Open Research Online

The Open University's repository of research publications and other research outputs

The disinterested self: the idealized subject of life assurance

Journal Item

How to cite:

McFall, Liz (2007). The disinterested self: the idealized subject of life assurance. *Cultural Studies*, 21(4-5) pp. 591–609.

For guidance on citations see [FAQs](#).

© [\[not recorded\]](#)

Version: [\[not recorded\]](#)

Link(s) to article on publisher's website:
<http://dx.doi.org/doi:10.1080/09502380701278970>

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.

oro.open.ac.uk

The disinterested self: the idealized subject of life assurance

Liz Mcfall

Abstract: In naming his satirical version of a life assurance company *The Anglo-Bengalee Disinterested Loan and Life Assurance Company* Dickens was aiming at an already well-established tendency for life assurance companies to stress in their promotional enterprises the altruistic character of their business. So disinterested was the Anglo-Bengalee that ‘nobody can run any risk by the transaction except the office, which, in its great liberality is pretty sure to lose’ (1994: 419). While few life assurance companies would have pushed the claim that far it is certainly the case that the idea of ‘disinterestedness’ played a peculiar role in the nineteenth century life assurance industry. This paper explores how life assurance companies sought to overcome concerns about the safety and propriety of their business by promulgating particular ideas about life assurance as a pious, self-‘disinterested’ form of conduct. Throughout the nineteenth century life assurance operated as an exemplary technique of liberal government by offering a means of market-based self-rule that depended heavily on an emergent form of knowledge which blended together impartiality, self-interest and disinterestedness (Poovey, 1998).

Introduction

That the term ‘risk’ is, as Ewald (1991) pointed out, a neologism of the insurance industry, offers a hint about the peculiar place insurance occupies in the historical period leading up to the twentieth century. The insurance industry offers some fascinating insights into the changes in the character of knowledge and civil society that were underway in the long nineteenth century. Life insurance – or assurance as it was more generally known in Britain¹ – in particular, stands as an exemplar of both changes in the form, character and standing of different sorts of knowledge and changes in how an emerging mode of governmentality conceptualised its subjects. The adoption of life assurance fuelled and was fuelled by, on one side, the clamour for (at the very least the appearance of) mathematical and scientific objectivity

and on the other, the desire for a form of financial planning for an uncertain future that could claim both prudence and piety.

That said, the progress of life assurance, was far from smooth. Even in Britain, where it met least resistance, the history of life assurance was one of ‘false starts’ and ‘pervasive failure’ (Clark, 1999: 71).² More than one hundred years elapsed between the formation of the first English societies and the widespread diffusion of the practice in the mid-nineteenth century. (Cockerell & Green, 1976). This delay has been attributed to an entrenched resistance to life assurance on the grounds of its perceived defiance of a normative division between the marketable and non-marketable, or the sacred and profane. Overcoming such resistance, it has been argued, required the development of sophisticated marketing techniques and the adoption of a quasi-religious product concept in which life assurance was connoted with the blessed, paternalist task of protecting widows and orphans (Zelizer, 1979; Davidoff & Hall, 1987). Whilst not inaccurate as such, this offers only a partial and relatively superficial account of the activities of the nascent life assurance industry.

Prior to the Gambling Act of 1774, the customs and practices of life assurance were so closely bound up with some of the most outrageous forms of speculation on the duration of individual human lives that the respectability life assurance attained by the mid-nineteenth century is quite remarkable³. Whilst eighteenth century life assurance institutions, as Clark (1999) has persuasively demonstrated, did not revolve exclusively around opportunistic speculation, the shift from a plural and hugely varied set of practices in the eighteenth century to a relatively uniform system grounded in claims to actuarial knowledge by the mid nineteenth century was still one of enormous magnitude. This shift required not only the promulgation of a quasi-sacred product-image but the amalgamation of this image with the regularity and certainty which seemed to be offered by mathematical knowledge (Daston, 1988). Life assurance thereby became the exemplary financial technology of the orderly, pious and prudent in part **because** of its apparent basis in objective, scientific laws.

This is not something that life assurance companies could have achieved by marketing alone. Indeed the primary aim of this paper is to argue that this shift is comprehensible only when set in context of the ascending political rationality and the changing status of knowledge, numbers and science with which this rationality was associated in the run-up to the nineteenth century. Life assurance is a technology which operates by the deliberate and explicit collectivization of risk. In a strict mathematical sense, risk exists as a characteristic of groups and cannot usefully be applied to individuals (Ewald, 1991). The purposeful recognition of this in the way that nineteenth century life assurance sought, at a cost, to offer individual protection against life's contingencies by developing processes that worked by spreading risk across populations, qualifies it as an archetypal technology of liberal governmentality. In allowing people the benefits of collective association whilst promoting individual market-based freedoms, nineteenth century life assurance sought to induce people to accept, as a personal and social duty, the management of their future financial safety. This appeal was bolstered by a claimed basis in the statistical 'certainties' of population, health and mortality embodied in the emerging actuarial sciences. Thus two key planks of liberal political rationality: the appeal to self-interest and what Porter (1996) described as the 'gentle' exercise of power through statistics are, in theory at least, united in life assurance. The articulation between these two planks and two central tenets prominent in the promotional discourses of life assurance – 'selfless' self-interest and the law of mortality – will form the basis of discussion in the two main sections of the paper.

