professionalized forms of management, their attachment to fraternal and increasingly anachronistic forms of ritual and their ongoing problems with solvency raised questions about their capacity to provide a more effective, more general, solution to working class risk management. Another alternative was the development of what O’Malley (1996) terms a model of socialized actuarialism. While in France, the solidarity project had begun to develop a model of socialized risk management (Donzelot, 1988), in Britain there was considerable pressure and political support for insurance to be treated, like the Post Office, as a ‘special case’ in which government administration was merited.

This pressure gathered particular impetus through the prolonged collapse of the Albert Assurance Association and the long run-up to the 1870 Life Assurance Act. Gladstone’s Government Annuities Act of 1865 introduced a state run fully contributory insurance scheme administered through the Post Office which was designed to offer a better alternative than that provided by either the friendly societies or the assurance companies. As an article in the *Manchester Guardian* (11 March 1864: 2) concluded, the tendency within friendly societies to combine conviviality with business and the high failure rate of Assurance Societies meant ‘that something remains to be done for the poor in the way of protecting and fostering their savings, and that without becoming ‘paternal’ in the odious continental sense, the Government may fairly offer certain restricted facilities for secure investment.’
The Post Office scheme failed within a decade with relatively few people entering the scheme or sustaining payment of their premiums (O’Malley, 2002). Far more successful was the model advanced by a new generation of commercial insurance companies including the *Prudential* founded in 1848, the *Refuge* founded in 1858 and the *Pearl* founded in 1864. These companies grew from the remains of small mutual burial clubs and concentrated on the provision of industrial insurance. Their rise, in contrast to the slower progress of older life offices transacting ‘ordinary branch’ business, was meteoric. By 1891 the Prudential was writing policies on over 10 million working class lives and by 1911 the Pearl and the Refuge were not far behind (Alborn, 2001). It was in these companies that the material, technical, social and corporeal elements of the device, or agencement, of agency was made most successful. By the last quarter of the nineteenth century industrial insurance companies competed alongside friendly societies as the two most prominent institutions best adapted to ‘foster and protect’ the savings of the poor. But while friendly societies laboured to realise their collectivist, fraternal and voluntaristic ideals, industrial insurance companies pitched their enterprise in such a way that they could benefit from both the actuarial and management expertise developed within older life offices and the appeal of community and fraternity established within friendly societies.

The industrial insurance companies deployed from the start a much more closely managed and monitored team of agents than the older commercial companies. Agents were organised into divisions and districts and, most crucially, worked not only to sell policies but to *collect* premiums (Pearl, 1990; Alborn, 2001). Sums assured were small,
often providing only enough to fund the working class rite of a ‘decent burial’, policies were sold door to door and thereafter premiums were collected weekly. A system of promotion whereby successful agents could rise through the ranks to the status of superintendents and inspectors helped to counter the passivity of ordinary branch agents when confronted by the ‘steady rhythms of failure’ to produce new business. The prospects for industrial insurance agents, recruited directly from the working-class communities they served, appear to have been singular enough to be genuinely motivational. It was their direct connections to, and continual presence within, local communities that proved the key to the success of these agents. Industrial insurance companies borrowed directly from friendly societies to produce a model of insurance that would appeal to working-class communities.

Fraternity was adapted in industrial companies as a tool by which staff could be managed and motivated. Staff gatherings featured a mix of speeches, songs, sporting events, sales awards, food, smoking and drinking all targeted towards the goal of moulding successful sales teams (Alborn, 2002). This recalibrated version of agency was astonishingly successful with, according to one estimate, 40 million policies in force in Britain by 1911 (Gilbert, 1965). Agent’s ‘books’ became the primary tool of the business recording all leads, accounts and debits and soon began to take on a value in excess of the face value of the business they recorded and were sold by enterprising agents and those who were changing company. It was arguably the lobbying power of industrial insurance companies, bolstered by the influence of an ‘army of collecting agents’ with a foothold in practically every house in the country, that derailed Lloyd George’s original intentions to
promote the friendly societies and their model of voluntaristic contributions within the framework of the 1911 National Insurance Act (NIA) (cf. Gilbert, 1965). Door to door collecting was notoriously expensive to administer with as much as 50% of total receipts devoted to meeting the costs of collection and administration and this made the system vulnerable to political opposition as a memorandum from the Chancellor of the Exchequer to Lloyd George in 1910 remarks;

