

UNDERWRITING AUTARKY: LIFE INSURANCE FOR THE MASSES IN INTERWAR
ITALY AND GERMANY

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List of Archives and Archive Abbreviations

1. ACS – Archivio Centrale dello Stato

PCM – Presidente del Consiglio dei Ministri (Gabinetto)

SPD – Segreteria Particolare del Duce

MdI – Ministero dell'Interno

DGPS – Direzione Generale Sicurezza Pubblica

DPP – Divisione Polizia Politica

2. ASIA – Archivio Storico INA-Assitalia

VD – Verbali direzionali

VCdA – Verbali del consiglio di amministrazione

VdRC – Verbali del Regio commissario

3. ASG – Archivio Storico Generali

4. BAB – Bundesarchiv Berlin

5. BAK – Bundesarchiv Koblenz

6. ERGO-Archiv

7. FHA – Firmenhistorisches Archiv der Allianz

SM – Sonderarchiv Moskau

GDV – Gesamtverband der Deutschen Versicherer

BAB -- Bundesarchiv Berlin (Allianz holdings)

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Published sources are cited below for any charts in which their data are included within the graphical elaborations. Figures otherwise draw all data from the following sources: *Assekuranz-Jahrbuch*, vol. 29-62 (Verlag für Recht und Gesellschaft, 1912-1943); the yearly financial reports of *Allianz*, *Generali*, and the *Istituto Nazionale delle Assicurazioni*; the *Annuario italiano delle imprese assicuratrici* (Milano: Arti Grafiche Combi, 1932-1942); Istat, *Serie storiche*, “Statistische sulle assicurazioni” and “Previdenza e assistenza sociale.”

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Introduction

In 1930, three statisticians of the New York *Metropolitan Life Insurance Company* published their inquiry into *The Money Value of a Man*. Louis Dublin described their book's purpose in the introduction:

“This book has developed primarily out of our work and interest in the life insurance business. Every individual who insures himself for the protection of the members of his family has in mind providing them, in the event of his death, with a sum of money that shall, as nearly as possible, take the place of his contribution to them while living. Human life in this sense may be equated to a sum of money. It was very natural that we should develop, for business uses, a series of tables which should give the money value of persons at various ages, according to the amount of their earnings.”¹

This pragmatic approach could only provide a partial answer to the larger question, Dublin noted. Value was subjective, as it was not just a man's family that had a financial interest in his life:

“To take another step into the wider circle of human interdependence, a man's business associates have a close interest in his welfare; whether it be as his employers or as his subordinates or employees. So corporation insurance has come into being. And finally, spreading now to the outermost circle, a man is an asset to the community, to the state, and to the world at large. He is the producer of goods, the creator of wealth in the state. It is clearly seen, then, that the valuation of a man is not one problem but many problems.”²

Reviewing the work in 1930, the prominent American health policy expert Isidore Falk praised the usefulness of the new tables that the three authors had created:

“A new tool has been fashioned; old timbers may be hewed again or new structures built upon them. Whether society has come wisely or foolishly to hold that life is precious, the corollary is that society must (and does) assume the burden of maintaining it when other resources fail or are lacking; and in the political economy, life has a dollar value.”³

Across the Atlantic, the American *Met Life* had many admirers. Through the technical work of men such as Dublin, the firm's efforts to promote public health, its use of early computing technology, and by virtue of its enormous reach, the company was at the vanguard of the broad application of modern methods to social problems.⁴ The management of German and Italian

¹ Louis I. Dublin, Alfred J. Lotka, and Mortimer Spiegelman, *The Money Value of a Man* (New York: The Ronald Press Company, 1946), v.

² Dublin, Lotka, and Spiegelman, *The Money Value of a Man*, 5.

³ I. S. Falk, *Review of The Money Value of a Man*, by Louis I. Dublin and Alfred J. Lotka, *Journal of Political Economy* 39, no. 4 (1931): 548.

⁴ The firm insured one in five Americans in the 1920s. See JoAnne Yates, *Structuring the Information Age: Life Insurance and Technology in the Twentieth Century* (Baltimore (Md.): Johns Hopkins University Press, 2009);

insurance spoke of the *Met Life* and its British peer *The Prudential* in the highest of tones.⁵ At the meetings of the International Congress of Actuaries, both academics and policymakers exchanged ideas with the technical staff and executives of firms such as the *Met Life*, the British *Prudential*, but also the German *Allianz*, and the Italian *Assicurazioni Generali*. The American mass market for life insurance was an object of great interest, both from a commercial perspective, but also for its broader social and political significance. American life insurers framed their businesses' ambitions on this scale. In 1927, William J. Graham, the Vice President of the American life insurer *The Equitable*, explained the aims of their new initiatives in group insurance to the gathered actuaries in London:

“The ultimate end of group life insurance as now foreseen by the American companies engaged in the business, is, within the limits of good underwriting, to make group insurance as universal as the pay check. In working toward this end, the employé, the insurance company, the agent, and the society at large are benefited. The benefit to society happily comes about to some extent in the form of encouraging production by promoting content through better industrial relationships between employer and employé.”⁶

Seven years later, at the 1934 International Congress in Rome, Japanese and Italian technocrats would tout the success of their governments' use of life insurance as a social, political and economic tool. Sharing a vision of man as a “producer of goods” and “creator of wealth in the state,” reformers in both countries had found mass life insurance to be an effective means to conserve and protect this vital national resource. To reach the “working masses,” they had undertaken extensive promotional campaigns, also with the aim of making life insurance “as universal as the paycheck.”⁷ Public insurance companies used the old financial networks of the national post office, but also availed themselves of the new institutions of the mass political party and authoritarian state. Liberal participants at the conference were perturbed: one British actuary complained of the “tendency to confuse Group Insurance and Social Insurance with Industrial Assurance.”⁸

Jennifer Klein, *For All These Rights: Business, Labor, and the Shaping of America's Public-Private Welfare State, Politics and Society in Twentieth-Century America* (Princeton, N.J.: Princeton University Press, 2003).

⁵ Rudolf Hensel, of *Allianz*, wrote an extensive America travel report in 1927, while Guido Toja, Director General of the Italian public insurance company, the *Istituto Nazionale delle Assicurazioni*, presented both countries as examples to follow in promoting mass life insurance. Barbara Eggenkämper, Gerd Modert, and Stefan Pretzlik, *Die Allianz: Geschichte des Unternehmens: 1890-2015* (München: Verlag C.H. Beck, 2015), 171-174; Guido Toja to the INA's General Agents, December 5, 1924, ASIA, Raccolta delle circolari, n. 234.

⁶ William J. Graham, “The Development of Group Insurance,” *Transactions of the Eighth International Congress of Actuaries*, vol. II (London: Charles and Edwin Layton, 1927), 141.

⁷ On Japan's state postal life insurance monopoly, see Ryan Moran, *Selling the Future: Community, Hope, and Crisis in the Early History of Japanese Life Insurance* (Cornell University Press, 2024); “Delivering Security in Modern Japan: Postal Life Insurance and Social Unrest,” *Positions: Asia Critique* 26, no. 4 (2018): 619–46.

⁸ *Atti del decimo Congresso Internazionale degli Attuari*, vol. VI (Roma: Istituto Poligrafico dello Stato, 1934), 493.

During the Second World War, the full amalgamation of commercial insurers with Italian and German “totalitarian” regimes would deeply alarm British and American observers. Insurance concerns seemed to form a penetrating web of information extraction, constituting a powerful tool for economic planning and propaganda. In the words of an American intelligence analyst for the wartime Office of Strategic Services (OSS), the Italian insurance concerns “used their elaborate organizations to sell insurance through Fascist propaganda and to sell Fascism through insurance service.”⁹ In 1945, Alfred Manes, the doyen of German insurance sciences, writing from exile in Bloomington, Indiana would denounce the “German reinsurance cartel”, calling it the “most potent and far-reaching economic weapon in the German arsenal.”¹⁰ “The role of insurance in the economic life of our time is similar to that of oxygen in the air we breathe,” Manes wrote. He called on the American government to take action to “preclude the rebirth of the German octopus.”¹¹ The totalitarian potential of insurance concerns, as a form of concentrated economic power penetrating deep into the realm of everyday life, would remain a part of the American imaginary for many years to come.¹²

While it was their own corporate institutions that had inspired fascist drives to universalize life insurance, some American and British observers believed that insurance had a fundamentally different role in the Italian and German war economies. The same OSS analyst reported: “the continuous and rapid expansion of life insurance income during recent years (which is noticeable in all Axis-controlled countries) may be explained as motivated less by a sincere desire to secure insurance protection than by a lack of opportunity for the average citizen to spend money.”¹³

⁹ “Italian Insurance,” Office of Strategic Services (OSS)-State Department Intelligence and Research Reports, Part 05: Postwar Europe, 1945-1949, 22.

¹⁰ Alfred Manes, “Germany’s Reinsurance Cartel,” *Free World* 9, no. 4 (April 1945), 44.

¹¹ Manes, “Germany’s Reinsurance Cartel,” 44, 47.

¹² Greta R. Krippner, “Unmasked: A History of the Individualization of Risk,” *Sociological Theory* 41, no. 2 (June 1, 2023): 83–104.

¹³ “Italian Insurance”, OSS, 18.

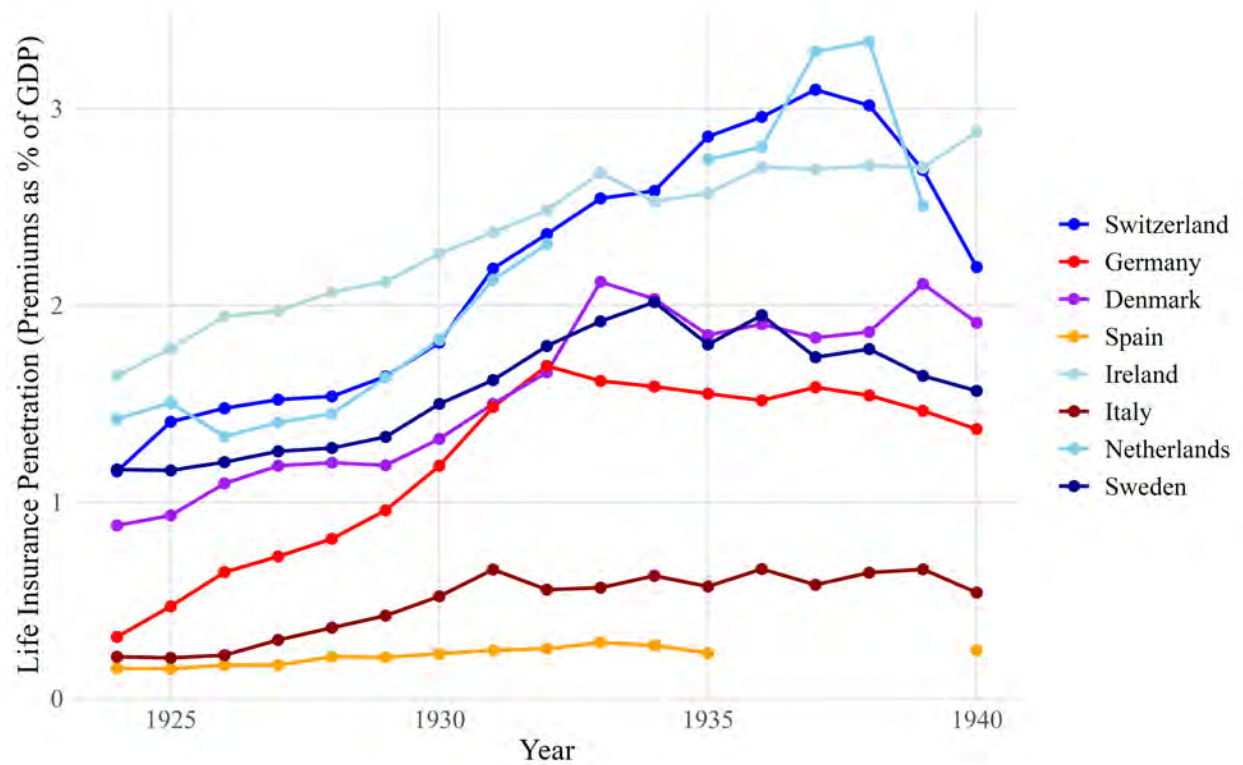


Figure 1.1: "Life Insurance Penetration of Selected European Countries in Comparison, 1924-1940."

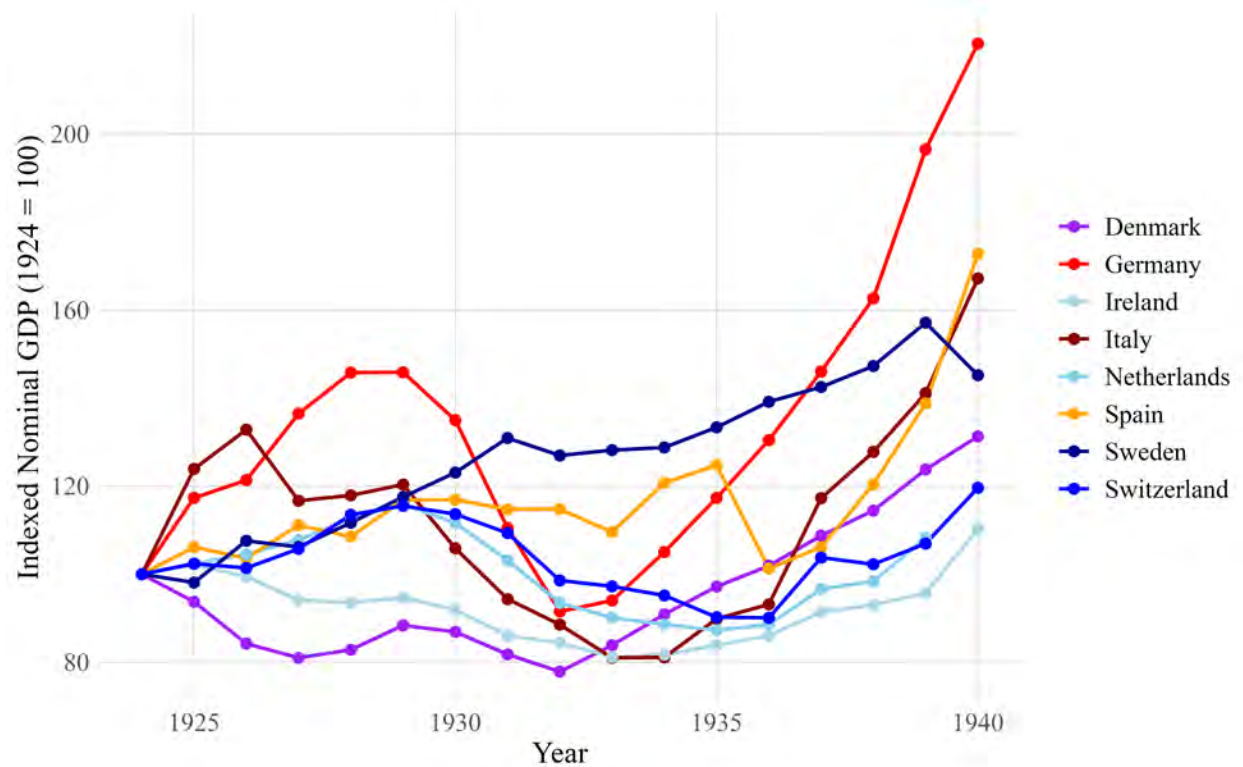


Figure 1.2: "Nominal GDP of Selected European Countries in Comparison, 1924-1940."

When compared with their western neighbors, neither Italy nor Germany showed particularly high life insurance penetration rates in the years before the war.¹⁴ Calculated as the ratio of total life premiums to nominal GDP, the stable, sinking ratio for Germany and Italy, however, needs to be interpreted in light of the enormous growth of nominal GDP that these countries experienced in this period. Life insurance premiums were growing rapidly, while failing to keep pace entirely with inflationary economic expansions.¹⁵

Rather than growing steadily amongst an established group of clients, insurers in both Italy and Germany were expanding their markets amongst entirely new groups. Measured in policies per capita, both Germany and Italy show dynamic growth, particularly following the initiation of ambitious military investment and expenditure increases in 1936.¹⁶ In absolute terms, Italy transitioned from insurance policy penetration levels beneath that of rural Hungary to catch highly developed Czechoslovakia and France by the period of the war. Germany, where the life insurance sector quickly rebuilt after its destruction through the Weimar inflation, outpaced its highly-insured neighbors in Switzerland and Austria, reaching a figure of nearly 50% per capita policy penetration by 1940.¹⁷

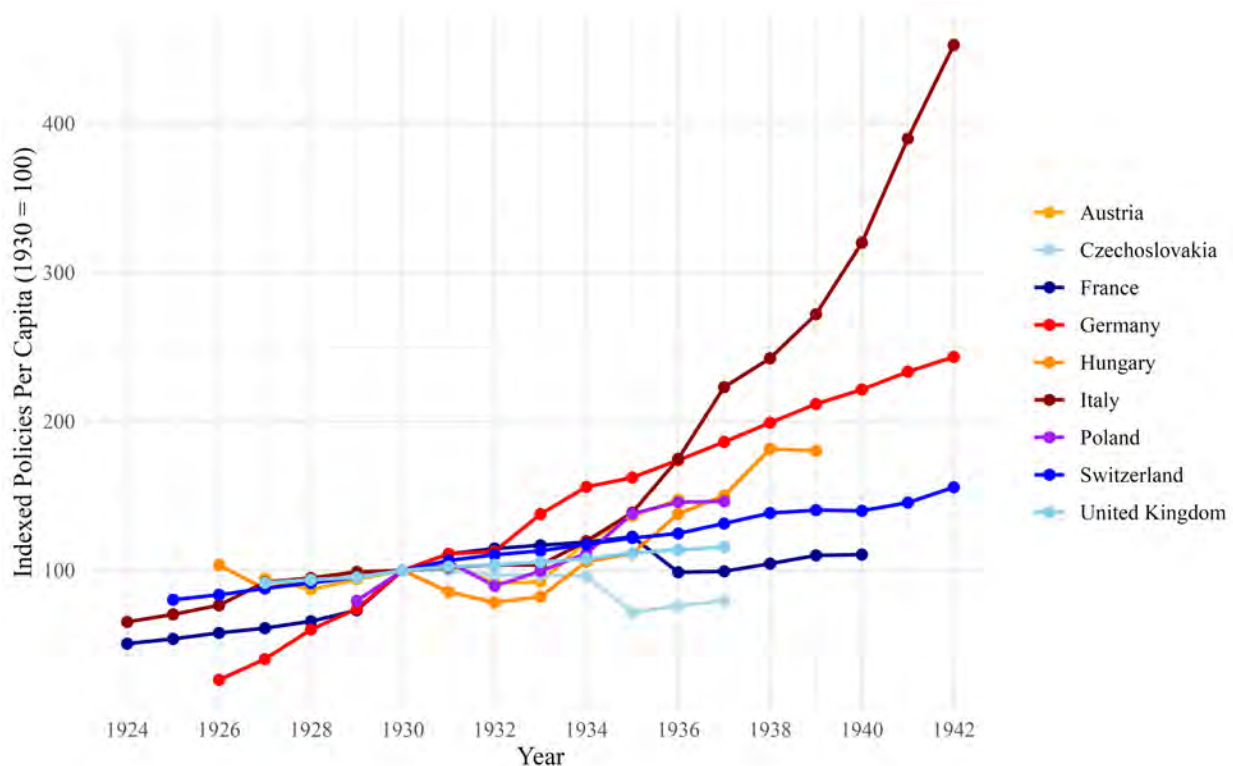


Figure 1.3: "Indexed Growth in Life Insurance Policies Per Capita in Selected European Countries, 1924-1940."

¹⁴ See Figure 1.1.

¹⁵ See Figure 1.2

¹⁶ See Figure 1.3

¹⁷ See Figure 1.4

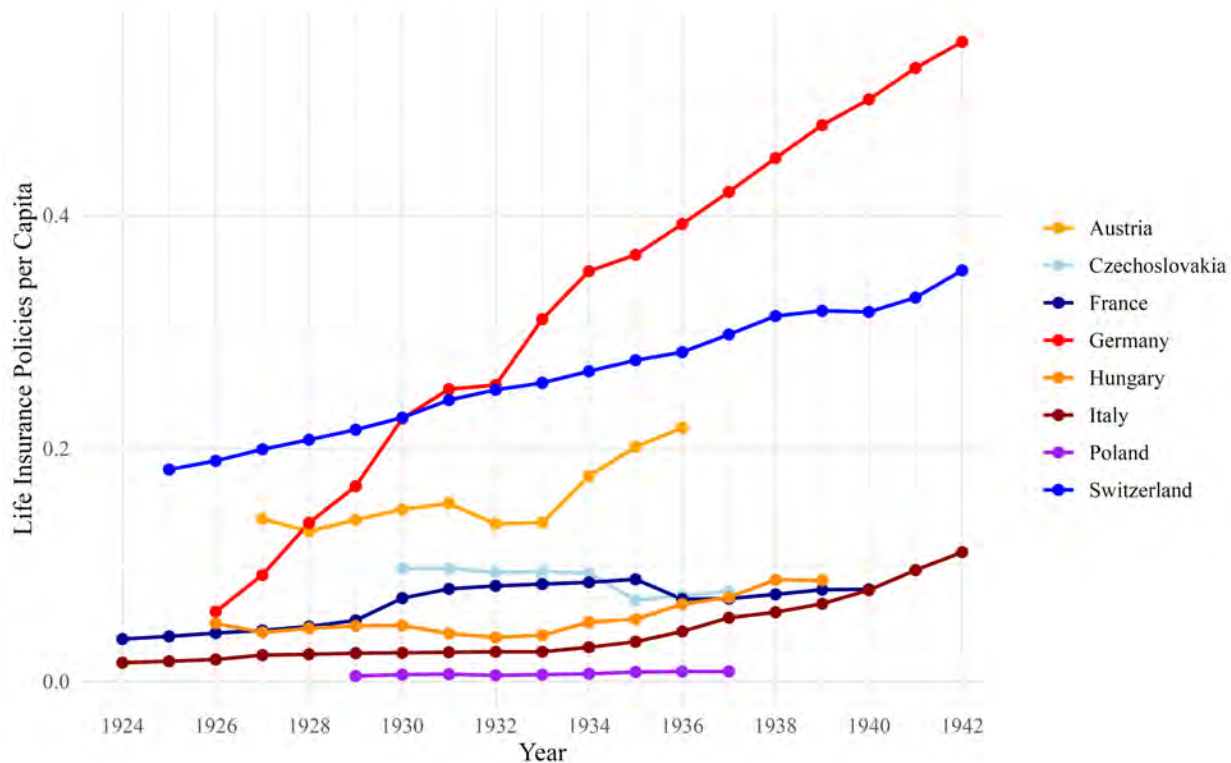


Figure 1.4: “Absolute Growth in Life Insurance Policies Per Capita in Selected European Countries, 1924-1940.”

The traditional metrics used for the spread of insurance – penetration and density – measure premiums, and do not capture this dimension of the changes within these countries’ life insurance economies. Individuals who bought their first insurance policies in this period were poorer than the average life insurance client of previous years, and even their aggregate premiums are tiny when put alongside the sums invested in both countries’ war machines.¹⁸ The spread of these policies among low-income groups in a time of high inflation all the more profoundly attests to the cultural and commercial ascent of life insurance. Unlike savings banks, life insurers cannot wait for customers to bring their deposits to them but must actively seek out new business. As a contractual savings instrument, life insurance locks in premiums during economic contractions and periods of deflation, but these premiums do not rise automatically in times of income growth or inflation.¹⁹ The economic, social, and political underpinnings of life insurance’s persistence, spread, and transformation in this period are the subject of this dissertation.

¹⁸ See Figure 1.5.

¹⁹ On insurers as contractual savings institutions, see Dimitri Vittas and Michael Skully, “Overview of Contractual Savings Institutions,” *World Bank Working Papers - Financial Policy and Systems*, no. WPS 605 (March 1991), <https://core.ac.uk/reader/6373720>. As early as 1927, life insurers were deeply concerned about the effect of inflation on their business for this reason. See contributions by Luigi Amoroso, Alfred Manes, and Max Wollner in the *Transactions of the Eighth International Congress of Actuaries*, vol.I-V.

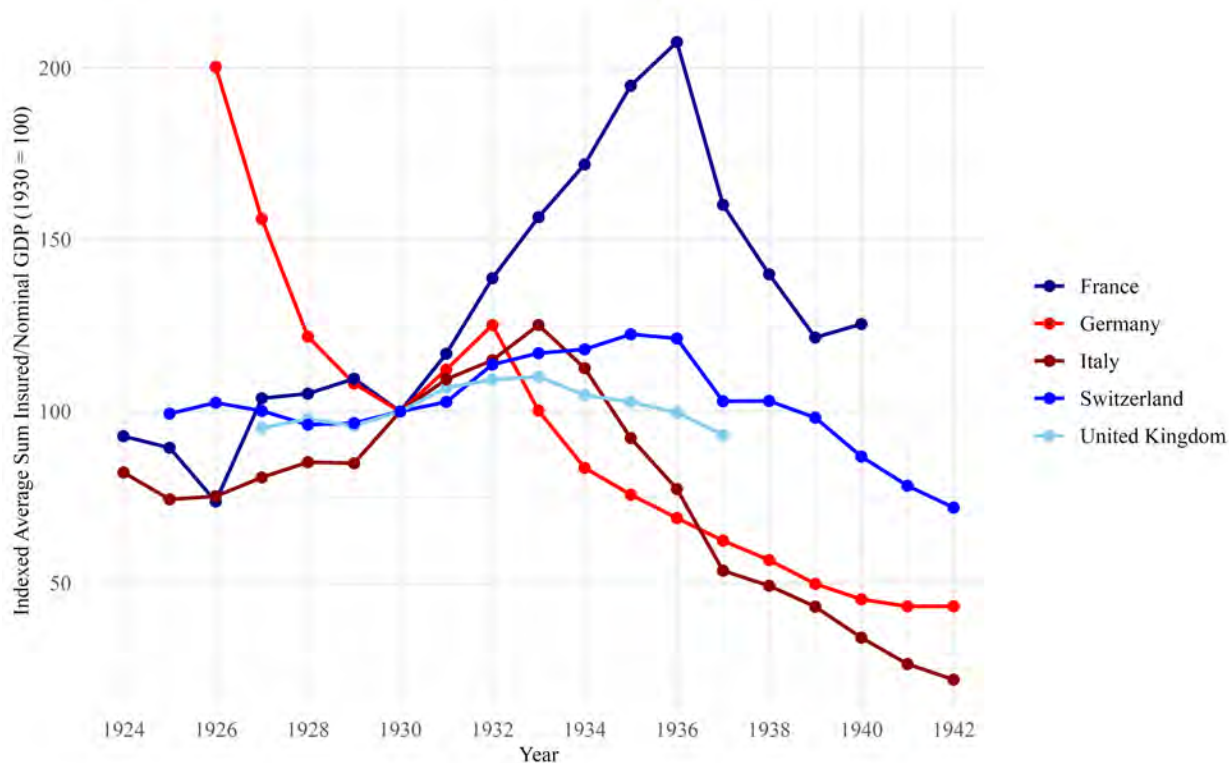


Figure 1.5: "Average Life Insurance Sums Insured Compared to Nominal GDP in Selected European Countries, 1924-1940."

What can economics tell us about the reasons for this growth in life insurance? In the insurance literature, life insurance penetration has been modelled as following an S-Curve in the long run.²⁰ As national income rises, insurance premiums do so as well, slowly and then very quickly, before levelling off. The income elasticity of insurance, it is argued, has this relationship to national income across countries and time periods. In these accounts, increases in life insurance penetration in the United States in 1890 and life insurance penetration in China in 1980 are conceived of as functions of the same force: steady rises in national income. Many studies seek to establish a relationship between life insurance and economic growth, while others have more closely examined the other determinants of life insurance consumption, calling into question the S-Curve.²¹ For Germany and Italy, and most other Western countries, the period in question would seem to represent a hump in the S-Curve, a plateauing of demand. As Sebastian Kohl and

²⁰ Most influentially, Rudolf Enz, "The S-Curve Relation Between Per-Capita Income and Insurance Penetration," *The Geneva Papers on Risk and Insurance - Issues and Practice* 25, no. 3 (July 1, 2000): 396–406.

²¹ Chien-Chiang Lee and Yi-Bin Chiu, "The Impact of Real Income on Insurance Premiums: Evidence from Panel Data," *International Review of Economics & Finance* 21, no. 1 (January 1, 2012): 246–60; J. Francois Outreville, "The Relationship between Insurance Growth and Economic Development: 80 Empirical Papers for a Review of the Literature," *SSRN Electronic Journal*, 2011; Giovanni Millo and Gaetano Carmeci, "A Subregional Panel Data Analysis of Life Insurance Consumption in Italy," *The Journal of Risk and Insurance* 82, no. 2 (2015): 317–40.

Mathias Römer have recently shown, however, the income elasticity of life insurance can also be modelled as a double hump, with a second phase of expansion beginning in the 1970s.²²

When measuring life insurance consumption over longer time scales it is important to remember that it is not a homogeneous good. Whole life policies and endowment policies offer different types of benefits. Kohl and Römer disaggregate life insurance by type, showing two waves of growth that involved entirely different sorts of policies. Whole life policies, providing solely a death benefit, experienced a surge of growth in Switzerland, Germany, and the United States in the later part of the 19th-century.²³ The next season of growth in penetration, however, came from endowment policies, policies in which the contract meets a fixed savings goal or provides a retirement benefit, still underwritten by guarantee of payment in the event of death. Over the first half of the twentieth century, life insurance consumption pivoted from whole life towards endowment insurance.²⁴ Life insurance, even for low-income individuals, became a means not only of providing for one's dependents or funeral expenses, but for one's retirement and savings needs. For this reason, the intense growth in policies per capita in both Italy and Germany is all the more notable, as it took place in the heart of this transition.

As regards the seemingly stagnant penetration rates, when considering the German and Italian war economies, it is quite evident that household income is not always meaningfully proxied through rises in national income. Both Germany and Italy's political regimes kept tight lids on consumption, re-directing national resources towards investment in industry as best they could through campaigns for "autarky." The purpose of the autarky campaigns, far from the simple ideological pursuit of economic self-sufficiency, was preparation for war with the Western powers.²⁵ In both countries, growth in profits and investment outpaced wages and consumption, as inequality spiked.²⁶ Both regimes adopted various means of financial repression to force

²² Sebastian Kohl and Matthias Römer, "Insurance Demand: A Historical Long-Run Perspective (1850–2020)," *The Geneva Papers on Risk and Insurance - Issues and Practice*, December 31, 2024.

²³ Liselotte Eriksson, "Industrial Life Insurance and the Cost of Dying: The Role of Endowment and Whole Life Insurance in Anglo-Saxon and European Countries during the Late Nineteenth and Early Twentieth Centuries," in *The Development of International Insurance*, ed. Robin Pearson (Pickering & Chatto, 2010), 117–32.

²⁴ By 1920, endowment contracts represented 80% of German business; see Otto Siepmann, „Welches sind die Ursachen des Ueberganges von den lebenslänglichen zu den gemischten Versicherungen?“, *Comptes rendus du neuvième Congrès international d'actuaire*, vol. II, 20–21.

²⁵ See Mario Perugini and Marianna Astore, "The Bank of Italy Goes to War: Financing Fascist Warfare, 1935–1943," in *Giving Credit to Dictatorship: Authoritarian Regimes and Financial Capitalism in Europe during the Twentieth Century*, ed. Valerio Torreggiani and José Luís Cardoso (Taylor & Francis, 2024); J. Adam Tooze, *The Wages of Destruction: The Making and Breaking of the Nazi Economy* (Viking, 2007), 203–243. On the larger international context, see Nicholas Mulder, *The Economic Weapon: The Rise of Sanctions as a Tool of Modern War* (Yale University Press, 2022).

²⁶ Giacomo Gabbuti, "Labor Shares and Inequality: Insights from Italian Economic History, 1895–1970," *European Review of Economic History* 25, no. 2 (May 2, 2021): 355–78; Charlotte Bartels, "Top Incomes in Germany, 1871–2014," *Journal of Economic History* 79, no. 3 (2019): 669–707; Mark Spoerer, *Von Scheingewinn zum Rüstungsboom: die Eigenkapitalrentabilität der deutschen Industrieaktiengesellschaften, 1925–1941*, Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte, Nr. 123 (Stuttgart: F. Steiner, 1996); Vera Zamagni, "La dinamica dei salari nel settore industriale, 1921–1939," *Quaderni storici* 10, no. 29/30 (2/3) (1975): 530–49. In the case of Nazi Germany, Götz Aly's publication of *Hitlers Volksstaat: Raub, Rassenkrieg und nationaler Sozialismus*

investments in state securities, while seeking to boost their domestic savings rates.²⁷ As a form of regular, predictable long-term savings, increased life insurance enrollment suited the needs of state investment planning quite well. Life insurance may also have represented one of the few alternative uses of savings income for individual citizens. Far from stagnating, the broad increase in policy prevalence suggests that under this combination of circumstances life insurance thrived.

When considering the spread of life insurance in this period, however, the broader initiatives of entrepreneurs should be considered as an important factor as well. These individuals did not merely seek to meet insurance demand, but rather made ambitious attempts to shape the larger structures that permitted demand for social security or savings to be captured by commercial life insurers rather than their institutional competitors. Recent studies have shown that social security crowded out life insurance in this period in both Germany and Sweden.²⁸ Sebastian Kohl and Arjen van der Heide have also argued the converse, that anticipatory action from private insurers forestalled the establishment of social security schemes in some wealthy industrial countries.²⁹ The new role of life insurance as savings greatly interested business entrepreneurs in both countries, who commented on this shift in consumer habits in their writings and at international congresses.³⁰ Mingling among insurance businessmen and academics, Italian policy entrepreneurs also had a particular interest in savings for their own reasons. The new form of mass life insurance contracts for endowment insurance appeared a technologically advanced method of managing national savings, with concurrent benefits for larger social policy initiatives.

As Martin Lengwiler has shown in his research on the academic insurance sciences (*Versicherungswissenschaften*), the dominant academic paradigm for conceiving of the relationship between private and social insurance in this period was that of complementarity. Academics such as Alfred Manes believed that mandatory social insurance would bring about an expansion of private insurance through the popularization of the concept of insurance.³¹ Private

in 2005, triggered debates on whether the dictatorship was in fact a “Gefälligkeitsdiktatur” (roughly, a comfort dictatorship), relying on the funds of its victims to wage war. The mass of evidence, however, shows that the Nazi regime’s mobilization greatly limited the extent to which Germans could reap the benefits of any military expansion. See Adam Tooze’s response to Aly, “Einfach verkalkuliert,” *Die Tageszeitung: taz*, March 12, 2005.

²⁷ Savings campaigns are of course typical for countries at war. Rhetoric and institutional support for savings surged during World War One across Western countries. Sheldon Garon, *Beyond Our Means: Why America Spends While the World Saves*, (Princeton, NJ: Princeton University Press, 2013), 168-193.

²⁸ Sibylle Lehmann-Hasemeyer and Jochen Streb, “Does Social Security Crowd Out Private Savings? The Case of Bismarck’s System of Social Insurance,” *European Review of Economic History* 3, no. 22 (2017): 298–321; Lars-Fredrik Andersson and Liselotte Eriksson, “The Compulsory Public Pension and the Demand for Life Insurance: The Case of Sweden, 1884-1914,” *The Economic History Review* 68, no. 1 (2015): 244–63.

²⁹ Arjen Van Der Heide and Sebastian Kohl, “Private Insurance, Public Welfare, and Financial Markets: Alpine and Maritime Countries in Comparative-Historical Perspective,” *Politics & Society* 52, no. 2 (June 2024): 268–303, <https://doi.org/10.1177/00323292231161445>.

³⁰ See the contributions to the panel on Question C regarding endowment or whole life insurance at the 1927 International Congress of Actuaries, *Comptes rendus du neuvième Congrès International d’Actuaires*, vol. II, (Uppsala: Almqvist & Wiksells Boktryckeri-A.B., 1930).

³¹ Martin Lengwiler, “The Paradigm of Interdisciplinarity: The German Model of Insurance Sciences (1880s-1950s),” *Revue d’histoire Des Facultés de Droit et de La Culture Juridique* 36 (2016): 409–25.

entrepreneurs in Germany, however, came to believe they had to stop the advance of social insurance to save their businesses, while policy entrepreneurs in Italy argued that mass commercial life insurance was itself a form of social insurance. Cultural shifts, institutional transformations, and the commercial pressures towards expansion all weighed heavily on the minds of entrepreneurs in interwar insurance. The regulatory structures of the life insurance market and its boundary with non-market alternatives were vigorously contested, while ambitious political projects to make sweeping changes in response to the general economic crisis gained plausibility.

How did these entrepreneurs respond to this crisis? In this dissertation, I propose a parallelization of developments in both countries' life insurance sectors as a means of comparison. These histories are characterized by parallels, exchanges, and, even in the face of deep institutional differences and historical points of departure, strong convergence. In both the Italian and German autarky drives, life insurance came to fit a particular economic niche by capturing regular, predictable savings for centralized state investment. In the preceding years in Italian and German politics, insurance entrepreneurs had closely aligned themselves with the Fascist and Nazi regimes to push their own expansion projects, seeking to capture the demand for social security and savings absorbed by mutual funds, mutual aid societies, employer pension funds, and state social insurance. In the autarky period, the bill came due, as these insurers had to fight to live up to their own rhetoric by delivering for their regimes' investment goals. The emergent result, in both countries, was a highly consolidated life insurance market governance structure and a massive expansion in life insurance, contributing to the spread of these new forms of insurance-based savings among the national population.

Before elaborating on my own argument and framework, however, a few words on methodology. This project draws on approaches from comparative fascism studies, finance and society studies, and new research on the history of insurance. Each of these will be dealt with here in some limited detail.

The comparative study of the Italian Fascist and German Nazi regimes has a long and storied history. Similarities between the two political movements were obvious well before the Nazi rise to power, reflecting, in some respects, deliberate mimicry.³² The author of the 1944 OSS study cited in this introduction wrote in a period in which competing comparative frameworks had already been debated for more than decade. The two regimes' violent repression of the opposition, domination of civil society, and novel political coalitions served as clear points of comparison. While Marxism called fascism the highest stage of capitalism, fascist theorists produced defenses of their political systems that proposed their own comparative lens on

³² See, for example, Wolfgang Schieder, "War Hitlers Diktatur faschistisch?," *Jahrbuch Wissenschaftskolleg zu Berlin*, 1985/1986, 81–92.

dictatorship, the single party, and new modes of corporatist economic organization.³³ Socialist emigrés from both Germany and Italy, in turn, wrote influential works arguing that the Nazi and Fascist regimes were not truly new economic systems, but represented the novel attempt of organized private business to capture the state for its own purposes.³⁴ Some of these thinkers found an eager reception among American anti-trusters, namely Franz Neumann, the author of *Behemoth*.³⁵ During the war, Neumann worked alongside another continental exile, Alfred Manes, hardly a radical socialist, who authored a report on German insurers' cartelization for the OSS.³⁶

In the decades following World War Two, two dominant traditions of studies in international comparative research emerged that compared the Nazi regime with communism, its mortal enemy, and, as some would argue, mirror image. One held that the ambition of these “totalitarian” regimes to control and replace all civic life was their defining characteristic and that the emergent political and social dynamics were fundamentally similar.³⁷ Another tradition, employing early modernization theory, sought to identify the roots of both political phenomena in the different coalitions that emerged from particular social and economic development trajectories.³⁸ In the meantime, national historiographical debates took their own paths. In both Italy and Germany, revisionist interpretations of Nazism and Fascism relying on comparison incited major societal debates -- in the German case, famously, on whether any comparison was morally permissible.³⁹ In the following decades, as international comparative fascism and totalitarianism researchers developed new frameworks focused on ideology and cultural practices, these national historiographies made steady strides forward in mapping the complex political, social, and economic realities of both dictatorships.⁴⁰ The decades following the fall of

³³ On Marxist debates on fascism, see Nicos Poulantzas et al., *Fascism and Dictatorship: The Third International and the Problem of Fascism* (London ; New York: Verso, 2018); on Fascist corporatism's intellectual circulation, see Matteo Pasetti, “Sur la circulation du modèle corporatif fasciste dans le monde : agents, réseaux, effets,” *Laboratoire italien. Politique et société*, no. 32 (July 22, 2024); António Costa Pinto and Federico Finchelstein, eds., *Authoritarianism and Corporatism in Europe and Latin America* (Abingdon, Oxon: Routledge, 2020).

³⁴ Gaetano Salvemini, *Under the Axe of Fascism* (London: V. Gollancz, Ltd, 1936); Franz L. Neumann, *Behemoth: The Structure and Practice of National Socialism, 1933-1944* (New York: Octagon Books, 1942).

³⁵ See Alfons Söllner et al., *ad Franz L. Neumann: Behemoth* (CEP Europäische Verlagsanstalt, 2023).

³⁶ See Gerald D. Feldman, *Allianz and the German Insurance Business, 1933-1945*, (Cambridge, U. K. ; New York: Cambridge University Press, 2001), 235.

³⁷ Barrington Moore, *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (Boston: Beacon Press, 1993).

³⁸ Hannah Arendt, *The Origins of Totalitarianism*, (New York: Schocken Books, 2004).

³⁹ See Wolfgang Schieder, “Zeitgeschichtliche Verschränkungen: über Ernst Nolte und Renzo De Felice,” *Annali dell'Istituto storico italo-germanico in Trento* 17 (1991): 359-76.

⁴⁰ There are too many to list, but some important comparative works include: Emilio Gentile, “Fascism as Political Religion,” *Journal of Contemporary History* 25, no. 2/3 (1990): 229-51; Roger Griffin, *The Nature of Fascism* (London ; New York: Routledge, 1993); Zeev Sternhell, Mario Sznajder, and Maia Ashéri, *The Birth of Fascist Ideology: From Cultural Rebellion to Political Revolution* (Princeton, N.J: Princeton University Press, 1994); Stanley G. Payne, *A History of Fascism, 1914-1945* (Madison: University of Wisconsin Press, 1995); Emilio Gentile, *Le religioni della politica: fra democrazie e totalitarismi*, 1. ed, Storia e società (Roma: Laterza, 2001); Robert O. Paxton, “The Five Stages of Fascism,” *The Journal of Modern History* 70, no. 1 (1998): 1-23.

the Berlin Wall also saw further advances regarding Holocaust studies and both countries' occupation regimes.⁴¹

In the late 1990s, Jürgen Kocka famously pointed out that comparison, implicit or explicit, is a necessary part of historical research.⁴² Without the conscious identification of one's comparative reference points, he argued, historians fall prey to easy clichés of national particularism. In the early 2000s, historians' growing interest in transnational spaces provided fertile ground for building on early research on the mutual fascination and influence exerted by Italian Fascism on Nazism, and vice versa.⁴³ As this field of studies has expanded, there has been ever more recourse to typologies of fascism, often employing Stanley Payne's influential concept of a fascist minimum. Sociological and structural interpretations of fascism have also seen some ambitious contributions in the 20th century, such as the work of Dylan Riley on the civic roots of fascism and Michael Mann's attempt to incorporate the phenomenon in his history of the modern nation-state and its sources of social power.⁴⁴ Some of the original interpretations of fascism by diaspora intellectuals, in turn, have demonstrated their staying power.⁴⁵

A comparativist has an overwhelmingly broad variety of intellectual traditions to draw on and must pick and choose effectively. In my own writing, recent work on the global interwar era as a period of crisis, upheaval, and experimentation is of great influence.⁴⁶ Even as internationalism seemed to thrive, competitive state and nation-building projects were the basic building blocks of these institutions.⁴⁷ Even amidst deep enmity, these modernist projects drew inspiration from each other and often converged through attempts to solve the same problems through available

⁴¹ There are also of course far too many to list, but, for example: Christopher R. Browning, *Ordinary Men: Reserve Police Battalion 101 and the Final Solution in Poland*, 1st ed (New York: HarperCollins, 1992); Michael Wildt, *Generation des Unbedingten: das Führungskorps des Reichssicherheitshauptamtes* (Hamburg: Hamburger Edition, 2002); Michele Sarfatti, *La Shoah in Italia: la persecuzione degli ebrei sotto il fascismo*, ET. Saggi 1322 (Torino: Einaudi, 2005); Davide Rodogno, *Il nuovo ordine mediterraneo: le politiche di occupazione dell'Italia fascista in Europa (1940-1943)*, Nuova cultura 94 (Torino: Bollati Boringhieri, 2003); Götz Aly, *Hitlers Volksstaat: Raub, Rassenkrieg und nationaler Sozialismus*, 5th ed. (Frankfurt am Main: S. Fischer, 2005).

⁴² Jürgen Kocka, "Nach dem Ende des Sonderweges: Zur Tragfähigkeit eines Konzepts," in *Doppelte Zeitgeschichte: Deutsche-Deutsche Beziehungen, 1945=1990*, ed. Arnd Bauerkämper (Bonn: Verlag J.H.W. Dietz Nachf., 1998), 263–76.

⁴³ Sven Reichardt, ed., *Faschismus in Italien und Deutschland: Studien zu Transfer und Vergleich*, Beiträge zur Geschichte des Nationalsozialismus BV035618480 21 (Göttingen: Wallstein-Verl, 2005); Wolfgang Schieder, *Faschistische Diktaturen: Studien zu Italien und Deutschland* (Göttingen: Wallstein, 2008).

⁴⁴ Dylan Riley, *The Civic Foundations of Fascism in Europe* (Baltimore: Johns Hopkins University Press, 2010); Michael Mann, *Fascists* (Cambridge: Cambridge University Press, 2004).

⁴⁵ See Michael Wildt, *Die Ambivalenz des Volkes: Der Nationalsozialismus als Gesellschaftsgeschichte* (Berlin: Suhrkamp Verlag AG, 2022), 138–144.

⁴⁶ Tara Zahra, *Against the World: Anti-Globalism and Mass Politics Between the World Wars* (W. W. Norton & Company, 2023); Kirian Klaus Patel, *New Deal: A Global History*, (Princeton: Princeton University Press, 2016); Adam Tooze and Ted Fertik, "The World Economy and the Great War," *Geschichte und Gesellschaft* 40, no. 2 (2014): 214–38.

⁴⁷ Samuel J. Hirst, *Against the Liberal Order: The Soviet Union, Turkey, and Statist Internationalism, 1919-1939* (Oxford University Press, 2024); Madeleine Herren, "Fascist Internationalism," in *Internationalism in the Age of Nationalism*, ed. Glenda Sluga and Patricia Clavin (Philadelphia: University of Pennsylvania Press, 2015), 191–212.

methods.⁴⁸ For the purposes of comparative study, broadening the horizons of comparison beyond the particular characteristics of fascism, or totalitarianism, has proven highly productive. In Stefan Link's *Forging Global Fordism*, the German and Soviet regimes' adaptation of mass industrial production methods in the auto industry are drawn into comparison through the transnational history of their reception of American Fordism.⁴⁹ Matteo Pasetti tracks the adaptation and transfer of corporatist ideas across national contexts, while Alessio Gagliardi has powerfully argued for conceiving of Italian Fascist corporatism as one of many national intellectual and political responses to the crisis of the interwar period.⁵⁰ Charles Maier, whose writings have influenced multiple generations of scholars on the European interwar, has proposed the "project-state" as a comparative concept for weaving the interwar into the global history of the twentieth century.⁵¹ These approaches provide inspiration for a new comparison of these regimes' insurance sector with an eye towards common environmental conditions, transnational influence, and functional convergence, drawing on scholarship from multiple ears of research.

While comparative fascism studies has evolved through twists and turns, the history of finance has transformed dramatically in recent decades. In the wake of the 2008 crisis, academic interest in the history of financial markets and institutions has boomed.⁵² Through a focus on social embeddedness and physical infrastructure, finance and society studies have influenced new historiography by a number of conduits, but most notably the new history of capitalism.⁵³ The complex world of insurance, while slower to the trend, is the natural object of study for this field with its focus on the interpenetration of state, market, and society. Work on the history of insurance of the slave trade, for instance, has shown how financial conventions could mean life or death for slaves on the high seas.⁵⁴ Jonathan Levy, in his work on the American 19th-century economy, has shown how cultural conceptions of risk derived from commercial insurance came

⁴⁸ Stefan Plaggenborg, *Ordnung und Gewalt: Kemalismus - Faschismus - Sozialismus*, (De Gruyter Oldenbourg, 2012); Wolfgang Schivelbusch, *Three New Deals: Reflections on Roosevelt's America, Mussolini's Italy, and Hitler's Germany, 1933-1939*, Reprint Edition (New York: Picador Paper, 2007); Ruth Ben-Ghiat, *Fascist Modernities: Italy, 1922-1945* (Berkeley: University of California Press, 2004); Michael Geyer and Sheila Fitzpatrick, eds., *Beyond Totalitarianism: Stalinism and Nazism Compared* (Cambridge: Cambridge University Press, 2008).

⁴⁹ Stefan J. Link, *Forging Global Fordism: Nazi Germany, Soviet Russia, and the Contest over the Industrial Order* (Princeton University Press, 2023).

⁵⁰ Matteo Pasetti, *L'Europa corporativa: una storia transnazionale tra le due guerre mondiali*, Prima edizione, DISCI. Scienze del moderno, storia, istituzioni, pensiero politico 5 (Bologna: Bononia University Press, 2016); Alessio Gagliardi, *Il corporativismo fascista* (Roma: Laterza, 2010).

⁵¹ Charles S. Maier, *The Project-State and Its Rivals: A New History of the Twentieth and Twenty-First Centuries* (Cambridge, Massachusetts: Harvard University Press, 2023).

⁵² Amin Samman et al., "After the Boom: Finance and Society Studies in the 2020s and Beyond," *Finance and Society* 8, no. 2 (November 30, 2022): 93–109.

⁵³ Mary Bridges, "The Infrastructural Turn in Historical Scholarship," *Modern American History* 6, no. 1 (March 2023): 103–20.

⁵⁴ Michael Ralph, "Value of Life: Insurance, Slavery, and Expertise," in *American Capitalism: New Histories*, ed. Sven Beckert and Christine Desan (Columbia University Press, 2018), 257–82.

to shape broader American economic institutions and cultural practices.⁵⁵ His study came in the wake of other influential works portraying, variously, the history of urban fire control and property insurance schemes, tort law and liability insurance, life insurance and information technology, and group insurance and health care.⁵⁶ The new, global history of insurance now examines the specific conditions of insurance's adaptation as a "western cultural export," looking beyond the S-Curve towards the particular cultural context of this financial and social phenomenon.⁵⁷ The trend, across all of these areas of studies, is a renewed interest not in identifying the boundaries between the market, the state, and society, but in these social structures' interpenetration and mutual historical constitution.

To conceive of the larger structures in German and Italian life insurance and bring them into comparison, I employ a few general concepts. Firstly, the notion of market governance. As Stephen Vogel has recently argued, even highly liberal markets are regulated through rules of the game, norms of cooperation and competition, and government legislation.⁵⁸ These market governance institutions create a power structure that can advantage newcomers or incumbents, consumers or producers, employees or employers. In Italy and Germany, I argue, the interwar period saw a convergence towards market governance structures that stabilized the positions of dominant firms. I am not concerned with the relative costs or benefits for these structures for consumer welfare, or innovation, but rather with the process of infrastructural centralization set in motion by the efforts of larger firms to protect their positions through expansion. This centralization in insurance, in turn, reflected a deeper ongoing process of infrastructural consolidation, driven forward by both the state and civil society groups.⁵⁹

Through concerted political and regulatory action, protagonists within commercial life insurance slowly absorbed alternative economy models in both Italy and Germany over two decades. In

⁵⁵ Jonathan Levy, *Freaks of Fortune: The Emerging World of Capitalism and Risk in America* (Cambridge, Mass: Harvard University Press, 2012).

⁵⁶ Cornel Zwielerlein, *Der gezähmte Prometheus: Feuer und Sicherheit zwischen Früher Neuzeit und Moderne*, Umwelt und Gesellschaft, Band 3 (Göttingen: Vandenhoeck & Ruprecht, 2011); Kenneth S. Abraham, *The Liability Century: Insurance and Tort Law from the Progressive Era to 9/11* (Cambridge, Mass: Harvard University Press, 2008); JoAnne Yates, *Structuring the Information Age: Life Insurance and Technology in the Twentieth Century* (Baltimore: Johns Hopkins University Press, 2009); Jennifer Klein, *For All These Rights: Business, Labor, and the Shaping of America's Public-Private Welfare State*, Politics and Society in Twentieth-Century America (Princeton, N.J: Princeton University Press, 2003).

⁵⁷ Peter Borscheid and Niels Viggo Haueter, eds., *World Insurance: The Evolution of a Global Risk Network*, (Oxford: Oxford University Press, 2012); Robin Pearson and Takau Yoneyama, eds., *Corporate Forms and Organizational Choice in International Insurance* (Oxford: Oxford University Press, 2016); Martin Lengwiler, "Special Issue: History of Insurance in a Global Perspective: A Novel Research Agenda," *Asia-Pacific Journal of Risk and Insurance* 17, no. 2 (July 1, 2023): 179–87.

⁵⁸ Steven Kent Vogel, *Marketcraft: How Governments Make Markets Work* (New York, NY: Oxford University Press, 2018).

⁵⁹ Michael Mann, *The Rise of Classes and Nation-States, 1760–1914*, vol. II, The Sources of Social Power (Cambridge: Cambridge University Press, 2012); Michael Mann, "The Autonomous Power of the State : Its Origins, Mechanisms and Results," *European Journal of Sociology* 25, no. 2 (1984): 185–213.