'The most enlightened and benevolent form that projects of self-interest ever took'

In describing life assurance as an enlightened and benevolent form of self-interest the mathematician, Augustus de Morgan, (cited in Phillips, 1857: 28) set the tone for what became one of the most frequently reiterated claims in the plethora of promotional material that emanated from nineteenth century life assurance companies. Although British life assurance has a history dating back to the

seventeenth century it became firmly established in the nineteenth century in a context in which an increasingly voracious appetite for financial and commercial products and advice was matched by an avalanche of publications combining moral themes with scientific reasoning and commercial appeal⁴. As Davidoff and Hall (1987) observe, a powerful combination of commercial, scientific and religious ideas circulated in an array of printed materials which begun at the start of the century to take the place of the proverbial wisdom found in old style almanacs.

Printed discussion on the matter of life assurance came in a bewildering range of forms. There were explicitly promotional materials including advertisements, pamphlets, prospectuses and handbooks issued directly by the companies themselves. By the end of the nineteenth century, a whole subset of trade press existed aimed at agents, potential customers or indeed anyone connected with the enterprise with titles including *The Insurance Post*, *The Policy Holder Journal*; *The Insurance Spectator of London*, *The Insurance Agent*, *The Insurance Review*, *The Insurance Sun*, *The Insurance Guardian*, *Insurance and Banking Review*, *The Insurance Journal* and *The Insurance Gazette*. In addition there were a range of publications with no direct connection to the industry in which the topic was regularly featured. Life assurance provoked comment from political economists, mathematicians and statisticians in the pages of outlets like the newly founded *Edinburgh Review*, it prompted advice in family and household management journals, it was regularly satirised in magazines like *Punch* and popped up surprisingly often in the novels of the period⁵. This section explores the role ideas about interest, self-interest and disinterestedness played in the promotional discourses of life assurance and how these in turn articulated with broader debates about the character of the developing civil society.

One of the most striking features of early promotional material is the extent to which it relied upon the repetition, regurgitation and repackaging of a relatively small number of themes. Prominent figures, like Augustus de Morgan, Charles Babbage and William Morgan, the first actuary of the Equitable Society, who had written on the subject would find their words and sentiments endlessly recycled on the

prospectuses, leaflets and other promotional paraphernalia of companies. Prominent among such themes is a very particular approach to the question of self-interest. As de Morgan and other commentators had observed life assurance could be explicitly construed as a gentle form of self-interest, one that lent itself to acting for the public good. Insurance companies were quick to capitalize upon this interpretation. As a financial transaction that was designed to benefit not the purchaser but his heirs, life assurance marketing relied heavily on targeting, not the rational maximisation of self-interest as such, but rather of a specific variant of self-interest as a route to the fulfilment of social and familial duty. This sense of life assurance as a benevolent mission pervades much of the promotional literature. Typically, powerful language was deployed to get this message across, as in the following extracts.

He who will not insure will 'be looked upon as a not less detestable wretch than he who will not work for his children's bread; and his memory after death will not be held in less contempt'; (Yorkshire Fire & Life Insurance Company c1840 prospectus, Insurance Series, Box 8, JJ)

[Joining a Life Assurance Society] is every man's duty, if providence has placed him in a position in which he can do it, no man is justified in so acting as to leave his family dependent either on private benevolence or public charity. ... such a society as this is not only parallel, so to speak, with the grand interests of morality and religion, but auxiliary to them. (Scottish Widow's Fund prospectus, c1830s, Box 7, Insurance Series, JJ)

To all classes show that he who neglects to make a provision for his family when he can no longer provide for them, is equally as unnatural and as equally guilty of gross and culpable selfishness as he who neglects to provide food and instruction for his children while he is in health and strength; or in other words tell them that he who leaves his children destitute and penniless at his death is no less a detestable monster than he who will not work for their daily bread. (Agents Instruction manual, GD294/29: 16; NAS)

Such characterizations of the inherent propriety, prudence and piety of the practice of life assurance ran deep. No company prospectus was complete without some reference to the intrinsic benevolence of the institution albeit that the reference may simply be to the superfluity of mentioning again this manifest

and incontrovertible characteristic⁶. These sentiments were also deeply ingrained within promotional imagery in endless variations of pseudo-religious and mythological themes of helpless widows and orphans safely cocooned from external threats. Figure 1, drawn from an 1850 *Standard Life* bonus announcement is typical of the style. Bonuses were announced as part of the regular division of profits back to policyholders at five or seven yearly intervals. The calculation and declaration of the bonus, as Alborn (2002) has argued, became, almost by accident, a primary element of the working practices of insurance companies and its importance to their overall marketing strategy has to be appreciated. The appearance of elaborate illustrations of this type on the bonus notification and often on prospectuses and other leaflets (which would also, invariably, refer back to the last bonus) thus reveals something of how insurance companies sought to represent their business.