But however desirable it may be to substitute State insurance which does not involve collection and therefore is more economical, the Party that attempted it would instantly incur the relentless hostility of all these agents and collectors. They visit every house, they are indefatigable, they are often very intelligent, and a government which attempted to take over their work without securing the cooperation of the other party would inevitably fail in its undertaking. (in Gilbert, 1965: 135)

The door-to-door policy granted agency collectors accidental political weight. Despite its expense and the low returns to policy holders, the collecting agency device offered industrial insurance companies unanticipated scope to shape a market, and a world, in which their insurance model could succeed. Industrial insurance agents ‘fitted’ the communities they sold to remarkably well. They embodied familiar and credible codes of successful working-class masculinity that enabled them to attain status as ‘philosophers, guides and friends’ within the communities they served. As articulate, well-turned out and well-remunerated working-class boys made good, perhaps displaying such spoils of sales recognition as ‘fountain pens, English lever silver watches and silver mounted umbrellas’ (Alborn, 2001: 577), it seems likely their stock rode high. This helps to account for why a
respondent to a recent industrial branch research project notes;

My grandma … she was born in 1880 … and she used to hold the insurance man in great esteem. It was like he was on a pedestal and he used to collect on Friday. I used to think this man was something special. (in Burton et. al. 2005: 192)

These agents knew the communities they sold to and were exhorted to make good use of that knowledge, timing weekly collections to coincide with teatime on payday and reading signals of financial stress or excess. The long term nature of the insurance contract meant that agents would follow families over years and through numerous life cycle events. Agents could provide comfort or congratulations but they also knew how to read in births, deaths and marriages the opening for a new policy. They were supported in their endeavours by materials in the form of premium cards, prospectuses and most importantly the collecting books in which all accounts and debits were recorded, that were well adapted to the collection system and to its administration by the vast staff of clerks working in the central office. A field structure organisation with marked divisions and blocks ensured that agents did not trespass or duplicate the work of other agents was devised in the 1880s and remain unchanged in principle into the 1980s (Pearl Assurance, 1990).

Figure 1 1970s Collecting Agent and his book (Source: Pearl Assurance, 1990)
The success of industrial branch agency can be gauged by its tenacity. Despite considerable political opposition from Lloyd George’s administration in the run up to the NIA and again in the Beveridge Report, despite its high cost, low return ratio, collecting branch insurance survived intact and largely unchanged until the 1980s. Burton et al. (2005) attribute the success of industrial branch to its fit with the precarious cash economies of working class lives and particularly to the financial discipline imposed by the weekly collection. While commercial industrial insurance companies survived successive attempts to articulate new socialized actuarial projects in the 1910s and again in the post-War period it was, ironically, a piece of neo-liberal legislation, the 1986 Financial Services Act, that finally sounded the death knell for industrial branch insurance and the device of collecting agency. The argument here is that its unshakeable foothold over more than 100 years can be grasped by thinking of agency as an agencement in
which the social, technical, material and corporeal features of the device, and the statements or rhetoric about it, came together to create a world in which it worked as a solution to working and lower class risk management. The fit between collecting agency and its markets was such that it could overcome both its cost disadvantages and political opposition to create a world in which a hybrid mix of privatised and socialized actuarial strategies coexisted.