Germany, a complacent government oversight body became the front line of a competitive, but highly organized and hierarchical private sector. Non-insurance funds performing similar functions, even their bitter political competitors in the public insurance sector, were eventually drawn into this larger system. With its coordinative and supervisory functions, this structure formed a powerful instrument for the financial needs of German autarky. In Italy, the “entrepreneurial state” joined forces with the institutions of the Fascist regime to mount a political and regulatory offensive against smaller insurers, mutual funds, and eventually the larger private insurers as well.⁶⁰ In this stable governance structure, gentlemen’s agreements between the larger insurers replaced the role of a more active regulator, but a competitive political dynamic amongst the three eventually undermined its stability. The highly concentrated sector, dominated by a single firm domestically, was also a reliable instrument for Italian state finance.

This competition, however, unfolded across an environment that went beyond the boundaries of the marketplace or its governance institutions. To conceive of the interrelation between academia, government, and private business in insurance, I employ the notion of an institutional ecosystem. In Germany, this ecosystem was a dual, or bifurcated environment. Through the German state’s early interventions in insurance, distinct institutional ecosystems in private and social insurance emerged. The strong position of this social insurance ecosystem in the Weimar Republic motivated a defensive campaign by private insurers to wrest discursive authority from the state and from the academy. The found a natural ally in the anti-socialist, anti-republican, anti-establishment Nazi movement, which sought to abolish existing collective institutions and impose its own authority. In Italy, a public monopoly on life insurance brought private insurers into a more unitary ecosystem, which, also in social insurance, had little place for grassroots participation. Even after the end of its formal monopoly, the management of the INA ran an informal monopoly with their private peers and could co-exist with a state social insurance system that had not broken free from the larger field’s single intellectual paradigm. Seeking to retain its place alongside the two large international concerns, the public INA found a natural ideological ally in the Italian Fascist regime. Ironically, in this case, it was the breakaway development of the state’s commercial life insurance that may have influenced a new extension of state social insurance.

The third and final notion is that of an epistemic community.⁶¹ Overlapping epistemic communities in insurance, national and international, led to differing internal and outward postures of life insurance businesses within their broader national institutional ecosystems. The international epistemic community of insurance was in large part constituted through academic scholarship in this period, although the activities of major international organizations such as the

⁶⁰ Ernesto Cianci, *Nascita dello Stato imprenditore in Italia*, ed. Alessio Gagliardi (Lanciano: Rocco Carabba, 2009).

⁶¹ As developed by Peter M. Haas, “Introduction: Epistemic Communities and International Policy Coordination,” *International Organization* 46, no. 1 (January 1992): 1–35.

International Congress of Actuaries and ILO had begun to exert more influence.⁶² Italian scholars were a comparatively marginal presence in this field, which was dominated by German and English-speaking scholars. While the Fascist regime sought domestic legitimacy through strong showings on the international stage, the Italian academic insurance community sought international recognition of its domestic achievements. The leadership of the INA openly embraced Fascist social policy rhetoric, hoping to astound their peers with rapid progress towards their vision of industrial modernity.

In Germany, the national epistemic community performed the difficult role of uniting the country's bifurcated social and private insurance institutional ecosystem. To defend their industry from the challenge of social insurance, private insurers had to brush back the ecumenical tradition supported by men like Alfred Manes and mount a direct attack on social insurance administrator's alternative vision of insurance as social solidarity. In the intellectual vacuum resulting from the Nazi's victory, sophisticated but solipsistic visions of the *Gefahrengemeinschaft* ("community of danger", see Chapters 4 and 6) competed on equal footing with amateurish attempts to remove insurance from the real economy. None of these ideas resonated very much internationally, nor were they really intended to.

While using this framework to conceive of the larger structures and bring both cases into comparison, I do not view this history as one of structural evolution. I attempt to show how individuals within these structures exercised agency to transform them, in accordance with the pressures, constraints, and opportunities that they could perceive at the time. The narrative closely follows the actions of managers, policymakers, and titans of industry, who, at times in this period, played all three roles at once.

The structure of the dissertation is as follows. In the first chapter, I foreground my comparison, offering a review of the subject-area historiography and a sketch of developments and trajectories before my periodization. For reasons I elaborate upon in the following chapter, 1923 represents a turning point for both countries' life insurance industries. This is followed by six chapters that alternate between Germany and Italy, taking the reader to the beginning of the Second World War. The periodizations of each section roughly align, but some parallels unfold across periods. Convergence between the two regimes becomes obvious by the final chapters, where I draw more direct parallels. By shifting perspective back and forth, I hope to do justice to the particular histories of both countries' insurance sectors, while maintaining the thread of comparison and transnational interconnection. Finally, in the conclusions, I sum up the results of the study and offer some brief reflections on the longer legacy of this era of transformation in life insurance in German and Italian society.

⁶² Martin Lengwiler, "Politics Through the Back Door: Expert Knowledge in International Welfare Organizations," in *Engineering Society*, ed. Kerstin Brückweh et al. (London: Palgrave Macmillan UK, 2012), 79–96.

Chapter 1: Insurance and the State: Germany and Italy in Comparison

1923 marked a significant year for both Italian and German life insurance. In Germany, the Weimar inflation became hyperinflation, forcing life insurers to temporarily cease all business and reopen with new “gold mark” balance sheets in 1924. In Italy, a new law in April 1923 reopened the sector to new private competitors, definitively putting an end to the public monopoly in the sector. The first Fascist government and the acceptance of the Dawes Plan mark a coda for the tumultuous years immediately after the war – whether as the triumph of a “world-wide thermidor” or as an imperfect democratic political stabilization.¹ For life insurance, these events recast the complex relationships between state, market, and society that had informed private insurers’ work in the sector. Since national unification, these relationships had taken distinctive paths, seeing the emergence of state social insurance institutions, supervisory bodies, private industry associations, direct public insurance providers, and mutual aid societies pursuing insurance-like activities. In Italy and in Germany, the provision of life insurance was part of much broader areas social organization and economic activity, in which private insurance companies and actuaries were one group of actors among many. Life insurance, understood as a form of savings and social risk-sharing, had in fact been at the center of political contestation in the period preceding the First World War. Post-war settlements in insurance, commercial and social, reflected the transformed political landscape that the end of this conflict ushered in.

Before offering a more complete foregrounding of my archival study, I provide an overview of scholarship on German and Italian life insurance in the interwar period. Little direct comparative work has been done on life insurance for any countries, with no comparisons yet between Germany and Italy in this period.² Much of the scholarship on Germany and Italy, as shall be seen, focusses on particular insurance firms’ paths through the era as part of longer corporate histories, often with a specific focus on the question of their relationships to their country’s political regime. These questions are also important for my own research. Nevertheless, it is my hope to develop a broader account of the emergence of mass commercial life insurance within a distinct set of social, legal, technological, and economic institutions. Business history scholarship on both countries is rich and has cast a wide net; I aim to build on this tradition, filling some empirical gaps, while forging an interpretative link to scholarship on social insurance in both regimes.

¹ Charles S. Maier, *Recasting Bourgeois Europe: Stabilization in France, Germany, and Italy in the Decade after World War I* (Princeton University Press, 2015), 136.

² There does exist a more extensive literature on the origins of insurance law in Europe, in which Germany and Italy feature prominently: see for example Laura Zampano, *Die Ursprünge der Versicherungsaufsicht in Deutschland und Italien aus historisch-vergleichender Perspektive*, 1st ed. (Duncker & Humblot, 2021). For a discussion of this historiography, see Cornel Zwielerlein, *Der Gezähmte Prometheus: Feuer und Sicherheit zwischen früher Neuzeit und Moderne*, Umwelt und Gesellschaft, Band 3 (Göttingen: Vandenhoeck & Ruprecht, 2011), 25-26. Julia Moses has also written a study of the emergence of accident insurance in the late 19th century, looking at Great Britain, Italy, and Germany; see Julia Moses, *The First Modern Risk: Workplace Accidents and the Origins of European Social States*, Studies in Legal History (Cambridge: Cambridge University Press, 2018), <https://doi.org/10.1017/9781108657853>.

I. The Interwar Period in Insurance Historiography

I.1. German Insurance Historiography since 1945

The history of German life insurance in the Nazi and Weimar period shows a complex trajectory through the historiographical debates of the 20th-century. Most scholarship has focused on individual firms, and much of it has been commissioned by the corporations that are objects of study. While earlier scholarship shied away from closely examining firms' relationships with the Nazi regime, the contemporary state of literature now provides a thorough account of some of the larger firms' activities under Nazism. Nonetheless, the focus on individual firms as historical subjects and the periodization of 1933-1945 has resulted in certain degree of homogeneity. The lack of variety is compounded by the fact that there is simply not a tremendous amount of scholarly interest in insurance, let alone life insurance in particular. Finally, the relationship between social and private insurance, which has been more deeply examined in periods preceding and following, has only been covered in passing for the interwar period.

The first account of the history of German insurance during this period was written by Ludwig Arps, published in 1976 as part of a three-volume series on the 19th- and 20th-century history of the industry.³ The series is a remarkable piece of scholarship, treating all aspects of the historical German insurance ecosystem in thematically-organized chapters. Arps devotes a full volume to the history of insurance during the First World War and Weimar inflation. The first volume of the series – “Auf sicheren Pfeilern” for the period before 1914– employs a common metaphor used in insurance business histories, that of a solid building (On Sturdy Columns). The rhyming title of the second -- “Durch unruhige Zeiten” – (Through Turbulent Times) has a temporal, directional orientation, moving through the First World War, the Weimar Republic, and the Nazi period. Arps does not follow the history of any individual company, but rather provides a history of all commercial insurance, with occasional detours into the politics of social insurance. His sources are industry publications and firm reports, although the account draws on his personal experience of the era as well (in 1941 he became Economics Editor for the *Frankfurter Allgemeine Zeitung*; in the post-war period, he worked at *Allianz* as in-house historian).⁴ His perspective on the object of study thus reflects, to a certain extent, the self-understanding of German business milieus in the decades following the Second World War. For life insurance, group insurance saw strong growth in the Nazi period, and Arps's detailed account identifies the new regulations and laws that likely underwrote its expansion.⁵ Nevertheless, the influence of an insurance executive, Kurt Schmitt, whose ministry wrote much of this legislation in the first years of the Third Reich, is hardly mentioned. On the other hand, in moments where insurers

³ Ludwig Arps, *Auf sicheren Pfeilern: Deutsche Versicherungswirtschaft vor 1914* (Göttingen: Vandenhoeck & Ruprecht, 1965); *Durch unruhige Zeiten : Deutsche Versicherungswirtschaft seit 1914*, vol. I and II (Karlsruhe: Verlag Versicherungswirtschaft, 1976).

⁴ Arps also produced an early history of *Allianz*, along with many other articles and interventions regarding old-age pensions in Germany, See for example Ludwig Arps, “Bismarck rechnete bis zum Jahre 1969: Ein Rückblick auf die ersten Jahrzehnte der Deutschen Sozialversicherung,” *Arbeit und Sozialpolitik* 19, no. 5 (1965): 143–47.

⁵ Arps, *Durch unruhige Zeiten*, vol. II, 238-255.

found themselves on the defensive, for example, regarding a scheme advanced by Nazi party members to create public corporatist insurance institutes, Arps is less reticent: “dabei fanden die Versicherer einen Fürsprecher im Reichswirtschaftsministerium,” (the insurers found an advocate in the Reich’s Economics Ministry).⁶ The larger study, sadly, was interrupted by Arps’s death, and the third volume of the second part of the series was published posthumously in 1976 based on an incomplete manuscript.

Arps’s work is informed by his deep understanding of the broader cultural and social situatedness of insurance in Germany. Following the stabilization of the German currency, Weimar saw life insurance rapidly recover its pre-war heights and witnessed a proliferation of new distribution and marketing models that mobilized civil society institutions, including newspaper circulation networks, labor unions, and church communities.⁷ Arps’s account integrates these developments into his broader discussion of changes in Weimar society, but the short third volume can only give a very limited account of any continuities in the Nazi period.⁸ The relationship between private and social insurers, a common theme in earlier periods treated in Arps’s first volume, is not treated in any detail for the period of the Weimar Republic or Nazi regime.⁹ Private insurers’ opportunistic seizure of Jewish assets, likewise, is not discussed in the volume.

Another early work which deals with the life insurance institutional ecosystem through Weimar and the Nazi period, is Michael Tigges’s 1985 *Geschichte und Entwicklung der Versicherungsaufsicht*. Tigges provides an account of the development of insurance supervision in Germany from the 1700s through the present day. Like Arps, Tigges sets the political conflicts between public and private insurers of the Nazi period in continuity with calls to nationalize German insurance in the Bismarckian era, in the Wilhelmine period, and again following the German Revolution in 1918.¹⁰ Tigges and Arps take a rather skeptical position towards the intellectual father of these proposals, also an important figure in the development of German social insurance, Adolph Wagner.¹¹ In contrast to Arps, Tigges, as a historian of the supervision authority, also polemicizes to a certain extent regarding the “extreme liberalism” of private

⁶ Arps, *Durch unruhige Zeiten*, vol. II, 252.

⁷ Arps, *Durch unruhige Zeiten*, vol. II, 175-190, 224-225.

⁸ Arps, *Durch unruhige Zeiten*, vol. II, 252.

⁹ Arps, *Auf sicheren Pfeilern*, 81-96, 99-106, 121-138, 611-612; Arps, *Durch unruhige Zeiten*, vol. I, 184-220.

¹⁰ Michael Tigges, *Geschichte und Entwicklung der Versicherungsaufsicht* (Karlsruhe: VVW, 1985). 25, 24, 65-87, 94, 97.

¹¹ Wagner argued that insurance, by virtue of the law of large numbers and the inherent social inequalities in risk exposure, cannot be run as a business and must be a public utility. See Adolph Wagner, “Der Staat und das Versicherungswesen. Principielle Erörterungen über die Frage der gemeinwirtschaftlichen oder privatwirtschaftlichen Organisation dieses wirtschaftlichen Gebiets im Allgemeinen,” *Zeitschrift für die gesamte Staatswissenschaft / Journal of Institutional and Theoretical Economics* 37, no. 1 (1881): 171; Adolph Wagner, *Finanzwissenschaft und Staatssozialismus*, 1887, Sozialökonomische Texte, Heft 15 (Frankfurt am Main: V. Klostermann, 1948), 42-43. For Arps’s account see *Auf sicheren Pfeilern*, 88-93; Tigges, *Geschichte und Entwicklung der Versicherungsaufsicht*, 70.

insurers in the *Gründerjahre* (founding years).¹² For the Nazi period, Tigges's account is short, but provides information on the most important regulatory changes.

Aside from these early histories, commissioned histories of insurance firms make up the lion's share of the scholarship on German insurance before 1990. This genre of historical scholarship has itself a long history. The early 20th-century witnessed a surge in commemorative historical volumes for British, American, German, Austrian, and Italian insurance firms, often produced for anniversary celebrations.¹³ Arps's chosen title for his volume on the era before the First World War – “On Solid Pillars” – evokes rhetoric commonly used in these works, which advertised their firms' long traditions, communal values, entrepreneurial spirit, and solid financial foundations. These volumes continued to be produced through the 1930s, and are interesting sources for the insurers' public relations work under Nazism.¹⁴

The last of these firm volumes, Peter Borscheid's 1990 history of *Allianz*, however, marks a turning point in the interests and methods of these firm histories.¹⁵ Borscheid had produced his own thorough scholarly history of German insurance the year previous, but his work on *Allianz* left some critical details of the firms' complicity in the Nazi regime's crimes against Jews in the dark.¹⁶ The broader shift towards *Vergangenheitsbewältigung* in German public life provided a new context, but a new set of financial incentives delivered momentum. The Uruguay Round of GATS capped a decade of liberalization in financial services, during which many European insurers began operations in the United States.¹⁷ Now under American jurisdiction, in March 1997, a number of European insurance firms were accused in a class action lawsuit on the behalf

¹² Tigges, *Geschichte und Entwicklung der Versicherungsaufsicht*, 65; see Arps, *Aufsicheren Pfeilern*, 89.

¹³ See for example: James M. Hudnut, *Semi-Centennial History of the New-York Life Insurance Company 1845-1895* (New York: The Company, 1895); North British and Mercantile Insurance Company, *North British and Mercantile Insurance Company Centenary, 1809 - 1909* (North British and Mercantile Insurance Company, 1909); *Denkschrift zum hundertjährigen Bestehen der Berlinischen Feuer-Versicherungs-Anstalt 1812-1912*. (Berlin: Eckstein, 1912); Max Lehmann, *Hundert Jahre Berlinische Lebensversicherungs-Gesellschaft, 1836-1936*. (Berlin: G. Sperling, 1936); *Il Centenario delle assicurazioni generali: 1831-1931* (Trieste: La Compagnia, 1931); *Nel primo centenario della Riunione Adriatica di Sicurtà: 1838-1938* (Trieste: La Compagnia, 1939); *Leipziger Lebensversicherung 1830-1930. Denkschrift zur Jahrhundertfeier* (Leipzig: Philipp Reclam, 1930).

¹⁴ See for example, Rudolf Hensel, *50 Jahre Allianz, 1890-1940* (Reichenbach: Werner, 1940). Similar tendencies can be observed under Italian fascism: the 1938 volume on the centennial of the Italian *Riunione Adriatica di Sicurtà*, recounts the ethnic and geographical origins of its founders, while carefully avoiding mentioning the fact that many of them were Jewish. *Nel primo centenario della Riunione Adriatica di Sicurtà: 1838-1938* (Trieste: La Compagnia, 1939).

¹⁵ Peter Borscheid, *100 Jahre Allianz*, (Allianz AG: Munich, 1990).

¹⁶ Peter Borscheid, *Mit Sicherheit leben: Von den Anfängen bis zur Währungsreform von 1948*, (Eggenkamp, 1989). See the introduction to Ingo Böhle, “Die Volksfürsorge Lebensversicherungs-AG im Dritten Reich” (Hamburg, University of Hamburg, 1996).

¹⁷ Hans Günter Hockerts identifies globalization as the fourth, perhaps most important factor, in the new wave of reparations suits received by German businesses in the 1990s, Hans Günter Hockerts, “Wiedergutmachung in Deutschland 1945-2000,” *Vierteljahrshäfte für Zeitgeschichte* 49, no. 2 (2001), 214-215. See Mario A. Kakabadse, “The Uruguay Round and the Liberalization of Trade in Insurance Services,” *The Geneva Papers on Risk and Insurance. Issues and Practice* 17, no. 63 (1992): 208-14.

of Holocaust victims and their descendants of failing to honor life insurance policies.¹⁸ In June 1997, the *Spiegel*'s resident historian, Klaus Wiegrefe, penned the article, "Das Wagnis 'Auschwitz'" (The Auschwitz Risk), in which he presented some archival evidence showing *Allianz*'s close relationship to the Nazi regime, notably including their insuring of the Auschwitz death camps.¹⁹ In response, the firm chose to fund an independent historical commission to examine their Nazi past.²⁰ Rather than employing a German insurance scholar, *Allianz* chose Gerald Feldman, a Jewish-American professor of German studies from the University of California Berkeley. Fresh off the publication of his 1993 *magnum opus* on the Weimar hyperinflation, Feldman had previously written little on the Third Reich.²¹ His first research on the period was a new firm-commissioned history from *Deutsche Bank*, written with eminent economic history scholars Harold James, Carl Ludwig Holtfrerich, Lothar Gall and Hans Buschen.²²

Feldman's *Allianz* project, which spanned four years, employed several researchers, and mined more than 50 archives, presented a sweeping portrait of not just *Allianz*, but of the entire German private insurance industry in the Nazi era. Feldman had a great ability to integrate the enormous quantities of archival findings he and his researchers' dug up into his writing. The book devotes considerable attention to the conflict between private and public insurers, drawing on the *Polykratie* interpretative tradition to chart the path of *Allianz* through the Nazi regime's chaotic politics.²³ Insurers' complicity in aryanizations and in the denial of Jewish insurance claims are explored at length. Kurt Schmitt, the head of the *Allianz-Munich Re* concern, industry leader, and Hitler's second Economics Minister, is a principal figure in this account.²⁴ His larger portrait of Schmitt, which spans deep into the post-war years, including his denazification, is an unvarnished, but not unsympathetic portrait of a "politically naïve man" who ultimately stumbled into co-responsibility in "nearly destroy(ing) German capitalism."²⁵

After the *Allianz* book, Feldman would publish further research on German insurers' transnational relationships.²⁶ In a remarkable gift to future historians, Feldman made it a

¹⁸ "Holocaust-Era Insurance Claims: Background and Issues for Congress," legislation, accessed March 13, 2025, <https://www.congress.gov/crs-product/RL34348>.

¹⁹ Klaus Wiegrefe, "Das »Wagnis Auschwitz«," *Der Spiegel*, June 1, 1997, sec. Politik.

²⁰ Barbara Eggenkämper, Gerd Modert, and Stefan Pretzlik, *Die Allianz : Geschichte des Unternehmens : 1890-2015* (München: Verlag C.H. Beck, 2015), 530-534.

²¹ Gerald D. Feldman, *The Great Disorder: Politics, Economics, and Society in the German Inflation, 1914-1924* (New York: Oxford University Press, 1993).

²² See Jonathan R. Zatlín, "Gerald D. Feldman (1937-2007)," *Central European History* 41, no. 2 (2008): 281–88.

²³ As in Martin Broszat, *Der Staat Hitlers: Grundlegung und Entwicklung seiner inneren Verfassung*, (Munich: Deutscher Taschenbuch Verlag, 1969). For a recent intervention in these old debates, see Rüdiger Hachtmann, "Polykratie – Ein Schlüssel zur Analyse der NS-Herrschaftsstruktur?," *Docupedia-Zeitgeschichte*, 2018.

²⁴ Gerald D. Feldman, *Allianz and the German Insurance Business, 1933–1945*, (Cambridge, U. K. ; New York: Cambridge University Press, 2001), 60-105.

²⁵ Feldman, *Allianz and the German Insurance Business, 1933–1945*, xv, 76.

²⁶ Gerald D. Feldman, "Competition and Collaboration among the Axis Multinational Insurers: Munich Re, Generali, and Riunione Adriatica, 1933–1943," in *European Business, Dictatorship, and Political Risk, 1920-1945*, 1st ed., vol. 1 (Berghahn Books, 2004), 41–61.

condition of his work with *Allianz* that the firm retain copies of all of his sources in their corporate archive. His own work benefitted from the opening of the Soviet Moscow archives, which contained kilometers of documents from the German Economics Ministry, a few of which are now also stored in copy by *Allianz*. His book continues to serve as a guide for the consultation of the archive for the company's archivists.²⁷

Feldman's work marks a caesura in the historiography of German insurance in the Nazi period. Nevertheless, certain elements of the perspective developed in earlier generations of scholarship are retained in his work in modified form. Feldman analyses businessmen's individual room for maneuver (*Handlungsraum*) in the aftermath of a collective "cognitive catastrophe."²⁸ Examining "the political and moral economy of entrepreneurial behavior" under the unusual business conditions of Nazism, Feldman nonetheless is interested in these entrepreneurs as individuals, in industry's leaders conflicted relationship with the Nazi party, but not in the business's transformation or development under these unusual conditions.²⁹ While Feldman deftly dissects Schmitt's lies regarding his friendship with Goering and relationship with Hitler, he sees a clear moral difference between these compromised men and their political opponents, the Nazi public insurers Hans Schwede-Coburg and Hans Goebbels.³⁰ Breaking with apologetic tendencies in older firm scholarship on German insurance, the focus remains centered on private insurance as a protagonist, a historical subject navigating its way through this tumultuous period.³¹

The limitation of this perspective is that the outlook of private businessmen on the broader Nazi insurance sector is not always historicized, but sometimes simply affirmed through the political lens of the era of writing.³² Private insurers' agency as part of the Nazi coalition is examined, but is reduced to smaller dimensions by continual comparison with their competitors. To the many outright losers in the larger politics of Nazi insurance, including the constituencies of Weimar social insurance, Germany's independent mutual funds, the Jewish leadership of rival insurance firms, expropriated Social-Democratic insurance firm directors, not to mention members of the political opposition in prison and in exile, *Allianz* General Director Kurt Schmitt, clad in his SS

²⁷ Eggenkämper, Modert, and Pretzlik, *Die Allianz*, 534.

²⁸ Gerald D. Feldman, "Politische Kultur und Wirtschaft in der Weimarer Zeit: Unternehmer auf dem Weg in die Katastrophe," *Zeitschrift für Unternehmensgeschichte* 43, no. 1 (March 1, 1998): 3–18, <https://doi.org/10.1515/zug-1998-0102>.

²⁹ Feldman, *Allianz and the German Insurance Business*, x.

³⁰ Schwede-Coburg was a Gauleiter and Hans Goebbels is better known for his more famous brother. On Schwede-Coburg; see Hermann Weiß, *Biographisches Lexikon zum Dritten Reich* (Frankfurt am Main, 1998), 424.

³¹ In his 2012 history of the German insurance industry, Koch hails Eduard Hilgard, leader of the private insurance industry during the Nazi period, for his "personal courage" and "unshakeable steadfastness of character and outlook." Peter Koch, *Geschichte der Versicherungswirtschaft in Deutschland* (Karlsruhe: Verlag Versicherungswirtschaft, 2012), 280. Feldman's portrait of Hilgard, however, has been characterized as a "spellbinding sketch" of a "loathsome opportunist." Zaitlin, *Gerald D. Feldman*, 287.

³² Feldman believed that the collapse of communism and the demise of the "gospel of Keynesianism" were in fact a great boon for the historical profession's understanding of the Weimar economy. Gerald D. Feldman, "Politische Kultur und Wirtschaft in der Weimarer Zeit: Unternehmer auf dem Weg in die Katastrophe," *Zeitschrift für Unternehmensgeschichte* 43, no. 1 (March 1, 1998): 3–18, <https://doi.org/10.1515/zug-1998-0102>, 6–8.

uniform next to Hitler at rallies, was not a fellow subject of the regime, but one of its many faces. As will be argued in Chapters 2 and 4, Schmitt's later regrets should not conceal his strong affinities with the Nazi movement, which are critical for understanding the politics of the larger insurance ecosystem's realignment during the Nazi's rise to power.

Following Feldman's work, a number of other business historians have explored other facets of Nazi-era life insurance in greater depth.³³ Ingo Böhle's work on the life insurer the *Volksfürsorge*, Hans Lembke's account of the collapse of the Austrian *Phönix*, and new scholarship on *Allianz* by in-house historians and archivists Gerd Modert, Stefan Pretzlik and Barbara Eggenkämpfer, bear specific mention.³⁴ Where Feldman provides a cross-section of commercial insurance in Nazi politics, Modert and his colleagues' work offers a more complete portrait of the self-reinvention of *Allianz*'s organization and image in this period. Böhle describes the transformation of the cooperative Social-Democratic *Volksfürsorge* into a National-Socialist, DAF-led *Musterbetrieb* ("model firm"), which expanded faster than any of its competitors in Germany. Hans Lembke weaves the complex tale of the Viennese *Phönix*'s 1935 bankruptcy, offering a sweeping analysis of the highly competitive Nazi-era life insurance market, in which the *Phönix*'s mass group insurance policies put it at the cutting edge of contemporary practice.³⁵ Lembke also illustrates the value of insurance policies for fleeing Jews, who, through a scheme managed by the *Phönix*'s director, Wilhelm Berliner, could evade German capital controls.³⁶

Little scholarship offers a perspective on the cultural and political position of life insurance vis-a-vis social insurance in this era. Lil Schlegel-Voß compares private and public support systems available to the elderly under Nazism.³⁷ Her work also provides valuable data sources compiled from periodicals on German group insurance for the period. Martin Lengwiler's recent work on

³³ Some other works preceding Feldman should also be mentioned: Gerhard Bergholter, *Unternehmensgeschichte der Iduna-Versicherung* (Hamburg: IDUNA-Versicherungen, 1990); Andre Botur, *Privatversicherung im Dritten Reich: zur Schadensabwicklung nach der Reichskristallnacht unter dem Einfluss nationalsozialistischer Rassen- und Versicherungspolitik*, Berliner juristische Universitätschriften. Reihe Zivilrecht, Bd. 6 (Berlin: Verlag Arno Spitz, 1995).

³⁴ Böhle's article recounts some of the arguments from his dissertation in abbreviated form: "Die Volksfürsorge Lebensversicherungs AG — Ein Unternehmen der Deutschen Arbeitsfront (DAF) Im «Dritten Reich»," *Zeitschrift Für Unternehmensgeschichte / Journal of Business History* 45, no. 1 (2000): 49–78. Barbara Eggenkämpfer, Gerd Modert, and Stefan Pretzlik, *Die Allianz : Geschichte des Unternehmens : 1890-2015* (München: Verlag C.H. Beck, 2015); Hans H. Lembke, *Phönix, Wiener und Berliner: Aufstieg und Sturz eines europäischen Versicherungskonzerns* (VS Verlag für Sozialwissenschaften, 2016), <https://doi.org/10.1007/978-3-658-10974-5>.

³⁵ Lembke, *Phönix, Wiener und Berliner*, 80–85.

³⁶ Lembke, *Phönix, Wiener und Berliner*, 108–110. Hans Ehler has also written histories of German insurers' corporative organizations; see Hans Ehler, *Die Verbandzusammenschlüsse in der privaten Lebensversicherung: Vom Verein Deutscher Lebensversicherungs-Gesellschaften bis zum Verband der Lebensversicherer E.V., 1869-1996. Chronik der Ereignisse und Entwicklungen*, (Karlsruhe: VVW GmbH, 2003); Hans-Jörg Ehler, *Der Reichsverband der Privatversicherung: Eine Chronik der Ereignisse und Entwicklungen* (Karlsruhe: VVW, 2009).

³⁷ Lil-Christine Voß-Schlegel, *Alter in der "Volksgemeinschaft."* *Zur Lebenslage der älteren Generation im Nationalsozialismus.*, Schriften zur Wirtschafts- und Sozialgeschichte 80 (Berlin: Duncker & Humblot, 2005); see also her work on the legislation that brought German contract workers into the social insurance system; Lil-Christine Voß-Schlegel, "Von der Arbeitnehmerversicherung zur Volksversicherung: Die Handwerkerversicherung 1938," *Zeitschrift für Unternehmensgeschichte* 47, no. 2 (October 1, 2002): 175–97, <https://doi.org/10.1515/zug-2002-0204>.

private health insurance provides a case study for a related sector.³⁸ Lengwiler shows that insurer's mimicry of social insurance, civil society mobilization, and business-friendly Nazi policy made private health insurance “the success story in the interwar insurance market.”³⁹ While scholars including Ludwig Arps have examined older conflicts between private and social insurance in other periods in great detail, there is no comparable scholarship on this subject in Weimar and the Third Reich.⁴⁰

In classic studies of Nazi-era social politics, such as those by Eckart Reidegeld, Götz Aly, Gerhard Ritter, Karl Teppe, Christopher Sachse and Florian Tennstedt, and Timothy Mason, and in studies of the public pension system by Hans Günter Hockerts and Alfred C. Mierzejewski, private insurance is hardly mentioned at all.⁴¹ These accounts nevertheless identify some longstanding criticisms of social insurance that Arps notes private insurers advanced in his history of their earlier conflicts. Core contentions of these critics, who emphasized the importance of *Selbsthilfe* and *Selbstverantwortung* (self-help and self-responsibility) and the idea of proper rewards for individual efforts -- were constitutive ideological elements of the Nazi welfare state.⁴² As shall be argued, insurance firms not only incorporated this rhetoric in their own marketing, but made strategic, concerted interventions in advertising, public relations, and political lobbying well in advance of the Nazi takeover to promote these ideas, discredit social insurance, and position their business as an alternative model.

Research on insurance in the aftermath of the Nazi period shows a conflictual relationship that never fully healed. To stop the passage of the act that created Germany's modern retirement insurance system (*die dynamische Rente*), private insurers formed a political advocacy organization, the *Gemeinschaft zum Schutz der deutschen Sparer* (Community for the Defence of

³⁸ Martin Lengwiler, “Competing Appeals: The Rise of Mixed Welfare Economies in Europe, 1850–1945,” in *The Appeal of Insurance*, ed. Geoffrey W. Clark et al. (University of Toronto Press, 2010), 173–200.

³⁹ Lengwiler, “Competing Appeals,” 183.

⁴⁰ See footnotes 10 and 11. In his account of the role of experts in the Weimarian social state, Wilfried Rudloff notes the deep suspicion towards state insurance of actuaries of private firms. Wolfgang Ayass et al., eds., “Die Entstehung des Sozialstaates und der Aufstieg der Experten: Foren, Formen und Funktionen,” in *Sozialstaat im Werden* (Stuttgart: Franz Steiner Verlag, 2021).

⁴¹ Karl Teppe, “Zur Sozialpolitik des Dritten Reiches am Beispiel der Sozialversicherung,” *Archiv für Sozialgeschichte* 17 (1977): 195–250; Christopher Sachse and Florian Tennstedt, *Der Wohlfahrtsstaat im Nationalsozialismus*, Geschichte der Armenfürsorge in Deutschland, III (Stuttgart: Kohlhammer, 1992); Timothy W. Mason, *Sozialpolitik im Dritten Reich: Arbeiterklasse und Volksgemeinschaft*, (Opladen: Westdeutscher Verlag, 1977); Hans Günter Hockerts, “Sicherung im Alter. Kontinuität und Wandel der gesetzlichen Rentenversicherung 1889–1979,” in *Sozialgeschichte der Bundesrepublik Deutschland. Beiträge zum Kontinuitätsproblem.*, ed. Werner Conze and M. Rainer Lepsius (Stuttgart, 1983); Eckart Reidegeld, *Staatliche Sozialpolitik in Deutschland: Band II: Sozialpolitik in Demokratie und Diktatur 1919 - 1945* (VS Verlag für Sozialwissenschaften, 2006), <https://doi.org/10.1007/978-3-531-90328-6>; Alfred C. Mierzejewski, *A History of the German Public Pension System: Continuity amid Change* (Lanham: Lexington Books, 2016); Götz Aly, *Hitlers Volksstaat: Raub, Rassenkrieg und nationaler Sozialismus*, (Frankfurt am Main: S. Fischer, 2005).

⁴² Sachse and Tennstedt, *Der Wohlfahrtsstaat im Nationalsozialismus*, 46, 57; Wolfgang Ayass, “Ausbau, Rückbau, Umbau? Erweiterung der Sozialversicherung nach 1880,” in *Sozialstaat im Werden*, ed. Wolfgang Ayass, Wilfried Rudloff, and Florian Tennstedt (Stuttgart: Franz Steiner Verlag, 2021), 214–215.

German Savers).⁴³ They denounced the new social insurance system for its repression of the urge to save, which they claimed would have devastating effects on public morality and national investment. Ludwig Arps contributed one of his first published works to this doomed crusade.⁴⁴ There is much to suggest that picking up the thread from both sides of the interwar period may yield a portrait of an insurance ecosystem in which “die Grenzen der Privat- und Sozialversicherung” (the borders of social and private insurance) had not yet been defined to the satisfaction of all parties.⁴⁵

I.2. Italian Insurance Historiography since 1945

Scholarship on Italian insurance during the interwar period presents a rather different picture. Like Germany, some private insurance firms have a long tradition of commissioning corporate histories.⁴⁶ There are, however, fewer such volumes, as Italy’s life insurance industry displayed a much higher degree of concentration in this period than Germany’s.⁴⁷ Unlike Germany, Italian insurers’ close relationship with Fascism has never been a matter of serious dispute. Some of the early post-war Italian scholarship on Fascism identified private insurance as a key business constituency behind Mussolini’s leap to the office of prime minister in 1922.⁴⁸ The re-opening of Italy’s life insurance market to private competition, one of the first major acts of the fascist government, fits into the initial pro-business, or “authoritarian libertarian” phase of Fascist rule.⁴⁹ On the other hand, the complicity of Italian business in the antisemitic policies of the late Fascist regime and of the *Repubblica Sociale Italiana* (RSI), only began to receive much scholarly attention in the 1990s, as in Germany.⁵⁰

⁴³ Hans Günter Hockerts, *Der deutsche Sozialstaat: Entfaltung und Gefährdung seit 1945* (Vandenhoeck & Ruprecht, 2012), 83. See also Hans Günter Hockerts, *Sozialpolitische Entscheidungen im Nachkriegsdeutschland* (Stuttgart: Stuttgart: Klett-Cotta, 1980) and Christopher Kopper, “Versicherungskonzerne in der »Deutschland AG«,” in *Der “Rheinische Kapitalismus” in der Ära Adenauer*, ed. Hans-Günter Hockerts and Günter Schulz (Paderborn: Schöningh, 2016).

⁴⁴ Ludwig Arps, *Individuelle Vorsorge ist besser : Gefahren einer schematischen Altersversorgung für die freien Berufe* (Düsseldorf: Becker & Wrietzner, 1955).

⁴⁵ The title refers to a talk held by Kurt Schmitt and an article written by Alfred Manes. See Chapters 2 and 4.

⁴⁶ Giuseppe Stefani, *Il Centenario delle assicurazioni generali: 1831-1931* (Editrice La Compagnia, 1931); *Nel primo centenario della Riunione Adriatica di Sicurtà: 1838-1938* (Trieste: Ed. “La Compagnia,” 1939); more recent corporate histories include: Assicurazioni Generali, ed., *Generali Nella Storia: Racconti d’archivio*, (Venezia: Generali ; Marsilio, 2016); Roberto Rosasco and Assicurazioni Generali, eds., *The Age of the Lion: Assicurazioni Generali’s Long Journey from 1831 to the Third Millennium*, (Trieste: Generali, 2015).

⁴⁷ See Chapter 3. The Italian insurers’ association however has published retrospective volumes, including the excellent collection of essays edited by Paolo Garonna from 2011: Paolo Garonna, *Assicurare 150 anni di Unità d’Italia: il contributo delle assicurazioni allo sviluppo del Paese* (Roma: ANIA, 2011).

⁴⁸ Ernesto Rossi, *I padroni del vapore* (Bari: Laterza, 1966).

⁴⁹ See Franco Marcoaldi, “Liberismo autoritario tra Stato liberale e regime fascista (1922- 1925),” in *Il pensiero reazionario. La politica e la cultura dei fascismi*, ed. Bruno Bandini (Ravenna: Longo, 1982); Clara E. Mattei, *The Capital Order: How Economists Invented Austerity and Paved the Way to Fascism* (Chicago, IL: University of Chicago Press, 2022).

⁵⁰ See Ilaria Pavan, *Beyond the Things Themselves: Economic Aspects of the Italian Race Laws* (Jerusalem: Yad Vashem Publications, 2019); Anna Millo, *Trieste, le assicurazioni, l’Europa: Arnaldo Frigessi di Rattalma e la Ras* (Franco Angeli, 2004); Susan Dora Glazer, “Business as Usual?: Triestine Companies, the Italian Insurance Industry, and the ‘Jewish Question’ during World War II” (Ph.D., United States -- Massachusetts, Brandeis University, 2009).

Scholarship on Italy's insurance sector during the fascist period has taken an express interest in questions that are only addressed obliquely in German insurance scholarship. The role of the insurance sector in early 20th-century Italian capitalism and the emergence of insurance corporations as products of particular economic cultures have been explored in numerous accounts. The relationship between public and private enterprise has been brought into broader discussions regarding privatizations under Fascism.⁵¹ Finally, the place of commercial life insurance in Fascist-era social policy has seen some limited treatment in histories of the social security system. Italian scholarship, however, suffers from one major empirical deficit: the lack of a detailed archival study of the sector's single largest commercial insurer during the fascist period, the public *Istituto Nazionale delle Assicurazioni* (National Insurance Institute, the INA).

In his 1997 article, "L'affermazione delle assicurazioni nel capitalismo italiano, 1919-1940," archivist and insurance studies scholar Roberto Baglioni provided an influential framing for the larger trends in Italian insurance in the interwar.⁵² Baglioni tells the story of the rise of Italian insurance from marginal, foreign-dominated part of the financial sector to a "new protagonist" among the dominant interests in Italian capitalism.⁵³ Baglioni completes this account with his own compilation of statistics showing Italian insurance's economic significance in the late 1930s.⁵⁴ He draws attention to the important role played by both the public INA and the private *Generali* and *Riunione Adriatica* in Fascist-era state intervention in the financial sector.

Baglioni's framing is influential and areas of the scholarship he draws on have been pushed forward in new research over the last decades. Anna Millo's work on the *Riunione Adriatica di Sicurtà* culminated in her volume on the history of the firm through the two wars, *Trieste, le assicurazioni, l'Europa: Arnoldo Frigessi di Rattalma e la Ras*.⁵⁵ Millo tells the story of the firm's ownership and management among the Triestine high bourgeoisie, narrating their deft navigation of the passage from Habsburg high finance to the Milan-centric Italian business community at the beginning of the fascist era. During the *ventennio*, the company continued to

⁵¹ See Germà Bel, "From Public to Private: Privatization in 1920's Fascist Italy," Working Paper, 2009, <https://cadmus.eui.eu/handle/1814/12319>.

⁵² Roberto Baglioni, "L'affermazione delle società assicurative nel capitalismo italiano (1919-1940)," *Studi Storici* 38, no. 2 (1997): 431–68. Among his other publications, Baglioni has published an extremely useful guide to sources and statistics on the Italian insurance industry through history. See Roberto Baglioni, *Guida agli archivi e alle fonti storiche delle assicurazioni in Italia* (Venezia: Marsilio, 2003).

⁵³ Baglioni, "L'affermazione delle società assicurative nel capitalismo italiano (1919-1940)," 452.

⁵⁴ On the history of the Triestine firms, Baglioni could draw on Giulio Sapelli's scholarship, Giulio Sapelli, *Trieste Italiana: Mito e destino economico*, Saggi di storia 8 (Milano, Italy: F. Angeli, 1990); and the early work of Anna Millo, *L'élite del potere a Trieste: una biografia collettiva 1891-1938* (Milan: F. Angeli, 1989). Stefano Battilossi's history of Italian institutional investors provides much of the sourcing and framework regarding INA and Italy's private insurers role in the financial parastate, Stefano Battilossi, "Accumulazione e finanza. Per una storia degli investitori istituzionali in Italia (1945-1990)," *Annali di storia dell'impresa* 8 (1992). Battilossi's research, in turn, draws on a wave of scholarship through the 1980s that examined the history of the Italian public intervention in the economy during the Fascist era; see, for example, Alberto Mortara, ed., *I protagonisti dell'intervento pubblico in Italia* (Milano: Franco Angeli, 1984).

⁵⁵ Anna Millo, *Trieste, le assicurazioni, l'Europa: Arnoldo Frigessi di Rattalma e la Ras* (Milan: Franco Angeli, 2004).

expand internationally, serving as an economic ambassador for Italian Fascism in Central Eastern Europe. Following the purge of the firm's Jewish leadership, the firm came under tighter control by the Fascist regime. Millo's work followed the publication of Feldman's account of *Allianz's* European business networks under Hitler, allowing her to correct his mischaracterization of familial connections among the shareholders and management of the Triestine firms.⁵⁶ While no study of comparable depth on *Generali* yet exists, Francesco Balletta's book on the company's financial performance contains his archival research on its transition from Austrian to Italian nationality.⁵⁷ In a recent article, Giulio Mellinato tells a similar story for *Generali* to that of Millo for the *Riunione Adriatica*.⁵⁸ Balletta and Millo's studies provide some confirmation for Ernesto Rossi's early conjecture regarding a corrupt bargain between high finance and Mussolini's first government, which gave broad deference to the private firms' preferences in legislation for the new sector.⁵⁹

Regarding the role of life insurance in public investment and social policy, the collected volume edited by Paolo Garonna, and published by the Italian Federation of Insurers in 2011, contains important essays by Antonio Agliardi and Elena Bico.⁶⁰ Agliardi shows the significance of real estate investments in private insurers' financial holdings, while Bico traces the development of *assicurazioni popolari* in alignment with the goals of fascist social policy.⁶¹ The sole significant competitor of INA in this market, *Alleanza Assicurazioni*, has been the subject of a firm history by Tommaso Fanfani, who provides interesting details on the growth of this particular business under Fascism.⁶² Giorgio Cingolani's 2017 book on the history of insurance in Italy draws on Baglioni's research and framing, but provides richer detail on the Fascist period through the integration of much of the above literature and his own archival sources.⁶³ Finally, Giandomenico Piluso's 2012 contribution to the *World Insurance* volume, edited by Peter

⁵⁶ Millo points out that the family Morpurgo did not control *Generali*, which was a large, publicly traded corporation with many shareholders. Edgardo Morpurgo was no relation of the firm's founder, Giuseppe Morpurgo. Millo, *Trieste, le assicurazioni, l'Europa*, 192-193.

⁵⁷ Francesco Balletta, *Mercato finanziario e Assicurazioni Generali* (Napoli: Edizioni Scientifiche Italiane, 1995).

⁵⁸ Giulio Mellinato, "La stabilizzazione sfuggente: le Assicurazioni Generali tra le due guerre," *La stabilizzazione sfuggente: le Assicurazioni Generali tra le due guerre*, 2019, 123-59.

⁵⁹ Ernesto Rossi, *I padroni del vapore* (Bari: Laterza, 1966), 65-66.

⁶⁰ Paolo Garonna, *Assicurare 150 anni di Unità d'Italia: il contributo delle assicurazioni allo sviluppo del Paese* (Roma: ANIA, 2011).

⁶¹ Antonio Agliardi, "Il mercato assicurativo e la dinamica degli investimenti tra le guerre," in *Assicurare 150 anni di Unità d'Italia: il contributo delle assicurazioni allo sviluppo del Paese*, ed. Paolo Garonna (Roma: ANIA, 2011); Elena Bico, "Lo stato e le assicurazioni in Italia: lo sviluppo delle assicurazioni sociali e l'Istituto nazionale delle assicurazioni," in *Assicurare 150 anni di Unità d'Italia: il contributo delle assicurazioni allo sviluppo del Paese*, ed. Paolo Garonna (Rome: ANIA, 2011).

⁶² Tommaso Fanfani, *Alleanza assicurazioni: Cento anni di storia* (Milan: Alleanza Assicurazioni S.p.a., 1998).

⁶³ Giorgio Cingolani, *Le assicurazioni private in Italia. Gestione del rischio e sicurezza sociale dall'Unità a oggi* (Bologna: Il Mulino, 2019).

Borscheid and Nils Viggo-Haueter, offers another snapshot of the state of the field in its longer periodization.⁶⁴

While the INA itself has yet to see a published monograph for the period in question, a number of studies have explored its history on either side of the era. Serena Potito has published extensively on the INA's origins and the first decade of its history.⁶⁵ Her research builds on earlier work on the end of the INA's monopoly and forms an essential departure point for this dissertation.⁶⁶ Guido Melis's discussion of the INA in the context of the Italian parastate is brief, but important for its perspective on the firm's administrative culture.⁶⁷ Jean-Yves Dormagen provides a close account of the corruption scandal that brought down the Institute's second fascist-era president, Salvatore Gatti, while a more recent essay by the INA's in-house archivist and historian, Simone Conversi, elucidates another financial scandal connected to an insurance subsidiary.⁶⁸ Both pieces provide evidence for Gianni Manghetti's contentions regarding the INA's corruption and penetration by the Fascist regime.⁶⁹ Regarding the Institute's investments, Fabien Mazenod specifically investigates the Institute's role in urban construction during the Fascist era.⁷⁰ On the other side of the *ventennio*, the Institute's activities in public housing provision have been studied, although the continuities with its Fascist era are not treated in depth.⁷¹

⁶⁴ Giandomenico Piluso, "Italy: Building on a Long Insurance Tradition," in *World Insurance: The Evolution of a Global Risk Network*, ed. Peter Borscheid and Niels Viggo Haueter, 1 edition (Oxford: Oxford University Press, 2012).

⁶⁵ Serena Potito, "La costituzione dell'INA e il monopolio statale delle assicurazioni (1912-1922)," *Pecunia : Revista de la Facultad de Ciencias Económicas y Empresariales, Universidad de León*, no. 15 (July 10, 2012); Serena Potito, "L'intervento dello Stato in economia nell'opera di Alberto Beneduce: dalla creazione dell'INA alla crisi del primo dopoguerra," in *Crisi economiche e intervento pubblico: l'insegnamento di Alberto Beneduce* (Soveria Mannelli: Rubbettino, 2014); Serena Potito, *L'INA. Gli anni del monopolio (1912-1923)*, (Milano: Franco Angeli, 2017); Serena Potito, "The Italian State Monopoly in Life Insurance: The Organisational and Management Model of the INA," *Review of Economics and Institutions* 13, no. 1–2 (February 23, 2023); Serena Potito, *The Italian National Insurance Institute Monopoly in the International Debate* (Cambridge Scholars Publishing, 2025).

⁶⁶ Alberto Jorio, *Impresa di assicurazione e controllo pubblico* (Milano: A. Giuffrè, 1980); Gianna Del Bono, "Le origini dell'INA. Aspetti e problemi," *Ricerche storiche*, no. 3 (1978): 655–715; Antonio Scialoja, "L'Istituto nazionale delle assicurazioni ed il progetto giolittiano di un monopolio di stato delle assicurazioni sulla vita," *Quaderni storici* 6, no. 18 (3) (1971): 971–1027.

⁶⁷ Guido Melis, *Due modelli di amministrazione tra liberalismo e fascismo. Burocrazie tradizionali e nuovi apparati*, Pubblicazioni degli Archivi di Stato, Saggio 10 (Ministero per i beni culturali e ambientali, 1988), 245–272.

⁶⁸ Jean-Yves Dormagen, "Salvatore Gatti (1879-1951). Un haut fonctionnaire italien entre libéralisme, fascisme et République," *Mélanges de l'école française de Rome* 111, no. 1 (1999): 149–99; Simone Conversi, "The Ina, Giuseppe Mastromattei and the Failure of the Italian Insurance and Reassurance Company Atlante," *Le carte e la storia*, no. 1/2024 (2024).

⁶⁹ Gianni Manghetti, *L'Italia delle assicurazioni: guida a un mondo di inganni, illusioni e poche sicurezze*, Attualità (Milano: Feltrinelli, 1982), 69–70.

⁷⁰ Fabien Mazenod, "Fabriquer la Rome fasciste. L'action de l'Istituto Nazionale delle Assicurazioni (INA). Investisseur immobilier et financeur de l'aménagement urbain." (Lyon, Université Jean Moulin, 2014).

⁷¹ Paolo Di Biagi, *La grande ricostruzione: il piano Ina-Casa e l'Italia degli anni cinquanta* (Donzelli Editore, 2001).

Scholarship on Italy's social welfare system has not reconstructed the role of the INA in Fascist-era social policy. In Arnaldo Cherubini's history of Italian *previdenza*, Gerhard Ritter's classic account, and in more recent histories of the Italian welfare state by Matteo Jessoula, Maurizio Ferrara, and Valeria Fargion, and Ilaria Pavan and Chiara Giorgi, the INA is barely mentioned at all.⁷² Fabio Bertini's long history of the fascist social state tells the story of the INA's rise as part of the "triumph of the great institutes," a process of consolidation and centralization which drove out commercial and non-commercial competitors alike.⁷³ Here, there are distinct parallels with the process of centralization to which the Nazis subjected the decentralized Bismarckian social insurance system. Tomaso Fanfani's brief discussion of commercial competition between *Alleanza Assicurazioni* and INA confirms Bertini's finding that the Institute drew attention with its aggressive expansion that threatened to make its life insurance policies a "second social insurance."⁷⁴ The political competition between Italy's actual social insurer, the *Istituto Nazionale Fascista della Previdenza Sociale* (INPFS) and the INA that this would have entailed has, to the best of my knowledge, not yet been explored.⁷⁵ The relationship between *Generali*, the *Riunione Adriatica*, the INA, and the smaller firms within the sector, has likewise not yet seen a dedicated study.

A last important area of historiography regarding Italian *previdenza* concerns the Italian labor movement and its mutual aid societies (*società di mutuo soccorso*). In the 1880s, Germany's mandatory social insurance system established a decentralized network of fulltime state administrators with broad civil society participation. Italy's voluntary social insurance system, on the other hand, relied on independent mutual aid societies for enrollment and struggled to find a clientele in the years after its founding in 1898.⁷⁶ The subsequent history of these mutual funds under Fascism is an untold part of this larger history of centralization. Through a two-step with the Fascist syndicalist, which absorbed many of these older organizations, the INA imposed

⁷² Arnaldo Cherubini, *Storia della previdenza sociale in Italia (1860-1960)* (Rome: Editori Riuniti, 1977); Gerhard Ritter, *Storia dello stato sociale*, trans. L. Gaeta, Edizione italiana (Rome: Laterza, 2003); Matteo Jessoula, Maurizio Ferrara, and Valeria Fargion, *Alle radici del welfare all'italiana. Origini e futuro di un modello sociale squilibrato* (Venice: Marsilio, 2012); Chiara Giorgi and Ilaria Pavan, *Storia dello stato sociale in Italia* (Bologna: Il Mulino, 2021).

⁷³ Fabio Bertini, "Il fascismo dalle assicurazioni per i lavoratori allo stato sociale," in *Lo stato fascista*, ed. Marco Palla (Venice: La nuova Italia, 2001).

⁷⁴ Fabio Bertini, "Il fascismo dalle assicurazioni per i lavoratori allo stato sociale," 257; Tommaso Fanfani, *Alleanza assicurazioni: Cento anni di storia* (Milan: Alleanza Assicurazioni S.p.a., 1998), 203.

⁷⁵ There is little mention of INA in the most recent full history of INPS during fascism, see Chiara Giorgi, *La previdenza del regime: storia dell'Inps durante il fascismo* (Bologna: Il mulino, 2004). The role of both organizations in financing state outlays has been well-established, see, among many others, Sabino Cassese, "Gli aspetti unitari degli statuti degli enti di Beneduce," in *Alberto Beneduce e i problemi dell'economia italiana del suo tempo. Atti della giornata di studio per la celebrazione del 50° anniversario dell'istituzione dell'IRI* (Roma: Edindustria, 1985); Lorenzo Iaselli, "Gli enti economici del fascismo," in *Intervento pubblico e economia fascista*, ed. Domenicantonio Fausto (Milan: Angeli, 2007).