Figure 1: Standard Life Assurance Company Special Notice Illustration

(Source: GD254/1105/5; NAS)

This deliberate association of life assurance with the virtually selfless, almost sacred, matter of protecting the helpless has been construed as a tactic calculated to dispel residual fears that insuring betrayed an impious, if not blasphemous, lack of faith in providence (Daston, 1988; Zelizer, 1979). Undoubtedly this formed part of the motive but beliefs about the fundamental civil, religious and moral ‘goods’ that could result from marshalling particular forms of self-interest calculated to meet specific ends were also part of how the concept and business of life assurance was constituted. Clark (1999) describes how prudent, collective and altruistic aspirations coexisted alongside some of the worst excesses of gambling and speculation in the embryonic institutions of the eighteenth century. The motives at work in early life assurance, he maintains, were so mixed that they in fact do not bear separation ‘into neat behavioural categories of speculation and prudence, as some historians implicitly relying on modernization theory have sought to do’ (1999: 187). What I am proposing is that although the mutual collectivist visions of some eighteenth century institutions did increasingly give way to the profit-making endeavours of proprietary and mutual companies⁷ this does not, in itself, render transparent the motives of these companies. The goal of much nineteenth century marketplace activity was, as Davidoff and Hall, (1987) have argued, to provide a proper moral and religious context for the burgeoning middle classes. For some key figures, like the *Equitable*’s William Morgan, life assurance exemplified how the pursuit of particular forms of market-based self-interest could articulate with broader goals of civic reform. Such ideas permeated the way the *Equitable* – and those companies which, like the *Scottish Widow’s Fund*, were modelled on the same lines – represented themselves not only to the external market but internally as well. The following is an extract from a pamphlet presented for the satisfaction of ‘existing members of this Institution’.

In concluding this general outline of the origin and progress of the society, and on looking back to that first meeting at which it was declared to be constituted, and when the late, venerable and reverend, Dr Johnston of North Leith (who presided) in a manner beautifully consistent with the exalted piety of his own character and the benevolent design of the Institution, opened and consecrated the business by the utterance of solemn prayer, our first and strongest feeling must be that of humble gratitude to the Supreme Disposer of Events, under whose divine blessing it has been conducted through many early and arduous difficulties to its present secure and prosperous situation. Originating in no selfish views, a liberal and equitable spirit has uniformly characterised all its transactions. (Scottish Widow's Fund pamphlet, 1837, Box 7, Insurance Series, JJ)

This document clearly sought to offer a favourable account of the society to its members but it is not directed at an external market nor is it primarily a promotional tool. As such it offers an insight into the how the company understood and defined the project of life assurance and more particularly how this linked to broader questions about the role self-interest might play in the emerging civil society. Such an insight however requires abandoning the critical habit of classifying all forms of commercial promotional activity as symptomatic of the cynical exploitation of a market opportunity. This is a habit which treats the 'cultural' representations found in promotional material as entirely separable and distinct from the 'real' economic character of the originating institutions⁸. The approach I am advocating defines culture, not as a pre-existing, autonomous, 'outside' to economic practices, but as constituted, in Hunter's (1988) phrase, only in relation, to the 'delimited norms and forms of calculation' made available through specific historical institutions of which life assurance companies provide only one example. Similarly, it requires setting aside, for the moment, the sociological inkblot association of rational self interested conduct with negative, inhibiting effects on the human personality (du Gay, 2005). This is something of a prerequisite to recognizing the ways in which the category of "self-interest" has varied conceptually and materially over the last three centuries and the particular purposes for which it has been mobilized (cf du Gay, 2005; Force, 2003; Hirschman, 1977). Notwithstanding the

catastrophes with which the pursuit of self-interest is often associated, the epistemological history of the concept does not have to be mined too deeply to uncover a very different set of associations.

The modern usage of the term self-interest as a form of self-serving behaviour particularly in relation to economic ends can be traced to the early eighteenth century. It was during this period, according to Poovey (1998: 86), that self-interest acquired particular valency as an effective 'instrument of rule' in an emerging 'reason of state' political philosophy. In the logic of reason of state, Poovey argues, political and economic activity alike were conceived as contests for personal gain and the most efficacious form of government was that which recognised self-interest as what all men share⁹. This does not in itself mean that for reason of state thinkers self-interest lay at the core of every man's being. On the contrary, for thinkers like Hobbes and Hume, it was not self-interest but massive irrationality and impulsiveness which drove human behaviour and had led to the disastrous consequences of protracted and bloody civil wars (du Gay, 2005; Hunter, 2001; Saunders, 1997). For Hobbes, the prevention of civil war was the only goal in an urgent choice between 'spiritual civil war and worldly civil peace' (Saunders, 1997: 4). It is against this historical backdrop that the deliberate cultivation of self-interest as an ethical project makes sense as a governmental strategy. This should not be construed as simply a matter of 'rolling back the state' to release individuals to the unfettered pursuit of their own private economic gain. In fact, in the context of early modern Europe, considerable effort was required to construct the self-interested subject.