Concluding Comments

The concept of agencement helps make sense of the processes involved in the establishment of life assurance markets. Its explicit emphasis on the component mix of social, technical, material and corporeal elements highlights not only the key elements but the dynamic mode of their articulation. Considered as an agencement, life assurance agency works, or doesn’t, because of this dynamic articulation. Collecting agency can, according to this formulation, be read as working because of the way it mobilised the bodies of agents carrying quite simple tools – notably the collecting book – using techniques – the divisional system and collecting round - that imposed a behavioural discipline on its communities. Industrial branch recalibrated existing models of life assurance agency to produce a closer fit between the language, rhetoric and statements of insurance and the specific material, technical and corporeal elements of agent led promotion. The result is a market device with a greater potential to successfully make its world, a world in which despite its obvious financial shortcomings it becomes the tool by which working-class thrift is achieved.9
Whether conceptualising life assurance as an agencement offers a genuine theoretical innovation is less clear cut. Ewald’s (1991) ‘insurantial imaginaries’ point explicitly to the mode of interaction between the abstract techniques of insurance, its material and technical modes of delivery and distinct political rationalities in a manner which leads analysis in a very similar direction. The value of agencement however lies in the peculiarly strong direction it imposes on research projects in pointing explicitly to the action of mundane tools, techniques and artefacts. Such elements are not excluded from Foucauldian formulations of the type Ewald elaborated but there has nevertheless been in such projects a tendency to focus on the language, discourse and statements articulated within distinct political rationalities at the expense of local, mundane and material arrangements. This makes it easier to miss some of the most striking features of the field.

Life insurance has existed within Britain over the last two hundred years in a contested and contradictory political context, a context itself defined in part through the practical operation of insurance projects. Those projects which have succeeded have done so through strange coincidences of material, corporeal, social, technical and cognitive arrangements. The commercial industrial insurance industry may have grasped the importance of political lobbying in the run-up the National Insurance Act but its success was never guaranteed. Rather, it was the contingent outcome of features like the collecting agency system which were certainly never designed with that outcome in mind. Through the idea of agencement then the theoretical tendency to impose a necessity, a direction or a logic on the contingency of arrangements is resisted.
Liz Mcfall
Open University
Walton Hall
Milton Keynes
MK7 6AA
Liz Mcfall  
Open University  
Walton Hall  
Milton Keynes  
MK7 6AA  

References

Callon, Michel, Meadel, Cécile, Rabeharisoa, Vololona 2002: The Economy of Qualities. *Economy and Society* 31 (2) 194-217

29


**Primary and Unpublished Sources**

AVIVA= Aviva Companies Archive, Norwich

BOD= Bodleian Library, Oxford

BL= British Library, London

GH= Guildhall Library, London

JJ= Insurance Series, John Johnson Collection of Printed Ephemera, Bodleian Library, Oxford

NAS= National Archives of Scotland, Register House, Edinburgh
GD294/29, (c.1850) *Elements of Success of a Life Assurance Agency*, no author; no date NAS
Gd306/1 Letters Book, NAS
MS8670 Hand-in-Hand General Letters book 1752-1842, GH
Pearl Assurance (1990) *An Illustrated History 1864-1989*
Sim, RA (c1889) *Life Assurance: Objections Answered*, Edinburgh, 24788e.10; BOD

---

4 Figures published in the Manchester Guardian, 11 March 1864, have between 1844-1862, number of companies projected 596, founded 276, ceased to exist 259, amalgamations and transfers of business, 173, wound up in Chancery 57.
5 See for example Wilson & Levy (1937) for a Conservative political plea for the regulation of industrial assurance.
6 In particular see the Insurance Series in the John Johnson collection of Printed Ephemera, Bodleian, Oxford (JJ).
7 Clark (1999) describes a pattern of lending to dissolute aristocrats in the eighteenth century.
Correspondence between the Hand-in Hand Insurance office and Sir Andrew Leith Hay records the company’s struggle to recoup an ‘advance of £4000 which was made more in good nature than in the exercise of prudence’ MS8670, p280, 28 November 1838.
8 Metropolitan Life Assurance Company prospectus 1835, Box 3 JJ. Notably the Equitable, the industry’s flagbearer for safety, prudence and respectability, also eschewed agents
9 Burton et al. (2005) argue that since industrial branch became the unintended victim of 1980s financial re-regulation no scheme with equivalent capacity to encourage consumption of financial savings products among the less affluent has been devised.