⁷⁶ Enrico Gustapane's account for the 90th anniversary of the Italian social security institute is perhaps the most detailed: Enrico Gustapane, "Le origini del sistema previdenziale: la Cassa nazionale di previdenza per l'invalidità e per la vecchiaia degli operai (19 novembre 1898 - 19 luglio 1919)," in *Novant'anni di previdenza in Italia: culture, politiche, strutture - Atti del Convegno* (Rome: INPS, 1989).

group insurance contracts on hundreds of thousands of these societies, incorporating them within the state system. While Fabio Bertini's account of social policy centralization under Fascism discusses this conflict, histories of Italian mutual aid societies in the interwar do not recount the role of the INA, nor do major works on Fascist syndicalism discuss the Syndicalists' close relationship with the public firm.⁷⁷

In short, while research on the Italian insurance sector has approached the topic from a variety of perspectives, much remains unknown regarding the INA. As the INA took around 60% of total domestic primary premiums, held more than 90% of total contracts, and served as a secondary regulator for life insurance, this is a considerable research gap. In contrast to Germany, where over 60 domestic firms held market share throughout the interwar period, in Italy, only 13 firms did business in the life sector, with the INA and the two Triestine firms at 90% market share.⁷⁸ The relationships between the INA and both private and social insurers are thus of considerable interest for several areas of scholarship on the Italian Fascist *ventennio* (the twenty-year period of Fascist rule).

Drawing the Italian literature alongside that on German life insurance, the common lacune consist in questions regarding the inter-institutional relationships between private, public, and social insurance in this longer periodization, and the conflux of social, technological, economic, and political change that underlay the surge in mass life insurance in both societies. This story begins in 1923. In the remainder of the chapter, I provide a brief overview of the emergence of social insurance and commercial life insurance as related domains of knowledge and institutional ecosystems in the preceding period. The First World War and immediate postwar left an indelible mark on both, setting up their constituencies for collision in the years of political upheaval that would follow.

II. Insurance Epistemic Communities and Institutional Ecosystems in Italy and Germany after Unification

In both Italy and Germany, the use of insurance preceded state welfare schemes and private insurance corporations by several centuries.⁷⁹ By the time of national unification in 1861 and

⁷⁷ See Tito Menzani, *Il movimento cooperativo fra le due guerre. Il caso italiano nel contesto europeo* (Roma: Carocci, 2009); Maurizio Ridolfi, "Un'analisi settoriale del caso italiano: La cooperazione italiana e l'irregimentazione fascista della società. Un percorso tra storia e memoria," *La rivista della cooperazione*, no. 2 (2009): 121–33. On OND and on Fascist syndicalism, see Victoria De Grazia, *The Culture of Consent: Mass Organisation of Leisure in Fascist Italy* (Cambridge: Cambridge University Press, 2002); Francesco Perfetti, *Il sindacalismo fascista. Dalle origini alla vigilia dello Stato corporativo* (Roma: Bonacci, 1988).

⁷⁸ For Italy, see Figure 3.3 ; for Germany, see Appendix 3.2.

⁷⁹ For Italy, see L. A. Boiteux, *La Fortune de mer: le besoin de sécurité et les débuts de l'assurance maritime*, École pratique des hautes études. 6e section: Centre de recherches historiques. Ports, routes, trafics 24 (Paris: S. E. V. P. E. N, 1968); regarding early German insurers, see Cornel Zwielerlein, *Der gezähmte Prometheus: Feuer und Sicherheit zwischen Früher Neuzeit und Moderne*, Umwelt und Gesellschaft, Band 3 (Göttingen: Vandenhoeck & Ruprecht, 2011).

1871, both countries contained complex landscapes of mutual and private joint-stock companies, and, in Germany, local public insurers as well. In the 50 years before the First World War, insurance was adopted as a tool of deliberate statecraft by the countries' new national governments. Whether through the lighter touch of regulation and coordination, or the heavier hand of mandates and direct intervention, social insurance and commercial insurance emerged as distinct institutional ecosystems through state intervention. Despite the growing distinctness of the social and commercial insurance ecosystems, a conceptual bridge still linked the two in national epistemic communities: in Germany, the *Versicherungsprinzip* (the principle of insurance), in Italy, the broader notion of *previdenza*. Following the tumult of the immediate post-war period, these concepts would provide the basis for the renegotiation of these boundaries by actors in both ecosystems.

II.1. Germany: Social Insurance, Life Insurance, and the *Versicherungsgedanke*

The early history of German social insurance is often told through a genealogical lens: how did historical choices regarding institutional design prefigure the modern welfare state?⁸⁰ For Germany's private insurance community, however, this same history has been told as one of a narrowly averted nationalization.⁸¹ In the period before the final proposals to introduce state-provided workers' insurance, Otto von Bismarck's alliance with Adolph Wagner, the German national economist and state socialist who called for insurance to be taken over and run as a public utility, was a five-alarm fire for the private insurance business.⁸² While Bismarck came out publicly in favor of a pension scheme funded by consumption taxes – not a contribution-based system based on insurers' business models – he considered plans to fully nationalize private insurance companies and vented his disdain for their businesses' moral profiteering in parliament.⁸³ Rather than replacing or absorbing private insurance, however, the workers' pension scheme introduced into law in 1889 created an independent structure funded through equal worker and employer insurance premiums and coupled with a state subsidy.⁸⁴ Rather than creating a single centralized state institute, a highly decentralized model was chosen, managed

⁸⁰ As in George Steinmetz, *Regulating the Social: The Welfare State and Local Politics in Imperial Germany*, Princeton Studies in Culture/Power/History (Princeton, N.J.: Princeton University Press, 1993); Christoph Conrad, "Alterssicherung," in *Drei Wege deutscher Sozialstaatlichkeit: NS-Diktatur, Bundesrepublik und DDR im Vergleich*, ed. Hans Günter Hockerts (Oldenbourg Wissenschaftsverlag, 2010); Gerhard A. Ritter, *Der Sozialstaat: Entstehung und Entwicklung im internationalen Vergleich*, (Oldenbourg Wissenschaftsverlag, 2012); Alfred C. Mierzejewski, *A History of the German Public Pension System: Continuity amid Change* (Lanham: Lexington Books, 2016).

⁸¹ Robin Pearson, "Escaping from the State? Historical Paths to Public and Private Insurance," *Enterprise and Society*, 2020, 1055; Arps, *Auf Sicherem Pfeilern*, 81-106; Tigges, *Geschichte und Entwicklung der Versicherungsaufsicht*, 69-75.

⁸² Mierzejewski, *A History of the German Public Pension System*, 14-16; Tigges, *Geschichte und Entwicklung der Versicherungsaufsicht*, 76.

⁸³ Wolfgang Ayass, "Finanzierung und Leistungen der Arbeitsversicherung," in *Sozialstaat im Werden*, ed. Wolfgang Ayass, Wilfried Rudloff, and Florian Tennstedt, vol. II, II vols. (Stuttgart: Franz Steiner Verlag, 2021). 134-137; Tigges, *Geschichte und Entwicklung der Versicherungsaufsicht*, 75-76; Arps, *Auf sicheren Pfeilern*, 87; Walter Vogel, *Bismarcks Arbeitsversicherung: Ihre Entstehung im Kräftespiel der Zeit* (Braunschweig: G. Westermann, 1951), 132-134.

⁸⁴ Mierzejewski, *A History of the German Public Pension System*, 20-21.

through the local and regional offices of the other social insurance institutes.⁸⁵ Due to their antagonism towards the project, private insurers and the actuaries who ran their businesses were largely excluded from this system, which accordingly developed its own independent community of bureaucrats and experts.⁸⁶ In the first decades of their operations in Germany, private life insurers had seen support or benign indifference from the public sector and had advertised their new business model as *gemeinnützig* (for the general good).⁸⁷ While escaping nationalization, Germany's private life insurers now faced off with an entirely new public ecosystem, one whose claims to *Gemeinnützigkeit*, underwritten by the Reich's direct financial support, could not be rivalled.

Private insurers were thus dealt a shattering defeat by Bismarck.⁸⁸ Following his departure as chancellor, however, private insurers won more consideration from his successor's Finance Minister, the national liberal Johannes von Miquel.⁸⁹ Miquel implemented a thoroughgoing reform of the Prussian tax system, which allowed life insurance premiums up to 600 RM yearly to be deducted from taxable income.⁹⁰ The motivation for this was to eliminate tax code discrimination towards individuals not covered by the public pension system, which included industrial workers and state employees. Private life insurers were thus treated as the object, or instrument, of state social policy regarding the protection of widows and orphans.⁹¹ In 1896, the Prussian government convened the *Versicherungsbeirat*, a standing body where private insurers could advise regarding insurance policy.⁹² Despite their protestations, private insurance firms were then put under the direct supervision of the *Kaiserliches Aufsichtsamt für Privatversicherung* (Imperial Insurance Supervisory Office) in 1901.⁹³ The new oversight regime preserved the permit obligation common in pre-unitary German regulatory practice, but no longer required businesses to prove their contribution to the *Gemeinwohl* (public good). Instead, insurers were required to submit a business plan, which could be rejected if technical flaws were found, or else if the business was judged to violate laws or go against good morals.⁹⁴ Although

⁸⁵ Mierzejewski, *A History of the German Public Pension System*, 21-22.

⁸⁶ Wilfried Rudloff, "Die Entstehung des Sozialstaates und der Aufstieg der Experten: Foren, Formen und Funktionen," in *Sozialstaat im Werden*, ed. Wolfgang Ayass, Wilfried Rudloff, and Florian Tennstedt, vol. II (Stuttgart: Franz Steiner Verlag, 2021), 195.

⁸⁷ Arno Surminski, "Das Image der Versicherung," *Zeitschrift für die gesamte Versicherungswissenschaft* 75, no. 3 (September 1, 1986): 428.

⁸⁸ Arps, *Auf sicheren Pfeilern*, 38.

⁸⁹ See Alfons Pausch, *Johannes von Miquel: Sein Leben und Werk*, Wegbereiter des Steuerrechts, Bd. 1 (Stuttgart: Fachverlag für Wirtschafts- u. Steuerrecht Schäffer, 1964).

⁹⁰ Arps, *Auf sicheren Pfeilern*, 308.

⁹¹ Arps, *Auf sicheren Pfeilern*, 309.

⁹² Peter Borscheid, "Die Entstehung der deutschen Lebensversicherungswirtschaft im 19. Jahrhundert. Zum Durchsetzungsprozeß einer Basisinnovation," *VSWG: Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte* 70, no. 3 (1983): 305-30.

⁹³ Ehler, *Die Verbandzusammenschlüsse in der privaten Lebensversicherung*, 26-27.

⁹⁴ Tigges, *Geschichte und Entwicklung der Versicherungsaufsicht*, 85.

perhaps not in their preferred manner, the social and economic value of private life insurance received public validation in the creation of this regulatory regime.⁹⁵

By the turn of the century, German private insurance and social insurance existed as independent institutional ecosystems, performing similar functions, sanctioned and supported by state policy. While the original clienteles of these systems came from different classes and income levels – life insurance for the rich, social insurance for the poor -- they soon came to display higher degrees of overlap. The market for *Volkversicherung*, a form of small-sum life insurance for industrial laborers, began to expand rapidly in the 1890s.⁹⁶ Drawing inspiration from Anglo-American industrial life insurers, the Berliner *Victoria* brought life insurance to millions of industrial laborers, supplementing their public pensions with insured savings to cover burial costs or living expenses in old-age. Making 180 stops per day in German cities' compact workers' quarters, a single *Victoria* collector brought life insurance to thousands of laborers a week, many of whom likely regarded these regular appointments as an external motivation to maintain their savings habits.⁹⁷ Social insurance, meanwhile, underwent a first round of expansion for various classes of employment below the lower-income threshold in 1899, before an even more significant expansion to bring in white-collar employees at much higher income levels (*Angestelltenversicherung*) in 1913.⁹⁸

Convergence and renegotiation of the boundaries between the systems accompanied this transformation. Academic institutions for the science of insurance – *Versicherungswissenschaft* -- received support from both ecosystems.⁹⁹ Alfred Manes, perhaps the most influential German actuary of his generation, played a significant role in bringing social insurance to the field of actuarial studies.¹⁰⁰ In his 1905 tractatus on the *Versicherungswesen* (the insurance system) Manes devoted considerable attention to social insurance, arguing that: “*Sozialversicherung* (social insurance) must be understood as insurance.”¹⁰¹ In Manes's understanding, insurance was defined by two concepts, *Gegenseitigkeit* and *Entgeltlichkeit*, which might be translated together as the formalized commitment to mutual assistance entered into by the contracting parties, who become thereby simultaneously the scheme's beneficiaries and contributors.¹⁰² Manes interpreted employers' contributions as workers' indirect salary, while the state's contribution was not drawn

⁹⁵ The “große volkswirtschaftliche Bedeutung” of insurance and the “Gefahr schwerster Beschädigung des Volkswohls” were both mentioned in the introductory language of the draft for the regulatory law. Tigges, *Geschichte und Entwicklung der Versicherungsaufsicht*, 81.

⁹⁶ Arps, *Auf sicheren Pfeilern*, 312-322.

⁹⁷ Surminski, *Im Zug der Zeiten: 150 Jahre Victoria*, 40-43; Arps, *Auf sicheren Pfeilern*, 587.

⁹⁸ Wolfgang Ayass, “Ausbau, Rückbau, Umbau? Erweiterung der Sozialversicherung nach 1880,” in *Sozialstaat im Werden*, ed. Wolfgang Ayass, Wilfried Rudloff, and Florian Tennstedt (Stuttgart: Franz Steiner Verlag, 2021), 209-215.

⁹⁹ Martin Lengwiler, “The Paradigm of Interdisciplinarity: The German Model of Insurance Sciences (1880s-1950s),” *Revue d'histoire Des Facultés de Droit et de La Culture Juridique* 36 (2016): 409-25.

¹⁰⁰ Rudloff, “Die Entstehung des Sozialstaates und der Aufstieg der Experten: Foren, Formen und Funktionen,” 215-216.

¹⁰¹ Alfred Manes, *Versicherungswesen*, (Leipzig: B.G. Teubner, 1905), 15.

¹⁰² Alfred Manes, *Die Arbeiterversicherung*, (Leipzig: G. J. Göschen, 1905), 5.

into this larger framework, but rather understood as a separate form of state aid distributed through the insurance system.¹⁰³ For Manes, the tax-financed model preferred by Bismarck was no social insurance at all, but rather *Staatsversorgung* (state provision or care), a term coined by Manes.¹⁰⁴ Manes did not define social insurance as insurance provided by the universal state, the manifestation of the public interest, but by whether “sozialpolitische Momente” (social policy considerations) were decisive in its operation.¹⁰⁵ Private insurers could thus also theoretically provide social insurance.¹⁰⁶

While Manes’s work had the effect of asserting the intellectual authority of commercial insurance actuaries over state administrators, it nonetheless had considerable appeal for leaders of the social insurance institutional ecosystem. At the sixth International Congress of Actuaries, organized by Manes in Berlin, representatives of German social insurance provided a comprehensive report on their relatively new institutions for an audience of mostly private actuaries.¹⁰⁷ In the written report, the authors introduce German *Arbeiterversicherung* (workers’ insurance) as the “first realization of the idea of insurance (*Versicherungsgedanke*) through legal requirement on a broad social basis.”¹⁰⁸ While for Manes, the reciprocal contractual rights and obligations of social insurance meant it was in fact insurance, for high civil servants such as Ludwig Lass, this definition had the appeal of emphasizing the autonomy of the system’s participants. The bivalent nature of the system’s rights and benefits, as Lass argued in his own published volume on the *Arbeiterversicherung*, meant that German social insurance was a form of *mutual* assistance, not government largesse.¹⁰⁹ Despite the *Versicherungszwang* (compulsion to be insured), moreover, Lass argued that the system’s decentralized structure permitted a higher degree of freedom than in other countries, as those subject to the system also participated in its administration.¹¹⁰

The establishment of the new knowledge domain of the insurance sciences and the increasing functional overlap between private and social insurance clienteles prefigured bolder attempts to join the institutional ecosystems together. In 1911, during parliamentary debates on the expansion of social insurance, German life insurers put forward their own proposal to deliver the same services as proposed in the *Angestelltenversicherung* through a private consortium in

¹⁰³ Manes, *Versicherungswesen*, 15-16.

¹⁰⁴ Alfred Manes, “Über die Grenzen der Privat- und der Sozialversicherung,” *Zeitschrift für die gesamte Versicherungswissenschaft* 12, no. 2 (May 1912); see also Alfred Manes, “Sieg der Sozialversicherung über die Staatsbürgerversorgung in Australien,” *Zeitschrift für die gesamte Versicherungswissenschaft* 26, no. 2 (April 26).

¹⁰⁵ Manes, “Über die Grenzen der Privat- und der Sozialversicherung,” 513.

¹⁰⁶ Manes, “Über die Grenzen der Privat- und der Sozialversicherung,” 514-515.

¹⁰⁷ Between 70-80% of the attendees at the Congresses from 1895-1937 were employed by private businesses, Lengwiler, “Competing Globalizations,” 173.

¹⁰⁸ Alfred Manes, ed., *Berichte, Denkschriften und Verhandlungen des fünften Internationalen Kongresses für Versicherungs-wissenschaft zu Berlin vom 10. bis 15. September 1906* (Berlin: E. S. Mittler und Sohn, 1906), 645.

¹⁰⁹ Ludwig Lass and Friedrich Zahn, *Einrichtung und Wirkung der deutschen Arbeiterversicherung* (A. Asher & co, 1904).

¹¹⁰ Ludwig Lass, *Berichte*, 667.

exchange for a percentage of revenues.¹¹¹ The proposal was rejected in parliament. The same year, the Hamburg cooperatives and associated labor unions of the SPD (*Sozialdemokratische Partei Deutschlands*) moved to found their own joint-stock life insurance company, for which they would work as administrators, hold shares, and promote its policies among their members.¹¹² At the January 1913 meeting of the insurance supervisory agency, regulators bemoaned the difficult situation this initiative of the *Umsturzpartei* (overthrow party) had put them in. They considered denying the firm approval on various grounds.¹¹³ Nonetheless, the president's decision was to grant approval on the reasoning that doing so might transform the labor organizations into responsible stakeholders in the state and the economy, while not doing so would discredit the state's neutral universality. Many were not satisfied with this decision – the founder of the East Prussian public insurer, Wolfgang Kapp, even challenged the president of the supervision agency to a duel.¹¹⁴ To head off the challenge to their business, 30 private insurance companies founded a new *Volksversicherung* firm, the patriotically named *Deutsche Volksversicherungs- AG*.¹¹⁵ The firm would prove unsuccessful, while the new Social Democratic firm, the *Volksfürsorge*, would rapidly expand, leading the entire small-sum life sector in the interwar period.

On the eve of the First World War, private and social insurance in Germany thus display a number of linkages and parallels. Deliberate statecraft had produced two separate institutional ecosystems fulfilling some common aims of social policy, but the initiative of experts on both sides had re-united their epistemic communities. The idea of total nationalization or full freedom from oversight had largely disappeared, but the terms of the discourse – what forms of insurance organization best serve the common good? Which stakeholders can responsibly manage these institutions? – remained in continuity with these earlier debates. What united both ecosystems was their self-definition as a form of mutual assistance through reciprocal, defined, contractual obligations, in Manes's account, the *Versicherungsgedanke*.

II.2. Italy: Social Insurance and Life Insurance as State-provided *previdenza*

Some historiography on Italian social insurance emphasizes the backwardness of the country in European comparison.¹¹⁶ Italy, however, was not a latecomer to state intervention in the area of workers' pensions. In 1898, the state created the *Cassa di previdenza per l'invalidità e vecchiaia*

¹¹¹ Arps, *Auf sicheren Pfeilern*, 609-610.

¹¹² "Protokoll der 46. Gesamtsitzung des Kaiserlichen Aufsichtsamts für Privatversicherung am 21. Januar 1913," Bundesarchiv Koblenz, B280-546.

¹¹³ Businesses going against good morals, violating the law, or showing inadequate technical preparation could be denied approval. Had the original text of the regulatory framework been passed into law, the Chairman believed the business could have been denied approval on the grounds it "endangered the common good" (*Gefährdung des Gemeinwohls*). "Protokoll der 46. Gesamtsitzung des Kaiserlichen Aufsichtsamts für Privatversicherung am 21. Januar 1913," Bundesarchiv Koblenz, B280-546.

¹¹⁴ Arps, *Auf sicheren Pfeilern*, 592. Kapp is perhaps better known as the leader of the Kapp Putsch of 1920.

¹¹⁵ Arps, *Auf sicheren Pfeilern*, 592.

¹¹⁶ Jessoula, Ferrera, and Fargion, *Alle radici del welfare all'italiana. Origini e futuro di un modello sociale squilibrato*.

degli operai (The Workers' Fund for Invalidity and Old-Age), a public insurance entity that paid a small state to participants' along with their accrued benefits.¹¹⁷ The fund bore great resemblance to its inspiration, the internationally prestigious German model, but with two significant differences. Employers were not required to contribute and eligible Italian manual laborers faced no legal mandate. These decisions reflect the greater influence of Italian labors in national statecraft compared to the German case, but also fundamental differences in the aims of social policy and in the conceptualization of the problems it was meant to address.¹¹⁸ In Italy, savings were not incidental to the state's intervention in insurance, but were in fact a constitutive objective. If the architecture of Italian state insurance is indicative of backwardness, it is not that of Italian social policy methods, but rather the larger problem of development confronted by Italian technocrats.¹¹⁹ Public insurance provision was one among many experimental initiatives to support greater capital investment for national development.

In Italy, as in Germany, the "social question" of urban poverty and political radicalism led to state interventions to support workers and foster deeper political integration into the nation-state. However, where German advocates of social insurance defended obligatory participation in state institutions as a higher form of freedom, in Italian debates between liberals and state socialists this aspect of German social insurance was little remarked upon. While Italian intellectuals admired German statecraft through insurance, they regarded insurance as one of many forms of *previdenza* – simply translated, provision for future need. An 1869 Italian state commission to study the development of social legislation, the *Consiglio della previdenza*, had first focused on the activities of German *Sparkassen* (savings banks).¹²⁰ While Italian liberals' conception of freedom made them oppose the imposition of a social insurance mandate, Italy's own state socialists regarded *previdenza* as a sort of savings, and had an interest in supporting these

¹¹⁷ Germany (1889) and Denmark (1891) preceded Italy by only a few years. In comparative welfare state literature, however, and in much of the Italian historiography, the establishment of Italy's modern social insurance system is not dated to 1898, but rather to 1919, when the wartime insurance mandate for industrial workers was extended and other social insurance legislation was introduced; see Jessoula, Ferrera, and Fargion, *Alle radici del welfare all'italiana. Origini e futuro di un modello sociale squilibrato*, 29-30. On the *Cassa*, see Enrico Gustapane, "Le origini del sistema previdenziale."

¹¹⁸ Peter Hall has called this a "policy paradigm": "A framework of ideas and standards that specifies not only the goals of policy and the kind of instruments that can be used to attain them, but also the very nature of the problems they are meant to be addressing," Peter A. Hall, "Policy Paradigms, Social Learning, and the State: The Case of Economic Policymaking in Britain," *Comparative Politics* 25, no. 3 (1993): 293. On the reception of the German model in Italy, see Enrico Gustapane, "L'influenza tedesca sull'istituzione in Italia della Cassa di previdenza per l'invalidità e per la vecchiaia degli operai," *Annuario per la storia amministrativa europea* 5 (1993).

¹¹⁹ Marcello de Cecco writes: "the basic problem of Italian postunitary development having been how to invest more than the actual savings of the country would allow, there had been just the Italian neoclassical economists to suggest a reduction of spending to match available resources. For decades, everybody else had used their intellectual skills to devise practical ways to maintain a high rate of public and private investment: financial engineering, managed money, compression of wages, exploitation of agriculture, and expulsion of huge masses of the population so that they could earn their living abroad and send back remittances that allowed imports to exceed exports." See "Keynes and Italian Economics," in *The Political Power of Economics Ideas*, ed. Peter A. Hall (Princeton University Press, 1989), 213.

¹²⁰ Gustapane, "L'influenza tedesca sull'istituzione in Italia della Cassa di previdenza," 190.

savings for reasons that extended beyond social policy. For these individuals, insurance was simply a modern method for the administration of savings and *previdenza*.¹²¹

The form of political integration sought through state-orchestrated *previdenza* was neither that endorsed by Bismarck, who aimed to foster worker dependence on state institutions, nor that of later advocates of Germany's social insurance system, who became proselytizers for the freedom of self-administration. Rather, it was hoped that by providing stable, profitable savings facilities, Italian laborers might become responsible stakeholders in civil society, transforming "today's worker into tomorrow's capitalist."¹²² By spreading the virtue of savings, these institutions would promote the country's economic development, steadily increasing the supply of national savings for investment in Giolittian Italy.¹²³ The decision to not use a mandate was thus no half measure. The state's subsidy was conceived of not as a replacement for savings, but as an incentive. As the organization's president, Marchese Ferrero di Cambiano put it: "(our) insurance is the complement, the completion of savings, a sort of collective savings; but we have desired that it be the fruit of the sentiments and energies of the individual, free cooperation, the minimal effort of each towards a common advantage. We have called on the State to integrate these energies, but we have not wished that it substitute for them."¹²⁴

The results were disappointing. Rather than drawing Italy's working class into a state ecosystem, as in Germany, the *Cassa* struggled to compete with working-class institutions. In 1904, more than 7,500 mutual aid funds existed in the Kingdom of Italy, with over 1,000,000 members. They took in 15.3 million lira per year in member dues and had assets valued at 78.5 million lira.¹²⁵ Members dues were equivalent to around a sixth of total Italian life premiums in that year and represented, in real terms, a figure that industrial life insurers would only reach in 1935.¹²⁶ The limited success that the *Cassa* did achieve was the result of group contracts with some of these mutual aid societies, a much more limited form of systemic integration than the mandates and self-administration of the German system.¹²⁷ The same Marchese Ferrero di Cambiano expressed

¹²¹ The administrative model of the life insurance firm was the source of inspiration for the *Cassa*'s own methods. Gustapane, "L'influenza tedesca sull'istituzione in Italia della Cassa di previdenza," 211.

¹²² Gustapane, "L'influenza tedesca sull'istituzione in Italia della Cassa di previdenza," 193.

¹²³ Rolf Petri writes: "the ultimate goal of Italian economic policy between the Giolittian era and the the economic miracle: create national savings to transform into industrial capital." Rolf Petri, *Storia economica d'Italia: Dalla grande guerra al miracolo economico (1918-1963)* (Bologna: Il Mulino, 2002), 66. On the importance of savings in Italian economic policy, see Leandra D'Antone, "L'Iri di Beneduce e il valore morale del risparmio," *Imprese e Storia* 41–42 (October 2010): 109–40, <https://doi.org/10.1400/226562>; Francesco Dandolo and Filippo Sbrana, "Le trasformazioni del settore bancario tra le due guerre," in *La cultura economica tra le due guerre*, ed. Piero Baruccio, Simeone Misiani, and Manuela Mosca (Milano: Franco Angeli, 2015); Marcello De Cecco, "La protezione del risparmio nelle forme finanziarie fasciste," *Rivista di Storia Economica* 3, no. 2 (1986): 237–41.

¹²⁴ Gustapane, "Le origini del sistema previdenziale," 90.

¹²⁵ Lia Gheza Fabbri, *Solidarismo in Italia fra XIX e XX Secolo: le società di mutuo soccorso e le casse rurali* (Torino: G. Giappichelli, 1996), 73; Cingolani, *Le assicurazioni private in Italia*, 64.

¹²⁶ Unfortunately, there is no larger data series on these societies, but only this snapshot. Comparison figures are drawn from the INA's *popolari* revenues from 1935 and from the Istat series on insurance premiums for 1904.

¹²⁷ Gustapane, "Le origini del sistema previdenziale," 79.

his doubts about the scheme, noting that voluntary savings were indeed “a beautiful thing,” but if Italy’s workers persisted in refusing to enroll, they would have to be forced to do so.¹²⁸

Parallels with the German case re-emerge in the years directly before the First World War, as insurance nationalization -- mooted numerous times in France and Germany over the preceding decades -- was actually implemented in Italy.¹²⁹ In 1911, Francesco Saverio Nitti presented a plan to fully nationalize Italian life insurance to the Italian parliament. The plan formed part of a three-part program for Giovanni Giolitti’s government and was a critical concession towards its quiet support among the parliament’s socialists.¹³⁰ The initial design called for the profits drawn from a national life insurance monopoly to be put towards funding the subsidy for the workers’ insurance fund. This would have effectively created a universal risk pool with a mechanism for social transfers, as Adolph Wagner had proposed decades ago in Germany.¹³¹ The wealthier clients of the new *Istituto Nazionale delle Assicurazioni*, who would be charged a higher premium than their risks actually required, would subsidize the working class clientele of the *Cassa*, who would receive a higher benefit than their premium payments provided for on their own.

Following Italy’s invasion of Libya in 1911, however, further debate was postponed for a year.¹³² In the discussions surrounding the final version of the monopoly law, the financial link to the *Cassa* was dropped, while the conceptual link to the problem of insufficient national savings persisted. As demonstrated by Nitti’s protégé, the young Alberto Beneduce, in an actuarial study presented to parliament, Italy’s unregulated private insurers were charging high rates based on outdated mortality tables and making high profits.¹³³ Nitti argued that these businesses were creating mistrust in life insurance and discouraging individual savings.¹³⁴ The life insurance business, by its very nature, moreover, was best left to the state, which could provide the surest long-term guarantee and was well suited to managing a stable, unchanging business that required little innovation. Finally, foreign life insurers, a marginal presence in Germany, but a dominant one in Italy, were considered to be a serious problem, exerting a negative effect on domestic investment, collecting domestic savings but re-investing it and taking profits outside of the country.¹³⁵ The two largest insurance firms operating in Italy, *Assicurazioni Generali* and

¹²⁸ Ibid.

¹²⁹ Beat Stüdli, “Exploiter commercialement la misère humaine? Versicherungspolitik während der Formationsphase des französischen Wohlfahrtsstaats (1900-1950)” (Doctoral Thesis, University of Basel, 2020).

¹³⁰ Potito, “La costituzione dell’INA e il monopolio statale delle assicurazioni (1912-1922),” 166.

¹³¹ Ivanoe Bonomi, while preferring a tax-financed solution for workers’ pensions, nonetheless seems to have seen the potential for a Wagnerian universal insurance institute in the formal linking of the new insurance institutes. See Potito, “La costituzione dell’INA e il monopolio statale delle assicurazioni (1912-1922),” 166-167. The intellectual lineage of the proposal would have been unmistakable to the German insurance community, which published an article by the professor of law G. Rocca of Rome on the monopoly in the *Zeitschrift für die gesamte Versicherungswissenschaft*. Rocca opened by explaining the funding problem of social insurance, which he regarded as the principal motivation for the life insurance law. G. Rocca, “Das italienische Lebensversicherungs-Monopolgesetz,” *Zeitschrift für die gesamte Versicherungswissenschaft* 12, no. 2 (May 1912).

¹³² Potito, “La costituzione dell’INA e il monopolio statale delle assicurazioni (1912-1922),” 176.

¹³³ Cingolani, *Le assicurazioni private in Italia*, 92-96.

¹³⁴ Potito, “La costituzione dell’INA e il monopolio statale delle assicurazioni (1912-1922),” 172-175.

¹³⁵ Francesco Saverio Nitti, “Il capitale straniero in Italia,” *Scritti di economia e finanza* (Bari: Laterza, 1960), 402.

Riunione Adriatica di Sicurtà, were based over the northeastern border in the country's geopolitical rival, the Habsburg monarchy.¹³⁶

In 1912, the INA was created as a public monopoly in life insurance. Rather than adopting a regulatory scheme, the INA would manage the whole industry and provide regular reports to the Ministry of Agriculture, Industry, and Commerce on its technical methods and results. Most firms sold off their business to the INA, which also hired many of their sales and technical staff.¹³⁷ Some larger firms, such as *Generali* and *Riunione Adriatica*, chose to take their chances with the ten-year sunset period given for businesses to unwind their affairs. While in Germany the state social insurance system had emerged as an independent institutional ecosystem, linked by the expert epistemic community to private insurance, much of Italy's private insurance community was directly brought into the state's own insurance institute. Meanwhile, the working-class constituencies most similar to those in the German social insurance system's self-administration remained outside of the state, organized in their own decentralized, parallel system. The community bridging Italy's two major insurance ecosystems was not one of scholarly actuaries, let alone a grassroots political movement, but an elite, policy-oriented, technocratic community. Both the boards (*Consigli di amministrazione*) of INA, organized on the model of a private joint-stock corporation, and the *Cassa*, organized as an autonomous charitable organization, were filled by many of the same individuals, including the same Alberto Beneduce. They shared an understanding of life insurance as a special form of contractual savings and *previdenza* guaranteed by the state and invested in projects of the public interest. Links to Italy's private insurers, did of course persist, even as the Italian-speaking insurance community's most significant commercial enterprises and greatest reservoirs of technical experience were outside of the borders of the Italian state in Trieste.

II.3. Conclusions: Germany and Italy in Comparison through 1923

Summing up, promoting savings was the essential policy paradigm for state insurance interventions in Italy, while in Germany, the large reservoirs of savings accrued through interventions in the social insurance system were an incidental, even somewhat inconvenient feature of using insurance for social policy.¹³⁸ Proponents of Italian public insurance provision, Nitti and Beneduce, spoke of insurance as a form of individual sacrifice in the longer-term collective interest, while in Germany, men from across the dual institutional ecosystem of insurance made the case for insurance as a form of contractual mutual assistance. Calls for individual responsibility – in Italy, rhetoric embraced by advocates of both state-provided commercial and social insurance – were in Germany the preserve of private critics of state-

¹³⁶ The private insurers, including *Generali* and *Ras*, nonetheless had significant connections among Italy's financial community and lobbied heavily against the law without success. See Cingolani, *Le assicurazioni private in Italia*, 96.

¹³⁷ Potito, *L'INA. Gli anni del monopolio (1912-1923)*, 40-42, 49-53.

¹³⁸ Funding models that created large capital reserves were rejected in Germany on the grounds that they could have destabilizing effects on credit markets, see Alfred C. Mierzejewski, *A History of the German Public Pension System: Continuity amid Change* (Lanham: Lexington Books, 2016), 17, 21.

provided *Zwangsversicherung* (mandatory insurance).¹³⁹ The heavy hand of nationalization had, in both cases, created institutional ecosystems closely integrated with the state. In Italy, the diverse constituencies of the private life insurance community had been brought into the public sector, while in Germany, civil servants, academics, and labor constituencies came together in the state-orchestrated, but self-administrated social insurance system. Through the lighter touch of regulation, commercial life insurance in Germany remained the domain of private corporations, while in Italy, workers' mutual aid societies remained outsiders to the state's social insurance initiatives.

The effects of the First World War on both national insurance institutional ecosystems cannot be summarized here in depth. The conflict mobilized Europe's citizenries for their nation-states in an unprecedented manner. Governments assumed sweeping roles in national economic life, coordinating and directly carrying out economic activity in far more branches of the economy than ever previously. Welfare was extended through social insurance to a far broader class of individuals.¹⁴⁰ In both countries, state commercial insurance institutions supported the broader war effort.¹⁴¹ In victory and in defeat, both countries saw large social insurance expansions through the first years of the post-war.¹⁴² In victory and in defeat, communist and socialist parties with strong constituencies among industrial workers asserted a new level of autonomy in these state institutions.

For the purposes of this study, the effects of the immediate post-war can be conceived of as a shock to the institutional ecosystems of insurance in both countries -- social and commercial, public and private. In Germany, the November Revolution enshrined constitutional social rights beyond the contractual solidarity of the state insurance system.¹⁴³ This soon greatly extended the system's commitments. At the same time, hyperinflation eviscerated its reserves, forcing reliance on new and old state subsidy elements without formally abolishing the *Versicherungsprinzip* (insurance principle) as the system's technical north star. Germany's private life insurers lost nearly all of their reserves as well. However, unlike in social insurance, the value of the liabilities of private insurers diminished in equal proportion. After a few years of deliberation, political

¹³⁹ See Wolfgang Ayass, Wilfried Rudloff, and Florian Tennstedt, "Die wilhelminische Zeit," in *Sozialstaat im Werden*, vol. I (Stuttgart: Franz Steiner Verlag, 2021), 212-214.

¹⁴⁰ See Eckart Reidegeld, *Staatliche Sozialpolitik in Deutschland: Band I: Von den Ursprüngen bis zum Untergang des Kaiserreiches 1918*, (Wiesbaden: VS Verlag für Sozialwissenschaften, 2006), 321-323; Gustapane, *Le origini del sistema previdenziale*, 85-86.

¹⁴¹ INA did so in Italy, see Potito, *L'INA. Gli anni del monopolio (1912-1923)*, 77-85; in Germany the Lebensversicherungsanstalt für die Armee und Marine continued to provide voluntary coverage for some soldiers, while private life insurance companies covered the additional war risk through premium hikes. See Arps, *Durch unruhige Zeiten*, Vol. 1, 83-129.

¹⁴² See Maurizio Ferrera, "Italy: Wars, Political Extremism, and the Constraints to Welfare Reform," and Peter Starke, "The Impact of War on Welfare State Development in Germany," in *Warfare and Welfare: Military Conflict and Welfare State Development in Western Countries*, ed. Herbert Obinger, Klaus Petersen, and Peter Starke (Oxford, New York: Oxford University Press, 2018).

¹⁴³ Karl Christian Führer, "Die Sozialpolitik der Weimarer Republik," in *Aufbruch und Abgründe. Das Handbuch der Weimarer Republik*, ed. Nadine Rossol and Benjamin Ziemann (Darmstadt: Wissenschaftliche Buchgesellschaft, 2021).

intervention on behalf of *Altsparer* (old savers) or *Kleinrentner* (small rentiers) achieved a compromise solution: the delayed payout old claims based on re-valued reserves, for around 10% to 12% of the original value by 1932.¹⁴⁴ Beneath the sheen of a return to normalcy, the idealized intertemporal relationship between assets and obligations and contributions and benefits was broken. Political intervention could only provide a reset or ad-hoc fix. In private insurance, the unique conditions of hyperinflation, moreover, contributed to a revolution in industry methods.

In Italy, the Fascists' violent answer to the *biennio rosso* of municipal occupations and strikes ushered in a new era of social politics. The communist workers' movement was virtually destroyed, replaced by Fascist syndicalists as the largest Italian labor organization. Italy's autonomous mutual aid societies remained outside the social insurance system, which initially took backstage in Fascist social and economic policy, but were slowly forced into the centralized organization of the Fascist party. The shock to Italy's insurance ecosystem was delivered not by social policy or inflation, but rather by the sudden incorporation of Austrian Trieste and its two large insurance corporations into the Kingdom of Italy. Far more sophisticated and wealthy than small-time Italian insurers, Trieste's insurers became INA's partners and competitors, not its charges. The 1923 abolition of INA's monopoly fit Mussolini's strident denunciations of the public hand in economic life, but, as was readily apparent to smaller insurance operations, soon led to an alternative form of concentrated economic power. INA, in the meantime, did not give up its mandate so easily. It would seek new allies against its peers in social and private insurance among a different victorious faction of the Fascist revolution: the national syndicalists. The technocratic policy community behind its institutional design, meanwhile, mounted a rearguard defense, biding its time as Italy's liberal academic economists took the reins of economic policymaking.

¹⁴⁴ Rudolf Harmening, "Probleme der Aufwertung von Versicherungspolicen," *Zeitschrift für die gesamte Versicherungswissenschaft* 25, no. 2 (April 1925): 137–43.

Chapter 2: Life Insurance in the Weimar Republic, 1924-1930

“Life insurance – far more than any other sector – is a pure money business,” wrote Dr. Hermann Broecker, a German senior civil servant from the German insurance supervisory office in an article for the *Zeitschrift für die gesamte Versicherungswissenschaft*. “It is thus in its inner worth to the highest degree dependent on the value of the money, in which the payments of the contracting parties are to be made.”¹ By mid-1923, most of Germany’s life insurers had completely stopped conducting business. Even the largest contracts’ premiums no longer justified the costs of collection.² For Broecker, writing in December 1923, only a month after the peak of the hyperinflation, the fate of the German currency was still uncertain, as was that of its life insurance firms. “The near future...I expect,” Broecker continued, will show which companies still possess the vitality to attempt reconstruction.³ That spring, the transitional *Rentenmark* currency proved stable and in August 1924 the new *Reichsmark* was introduced, formally anchored in gold at parity with the mark’s pre-war value. In the reconstruction that ensued, however, it was not just the names of the leading life insurance firms that changed. Prevailing business models and the industry’s position in German economy and society would be transformed. By the time of the Great Depression, the industry had thoroughly shifted footing to serve a mass clientele, with more than 100% of net portfolio growth coming through *Kleinlebensversicherung* (small-sum life insurance) business in some years.⁴ The years between 1924 and 1931 set the state for the breakout of this new sector, as firms experimented with a variety of distributional, organizational, and promotional models, of which the most successful harnessed the power of associational life in Weimar-era Germany.

This transformation took place amidst unprecedented tumult in what had formerly been a staid but growing industry. Between December 31, 1923 and December 31, 1930, the number of active life insurance policies in German currency went from essentially zero to 14.65 million.⁵ Having grown steadily in the years before the war and inflation, in 1924, this entire market was now up for grabs, and all at once. Measured by premiums, German life insurance grew by large double-digit figures each year through the onset of the Great Depression, taking in yearly volumes of new business nearly double those of the pre-war period.⁶ While new firms had once been at a disadvantage to their established competitors in entering the business, old firms now had to

¹ “„Die Lebensversicherung ist -- weit mehr als jede andere Branche - ein reines Geldgeschäft. Es ist daher in seinem inneren Werte in höchstem Maße von dem Wert des Geldes, in dem die Leistungen der vertragschließenden Parteien erfolgen sollen. Daher ist das Schicksal der Lebensversicherung untrennbar verbunden mit dem Schicksal unserer Währung.“ Hermann Broecker, “Die gegenwärtige Lage der deutschen Lebensversicherung,” *Zeitschrift für die gesamte Versicherungswissenschaft* 24, no. 1 (January 1924).

² Arps, *Durch unruhige Zeiten*, 305.

³ „Die nahe Zukunft...wird voraussichtlich erkennen lassen, welche Gesellschaften noch die Lebenskraft besitzen, den Wiederaufbau zu versuchen.“ Broecker, “Die gegenwärtige Lage der deutschen Lebensversicherung.”

⁴ See Figure 2.1, “German Life Insurance Policies between Income Groups, 1910-1914, 1924-1934.”

⁵ See Figure 2.1.

⁶ See Figure 2.5, “Premiums and Operating Expenses in German Private Life Insurance, 1910-1914” and Figure 2.6, “Premiums and Operating Expenses in German Private Life Insurance, 1924-1938.”

rebuild their portfolios from scratch. In 1914, among all life insurers in Germany, public and private, the median firm was 47 years old; in 1924, the median firm was two years old.⁷

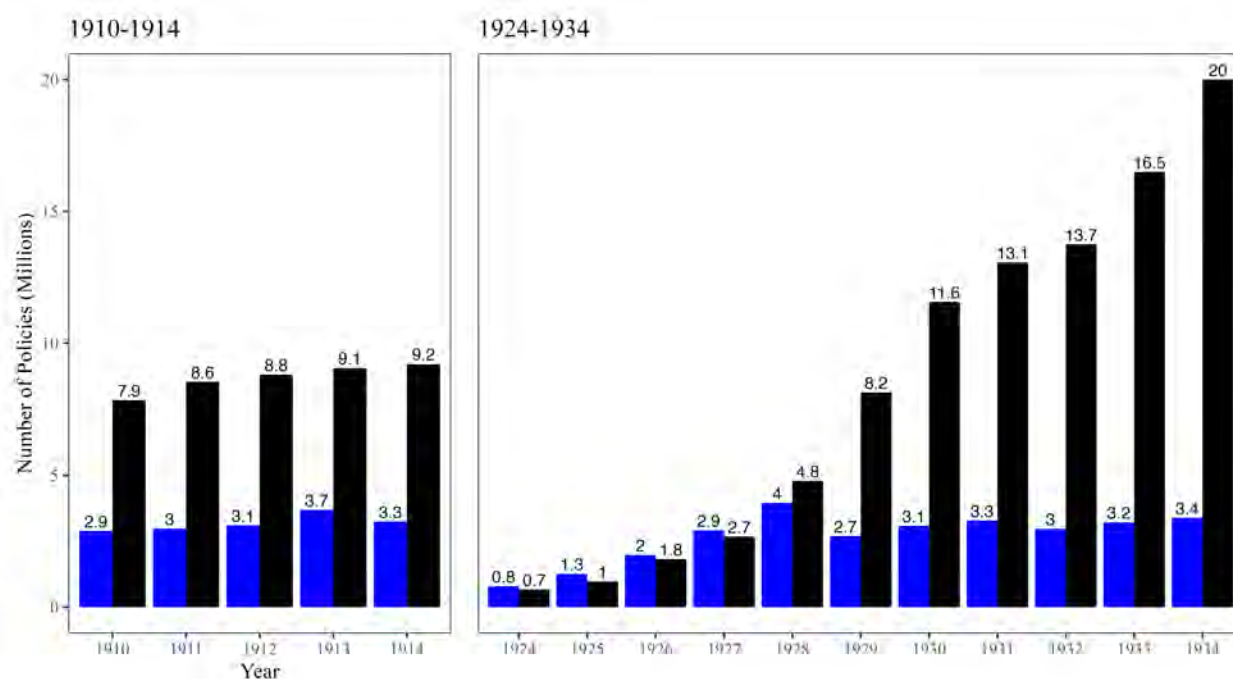


Figure 2.1: "German Life Insurance Policies between Income Groups, 1910-1914, 1924-1934." Black = small-sum life insurance; blue = traditional life.

As companies sought back their clients, expense ratios (administrative costs to premiums) were much higher across the branch, reflecting start-up costs and higher commission rates as new firms competed to re-win old business.⁸ While these ratios receded somewhat, they remained persistently higher in aggregate and showed greater variance through the decade, indicative of the diversity of business models among the new firms in life insurance.⁹ Some of these firms represented restructurings of established firms, as many old insurers merged with or were taken over by new conglomerates, like the industry leader, *Allianz*. The new concerns, chiefly *Allianz* and Robert Gerling's Cologne-based concern, competed alongside relatively new labor-union-run insurers such as *Deutscher Ring* and the *Volksfürsorge*, both founded shortly before the First World War. A few old industry stalwarts, such as *Victoria*, managed to retain market share, while specialized insurers for white-collar professions such as the *Deutsche Beamtenversicherung*, *Deutsche Aerzteversicherung*, and the *Rechtsanwaltskasse*, new religious insurers, such as the *Evangelische Vorsorge* and *Katholische Volkshilfe*, and a galaxy of local pension and funeral funds, many operating independently, others selling their business *en bloc* to insurers through group contracts, emerged as new competitors. The concerns, particularly *Allianz*, derived

⁷ See Appendix 4.1 for a list of firms reporting in 1914 and 1924 and their dates of founding.

⁸ See Figures 2.5 and 2.6.

⁹ See Figure 2.2, "Variance in Expense Ratios in German Life Insurance, 1910-1914, 1924-1934."

economies of scale from combining sales and administrative staff across branches. Their competitors, such as the union-run insurers, church insurers, and specialized insurers for the white-collar professions had special advantages in accessing given markets. Additionally, they may have been able to attract agents from these civil society groups at lower compensation rates, as their commissions were far lower than the industry average.¹⁰ As the average contract size continued to plunge across the industry, finding a way to effectively reach a mass, lower-income clientele became increasingly important for new business for all firms.¹¹

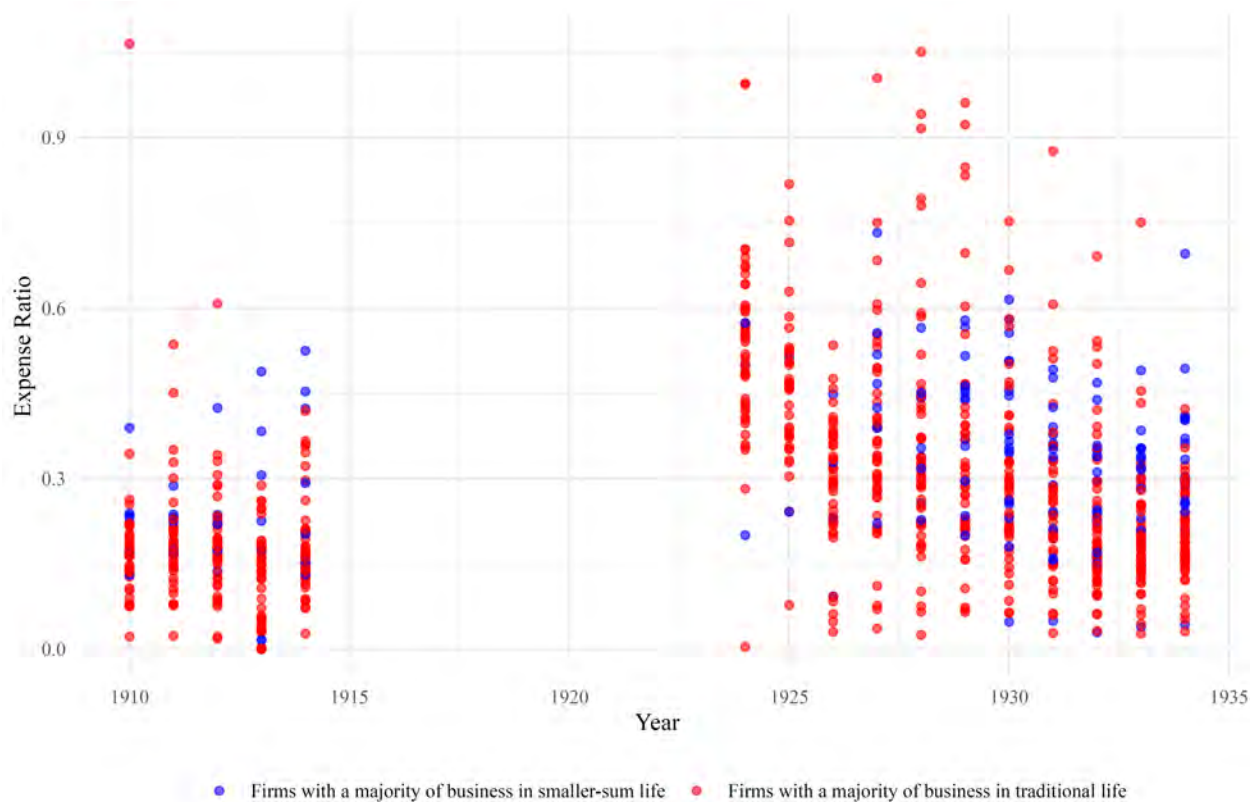


Figure 1.2: "Variance in Expense Ratios in German Life Insurance, 1910-1914, 1924-1934."

Governing this industry in transformation fully occupied the attention of the complex institutional ecosystem behind private insurance. The civil servants in the regulatory agencies and insurance corporate leaders often shared a background in academic insurance studies. Leading academics in the field retained great influence in the broader institutional ecosystem and participated actively in industry governance. The growing popularization of insurance, however, pulled new constituencies into this restricted world. In August 1929, the bankruptcy of a major insurer, the Frankfurter concern (FAVAG), brought industry reforms to the focus of public

¹⁰ See Figure 2.11, "Effective Commission Rates for Leading Private Insurers, 1924-1934."

¹¹ See Figure 2.3, "Average Sum Insured for German Private Life Insurers, 1910-1914, 1924-1934."

debate.¹² Presenting their recommendations to the German government in this regard, the socialist union for white-collar employees, the *Allgemeiner Freier Angestelltenbund* argued: “The yearly premium intake of German private insurance is now 2 billion RM. A part of this sum comes from contracts with unsophisticated (*geschäftsunkundige*) clients, particularly blue-collar workers, white-collar office workers, and public clerks. The high degree of involvement of such individuals is expressed both in the smallness of the average insured sum and in the recent extraordinary growth in industrial life insurance (*Volksversicherung*)...conditions are similar in all branches of insurance...all branches now have a mass business...this popularization of the idea of insurance (*Versicherungsidee*) stands in inverse relationship to the influence of the wide masses on insurance enterprises. Apart from the cooperative insurers, only a quite small group of capital owners with subject-matter knowledge have busied themselves with the organization of insurance companies.”



Figure 2.3: "Average Sum Insured for German Private Life Insurers, 1910-1914, 1924-1934."

The authors argued that a “revolutionization” of business methods in insurance had led to a high degree of concentration, in which four concerns now held 60% of business.¹³ They also observed

¹² See Gerald Feldman, “Insurance Company Collapses in the World Economic Crisis: The Frankfurter Allgemeine Versicherungs-AG (Favag) and the Austrian Phönix,”

¹³ „Die Prämieinnahme der deutschen Privatversicherung beläuft sich jetzt jährlich auf 2 Milliarden Reichsmark. Ein Teil dieses Betrages fließt aus Versicherungsverträgen mit geschäftsunkundigen Versicherten, vor allem mit Arbeitern, Angestellten, Beamten. Die starke Beteiligung dieser Versicherten kommt in der Geringfügigkeit der durchschnittlichen Versicherungssummen der deutschen Lebensversicherung ebenso zum Ausdruck wie in dem außerordentlichen Aufschwung der Volksversicherung in jüngster Zeit... Ganz ähnlich liegen die Verhältnisse in fast allen anderen Versicherungszweigen....sie alle sind Zweige mit ausgesprochenem Massengeschäft...diese

a trend towards the reduction of dedicated staff: between 1918 and 1930, the number of full-time insurance white-collar employees (*Angestellte*) went from 46,117 to 25,635.¹⁴ To balance out the interests of capital, they called for representation of both the insured and insurance employees in the insurance council (*Versicherungsbeirat*) that advised the regulatory authority.