[B]efore an individual can act on the basis of their own 'interests' they must first become the sort of person disposed to and capable of relating to themselves as the responsible agents of their own conduct. In 17th and 18th century Europe ... an enormous amount of work went into supplying the cultural 'equipment', the norms and mechanisms necessary to cultivating such dispositions and capacities among populations culturally habituated to other, frequently antithetical, ideals and forms of conduct. (du Gay, 2005: 396)

Much of the work of early life assurance companies can be understood in this light. Alongside the development of actuarial techniques and knowledges, life assurance companies appear to have devoted a huge amount of effort to translating the practice of insurance into a form that would chime with existing ideals of conduct. The continual repetition of messages about the prudence and piety of insuring can be read in this light. Life assurance was not the only method of financial planning available and particular emphasis was placed on establishing the differences between life assurance and saving in not only practical but also in moral terms. The great unique selling point of life assurance was that the sum assured became realizable as capital in the event of death from the moment the policy was taken. Thus, where it might take many years to set aside a given sum by saving, the sum assured would be realizable even if only one premium had been paid. Life assurance companies of course made much of this feature but were equally keen to emphasize its moral advantages. Individuals who set aside funds for the future well-being of their dependents via insurance were strictly separated from those funds. Then, as now, the early surrender of insurance policies would result in punitive financial penalties. This, in large part, countered the temptation to dip in but assuring had other, even finer, moral benefits. Life assurance, the Scottish Widows Fund claimed 'completely obviates all those baneful evils into which a habit of saving is apt to degenerate, for such a habit although originally springing from most proper and legitimate motives, not infrequently ends in debasing the mind to a disposition of avaricious hoarding. (Pamphlet, 1837, Box 7, Insurance Series, JJ)

Avaricious hoarding then was to be avoided but securing adequate means for the future well-being of dependents through a little self-denial was not. Life assurance companies devoted their sizeable energies into ensuring that their agents knew just how to explain to prospects the means by which the price of a premium might be secured even by those of limited means¹⁰. The following extract from an agents' manual offers particularly explicit advice.

to the industrial classes, the mechanic, the artisan, and the labourer, agricultural or otherwise – show that by the saving of a few pence weekly or by abstinence from the alehouse, and the gin-shop, or even the mere abridgment of half-a pint of his daily modicum of beer, he may secure a provision for his wife and family when he is in the grave ... To the middle classes of society, show by what small increments the means of saving may be obtained by self-denial. As it has been said a few tavern visits less, an occasional mislaying of the key of the wine cellar, a tight stopper in the spirit bottle, a few less cigars smoked, a waterside visit put off till next year, a party omitted to be given, a slight forgetfulness of the length of time a coat or a silk gown has been worn, a few less fly or cab fares to parties or scenes of amusement, Sunday trips in steamboats or on railroads, omnibus fares, and a thousand other matters of the kind, present an ample variety of sources for furnishing the small annual sum requisite to insure an ample provision for a family, when its natural protector can no longer provide a maintenance for them but is numbered with the dead (GD294/29: 16; NAS).

In this way life assurance companies sought to define insuring as a particular sort of ethical practice of self interest. Purchasing life assurance was ‘not spending, but saving’ (United Kingdom Temperance and General Provident Institution, 1887; Box 8, JJ); it was ‘not a private but a public benefit’ (Mentor Life Assurance prospectus, Box 4, JJ) it was, in sum, ‘a moral, social and religious duty’ (Risborough-Sarman, 1868, BOD). What this is pointing to, to paraphrase Callon (1998), is a very particular formatting, framing and equipping of the life assurance subject as one engaged in a disinterested pursuit of self-interest.

This is not to say that the matter of self-interest was uncontroversial by the nineteenth century. It is quite clear that self-interest was not only construed in a variety of different ways but also met with a variety of reactions from hostile opprobrium, to cautious acceptance to enthusiastic embrace (cf Poovey, 1998; du Gay, 2003). Life assurance companies’ continual reiteration that insurance was not only, not primarily or not exclusively a prudent financial strategy makes sense, in part, as a rejoinder to persistent reservations about the compatibility of self-interest and pious, moral conduct. This was a particular problem for the credibility of the many companies who relied primarily on commissioned agents to explain the benefits of life assurance to new customers. How could the advice of self-interested agents

be trusted? In one pamphlet, the anonymous author who claimed only a policyholder's general 'interest' in the matter referred to public defensiveness against agents' approaches.