While insurance agents had been consulted on occasion in the council, the clerks' proposals in this regard were not implemented by the supervisory office.¹⁵ The recommendations of General Director Dr. Kurt Schmitt of industry leader *Allianz*, however, had a decisive influence on the ultimate shape of the reforms.¹⁶ Schmitt had recently secured *Allianz*'s leading role in life insurance through a 1928 merger with the *Stuttgarter Verein* (*Stuttgart-Lübecker* and *Stuttgarter*).¹⁷ Following the FAVAG's cessation of payment to creditors on August 17, 1929, Schmitt had led *Allianz* in quickly coordinating their takeover of the firm's insured portfolio with the supervisory agency, absorbing its direct business and receiving the firms' assets in exchange, in precedence of its many creditors.¹⁸ While by a common concentration index, German life insurance was only modestly concentrated, the industry did in fact become significantly more concentrated through the 1920s due to *Allianz*'s expansion.¹⁹ Schmitt's leading role in industry associations, including the advisory bodies for the supervision agency, and carefully managed public presence, moreover, gave *Allianz* in particular an influence beyond its relative size. In his own recommendations, Schmitt pushed for reforms to make insurers more accountable to subject-matter experts. In the legislation passed on June 6, 1931, no action was taken to reduce concentration, but supervision was tightened, the inflation-era relaxation of investment restrictions for reserves was revoked, and non-insurance funds were given less leeway to escape regulation as life insurance.²⁰

Popularisierung der Versicherungsidee steht im umgekehrten Verhältnis zu dem Einfluß der breiten Massen auf die Unternehmungen des Versicherungsgewerbes. Von den genossenschaftlichen Versicherungsträgern abgesehen hat sich von jeher nur ein ganz eng umrissener fachkundiger Kreis von Kapitalbesitzern mit der Organisation von Versicherungsgesellschaften abgegeben.“, „Denkschrift zur Reform des Gesetzes über die privaten Versicherungsunternehmungen vom 12. Mai 1901,“ BAK, R401/1503, 4 September 1930, „Entwurf eines Gesetz zur Aenderung des Gesetzes über die privaten Versicherungsunternehmungen.“

¹⁴ „Denkschrift zur Reform des Gesetzes über die privaten Versicherungsunternehmungen vom 12. Mai 1901,“ BAK, R401/1503, 4 September 1930, „Entwurf eines Gesetz zur Aenderung des Gesetzes über die privaten Versicherungsunternehmungen.“

¹⁵ At the October 1925 meeting of the Beirat on group insurance, for instance, a representative of German insurance agents had been specially invited. „Niederschrift über die Sitzung der Gruppe I des Versicherungsbeirats am 30. Oktober 1925,“ BAK, B280-547. The only sign of the clerks' proposal in the legislation was a provision in the law, allowing the regulatory office to intervene if the interests of the firm's employees were not respected in a merger or business plan. See Adolf Petersen, „Die Änderung der deutschen Versicherungs-Staatsaufsicht,“ *Zeitschrift für die gesamte Versicherungswissenschaft* 31, no. 1 (January 1931).

¹⁶ Feldman, *Allianz and the German Insurance Business*, 40-41.

¹⁷ Feldman, *Allianz and the German Insurance Business*, 16-17.

¹⁸ Feldman, „Insurance Company Collapses in the World Economic Crisis.”

¹⁹ See Figure 2.4, "Market Share of Top Ten Firms by Premiums, 1925-1940." The Hirschman-Herfindal for each year in private insurance is given in Appendix 2.1.

²⁰ This last measure was understood in the insurance community to be one of the most significant provisions in the new law; see Adolf Petersen, „Die Änderung der deutschen Versicherungsstaatsaufsicht,“ *Zeitschrift für die Gesamte*

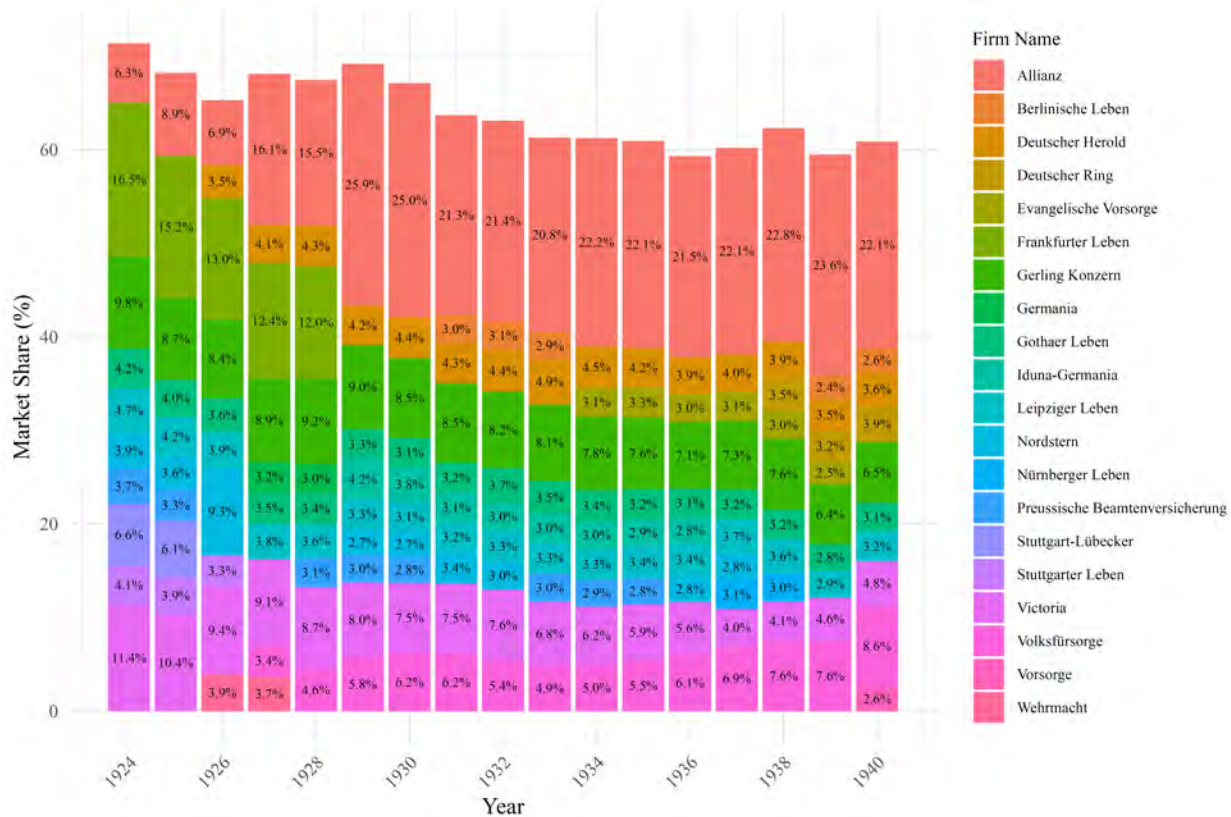


Figure 2.4: "Market Share of Top Ten Private Life Insurance Firms by Premiums, 1925-1940."

In seeking to maintain corporate insurers' autonomy, Schmitt would lead the industry in adopting strategies that, in some respects, resembled those of business interests across sectors in Weimar. Arguing that all insurance business, by its very nature, was *gemeinnützig* (meaning for the public good, comparable to non-profit organizations), Schmitt sought to shift the conversation regarding public or private, capitalist or socialist, to quantifiable results, while presenting insurance as a complex, technical field of primarily economic significance.²¹ That same year, Schmitt, speaking at a regular public relations event hosted by his firm in defense of the new regulatory scheme, offered his own overview of recent trends in German insurance.²² Schmitt called on the public to judge insurers not by their organizational form but by their output: "The measure must be to what extent an insurance firm succeeds in fulfilling its economic (*volkswirtschaftlich*) tasks." Schmitt pointed to these firms' expansion as proof of their

Versicherungswissenschaft 31, no. 1 (January 1, 1931); „Versicherungsaufsichtsgesetz,“ *Reichsgesetzblatt I*, 1931, 315–334.

²¹ Paul Silverberg favored a similar approach when it came to demands for socialization and was broadly influential in the Weimar business's organized representative bodies. See Reinhard Neebe, *Grossindustrie, Staat und NSDAP 1930-1933: Paul Silverberg und der Reichsverband der Deutschen Industrie in der Krise der Weimarer Republik*, Kritische Studien zur Geschichtswissenschaft, Bd. 45 (Göttingen: Vandenhoeck und Ruprecht, 1981), 31.

²² „Die Lage der deutschen Privatversicherung im Jahre 1930“ Vortrag von Dr. Kurt Schmitt, Generaldirektor der Allianz und Stuttgarter Verein Versicherungs-Aktien-Gesellschaft gehalten in Berlin am 5. Nov. 1930,“ BAK, R401/1503.

vitality and successful employment of modern methods: „It would not be too much to say, if one were to claim that alongside the great achievements which the German people have brought forth in the areas of technology, science, and organization, which have justly earned world recognition, the construction of German life insurance takes an equal place. This development of course would never have been possible without the highly advanced methods (*Technik*) of life insurance enterprises, fully worked out in all their subtle detail.”²³

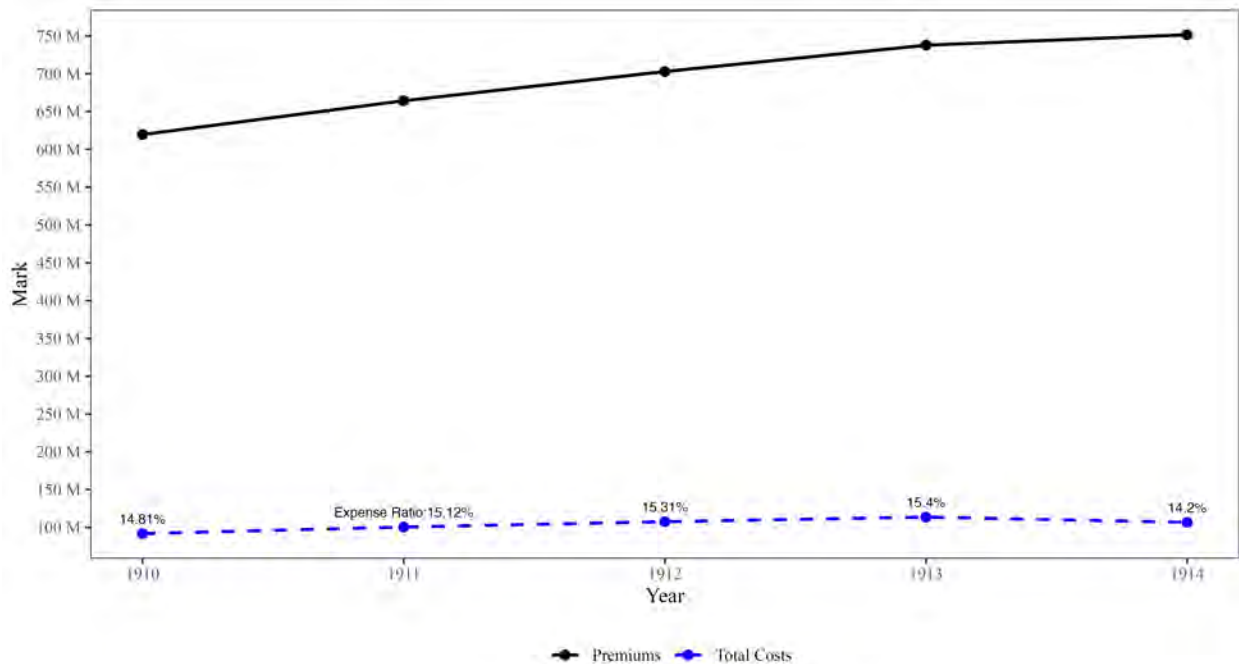


Figure 2.2: "Premiums and Operating Expense in German Life Insurance, 1910-1914."

When it came to competition on costs, however, the *Volksfürsorge* and other civil society competitors beat *Allianz* handily. Alongside these new insurers, corporate life insurers faced strong competition from other quarters, including the upstart public life insurance sector. German public insurers economized on costs by not employing professional insurance agents, gaining business through referrals from public administrators and through the same political and associational affinities that drove business for civil society insurers. While these firms held only

²³ Regarding this old debate, Schmitt argued the following: „Es ist eine oberflächliche Betrachtung, den Wert einer Versicherungsgesellschaft danach zu bemessen, ob sie als Aktiengesellschaft arbeitet oder als Gesellschaft auf Gegenseitigkeit, ob als private Gesellschaft oder öffentliche Anstalt.“ He continued, later on (translation in text above): „Maßgebend muß sein, bis zu welchem Grade einer Versicherungsgesellschaft die Durchführung ihrer volkswirtschaftlichen Aufgaben gelingt... Es ist nicht zuviel gesagt, wenn man feststellt, daß neben den Großtaten, die das deutsche Volk auf dem Gebiet der Technik, der Wissenschaft und der Organisation vollbracht hat und die mit Recht die Anerkennung der Welt hervorrufen, der Aufbau der deutschen Lebensversicherung einen ebenbürtigen Rang behauptet. Diese Entwicklung freilich wäre nicht möglich gewesen ohne die hochgesteigerte und bis in alle Feinheiten ausgearbeitete Technik der deutschen Lebensversicherungsgesellschaften.“ „Die Lage der deutschen Privatversicherung im Jahre 1930“ Vortrag von Dr. Kurt Schmitt, Generaldirektor der Allianz und Stuttgarter Verein Versicherungs-Aktien-Gesellschaft gehalten in Berlin am 5. Nov. 1930, BAK, R401/1503, 4 September 1930, „Entwurf eines Gesetzes zur Aenderung des Gesetzes über die privaten Versicherungsunternehmen.“

limited market share, their foray into life insurance and other branches beyond their traditional fire insurance specialty triggered protests among private insurers against the “*kalte Sozialisierung*” (cold socialization) of the industry.²⁴ While their activities were limited to their province, these firms were not subject to the central regulatory authority of private insurers and could undercut minimum policy rates. The Prussian economic ministry’s proposal to consolidate their operations in a single national entity threatened to transform these firms into a formidable competitor, while their advertising sallies against the “capitalist” and “speculative” private insurers tarnished the public image of the industry.²⁵

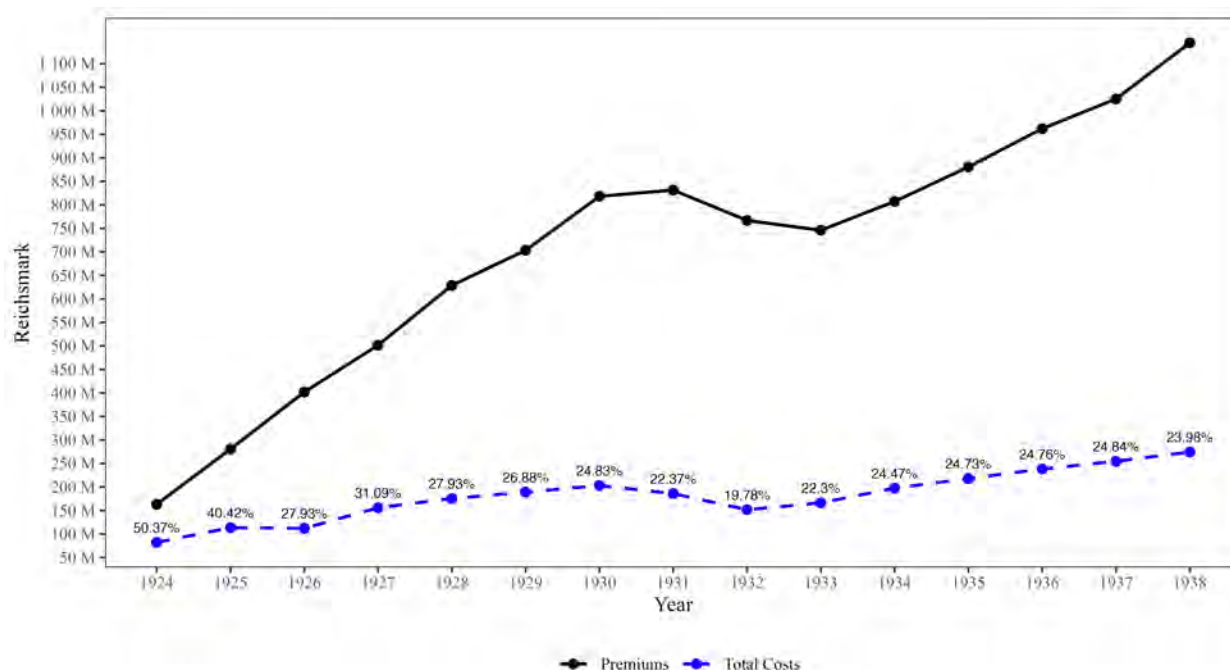


Figure 2.3: "Premiums in Operating Expenses in German Life Insurance, 1924-1934."

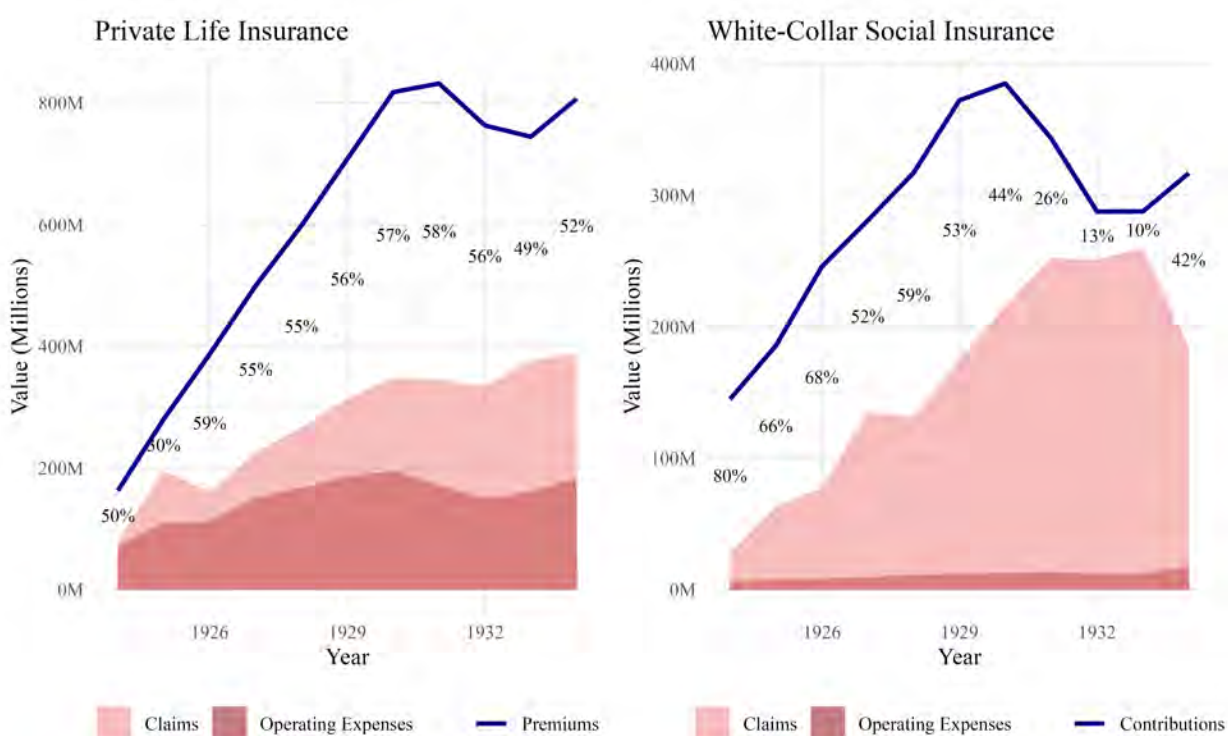
Finally, corporate life insurers had to deal with the steady advance of another old opponent – the social insurance system. While the inflation had dealt a similarly severe blow to the reserves and administrative capacity of Weimar’s social insurance institutes, the larger institutional ecosystem was in a position of strength. The Weimar Republic enshrined basic principles of social insurance in its constitution.²⁶ Through the initiatives of the socialist-dominated labor ministry, social

²⁴ Compared to other business sectors, the level of public involvement in commercial insurance was trivial. See Carl Böhrer, *Aktionen gegen die "Kalte Sozialisierung" 1926-1930* (Berlin: Duncker u. Humblot, 1966), 56.

²⁵ More on this consolidation proposal in Chapter 4; see “Rationalisierung der öffentlichen Versicherungsbetriebe,” BAK, B280-609.

²⁶ Art. 161 of the Weimar constitution provided an explicit guarantee for a social insurance system: „Zur Erhaltung der Gesundheit und Arbeitsfähigkeit, zum Schutz der Mutterschaft und zur Vorsorge gegen die wirtschaftlichen Folgen von Alter, Schwäche und Wechselfällen des Lebens schafft das Reich ein umfassendes Versicherungswesen unter maßgebender Mitwirkung der Versicherten;“ “Die Verfassung des Deutschen Reiches,” *Reichsgesetzblatt I*, 1919: 1383. On the idea of the social state in the Weimar constitution see Detlev Peukert, “Wohlfahrtsstaat und Lebenswelt — Sozialstaat als Verfassungsidee,” in „*Liebe allein genügt nicht*“: *Historische und systematische*

insurance was steadily extended to higher income levels and new professional categories through 1929. White-collar employees, an old core client group of the insurers, had first been brought into the social insurance system in 1911. Private insurers had failed to stop the public ecosystem's expansion by presenting their own proposal to run the new *Angestelltenversicherung* (AV).²⁷ As life insurers attempted to revive their business in 1924, old and new clients alike could point to their entitlement to social insurance benefits, even as any life insurance premiums they had once paid now guaranteed them only a fraction of the value of the original sum contracted for. The contributor base for the AV grew from 2.4 million to 3.6 million over the period 1924-1929, leapfrogging the size of the market for the corresponding income class in private life insurance, *Grosslebensversicherung*.²⁸ When considering financial performance, a factor that Schmitt set in the center of his rhetoric, the white-collar social insurance system was delivering excellent results. Yearly expense ratios were far lower than those in private life insurance and the system quickly rebuilt reserves through large yearly surpluses.²⁹



Dimensionen der Sozialpädagogik, ed. Richard Münchmeier, Sabine Hering, and Ulrike Urban (Wiesbaden: VS Verlag für Sozialwissenschaften, 2004), 171–85.

²⁷ Arps, *Auf sicheren Pfeilern*, 609-610; see also Alfred Manes, “Über die Grenzen der Privat- und der Sozialversicherung,” *Zeitschrift für die gesamte Versicherungswissenschaft* 12, no. 2 (May 1912), 515.

²⁸ See Figure 2.1 for private insurance, for white-collar social insurance, unfortunately, enrollments estimates are only available for a limited number of years.

²⁹ See Figure 2.7, “Yearly Underwriting Expenses and Contributions/Premiums in Social Insurance and Private Life Insurance, 1924-1934.”

Figure 2.4: "Yearly Underwriting Expenses and Contributions/Premiums in Social Insurance and Private Life Insurance, 1924-1934."

As both social and commercial insurance expanded, the old question of their relationship to each other was posed again under new circumstances. Prominent academics in insurance studies had long sought to mediate this relationship. Before and after the war, at international congresses, representatives from both sides of the field continued to espouse belief in the two forms of insurance's intrinsic complementarity. In the interwar period, as the boundaries between public and private, social and economic, were renegotiated across borders, considerable experimentation in the deliberate shaping of public welfare systems through intermediaries from private insurance took place in Europe and beyond. Some academics and entrepreneurs in Germany saw opportunities for a synthesis between commercial and social insurance, much as German commercial insurers had proposed for the *Angestelltenversicherung*.³⁰ However, in the broader social politics of late Weimar, consensus grew in industry associations led by *Allianz* that German social insurance was first and foremost a threat, not an opportunity. Losing faith in the *Versicherungsgedanke* (idea of insurance) as the tide that raised all boats, German insurers sought to differentiate their business in mass life insurance from social insurance, emphasizing insurance's function as a form of individual savings, not mutual aid or social solidarity. Joining the larger Weimar business community in resisting the expansion of social insurance, insurers developed a cohesive media and public relations strategy to forestall its advance.

In the economic crisis, these tendencies, and the longer-term ramifications of the German hyperinflation would come to a head. Whereas commercial life insurance had revealed itself to be a "pure money business" during the inflation, the larger German social insurance system had been the subject of political interventions to keep benefits high. Life insurance saw its own one-off political intervention to restore lost value to beneficiaries, raising the value of old policies to a claim on the assets held by insurers as of February 13, 1924.³¹ The binding reciprocal monetary commitments which, for academics like Alfred Manes, defined both types of insurance, had been thrown permanently out of balance by their unmooring from their anchoring point in a stable currency. While life insurance met its pre-war commitments at less than 15% of their original value, the larger social insurance system, dominated by the *Invalidenversicherung* (IV) for blue-collar workers, paid out sums equal to and in excess of the value of pre-war benefits.³² Both private insurance and social insurance slowly re-accumulated the necessary reserves to honor future obligations, but private corporate insurers did so amidst the commercial and public relations challenges posed by a range of new competitors, while social insurance, particularly the

³⁰ Manes cited this example as a potential model for future efforts, see Manes, "Über die Grenzen der Privat- und der Sozialversicherung," 515.

³¹ Subtracting expenses for management, including those of adjudicating the revaluation process, policyholders were all to receive a share proportionate to the technical reserves set aside for their policy. Rudolf Harmening, "Probleme der Aufwertung von Versicherungspolicen," *Zeitschrift für die gesamte Versicherungswissenschaft* 25, no. 2 (April 1925): 137–43.

³² Alfred C. Mierzejewski, *A History of the German Public Pension System: Continuity amid Change* (Lanham: Lexington Books, 2016), 50–52.

IV, did so under the burden of terrific outlays for pensioners. When economic crisis struck, private insurers, coalescing behind the leadership of Kurt Schmitt and the *Allianz* concern, exploited the opportunity, turning their public relations messaging apparatus and epistemic authority against Weimar's social insurance ecosystem. As the political world of Weimar convulsed, social and private insurance parted ways. While social insurance faced drastic cuts, the new mass business of life insurance headed for new heights, as demand soared into the Great Depression.

I. Commercial Life Insurance after the Weimar Inflation

Before the First World War, the German life insurance industry was led by *Victoria*, a Berlin-based firm with a long pedigree.³³ Taking around 20% of all life insurance premiums in the five years before the First World War, *Victoria* was also the first German firm to provide *Volksversicherung* at scale. Having drawn inspiration from American and British industrial life insurance, *Victoria*'s sales and collection model relied on full-time employees going to door-to-door, making hundreds of stops per day in working-class quarters.³⁴ While more than 90% of *Victoria*'s clients held these small-sum policies, only around 36% of its total revenues came from the sector, reflecting the very small sums insured by these clients. *Friedrich Wilhelm*, the second firm in the sector, had similar ratios, drawing half of its total business from *Volksversicherung*, even as these contracts made up more than 90% of its portfolio. At around 45% and 25% market share for the industrial life sector, these two firms continued to grow rapidly in the years before the war, taking similar proportions of new business through 1913. Behind them with 7% market share was *Rothenburger*, a specialized *Volksversicherer* which held close to 100% of its portfolio in the sector, followed by *Iduna* and *Wilhelma*, both larger firms with business in traditional life, each holding around 3.5%, even as they expanded their relative shares of new business. Together, these firms made up close to 85% of business in *Volksversicherung* through 1913.³⁵

³³ On the firm's longer history see Arno Surminski, *Im Zug der Zeiten: 150 Jahre Victoria* (Neuss: Meincke GmbH, 2003).

³⁴ Surminski, *Im Zug der Zeiten: 150 Jahre Victoria*, 40-43; Arps, *Auf sicheren Pfeilern*, 587.

³⁵ See 2.8, "Market Share in *Volksversicherung* Before the War 1910-1914."

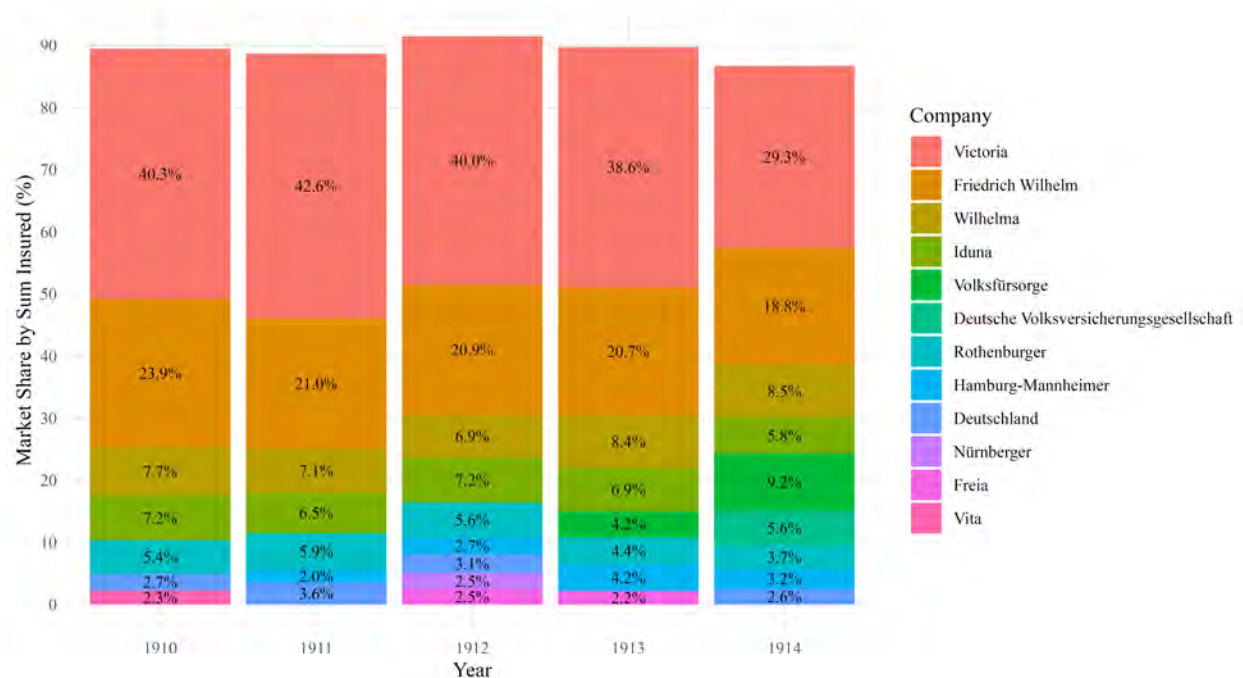


Figure 2.5: "Market Share in Volksversicherung Before the War, 1910-1914."

For these firms, total costs relative to yearly premiums were higher than in the rest of the life insurance industry. Each individual contract required collection services and clerical work, such that total revenues from smaller contracts were relatively more costly for every year of the life of the contract than larger contracts. *Volksversicherung* in particular was growing, and sales commission costs were a major onetime expense for both forms of life insurance in the first year of the contract. In his 1912 review of the German life insurance industry, Bernhard Iranyi observed that both provision and collection commissions were much higher in *Volksversicherung*.³⁶ Lacking yearly data on firms' commissions, by regressing total firm expenses against firms' new business volume measured by insured sums in both sectors, one can estimate that new *Volksversicherung* business was around three times as expensive as new business in regular life insurance.³⁷ Since commissions dominated first-year expense figures and were calculated in fixed proportion to the new sum insured, commission rates were probably also about three times higher. Controlling for the co-variance in costs with yearly new sums insured, one can estimate that other administrative costs for firms were around 20% higher in *Volksversicherung* than in traditional life.

³⁶ Bernhard Iranyi, "Deutschland," in *Assekuranz-Jahrbuch*, 35, 1914, 191.

³⁷ See Appendix 1.1 – "Estimating Commission Expenses and Industrial Life Insurance Costs for German Private Insurers, 1910-1914."

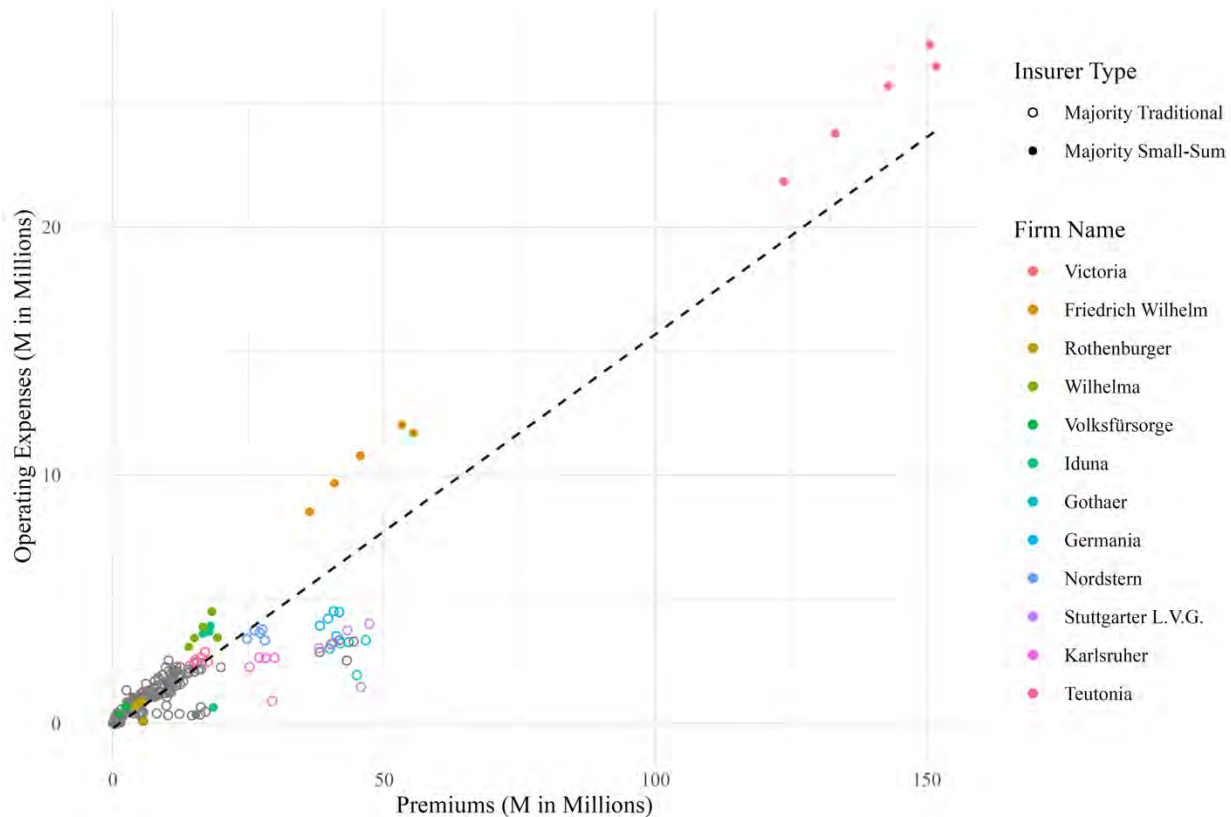


Figure 2.6: “Expense Ratios in Small-Sum and the Traditional Life Insurance Business, 1910-1914.” Majority small-sum refers to insurers for which 50% or more of their policies were classified as “*Volksversicherung*” or “*Sterbekasse*.” The coefficient of the simple linear regression line is 0.16.

For *Victoria*, and for these other cost-intensive mass insurers, the inflation thus hit particularly hard. The Weimar inflation was initially experienced as another “*Teuerung*” – a general rise in prices for goods and services.³⁸ While the terms of life insurance contracts could be adjusted upwards in tandem, the higher administrative costs per contract, which reflected salaries but also the rising price of goods such as paper and ink, eventually outpaced *Victoria*’s ability to hike premiums.³⁹ In 1920 *Victoria* ended its door-to-door premium collection service. In 1922, the company was forced to shut down its entire business in *Volksversicherung*: “the currency devaluation made it impossible. We collected the worthless weekly premiums and basically had to pay administrative costs in gold.”⁴⁰ Further reductions in administrative and sales staff soon followed; by March 1922, *Victoria* had closed 145 of its 146 collection offices. The firm closed

³⁸ Gerald Feldman, *The Great Disorder: Politics, Economics, and Society in the German Inflation, 1914-1924*, (New York: Oxford University Press, 1997), 55-56, 496-497.

³⁹ Firms initially kept pace through „*Teuerungszuschläge*“ (inflation upcharges) and through „*Nachversicherung*“ (additional insurance), which raised the sum insured and premium. Alfred Manes, “Einfluß der Inflation der deutschen Währung auf die Lebensversicherung,” in *Transactions of the Eighth International Congress of Actuaries*, Vol. IV (London: Charles and Edwin Layton, 1927), 430-432.

⁴⁰ „Die Geldentwertung machte sie unmöglich. Wir bekamen die wertlosen Wochenbeiträge und mußten die Verwaltungskosten gewissermaßen in Gold zahlen.“ “*Zwischenzeit*,” ERGO-Archiv, *Monatsblätter für Versicherungswesen: Zeitung der Victoria* 26, no. 1 (January 1925).

most of its general agencies later that year.⁴¹ Despite their efforts to adjust contracts, communicate the changes, and re-do their bookkeeping, Victoria's staff simply could not keep pace with the swiftly dropping currency: "We worked, with feverish energy we worked, and yet it was all for nought, the rewards of our efforts disintegrated again and again into nothing... we all think back on it with a shudder."⁴² In 1923, the company finally gave up, pausing all business and suspending the publication of their yearly figures. While *Victoria* would reclaim its leading position in traditional life insurance, its old business model for *Volksversicherung* was defunct.⁴³

Other major industrial life insurers had different fates. The smaller *Rothenburger* recovered much of its portfolio before entering into a slow decline around 1928. *Iduna* also struggled, rebuilding its portfolio, but merging with the traditional life insurer *Germania* in 1929. Industry runner-up *Friedrich Wilhelm* permanently lost its leading role in industrial life insurance and was absorbed by the new concern of Robert Gerling along with *Magdeburger Leben*, another older life insurer with most of its business in the traditional life sector.⁴⁴ *Wilhelma* was purchased by *Allianz*.⁴⁵ Mergers, acquisitions, and re-foundings were the rule rather than the exception across life insurance. Following their resumption of business in 1924, the industrial insurer *Hamburg-Mannheimer* boasted that they were one of only four life insurers to have survived the period since before 1914 intact.⁴⁶

More so than the Gerling Concern, the biggest winner in these catastrophic business conditions was the *Allianz-Lebensversicherungsbank*, founded in 1922 by the *Allianz-Munich Re* group. Like the *Gerling* concern, the *Allianz* concern did business through its own in-house reinsurer, carried on direct business in life insurance, and held subsidiaries in life and across all other major sectors. In 1923, under the leadership of young general director Kurt Schmitt, the new firm acquired and absorbed the businesses of five established life insurers: *Arminia*, *Providentia*, *Frankfurter Versicherungs-Gesellschaft*, *Deutsche Phönix Versicherungs-AG*, *Wilhelma Allgemeine Versicherung AG*, and *Freie Breme-Hannoversche Lebensversicherungsbank AG*.⁴⁷ *Allianz* benefitted from the same conditions which advantaged the new *Gerling* concern, exploiting economies of scale across business branches in a time of generally rising costs. *Alba-Nordstern*, also founded in 1922, with majority ownership by the rhenish industrialist, Hugo

⁴¹ „Zwischenzeit,” ERGO-Archiv, *Monatsblätter für Versicherungswesen: Zeitung der Victoria* 26, no. 1 (January 1925).

⁴² „Es wurde gearbeitet, mit fieberhafter Kraft gearbeitet, und doch war alles umsonst, das Errungen zerrann immer wieder in Nichts... wir denken alle mit Schauer daran zurück.“ „Zwischenzeit,” ERGO-Archiv, *Monatsblätter für Versicherungswesen: Zeitung der Victoria* 26, no. 1 (January 1925).

⁴³ Victoria would reintroduce Kleinlebensversicherung, but with monthly, not weekly, collection calls, and only in cities of 50,000 people or more. Victoria-Generaldirektor to Geschäftsstellen, 2 January 1928, *Ergo-Archiv*, A0205-00003, „Geschäftsstellen-Rundschreiben der VL, 1928-1936.”

⁴⁴ Boris Barth, „Die Anfänge des Gerling-Konzerns 1904 bis 1926. Der «Outsider» Robert Gerling, das «Feuerkartell» und die Lücke im Markt,” *Zeitschrift für Unternehmensgeschichte* 50, no. 1 (April 1, 2005): 56-59.

⁴⁵ Feldman, *Allianz and the German Insurance Business, 1933–1945*, 12.

⁴⁶ „Die deutschen Lebensversicherungsgesellschaften 1914-1924,” *Ergo-Archiv, Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 7/8 (July/August 1924).

⁴⁷ Feldman, *Allianz and the German Insurance Business, 1933–1945*, 7-12.

Stinnes, did not achieve the scale of either concern but represented another early peer competitor taking advantage of the same set of circumstances.⁴⁸ As Alfred Manes would note some years later, in 1927: “much of that which today under the slogan of “rationalization” is demanded or discussed was first attempted during the period of high inflation, suddenly and abruptly, under the pressure of these conditions, including, among the other things, the introduction of coupon policies to simplify closing life insurance contracts, but also the many mergers and the formation of (large) concerns, which should be cited in connection with this.”⁴⁹

Aside from economies of scale, these new concerns enjoyed several other advantages over their older competitors associated with the inflation. In life insurance, the acquisition costs for new contracts had represented a major barrier to entry for young firms. Lacking established competitors’ cushion of older reserves, technical and discretionary, young life insurance firms struggled to accumulate the funds required to cover each new contract in the face of high initial acquisition costs.⁵⁰ The immense devaluation of accumulated reserves of older firms such as *Victoria* put newcomers on more equal footing. The insurance supervisory office addressed the reality of proportionally higher acquisition costs caused by the inflation with a decree on April 29, 1920 that permitted all firms to assess a *Zillmerquote* (upcharge calculated as a percentage of the insured sum reflecting the value of the agent’s onetime provision costs over the lifetime of the contract) beyond the previous maximum of 1.25%.⁵¹ Three years later, the office would limit this figure to 3.5% and total provisions to 80% of the first year’s premium. This still represented a large increase in commission accounting maximums and would remain in force, to the advantage of new insurers, for decades to come.⁵²

Secondly, the concerns, which all had close relationships with big banking partners or else their own in-house banks, benefitted from lending access and financial market information superior to that of their smaller competitors.⁵³ In 1923, the insurance supervisory office eased restrictions on investments to allow insurers to hold real assets shielded from inflation such as shares of stock

⁴⁸ Within Stinnes’s insurance holding company, Neuland A.-G., were six distinct insurance corporations and a banking subsidiary, Nordstern Transportversicherungs-A.-G., Nordstern Allgemeine Versicherungs-A.-G., Teutonia Versicherungs-A.-G., Schlesische Feuerversicherungs-A.-G., Alba Allgemeine Versicherungsbank, Nordstern Feuerversicherungs-A.-G. and Nordstern-Bank. See Paul Ufermann and Carl Hüglin, *Stinnes und seine Konzerne* (Berlin: Verlag für Sozialwissenschaft, 1924), 181. On Stinnes’s life and career see Gerald D. Feldman, *Hugo Stinnes: Biographie eines Industriellen 1870-1924*, trans. Karl Heinz Silber, 1st ed. (München: C.H.Beck, 1998).

⁴⁹ “Vieles, was jetzt unter dem Schlagwort “Rationalisierung” gefordert oder diskutiert wird, wurde in der Zeit der Hochinflation unter dem Druck der Verhältnisse unvermittelt und plötzlich versucht, so u.a. die Einführung von Kupon-Policen zur Vereinfachung des Lebensversicherungsabschlusses; auch viele Fusionen und Konzernbildungen sind in diesem Zusammenhang anzuführen,” Manes, “Einfluß der Inflation der deutschen Währung auf die Lebensversicherung,” *Transactions of the Eighth International Congress of Actuaries*, vol. IV, 432.

⁵⁰ On the development and mechanics of the *Zillmerverfahren* used to account for these costs in insurance bookkeeping see, Georg Engelbrecht, “Das Deckungskapital in der Lebensversicherung,” *Zeitschrift für die gesamte Versicherungswissenschaft* 7, no. 4 (Oktober 1907).

⁵¹ See Lembke, *Phönix, Wiener und Berliner: Aufstieg und Sturz eines europäischen Versicherungskonzerns*, 50-51. See also Arps, *Durch unruhige Zeiten*, vol. I, 309.

⁵² See Arps, *Durch unruhige Zeiten*, vol. I, 310.

⁵³ See Arps in *Durch unruhige Zeiten*, vol. I, 384-388.

and real estate.⁵⁴ Larger concerns would have been better situated to make new investments in these categories. *Allianz* described the situation in their 1923 financial report: “Success did not depend on the quality of the (insurance) business, but on the correct investment of premiums...these were not even sufficient to cover the administrative costs.”⁵⁵ Finally, while German firms were subject to a formal ban on international business until 1925, holding company structures allowed the *Allianz-Munich Re* concern, and a few others, to circumnavigate these restrictions and retain assets in neighboring countries not affected by hyperinflation.⁵⁶ Across central Europe, large international insurers such as the Austrian *Phönix*, the Italian *Generali* and *Riunione Adriatica*, and *Swiss Re* expanded through acquisition sprees in multiple jurisdictions. Concerns structured around international reinsurers did particularly well, as holding business in many national markets and currencies reduced the risks associated with any given national devaluation and afforded opportunities to pick up assets at bargain prices through hard currency reserves.⁵⁷

However, alongside these concerns, many other competitors plunged into the open territory left by *Victoria*’s defunct industrial life insurance business. *Victoria*’s in-house newspaper estimated that more than 100 new life insurance firms were founded between 1919 and 1921.⁵⁸ While the stabilization of the currency in 1924 provided the necessary condition for, the regulatory office’s relaxation of reserve requirements for commissions probably facilitated a more rapid revival by allowing for greater competition amongst firms on commissions paid to agents and rates offered to customers. In the decade following the inflation, the median industry-wide commission rate was 2.78%, nearly twice as high as the industry standard of 1.5% for the pre-war period.⁵⁹ Professional insurance salesmen, sidelined temporarily at the height of the inflation, returned to a bonanza of opportunity. *Victoria*’s in-house newspaper noted that their laid-off collectors and sales staff had in many cases joined the new firms now competing for their old business. Special discounts and offers proliferated. To secure customer loyalty, firms made offers to revalue old contracts. In September 1924, the *Reichsaufsichtsamt* had to intervene to stop firms from attracting customers by promising to honor devalued insurance policies held with competitors.⁶⁰

⁵⁴ „Gesetz zur Änderung des Gesetzes über die privaten Versicherungsunternehmungen“, July 19, 1923 *Reichsgesetzblatt I*, 1923, 684-685.

⁵⁵ Cited in Arps, *Durch unruhige Zeiten*, vol. I, 285.

⁵⁶ Particularly in Switzerland, as did the FAVAG, see Johannes Bähr and Christopher Kopper, *Munich Re: Die Geschichte der Münchener Rück 1880-1980*, Digital Edition (München: C.H.Beck, 2015), 2343, 2558.

⁵⁷ Harold James et al., *Swiss Re: und die Welt der Risikomärkte*, 1 edition (München: C.H.Beck, 2013), 4637-4700.

⁵⁸ Zwischenzeit,” ERGO-Archiv, *Monatsblätter für Versicherungswesen: Zeitung der Victoria* 26, no. 1 (January 1925).

⁵⁹ Bernhard Iranyi estimated these to be around 1.5% of the sum insured; see for example Bernhard Iranyi, “Deutschland,” in *Assekuranz-Jahrbuch*, 33, 1912, 1913.

⁶⁰ Zwischenzeit,” ERGO-Archiv, *Monatsblätter für Versicherungswesen: Zeitung der Victoria* 26, no. 1 (January 1925).

Concerns such as *Allianz* held no particular advantage when it came to acquisition costs, beyond the broader economies of scale they could obtain through the rationalization of administration.⁶¹

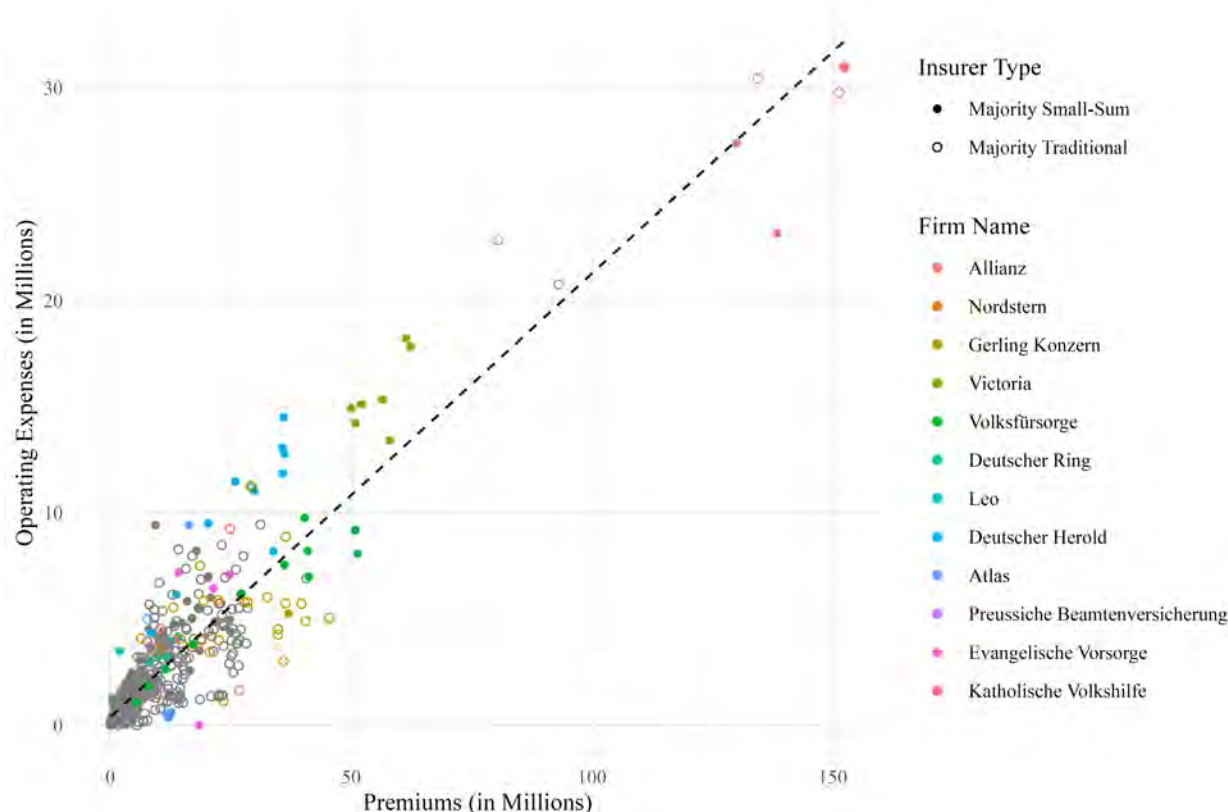


Figure 2.7: "Expense Ratios in the Small-Sum and the Traditional Life Insurance Business, 1924-1936." Majority small-sum refers to insurers for which 50% or more of their policies were classified as "*Kleinlebensversicherung*" or "*Sterbekasse*." The regression coefficient is 0.21.

New civil society insurers, however, did have advantages in this regard. One major union-associated insurer, the *Volksfürsorge* seized the leading position in *Volksversicherung* as the market re-expanded.⁶² In the first full year of operation, 1913, the *Volksfürsorge* had already begun to erode the position of leading industrial life insurers. Insuring the national networks of the cooperatives and unions associated with the SPD, the *Volksfürsorge* drew in new clients with appeals to labor solidarity. Structured as a joint-stock company, the firm nonetheless was wholly owned by the cooperatives and labor unions with ties to the SPD and run by individuals whose political commitments were precisely those of its clientele.⁶³ Beyond its political attraction for socialist milieus, the *Volksfürsorge* competed highly effectively on price. While policy rates comparisons are hindered by limited data, comparing sales commissions across the traditional

⁶¹ Barbara Eggenkämper, Gerd Modert, and Stefan Pretzlik, *Die Allianz : Geschichte des Unternehmens : 1890-2015* (München: Verlag C.H. Beck, 2015), 147-151.

⁶² See Appendix 3.1 and 3.2 for market share in *Volksversicherung* and *Kleinlebensversicherung*.

⁶³ Ingo Böhle, "Die Volksfürsorge Lebensversicherungs-AG im Dritten Reich" (Hamburg, University of Hamburg, 1996), 10-15.

life and industrial life industries over the period yields some striking results.⁶⁴ Sales commissions directly translated into higher premiums policy rates through the accounting requirements of the *Zillmerquote*, such that lower commissions, all other things equal, meant a lower premium rate. As the market for industrial life insurance began to re-expand, the agents of the *Volksfürsorge* achieved yearly new policy figures greater than any competitors, while earning less than half of prevailing commission rates.⁶⁵ Alongside the *Volksfürsorge*, the *Deutscher Ring*, the industrial life insurer of the right-wing nationalist *Deutschnationale Handlungsgehilfe-Verband* union, had even lower commission costs.⁶⁶ Both insurers also served non-union member clients. While their roots lay in the immediate pre-war with their core client group of associated unions, cooperatives, and political parties, these insurers came into their own in the newly open market of the post-inflation period.

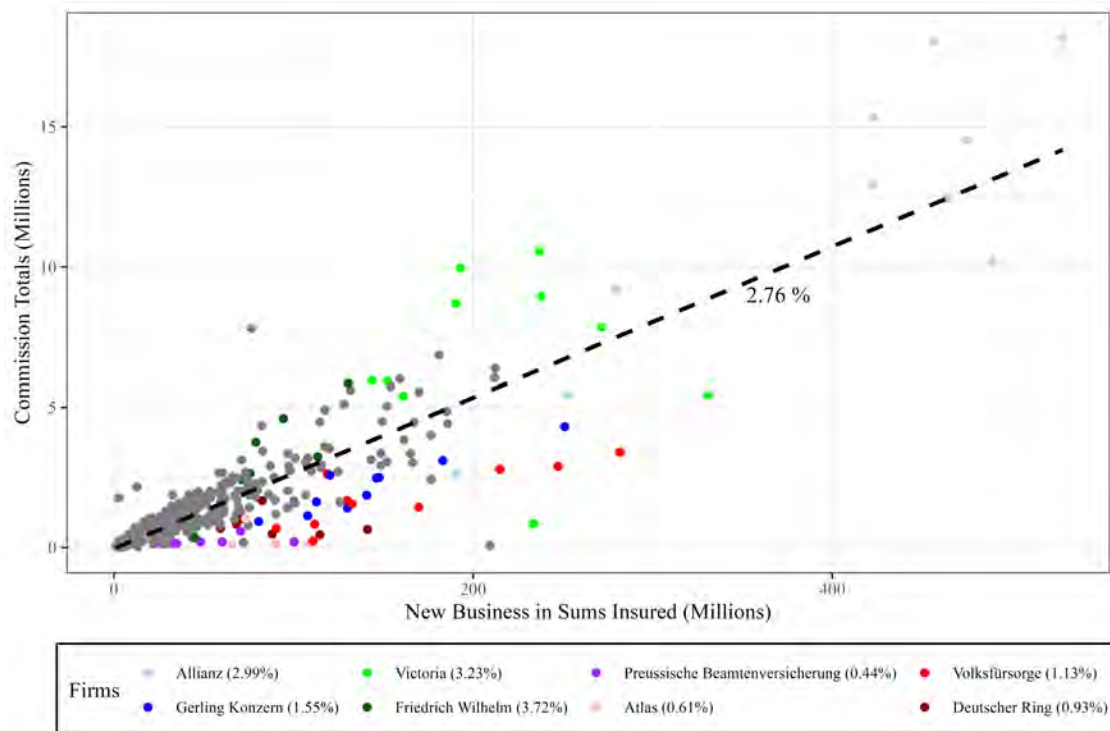


Figure 2.8: “Effective Commission Rates for Leading Private Insurers, 1924-1934.”

Beyond the attraction of their political projects, these firms’ compensation models should not be simply conceived of in terms of a silent ideological wage. Firstly, the wide web of contracts obtained through unions, political parties, and cooperatives would have provided an easy introduction for insurance sales, allowing agents to achieve high volumes that perhaps offset lower commission percentages. Secondly, total administrative costs for these firms were not

⁶⁴ See Appendix 5.1.

⁶⁵ See Figure 2.11 above, for market share see Figure 2.13.

⁶⁶ *Deutscher Ring*, like the *Volksfürsorge*, was founded in Hamburg in 1913. See Ingo Böhle, „Juden können nicht Mitglieder der Kasse sein.“ *Versicherungswirtschaft und die jüdischen Versicherten im Nationalsozialismus am Beispiel Hamburg* (Hamburg: Landeszentrale für Politische Bildung, 2003).

consistently lower: *Deutscher Ring* had higher costs relative to premiums than the industry standard, while the *Volksfürsorge* was more economical than most firms, but not to the extent implied by its low commission rate.⁶⁷ Higher administrative expenses likely reflected a different employment structure, in which dedicated sales staff received a larger wage relative to their sales commissions. Still, these models' successes in the smaller-sum sector broke the strong correlation in the pre-war between policy size and marginal costs, as labor-union insurers found ways to keep costs below rather than above the industry standard.

In 1928, the management of the *Volksfürsorge* noted that their success had come amidst “extremely stiff competition in the insurance business, particularly the small-sum insurance business (*Sterbekassen*, *Zeitungsversicherung* (newspaper insurance), association funds, party funds, society funds, and other types.”⁶⁸ Other small-sum insurers also made effective use of the networks of different civil society organizations. The example of *Deutscher Herold*, another new industrial life insurer of the post-war, is illustrative. Founded in late 1921 as the *Deutscher Begräbnisversicherungsverein* (German Burial Insurance Association), *Herold* was incorporated as a joint-stock company in 1927 and assumed the name *Deutscher Herold Volks- und Lebensversicherung AG* in 1929.⁶⁹ *Herold*'s founder, Herbert Worch, was the leader of the industry association of German funeral homes. Selling insurance in the network of funeral homes held by the firm's founders in the industry, the new insurer also contracted with the Catholic and Protestant church at the city and regional level to utilize their organizations as brokers.⁷⁰ While *Herold* got its start in burial insurance, a particular form of small-sum life insurance, by the late 1920s, the firm offered a broad array of insurance services, including traditional life insurance.⁷¹

National church organizations also entered into the life insurance business on their own. The central mission of the German Lutheran Church founded its own life insurance company in 1929. The initiative had begun in 1926, when the Church's central mission formed a committee to explore the idea of providing small-sum life insurance to cover congregation members' burial expenses.⁷² In 1927, the *Evangelische Versicherungszentrale* began business, adopting an exclusive arrangement with the insurance broker Oskar Schunck A.-G. and the industrial life insurer *Neuer Atlas*, wherein *Atlas* would manage the technical side and assume the entirety of

⁶⁷ See Figure 2.10.

⁶⁸ „...überaus scharfen Konkurrenz im Versicherungsgewerbe, vor allem des Kleinversicherungsgewerbes (*Sterbekassen*, *Zeitungsversicherungen*, *Verbands-*, *Partie-*, *Vereins-* und anderer *Kassen*).“ “*Volksfürsorge*: Rechenschaftsbericht über das Geschäftsjahr 1927,” BAB, R-90787. See Appendix 3.1-3.2 for a chart of market share.

⁶⁹ „*Deutscher Herold*: Wie er wurde, wie er ist,“ *Ergo-Archiv*, 13-14

⁷⁰ „*Deutscher Herold*: Wie er wurde, wie er ist,“ *Ergo-Archiv*, 16.

⁷¹ „*Deutscher Herold*: Wie er wurde, wie er ist,“ *Ergo-Archiv*, 18.

⁷² „Gutachten von Prof. Hanns Dorn, Uni München, auf Veranlassung des Central-Ausschusses für die Innere Mission der Deutschen Evangelischen Kirche begründet von der Evangelischen Versicherungszentrale e.V.,“ *Ergo-Archiv*, I0001-00002.

the insurance portfolio.⁷³ Lutheran pastors promoted the new life insurance to their congregations in coordination with the new sales branches of the organization.⁷⁴ After only a year, the central mission elected to purchase the existing portfolio back from *Neuer Atlas* and found the *Evangelische Vorsorge gemeinnützige Versicherungs-Aktien Gesellschaft*, signing a reinsurance agreement with *Atlas*.⁷⁵ In 1926, the Catholic *Caritasverband* also founded its own new insurance association, the *Versicherungszentrale der katholischen Wohlfahrts- und Kulturpflege*.⁷⁶ In 1929, on the very same day as the Lutherans, the Catholic *Versicherungszentrale* founded the *Katholische Volkshilfe*, a fully-owned joint-stock, *gemeinnützige* insurance corporation.⁷⁷ As with the *Evangelische Vorsorge*, the Oskar Schunck A.-G. provided brokerage services and *Atlas* initially held the entire portfolio of the *Katholische Volkshilfe*. The new insurer then re-negotiated the agreement the following year, adopting a cost-sharing arrangement for administrative expenses coupled with a set reinsurance quota for *Atlas*.⁷⁸ By 1930, the *Evangelische Vorsorge* and *Katholische Volkshilfe* had together nearly 2 million insurance clients, putting them in fourth and sixth place respectively among small-sum life insurers.⁷⁹

As the example of *Atlas* illustrates, corporate insurers could compete with civil society insurers by contracting directly with their associations through group contracts. *Atlas*, the initial partner of choice for the *Evangelische Vorsorge* seems to have done considerable business in this branch.

⁷³ „Gutachten von Prof. Hanns Dorn, Uni München, auf Veranlassung des Central-Ausschusses für die Innere Mission der Deutschen Evangelischen Kirche begründet von der Evangelischen Versicherungszentrale e.V.“, Ergo-Archiv, I0001-00002.

⁷⁴ Tight coordination between pastors and the sales branches of the *Evangelische* was the norm: “in Herrn Pfarrer Dr. Ohl vom Rheinischen Provinzialausschuss für Innere Mission hatte die E. Sterbevorsorge einen hervorragenden und sehr tatkräftigen Förderer;” “für das Land Braunschweig: Herr Pfarrer Jeep, der sich tatkräftig für die Sache der Evangelischen Sterbevorsorge eingesetzt hat;” “in Schleswig-Holstein, Herr Pfarrer D. Gleiß, der sich mit großer Tatkraft um die Einführung der Ev. Sterbevorsorge bemüht hat.” *Ergo-Archiv*, I0001-00003-01. Individuals trained in insurance from the Lutheran community, however, handled direct sales. As Hanns Dorn put it in his report on the insurer: “Denn die Außenorgane der Evangelischen Sterbevorsorge sind eben keine „Bönhafen“, keine unehrlichen Leute außerhalb der Zunft; sie sind – wie schon hervorgehoben wurde – berufstätige und fachmännisch geschulte Versicherungsvertreter wie alle anderen auch; nur mit einem Unterschied, daß sie durch ihre weltanschauliche Gemeinschaft mit den Versicherungskandidaten in vielen Fällen auch Kreise erfassen können, an die andere Vertreter schwer oder gar nicht herankommen.“ „Gutachten von Prof. Hanns Dorn, Uni München, auf Veranlassung des Central-Ausschusses für die Innere Mission der Deutschen Evangelischen Kirche begründet von der Evangelischen Versicherungszentrale e.V.“, Ergo-Archiv, I0001-00002.

⁷⁵ „Zeittafel der Vorsorge Lebensversicherungs-Aktiengesellschaft“, Ergo-Archiv, I0001-00002.

⁷⁶ See Catherine Maurer, *Der Caritasverband zwischen Kaiserreich und Weimarer Republik: zur Sozial- und Mentalitätsgeschichte des caritativen Katholizismus in Deutschland* (Freiburg im Breisgau: Lambertus, 2008), 222.

⁷⁷ Maurer, *Der Caritasverband*, 222-224.

⁷⁸ The *Katholische Volkshilfe* ceded 100% of business in 1929, 50% for future business in the years 1930 and 1932, and 30% beginning in 1933. See “Verträge mit der Atlas-Lebensversicherungsbank, Ludwigshafen (Rhein), sowie der Oskar Schunck Aktiengesellschaft für Versicherungsvermittlung, Berlin, 1933“, BAB, R58/5523a.

⁷⁹ See Figure 2.12 and Appendix 6.1.

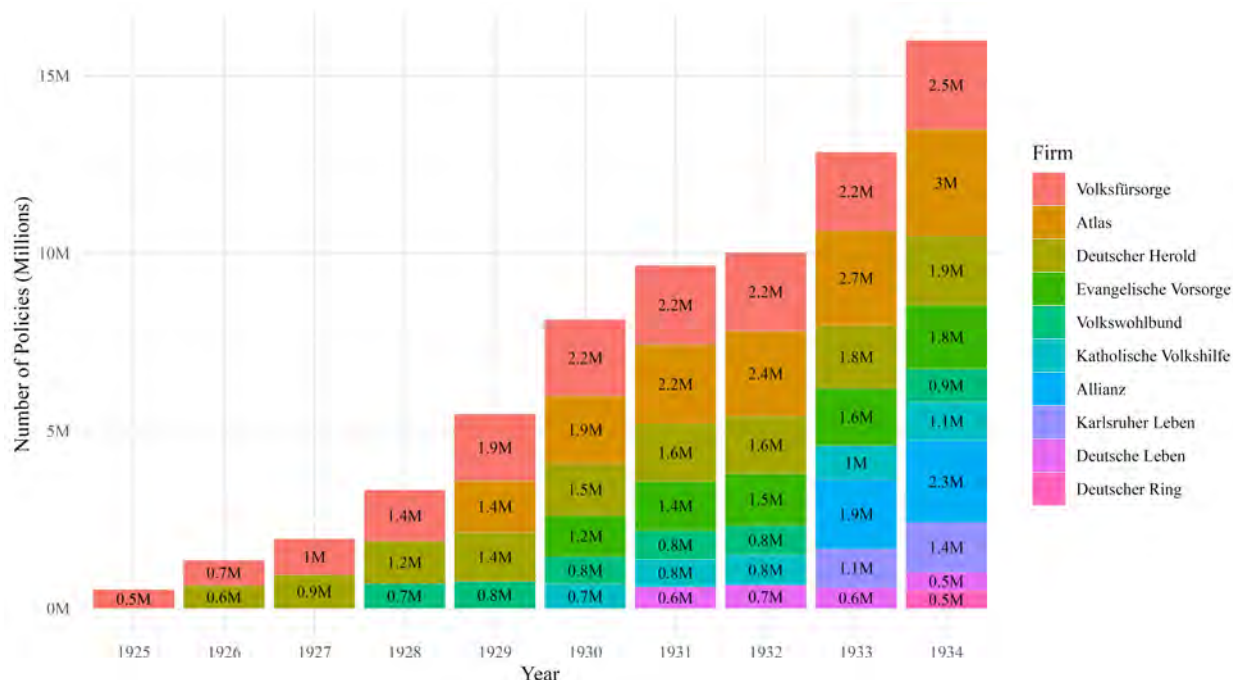


Figure 2.9: “Major Small-Sum Life Insurers, 1924-1934.” Totals given for insurers in the small-sum sector with at least 500,000 policies.

The firm’s reported commission rates are far below even those of *Deutscher Ring* across most years of the 1920s. Based on the terms of their contracts with *Evangelische Vorsorge* and the *Katholische Volkshilfe*, a specialization in such group contracts may explain their business’s extremely low commissions and costs. The *Gerling* concern also had a thriving business in group policies with industrial employers in the years following the Weimar inflation.⁸⁰ The continuation of this business was likely the source of the firm’s exceptionally low expense ratio, alongside the rationalization and cost-saving measures enabled through its concern structure.

Amidst the active *Vereinsleben* in interwar Germany, there was no shortage of opportunities for group insurers. Like civil society organizations, dedicated burial costs societies could be competitors or natural partners for life insurers. For centuries in Germany *Sterbekassen* (death funds) had provided this service for their members who paid a yearly membership contribution. Most limited their operation to a given locality, usually also to a specific professional, social, or political association or milieu. While competing with life insurance as a service, *Sterbekassen* were often not run according to the methods of a life insurance company, but through a simple *Umlageverfahren*, a method which used the current year’s contributions to fund the same year’s benefits. These organizations saw a renaissance during the inflation, surging in number.⁸¹ While

⁸⁰ Barth, “Die Anfänge des Gerling-Konzerns 1904 bis 1926. Der «Outsider» Robert Gerling, das «Feuerkartell» und die Lücke im Markt,” 50.

⁸¹ Arps mentions these organizations as competitors for life insurers, see *Durch unruhige Zeiten*, vol. II, 177. He also mentions an enormous upsurge during the inflationary period following the collapse of *Volksversicherung*. While comparatively few of this organizational cohort survived, Arps believes sufficient did to hinder the reconstruction of

lacking reliable figures, even by very conservative estimates, there were likely at least ten thousand in Germany, and probably many more.⁸² In January 1926, the *Hamburg-Mannheimer* house newspaper noted that “in a quite noticeable manner, for several months we have been flooded with requests to found or take over *Sterbekassen*.”⁸³

A final means of mass distribution in life insurance that should be mentioned alongside these other forms was *Zeitungsversicherung* (newspaper insurance), more broadly known as *Abonnenntenversicherung* (subscribers’ insurance). Firms such as *Nürnberger Leben* and *Braunschweigische Leben*, which also held considerable business in traditional life, insured the readerships of given newspapers for the duration of their subscription.⁸⁴ This particular form of insurance sometimes also covered accidents or other eventualities, but small-sum life insurers such as the *Volksfürsorge* and *Victoria* regarded it as a serious competitor.⁸⁵ Discussions of the 1930 regulatory reforms show that the bundled service also became a major concern for regulators. Newspapers and magazines offering the service without a dedicated insurance partner effectively escaped any regulatory oversight.⁸⁶ Administrative costs for this form of insurance were minimal. The market reached through these policies, while individually for tiny sums, was,

Volksversicherung: “Das Unwesen unvollkommener Sterbekassen, die während der Inflation entstanden, hat allerdings noch manche Jahre nach 1923 den Wiederaufbau einer auf sicheren Grundlagen stehenden kleinen Lebensversicherung behindert,” *Durch unruhige Zeiten*, vol. I, 346; see also pages 379-381.

⁸² Ernst Vesper notes that in Prussia alone in 1900 at least 3,634 of these organizations existed, insuring 311 million Marks and holding 60 million in assets, an estimate that Arps believes was well below the real total. Aside from anecdotal reports regarding a huge increase in such funds during the inflation, Vesper also cites evidence showing that in 1935, in the city of Essen alone, 500 such funds applied for regulatory approval following a change in supervision requirements: one for every 1,333 inhabitants. Under the conservative assumption that these funds were five times as prevalent in Essen than on average, there would have been around 12,000 such funds in all of Germany at that point in time. See Vesper, *Die Sterbekassen in alter und neuer Zeit*, Schriftenreihe des Instituts für Versicherungswissenschaft an der Universität Köln, Heft 23 (Berlin: Duncker u. Humblot, 1966), 68-70.

⁸³ „In geradezu auffallender Weise werden wir seit einigen Monaten mit Anfragen nach Gründung oder Übernahme von Sterbekassen überschüttet.“ „Sterbegeldversicherung!“ *Ergo-Archiv, Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 1/3 (Jan-March 1926).

⁸⁴ Arps briefly discusses *Abonnenntenversicherung* and the *Sterbekassen* as competitors of life insurance, see Arps, *Durch unruhige Zeiten*, vol. II, 175-178.

⁸⁵ For the perspective of the firms see „Abonnenntenversicherung,“ *ERGO-Archiv, Monatsblätter für Versicherungswesen: Zeitung der Victoria* 31, no. 4/5 (April/May 1930). „Volksfürsorge: Rechenschaftsbericht über das Geschäftsjahr 1927,“ BAB, R-90787.

⁸⁶ The Economics Ministry discussed the issue at length in the justification for the law (“Begründung”) attached to the draft of the 1931 regulatory legislation. Reichswirtschaftsministerium to the Reichswirtschaftsrat, 4. September 1930, BAK, R401/1503, „Entwurf eines Gesetzes zur Aenderung des Gesetzes über die privaten Versicherungsunternehmungen.“ In Dr. Adolf Petersen’s 1931 report on the new reforms, he considered the provisions preventing companies, such as magazines or journals, from escaping regulation by claiming not to offer life insurance to be of fundamental and general significance for the industry: “Da werden Zeitschriften vertrieben, es werden Vereine oder sonstige Unternehmungen gegründet zu angeblich rein idealen Zwecken (z.B. Kunst, Literatur, Gesundheitspflege und gegenseitige Fürsorge), deren wirklicher Zweck nichts anderes ist als der Betrieb von Versicherungsgeschäften, die es aber trotzdem verstehen, sich der Versicherungsaufsicht zu entziehen, weil angeblich kein Rechtsanspruch auf die zugesagte Leistung bestehe, oder weil es sich nur um eine „unselbständige“ Nebenabrede“ zu einem andersgearteten Vertrag handle.“ Adolf Petersen, “Die Änderung der deutschen Versicherungsstaatsaufsicht,” *Zeitschrift für die gesamte Versicherungswissenschaft* 31, no. 1 (January 1931), 2.

however, enormous, by estimate of the Economics Ministry around 10 million contracts in 1929.⁸⁷

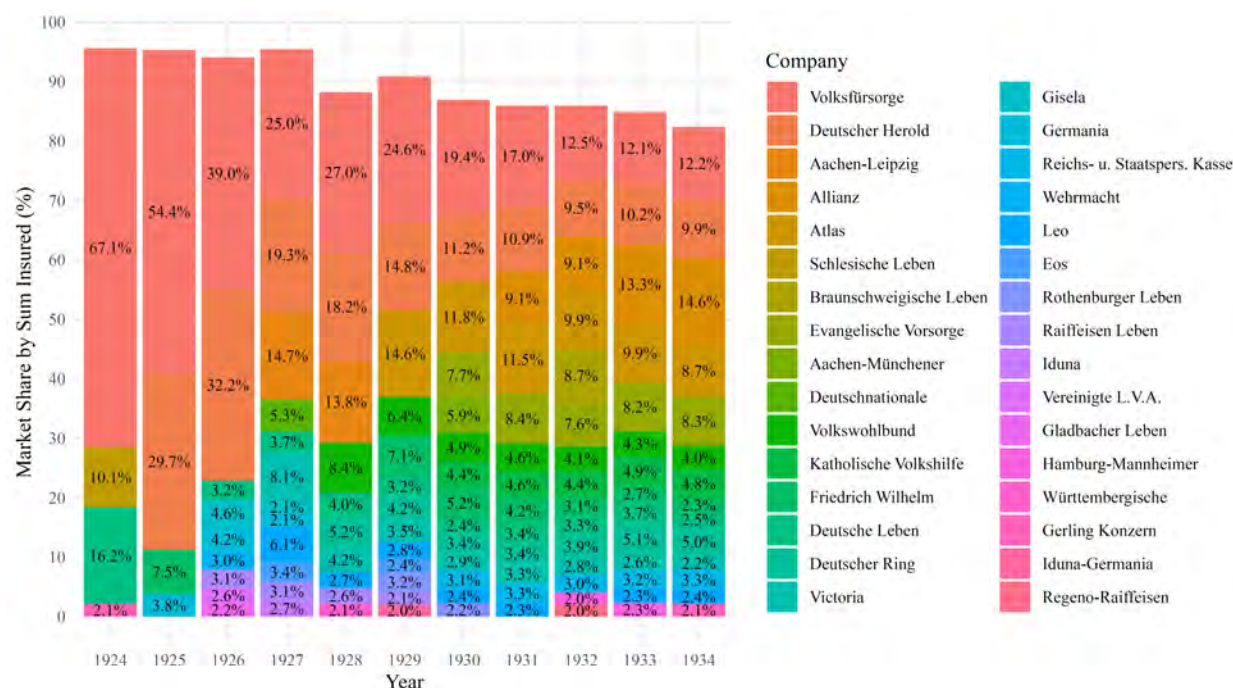


Figure 2.10: "Market Share in Kleinlebensversicherung After the Inflation, 1924-1934." Compare with Figure 8 for the percentages before the war.

Emerging from the inflation, life insurance thus found itself in a phase of rapid expansion. Older organizational forms were largely superseded by a number of new firm types and business models. Large concerns competed alongside civil society insurers and other insurers that found novel ways to contract directly with organized associations. While *Kleinlebensversicherung* (literally small insurance, adopted in place of the pre-war *Volksversicherung* as the general term de l'art for the small-sum sector) was initially slower to recover, it would soon begin to grow rapidly, greatly outpacing the growth in regular insurance contracts in each year starting in 1927. In firm periodicals, business leaders attributed the growth of the segment to the widespread urge to rebuild lost capital.⁸⁸ The year-on-year growth of *Sparkassen* deposits over the period

⁸⁷ Reichswirtschaftsministerium to the Reichswirtschaftsrat, 4. September 1930, BAK, R401/1503, „Entwurf eines Gesetzes zur Aenderung des Gesetzes über die privaten Versicherungsunternehmungen.“

⁸⁸ As the author of the Victoria firm publication argued: „Wenn erst einmal der Spargedanke im Bewußtsein eines Volkes wieder Wurzel gefasst hat, so bedeutet das halbe Arbeit für den Versicherungsvertreter,“ „Weltspartag und Versicherungsgedanke,“ ERGO-Archiv, Monatsblätter für Versicherungswesen: *Zeitung der Victoria* 28, no. 9/10 (September/October 1927). In their 1926 report on the year's business in 1925, the *Allianz* board wrote: „Im zweiten Jahre des wirtschaftlichen Aufabues hat die Lebensversicherung in Deutschland eine weitere kräftige Entwicklung genommen. Sie hat neben ihrem vornehmsten Zweck, der Sicherstellung der Familie, in erheblichem Maße dazu beigetragen, den Spartrieb in breiten Kreisen des deutschen Volkes zu fördern...Die Lebensversicherungsunternehmungen erfüllen damit neben Banken und Sparkassen die bedeutsame Aufgabe, an der Wiedererstärkung von Kapital und Kredit mitzuarbeiten.“ The same year, *Allianz* announced the founding of their

somewhat tracks that of total life insurance assets, which began to outpace them with the onset of the Great Depression in 1930.⁸⁹ Life insurance firms, however, were not only competing with savings banks, but also with organizations such as the *Sterbekassen* which did not necessarily perform any immediate savings function at all. The re-growth of life insurance took place amidst a spurt of associational entrepreneurialism. Through technical advances and organizational consolidation, corporate concerns competed to lower costs, while civil society insurers mobilized their own associations towards the same end. Group insurance promised to link both cost-reduction methods by bringing large concerns' administrative efficiency to the bargaining table across from these associations, whose organizations could greatly facilitate sales and premium collection. Group insurance was highly flexible. It could be sold to small burial societies, to employers, and even industry-wide corporatist organizations. At such a scale, group insurance no longer resembled the old life insurance business, but rather, as some academics would argue, an alternative means of organizing social insurance through modern methods.

II. Governing Insurance in Weimar: Life Insurance between Savings and Solidarity in the Insurance Sciences

As the business models, organizational forms, and market structure of commercial life insurance transformed, the appropriate regulatory and organizational responses to these developments held the close attention of the institutional ecosystem governing the industry. On a formal level, to reach decisions on regulatory questions, the insurance supervisory office was independent, but it drew on the advice of subject matter experts from the civil service, private sector, and from insurance academia. Business interests had considerable influence and, as Gerald Feldman has argued, the agency was rather pliant and trusting with the firms that it supervised.⁹⁰ These civil servants, private actuaries, and firm directors were themselves active participants in the international academic field of insurance sciences (*Versicherungswissenschaften*). Drawing on actuarial mathematics, insurance law, and the sociological and economic approaches of the German *Nationalökonomie*, the interdisciplinary field spanned the social and private insurance institutional ecosystems. The perspectives of academics such as Alfred Manes, editor of the *Zeitschrift für die gesamte Versicherungswissenschaft* and professor of insurance studies at the University of Berlin, remained extremely influential for the broader orientation of German insurance.⁹¹

new branch in smaller-sum insurance, *Die Allianz Spar- und Sterbekasse. Bericht der Allianz Lebensversicherungsbank Aktiengesellschaft in Berlin über das Geschäftsjahr 1925*.

⁸⁹ See Figure 4.4.

⁹⁰ Feldman, "Insurance Company Collapses in the World Economic Crisis: The Frankfurter Allgemeine Versicherungs-AG (Favag) and the Austrian Phönix," 62-63.

⁹¹ See Martin Lengwiler, "The Paradigm of Interdisciplinarity: The German Model of Insurance Sciences (1880s-1950s)," *Revue d'histoire des facultés de droit et de la culture juridique* 36 (2016): 409-25 and Wilfried Rudloff, "Die Entstehung des Sozialstaates und der Aufstieg der Experten: Foren, Formen und Funktionen," in *Sozialstaat im Werden*, ed. Wolfgang Ayass, Wilfried Rudloff, and Florian Tennstedt, vol. II (Stuttgart: Franz Steiner Verlag, 2021).

Manes had previously fought to keep the German social insurance system within the conceptual bounds of his own definition of insurance, mounting a campaign against *Staatsbürgerversorgung* (citizen's welfare) as opposed to true *Sozialversicherung* (social insurance).⁹² Ever an advocate for private insurance, Manes saw group insurance as a synthesis of the best aspects of social and private insurance. Industry leaders, including those of the *Gerling-Konzern*, *Allianz*, and the Austrian *Phönix*, agreed regarding the practical implications, viewing group insurance as an "economic necessity" to fend off systemic competitors.⁹³ However, in the face of the steady expansion of Weimar's social insurance, Manes's rhetoric of the spread of the *Versicherungsgedanke* as an unalloyed good for the industry ultimately had limited use.

While academics such as Manes were influential in regulatory matters and in the larger public sphere, developments in the actual insurance business also drove academic discussions. Across Europe, life insurance customers increasingly chose insurance contracts with high savings premiums that covered the risk of death while allowing them also to receive a small sum of capital in their old age. Some academics found the popularity of this type of insurance to be an ambivalent development, but businesses, and their professional actuaries, embraced the *Spargedanke* (idea of savings) for its advertising power. The notion of savings would prove a key differentiating point for the German life insurance business in its public relations struggle with German social insurance.

II.1. Group Insurance, Social Insurance and the *Versicherungsgedanke* in the Insurance Sciences

Group insurance had been employed in Germany to a limited extent in the decades before the interwar period. The economics of the contracts made sense for clients and for firms, which reduced commission expenses in exchange for in-group referrals (*Empfehlungsverträge*) or reduced total premiums in exchange for full group enrollment (*Begünstigungsverträge*).⁹⁴ Numerous sources note a surge in demand for these contracts during and following the post-war inflation.⁹⁵ Major life insurance firms had previously attempted to restrict rate competition through such contracts by forbidding discounted contracts (*Begünstigungsverträge*) to all of the life insurance association's members, unless the contract was with an employer. During the inflation, the regulatory office was moved to intervene by private insurers' complaints, forbidding all discounted contracts.⁹⁶ Demand, however, remained strong. Moreover, actuarial

⁹² As a contemporary noted, it was Manes himself who had introduced the term into German discourse; see Paul Kaufmann, "Sozialversicherung oder Staatsbürgerversorgung?," *Zeitschrift für die gesamte Versicherungswissenschaft* 24, no. 1 (January 1924).

⁹³ Dr. Rudolf Schloessmann of *Allianz* is quoted, see footnote 120.

⁹⁴ Hanns Dorn, "Gruppenversicherung," in *Transactions of the Eighth International Congress of Actuaries*, vol. IV (London: Charles and Edwin Layton, 1927), 57-58.

⁹⁵ See, for example, „Sterbegeldversicherung!“ *Ergo-Archiv, Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 1/3 (Jan-March 1926); Wilhelm Taeffner, "Gruppen-Lebensversicherungen," *Zeitschrift für die gesamte Versicherungswissenschaft* 26, no. 1 (January 1926), 53.

⁹⁶ Dorn, "Gruppenversicherung," 59.

sciences provided a strong argument for the cost reductions on offer. Through the law of large numbers, the mortality risk premium required for insuring a group, all other things equal, was lower than that of an individual contract. Additionally, adverse selection could be mitigated if whole associations of individuals were signed up at once. German insurers began to account for these factors as well as the larger savings on administrative costs by setting special insurance rates for groups (*Sondertarife*), which were not discount contract in the previous sense, but rather technically grounded rates that fit their larger business plan.⁹⁷

In September 1925, the *Verband der deutschen Lebensversicherungsgesellschaften* (Association of German Life Insurers) met to form their own recommendations regarding the growing business in group contracts. In general, the larger firms were in favor of the business. The association proposed a set of criteria that set minimum figures for the size of the organization and the percentage of members insured, with a higher threshold for voluntary organizations (*Vereine*) than for employers. The cost savings were delivered to the insured group in either a premium reduction or a special profit tranche to be accumulated among its members.⁹⁸ Those opposed to such contracts made a number of arguments in favor of a more extensive ban. As summarized by a proponent of group insurance, Dr. Wilhlem Taeffner, chief actuary of the *Gerling* Concern, these objections included “simple conservative rejections of novelty”, concerns regarding the fairness of discounted rates, and concerns regarding the sustainability of their own business in the face of downward pressure on commissions. The most important objection in his view, was the contention by critics that discounting rates fostered destructive competition, effectively empowering the insured in contract negotiations.⁹⁹

The opponents of group insurance would have their day at the November 1925 meeting of the supervisory agency’s insurance advisory council. The chair of the meeting, Robert Scharmer, advanced some criticisms of the insurers’ own plan, noting that the proposed size thresholds for the contracts were arbitrary. Then, General Agent Wilhelm Ahrendt, specially invited as a expert witness (*Sachverständiger*), made a comprehensive case against the contracts. Ahrendt argued that group insurance contracts came at the expense of insurance agents and were thus steadily destroying insurers’ own business model. He argued that discounted rates unfairly disadvantaged the other insured and that the contracts amounted to a hidden kickback of the commission. Ahrendt called on the office to make all such contracts illegal.¹⁰⁰

General Director Dr. Max Georgii of the *Stuttgarter* concern spoke next.¹⁰¹ Responding to both points of criticism, Georgii acknowledged that, as the chair of the meeting had pointed out

⁹⁷ Dorn, “Gruppenversicherung,” 59.

⁹⁸ Dorn, “Gruppenversicherung,” 60.

⁹⁹ Wilhelm Taeffner, “Gruppen-Lebensversicherungen,” *Zeitschrift für die gesamte Versicherungswissenschaft* 26, no. 1 (January 1926).

¹⁰⁰ W. Ahrendt, specially invited as a representative of German insurance agents, raised both points. „Niederschrift über die Sitzung der Gruppe I des Versicherungsbeirats am 30. Oktober 1925,” BAK, B280-547.

¹⁰¹ Peter Koch, “Georgii, Max,” in *Neue Deutsche Biographie* (Bayerische Staatsbibliothek, 1964), <https://www.deutsche-biographie.de/gnd11770203X.html#ndbcontent>.

earlier, the minimum thresholds for size in these contracts in the recommendations of the life insurers' association were arbitrary. Nonetheless, he noted, cost savings came only with a certain volume, and so some arbitrariness was unavoidable. To Ahrendt's demand that group contracts be made illegal to protect agents, Georgii made a simple, but powerful point. What would happen if insurers ignored this market? "It is to be feared that the firms and associations, to an even greater extent than they already have, will form independent funds. This area of business would then certainly be cut off from insurance agents. It is further to be feared that enterprises not under the supervision of the regulatory body will take this business for themselves."¹⁰²

The strongest words in favor of group insurance, however, came from Professor Alfred Manes. While Manes had no special role in the supervisory office beyond that of *Hilfsarbeiter* (assistant), his standing in the larger expert community likely gave his intervention special weight. Speaking after Georgii, Manes began by noting that group insurance had played a very significant role in the United States' life insurance industry since 1912. Two million white-collar employees were insured for two billion dollars, with contracts shared among some 50,000 groups. These were impressive figures, of comparable dimension to total German life insurance business in 1926.¹⁰³ He continued: "In America, group insurance has allowed the *Versicherungsgedanke* to penetrate into broader circles of the people. Group insurance is thus also in the interest of the agents; otherwise the danger exists, that the idea of nationalization could win ground."¹⁰⁴ Manes declared himself in favor of permitting group insurance, within the limited restrictions on the business proposed by the life insurers' association.

In his short remarks, Manes offered a vision of a fork in the road between the popularization of insurance on the one hand and insurance nationalization on the other. Manes viewed deeper institutionalization of private insurance as an essential means for its survival, but regarded social insurance as such to be no threat to insurers' business. Manes believed that social insurance would support demand for insurance by spreading the *Versicherungsgedanke*. In a 1913 article "Ueber die Grenzen der Privat- und der Sozialversicherung," Manes had argued that "when occasionally in circles of private insurance all social insurance, that is, even the *Arbeiterversicherung* (blue-collar social insurance), is fought against, this mostly stems only from confusion of the concepts of *Staatsversicherung* (state insurance) and *Sozialversicherung* (social insurance)."¹⁰⁵ Social insurance was merely insurance whose introduction and

¹⁰² "Es ist zu befürchten, daß die Firmen und Verbände in noch größerem Umfang als sie es bereits getan haben, selbständige Kassen gründen. Damit würde dann aber den Agenten das Arbeitsgebiet erst recht abgeschnitten. Weiter ist zu befürchten, daß die der Aufsicht des Amtes nicht unterstehenden Unternehmungen dann das Geschäft an sich reißen werden." „Niederschrift über die Sitzung der Gruppe I des Versicherungsbeirats am 30. Oktober 1925," BAK, B280-547.

¹⁰³ In that year, 1.97 million were insured for 7 billion RM, around 1.67 billion USD.

¹⁰⁴ „Durch die Gruppenversicherung ist in Amerika der Versicherungsgedanke in weite Kreise des Volkes gedrungen. Die Gruppenversicherung liegt auch insofern im Interesse der Agenten, als sonst die Gefahr besteht, daß der Gedanke einer Verstaatlichung der Versicherung Boden gewinne.“ „Niederschrift über die Sitzung der Gruppe I des Versicherungsbeirats am 30. Oktober 1925," BAK, B280-547.

¹⁰⁵ "Wenn jedoch in Kreisen der Privatversicherung die gesamte Sozialversicherung, also auch die Arbeiterversicherung, gelegentlich bekämpft wird, so liegt das häufig nur in einer Verwechslung der Begriffe

administration stemmed from social-political motivations. The organizational form, whether private, or public, was irrelevant.¹⁰⁶ In the United States, “where the idea of social insurance is gaining a foothold, we immediately see with the germ of this idea the efforts of large capitalist enterprises to show that the creation of new insurance institutions is not necessary, that they would be capable of organizing social insurance as private institutes.”¹⁰⁷ Citing the success of these American insurers at the meeting, Manes was making a similar point to that made by Georgii. If private insurers did not step in to provide this type of service, it was certain that someone else would. Where Georgii feared the rise of self-managed funds or other entities not regulated as life insurance, Manes feared a state intervention, one which would not necessarily meet his definition of insurance at all.

The importance of group insurance for life insurance’s future was evident to many. The co-chair of the *Allianz* board, Dr. Rudolf Schloessman, also present as *Sachverständiger* (expert witness), expressed his agreement with Manes: “Group insurance is an economic necessity. The price reductions that come with it are in the interest of the insured.”¹⁰⁸ The decision of the agency reflected consensus among industry leaders and embraced the spirit of their association’s recommendations. Group insurance was acknowledged to be an important means of cost reduction and firms were permitted to offer special group insurance policies at lower premium rates. The terms of these contracts had to be in accordance with a technical business plan, wherein any reduction in premiums relative to individual premiums reflected either reduced mortality risk or reduced administrative costs. The contractee had to be a real association or firm, with a “large number” of members and the contract could not be extended to non-members. Finally, the regulatory authority reserved the right to review each individual contract.¹⁰⁹

Shortly following the supervisory agency’s decree, some of the largest group insurance contracts in Germany were signed with professional associations of individuals still outside of the German social insurance system. The contractees were not individual firms, but consortiums of the three largest German insurance concerns. The *Industrie-Pensions-Verein*, formed by members of the *Reichsarbeitgebersverband* (German Employers’ Association), arranged to provide retirement insurance for German executives and firm owners with the *Gerling Concern*, *Allianz*, and the

Staatsversicherung (emphasis mine) and *Sozialversicherung*.” Alfred Manes, “Über die Grenzen der Privat- und der Sozialversicherung,” *Zeitschrift für die gesamte Versicherungswissenschaft* 12, no. 2 (May 1912), 516.

¹⁰⁶ Manes, “Über die Grenzen der Privat- und der Sozialversicherung,” 514-515.

¹⁰⁷ “Wo die soziale Versicherungsidee Fuß fasst, sehen wir sofort mit dem Keimen dieses Gedankens deutlich die Bemühungen gerade der großkapitalistischen Unternehmungen, zu zeigen, daß es der Neuschaffung von Versicherungsträgern nicht bedarf, sie vielmehr in der Lage wären, als Privat-institute die Sozialversicherung zu organisieren“ Manes, “Über die Grenzen der Privat- und der Sozialversicherung,” 515. On the growth of American group life insurance, see Jennifer Klein, *For All These Rights: Business, Labor, and the Shaping of America’s Public-Private Welfare State*, (Princeton, N.J: Princeton University Press, 2003), 16-52.

¹⁰⁸ „Die Gruppenversicherung ist ein wirtschaftliches Bedürfnis. Die damit verbundene Verbilligung liegt im Interesse der Versicherten.“ „Niederschrift über die Sitzung der Gruppe I des Versicherungsbeirats am 30. Oktober 1925,“ BAK, B280-547.

¹⁰⁹ Hanns Dorn, “Gruppenversicherung,” in *Transactions of the Eighth International Congress of Actuaries*, vol. IV (London: Charles and Edwin Layton, 1927), 60.

Alba-Nordstern conglomerate. By the end of 1926, the *Verein* had 3,209 members, insured for a total of 87,672,317 RM.¹¹⁰ In January 1926, the *Reichsarbeitsgemeinschaft der Deutschen Presse* (The German Journalist's Working Community) signed a similar agreement with another consortium, followed by the *Hauptgemeinschaft des deutschen Einzelhandels* (Community of German Store Proprietors) soon after.¹¹¹ Alongside these large contracts with professional associations, contracts with other types of associations continued to flourish. Wilhelm Taeffner, reporting on the state of group insurance in early 1926, noted that one such contract with a Prussian association now covered over 58,000 members.¹¹²

For industry leaders, group insurance had great appeal as a cost-saving mechanism. For Manes, however, the initiative represented an opportunity for Germany to remain at the vanguard of international insurance. At the 1927 London International Congress of Actuaries, the first meeting of the body since before the war, Manes enthusiastically reported on the use of group insurance in Germany to an audience of international social policy experts.¹¹³ Proudly touting the accomplishments of German social insurance alongside his colleague, Dr. Otto Bassenge, Director of Accident Insurance in the *Reichsversicherungsamt* (the highest bureaucratic level in the German social insurance system), Manes observed to his satisfaction that social insurance seemed to be prevailing over unfunded pension alternatives (what Manes called *Staatsbürgerversorgung*). Manes then called the session's attention to the fact that „in Germany, perhaps unknown to wider circles, a new middle-thing between private insurance and social insurance has recently emerged, namely, a form of group insurance with obligatory character.“¹¹⁴ Manes promised further details in the following morning's session on group insurance. The next day, he spoke of the German journalist's pension consortium as a “mixed economic organization, the mixture being between methods of private insurance operation and institutions of a social-political character.”¹¹⁵ Noting the cost advantages of the scheme when compared to public social insurance provision, as well as the social principles at work in the scheme, Manes observed that “it would be strange indeed if others should fail to follow down the path blazed by it.”¹¹⁶

¹¹⁰ Dorn, “Gruppenversicherung,” 62.

¹¹¹ Dorn, “Gruppenversicherung,” 60-62.

¹¹² See Taeffner, “Gruppen-Lebensversicherungen,” 53.

¹¹³ Including the head of the ILO's statistical section, James W. Nixon and the economist John Maynard Keynes, who was chairman of the board of National Mutual Life Assurance Society. On Nixon, see James W. Nixon, *A History of the International Statistical Institute* (The Hague: ISI, 1960).

¹¹⁴ Manes had written recently about the triumph of his definition of social insurance over such systems in Australia; see Alfred Manes, “Sieg der Sozialversicherung über die Staatsbürgerversorgung in Australien,” *Zeitschrift für die gesamte Versicherungswissenschaft* 26, no. 2 (April 1926). Regarding group insurance: “...sich in Deutschland, was den weitesten Kreisen unbekannt sein dürfte, neuerdings ein Mittelding zwischen Privatversicherung und Sozialversicherung ausgebildet, nämlich in Form einer Art Gruppenversicherung mit Zwangscharakter.“ Sitzungsprotokoll: Sozialversicherung,” in *Transactions of the Eighth International Congress of Actuaries*, vol. V, 297.

¹¹⁵ “Report of the Proceedings: Group Insurance”, *Transactions of the Eighth International Congress of Actuaries*, vol. V, 378.

¹¹⁶ “Report of the Proceedings: Group Insurance”, *Transactions of the Eighth International Congress of Actuaries*, vol. V, 378.

Manes's vision for group insurance likely had a favorable reception at the 1927 conference. He was certainly not the only Congress participant who saw the potential for private insurance in administering social insurance. Sir Arthur Watson, chair of the session on social insurance, was the principal architect of the British pre-Beveridgian welfare system, in which friendly societies and industrial life insurers provided statutory, state-subsidized accident insurance to their members and clients.¹¹⁷ Emile Marchand, chief actuary and future director general of the private Swiss *Rentenanstalt*, had submitted his own report to the Congress on recent developments in group insurance policies in Switzerland. As Marchand reported, group life insurance had been introduced by a number of firms in Switzerland following the pioneering action of the *Rentenanstalt*. These new private initiatives drew impetus from the 1925 federal constitutional amendment promising to introduce statutory retirement insurance at a future date.¹¹⁸ In the social insurance section, P.G. Laurin, a prominent Swedish actuary, recommended that countries impose a universal pension insurance mandate, but permit choice amongst private life insurance organizations.¹¹⁹ Swedish private insurers had long emphasized the complementarity of social and private insurance, following Manes in distinguishing between social insurance and state insurance and asserting that social insurance could be administered by private insurers.¹²⁰

There were plentiful international examples for how such a synthesis in German insurance might have been constructed. The appetite for such private-public collaborations was present, as evidenced by the early experiments insuring professional associations and continued entrepreneurial ventures in largescale group insurance. Attending the Congress -- in fact live translating Manes's remarks from German to English -- was Director Dr. Wilhelm Berliner of the Viennese Phönix, the dominant Austrian firm, and one of the few foreign firms with a strong presence in the German market. In 1929, Berliner would announce a collaborative venture with the American *Met Life* to bring American-style group insurance to Germany, Czechoslovakia, and Austria.¹²¹ As the translator between German, French, and English for the session on social insurance, Berliner demonstrated such fluency in the details of these systems that he earned a

¹¹⁷ Watson had perhaps the most influence of any single individual in the design of Great Britain's interwar welfare system, see. John Macnicol, *The Politics of Retirement in Britain, 1878–1948* (Cambridge: Cambridge University Press, 1998), 168–169. On the role of private insurers in the system, see Michael Heller, "The National Insurance Acts 1911–1947, the Approved Societies and the Prudential Assurance Company," *20 Century British History* 19, no. 1 (2008): 1–28.

¹¹⁸ Emile Marchand, "L'assurance sur la vie par groupe en Suisse," in *Transactions of the Eighth International Congress of Actuaries*, vol. III (London: Charles and Edwin Layton, 1927). On the introduction of group life insurance pension products in Switzerland during the interwar, see Matthieu Leimgruber, *Solidarity without the State? Business and the Shaping of the Swiss Welfare State, 1890–2000* (Cambridge: Cambridge University Press, 2008), 79–115.

¹¹⁹ "Report of the Proceedings: Social Insurance", *Transactions of the Eighth International Congress of Actuaries*, vol. V, 216–220.

¹²⁰ Alf Sjöblom, "The Business of Welfare: Mutually Sustaining Practices of Public and Private Insurance in Sweden 1870–1946," *Scandinavian Journal of History* 44, no. 5 (October 20, 2019): 617–39.

¹²¹ Hans H. Lembke, *Phönix, Wiener und Berliner: Aufstieg und Sturz eines europäischen Versicherungskonzerns* (VS Verlag für Sozialwissenschaften, 2016), 82–83.

lively ovation.¹²² The president of the largest continental life insurer's knowledge of these changing social welfare systems across European borders suggests that, for men such as Berliner, the contours of these systems were of great relevance for their current business, and perhaps the future of their industry, as they imagined it.

German life insurers, nevertheless, found themselves in a fundamentally different position vis-à-vis social insurance than their international peers. Publicly administrated social insurance was no abstraction in Germany. Swiss and American insurers could pre-empt the creation of new public institutions by proposing themselves as intermediaries, while British insurers were already formally integrated into their national accident insurance system. German life insurers, on the other hand, were confronted with a growing national social insurance ecosystem that drew prestige from the same *Versicherungsgedanke* rhetoric that Manes believed would lift private insurance. While business leaders could agree with academics like Manes on the potential of group insurance, however, they would not have seen the competing appeals of private and social insurance as a positive-sum game. In the face of an established institutional competitor, differentiation was more important than analogy.

II.2. Life Insurance and the *Spargedanke* in the Insurance Sciences

German life insurers would soon take proactive actions to differentiate their business vis-à-vis social insurance. In this regard, the notion of savings would play an important role. While group insurance could be best compared to social insurance, many forms of small-sum life insurance contracts were seen by customers increasingly as a savings instrument. Across the European continent, life insurance policies in which the savings portion of the premium (*Sparprämie*) outweighed the true risk premium (*Risikoprämie*) had come to represent the vast majority of contracts -- in Germany, in 1920, around 84%.¹²³ In the years following the inflation, life insurers advertised themselves as savings institutions that could assist in re-building lost capital. In April 1924, for example, the Hamburg-Mannheimer's house journal reminded their salesmen that an advantage of life insurance over other savings forms was that it fostered savings discipline through regular premium collection.¹²⁴ In their 1925 yearly report, the *Allianz* board

¹²² "Sitzungsprotokoll: Sozialversicherung," in *Transactions of the Eighth International Congress of Actuaries*, vol. V, 292. Berliner was given a lively ovation at the end of the session for his work translating the participants remarks between French, German, and English and complimented on the "intellectual energy and vivacity" that allowed him to supplement his translations of their remarks with his own "illuminating comments." "Report of the Proceedings: Social Insurance," in *Transactions of the Eighth International Congress of Actuaries*, vol. V, 248.

¹²³ This represented a reversal of the proportion from 1877, as figures collected by Otto Siepmann, „Welches sind die Ursachen des Ueberganges von den lebenslänglichen zu den gemischten Versicherungen?“, *Comptes rendus du neuvième Congrès international d'actuaire*, vol. II, 20-21.

¹²⁴ The article quoted at length from a recent piece by Albert Ehrenzweig in the *Berliner Börsen-Zeitung*: "Ein psychologisch besonders geeignetes Mittel zur Förderung des Spartriebes sind Lebensversicherungen. Der Mensch wird dadurch indirekt zum Sparen gezwungen und hat die Möglichkeit, in einem gewissen Alter eine Pension oder ein kleines Vermögen zurückgelegt zu haben. Sparkassen gegenüber haben Lebensversicherungen den Vorteil, dass man nur begrenzt die Möglichkeit hat, sein eingezahltes Kapital sofort zurückzufordern, wodurch man tatsächlich zum Sparen gezwungen ist." „Die volkswirtschaftliche Bedeutung der Lebensversicherung,“ *Ergo-Archiv, Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 4/5 (April-May 1924).

introduced their new small-sum insurance service, the *Allianz Spar- und Sterbekasse*, writing: “in the second year of Germany’s economic reconstruction life insurance has developed strongly. Next to its most eminent purpose, the security of the family, life insurance has also contributed to supporting the drive to save in broader circles of the German people....life insurance firms work alongside banks and savings banks (*Sparkassen*) in fulfilling the important task of restrengthening capital and credit.”¹²⁵ This development in the industry was seen somewhat ambivalently by academic actuaries, many of whom considered these policies to be worse for than insured than whole life, which provided only a death benefit, but had a lower premium relative to the sum insured. At the 1930 International Congress of Actuaries, hosted in Stockholm, the organizers solicited responses to address the issue: “The earliest life insurance contracts were the short-term contract and the whole-life contract. In recent times they have been partially superseded by the endowment policy, the risk part of life insurance being in that way to some extent neglected. We will put the questions: *What is the reason of the change from whole-life to endowment policies, and how will this point develop in the future? What is to be done for promoting the desirable forms of insurance?*”¹²⁶

In his article for the congress, Dr. Max Wollner, Assistant Director (*Direktorstellvertreter*) of *Assicurazioni Generali* in Vienna, expressed agreement with the implicit position of the prompt. He argued that the purpose of life insurance, for both individual households and the larger economy, was to replace household income lost through the disappearance of wage income. Noting that any type of savings could serve to replace wage income lost through old age, life insurance had its “particular purpose” in covering wage income lost by the early death of a primary earner. Wollner argued that only a complex of historically contingent social and economic developments had caused life insurance to be used for savings in European society at all: the real institutions of life insurance had simply already been available as infrastructure in a period in which the need for saved income had grown. The life insurance industry had, in his view, also contributed to the preference for endowment insurance out of its own self-interest. The higher yearly premiums this business generated yielded higher commissions for agents and allowed life insurance firms to accumulate larger premium reserves, which “augmented the position of power of these institutes in economic happenings.”¹²⁷ Wollner believed it was the

¹²⁵ “Im zweiten Jahre des wirtschaftlichen Aufbaues hat die Lebensversicherung in Deutschland eine weitere kräftige Entwicklung genommen. Sie hat neben ihrem vornehmsten Zweck, der Sicherstellung der Familie, in erheblichem Maße dazu beigetragen, den Spartrieb in breiten Kreisen des deutschen Volkes zu fördern...Die Lebensversicherungsunternehmen erfüllen damit neben Banken und Sparkassen die bedeutsame Aufgabe, an der Wiedererstärkung von Kapital und Kredit mitzuarbeiten.“ *Bericht der Allianz Lebensversicherungsbank Aktiengesellschaft in Berlin über das Geschäftsjahr 1925*, (Allianz: Munich, 1926).

¹²⁶ *Comptes rendus du neuvième Congrès international d'actuaire*, vol. II (Uppsala: Almqvist & Wiksells Boktryckeri-A.B., 1930), 2.