They do not doubt all he says, they appreciate all his arguments, and they cannot deny his conclusions, but – he is an interested party; it is his business to talk thus ... Now it is true that the Insurance Agent is not actuated by motives of pure philanthropy in approaching you, but is that any reason you should listen to him with deaf ears, and harden your heart against him? ... Supposing an Insurance Agent is trying to make a 'Com.' out of you, is that any reason why you should reject the obvious advantages offered to you? He confers a vastly greater benefit upon you if he induces you to make this investment than you confer upon him by intrusting him with your 'proposal. (24788.e.11 (2), 1888: 15; BOD)

Such defensiveness was not unwarranted. Despite the mountains of paper devoted to reassuring the public as to the soundness of the principle and practice of 'respectable' insurance companies there was sufficient concern and evidence concerning the operation of 'bogus' offices to compel Parliament in 1853 to appoint a Select Committee of Inquiry into Assurance Associations which nevertheless failed to prevent the notorious public collapse of the Albert and European assurance companies in 1868 (cf. Clifford, 1876; Insurance Policyholders' Mutual Protection League, 1888). Part of the problem was that no amount of paper could counter the very real confusion that lay at the heart of actuarial practice or the complexity and contentiousness of its emerging principles (Hacking, 1990; Daston, 1988). Another part of the problem stemmed from a quite reasonable suspicion of the 'figure juggling of interested actuaries' (Insurance Policyholders' Mutual Protection League, 1888: 7). Dickens's cynicism about the compatibility of companies' and policyholders' interests inspired his caricature of the life assurance business embodied in the *Anglo-Bengalee Disinterested Loan and Life Assurance Company* in *Martin Chuzzlewit*.

That this parody struck at the heart of much broader concerns about the operation of interest, self-interest and disinterestedness is suggested by the brief notoriety of the character of Mr Pecksniff. In the novel, Pecksniff's disinterested humility is presented as a mannered disguise for his deeply rooted self-

seeking avarice. For many months after the novel was first serialized in the mid 1840s the magazine *Punch* seized on the character of Pecksniff as the true identity of the then Prime Minister Robert Peel. This satirical parallel was fuelled by the ‘temporary’ introduction of income tax under Peel’s administration.

Figure 2: Sir Robert Peel as Pecksniff; Punch Magazine, 1846: 25

The caption below ran as follows:

We have heard that Mr Charles Dickens is about to apply to the Court of Chancery for an injunction to prevent Sir Robert Peel continuing any longer to personate, in his capacity of Premier, the character of Mr Pecksniff, as delineated in Martin Chuzzlewit, that character being copyright. We hope this rumour is unfounded, as the injunction would certainly be refused. Sir Robert Peel is in a condition to prove that the part in question has been enacted by him for a long series of years, and was so, long before any of Mr Dickens's works appeared; in short, that he, Sir Robert Peel, is the original Pecksniff. (1846 (11): 25)¹¹

What this points to is the contested character of matters of interest, self-interest and disinterestedness in the particular context of life assurance. Despite the persistence and ingenuity of these critiques¹² and satires, life assurance and the special form of self-interest it trumpeted was quite firmly established by the second half of the nineteenth century. In the next section the aim is to uncover how closely this achievement depended upon the claim to precision and accuracy of the laws underpinning actuarial science.

‘Equalizing to the survivors of a short life, the fruits of a long one’.¹³

The phrase above represented one of the ways in which the knowledges and science upon which life assurance was based was translated into a customer benefit in promotional literature. It was a phrase deployed to illustrate the benefits to be accrued from a fulsome understanding of the operation of ‘natural laws’ to prospective customers. Life assurance, so this logic went, was to be trusted because it was underpinned by an appreciation of fixed laws and mathematical certainties and in particular the ‘law of mortality’. This, ostensibly banal, promotional tactic offers an insight into the shifting relations between interests, trust and religion on the one hand and objectivity, proof and science on the other. This section explores how the law of mortality was represented in the promotional literature in a way that sought to render the economic interests of life assurance companies as secondary and incidental to the discovery of a grand mathematical secret that could be manipulated to the benefit of all.

In his analysis of how quantitative methods attained the prestige and power they hold in the modern world, Porter (1996) describes objectivity as a set of strategies for dealing with distance and distrust. In offering the rule of law as an alternative to that of men, objectivity promises the subordination of personal interests to public standards. Science and calculation are cast by thinkers like Karl Pearson, in moral terms as successors to religion. Science admits;

... no interested motive, no working to support a policy, an individual or a theory; such action but leads to the distortion of knowledge, and those who do not seek truth from an unbiased standpoint, are in the theology of freethought, ministers in the devil's synagogue. (Pearson, in Porter, 1996: 75)

What strict adherence to scientific and calculative methods seemed to provide was a pious ritual that could expel the 'demon of interestedness' (Porter, 1996: 75). In a similar vein, nineteenth century statisticians championed a science that could average away 'everything contingent, accidental, inexplicable or personal' to leave behind only large scale regularities (1996: 85). This was by no means the only account of the developing knowledges of science and statistics in circulation in the nineteenth century (cf. Hacking, 1990; Poovey, 1998; Porter, 1996) but it was undoubtedly the one that insurance companies chose to trumpet in their promotional literature. The following extracts are typical of the way the 'law of mortality' was described in insurance company prospectuses and pamphlets.

Life assurance as a system is based on the fact that human life, proverbially the most uncertain of all things, yet follows, in the aggregate, a fixed law, the operation of which as has been well said, is almost as certain as that of gravitation. So that while we cannot tell how long any one man may live, we are enabled, by the study of mortality, to predict with singular exactness how many men out of any large body will die in each year until all the lives are extinct. (Scottish Amicable, prospectus 1876, MS 18262, GH)

Hence we may fairly infer, that (among other things) the continuance of life and the accession of death in masses of people, are regulated by a natural law; or, in other words, that death, however uncertain with

regard to an individual, is perfectly regular in its operation upon a large number. Hence we come to speak of the ‘natural law of mortality’. (Langley-Baxter, 1860: 7; BOD)

Under the word statistics is comprised certain particulars relative to different countries- their towns, populations, births, deaths, longevity, diseases, marriages, wealth, trades and occupations. Upon these facts brought to light by this science, Life Assurance is founded – statistics affording the data from which the law of mortality is deduced. The law of morality is indeed the ordinance of nature; proving beyond doubt, that a certain proportion of any given number of the population, of a similar age, are appointed to die yearly. (By a lady, 1854: 8; BOD)

Despite the obduracy of these statements the existence of a ‘law of mortality’ was in fact a matter of fierce debate both within and beyond the actuarial science community. Testifying to the *Select Committee to Consider the Laws Respecting the Friendly Societies* in March of 1825, John Finlaison, the chief actuary of the National Debt Office, gave his judgement that while life and death were subject to a known law of nature, sickness was not (Hacking, 1990: 47-55). Faced with the disastrous prospect of the debt arising from the potential bankruptcy of Friendly Societies, which had no actuarial information to guide the pricing of premiums, the Committee urgently wanted firmer tables on the probability of sickness. By the time the report was released in July, the committee claimed that Finlaison, having ‘paid further attention to the subject, has finally expressed his conviction, that sickness may be reduced to an almost certain law’ (cited in Hacking, 1990: 47). The Committee, however were guilty of some economy with the truth, Finlaison in fact, offered sickness tables as instructed, but with the disclaimer that the tables followed a hypothesis ‘hazarded, merely as speculation’ (cited in Hacking, 1990: 47). Far from endorsing a fixed law of sickness, Finlaison, came, in the light of data emerging through the 1820s, to doubt also the existence of a law of mortality. Whatever the opinion of specialist actuaries, it could not counter the political and commercial appetite for certainty expressed in laws, tables and figures, as a mechanism for launching ‘a practical attack on an immediate and material problem’ (Hacking, 1990: 48). The periodical press were by 1840, full of laws and tables of all kinds

while the publicity surrounding insurance institutions admitted to no uncertainty regarding the law of mortality.

The certainty of these emerging ‘laws’ and ‘facts’ was nonetheless something of a fiction in the sense that they could not be traced in a direct lineage back to an incontrovertible ‘nature’. As genealogical historians of science and knowledge have shown, the special prestige attached to the ‘sciences’ was not preordained but the outcome of a long, negotiated and incremental process (cf. Hacking, 1990; Poovey, 1998; Porter, 1996). This does not amount to questioning the validity or truth of scientific discoveries in themselves, but rather is meant, following Porter (1996), to point to the generative or ‘performative’ role of specific ‘technologies of trust’ in securing the status and acceptance of these discoveries.¹⁴ Viewed in this light, ‘the law of mortality’ is not a pure fiction but an object that originated in part from the creative power of statistics and came to have a very solid, material basis in the practices of insurance companies. This status was secured despite the continuing contest amongst actuaries, statisticians and others about whether in fact a general law of mortality had any meaningful basis or application to insurance associations. As the newly formed Institute of Actuaries put it in 1852; ‘the notion that there is a ‘fixed’ rate of mortality and a ‘fixed’ rate of sickness is evidently untenable. There is reason to believe that these rates differ in every insurance association, not widely perhaps but characteristically’ (cited in Porter, 1996: 38).

Insurance presented actuaries with the ‘local’ problem of calculating the dependent risks which applied in a given company, at a given time. It was in part a function of this local variability that actuaries sought recognition, not merely as technical specialists, but as a liberal profession that demanded the skills of both calculation and judgement. Judgement, not calculation, was required to enable companies to balance their risks through the skilful selection of lives. In order to secure admission to a life assurance company, the life of the ‘proposed’ had to be deemed of sufficient quality to merit insuring; ‘the door of an insurance office being shut against a whitened tongue or a quickened

pulse' (GD294/29: 16; NAS). The method of selection took a variety of forms from 'an appearance before the board' in the early part of the century to a medical examination in the later decades (GD294/53; NAS). These methods of judgement were calculated to enable companies to insure only 'select lives', a category that was seized upon as a key marker of the safety of insurance companies.