¹²⁷ “Auch gestattet die Todesfallversicherung mit ihren geringeren Prämiensätzen nicht die Vergütung so hoher Anwerbekosten, wie sie in recht vielen Ländern bei der gemischten Versicherung – leider – üblich geworden ist. Dies ist ein Motiv mehr für die Anwerbeorgane der Gesellschaften, bei ihrer Tätigkeit die Todesfallversicherung zu vernachlässigen. Auch Erwägungen besonderer Art mögen bei dieser Einflussnahme seitens der Gesellschaft eine Rolle gespielt haben, so z.B. das Bestreben der Anstalten, ihre Machtposition im volkswirtschaftlichen Geschehen durch die Verfügung über grössere Reservefonds zu erhöhen.” Max Wollner, „Versicherungsidee und

duty of life insurers to pursue the industry's further development through insurance forms that performed the function of income replacement in the most effective manner possible.

Albert Théate, a Belgian actuary, agreed with Wollner in attributing the prevalence of these policies in part to life insurance companies and agents. Like Wollner, Théate noted that these policies had higher premiums, which generated larger reserves -- the main source of profitability for insurers.¹²⁸ He also observed that these policies made the management of the business less volatile, as any systematic difference between real and expected mortality was offset by the relatively larger savings share contained in the premiums. Théate differed from Wollner, however, in believing that the policies' prevalence reflected the real preferences of customers. These preferences derived in part from their "ignorance" of insurance -- having paid their premiums, they expected to receive a concrete benefit at some point, even if the risk for which the coverage was provided did not realize itself -- but also from tax laws and real estate financing needs. Restating the terms of the original question, Théate asked whether the success of these policies did not show they were in fact a desirable form of insurance.¹²⁹

Dr. Otto Siepmann, the chief actuarial mathematician of the *Gothaer Lebensversicherungsbank*, the oldest life insurer in Germany, provided a response much in line with Théate's sentiments. That endowment life insurance was chosen by customers showed that it met needs which whole life did not. Siepmann continued: "the accusation has been made of shorter-term insurance, also by insurers, that the savings function, which particularly appears in very short-term policies, does not rightfully belong to the insurance system, but rather to the working area of the savings banks. It is more correct, to look at this situation and at the giant advertising power which the *Spargedanken* possesses, and to point out that which short-term insurance achieves which savings banks do not."¹³⁰ Siepmann argued that it was not the role of insurers to push customers towards one or the other type of insurance, but rather to work towards their clients' preferences.¹³¹

The reviewer for the topic, Jens Pedersen, Director of the *Nordisk Livsforsikrings-Aktieselskab* in Copenhagen, forcefully agreed with both, and offered a lively summary of the various papers in

Versicherungsform," *Comptes rendus du neuvième Congrès international d'actuaire*, vol. II (Uppsala: Almqvist & Wiksells Boktryckeri-A.B., 1930), 48.

¹²⁸ Albert Théate, « Assurance de Risque contre Assurance d'Épargne, » *Comptes rendus du neuvième Congrès international d'actuaire*, vol. II, 62-63.

¹²⁹ „Son succès ne prouve-t-il pas d'ailleurs, qu'elle représente, ainsi que s'exprime la question posée, une forme désirable d'assurance ? », Albert Théate, « Assurance de Risque contre Assurance d'Épargne », vol. II, 65.

¹³⁰ „Man hat der abgekürzten Versicherung, auch in Versicherungskreisen, zum Vorwurf gemacht, dass der hier -- vornehmlich bei schärferer Abkürzung -- hervortretende Sparvorgang dem Versicherungswesen fremd sei und in den Arbeitsbereich der Sparkassen gehöre. Richtiger ist es, eben diesen Umstand und die dem Spargedanken innewohnende ungeheure Werbekraft zu beachten und darauf hinzuweisen, was die abgekürzte Versicherung mehr leistet als die Sparkasse." Otto Siepmann, „Welches sind die Ursachen des Ueberganges von den lebenslänglichen zu den gemischten Versicherungen?“, *Comptes rendus du neuvième Congrès international d'actuaire*, vol. II, 17.

¹³¹ Siepmann, „Welches sind die Ursachen des Ueberganges von den lebenslänglichen zu den gemischten Versicherungen?“, 19.

the panel session. In his own view, the advent of endowment insurance represented the “democratisation of life insurance.”¹³² As an explanation for life insurance’s popularity in Denmark, where so many other forms of savings were available, Pedersen noted that people chose life insurance to force them to meet their weekly savings quotas.¹³³ Alfred Manes then spoke. For him, the questions examined by the panel were ones for economists and sociologists, not necessarily insurance “mathematicians” – a far narrower specialization, he noted, than that of the English actuary. He pleaded for a broader conception of the insurance sciences, calling on the assembled to disabuse themselves of the notion that mathematics alone could provide answers to the “most important and most interesting problems” in insurance.¹³⁴

As insurers had discovered that the *Spargedanke* had more advertising power than the *Versicherungsgedanke*, professional actuaries were by no means inclined to permit a rigid notion of insurance’s purpose to restrict the development of their business. While Manes had waged a campaign to bring social insurance into the realm of insurance sciences, and another to distinguish tax-financed welfare systems from social insurance, he had little interest in splitting hairs over which form of private life insurance was best. Here he deferred to economists and corporate actuaries with practical experience of the matter. The authority wielded by practitioners within the broad, interdisciplinary field of the insurance sciences was significant. The 1930 Congress would represent perhaps the high-water mark of German influence in academic insurance. Wollner, Siepmann, and Pedersen, the reviewer, had all presented in German, which remained one of three international languages for the academic insurance community. At the next meeting in Rome in 1934, the German delegation would appear in disarray. In the meantime, Germany’s private insurers would seek their own path through the distinct public relations challenges created by their country’s complex and turbulent insurance institutional ecosystems. Their epistemic authority in insurance matters, in part the legacy of Manes’s work to develop the interdisciplinary academic field, could redound to their advantage when paired with the power of an independent public relations and media strategy.

III. Governing Insurance in Weimar: Corporate Life Insurers in the Public Sphere

While private insurers may not have shared Manes’s optimism regarding group insurance as a form of social insurance, his fears regarding nationalization were widely held. Since the time of Bismarck and Adolph Wagner, proposals to nationalize insurance had resurfaced periodically in German public discourse. Most recently, from 1919-1921, several proposals to nationalize commercial insurance had been debated in the public sphere as the socialization commissions of

¹³² Jens Pedersen, „Risikoversicherung contra Sparversicherung,“ *Comptes rendus du neuvième Congrès international d’actuares*, vol. II, 69.

¹³³ „...sie bevorzugen den Abschluss einer, in der Regel kurzen, gemischten Versicherung, die sie zum Sparen zwingt.“ Pedersen, „Riskoversicherung contra Sparversicherung,“ 71.

¹³⁴ Procès-Verbale de la Séance du Matin du Mardi - 17 juin 1930 », *Comptes rendus du neuvième Congrès international d’actuares*, vol. IV, 253.

1920 explored the nationalization of other industries.¹³⁵ In the years following the stabilization of the currency, however, there was no longer any realistic prospect of such a policy's implementation by the coalitions governing Weimar.¹³⁶ It was not sudden nationalization, but the steady encroachment of public institutions on the life insurance business that private insurers came to fear. In 1926, the private insurance association joined the larger group of industry associations formally recognized by the German government (*Spitzenverbände*) in denouncing the steady extension of “die öffentliche Hand in der privaten Wirtschaft” (the public hand in the private economy).¹³⁷ While public commercial insurers were the ostensible object of private insurers' concerns, in subsequent years, internal industry conversations show that insurers regarded social insurance as a much more serious threat to their business's viability. Organizing to coordinate messaging against public insurance, private insurers built the public relations presence and debuted the rhetoric which they would use to further differentiate their offerings from German social insurance.

III.1. Insurance Industry Associations and the Challenge of Public Insurance

Social insurance found itself in a phase of steady expansion following the end of the Weimar inflation. In the pension arena, the system was formally divided into three principal entities: the *Invalidenversicherung* for Germany's blue-collar workers (IV),¹³⁸ the *Angestelltenversicherung*, for white-collar workers (AV), and the *knappschaftliche Versicherung* for mine workers (KV). While the impact of the inflation varied between the different branches, all had seen their reserves devastated by the inflation.¹³⁹ Unlike private insurance, however, social insurance did not reduce its liabilities in direct proportion to the destruction of its reserves. Benefits were reintroduced following the stabilization of the currency at flat-rates for participants in 1924, then continually raised to reach and in many cases exceed their pre-war values through mid-1929.¹⁴⁰ Lacking reserves, the IV, AV, and KV all shifted to a PAYGO system.

Among the branches, the AV was on comparatively secure financial footing. The IV system had run for nearly twenty years longer than the AV and thus had more pensioners, plus now held a large number of widows' pensions and disability pensions due to the war. The IV took on ever more commitments through new social legislation without substantially growing its contributor

¹³⁵ For example, by Gerhard Wörner, *Die Verstaatlichung der Feuerversicherung*, Wirtschaft u. Recht d. Versicherung (Berlin: Norddtsh. Buchdr. u. Verl. Anst., 1919) and Richard van der Borght, *Reichs-Versicherungsmonopol?* (Berlin: Siemenroth, 1919). See Arps, *Durch unruhige Zeiten*, Vol. I, 204-228.

¹³⁶ See Neebe, *Grossindustrie, Staat und NSDAP 1930-1933: Paul Silverberg und der Reichsverband der Deutschen Industrie in der Krise der Weimarer Republik*, 25-26.

¹³⁷ Martin Sogemeier, *Die öffentliche Hand in der privaten Wirtschaft* (Berlin: Berliner Börsen-Zeitung, 1926).

¹³⁸ In 1922 the benefit structures for disability and old-age were integrated and the *Invaliditäts- und Altersversicherung* was henceforth known as the *Invalidenversicherung*. See Eckart Reidegeld, *Staatliche Sozialpolitik in Deutschland: Band II: Sozialpolitik in Demokratie und Diktatur 1919 - 1945* (VS Verlag für Sozialwissenschaften, 2006), 190-191.

¹³⁹ Alfred Mierzejewski calculates that the IV's investments lost 89.26% of their value between the end of 1914 and the end of 1923; those of the AV lost 75.97% of their value. Alfred C. Mierzejewski, *A History of the German Public Pension System: Continuity amid Change* (Lanham: Lexington Books, 2016), 45, 47.

¹⁴⁰ Mierzejewski, *A History of the German Pension System*, 50-52.

base, but the AV progressively expanded its participant classes to include higher levels of income while raising contribution rates, and benefitting from increased employment in the tertiary sector.¹⁴¹ Over the five years between the inflation and the Great Depression, enrollment in the AV increased by 50%.¹⁴² The AV swiftly re-accumulated sufficient reserves to cover many years of future benefits, even as it operated outside the bounds of a fully funded model. In the same period, the IV insurance financed yearly benefits almost entirely through current contributions, accumulating a small emergency reserve. This *Umlageverfahren*, effectively a PAYGO system, reflected a clear departure from the methods outlined in the *Reichsversicherungsgesetz*.¹⁴³ Without deeper information on the structure of the liabilities of the AV and IV, a methodologically rigorous comparison of their funding models with that of private insurance is difficult. By rough comparison, in 1931, the AV had built up a cushion of reserve assets equal to ten years of benefits at that year's elevated crisis levels, while continuing to post yearly surpluses. Private insurance, in 1931, held technical reserves in roughly the same ratio to that year's claims, but held total assets in double this proportion.

Advocates of the social insurance system, such as Andreas Grieser, Ministerial Director in the Reich Labor Ministry and chair of the Social Insurance Division of the International Association for Social Progress, defended the new PAYGO financing model as a distinctive feature of social insurance. In a 1926 article for the *Zeitschrift der gesamten Versicherungswissenschaft*, Grieser acknowledged that the *Umlageverfahren* made the system strongly dependent on the labor market. However, he argued, „the solidarity of workers and employers serves as a counterweight. Social insurance binds workers and business leaders (*Unternehmer*) in a community (*Gemeinschaft*)...the insurance community (*Versicherungsgemeinschaft*) shall be experienced by both workers and business leaders communally, in good times and bad, as a community of fate (*Schicksalsgemeinschaft*), in which no one is greater than the other, in which each, whether worker or businessman, is responsible for the other.”¹⁴⁴ The explicit invocation of solidarity, a closely related concept to Manes's *Gegenseitigkeit* (reciprocity) but with strong associations for the German labor movement, distinguished the new social insurance from its predecessors.

While the generosity enabled by social insurance's new financing model earned it popularity among its clientele, private insurers still faced serious image problems. The presence of the new

¹⁴¹Ferdinand Aurin, “Der Wiederaufbau der deutschen Angestelltenversicherung 1924-26,” *Die Reichsversicherung* 1 (June 1927).

¹⁴² Compare figures given in the *Statistisches Jahrbuch für das Deutsche Reich* (Berlin: Puttkammer & Mühlbrecht, 1926-1936).

¹⁴³ Hans Günter Hockerts, “Sicherung im Alter. Kontinuität und Wandel der gesetzlichen Rentenversicherung 1889-1979,” in *Sozialgeschichte der Bundesrepublik Deutschland Beiträge zum Kontinuitätsproblem*, ed. Werner Conze and M. Rainer Lepsius, Industrielle Welt (Stuttgart: Klett-Cotta, 1983), 306.

¹⁴⁴“Als Gegengewicht wirkt die Solidarität der Arbeiter und Unternehmer...Sozialversicherung bindet Arbeiter und Unternehmer in einer Gemeinschaft...Die Versicherungsgemeinschaft soll von Unternehmern und Arbeitern als gemeinschaftliches Glück, als gemeinschaftliche Not erlebt werden, als eine Schicksalsgemeinschaft, in der keiner mehr ist als der andere, in der jeder, ob Unternehmer oder Arbeiter, für den anderen verantwortlich ist.“ Andreas Grieser, “Die gegenwärtigen Probleme der Sozialversicherung,” *Zeitschrift für die gesamte Versicherungswissenschaft* 26, no. 2 (April 1926), 144.

large concerns, including that of the late mega-industrialist Hugo Stinnes, made the industry a target for anti-capitalist sentiment. As life insurers fought to reclaim their old business, the omnipresent insurance agent became an object of derision.¹⁴⁵ Finally, despite efforts to honor insurance claims from before the inflation, the process dragged out for years and years. Initial revaluations of old policies yielded an average revaluation figure of 14.5%, and less than half of these would be paid out by March 1931.¹⁴⁶ This all weighed on public perceptions of the corporate firms and larger industry. The broad successes of civil society insurers suggest that there was widespread interest in alternative models. On top of these challenges, regional public commercial insurers began to openly attack private insurance in their advertising. Some of these institutes had centuries of history, some were new, many had begun expanding into business beyond their traditional specialty in fire insurance in the years shortly before the First World War.

In life insurance, these firms tended to have a right-wing *völkisch* orientation and primarily served rural areas.¹⁴⁷ Their principal quarrel with private insurance revolved around private insurers' use of the term *gemeinnützig* (for the common good, comparable to non-profit), which, they argued, misrepresented what were for-profit commercial businesses.¹⁴⁸ Private insurers marshalled a first organized response to this challenge as part of a larger initiative amongst Weimar business associations to protest state involvement in the economy. The insurers' association, recently recognized as a *Spitzenverband* (top industry association) signed on to a 100-page report commissioned by these very associations and published in the *Berliner Börsen-Zeitung: Die öffentliche Hand in der privaten Wirtschaft* ("The Public Hand in the Private Economy").¹⁴⁹ At a public event on November 10, 1926, representatives of each association presented their individual grievances and made a joint statement. Eduard Hilgard of Allianz, speaking on behalf of private insurance applied the notion of *kalte Sozialisierung* (cold socialization) to the activities of these regional public insurers, which at times gained referrals from employees in other state institutions.¹⁵⁰

The intervention triggered a mediating action from the Reich's Economics Ministry.¹⁵¹ In March 1927 the ministry brokered an advertising ceasefire between public and private insurers, while the parties began to negotiate a more permanent agreement, which they signed on June 30,

¹⁴⁵ Kurt Schmitt puzzled over the unpopularity of the insurance agent in popular discourse in one of his many articles on private insurance, "Die Populärität der Versicherung" January 4, 1930, in *Berliner Tagesblatt*, FHA, GDV-8-020; Arps notes the prevalence of unseemly insurance agents in popular novels as well as the sociological study of Franzika Baumgarten, *Zur Psychologie und Psychotechnik des Versicherungsagenten*, which portrayed them as washed-up victims of capitalism. Arps, *Durch unruhige Zeiten*, vol. II, 24-26.

¹⁴⁶ Arps, *Durch unruhige Zeiten*, vol. II, 161.

¹⁴⁷ Arps, *Auf sicheren Pfeilern*, 595-598.

¹⁴⁸ See Feldman, *Allianz and the German Insurance Business*, 45-46; also Arps, *Durch unruhige Zeiten*, vol. II, 18-22.

¹⁴⁹ Martin Sogemeier, *Die öffentliche Hand in der privaten Wirtschaft* (Berlin: Berliner Börsen-Zeitung, 1926).

¹⁵⁰ Sogemeier, *Die öffentliche Hand*, 52-60.

¹⁵¹ Not only in insurance, but also with regard to a similar conflict in banking, see Jens Piorkowski, *Die deutsche Sparkassenorganisation 1924 bis 1934*, *Sparkassen in der Geschichte*, Bd. 14 (Stuttgart: Deutscher Sparkassenverlag, 1997), 45-61.

1927.¹⁵² Both sides agreed to cease targeting each other in advertising, refraining from mentioning the *Gemeinnützigkeit* or commercial character of their respective businesses, while the public insurers agreed to only use referrals from public agencies within the bounds permitted by the law.¹⁵³ Each side would police its own members' adherence to the terms of the deal.

For the private insurance association, these negotiations prompted new steps towards more proactive public image management. During the preparations for the association's yearly assembly in December, plans were hatched to host an event for the public.¹⁵⁴ Personally inviting prominent members of the business community, government ministers, and members of parliament with a background in insurance, such as Dr. Paul Moldenhauer of the liberal *Deutsche Volkspartei*, the association's standing committee planned a series of talks, followed by a formal dinner in the Hotel Esplanade, a swanky hotel with reputation as a gathering site for conservative political groups in the Berlin Tiergarten district.¹⁵⁵ The notion of funding common industry-wide promotional efforts was aired as well. General Director Dr. Samwer of *Gothaer Lebensversicherung* noted that the life insurer's association had already reached a decision to begin implementing a common advertising plan. Kurt Schmitt of *Allianz* spoke in favor of the idea, observing that German private insurance would greatly benefit from "extensive propaganda."¹⁵⁶ He recommended finding someone with particular experience in publishing and with good relationships with the press. His own organization had recently done precisely so, retaining the services of the Baron Edgar von Uexkull in 1925 for his connections with newspaper publicists and general abilities in public relations.¹⁵⁷

On December 6, 1927, the event took place as planned in the halls of the *Reichswirtschaftsrat* (Reichs Economic Council).¹⁵⁸ Economics Minister Curtius opened the proceedings, remarking on the importance of insurance for the German economy and its essential character as a form of "mutual humanitarian aid according to the principle: all for one, one for all."¹⁵⁹ Curtius was followed by Franz Schäfer, who emphasized that all insurance, by its very nature, was *gemeinnützig*. *Allianz* General Director, Kurt Schmitt, spoke last. Noting that the economic importance of private insurance had not been sufficiently recognized in the German press or

¹⁵² "Niederschrift über die Sitzung des ständigen Ausschusses des Reichsverbandes der Privatversicherung am 11. März 1927," FHA, GDV 24.

¹⁵³ „Wirtschaftslage und Versicherungswesen," ERGO-Archiv, *Monatsblätter für Versicherungswesen: Zeitung der Victoria* 28, no. 7/8 (July/August 1927).

¹⁵⁴ "Vertrauliche Niederschrift über die Sitzung der Kommission zur Vorbereitung der Hauptversammlung des Reichsverbandes der Privatversicherung am 13. Oktober 1927," FHA, GDV 24.

¹⁵⁵ Peter Koch, "Moldenhauer, Paul," in *Neue Deutsche Biographie* (Berlin: Duncker & Humblot, 1994), 722.

¹⁵⁶ „einer grosszügigen Propaganda," "Vertrauliche Niederschrift über die Sitzung der Kommission zur Vorbereitung der Hauptversammlung des Reichsverbandes der Privatversicherung am 13. Oktober 1927," FHA, GDV 24.

¹⁵⁷ Feldman, *Allianz and the German Insurance Business*, 41.

¹⁵⁸ „Die erste öffentliche Tagung der Deutschen Privatversicherung," ERGO-Archiv, *Monatsblätter für Versicherungswesen: Zeitung der Victoria* 28, no. 11/12 (November/December 1927).

¹⁵⁹ „...gegenseitiger humanitärer Fürsorge nach dem Grundsatz: 'einer für alle, alle für einen.'" „Die erste öffentliche Tagung der Deutschen Privatversicherung," ERGO-Archiv, *Monatsblätter für Versicherungswesen: Zeitung der Victoria* 28, no. 11/12 (November/December 1927).

public sphere, Schmitt took the opportunity to warn against “the tendency to extend state social insurance beyond its current circle at the cost of private insurance, which works much more adaptably and individually.”¹⁶⁰

Schmitt had been made representative of insurance in the Reichs Economic Council in 1925. After serving as temporary chair of the insurers’ association for several years, he would be made full chair in 1930.¹⁶¹ As *Allianz* continued its expansion in life insurance with the acquisition of the *Stuttgart-Lübecker*, he became ever more influential in the industry. Having implemented a highly deliberate public image strategy in his own firm’s reorganization, Schmitt was an outspoken advocate for coordinating industry-wide public relations and advertising through the association.¹⁶² At the December meeting of the executive committee, Schmitt spoke in support of further action to study the implementation of “modern advertising” (*neuzeitliche Werbung*), as had been discussed recently in industry periodicals.¹⁶³ His proposal called for a centralized agency that would deal in the following: “brochures, newspaper inserts, provision of the daily press with articles and collective reports over the increase in business, damage payments, etc., events with presentations, radio presentations and radio advertisement, film advertisement, poster advertising, participation in exhibitions, organization of insurance fairs, popular insurance consultations, provision for adequate representation of the insurance industry in the national, regional, and city parliaments, and careful selection of these representatives.”¹⁶⁴ Schmitt spoke in support of forming a committee to further study the proposal, which carried the day against the protests of the *Victoria* Director Riede, who announced that his firm would refuse to contribute to such a fund. The prospect of involving public life insurers in this advertising was to be explored by the commission.

While the relationship with public insurance had thus improved such that they were courted for joint advertising, fears regarding the expansion of public social insurance began to deepen. As with the advertising proposals, Schmitt’s own concerns and approach would guide the industry’s engagement. In the summer of 1928, the Labor Ministry was close to implementing plans to extend the maximum salary threshold for white-collar employees in the AV.¹⁶⁵ At the June 1928 meeting of the executive committee of the association, the fifth item of business was “Expansion

¹⁶⁰ “...die Tendenz, die staatliche Sozialversicherung über den jetzigen Kreis hinaus auf Kosten der sehr viel beweglicher und individueller arbeitenden Privatversicherung auszudehnen.“ „Die erste öffentliche Tagung der Deutschen Privatversicherung,“ ERGO-Archiv, *Monatsblätter für Versicherungswesen: Zeitung der Victoria* 28, no. 11/12 (November/December 1927).

¹⁶¹ Arps, *Wechselvolle Zeiten*, 75.

¹⁶² Barbara Eggenkämper, Gerd Modert, and Stefan Pretzlik, *Die Allianz : Geschichte des Unternehmens : 1890-2015* (München: Verlag C.H. Beck, 2015), 145, 148.

¹⁶³ “Niederschrift über die Sitzung des ständigen Ausschusses des Reichsverbandes der Privatversicherung am 5. Dezember 1927,” FHA, GDV 24.

¹⁶⁴ “Niederschrift über die Sitzung des ständigen Ausschusses des Reichsverbandes der Privatversicherung am 5. Dezember 1927,” FHA, GDV 24.

¹⁶⁵ “Verordnung über Versicherungspflichtgrenze, Gehalts- und Beitragsklassen in der Angestelltenversicherung und der knappschaftlichen Pensionsversicherung der Angestellten,” *Reichsgesetzblatt I*, 1928, 372.

Efforts in the Area of Social Insurance.”¹⁶⁶ The Labor Ministry, following a decision of the *Reichstag*, had requested that all major industry associations provide their opinion on an extension of social insurance to the self-employed. The chairman of the life insurance association - and former president of the insurance supervisory office -- Dr. Robert Scharmer, called on the insurers’ association to publicly reject the idea. Instead, the industry should engage in more outreach to those professional groups “whose members, according to their economic and social station, might be judged to be similar to that of paid employees (*Arbeitnehmer*). In particular...the midwives and some of the musicians.”¹⁶⁷ The aim was to propose some form of group insurance on the model of that agreed with German journalists and salesmen organizations in years previous.

Schmitt then spoke at length, addressing the “dangers that expansion attempts in the area of social insurance posed for private insurance.”¹⁶⁸ While Schmitt agreed that the insurers should oppose the idea of expanding accident insurance, he believed this last initiative to be part of a much more ambitious policy program held by the Labor Ministry, a fact which called for deeper tactical consideration and long-term planning. He began by noting that “fundamental rejection is in order because the tendency, to expand the area of social insurance, is not just observable in this one policy position paper, but rather in the whole social insurance policy of the Labor Ministry and its advisors. In the Reich’s Economic Council there has been talk that they are working towards imposing a legal obligation for social insurance on all individuals who earn less than 12,000 RM per year. Similar efforts can be observed in the area of social accident insurance.”¹⁶⁹ To counter these expansion attempts, Schmitt, who also represented *Allianz* in the association of accident insurers, thought that the association of accident insurers should collect statistical materials “regarding the *Unkostenfrage* (question of variable costs), the question of services provided and regarding practices in foreign countries,” in order to be “armed” for the conflict in the fall.¹⁷⁰

¹⁶⁶ “Ausdehnungsbestrebungen auf dem Gebiet der Sozialversicherung,” „Niederschrift über die Sitzung des ständigen Ausschusses des Reichsverbandes der Privatversicherung am 18. Juni 1928,” FHA, GDV 24.

¹⁶⁷ “...deren Angehörige nach ihrer wirtschaftlichen und sozialen Stellung ähnlich wie die Arbeitnehmer zu beurteilen seien. Er denke hierbei besonders an die Hebammen und einen Teil der Musiker.“ „Niederschrift über die Sitzung des ständigen Ausschusses des Reichsverbandes der Privatversicherung am 18. Juni 1928,” FHA, GDV 24.

¹⁶⁸ “Im weiteren Verlaufe der Aussprache macht Herr Generaldirektor Schmitt in eingehenden Darlegungen auf die Gefahren aufmerksam, denen die Privatversicherung durch die Ausdehnungsbestrebungen auf dem Gebiete der Sozialversicherung ausgesetzt ist.“ „Niederschrift über die Sitzung des ständigen Ausschusses des Reichsverbandes der Privatversicherung am 18. Juni 1928,” FHA, GDV 24.

¹⁶⁹ “Grundsätzliche Abwehr empfehle sich schon deshalb, weil die Tendenz, das Gebiet der Sozialversicherung zu erweitern, nicht bloss in dieser einen Denkschrift zu beobachten sei, sondern in der ganzen Sozialversicherungspolitik des Reichsarbeitsministeriums und seiner Referenten. Im Reichswirtschaftsrat sei einmal davon die Rede gewesen, dass man darauf hinarbeite, alle Personen, die ein Jahreseinkommen von unter 12.000,- R.M. beziehen, durch gesetzlichen Zwang der Sozialversicherung zu unterwerfen. Aehnliche Bestrebungen machten sich auf dem Gebiete der sozialen Unfallversicherung geltend.“ „Niederschrift über die Sitzung des ständigen Ausschusses des Reichsverbandes der Privatversicherung am 18. Juni 1928,” FHA, GDV 24.

¹⁷⁰ „...statistisches Material zur Unkostenfrage, zur Frage der Leistungen und über die Verhältnisse im Auslande zu sammeln, um für eine Auseinandersetzung, die im Herbst zu erwarten sei, gerüstet zu sein.“ „Niederschrift über die Sitzung des ständigen Ausschusses des Reichsverbandes der Privatversicherung am 18. Juni 1928,” FHA, GDV 24.

As regarded the extension of the AV, Schmitt was seriously alarmed and believed that even greater prudence was in order. He noted that the larger employers' association (*Arbeitgeberverband*) and top industry associations had asked private insurers to lead the resistance against the expansion of social insurance. Schmitt, however, believed they should decline to do so: "in this matter, a certain reticence is advisable."¹⁷¹ While the insurers' association ought to work with the rest of the organized business community, right now the most important thing was to closely follow developments and collect information. His suggestion was agreed upon by the committee. The problem thus remained on the agenda for the next year's meetings. In March 1929, the executive committee of the insurers' association again discussed the expansion of social insurance. Dr. Heinrich Lippert, the new executive director of the association, and a recruit of Schmitt and Hilgard at *Allianz*, noted that employee groups tended to favor social insurance to private insurance because the premiums were largely paid by their employer, whereas private insurance contracts were paid out of their own contracts.¹⁷² Lippert called on members of the committee to consider how they might best emphasize the "Zweckmässigkeit" (suitability) of private insurance, specifically of firm-level group insurance contracts, relative to social insurance for pension and accident insurance.¹⁷³

Private insurers thus viewed social insurance as a formidable competitor across branches. Based on the AV's enrollment figure for 1929 of 3.6 million, the average yearly contribution for social insurance in 1929 was around 1,034 RM. This would have covered the yearly premium of a 20,000 RM life insurance contract for a forty-year old man.¹⁷⁴ While such contracts were by no means unusual, they represented the higher end of the high-income sector, with average figures for most years in *Grossleben* between 3,000 and 4,000 RM. Even taking into account the employer's share of the premium, the average total outlay for social insurance by a participant in the scheme still well exceeded the yearly premium of a very large life insurance policy. Empirical studies of pre-war Germany and Sweden have shown that the introduction of social insurance crowded out private savings in general, and life insurance in particular.¹⁷⁵ Whether as an economic substitute or as an institutional competitor, German social insurance's expansion was regarded as a major threat to the life insurance industry by its emerging leaders.

¹⁷¹ "...ihm in dieser Beziehung eine gewisse Zurückhaltung richtig erscheine." „Niederschrift über die Sitzung des ständigen Ausschusses des Reichsverbandes der Privatversicherung am 18. Juni 1928," FHA, GDV 24.

¹⁷² Feldman, *Allianz and the German Insurance Business*, 39.

¹⁷³ „Niederschrift über die Sitzung des ständigen Ausschusses des Reichsverbandes der Privatversicherung am 11. März 1929," FHA, GDV 24.

¹⁷⁴ See Appendix 5.1.

¹⁷⁵ Sibylle Lehmann-Hasemeyer and Jochen Streb, "Does Social Security Crowd Out Private Savings? The Case of Bismarck's System of Social Insurance," *European Review of Economic History* 3, no. 22 (2017): 298–321; Lars-Fredrik Andersson and Liselotte Eriksson, "The Compulsory Public Pension and the Demand for Life Insurance: The Case of Sweden, 1884–1914," *The Economic History Review* 68, no. 1 (2015): 244–63.

III.2. Differentiating Private Insurance: *Allianz* and Private Life Insurers in the Press and in Advertising

In the meantime, gears had begun to turn to implement the more ambitious public relations strategy favored by Schmitt. Through firm periodicals, advertising literature, newspaper articles, radio broadcasts, and public events, the institutional ecosystem surrounding private insurance revived old arguments and experimented with new ones emphasizing the advantages of private insurance over social insurance. While avoiding direct criticism, contrasts were drawn between obligatory social insurance --*Zwangsversicherung*-- and private insurance, emphasizing the superior ethic of voluntary savings and provision for dependents. The savings function of insurance became an important distinguishing feature. Schmitt took the lead, as he did in the larger question of insurance's public image, but voices from throughout the industry and larger institutional ecosystem experimented with and echoed these new talking points.

In a May 1928 article for the *Berliner Börsen-Zeitung*, Dr. Paul Moldenhauer, soon to be appointed Economics Minister for the DVP as part of the last grand coalition Weimar government, discussed the "Grenzen zwischen privater und öffentlicher Versicherung," (the boundaries between private and public insurance).¹⁷⁶ While addressing the initiatives of public life insurance firms at the end of his article, Moldenhauer, himself a board member of the *Gerling* concern, focused on the German social insurance system. He began the article with an examination of social insurance's historical emergence, moral underpinnings, and economic function. Acknowledging that the *Versicherungsgedanke* had intrinsic moral value, he argued that the social insurance system nevertheless endangered this idea of solidarity, as the resentment engendered by compelling individuals to participate could lead one to reject the notion outright. He argued that the government was overly sensitive to criticisms of social insurance, which should not be a sacred cow. As social insurance received no feedback from markets, it could only progress through public criticism. In Moldenhauer's opinion, German social insurance was "an overextension of an idea healthy in and of itself."¹⁷⁷ He continued: "the original purpose of social insurance was not to make all men ceaselessly happy, but rather to intervene with force where the masses lack the understanding, the sense of self-responsibility, and the financial ability to take care of themselves."¹⁷⁸ Bringing the AV to more groups was too much of a good thing, depriving individuals of the opportunity to save their own small capital sum. In a time of scarce investment capital, this had larger economic consequences. "The shifting of the boundary between private and social insurance has taken place in such a way that it no longer serves the

¹⁷⁶ "Die Grenzen zwischen privater und öffentlicher Versicherung," *Berliner-Börsen-Zeitung*, 6. May 1928, BAK, B280 -544.

¹⁷⁷ "...Ueberspannung des an sich gesunden Gedankens nicht auf manchen Gebieten schon zu weit gegangen ist." "Die Grenzen zwischen privater und öffentlicher Versicherung," *Berliner-Börsen-Zeitung*, 6. May 1928, BAK, B280 -544.

¹⁷⁸ „Der Ausgangspunkt der sozialen Versicherung war nicht, alle Menschen restlos glücklich zu machen, sonder mit Zwang da einzugreifen, wo man bei der großen Masse weder das Verständnis noch das Verantwortlichkeitsgefühl, für sich selbst zu sorgen, noch die finanzielle Fähigkeit hierzu voraussetzen konnte.“ "Die Grenzen zwischen privater und öffentlicher Versicherung," *Berliner-Börsen-Zeitung*, 6. May 1928, BAK, B280 -544.

general well-being of the people, and harms those who are forced out of their individual responsibility and into a scheme. There is a limit to solidarity; nothing is more dangerous than that in those classes, which one attempts to do well by, the feeling begins to rise that they are being violated.“¹⁷⁹

While in private, corporate insurers fretted over the popularity of social insurance, in public discourse, they denigrated the expansion as unwelcome to the groups it purported to benefit. In September 1928, following the extension of the AV to a higher income class, the *Hamburg-Mannheimer Zeitung* criticized the social insurance expansion for similar reasons as had Moldenhauer: „(done) in a great hurry and without consulting affected circles, a government decree on August 10, 1928 raised the income limit for the obligation for AV from 6000 RM to 8400 RM per year, taking effect the first of September. Through this decree, white-collar employees with a monthly income between 500 RM and 700 RM will now be required to be covered through the AV, in most cases, we assume, very much against their will.“¹⁸⁰ The newspaper, produced mostly for internal sales staff, did its best to spin the unwelcome development as a business opportunity. Exemptions for holders of private life insurance were only permitted if individuals had already had life insurance for more than three years at the time of extension; the authors thus advised their salesmen to warn clients to buy life insurance now, before they were inevitably brought into the voracious social insurance system.¹⁸¹

An *Allianz-Zeitung* from October 1928 offered advice to salesmen on how to compete best with savings banks: “Today everyone knows that savings techniques have made enormous progress over the last hundred years. The oldest, one might say, almost prehistoric method of saving money is sticking it in a savings stock (Spartrumpf)...the modern method of saving is life insurance. The extent to which this is superior to the old savings method is shown in the graphic below.“¹⁸² Contrasting the yearly sums available to a family following the death of a head of

¹⁷⁹ „Die Verrückung der Grenze zwischen privater und Sozialversicherung ist heute in einer Weise vor sich gegangen, die dem Gesamtwohl des Volkes nicht mehr entspricht und jene schädigt, die aus ihrer individuellen Fürsorge heraus und in eine Schema hineingepresst werden. Es gibt eine Grenze der Solidarität; nicht ist gefährlicher, als daß in Schichten, denen man wohl tun will, das Gefühl aufkommt, daß sie vergewaltigt werden.“ Die Grenzen zwischen privater und öffentlicher Versicherung,” Berliner-Börsen-Zeitung, 6. May 1928, BAK, B280 -544.

¹⁸⁰ „In aller Eile und ohne daß der hiervon betroffene Kreise gehört wurde, ist mit einer Verordnung vom 10. August 1928 die angestelltenversicherungspflichtige Einkommensgrenze von bisher 6000 RM auf nunmehr 8400 RM jährlich mit Wirkung vom 1. September d.Js. ab erhöht worden. Dadurch werden Angestellte mit Monatsgehältern von 500 RM bis 700 RM nunmehr plötzlich angestelltenversicherungspflichtig, zumeist wohl, wie wir annehmen, sehr gegen ihren Willen “Angestelltenversicherung,” Ergo-Archiv, *Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 4 (September 1928).

¹⁸¹ “In diesem Zusammenhang erscheint es angebracht, daß auch diejenigen Angestelltenkreise, die noch nicht von dem Angestelltenversicherungsgesetz erfasst sind, schon jetzt mit aller Eindringlichkeit darauf hingewiesen werden, daß man leider mit der Wahrscheinlichkeit rechnen muß, daß auch auf sie über kurz oder lang das Gesetz ausgedehnt werden wird, und Versicherung sie späterhin von der Entrichtung eigener Beiträge befreit.“ Ergo-Archiv, *Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 4 (September 1928).

¹⁸² “Daß die Technik in den letzten hundert Jahren einen gewaltigen Aufschwung genommen hat, ist heute jedem bekannt. In weiten Kreisen unbekannt aber ist, daß sich in dieser Zeit auch eine hoch entwickelte Spartechnik herausgebildet hat. Die älteste, wenn man so sagen darf, eine fast vorgeschichtliche Methode, sein Geld anzulegen,

household who had saved with an insurance company or with a bank, the article concluded: “Savings or insurance? No: Save *through* insurance!”¹⁸³ A *Victoria-Monatsblätter* column from October 1927 entitled “Weltspartag und Versicherungsgedanke“ (World Savings Day and the Idea of Insurance) directly addressed the savings question. Lauding common efforts to promote the idea of private insurance by the association of German life insurers, the authors argued that insurers should join forces with other savings institutions. World Savings Day, celebrated since 1924 in the last week of October, was an opportunity for the life insurance industry. The author quoted at length from a radio talk given by the head of the *Zentralverband des Deutschen Bank- und Bankiergewerbes* (Central Association of the German Banking Industry): “Why should one save? Regarding the immediate advantages of saving for individual savers, one not need say much...for our entire people, saving is indispensable, in order that the capital needs of agriculture, trade, commerce, and industry can be met as much as possible through domestic sources.”¹⁸⁴

Schmitt’s own efforts focused in particular on the role of life insurance savings as a source of national investment. Following his December 1927 presentation, where he first mentioned the dangers of social insurance, Schmitt began to hold regular talks and radio lectures, while and penning numerous articles on subjects tied to insurance. For the firm’s 1928 yearly financial report, *Allianz* invited a number of politicians, journalists, and figures from the business community into their offices in Berlin, where he spoke on the state of the industry. Offering a broad overview of trends across all branches, Schmitt showcased the industry’s capital and reserve growth, of which the lion’s share had come from life insurance. Despite the challenges of the inflation “private insurance is already once again today a significant factor for the money market and capital market, as it provides the economy with regular, long-term, slowly rising capital funds.”¹⁸⁵ Addressing the boundaries between public and private insurance, Schmitt repeated his remarks from the December 1927 meeting. He hit similar notes in an article published in January 1930, entitled “Die Popularität der Versicherung,” (the popularity of life insurance.) Noting life insurance’s strong growth since the currency stabilization in 1924,

ist, es einfach in den Spartrumpf zu stecken...die moderne Sparmethode ist die Lebensversicherung. Wie sehr sie dem Sparen im alten Sinne überlegen ist, zeigt die untenstehende graphische.“ „Lebensversicherung,“ FHA, *Allianz-Zeitung*, 10, (October 1928).

¹⁸³ “Also: Sparen oder Versichern? Nein: Sparen durch Versichern!” FHA, *Allianz-Zeitung*, 10, (October 1928).

¹⁸⁴ „Warum soll gespart werden? Ueber den unmittelbaren Vorteil des Sparens für den einzelnen Sparer braucht nichts gesagt zu werden...für unser Gesamtvolk aber ist Sparen unerlässlich, damit der notwendige Kapitalbedarf für Landwirtschaft, Handel, Gewerbe und Industrie möglichst im Inland gedeckt werden kann und nicht zu hohen Zinsen im Ausland aufgenommen werden muß.“ ERGO-Archiv, *Monatsblätter für Versicherungswesen: Zeitung der Victoria* 29, no. 10/11 (October/November 1927).

¹⁸⁵ „...ist die Privatversicherung heute bereits wieder ein bedeutender Faktor für den Geld- und Kapitalmarkt, da sie der Wirtschaft regelmäßige, langfristige und langsam ansteigende Kapitalanlagen zuführt.“ „Die Aufgaben der deutschen Privatversicherung – ein Vortrag von Generaldirektor Dr. Kurt Schmitt,“ FHA, GDV-8-020.

Schmitt declared that “life insurance is thus an important factor for the formation of capital particularly among the wide masses of our people.”¹⁸⁶

IV. The Long Legacy of the Weimar Inflation and the Limits of the *Versicherungsgedanke*

In August 1929, life insurers’ public relations campaign hit a sudden obstacle: the bankruptcy of Germany’s second largest insurance concern, the FAVAG. The firm’s insolvency was brought about through failed speculation in joint-stock companies outside of the insurance business, a form of investment that had only been permitted to insurers in 1923 to give them access to assets protected from inflation.¹⁸⁷ Preceding the American Black Friday by three months, the bankruptcy came two years before the major German bank failures in the summer of 1931. Likely loathe to provide a pretext for the expansion of the state’s foothold in insurance, Kurt Schmitt and *Allianz* rapidly intervened on their own, guaranteeing the policies of FAVAG’s clients and coordinating with the supervisory agency to receive the failed firm’s assets in precedence to its creditors.¹⁸⁸ The public relations fallout of the incident threatened the image of an industry already under attack as a speculative financial business, as the FAVAG concern in fact had shown itself to be. Schmitt, acting quickly and deliberately, turned the crisis to the advantage of *Allianz* and the larger private insurance community. In October 1929, Schmitt gave another talk entitled “Risiko und Vertrauen,” (Risk and Trust). Here he presented the reasons for the FAVAG’s bankruptcy, which, he argued, did not lie in the firm’s insurance business, but rather in its irregular financial investments.¹⁸⁹ Long an admirer of the British insurance industry’s regulatory tradition, Schmitt argued for greater transparency through more frequent release of statistics, so as to enable greater trust and informed decision-making among insurance clientele. As the supervisory office began to investigate the firm’s failure, Schmitt consulted intensively on the new regulations. These would reimpose the stricter standards for insurance company investments in effect before the inflation.¹⁹⁰ Subject matter experts would be recruited by the agency from the private insurance community to conduct regular audits, rather than amongst the civil service. Most importantly, the reforms would place new limits on life insurance’s competitors among *Sterbekassen*, newspaper insurers, and pension funds, empowering the supervisory agency to determine in a binding fashion whether these entities were subject to regulatory authority or not.¹⁹¹ Extending regulatory action was perhaps prudent, but the impetus

¹⁸⁶ „...die Lebensversicherung ist damit ein wichtiger Faktor für die Kapitalbildung gerade der breiten Masse unseres Volkes.“ „Die Popularität der Lebensversicherung,” *Berliner Tagesblatt*, January 4, 1930, FHA, GDV-8-020.

¹⁸⁷ See Feldman, “Insurance Company Collapses in the World Economic Crisis.”

¹⁸⁸ Feldman, “Insurance Company Collapses in the World Economic Crisis,” 69.

¹⁸⁹ “Risiko und Vertrauen: Aufgaben der Privatversicherung,” *Münchener Neusten Nachrichten*, October 30, 1929, FHA, GDV-8-020.

¹⁹⁰ „Versicherungsaufsichtsgesetz,” *Reichsgesetzblatt I*, 1931, 315–334.

¹⁹¹ Adolf Petersen, “Die Änderung der deutschen Versicherungsstaatsaufsicht,” *Zeitschrift für die gesamte Versicherungswissenschaft* 31, no. 1 (January 1931).

for reform had come not from these smaller funds, but from the failure of one of the largest firms under the supervisory agency's authority.

As the ripple effects of Wall Street's Black Thursday spread across the Atlantic in fall 1929, the German economy slowed and entered into a recession. In March 1930, Heinrich Brüning, a politician from the Catholic centrist party was made Chancellor, with a mandate from President Hindenburg to govern without the socialist faction in the *Reichstag* and a determination to reduce reparations payments at all costs.¹⁹² Germany's principal industry associations shifted to a more aggressive posture, embracing the opportunity to rid themselves of the social democratic agenda.¹⁹³ While the leaders of these associations had once urged *Allianz* to lead a campaign against social insurance, they began to even more vocally criticize the high social insurance levies maintained through previous years themselves. Amidst this backdrop, Schmitt took a radical step. In the introduction to *Allianz*'s 1930 annual financial report, published in the spring of 1931, Schmitt authored a devastating denunciation of Weimar's social insurance system. Calling for the publication of profit and loss statements for all branches, Schmitt claimed that, according to his own calculations, which he did not publish, the social insurance system as a whole was operating at an enormous deficit, which was growing yearly by more than 1 billion RM.¹⁹⁴ In additional public remarks likely made around the time of the report's emergence, Schmitt offered an estimate of 20 billion RM for the total deficit and further disparaged social insurers' technical methods, lamenting the fact that the entire social insurance system employed two mathematicians, while the *Allianz* concern alone employed thirty.¹⁹⁵

Schmitt's estimate was re-reported on in both the business press and in insurance academic publications. As one observer explained: "of course, this deficit is not immediately present, but rather present in a form such that enormous sums of total assets are missing, if while maintaining current contribution levels current benefits levels are maintained...the impossibility of continuing to work in this manner will show itself in social insurance in the moment in which liquidity problems (*Kassenschwierigkeiten*) set in."¹⁹⁶ While acknowledging that private insurance had "a direct interest in the matter", as they were "in competition with public insurance and thus also with social insurance," the author found Schmitt to be „a far too serious and knowledgeable individual...to not treat his account as of the utmost gravity."¹⁹⁷ Werner Ludwig

¹⁹² Hans-Ulrich Wehler, *Vom Beginn des Ersten Weltkriegs bis zur Gründung der beiden deutschen Staaten 1914-1949*, vol. 4, Deutsche Gesellschaftsgeschichte (München: C.H. Beck Verlag, 2003). 516-522.

¹⁹³ Neebe, *Grossindustrie, Staat und NSDAP 1930-1933*, 73.

¹⁹⁴ „Allianz und Stuttgarter Verein Versicherungs-AG Geschäftsbericht für das Jahr 1930,“ BAB, R907/117.

¹⁹⁵ „Die Abschlüsse im Allianz-Konzern,“ May 13, 1931, FHA, BAB 80, Ba 2-P 5783

¹⁹⁶ „Natürlich ist dieses Defizit nicht unmittelbar vorhanden, sondern nur in der Form, daß diese enorme Summe am Gesamtvermögen fehlt, wenn unter Beibehaltung der jetzigen Beitragshöhe die gegenwärtigen Leistungen weitergewährt werden...die Unmöglichkeit des Weiterarbeitens in der jetzigen Form wird sich bei der Sozialversicherung in dem Moment zeigen, in dem Kassenschwierigkeiten eintreten.“ „Die Abschlüsse im Allianz-Konzern,“ May 13, 1931, FHA, BAB 80, Ba 2-P 5783.

¹⁹⁷ „...eine unmittelbare Interessenseite, die in Konkurrenz zur öffentlichen Versicherung und somit auch zur Sozialversicherung steht... eine viel zu ernste und sachkundige Persönlichkeit...als daß diesen Darlegungen nicht

Hirsch, the director of the social insurance institute in Lübeck, noted that Schmitt's estimate of 20 billion RM had not been contradicted by anyone thus far.¹⁹⁸ Hirsch observed that figures for the AV, however, showed that the AV could count on surpluses in the years to come, even if the system had been unable to return to a fully-funded model (*Anwartschaftsdeckungsverfahren*). Nevertheless, the relatively manageable deficit faced by the healthy AV led Hirsch to agree with Schmitt that the state of the larger system must be "catastrophic."¹⁹⁹

The precise impact of Schmitt's intervention, which certainly reverberated through the public sphere, is difficult to evaluate. Pressure for cuts to social insurance benefits came from many sides. Schmitt's intervention, however, provided a first quantification of the problem from an authoritative source. In June, as social insurance seemed to be spared from the coming package of expenditure cuts, the *Reichsverband der Deutschen Industrie* took a strong public stance, calling for social insurance benefit reductions.²⁰⁰ In a July letter from a group of leading industrialists to Brüning, the writers used Schmitt's estimate to bolster their case, noting that "from the side of subject-matter experts, the combined actuarial deficit of the social insurance system has now been calculated to be many billions, quickly growing. If we wish to save the indispensable foundations of social insurance, we must act before its collapse and not recoil from even deeper cuts."²⁰¹ Andreas Grieser's successor in the social insurance department of the Labor Ministry, Johannes Krohn, would remember Schmitt's intervention deep into the period of the Third Reich as part of a campaign by private insurance to discredit social insurance.²⁰² The initially mild reforms in the summer of 1931 would be followed by truly large cuts to benefits across all three branches with the fourth and fifth emergency decrees of December 8, 1931 and June 14, 1932.

By the end of 1931, Schmitt's own regulatory recommendations had cleared the German parliament and his public intervention had informed the political system's assessment of social insurance's financial viability. Many years of hard work had established Schmitt's individual reputation, created an audience for his commentary among journalists and politicians, and positioned private insurance as a strong voice from the productive economy. The epistemic

schwerstes Gewicht beizumessen wäre.“ „Die Abschlüsse im Allianz-Konzern,“ May 13, 1931, FHA, BAB 80, Ba 2-P 5783.

¹⁹⁸ The figure is cited both by Hirsch and the author of the "Die Abschlüsse im Allianz-Konzern." Werner Ludwig Hirsch, "Die Finanzkrise der deutschen Sozialversicherung," *Zeitschrift für die gesamte Versicherungswissenschaft* 31, no. 3 (July 1931): 269–84.

¹⁹⁹ Hirsch, "Die Finanzkrise der deutschen Sozialversicherung," 269.

²⁰⁰ "Rundschreiben des Reichsverbandes der deutschen Industrie," June 3, 1931, Nachlass Silverberg 231, Ilse Maurer, Udo Wengst, and Jürgen Heideking, eds., *Politik und Wirtschaft in der Krise 1930-1932: Quellen zur Ära Brüning*, Quellen zur Geschichte des Parlamentarismus und der politischen Parteien. Reihe 3, Die Weimarer Republik, Bd. 4 (Düsseldorf: Droste, 1980), 648.

²⁰¹ „Von sachkundiger Seite wird schon jetzt das versicherungstechnische Defizit der gesamten Sozialversicherung auf viele Milliarden berechnet, die im schnellen Tempo wachsen. Wenn die unentbehrlichen Grundlagen der sozialen Versicherung gerettet werden sollten, müssen wir dem Zusammenbruch zuvorkommen und dürfen auch vor tieferen Eingriffen nicht zurückscheuen.“ „Führende Industrielle an Reichskanzler Brüning,“ July 30, 1931, BA R 43 1/1139, *Politik und Wirtschaft in der Krise 1930-1932: Quellen zur Ära Brüning*, 804.

²⁰² „Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,“ February 24, 1938, FHA, GDV-26.

authority now wielded by private insurance, and personally by Schmitt, was even longer in the making. Without private insurers' years of participation in the interdisciplinary field of insurance sciences, his claims may well have held little water in the larger ecosystem. Without academics' efforts to ensure that social insurance and private insurance remained a unified field of studies, in turn, private insurers' claims may have had held even less validity in the public sphere. By declining to take the lead in criticism of social insurance earlier on, as other business interests would have preferred, Schmitt had kept the branch's powder dry, carefully saving his credibility for a moment of real crisis. Entering into the turbulent politics of late Weimar, the intervention represents a turning point in the relationship between social and private insurance, and a key moment in Schmitt's budding political career.

Chapter 3: The New Regime in Italian Life Insurance, 1922-1929

On September 20, 1922, Benito Mussolini held a political rally in Udine. His speech, one of the last major presentations of his political program before the March on Rome, signaled openings towards the key constituencies he would need behind him to stage his “fascist revolution.”¹ The king and the Italian military were courted through a message of discipline and national unity, while the business community received a more radical message from the former director of the socialist *Avanti!*:

“We are for class collaboration, especially in a period like the current one of most acute crisis. We want to strip the state of all of its economic attributes. Enough with the Railwayman State, the Postal Worker State the Insurer State. Enough with the state that does business at the cost of all Italian taxpayers, deepening its own financial exhaustion.”²

The Italian state was burdened with high levels of debt from the war and was running a substantial balance of payments deficit.³ While it was nothing to compare with the hyperinflation experienced in Germany and Austria, the post-war devaluation of the lire was substantial.⁴ This had come at a high cost to Italy’s savers, the upper and middle classes, who resented the goods rationing and taxes introduced by post-war governments to address these imbalances.