The strictness of these regulations may perhaps occasionally deprive the society of business ... but the directors disregard this, that it is much more than compensated by the inducements which these very Regulations hold out to parties of good health and habits, desirous of making assurances in the most beneficial way for themselves and their families, and so as to ensure to them the important advantage of being associated with lives of an equally select class. (Scottish Widow's Fund pamphlet, 1837, Box 7, Insurance Series, JJ)

Judgement could not be replaced by calculation, no matter how precise the method, actuaries maintained, because of the local variability of the phenomena - even the strongest, general rules were useful only in the hands of those who understood the conditions under which they should be applied (Porter, 1996). Nonetheless judgement was never advocated by actuaries as an alternative to calculation, sound calculation was integral to the long term success and solvency of the companies. It was only through exhaustive calculation that, for example, it could be shown that even those companies with large reserves would face insolvency when their members grew older. Thus, as Porter explains, judgement in life assurance was deployed as 'a set of strategies for setting up the computation and then adjusting its results' (1996: 105).

Concluding Comments

[Self-interest] speaks all sorts of languages and plays all sorts of roles, even that of the disinterested person' (La Rochefoucauld, 1665 in Force, 2003: 175).

Nineteenth century life assurance companies performed a really quite magnificent balancing act between the competing claims of religion and science, disinterestedness and interest, beliefs and objectivity. They sought to develop a lucrative financial industry based on sound actuarial principles by offering to their customers a peculiar admixture of pious sentiment and plausible science. The *coup de grace* lay in deploying claims about the laws and science of mortality to neutralise both residual fears about the impiety of life assurance and questions about their own ‘interestedness’ in the transaction. It would be a mistake to read this as a stroke of evil genius on the part of the insurance industry - irrespective of the propriety or ‘rotteness’ of individual companies. It is better understood as offering a prospect of the delicate material processes, practices and negotiations in play in the knowledges of wealth and society and their developing fit with the emerging mode of liberal governmentality. If insurance companies glossed over some of the complexities of actuarial law, calculation and practice for the sake of expediency this was a strategy they shared with policymakers who saw in numbers a way of rendering populations knowable and therefore governable. As Poovey (1998: 123) remarks of William Petty’s political arithmetic, the representation of expert interpretation as superior to personal interests helped forge the relationship between numbers and impartiality that has made the modern fact a crucial tool for policymakers. Like Petty, the practices of life assurance companies, could be read as deploying expert knowledges to link ‘particulars that seemed to be (but were not) observed to theories that seemed not to be (but were) interested,’ (Poovey, 1998: 123) thereby enabling interpretation (and interest) to appear incidental to method and instrument. Through just such a manoeuvre, the self-interest of the practice of insuring – for the insurers if not the assured – assumed the guise of disinterest.

¹ There is no clear distinction between the terms. In the nineteenth century the term ‘assurance’ was usually deployed to refer specifically to life assurance, whilst the term ‘insurance’ referred to other forms or the insurance industry in general. The usage in this paper follows this pattern.

² In some European countries, notably France, life insurance was widely condemned by theological opinion and rendered unlawful in the Marine Ordinances of 1681. As the author of the commercial manual *Le Guidon* put it life insurance contracts are ‘against good morals and customs, and give rise to an infinity of abuse and deceit, for which they have been constrained, abolished and forbidden, and will be prohibited and forbidden in this country’ (Rouen, 1619 cited in Clark, 1999: 15).

³ See Clark’s (1999) fascinating history of this period.

⁴ See Poovey (2003) on the Victorian preoccupation with finance and McFall (2004a) on the pervasiveness of commercial promotion in the nineteenth century.

⁵ The fate of the *Anglo-bengalee* is of course an important sub-plot in Martin Chuzzlewit but reference to life assurance is made in a number of other Victorian novels including George Eliot’s *Middlemarch* Wilkie Collin’s *The Woman in White* and John Galsworthy’s *The Forsyte Saga*.

⁶ This is abundantly clear in the several boxes of promotional material contained in the Insurance Series of the John Johnson Collection of Printed Ephemera.

⁷ See Zelizer (1979) and Daston (1989) for a definition of the distinction between proprietary or premium companies and mutual companies.

⁸ See Mcfall (2004) Chapter 3.

⁹ It was literally ‘men’ who were the object of philosophical and usually commercial addresses. Insurance companies made separate specific addresses to ‘ladies’. See for example By a Lady (1854) BOD

¹⁰ See for instance Sim (c.1889); 24788.e.11, BOD; Langley Baxter (1860) BOD.

¹¹ See also *Punch* Vol 12: 100; Vol 13 149.

¹² In addition to the critical but relatively sympathetic publications of the Insurance Policyholders’ Mutual Protection League there were hostile attacks from a variety of sources eg Haynes (no date) and Uncle John’s Nephew (1892)

¹³ National Loan fund prospectus, 1837, Box 5, JJ

¹⁴ See also Latour (1993)