Mussolini’s political intuition tied these constituencies’ concerns to the agenda of Italian high finance and industry, who, in turn, saw an opportunity to seize back some of the terrain seized by the Italian state in its recent economic interventions.⁵ For the insurance sector, the “Stato assicuratore” (Insurer State) loomed large, as the INA’s public life insurance monopoly was due to take full effect on January 1, 1923.⁶

The Institute’s public monopoly, while not yet legally binding, was already all but complete. In 1922, the Institute took in 70% of domestic premiums in life insurance and held 90% of contracts.⁷ Despite the law’s ten-year sunset provision, nearly every insurance firm in Italy had

¹ See Renzo De Felice, *Mussolini il fascista: La conquista del potere, 1921-1925*, vol. I, (Turin: Einaudi, 1966), 330-336.

² “Noi siamo per la collaborazione di classe, specie in un periodo come l’attuale di crisi economica acutissima. Vogliamo spogliare lo Stato da tutti i suoi attributi economici. Basta con lo Stato ferroviere, con lo Stato postino, con lo Stato assicuratore, Basta con lo Stato esercente a spese di tutti i contribuenti italiani ed aggravante le esauste finanze dello Stato.” Benito Mussolini, “L’azione e la dottrina fascista dinnanzi alle necessità storiche della nazione,” Discorso pronunciato a Udine, la mattina del 20 settembre 1922, *Opera omnia*, vol. 18 (Venice: La Fenice, 1956), 411-421.

³ Douglas J. Forsyth, *The Crisis of Liberal Italy* (Cambridge: Cambridge University Press, 2002), 195-236.

⁴ The lira had declined to around one fifth of its pre-war value. See Appendix 10.1.

⁵ Giacomo Gabbuti and Bruno Settis, “Difendere la produzione, difendersi dalla redistribuzione,” *Studi storici*, no. 4 (2022): 829-64.

⁶ See Alberto Jorio, *Impresa di assicurazione e controllo pubblico* (Milano: A. Giuffrè, 1980); Gianna Del Bono, “Le origini dell’INA. Aspetti e problemi,” *Ricerche storiche*, no. 3 (1978): 655-715.

⁷ See Figure 3.1.

taken the decision to withdraw from the life business. As the management costs for life insurance contracts fell disproportionately at the beginning of a contract's term, continuing to solicit new business made little commercial sense. Alberto Beneduce had led the Institute's technical work behind the purchase and transfer of 25 life insurance companies' portfolios: 119,137 contracts for 762,789,560 lire of capital insured.⁸ The Institute also hired their technical staff and agents in the hundreds.⁹ Only a few large firms remained in the business. By 1920, the international Triestine insurers, *Assicurazioni Generali* and *Riunione Adriatica di Sicurtà*, and the *Compagnia di Milano* were three of only seven companies offering life insurance in Italy.¹⁰

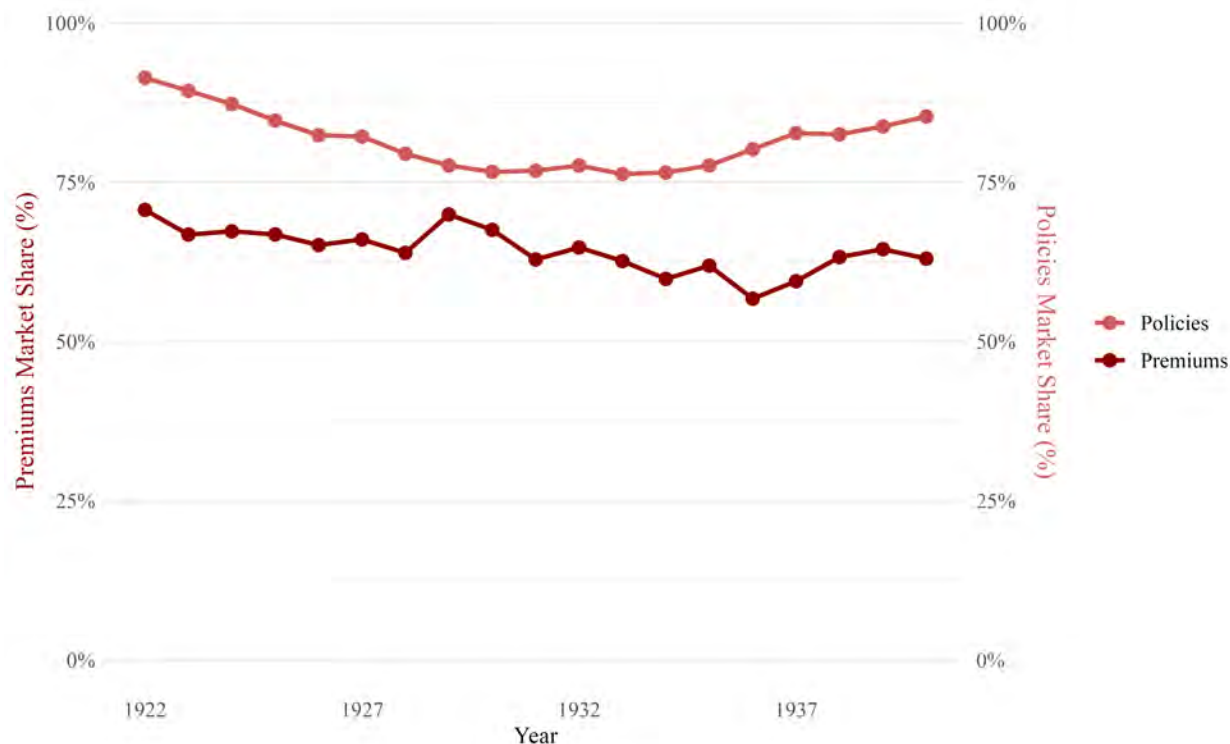


Figure 3.1: "The INA's Market Share after the Monopoly, 1922-1942." Percentages give share of total domestic life premiums and policies.

The end of the war, however, created new political realities for the Italian insurance sector. Trieste, formerly Austrian, was now Italian, and the two international Triestine insurers had become Italian as well. In the 1911 parliamentary debates on the establishment of the public monopoly, the Minister of Agriculture, Commerce and Industry, Francesco Saverio Nitti, defended the initiative as a means to indigenize Italian life insurance as much as to nationalize it.¹¹ Nitti believed in a strategic approach to foreign capital investment. Life insurance, in his

⁸ "Relazione del Consiglio di Amministrazione sul primo bilancio dell'Istituto," 1913-1917, ASIA, Relazioni e bilanci del gruppo INA.

⁹ Serena Potito, *L'INA. Gli anni del monopolio (1912-1923)*, 49-54.

¹⁰ Serena Potito, *L'INA. Gli anni del monopolio (1912-1923)*, 101.

¹¹ Speaking regarding the monopoly law, soon to be introduced to parliament, in 1911, Nitti said: "Noi crediamo di rendere un grande servizio al paese...la verità è che la più gran parte dei prodotti di queste imprese va esclusivamente a beneficio di organizzazioni straniere, le quali non vi impiegano che una minima parte di capitale."

view, was an obvious case in which direct foreign involvement generated capital outflows, rather than inflows, without bringing in any useful technical expertise.¹² By the very criteria which had once called for nationalization, the private firms, now Italian, had become an asset to the Italian state, not a burden.

Despite Mussolini's rhetoric, the INA was clearly an asset to the state as well. Beyond its normal business in life insurance, which turned a regular profit, the Institute had taken on emergency functions during the war. Taking in nearly 1.5 billion lire in premiums for war risk insurance and maritime insurance, the Institute also assisted in intermediating two major Italian state debt issues (*Prestito V* and *Prestito VI*).¹³ Towards the end of the war, the firm created a special internal office for the management of gratis war life insurance policies for Italy's soldiers, a critical political constituency.¹⁴

Amidst the large number of privatizations carried out by Mussolini's Minister of Finance, Alberto de' Stefani, INA was spared, but its monopoly was suspended and then eliminated entirely.¹⁵ In consultation with the Triestine private insurers, a first national insurance regulatory regime was created, which effectively preserved the high degree of concentration in the sector. *Generali*, the *Riunione Adriatica* and the INA soon found a comfortable *modus vivendi*, entering into a few joint business ventures, while sharing some of the privileges and responsibilities that came with doing business with the state. The "monopoly of three" of the two private Triestine insurers and INA would dominate life insurance in Italy for the foreseeable future.¹⁶

Nevertheless, both the new industry governance settlement and the new political regime had destabilizing elements baked within them. While the INA found novel ways to compete across non-life sectors, its particular obligations as financier to the state limited its investment opportunities compared to its private competitors. INA held a privileged position as mandatory reinsurer for life insurance, but this quota was scheduled to steadily diminish over time.

Relazione presentata alla Camera dei Deputati, June 3, 1911, Francesco Saverio Nitti, *Scritti di economia e finanza* (Bari: Laterza, 1960), 240.

¹² In his 1915 essay "Il capitale straniero in Italia," Nitti sketched a typology of investment types and listed all major foreign investment holdings in the country. Regarding Austria, he noted: "Lungi dal portare capitali in Italia, l'Austria-Ungheria a traverso le sue grandi società di assicurazione (che in Italia hanno nome italiano e dal pubblico son credute italiane) ha assorbito moltissimi capitali del nostro paese." The essay called for urgent action: "Se in passato ogni limitazione all'opera e al capitale degli stranieri riesciva dannosa, le condizioni sono del tutto mutate. Del resto lo Stato non può più lasciare senza difesa alcuna il risparmio popolare. Nessuno straniero deve avere nella nostra finanza, nelle nostre banche, nella nostra industria un'azione dominante." Francesco Saverio Nitti, *Scritti di economia e finanza* (Bari: Laterza, 1960), 402, 406.

¹³ "Relazione del Consiglio di Amministrazione sul bilancio al 31 dicembre 1917," 1921, ASIA, Relazioni e bilanci del gruppo INA."

¹⁴ See Potito *L'INA. Gli anni del monopolio (1912-1923)*, 82-83.

¹⁵ Germà Bel, "The First Privatisation: Selling SOEs and Privatising Public Monopolies in Fascist Italy (1922–1925)," *Cambridge Journal of Economics* 35, no. 5 (September 1, 2011): 937–56.

¹⁶ The term was used by a Fascist member of parliament to describe the new arrangement. See Cherubini, *Storia della previdenza sociale*, 265. See also Ernesto Rossi, *I padroni del vapore* (Bari: Laterza, 1966), 66.

Moreover, while *Generali* and *Riunione Adriatica* had broad horizons for expansion abroad, the INA was primarily limited to the small Italian domestic market. So long as the conflict between influential neoclassical economists, some of whom led Mussolini's government, and technocratic factions in the parastatal finance sector persisted, privatization was not out of the question. Finally, the INA's institutional autonomy and independent financial resources made it a valuable fiefdom in the new politics of the Fascist regime regime, drawing the Institute into the chaos of Fascist corruption and political infighting.¹⁷

For these reasons, the consolidation of Mussolini's dictatorship would define the trajectory of the Institute through the 1920s. Guido Toja, a former private actuary and founder of the *l'Associazione Italiana per l'Incremento della Scienza degli Attuari* (Italian Association for the Promotion of Actuarial Sciences), led the Institute from 1921 through the summer of 1925.¹⁸ To lay the foundations for the Institute's competitiveness, Toja founded new insurance subsidiaries to conduct business in the non-life sector. Toja also placed a far-sighted bet on part of the Fascist coalition's corporatist vision for Italian society, entering into a distributive agreement with the Fascist labor syndicates, Edmondo Rossoni's *Confederazione Nazionale delle Corporazioni Sindacali Fasciste*, in 1924. Drawing on the example of successful industrial life insurance firms in the United States, the United Kingdom, and Germany, in late 1924, Toja introduced *assicurazione popolare*, (people's insurance), a small-sum life insurance policy without a medical check. The initiative to promote savings was presented as a spiritual mission. This would become a primary rhetorical means of integration of the Institute within the Fascist regime's broader economic and social policy initiatives in years to come. Following the Matteotti crisis, the mastery of which formed a first stage in the consolidation of Mussolini's dictatorship, Toja was purged and replaced with Salvatore Gatti.

Gatti, a former liberal and member of the old civil service elite, had forged relationships with prominent Fascists in the period preceding the March on Rome. With experience across multiple state ministries, including as an advisor for INA starting in 1919, Gatti obtained a backdated PNF membership card and became a candidate for parliament on the Fascist party's *listone* ("giant list" of parliamentary candidates) in 1924.¹⁹ During his four-year tenure at the helm of the INA, he would lead the Institute in a number of directions, but ultimately into disorder. Gatti instituted a new investment policy oriented towards private mortgage loans and real estate. Nearly half of the Institute's net new investments in the period would be directed towards these sectors.²⁰ Gatti personally managed the Institute's hiring to provide friends and political allies

¹⁷ Paolo Giovannini and Marco Palla argue that corruption surged during the years of dictatorship; Paolo Giovannini and Marco Palla, eds., *Il fascismo dalle mani sporche: dittatura, corruzione, affarismo* (Bari: Laterza, 2019).

¹⁸ Erika Luciano, "Toja, Guido," in *Dizionario Biografico degli Italiani* (Rome: Treccani, 2019),.

¹⁹ Jean-Yves Dormagen, "Salvatore Gatti (1879-1951). Un haut fonctionnaire italien entre libéralisme, fascisme et République," *Mélanges de l'école française de Rome* 111, no. 1 (1999): 149–99.

²⁰ Of 1.46 billion lire in net investment growth between the end of 1924 and the end of 1929, 716 million lire would come from mortgage loans and real estate. See Figure 3.2 above.

with sinecures. By mid-1929, the costs of these corrupt practices had made themselves visible, as the Institute found itself facing cashflow issues.

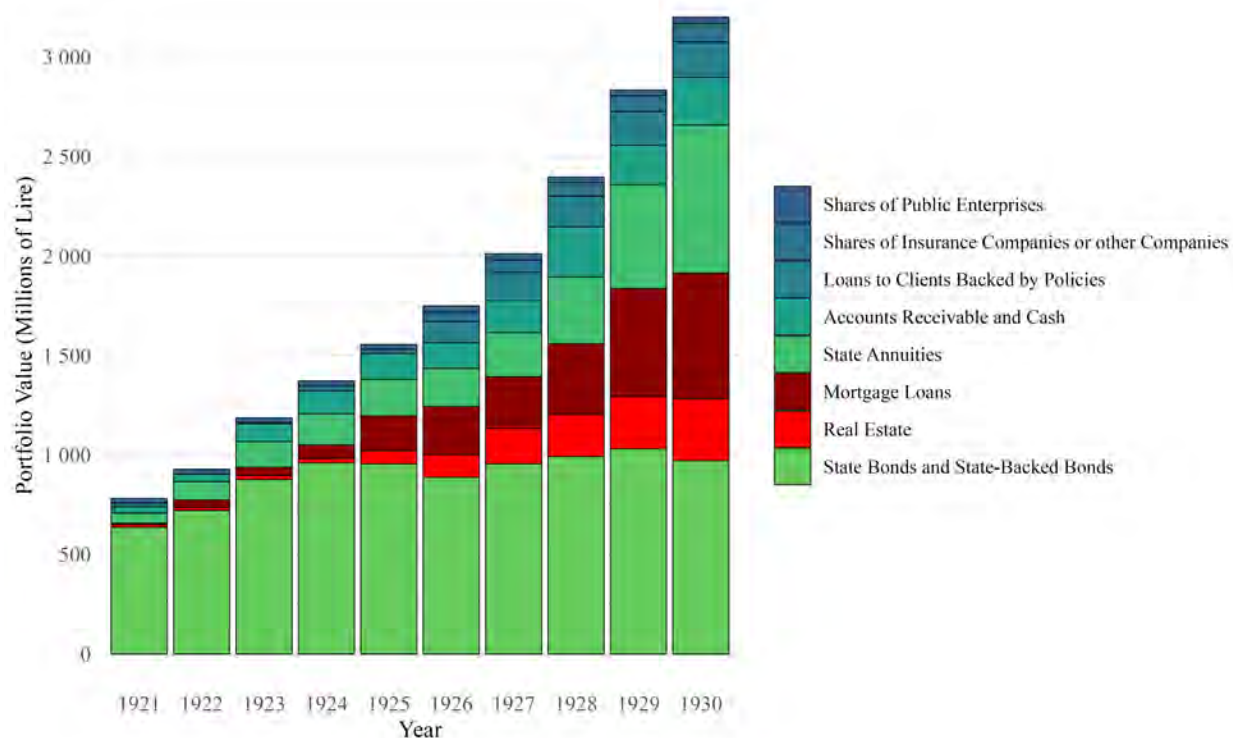


Figure 3.2: “INA’s Investments under Guido Toja (1921-1925) and Salvatore Gatti (1925-1929).”

Nevertheless, Gatti contributed significantly to the Institute’s future growth in this period. Building on Toja’s work with the Fascist syndicates, Gatti initiated a steady political and regulatory offensive against independent mutual aid societies (*società di mutuo soccorso*) and mutual funds (*casse mutue*) in collaboration with the Fascist party. During his tenure, the Institute developed new group policies (*assicurazioni collettive*) that re-packaged legally mandatory severance payments from white-collar employers as life insurance. Most significantly, following the publication of the *Carta del Lavoro* (Work Charter) in 1927, Gatti articulated the Institute’s founding mission of promoting savings in the new language of Fascist corporatism, obtaining support for centralizing *previdenza* through the Institute from the heights of Mussolini’s dictatorship. Promoting savings through life insurance as a form of social policy, the Institute’s investment firepower would soon come to play a critical role in the re-organization of the Italian financial sector.

Alongside its partnership with the Fascist labor syndicates, INA also began to promote its life insurance policies in other areas of Italian civil society through the state, Catholic Church, and Fascist party. Schools and organized labor were the first areas of focus, but following the *concordanza*, INA quickly forged relationships with Italy’s clergy to exploit religious networks for insurance sales. The Institute leveraged its investment funds to make vital infrastructure loans for municipalities, conditioned on ceding management of their pension plans to the Institute. The

limited horizons for expansion in domestic life insurance could be overcome by disrupting other forms of organized *previdenza*, whether through the regulatory powers of the state, the coercive and participatory organizations of the party, or through the Institute's own concentrated economic power.

Finally, the INA began to take deliberate efforts to shape the larger Italian academic insurance community. Having absorbed most of the country's life insurance talent in years of the monopoly, the Institute found itself at the center of this community. Due to the prominent role of state insurance institutes, also in accident insurance, insurance was regarded in general as a modern policy-making tool more than a commercial service.²¹ The distinctly technocratic outlook of this community allowed the INA to coordinate its alignment with the ambitious policy initiatives of the Fascist regime. Both outwardly, towards Italy's international peers, and inwardly, for the country's own elites, the growth and success of Italian insurance became a measure for the degree of the country's modernization. Once Fascism had left its "authoritarian liberal" phase behind, the state Institute would be called on by Mussolini himself to play a special role in Italy's transformation.²² Following Gatti's political downfall, his successors would have to deal with this mixed legacy. Even as he drove the Institute into financial crisis, his actions successfully positioned the INA at the vanguard of Fascist social and economic policy, exploiting the new relationship between state and civil society to secure the Institute's future under the Fascist regime.

I.1. Governing Insurance in Italy: The Establishment of the Regime of "libera concorrenza," 1923-1925

The reasoning behind the two Triestine firms' decisions to remain in the life insurance business following the passage of the 1912 monopoly law can only be guessed at. Life insurance in Italy was an existential issue for neither firm. While Italian life insurance was a large sector for both, they sold insurance in all branches and did the majority of their business outside of Italy. Paradoxically, this also meant they could afford to wait and see if the monopoly would take effect, while preserving their relationships with clients and employees. Once Italy had entered the war, the decision to remain in business was likely informed by the delicate wartime politics of national alignment in Trieste, which lay in the center of irredentist agitation. A withdrawal from Italian life insurance could have given cause for total expropriation by cementing the company's image as a foreign firm.

²¹ As Julia Moses has written, Italy's civil service embraced the extension of social insurance schemes for industrial accidents early on and regarded these technical schemes as a critical tool for the country's modernization. Julia Moses, *The First Modern Risk: Workplace Accidents and the Origins of European Social States*, Studies in Legal History (Cambridge: Cambridge University Press, 2018). See also discussions of insurance as a means for managing the lower classes' savings in Gustapane, "L'influenza tedesca sull'istituzione in Italia della Cassa di previdenza," 211.

²² Franco Marcoaldi, "Liberismo autoritario tra Stato liberale e regime fascista (1922- 1925)," in *Il pensiero reazionario. La politica e la cultura dei fascismi*, ed. Bruno Bandini (Ravenna: Longo, 1982).

Before the war, *Generali* drew a third of its revenue from the Italian market, but had a second headquarters in Venice and retained prominent Italian industrialists as board members, including Giuseppe Volpi, leader of the Volpi-Cini industrial group.²³ The firm held a close relationship with the *Banca Commerciale Italiana* of Milan, the country's largest universal bank. The *Riunione Adriatica*, which had had a more central European shareholding base and drew only a fifth of its revenue from the Italian market, pursued a more accelerated strategy of rapprochement in the later phase of the war, building a relationship with the country's second largest universal bank, *Credito Italiano*, through the networking of *Adriatica* joint-director Giovanni Pavia and the mediation of industrialist Alberto Pirelli. The immediacy with which the issue of the pending monopoly was addressed, less than two weeks after the first meeting of Mussolini's cabinet, reflects the formerly Austrian firms' success in becoming fully Italian, but also in ingratiating themselves with the specific circles of finance and big industry that bought a substantial stake in Mussolini's initial government.²⁴

The general case to abolish the monopoly had already been made to Italy's technocrats. Edgardo Morpurgo, President of *Generali*, wrote a series of memoranda on the subject to the Minister of Industry and Commerce in 1920 and 1921.²⁵ Morpurgo argued that the Triestine firm's financial strength, commercial operations throughout Europe, reputation and experience in the international financial markets of London and New York, rendered the firm a valuable asset for the Italian state. Depriving the firm of a significant source of its revenues would diminish its relevant international standing and ability to do business abroad. Moreover, according to the principle of reciprocity in international commercial law, the suspension of foreign private businesses' access to the Italian life insurance market could compromise *Generali*'s access to foreign markets. Finally, as Morpurgo noted, the original goal of the legislation, which had sought to bring Italian savings under domestic control, was no longer served by the public monopoly. Indeed, as an Italian firm, *Generali* would now bring substantial foreign savings under Italian control, drawing capital from all over the world into the Italian economy.

As during the period preceding the establishment of the monopoly, private insurers made their voices heard in the press as well, with liberal economists joining the general cause in late 1922.²⁶ In September 1922, Guido Toja, Director General of the Institute, wrote to the Minister of Industry and Commerce Teofilo Rossi to protest the idea of suspending the monopoly, which, he

²³ The following is drawn from Anna Millo, "Le Generali e la Ras: Le assicurazioni triestine tra la prima metà dell'ottocento e la prima metà del novecento." *Italogramma: Società e Storia*, vol. 15 (2018).

²⁴ Ernesto Rossi, *I padroni del vapore* (Milano: Kaos, 2001), 66-67.

²⁵ Cited in Balletta, *Mercato finanziario e Assicurazioni Generali*, 26; Cingolani, *Le assicurazioni private*, 122.

²⁶ In particular, Luigi Einaudi in the *Corriere della Sera*; see Jorio, *Impresa di assicurazione e controllo pubblico*, 116-117. As Potito notes, *L'Idea Nazionale* and *Il Piccolo* published articles in favor of the monopoly's abolition. Potito, *L'INA. Gli anni del monopolio (1912-1923)*, 102.

argued, was only to the benefit of the two private Triestine firms.²⁷ Angelo Pavia, brother of Giovanni Pavia of the *Riunione Adriatica*, joined Giuseppe Luzzatto, director general of *Generali*, on a ministerial commission convened by Teofilo Rossi, Minister of Industry and Commerce for the Facta government to study the issue, formed on 10 October 1922.²⁸ Following Mussolini's assumption of the office of *Presidente del Consiglio* (Prime Minister) Angelo Pavia was said to have negotiated the terms of the monopoly's abolition with Mussolini himself.²⁹

Although the writing was on the wall, the Institute's president, Guido Toja, would not let the monopoly perish without fight. In a letter to Teofilo Rossi, now Mussolini's Minister of Industry and Commerce, Toja warned that the draft law presented by the commission would create the appearance of "libera concorrenza" ("free competition") but, in fact, systemically advantage the private sector. The Institute would inevitably decline, and the country would thus be better served by its dissolution and the direct cession of its business to the private firms.³⁰ Toja's dramatic gesture notwithstanding, the Institute was on solid financial footing and held a dominant market position. At the end of 1922, the INA held 929 billion lire in assets and had turned a 14 million profit for the year, while taking in 190 million lire in direct premiums. This amounted to 70% of the total Italian life insurance market.³¹ It took no subsidies from the state, but transferred funds the other way through profit remittances and bond purchases. 90% of the firm's holdings were in public securities. As wartime maritime insurer, the INA had insured a total of 50 billion lire in goods, while taking in 1.6 billion lire in premiums.³² Following the defeat at Caporetto in 1917, the INA provided gratis life insurance policies to all Italians soldiers, which it would continue to manage through the following decade in a special section.³³ Any settlement that protected the Triestine insurers would thus also need to secure the future of the INA, which had proved its usefulness many times over.

Following its suspension, the monopoly was definitively abolished with the decree of April 29, 1923.³⁴ For the private firms, the outcome was a cause for celebration. At *Generali's* May 1923 board meeting, Edgardo Morpurgo spoke regarding the law:

"The President would like to limit himself to noting (to the board) that this question, which gave us so much worry, has been happily resolved. Drawing on this

²⁷ "Perché riservare un trattamento di favore a due sole compagnie private mentre tutte le altre hanno ceduto all'Istituto il loro portafoglio?", Letter from Guido Toja to Teofilo Rossi, Minister of Industry and Commerce, September 22, 1922, ASIA, Fondo Monopolio; cited in Potito, *L'INA. Gli anni del monopolio (1912-1923)*, 104.

²⁸ "Verbali della seduta del consiglio direttivo," October 10, 1922. ASAG.

²⁹ Anna Millo, *Trieste, le assicurazioni, l'Europa: Arnoldo Frigessi di Rattalma e la Ras* (Franco Angeli, 2004), 77.

³⁰ Potito, *L'INA. Gli anni del monopolio (1912-1923)*, 105.

³¹ See Figure 2.1

³² July 7, 1932, ASIA, VD 1912-1951, III, VCdA.

³³ On these policies and INA's wartime activities, see Serena Potito, *L'INA. Gli anni del monopolio (1912-1923)*, 80-82.

³⁴ RDL n. 966, April 29, 1923.

communication, the advisor Senator Molmenti emphasizes the importance of this event, which restores private initiative to an important branch of insurance and expresses to the President, on his part and for his colleagues, their admiration and gratitude for the hard and successful work he put towards this goal. The council seconds Sen. Molmenti's sentiments with applause, and the President thanks them."³⁵

The abolition of the monopoly was however only one part of the legislation, which ushered in a new insurance regulatory regime of "free competition" between the public and private sector.³⁶ The legislation itself was one part of a larger settlement that ensured the Italian life insurance industry would remain highly concentrated.³⁷ Gentleman's agreements between the three major players, INA, *Generali*, and *Riunione Adriatica*, and their incorporation in new parastatal financial ventures amounted to an institutionalization of their dominance with stabilizing effects. Joint ventures in insurance between the INA, the two firms, and the other private insurers created common financial interests, buttressing these relationships. The INA retained a privileged role through its status as mandatory reinsurer, which also gave the firm implicit and explicit oversight functions. The Ministry of the National Economy would become the ultimate regulatory body, overseeing both the INA and the larger insurance industry. The original solution to the problem of the unregulated, foreign-dominated Italian life insurance sector -- a monopoly public enterprise with a social mandate -- was thus superseded by a hybrid structure, in which public enterprise, state oversight, and private market-sharing arrangements all played a role.

The first part of the settlement consisted of the insurance law itself, promulgated on April 29, 1923.³⁸ Ending the INA's monopoly, the law made regulatory approval from the Ministry of the National Economy, the successor to the Ministry of Industry and Commerce, a precondition for commencing business in life insurance. Since the Italian Commercial Code of 1883, insurers had faced no such requirement.³⁹ The hurdles for this approval were set quite high. Equity of 10 million lire became the minimum threshold for joint-stock firms, with a guarantee fund of the same size required for mutuals. For comparison, *Assicurazioni Generali*, a financial colossus with business all over the world, held only 13.2 million in equity in 1923.⁴⁰ Companies operating

³⁵ "Il Presidente vuole limitarsi a ricordare che tale questione, che ci ha dato tante preoccupazioni, è stata felicemente risolta. Da questa comunicazione il Consigliere Sen. Molmenti trae argomento per rilevare l'importanza dell'avvenimento, che restituisce alla libera iniziativa privata l'industria di un importante ramo delle assicurazioni, e per esprimere al Presidente l'ammirazione e la riconoscenza sua e dei colleghi per l'opera assidua ed efficace da lui svolta a questo fine. Alle parole del Sen. Molmenti il Consiglio si associa con plauso, ed il Presidente ringrazia." "Verbale della seduta del Consiglio di Amministrazione," May 9, 1923, ASG.

³⁶ It was referred to as the "regime della libera concorrenza."

³⁷ Lacking data for the 1920s on each individual firms' premium revenues, the picture that emerges beginning in the early 1930s, coupled with reliable data on the INA and Generali's market share, suggests that the structure in the mid-1920s was not much different. See Figure 3.3.

³⁸ RDL n. 966, April 29, 1923.

³⁹ See Giorgio Cingolani, *Le assicurazioni private in Italia. Gestione del rischio e sicurezza sociale dall'Unità a oggi* (Bologna: Il Mulino, 2019), 41-76.

⁴⁰ Generali would raise its capital in the fall of 1923, following the passage of the law, to 40 million lire. ASG, *Verbali Comitato Esecutivo*, 2 October 1923.

in non-life insurance faced no capital requirements, but were required to maintain a security deposit proportionate to their yearly revenues.⁴¹ All life insurance business had to be accounted for separately from other insurance business, with a separate fund of reserves and a two million lire flat deposit. In these provisions, the legislation was in line with regulatory standards implemented in most countries, including Germany with its 1901 law.⁴² The minimum capital requirement, however, was not a feature of most life insurance regulatory regimes.⁴³ The threshold set was also truly high in international comparison -- in France and in the State of New York's regulatory laws, capital requirements were set at values equivalent to around 2 million lire in 1923.⁴⁴ The Italian minimum would be reduced to 5 million lire in the 1925 codification of the law.⁴⁵

Along with the capital and deposit requirements, life insurers were required to submit a dossier of documents to the Ministry, including their actuarial tables, forecasted yearly returns, an explanation of the methods they used to calculate premiums and reserves, and a complete list of contract terms, before they could begin business. Private insurers also were required to submit triennial reports to the Ministry in which they discussed any divergence between real and predicted investment returns and mortality. Firms making excessive profits or systematically underestimating risks could face direct regulatory intervention.⁴⁶

The most distinctive feature of the Italian regulatory regime, however, was the role of the INA as parastatal reinsurer. Alongside the Ministry, the INA retained both implicit and explicit regulatory functions. The new law maintained the status quo regarding mandatory reinsurance cessions, the shares of each individual life insurance contract's premiums that private companies passed on to the INA in exchange for a share of the risk. The original 40% quota was to be reduced by 10% each decade before ultimately being phased out completely. Private insurers were required to submit all new contracts in the Kingdom of Italy to the Institute within 30 days of signing. The mandatory cession of portfolio shares was done on the basis of each individual contract, and the INA had the right to reject risks deemed to be imprudent. The 1925 regulatory codification, which added further details to the paradigm outlined, explicitly charged INA with reporting all noncompliant firms to the Ministry.⁴⁷ The market information that the INA gained through this function as mandatory reinsurer would have been quite valuable. In Germany, firms

⁴¹ 35% for general companies, with reductions for companies specializing in particular branches. See Titolo III, RDL n. 966, April 29, 1923.

⁴² "Gesetz über die privaten Versicherungsunternehmen," May 22, 1901, RGB, 2761, 139-173.

⁴³ The United Kingdom, Germany, Austria, and Switzerland had no such requirements. See Nitti's comparison of regulatory regimes in the parliamentary debates, Francesco Saverio Nitti, *Scritti di economia e finanza*, vol. 5 (Bari: Laterza, 1960), 289-303.

⁴⁴ French law required minimum capital of 2 million francs, roughly equivalent to 2.3 million lire in 1923, while New York State required minimum capital of 100,000 dollars, around 2.15 million lire in 1923. Francesco Saverio Nitti, *Scritti di economia e finanza*, vol. 5 (Bari: Laterza, 1960), 289-303.

⁴⁵ RD 66, January 4, 1925.

⁴⁶ RDL n. 966, April 29, 1923.

⁴⁷ RD 66, January 4, 1925.

such as *Victoria* would pay to maintain a corporate espionage service to monitor their competitors.⁴⁸ INA's own monitoring division would work, effectively, at the cost of their competition, which provided the information for free while reinsuring their business with the INA.

The role of the Institute in the market's regulation, would seem to mean that attempts to gain market share by its competitors could be met through quick regulatory intervention. Nevertheless, a large part of actual insurance pricing would have been invisible to Italy's regulators and was not covered by regulatory law or other provisions. Agents' commissions were not reported in insurance contracts and were not regulated by the Ministry. Moreover, it was a typical, fully legal practice in Italy for agents to kick back a share of these commissions to clients.⁴⁹ This meant that the effective premium paid by the client could be well below that reported, as these commissions would amount to 60-75% of the first year's premium.⁵⁰ Shortly following the end of the monopoly, President Guido Toja demanded to be personally informed of any attempts to approach the Institute's established clients which went beyond the norms of "free competition."⁵¹ Toja reminded the General Agents that such unscrupulous tactics were bad for the Institute and detrimental to the interests of the insured. Aside from the Institute's direct recourse to regulatory intervention, it could set punitively higher reinsurance rates for firms perceived to go beyond fair norms in their sales practices.⁵²

Italy's new legislation also strictly regulated the investment of mathematical reserves. Acceptable holdings included state bonds, real estate, mortgage loans, mortgage bank bonds, loans with life insurance policies as collateral, and cash deposits. This limited more speculative investments, driving down the returns that firms could hope to obtain, and setting a floor on premium rates. Nevertheless, firms were free to invest the remainder of their holdings as they pleased, and any profits deriving from these investments could be redistributed to the insured. This was common practice across national industries and allowed for actual returns on life insurance policies to exceed the guaranteed insured sum.⁵³ Here also, the information contained in the insurance policies themselves was not necessarily the best indicator for how competitor's business models functioned. The requirements for the INA's reserves, moreover, differed from those of the private insurers in his regard quite significantly. Firstly, the legislation enumerated

⁴⁸ See for example "Victoria Sonderdienst-Nachrichtenblatt," Ergo-Archiv, AK-08-04-53, A0205-00011.

⁴⁹ This was not the case, for instance, in Germany. The situation would persist through the two decades of Fascist rule; see, "Italian Insurance," Office of Strategic Services (OSS), State Department Intelligence and Research Reports, Part 05: Postwar Europe, 1945-1949, Italy, 1 July 1944.

⁵⁰ As reported in "Italian Insurance," cited above. This matches the Institute's own commission rate for General Agencies, set at 65%. Agencies would guarantee a portion of this sum to their local agents and outside collaborators, who could use kickbacks to obtain sales.

⁵¹ Toja to General Agents, July 23, 1923, ASIA, Raccolta delle circolari, no. 163.

⁵² Tommaso Fanfani, *Alleanza assicurazioni: Cento anni di storia*, (Alleanza Assicurazioni, 1998), 15.

⁵³ Most Italian firms, including INA, had profit reserves for the insured. In Germany this was almost universally the case as well.

all permissible investments for the INA. Apart from real estate, mortgage loans, and secured mortgage bonds, permissible investments included only cash deposits and government securities of various types.⁵⁴ Exceptions were made for investments in joint-stock insurance companies, and any other investments approved by the Ministries of Finance and National Economy. As a result of this divergence, private insurers tended to hold real estate assets in far larger quantities than the INA, in proportions of around 20-30% for the period of 1926-1938 compared to the INA's 10% or less.⁵⁵

To compete in the new regime, Guido Toja took immediate measures to support weak points in the Institute's business model created by the new regulatory law. A first order of business was maintaining the firm's attractiveness for insurance agents. While gaining business through municipal employees and the state postal system, the agent system was at the core of the firm's business model. The INA's vast organization of more than 90 agencies was managed through a franchising structure (*in appalto*). General Agents earned their salaries through commissions, paying a deposit to the Institute and negotiating the terms of these commissions, their minimum sales quotas, rent of premises, transportation allowances, and advertising budget. Sales staff also earned solely by commissions: in 1913, 6,911 sales staff worked with local agencies, of which 821 were professional insurance salesmen, 998 were notaries, 2,014 were post office clerks and 3,080 were local administrators (*segretari comunali*).⁵⁶ Private firms, which offered insurance across all branches, not just life insurance, could offer better prospects for commissions for dedicated agents, as they could earn commissions from non-life insurance sales as well. To address this issue, on 5 August 1923, Guido Toja announced the creation of a new private insurance company, *Assicurazioni d'Italia*, which would offer insurance in all branches except life insurance. The personnel of the new organization would be, as Toja put it, to the greatest possible extent the same as that of the Institute.

To accommodate private insurers to the idea of the INA competing across branches, Toja offered them a share in the new company. The Institute would hold a majority stake in the new 20 million lire enterprise, but be joined by other "solid and well-regarded national companies."⁵⁷ This language was something of a euphemism. Over the course of the *ventennio*, insurance decrees and group contracts involving only the two private Triestine insurers would refer to them obliquely in this manner. On 23 July 1923, *Generali* President Edgardo Morpurgo obtained his council of directors' approval to invest in *Assicurazioni d'Italia*. Some three months later, Morpurgo joined Toja in another venture, the *Meridionale*, a general insurance company based

⁵⁴ RDL n. 966, April 29, 1923.

⁵⁵ Antonio Agliardi, "Il mercato assicurativo e la dinamica degli investimenti tra le guerre," in *Assicurare 150 anni di Unità d'Italia: il contributo delle assicurazioni allo sviluppo del Paese*, ed. Paolo Garonna (Roma: ANIA, 2011), 188. See Figure 2.2.

⁵⁶ Potito, *L'INA. Gli anni del monopolio (1912-1923)*, 74.

⁵⁷ Toja to staff, August 5, 1923, ASIA, Raccolta delle Circolari, no. 164.

in Naples. INA and *Generali* would both invest one quarter of its 10 million lire in capital.⁵⁸ The Institute and the two Triestine private insurers were already common investors in the *Unione Italiana di Riassicurazione*, an Italian reinsurance consortium founded with investors from all Italy's major companies in 1921.⁵⁹

Italy's smaller insurers now faced a new threat to their business in the public Institute, supported by their largest domestic competitors. Their reaction was not long in coming. Within a year of the foundation of the new companies, the directors of the *Levant*, a Genoese maritime insurer, solicited a selection of legal opinions on the question of whether the new insurance law permitted the INA to run private insurance companies in other sectors. In November 1924, the firm sent the opinions in a bound volume to Prime Minister, Benito Mussolini. In a cover letter, the *Levant's* director argued that the "unsustainable situation" occasioned by the INA operating outside of its purview represented a danger to the Institute, which was being taken advantage of by its private partners. More importantly, the author wrote, the current situation was bad for competition within the industry as a whole: "the legal monopoly, abolished by the state, may de facto reemerge in disguise, that is to say in that most repugnant form, to the benefit of an oligarchy of private companies, and to the detriment of the others."⁶⁰

The new insurance law, however, clearly stated that the INA had the right to invest in other insurance companies. Massimo Rocca, a prominent Fascist member of parliament and the Institute's new Vice President, had contacted Mussolini in the period preceding the final passage of the law to impress upon him the importance of the Institute being permitted to offer non-life insurance through subsidiaries. As Rocca argued, without the revenues and commissions from all insurance, the Institute would be at a disadvantage relative to private entities and would struggle to retain employees.⁶¹ On 9 April 1924, Toja reported to Mussolini on the successes of the subsidiary general insurance firms and asked him to remember their availability when the state had need of insurance.⁶²

While the public insurer grew beyond life insurance through private joint ventures, the two Triestine private firms were incorporated into the Italian state's new public financial holding

⁵⁸ Verballi della seduta del Consiglio Direttivo," July 23, 1923; October 27, 1923, ASG.

⁵⁹ The company was meant to replace INA's operations as general reinsurer, which it had taken up in 1920. With capital of 30 million lire, the company's board contained Toja, Morpurgo and Giovanni Pavia, along with 12 other representatives of Italy's private insurance companies. ACS, PCM, 6.4, f. 309, 1922.

⁶⁰ "Che il monopolio di diritto, abolito per lo Stato, possa risorgere larvato di fatto, ossia nella forma più antipatica, a vantaggio di una oligarchia di compagnie private, e a danno delle altre." The opinions were written by Senator Ugo Ancona, Prof. Francesco d'Alessio, Deputy of Parliament Giovanni Gronchi, Senator V. Morello, Senator Prof. Lodovico Mortara, Senator Cesare Poggi, Prof. Alfredo Rocca, Prof. Antonio Salandra, Prof. Vittorio Scialoja, and Deputy of Parliament Michele Terzaghi. "Pareri legali," November 1924, ACS, PCM, 6.4., Fascicoli per categoria "Istituto Nazionale delle Assicurazioni,"

⁶¹ Massimo Rocca to Mussolini, April 18, 1923, ACS, PCM, 6.4., Fascicoli per categoria "Istituto Nazionale delle Assicurazioni."

⁶² Guido Toja to Mussolini, April 9, 1924, ACS, PCM, 6.4.759.

companies. Following the model of the *Consorzio di Credito per le Opere Pubbliche* (CREDIOP), founded in 1919, in 1924, Alberto Beneduce founded the *Istituto di Credito per Imprese di Utilità Pubblica* (ICIPU).⁶³ CREDIOP funded infrastructure lending through the issue of securities, backed by capital provided by the INA, the *Cassa Depositi e Prestiti* (the large state bank) and the *Cassa Nazionale delle Assicurazioni Sociali* (the independent state social insurance fund). For ICIPU, the two private Triestine insurers were invited to participate.

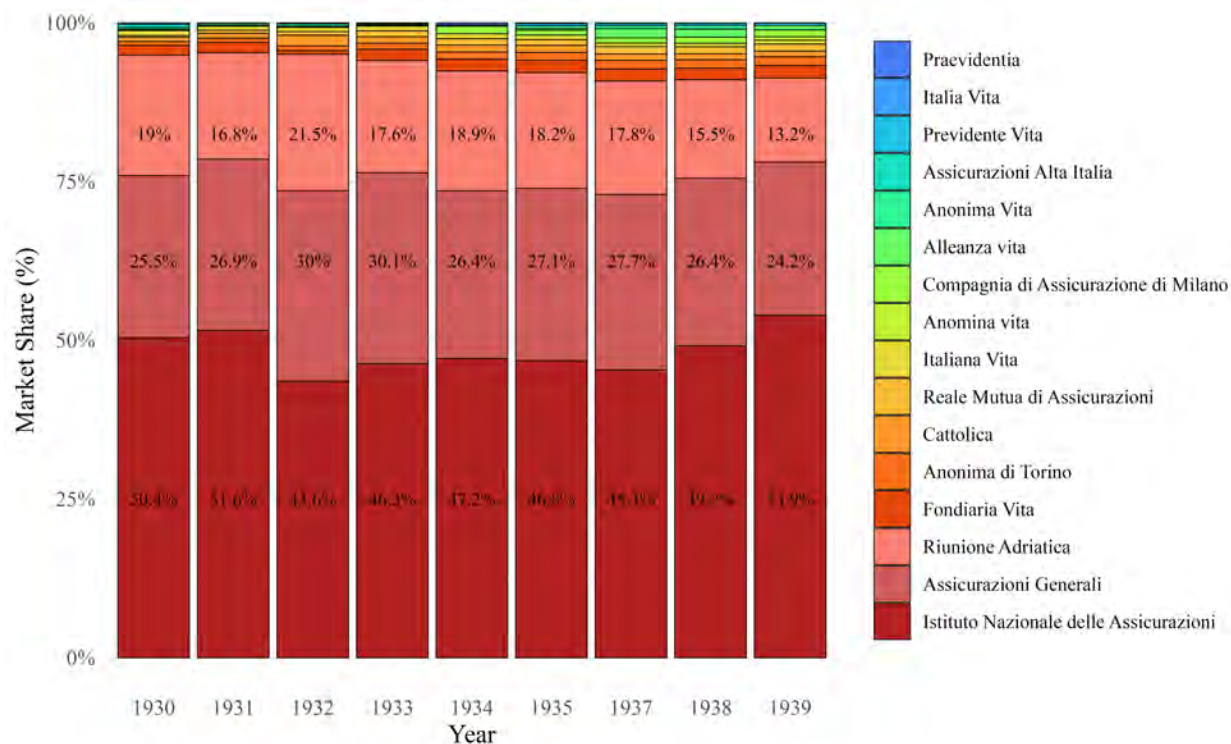


Figure 3.3: “Italian Insurers’ Market Share by Life Premiums, 1930-1939.” These figures include premiums from international business, which are not listed separately from domestic business in Italian insurers’ financial reports. For the years 1936-1938, however, there is data on domestic market share. The INA held close to 2/3 rather than 1/2 of domestic business in this period. Based on the INA’s percentage of total Italian life premiums, the ratios given there for the Triestine insurers’ business are likely consistent across the longer period of the ventennio. See Figure 7.1.

Throughout the period of the *ventennio*, these three large insurance concerns held close to 90% of market share in Italian life insurance. With a regulatory regime somewhat helpless in the face of price competition, but with high barriers to entry for small firms, gentleman’s agreements between the three largest life insurers maintained the industry’s stability. Their own internal arrangement rested on three factors: the division of labor between the INA, which focused on

⁶³ See Sabino Cassese, “Gli aspetti unitari degli statuti degli enti di Beneduce,” in *Alberto Beneduce e i problemi dell’economia italiana del suo tempo. Atti della giornata di studio per la celebrazione del 50° anniversario dell’istituzione dell’IRI* (Roma: Edindustria, 1985).

domestic business, and the two Triestine insurers, which could expand internationally, the common ventures between the three companies, and, perhaps most importantly, the sharing of the responsibilities and privileges of doing business with the Italian state. Italian life insurance thus emerged from the first years of fascist rule as a highly concentrated, stably governed financial sector.⁶⁴ Between 1920 and 1926, the number of commercial banks operating in Italy nearly doubled, going from 6,012 to 11,444.⁶⁵ In roughly the same period, the number of Italy's domestic life insurers grew at even faster rate, growing from three to 13 between 1920 and 1930. This figure would remain stable through the remainder of the *ventennio*.

I.2. Governing Insurance in Italy: Nitti's Institute and the Origins of the *assicurazione popolare*, 1923-1925

Despite this stability, the private insurers had a certain advantage over the INA through their international orientation. The comparatively small Italian market could not match the growth potential of national markets in Europe and in the United States. *Generali* and other continental concerns undertook major expansion efforts in this regard during this period.⁶⁶ From 1923 to 1929, *Generali*'s total life premiums grew 300% while the INA's grew by only 200% over the same period.⁶⁷ In the minutes of *Generali*'s board and executive committee through the 1920s and 1930s, only scant attention is paid to the Italian market.⁶⁸

⁶⁴ See Appendix 2.2 for a chart of the HHI index from 1930-1939, according to which concentration was extremely high.

⁶⁵ Marco Molteni and Dario and Pellegrino, "The Establishment of Banking Supervision in Italy: An Assessment (1926–1936)," *Business History* 66, no. 6 (August 17, 2024): 1442–70.

⁶⁶ This extended even to joint ventures, such as that between *Generali* and *Munich Re* in 1924, Johannes Bähr and Christopher Kopper, *Munich Re: Die Geschichte der Münchener Rück 1880-1980* (C.H.Beck, 2015), 5022.

⁶⁷ See Figure 3.4.

⁶⁸ "Verballi del Consiglio Direttivo," 1923-1939, ASG.

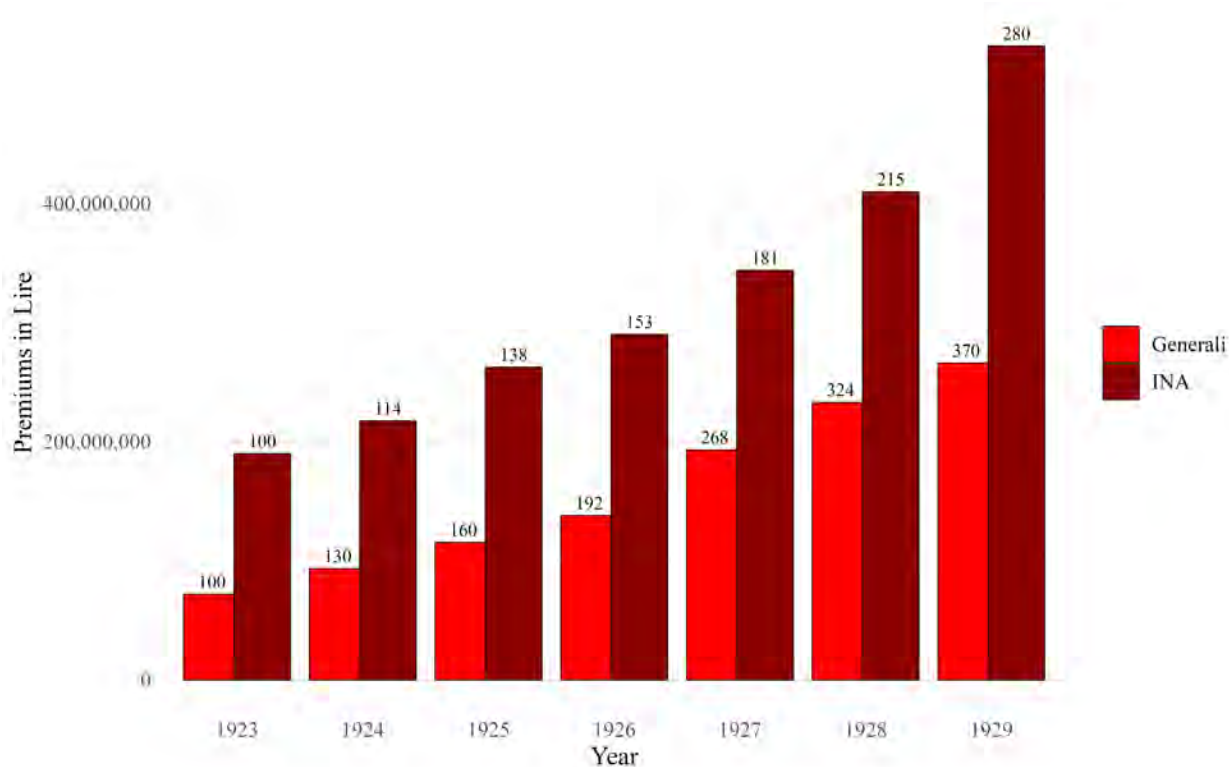


Figure 3.4: “INA and Generali’s Yearly Primary Life Premiums. 1923-1929.” Labels show growth indexed to 1923 levels for each firm.

In Italy, life insurance was a service restricted to the wealthy and middle classes. The Institute had been founded, however, in part to remedy the lack of domestic life insurance provision. As Nitti put it in his report to parliament regarding the 1911 proposal:

“The National Institute will need to particularly endeavor to broaden the field of production (insurance sales) to the more numerous sectors of the population, the working classes and the lower zones of the middle classes, seeking to offer forms of *previdenza* that fit the incomes and needs of the largest part of the Italian population, in which, apart from tontine institutes, there has been as of yet no incentive action for *previdenza*. The example of *polizze popolari* (industrial life insurance), which is such a broad and general custom in the Anglo-Saxon countries, will serve as instructor and guide for the work of propaganda and production (sales) of our own Institute.”⁶⁹

⁶⁹ “L’Istituto nazionale dovrà specialmente proporsi di allargare il campo della produzione sino ai più numerosi strati della popolazione, alle classi lavoratrici e alle più basse zone delle medie, cercando di proporre forme di previdenza convenienti ai redditi e ai bisogni della parte più cospicua della popolazione italiana, nella quale, tranne che da istituti tontinari, non fu sinora esercitata alcuna azione eccitatrice alla previdenza. L’esempio delle polizze popolari, il cui uso è così largo e generale nei paesi anglo-sassoni, servirà di ammaestramento e di guida all’opera di propaganda e di produzione del nostro Istituto.” “Relazione presentata alla Camera dei Deputati,” June 3, 1911, Francesco Saverio Nitti, *Scritti di economia e finanza*, vol. 5 (Bari: Laterza, 1960), 306.