BIBLIOGRAPHY

- Alborn, Timothy 2002: The First Fund Managers. *Victorian Studies*, Autumn 65-92
- Callon, Michel (ed.) 1998: Introduction: the embeddedness of economic markets in economics. *The Laws of the Market*. Oxford, Blackwell
- Callon, Michel & Muniesa, Fabian 2002: Economic markets as calculative and calculated collective devices. *New York Conference on Social Studies of Finance*, Columbia University & Social Science Research Council, April.
- Callon, Michel & Law, John 2003: On Qualculation, Agency and Otherness. Centre for Science Studies, Lancaster University, Lancaster LA1 4YN, at <http://www.comp.lancs.ac.uk/sociology/papers/Callon-Law-Qualculation-Agency-Otherness.pdf>
- Clark, Geoffrey 1999: *Betting on lives: the Culture of Life Insurance in England 1695-1775* Manchester, Manchester University Press
- Cockerell H.A.L. & Green, Edwin 1976: *The British Insurance Business 1547-1970 An Introduction and Guide to Historical Records in the United Kingdom* London, Heinemann
- Cochoy, Franck 2003: On the captation of publics. Workshop on market(ing) practice in shaping markets, Stockholm, 14-16 June
- Daston, Lorraine 1988: *Classical Probability in the Enlightenment*, Princeton, Princeton University Press
- Davidoff, Leonore & Hall, Catherine 1987: *Family Fortunes: Men and women of the English middle class, 1780-1850* London, Hutchison
- Dickens, Charles 1994: Martin Chuzzlewit, Wordsworth Classics, Hertfordshire
- du Gay, Paul 2005: Which is the self in self-interest? *The Sociological Review*, 53 (3), 391-411(21)
- Ewald, Francois 1991: Insurance and Risk. In *The Foucault effect: studies in governmentality* Burchell, Force, Pierre 2003: *Self-Interest before Adam Smith: a genealogy of economic science*. Cambridge, Cambridge University Press
- Graham; Gordon, Colin & Miller, Peter (eds) London : Harvester Wheatsheaf
- Hacking, Ian: 1990: *The Taming of Chance* Cambridge, Cambridge University Press
- Hirschman, Albert O. 1977: *The Passions and the Interests: Political Arguments for Capitalism before its Triumph*. Princeton, New Jersey, Princeton University Press
- Hunter, Ian 1988: Setting Limits to Culture. *New Formations*, 4, 103-123
- Hunter, Ian 2001: *Rival Enlightenments*. Cambridge, Cambridge University Press
- Latour, Bruno 1993: *We have never been modern*. Cambridge, Harvard University Press
- McFall, Liz 2004: *Advertising: a cultural economy*. London: Sage

Mcfall, Liz 2004a: The language of the walls: putting promotional saturation in historical context.

Consumption, Markets and Culture 7 (2)

Pearson, Robin 1990: Thrift or Dissipation? The business of life assurance in the early nineteenth century. *Economic History Review* XLIII, 2, 236-254

Poovey, Mary (ed) 2003: *The Financial System in Victorian Britain*, Oxford, Oxford University Press

Poovey, Mary 1998: *A History of the Modern Fact* University of Chicago Press

Porter, Theodore 1996: *Trust in numbers: the pursuit of objectivity in public life*. Princeton University Press

Saunders, David 1997: *Anti-lawyers: Religion and the critics of law and state*. London, Routledge

Zelizer, Viviana 1979: *Morals and Markets: the development of life insurance in the United States*, Columbia University Press

Primary and Unpublished Sources

BOD= Bodleian Library, Oxford

GH= Guildhall Library, London

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

NAS= National Archives of Scotland, Register House, Edinburgh

Box 1, JJ

Box 4, JJ

Box 5, JJ

Box 7 JJ

Box 8 JJ

By a lady. 1854: *The Ladies Guide to Life Assurance: briefly shewing the necessity for its more extended practice amongst the female community and the benefits to be obtained through its medium*.

London, partridge, Oakley and co 1854, BOD

Clifford, George 1876: *The Life Assurer's Handbook* London, Effingham Wilson

GD294/53 1890: *Memorandum as to Life Assurance without medical examination*. Standard Life Assurance, NAS

Gisborne, Frederick 1897: *Life Assurance: how to conduct an agency*.

Haynes, JS no date: *Investment without Insurance*

Insurance Policyholders' Mutual Protection League, 1888: *Profit or Plunder? In respect to Life Insurance*; Gray's Inn London, 24788.e.11 (3), BOD

Langley Baxter, J 1860: *The Life-Agent's Vade-Mecum and Practical Guide to Success*. London, Tweedie, BOD

MS 18262, GH

Phillips JH 1857: *The life assurance agent's manual*, London, BOD

Punch or the London Charivari; 1846 (11)

Risborough Sarman H., (ed) 1868: *Insurance Guardian*, Life Assurance Leaflets, new series, no IV, BOD

Sim, RA c1889: *Life Assurance: Objections Answered*, , Edinburgh, 24788e.10; BOD

Uncle John's Nephew 1892: *Life Assurance Bondage and how to escape it. Eye-openers for Sons, Daughters and Mothers who expect money from policies in Life Assurance Offices*. London: Thomas & co.

GD294/29 no author; no date, c.1850? *Elements of Success of a Life Assurance Agency*, NAS

24788.e.11 (2) no author 1888 *Ethics and economics of assurance by an old policy holder*. Edinburgh, Neill & co, BOD