Both Nitti and Beneduce, his protégé, understood domestic savings to be a vital factor for maintaining the high levels of capital investment needed for the country's development.⁷⁰ During the war, their rhetoric regarding the importance of altruism and self-sacrifice in economic life took on ever more strident tones.⁷¹ For Italy's families and for the sake of the nation, savings, and thus life insurance, were of vital importance. Alberto Beneduce wrote to the Institute's General Agents in 1917:

“Life insurance is a preventive measure against the uncertain future; it is a manifestation of the most noble sentiments of the human spirit: the sentiment of the family; it is the means by which individuals guarantee to themselves or to those dear to them better living conditions, contributing to lay the foundations – both with the act of *previdenza* and with their savings – for the moral and economic progress of the Nation.”⁷²

The educational mission of the Institute to promote savings, just as in the case of the early *Cassa*, was part of its very *raison d'être*.⁷³ The natural area for expansion was thus among Italy's poorer citizens, who were thought to lack the necessary education to maintain disciplined savings. The Institute had begun to explore creating *assicurazioni popolari* as early as 1913, but these studies had been interrupted by the war.⁷⁴

While industrial life insurance was a virtually unknown form of *previdenza* for Italy's poor and middle classes, this was not, however, because they had no savings or solidarity institutions. Small savings bank deposits were held by poor and middle-class households in the billions of

⁷⁰ The basic problem for Italy's technocrats, investing more than the country naturally saved, could also be solved by boosting the savings rate. See Marcello De Cecco, “Keynes and Italian Economics,” in *The Political Power of Economics Ideas*, ed. Peter A. Hall (Princeton University Press, 1989), 195–230.

⁷¹ In 1915, for example, in a call to national financial self-reliance, Nitti wrote: “quando un popolo non si preoccupa che della ricchezza e dei beni materiali, diventa incapace di ogni rinunzia, debole di fronte a ogni idea di sacrificio: allora è destinato a cedere il posto ad altri popoli più forti e quindi più degni.” “Il capitale straniero in Italia,” Nitti, *Scritti di economia e finanza*, vol. 3, 410.

⁷² “L'assicurazione sulla vita è mezzo di prevenzione contro l'incerto avvenire; è manifestazione dei sentimenti più eletti dell'animo umano: il sentimento della famiglia; è mezzo col quali i singoli garantiscono a loro stessi o ai propri cari condizioni migliori di vita, concorrendo così a preparare – sia coll'atto di previdenza, sia col risparmio – il progresso morale ed economico della Nazione.” Beneduce to INA's General Agents, June 15, 1917, ASIA, s. 3., c.3.; quoted in Potito, *L'INA. Gli anni del monopolio (1912-1923)*, 81. On Beneduce's understanding of savings as a moral and economic imperative see Leandra D'Antone, “L'Iri di Beneduce e il valore morale del risparmio,” *Imprese e Storia* 41–42 (October 2010): 109–40; as well as Marco Magnani, “Alberto Beneduce e lo stato imprenditore,” in *Intellettuali e uomini di regime nell'Italia fascista*, ed. Piero Berucci, Piero Bini, and Lucilla Conigliello (Firenze: Firenze University Press, 2019).

⁷³ Serena Potito, “L'intervento dello Stato in economia nell'opera di Alberto Beneduce: dalla creazione dell'INA alla crisi del primo dopoguerra,” in *Crisi economiche e intervento pubblico: l'insegnamento di Alberto Beneduce* (Soveria Mannelli: Rubbettino, 2014); Enrico Gustapane, “Le origini del sistema previdenziale: la Cassa nazionale di previdenza per l'invalidità e per la vecchiaia degli operai (19 novembre 1898 - 19 luglio 1919),” in *Novant'anni di previdenza in Italia: culture, politiche, strutture - Atti del Convegno* (Rome: INPS, 1989).

⁷⁴ Potito, *L'INA. Gli anni del monopolio (1912-1923)*, 71–72.

lire.⁷⁵ In 1904, 7,500 mutual aid societies serving Italy's working poor had over a million members.⁷⁶ Moreover, a social insurance mandate now covered a large share of the poorer population, provided by the *Cassa Nazionale delle Assicurazioni Sociali*.⁷⁷ Against these institutional competitors, the INA's initial strategy to sell *assicurazione popolare* would employ the same methods that the *Cassa* had used in its era as a voluntary fund: group contracts with organized labor.⁷⁸ In Fascist Italy, this meant the Fascist labor syndicates, the sole legal representative of labor in the country after 1925.⁷⁹ In early 1924, INA negotiated a distribution agreement with Secretary General Edmondo Rossoni of the *Confederazione delle Corporazioni Fasciste*.⁸⁰ Probably the second most powerful Fascist politician in Italy, Rossoni had been made a member of INA's board in 1923.⁸¹ Taking the form of an *assicurazione collettiva* (group insurance contract), the agreement aimed to bring small-sum insurance (*assicurazione popolare*) to the two million members of the 22 *Corporazioni Nazionali*.

While employing the *Confederazione* for distribution, the insurance policies were not made mandatory. The contract more resembled what in Germany would be called an *Empfehlungsvertrag* (recommendation contract) rather than a true group insurance contract.⁸² INA's General Agencies were to negotiate separately with the *Uffici tecnici provinciali* (provincial technical offices) of the *Federazioni Provinciali delle Corporazioni Sindacali Fasciste* to enroll members of their suborganizations.⁸³ Commission sharing structures were set according to which the *Uffici Tecnici* would receive two thirds of the commission, a modest 18% of the first year's premium. These offices were obliged, according to the agreement, to promote the policies "with maximum fervor."⁸⁴ The ambition, however, was to build on this arrangement, eventually extending the insurance policies to not only the individuals enrolled in the

⁷⁵ Luigi De Rosa, *Storia delle casse di risparmio e della loro associazione: 1822-1950*, Storia delle banche in Italia (Roma: Laterza, 2003); Marcello De Cecco and Gianni Toniolo, *Storia della Cassa Depositi e Prestiti Dalle origini alla fine del Novecento* (Roma: Laterza, 2001).

⁷⁶ Lia Gheza Fabbri, *Solidarismo in Italia fra XIX e XX Secolo: le società di mutuo soccorso e le casse rurali* (Torino: G. Giappichelli, 1996), 73; Cingolani, *Le assicurazioni private in Italia*, 64.

⁷⁷ In the system that prevailed through the 1920s and 1930s with limited adjustments, workers earning less than 800 lire a month and their employers made equal social insurance contributions, with the employer contribution treated as part of the employee's salary, amounting to a maximum of 4.17% of the employee's wage. See Matteo Jessoula, Maurizio Ferrera, and Valeria Fargion, *Alle radici del welfare all'italiana. Origini e futuro di un modello sociale squilibrato* (Venice: Marsilio, 2012), 38-45.

⁷⁸ Gustapane, "Le origini del sistema previdenziale," 79.

⁷⁹ Following the pact of Palazzo Vidoni on 2 October 1925, the *Confederazione* had exclusive representation rights. See Francesco Perfetti, *Il sindacalismo fascista. Dalle origini alla vigilia dello Stato corporativo*, Rome, Bonacci, 1988, p. 191.

⁸⁰ "Comitato Centrale per lo sviluppo delle 'Assicurazioni Popolari' fra gl'iscritti alle 'Corporazioni Sindacali Fasciste,'" April 15, 1924, ASIA, Raccolta delle circolari, n. 210.

⁸¹ See Appendix 7.1 for the board's makeup.

⁸² See the discussion in Chapter 2.

⁸³ "Comitato Centrale per lo sviluppo delle 'Assicurazioni Popolari' fra gl'iscritti alle 'Corporazioni Sindacali Fasciste,'" April 15, 1924, ASIA, Raccolta delle circolari, n. 210.

⁸⁴ "con massimo fervore," "Confederazione delle Corporazioni Fasciste: Ufficio Tecnico Nazionale," April 9, 1924, ASIA, Raccolta delle circolari, n. 23.

Corporazioni, but to the entire labor sectors.⁸⁵ In Rome, a *comitato centrale* (central committee) was formed, with four representatives of the Institute and three representatives of the *Confederazione*, for the “direzione e controllo di questo particolare ramo di attività nel campo della previdenza libera.”⁸⁶

In December 1924, Toja presented the first approved *assicurazione popolare* contract to the firm’s General Agents in an internal memo. Requiring no medical check-up and allowing for monthly rather than annual premium payments, the policy resembled American and British industrial life insurance, or German *Volksversicherung*, its namesake. As Toja noted in the memo, industrial life insurance had reached enormous policy numbers in many countries, particularly Germany (“già un tempo!”), the United States, Switzerland, Sweden, Norway, Denmark, Belgium, Holland and Finland.⁸⁷ His presentation of the policy to the INA’s General Agents, is worth quoting from at length. It illustrates the grand ambitions that INA had for the *popolari* as well as the paternalistic dimension of the initiative to promote savings among Italy’s poor:

“The field for the extension of small-sum insurance is enormous: it is almost unlimited. One is mistaken in thinking that a contract for a small sum must be bought by one who has little means. Experience abroad has proven that *assicurazioni popolari* spread among all classes, just as the *libretti di risparmio* (savings booklets) belong to well-off families and to poor families. One need only recall that, abroad, a good third of small insurance contracts are bought for youths; the development reached in these countries leads one to observe that small(-sum) insurance is considered to be a spiritual exercise, as well as an economic incentive, for the training of children in savings and *previdenza*. Contracts are used in families to solemnly celebrate anniversaries (birthdays), to insure small sums (of money) needed at a given time, and in all the sad and fortunate occurrences of life.

Small(-sum) insurance thus complements medium-sized and large insurance, it opens the way towards these, where the need to educate for *previdenza* is felt more deeply.

With these intentions, by means of the National Insurance Institute, strong in its state guarantee and acquired reputation, with the collaboration of our thousands of salesmen and the faith that this inspires, the *assicurazioni popolari* will find its most fertile ground for development among the middle classes, those better intellectually prepared for the feeling of *previdenza* and savings, and it will also forge ahead among the working classes, today

⁸⁵ “La raccolta dei contratti dovrà essere iniziata fra gli aderenti al nostro movimento sindacale per essere poi, un secondo tempo, estesa ai non iscritti alle Corporazioni Fasciste.” “Confederazione delle Corporazioni Fasciste: Ufficio Tecnico Nazionale,” April 9, 1924, ASIA, Raccolta delle circolari, n. 23.

⁸⁶ “Confederazione delle Corporazioni Fasciste: Ufficio Tecnico Nazionale,” April 9, 1924, ASIA, Raccolta delle circolari, n. 23.

⁸⁷ Toja to General Agents, December 5, 1924, ASIA, Raccolta delle circolari, n. 234.

protected by obligatory insurance only for old age and disability, *but not in the case of their death as protection for their families.*”⁸⁸

Foreign examples, Germany and England in particular, charged Toja’s imagination. As Toja put it in another letter to the Institute’s General Agents: “this insurance is a measure of the civilization of the most advanced countries.”⁸⁹ The Italian novelist Corrado Alvero would write in his diary in 1933 that Fascism was less of a nationalist movement than “an attempt to Europeanize Italy ...to conform to other countries...to open a window on Europe, but in a provincial way.”⁹⁰ Fascist nationalism’s self-declared ambition to attain a level of civilization equal to that Italy’s cultural peers lay at the very heart of the *popolari* initiative and would remain anchored in discourse regarding the larger sector for the rest of the *ventennio*.

Despite Toja’s enthusiasm, however, the first years of *popolari* sales produced rather disappointing results. Collaboration with Rossoni’s *Corporazioni* yielded little fruit and INA initially only sold a few thousand policies in 1925 and 1926.⁹¹ The larger strategy, however, could soon draw support through updated provisions in Italian insurance regulation. Mutual aid societies, mutual funds, and other *previdenza* entities had been made exempt from the capital requirements and regulatory oversight of 1923 law.⁹² The 1925 codification of the law, released a month after Toja’s announcement of the *popolari* initiative, formally brought smaller entities into the law. A new section required regulatory approval for savings or capitalization enterprises (*imprese di risparmio o capitalizzazione*) that took regular payments from clients or members in exchange for a payout at term, regardless of their identification as such. Organizations that did

⁸⁸ “Il campo di estensione delle piccole assicurazioni è vasto: è quasi illimitato. Si pensa erroneamente che il contratto per una piccola somma debba essere fatto da chi ha pochi mezzi di fortuna. L’esperienza estera ha provato che le Assicurazioni popolari si diffondono fra tutte le classi come i libretti di risparmio entrano nelle famiglie agiate e povere. Basta ricordare che i piccoli contratti di assicurazione sono fatti all’Estero, per un buon terzo, a favore di fanciulli, e lo sviluppo raggiunto in quei paesi porta a questa osservazione che la piccola assicurazione è considerata come un esercizio spirituale, oltrechè come un fattore economico, per l’educazione dell’infanzia a risparmio e alla previdenza. Si moltiplicano i contratti nelle famiglie per solennizzare tutte le ricorrenze, per assicurare piccole somme all’ora voluta, in tutte le fauste e tristi vicende della vita. La piccola assicurazione completa, dunque, la grande e media assicurazione, apre a queste la via laddove è più sentito il bisogno di educare alla previdenza. Con questi propositi, a mezzo dell’Istituto Nazionale delle Assicurazioni, forte della garanzia statale e della fama acquistata, con la collaborazione delle migliaia di produttori di cui dispone e con la fiducia che esso ispira – le Assicurazioni popolari in Italia troveranno fecondo terreno di sviluppo nelle classi medie meglio preparate intellettualmente ai sentimenti di previdenza e risparmio, e si faranno strada anche fra le classi lavoratrici, oggi protette dalle assicurazioni obbligatorie solo per la vecchiaia e invalidità, ma non in caso di morte a tutela delle loro famiglie.” Toja to General Agents, December 5, 1924, ASIA, Raccolta delle circolari, n. 234.

⁸⁹ “Dette Assicurazioni costituiscono un indice di civiltà proprio dei paesi più progrediti, ed importano una massa di capitali assicurati che, specie in Inghilterra ed in America, supera per le migliori Compagnie (e mie riferisce, per esempio, ai colossi quali la Prudential e la Metropolitan), l’importo delle assicurazioni, ordinarie in corso.” Toja to General Agents, February 25, 1925, ASIA, Raccolta delle circolari, n. 250.

⁹⁰ Cited in Ruth Ben-Ghiat, *Fascist Modernities: Italy, 1922-1945*, 36.

⁹¹ Only 6,000 *popolari* contracts were signed in 1925. “13. esercizio 1925-1926,” ASIA, Relazioni e bilanci del gruppo INA.”

⁹² Mutual aid societies with non-speculative purposes were exempt so long as the lump sum they paid to beneficiaries was less than 1,000 lire, or else less than 400 lire annually. RDL. no. 966, April 29, 1923.

not apply for authorization within two months would be liquidated. While the security deposit for such organizations was set at 100,000 lire, far smaller than that for actual life insurers, the requirements for regulatory authorization (a business plan, statement on methods) were largely similar.⁹³

Many of Italy's mutual aid societies and mutual funds were of a left-wing political orientation and had strong historical associations with socialist cooperatives.⁹⁴ In their first-hand accounts of the wave of Fascist violence from 1921-1922, both Italo Balbo and Mario Piazzesi describe attacks on these organizations' members and the destruction of their possessions.⁹⁵ In 1925, the national umbrella organizations of the Federazione Italiana delle Società di Mutuo Soccorso and the Società Operaie di Mutuo Soccorso were forcibly dissolved, their assets were expropriated, and their suborganizations were incorporated into Fascist syndicalist organizations.⁹⁶ In 1927, one of INA's traveling inspectors, Mario Gasbarri, would develop a close working relationship with the Fascist syndicalists to extend *assicurazioni popolari* to these funds and societies. By this point, the soft threat of regulatory intervention may have served as stick, along with the carrot of the large insurance policy commissions for the syndicalists now running the funds.

Toja himself, however, would not remain around long enough to see this expansion. In the summer of 1924, the Italian political class was shaken by the assassination of opposition member Giacomo Matteotti at the hands of Fascist *squadristi*.⁹⁷ For a few months, the ground seemed to shift under Mussolini's government. In late December, as the liberal opposition boycotted parliament and conservative forces plotted Mussolini's ouster, the young Giuseppe Beviere, a Turinese deputy of parliament and outspoken nationalist journalist, penned a series of editorials in support of Mussolini.⁹⁸ To some observers, Mussolini seemed to be at the end of his rope. It would have been a daring bet to wager that in five years he would still be Prime Minister, let alone that he would have so consolidated his power as to make a journalist head of one of the country's largest financial companies, the pinnacle of the Italian parastate. On January 3, 1925, in an infamous speech to the Italian parliament, Mussolini assumed personal responsibility for

⁹³ RD 66, January 4, 1925.

⁹⁴ See Tito Menzani, "Welfare locale e cooperazione in Emilia-Romagna tra le due guerre," in *Dalle società di mutuo soccorso alle conquiste del welfare state*, ed. Anna Salfi and Fiorenza Tarozzi, Saggi (Dalle società di mutuo soccorso al welfare state (Conference), Roma: Ediesse, 2014).

⁹⁵ "Così la visione di quei poveri morti, i racconti dei vivi, quell'aria di tregenda ci avevano resi mezzi pazzi dalla rabbia. Forse anche per questo aumentò la confusione e non si condussero le azioni con quell'ordine e quella disciplina, con i quali avevamo stroncata la rivolta di Santa Croce, di San Frediano e delle periferie di Firenze. Alcuni volevano dare fuoco addirittura ad Empoli da capo a fondo. "E si brucia tutto il paese perché questi lazzaroni e son tutti responsabili." Solo a forza di sagrati i capi riuscirono a limitare gli incendi ai covi rossi, alle cooperative, alle società di mutuo soccorso, ai circoli ed alle leghe," Mario Piazzesi, *Diario di uno squadrista toscano (1919-1922)*, ed. Renzo De Felice (Rome: Bonacci, 1981), 121. Balbo famously describes the destruction of the seat of the Ravenna cooperatives, Italo Balbo, *Diario 1922* (Lulu.com, 2017), 87.

⁹⁶ Arnaldo Cherubini, *Storia della previdenza sociale in Italia (1860-1960)* (Rome: Editori Riuniti, 1977), 268.

⁹⁷ Renzo De Felice, *Mussolini il fascista. La conquista del potere (1921-1925)*, vol. I (Turin: Einaudi, 1966), 619-74; Adrian Lyttelton, *The Seizure of Power: Fascism in Italy, 1919-1929* (New York: Scribner, 1973), 285-298.

⁹⁸ De Felice, *Mussolini il fascista. La conquista del potere (1921-1925)*, 701.

the Matteotti assassination. That evening, secret orders were communicated to the prefects, representatives of the national government for Italy's regions, to aggressively intervene to preserve "public order," instituting a form of state repression of all public opposition to the regime that would be codified later that year in the *leggi fascistissime* (most fascist of laws).⁹⁹ The speech marks the beginning of Mussolini's dictatorship and the end of the liberal constitutional order in Italy.

Given the large numbers of arrests and sequestrations of publications that ensued, the following incident, which would shape the trajectory of the Institute for years to come, is all the more remarkable. In early 1925, a critical account of Matteotti's assassination was printed in the INA's annual financial report.¹⁰⁰ Whether Toja was involved personally, which seems unlikely, the bold gesture of protest infuriated Mussolini, who dissolved the Institute's board and fired its President.¹⁰¹ In dissolving the board, Mussolini was emphatic that "contrary to what has been evoked in the public sphere, the measure does not represent a criticism of the organization or of the technical-financial function of the Institute, nor the intention to make changes or modifications in its orientation."¹⁰² As would prove case again in 1929, at every moment of weakness, rumors of the Institute's pending dissolution would resurface. Nevertheless, by 1925, ideological pressure in favor of privatization was no longer very strong. As Clara Mattei points out, the same influential neoclassical economists who had supported Mussolini's privatizations were fervent believers in Say's Law and would have agreed with Beneduce on the moral and economic importance of savings for the Italian economy.¹⁰³ By 1925, Fascist priorities in economic discourse had shifted focus to the "protection of savings" and the campaign for the revaluation of the lire, terrain on which the public life insurance Institute had a far stronger hand to play.¹⁰⁴

III.1. The INA During the Dictatorship's Consolidation: Salvatore Gatti's Corruption of the Institute, 1925-1929

On July 4, Salvatore Gatti assumed control of the Institute in a special conservatorship.

⁹⁹ De Felice, *Mussolini il fascista. La conquista del potere (1921-1925)*, 722-725.

¹⁰⁰ Jean-Yves Dormagen, "Salvatore Gatti (1879-1951). Un haut fonctionnaire italien entre libéralisme, fascisme et République," *Mélanges de l'école française de Rome* 111, no. 1 (1999): 166-168. Unfortunately, the document in question cannot be found. However, some oddities in the archived copy of the report for 1924 suggest that the original copy may have indeed been destroyed. Gatti, appointed special commissioner (Regio commissario) on July 4, penned a brief introduction to the report, dated July 8th. In all other years, the report was compiled in May and printed in June. Other issues also do not contain personal prefaces by the Institute's president.

¹⁰¹ Dormagen, "Salvatore Gatti (1879-1951)," 167.

¹⁰² ACS, PCM, 1925, 6.1.2264.

¹⁰³ Say's Law states that all savings become productive investment. Clara E. Mattei, *The Capital Order: How Economists Invented Austerity and Paved the Way to Fascism* (Chicago, IL: University of Chicago Press, 2022), 205-245.

¹⁰⁴ Marcello De Cecco, "La protezione del risparmio nelle forme finanziarie fasciste," *Rivista di Storia Economica* 3, no. 2 (1986): 237-41.

Following Toja's firing, a political purge was unleashed at the Institute. The new board was filled with Fascists.¹⁰⁵ Institutional continuity was nevertheless maintained, not least with the appointment of Gatti, who had been involved with the Institute since 1916.¹⁰⁶ Of the new appointees, some had connections to the Fascist syndicates, others had expertise in insurance, social policy, or, in the case of Luigi Amoroso, in financial economics.¹⁰⁷ Others, such as Giuseppe Mastromattei, had no particular connection to the Institute or its policy domain whatsoever, but held high positions within the Fascist party.¹⁰⁸ The positions were compensated through per diems and by shares of the Institute's profits, which were not insubstantial.¹⁰⁹ At the helm of the Institute, Salvatore Gatti exercised a special conservatorship (*Regio Commissario*) for a period of a month. During this period, he fired the General Agents for Parma and Turin, as well as a staff member, Benedetto Caniglia for publishing "statements and opinions containing rash and harsh criticism of the national government" in a book entitled *Italia e Albania*.¹¹⁰ He began his formal tenure as President by informing the new board that he had investigated the incident which had provoked Mussolini's intervention, which he referred to as having "the character of punishment for demonstrations for which the government found the executive organs to be responsible."¹¹¹ His report regarding the incident, which he read aloud at the following meeting, was not recorded in the minutes and remained confidential, as he said it implicated high functionaries and General Agents of the Institute.¹¹² Further firings would follow. The General Agent for Florence was fired for political reasons on October 28, Luigi Lucera, a lower-level employee seeking promotion from third to second class *applicato* (secretary), was fired on December 12, 1925. Denounced by a member of the PNF as a "known antifascist and mason," Lucera's investigation was conducted by the head of personnel, Grixoni, and Vice Director General Vicinelli, both of whom were PNF members.¹¹³

¹⁰⁵ Similar fates befell both of Italy's other large public insurance agencies; see Guido Melis, "L'organizzazione della gestione: l'INPS nel sistema amministrativo italiano (1923-1943)," in *Novant'anni di previdenza in Italia: culture, politiche, strutture - Atti del Convegno* (Rome: INPS, 1989) and Giulio Francisci, "La Cassa nazionale infortuni nel primo fascismo (1922-1926)," *Le Carte e la Storia*, no. 1 (2016): 93-106.

¹⁰⁶ Dormagen, "Salvatore Gatti (1879-1951)," 153. See Appendix 7.1 for the board.

¹⁰⁷ Amoroso was a famed neoclassical economist who also published prolifically on matters related to the social organization and historical trajectory of capitalism. Denis Giva, "Amoroso, Luigi," in *Dizionario Biografico degli Italiani* (Treccani, 1988).

¹⁰⁸ On Mastromattei in the INA see, Simone Conversi, "The Ina, Giuseppe Mastromattei and the Failure of the Italian Insurance and Reassurance Company Atlante," *Le Carte e la Storia*, no. 1/2024 (2024).

¹⁰⁹ In 1928, 296,000 lire in profits were paid to the board, around 25,000 lire each if distributed equally. "Bilancio 1927, ASIA, "Relazioni e bilanci del gruppo INA."

¹¹⁰ "...affermazioni e giudizi che suonano inconsulta e apra critica al governo nazionale," July 14, 1925, July 17, 1925, July 22, 1925, ASIA, VD 1912-1951, III, VCdRC.

¹¹¹ "...carattere di sanzione per manifestazioni di cui il Governo ritenne responsabili gli organi dirigenti lo Istituto." "Rapidamente il R. Commissario provvede ad una inchiesta sul fatto che aveva dato motivo allo scioglimento del Consiglio, riferendone riservatamente i risultati al Governo." August 29, 1925, ASIA, VD 1912-1951, III, VCdA.

¹¹² October 1, 1925, ASIA, VD 1912-1951, III, VCdA.

¹¹³ October 29, 1925, December 12, 1925, ASIA, VD 1912-1951, III, VCdA.

Gatti took on the positions of both President and Director General of the Institute, receiving a full salary for both roles.¹¹⁴ Holding a backdated PNF membership card, Gatti enjoyed the political support of Fascist syndicalists Michele Bianchi and Edmondo Rossoni.¹¹⁵ As Yves Dormagen has written, Gatti harbored serious political ambitions and sought to exploit the Institute's resources to enrich himself and further his political career.¹¹⁶ In his very first board meeting, Gatti noted the large discrepancy between the holdings of private insurance companies in real estate, which were around 20% of total assets, and those of the Institute, for which they made up only 1.5% of total assets.¹¹⁷ To promote the Institute's public image, Gatti called for investing in new premises for INA in larger cities, which he observed, were also secure, higher-yield assets.¹¹⁸ During the years of Gatti's presidency, the INA's property holdings increased by more than a factor of ten, from 20.8 million lire to 263.2 million lire, while holdings of mortgages would rise from 68.3 million lire to 542.3 million. Nearly half of the net growth in the Institute's holdings over the period (1925-1929) went towards real estate and mortgage loans.¹¹⁹ These loans were not for public housing construction, but often went to the very wealthy, who mortgaged their estates to INA for sums in the millions of lire. Some examples include: on October 1, 1925, a 3.2 million loan to the Marquis Achille Biondi of Rome, on November 26, 1925, a mortgage loan of 550,000 lire to the Duke of Rignano and a 4.7 million lire to Angelo Amoroso for a villa complex on the Ligurian Riviera; on February 25, 1926, mortgage loans of 2.2 million lire to the Marquis Tommaso Cupputi Schinosa and of 7 million lire to Italo Signorini, the proprietor of a Roman hotel.¹²⁰

On June 24, 1926, following the approval of a loan of 824,500 lire to Clara Archivolti ved. Cavalieri, the financing commission recommended lowering the initial sum to 600,000 lire "in view of the exclusively private purpose of the operation."¹²¹ Later in the meeting, Luigi Amoroso raised his objections to the new lending policy, suggesting that these loans to private individuals at least be given at prevailing market interest rates, and not a discount:

¹¹⁴ The total amounted to 50,000 lire yearly for the office of the Presidency and 80,000 lire for the office of Director General. February 2, 1929, ASIA, VD 1912-1951, III, VCdA.

¹¹⁵ Dormagen, "Salvatore Gatti (1879-1951)," 155-156.

¹¹⁶ While consolidating his control over the Institute, in 1928 Gatti had a fawning biography published by the PNF Federal Secretary for Lazio, Nicolo Maraini, *Salvatore Gatti nell'amministrazione e nella politica del regime fascista* (Roma: Pinciana, 1928).

¹¹⁷ "Ora, a parte la considerazione della sicurezza di questo impiego, che specialmente nelle grandi città, si può prevedere sarà per lungo tempo ancora altamente redditizio, il Presidente osserva che l'Istituto, anche per il suo carattere di ente statale, ha bisogno di alloggiare in sedi decorose le proprie Agenzie Generali, e di dare anche al pubblico la evidenza della solidità del suo patrimonio." August 28, 1925, ASIA, VD 1912-1951, III, VCdA.

¹¹⁸ The strategy had long been followed by INA's private competitors; see their presentations of their real estate holdings in Giuseppe Stefani, *Il Centenario delle assicurazioni generali: 1831-1931* (Trieste: Generali, 1931).and *Nel primo centenario della Riunione Adriatica di Sicurtà: 1838-1938* (Trieste: RAS, 1939).

¹¹⁹ See Figure 3.5.

¹²⁰ These are just a few examples drawn from the first few board meetings of Gatti's tenure; see the respective board meeting dates in ASIA, VD 1912-1951, III, VCdA.

¹²¹ "...in vista dello scopo esclusivamente privato della operazione." June 24, 1926, ASIA, VD 1912-1951, III, VCdA.

“After brief discussion, which followed from some considerations raised by the advisors Amoroso and Perfetti regarding the opportunity of raising the rate of interest in relation to current market conditions for the loans made to private individuals, the Council, on the proposal of the President, expresses the opinion that for mortgage loans requested by private individuals, when objectives in the public interest are not also in consideration, the interest rate can be raised in accordance with market conditions.”¹²²

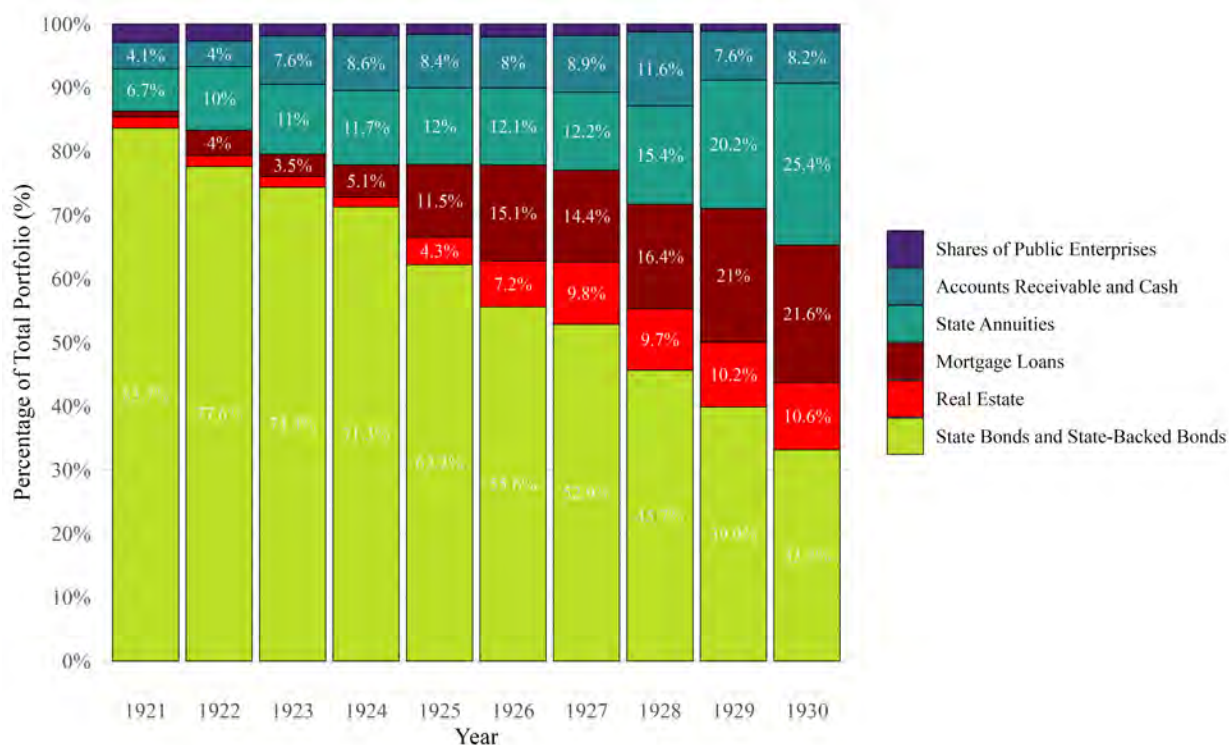


Figure 3.5: Distribution of the INA's Investment Portfolio, 1921-1930.”

These loans were often a very poor business for the INA. Many would end up in arrears; some dominated administrative affairs for years to come. A brief example may serve to illustrate the extent of the problem: In October 1925, Gatti approved an initial loan to the proprietor of the *Grand Hotel di Rocca di Papa* for 1.5 million lire, with a few other properties held as collateral.¹²³ A supplementary loan of 500,000 lire followed a few months later. The following year, the Institute purchased the properties that the hotel proprietor had used to guarantee the loan for 4.7 million lire in order to help him pay off his debts.¹²⁴ INA then rented the property to

¹²² “Dopo breve discussione, promossa da considerazioni svolte dai Consiglieri Amoroso e Perfetti su la opportunità di elevare il saggio dello interesse, in relazione con le condizioni attuali del mercato finanziario, per i mutui da concedere a privati, Il Consiglio, su proposta del Presidente, esprime il parere che per i mutui ipotecari che saranno richiesti da privati, quando non concorrono finalità di utile pubblico, il saggio d’interesse possa essere elevato in relazione con le condizioni del mercato.” June 24, 1926, ASIA, VD 1912-1951, III, VCdA.

¹²³ October 1, 1925, ASIA, VD 1912-1951, III, VCdA.

¹²⁴ November 3, 1926, ASIA, VD 1912-1951, III, VCdA.

a hospitality company, the SATA (*Società Alberghi Termi e Affini*), to which the Institute had already made mortgage loans on two other hotels for a combined value of 13 million lire.¹²⁵ In 1929, the SATA requested that the INA purchase both of these hotels to help the firm reduce its total debts of 19 million lire. INA's original assessment of the value of these properties -- the collateral used to secure the 13 million loan -- turned out to have been hugely inflated, and, had to be reduced from 16 million to 8.5 million lire before the Institute could make a purchase offer. The SATA declined the deal, then went into arrears on both their interest payments and rent. By June 27, 1930, the losses from this affair and other similar ventures had grown to such an extent that the Institute's executive committee (*Comitato permanente*) recommended that the board no longer "invest in hotels or extend loans to proprietors of hotels."¹²⁶

Reports on negotiations to recover at least some of the funds owed to the INA by the SATA through the discounted purchase of its properties, however, would continue in board meeting after board meeting for years. In October 1933, SATA's liquidators proposed to convert the debts owed to the INA, now over 20 million lire, into a 50-year loan, with the INA renouncing its right to 4 million lire in missed interest payments.¹²⁷ This did not settle the matter, and in March 1937, INA finally obtained a court order to expropriate assets from the SATA, which owed it 12 million lire.¹²⁸ Even this, however, was not the end; in February 1942, the board meeting's minutes finally report the "definitive resolution of the SATA's debt situation."¹²⁹ According to an investigation conducted by the following administration, 50% of the loans originated during Gatti's tenure had gone into arrears.¹³⁰

To manage the new real estate business, Gatti augmented the capital of INA's subsidiary, the *Istituto Nazionale Immobiliare* (INI) from 5.5 million to 50 million lire.¹³¹ INI would be entirely folded up by the following administration. While these investments created financial losses for the Institute, the benefits of the policy for Gatti's political career are not hard to imagine. Whether through loans at favorable terms to friends and political allies, or else through kickbacks and self-dealing, there were plenty of ways for Gatti to profit from controlling the investment policy of a financial company the size of INA.

¹²⁵ November 27, 1929, ASIA, VD 1912-1951, III, VCdA.

¹²⁶ June 27, 1930, ASIA, VD 1912-1951, III, VCdA.

¹²⁷ November 26, 1930, October 25, 1933, ASIA, VD 1912-1951, IV, VCdA.

¹²⁸ March 3, 1937, ASIA, VD 1912-1951, IV, VCdA.

¹²⁹ "...definitiva sistemazione della situazione debitoria della Soc. Alberghi Terme ed Affini (SATA)." February 26, 1942, ASIA, VD 1912-1951, IV, VCdA.

¹³⁰ Dormagen, "Salvatore Gatti (1879-1951)," 171.

¹³¹ September 30, 1926, ASIA, VD 1912-1951, IV, VCdA. On the Institute's concurrent activities in public housing, which cannot be dealt with in adequate detail here, see Fabien Mazenod, "Fabriquer la Rome fasciste. L'action de l'Istituto Nazionale delle Assicurazioni (INA). Investisseur immobilier et financeur de l'aménagement urbain." (Lyon, Université Jean Moulin, 2014),

Beyond his corrupt investment policy, Gatti exploited the Institute's hiring abilities in a similar manner. In early 1927, Gatti went so far as to assume direct control of the *Servizio Organizzazione*, which dealt with the Institute's General Agents.¹³² Keeping the Rome agency in direct administration, Gatti effectively held full control of its hiring. To force out its long-time director, the *ispettore reggente* (head inspector), Gatti swapped his position with that of the head of the Naples office, freeing up the large Rome agency as a source of patronage resources.¹³³ In a 1929 board meeting, the Institute's financial advisor, Luigi Amoroso spoke of his concerns regarding the poor financial performance of the Rome office, which he connected to the emergence of "a difficult to define category of clerk-salesmen (*impiegati-produttori*), who are very expensive and deliver poor performance in the collection of business."¹³⁴ Other sources confirm the general deterioration in the Rome office and widespread awareness of Gatti's corrupt hiring practices. An article appearing in *Il Prevedente* on April 6, 1927, commented on the demoralization felt by INA's staff on account of the mass hiring of individuals of a "certain political circumscription."¹³⁵ An INA inspector complained that Fascists used the Institute to park their mistresses in paid government positions ("What a mess...one can't simply turn a blind eye to the fact that in the Party they get girls pregnant and give them jobs in insurance.")¹³⁶

II.2. The INA During the Dictatorship's Consolidation: The Institute's Expansion and the Centralization of Italian *previdenza*, 1925-1929

Even as Gatti looted the Institute, however, he secured it significant new business. While slower than the private insurers out of the gate in 1923, the Institute regained ground on its competition in the late 1920s.¹³⁷ Gatti's new initiatives relied on the inventive exploitation of civil society and state networks, often through the lubricant of the Fascist party. Gatti effectively tied the Institute to the Fascist regime's signature social policy initiative, the *Carta del Lavoro* (Work Charter), a manifesto of social principles created by the Giuseppe Bottai.¹³⁸ Working through Italy's schools and municipalities, with local and regional Fascist syndicates, private employers, and the Catholic Church, Gatti employed state regulatory interventions, political pressure from the Fascist party, and financial enticements to initiate a wide-ranging centralization of Italy's *previdenza* institutions. In April 1928, the INA's privileged place in realizing the principles of the *Carta del Lavoro* was officially endorsed by order of Benito Mussolini, Prime Minister and now

¹³² January 3, 1927, ASIA, VD 1912-1951, III, VCdA.

¹³³ May 24, 1927, ASIA, VD 1912-1951, III, VCdA.

¹³⁴ June 28, 1929, ASIA, VD 1912-1951, III, VCdA.

¹³⁵ "determinata circoscrizione politica." "Stati d'animo," April 6, 1927, *Il Prevedente*, ACS, PCM, 6.4.1071.

¹³⁶ "Che confusione...E non [si] può essere indifferente ch  [sic] al Partito ingravidano le ragazze e poi le impiegano alle Assicurazioni..." March 21, 1929, ACS, MdI, DGSP, PP, n. 173, "Istituto nazionale delle assicurazioni", 1929-1931".

¹³⁷ See Figure 3.6.

¹³⁸ On Bottai and the *Carta del Lavoro*, see Alessio Gagliardi, *Il corporativismo fascista* (Roma: Laterza, 2010), 50-61.

also head of the new Ministry of the Corporations, which would absorb the Ministry of the National Economy in 1929. Gatti himself proposed the measure to Mussolini, and it was Gatti's language that found its way into the decree sent by the Mussolini's office to all state ministries. By 1929, the Institute had a new growing business in group contracts and other contracts distributed by non-traditional means. This went a long way towards solving INA's problem of where to find new life insurance clients.

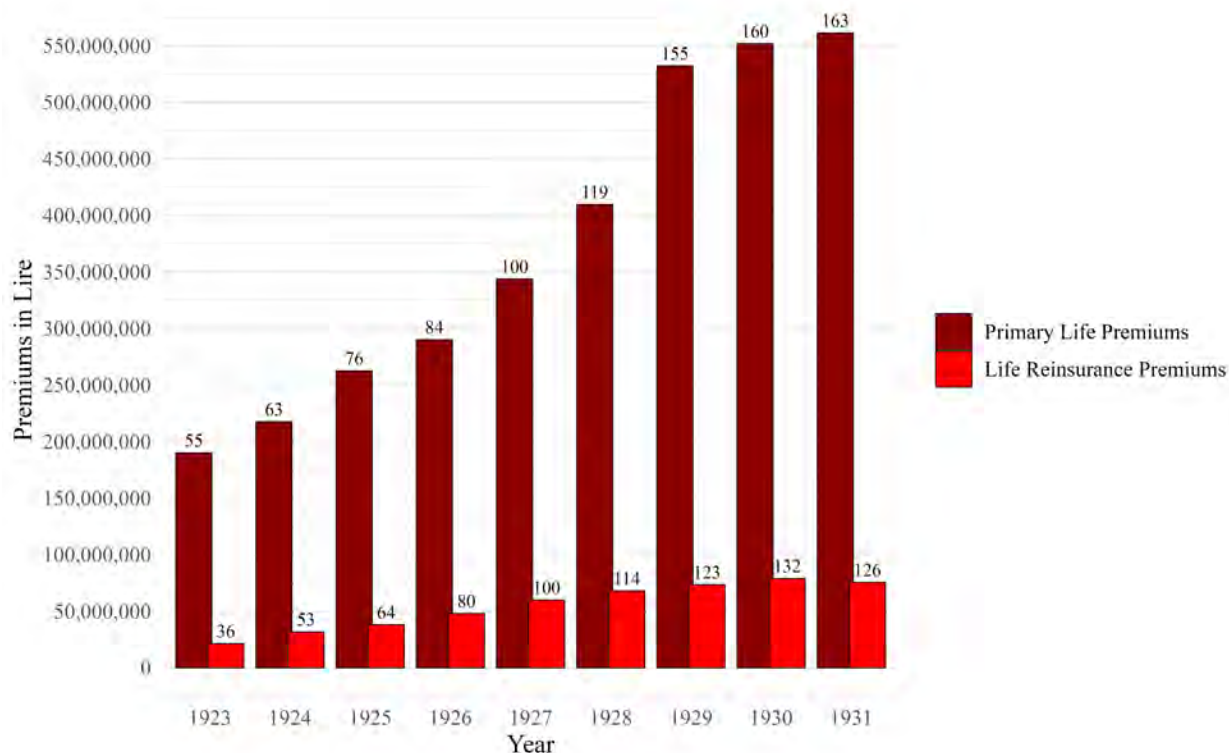


Figure 3.6: "The INA's Life and Reinsurance Premiums in Comparison, 1923-1931." Labels are indexed to 1927. INA received reinsurance premiums for all domestic business, which thus provides a proxy for the rest of the sector's growth during this period.

Gatti's first new initiative was with Italy's schools. In December 1925, Gatti sent a memo to the INA's sales staff informing them that the Minister of Public Education had told all Italy's superintendents and middle school principals that "every form of savings and *previdenza*" needed to be covered in school instruction. This was "for the purpose of educating youths from a tender age in that moral habit of parsimony, economy and serene preparation for life events, which constitutes one of the most notable moral virtues of individuals and thus of those people that have made the most economic and civil progress."¹³⁹ Over the following year, Gatti's sales staff promoted the new *assicurazioni popolari* through meetings Italy's major urban centers with Italy's teachers, convened both by the provincial superintendent and the fascist teacher's associations (*Associazione Nazionale Insegnanti Fascisti*).¹⁴⁰ Travel was reimbursed, and, as

¹³⁹ December 10, 1925, ASIA, Raccolta delle circolari, 1925, n. 299, Servizio delle Assicurazioni Popolari.

¹⁴⁰ December 13, 1926, ASIA, VD 1912-1951, III, VCdA.

reported in the Institute's minutes, the initiative delivered some modest successes (around 5,000 new insurance policies) in the first six months.¹⁴¹

The promotional activities of the Institute soon ran into resistance, however, from proponents of mutual funds for students (*mutualità scolastica*) operated by their teachers. In a confidential memo to Gatti from June 1927, INA's head inspector for Milan reported on a fight that broke out at a public assembly between the representative of the Brescian *mutualità scolastica* and a youth in the audience following the Brescian's fiery denunciation of the "invasion of the schools by Institutes of *previdenza* with speculative intentions."¹⁴² Here, as in other areas, Gatti followed a simple strategy of cooptation. In the original memo from December 1925, Gatti mentioned that instructions would follow on the specific financial payoff that the schools themselves could expect.¹⁴³ Kickbacks of commissions were also implied in the letter.¹⁴⁴ By September 1927, Gatti was working directly with the Fascist teacher's association to transform the *mutualità scolastica* into holding organizations for *assicurazioni popolari* (*assicurazioni scolastiche*), and had obtained the support of the *Opera Nazionale Balilla*, the fascist organization for young children, in selling the policies.¹⁴⁵ When, in 1928, the *Opera Nazionale Balilla* requested a 20 million lire loan from INA, Gatti told the board that the organization's request deserved special consideration due to future business opportunities with the organization, and granted them the loan at the below market rate of 6%.¹⁴⁶

Gatti also inherited Toja's collaboration with the Fascist syndicates, which finally began to yield some concrete results. Still holding his board seat at the INA, Edmondo Rossoni represented the syndicates in their negotiations for a first group *popolari* agreement. The sub-organization in question, the *Federazione Nazionale degli Addetti ai Trasporti Terrestri* (National Federation of Land Transport Workers) employed some 50,000 individuals. The new contract, signed in January 1927, was a boon for INA's new *popolari* division.¹⁴⁷ Gatti announced the contract as the largest of several similar agreements at the board meeting:

¹⁴¹ July 22, 1926, ASIA, VD 1912-1951, III, VCdA.

¹⁴² June 28, 1927, ASIA, Fondo "Gabinetti e segreterie dei vertici 1912-1957", 64/4, f. 2.

¹⁴³ December 10, 1925, ASIA, Raccolta delle circolari, 1925, n. 299, Servizio delle Assicurazioni Popolari.

¹⁴⁴ "I Sigg. Agenti pertanto, devono dimostrare spirito di rinuncia a grandi utili nella raccolta degli affari...alla presente seguiranno precise istruzioni sugli accordi che saranno stabiliti con gli organi scolastici riguardo alle interessenze a favore delle Istituzione Scolastiche, pure riservando alle iniziative dei Sigg. Agenti di ricercare altri mezzi più idonei per riuscire." December 10, 1925, ASIA, Raccolta delle circolari, 1925, n. 299, Servizio delle Assicurazioni Popolari.

¹⁴⁵ September 30, 1927, ASIA, VD 1912-1951, III, VCdA.

¹⁴⁶ April 25, 1928, ASIA, VD 1912-1951, III, VCdA.

¹⁴⁷ January 27, 1927, ASIA, VD 1912-1951, III, VCdA.

“(Our) penetration of the masses through the mentioned forms of *popolari* has been particularly nourished through numerous agreements with public and private entities and with the help of the National Syndicates.”¹⁴⁸

That same year, Mario Gasbarri, one of the INA’s travelling inspectors, developed his novel methods for promoting *popolari* with local Fascist syndicates. Working his way through rural Emilia, Gasbarri noted that individual sales methods were not effective for *polizze popolari*:

“Single contracts do not yield much results and make the process of collecting premiums extremely expensive. The Italian worker is inconstant, he has occasional periods of unemployment, often, according to his versatile abilities, he works as a mason, as a carpenter, as a harvester following demand in the labor market. Often his financial condition is not prosperous. His salary constitutes that which is indispensable for living. He does not work for long periods of years in continuous firms, as in America, Germany, England, etc.”¹⁴⁹

Gasbarri then described his approach to finding alternatives:

“In an act of deference, it being my intention to take action among those organized in the Fascist Syndicates, I visited the Federal Secretaries (of the PNF), who appreciated the gesture. I had a few exchanges of ideas with these authorities and, after study, discussions, and the drafting of plans, presented (to them) for examination, I convinced both myself and them that *assicurazioni popolari* would be most effectively applied in the statutes of mutual funds.

In Italy there are several thousand of these mutual funds and mutual aid societies. These mutualistic entities are often ignored by the syndical organizations, which have not understood their importance.

There are mutual funds that have more than 300,000 lire in capital, which creates a return for their members. A few of these were constituted twenty years ago. They have social halls, not infrequently their headquarters have libraries with large rooms for meetings and for relaxation. In a meeting held by the mutual fund of the fishers of Cattolica I observed speeches by the *Podestà* (mayor) the Secretary of the PNF, the Secretary of the Syndicates and other local authorities...in each of the statutes of these mutual funds there

¹⁴⁸ “La penetrazione nelle masse attraverso le citate forme popolari è stata ed è particolarmente curata, mediante numerosi accordi con Enti pubblici e privati e con la continua collaborazione dei Sindacati Nazionali.” January 27, 1927, ASIA, VD 1912-1951, III, VCdA.

¹⁴⁹ “I contratti singoli non danno vasti risultati e costosissimo si rende il procedimento degli incassi. L’operaio Italiano è incostante, ha saltuari periodi di disoccupazione, spesso dato il versatile ingegno fa il muratore, il falegname, il mietitore secondo la ricerca del mercato lavorativo. Sovente le sue condizioni finanziarie non sono floride. Il salario costituisce l’indispensabile per vivere. Non lavora per lunga serie di anni in continuativi stabilimenti industriali, come in America in Germania, in Inghilterra ecc.” Mario Gasbarri to Pres. Salvatore Gatti, “Relazione: Studio sulle Assicurazioni Popolari,” June 13, 1927, ASIA, fondo “Gabinetti e segreterie dei vertici 1912-1957”, 64/4, f. 2.

are provisions for a funeral subsidy paid to the family of a member in the event of their death.”¹⁵⁰

Gatti, to whom the report was addressed, underlined the last line of the above quote in the letter, suggesting that he was aware these mutual funds could be in violation of Italian regulatory law, depending on the size of the payment.¹⁵¹ In the rest of the report, Gasbarri summarized his methods and experience converting the mutual funds and mutual aid societies into distributors for the INA. With the help of the Fascist syndicates, Gasbarri had changed the statutes of these funds and societies to include a mandatory life insurance policy for each member, raising the monthly dues where possible.¹⁵² The syndicates made membership in a mutual fund mandatory for all members from a given firm or occupational category. If there was no mutual fund, members of the syndicate were required to found one.¹⁵³

In Gasbarri’s account, the Fascist syndicates handled the expenses of premium collection, while the continued growth of their organizations meant there was a constant source of new clients. He attached correspondence with the secretary generals of the provincial syndicates in Parma and Modena, who had supported Gasbarri in mandating that all members enroll in the mutual funds. He also included some examples of the funds’ altered statutes.¹⁵⁴ Whether or not they were excited as Gasbarri that “the syndical distribution of the *assicurazioni popolari*, with the technical guidance of the Institute, will lead to social and educational propaganda for this new form of *previdenza*,” the heads of the Fascist syndicates received hefty commissions from the business.¹⁵⁵ For one of the mutual funds, which was composed of 1200 individuals and required

¹⁵⁰ ““In atto di deferenza ed essendo mio intendimento esplicare azione tra gli organizzati dei Sindacati Fascisti, mi presentai ai Segretari Federali, che apprezzarono tale mio gesto. Ebbi con tali autorità vari scambi di idee e dopo studi, discussioni e compilazione di progetti, presentati all’esame, convinsi me e loro che le Assicurazioni Popolari avrebbero ottenuto la più bella applicazione negli Statuti delle Casse Mutue. In Italia vivono alcune migliaia di tali Casse Mutue e Società di Mutuo Soccorso. Questi Enti Mutualistici sono talvolta trascurati dagli Organi Sindacali che non ne hanno compresa l’alta importanza. Esistono Mutue aventi capitali superiori a L. 300.000, infruttifere ai Soci. Per alcune di queste la data di costituzione risale a venti anni fa. Hanno un Labaro Sociale, non raramente le loro Sedi posseggono Biblioteche con vaste sale di riunione e di ritrovo. Nell’Assemblea tenuta dalla Casa Mutua fra i Pescatori di Cattolica notai l’intervento del Podestà, del Segretario del P.N.F., del Segretario dei Sindacati e delle altre autorità locali...in tutti gli Statuti di tali Casse Mutue è contemplato il caso di morte del socio alla cui famiglia viene corrisposto un sussidio funerario.” *Ibid.*

¹⁵¹ The law applied to all mutual funds that disbursed payments of more than 1,000 lire to their members in a lump sum, or more than 400 lire for an annuity. RDL no. 966, April 29, 1923.

¹⁵² “La mia prima azione fu esplicare nel sostituire la voce sussidio funerario con la Polizza delle Assicurazioni Popolari. Trasformai i Statuti Sociali aumentando dove era possibile la quota mensile.” “Relazione: Studio sulle Assicurazioni Popolari,” ASIA.

¹⁵³ “A tutti gli iscritti ai Sindacati Fascisti, lavoratori in quel Stabilimento o appartenenti a una data categoria, resi obbligatoria l’associazione alla costituenda o costituita Cassa Mutua.” *Ibid.*

¹⁵⁴ “La prego tener presente che il numero degli iscritti al Sindacato stesso è a tutt’oggi di N. 1200; quindi se Lei potesse compilarci un buon contratto di previdenza, preferibilmente completo potremo noi stessi impegnare tutti gli aderenti al Sindacato per l’iscrizione alla stessa Società Mutua.” Letter from Segretario Provinciale Zaia to Gasbarri, March 9, 1927, ASIA, fondo “Gabinetti e segreterie dei vertici 1912-1957”, 64/4, f. 2.

¹⁵⁵ “...dalla diffusione sindacale delle Assicurazioni Popolari, tecnicamente guidata dal Personale dell’Istituto ne deriva la propaganda sociale ed educativa della nuova forma di previdenza.” “Relazione: Studio sulle Assicurazioni Popolari,” ASIA.

a 36 lire yearly premium for each member, even the minimum 12% commission for syndical collaborators would have been around 5,184 lire.¹⁵⁶

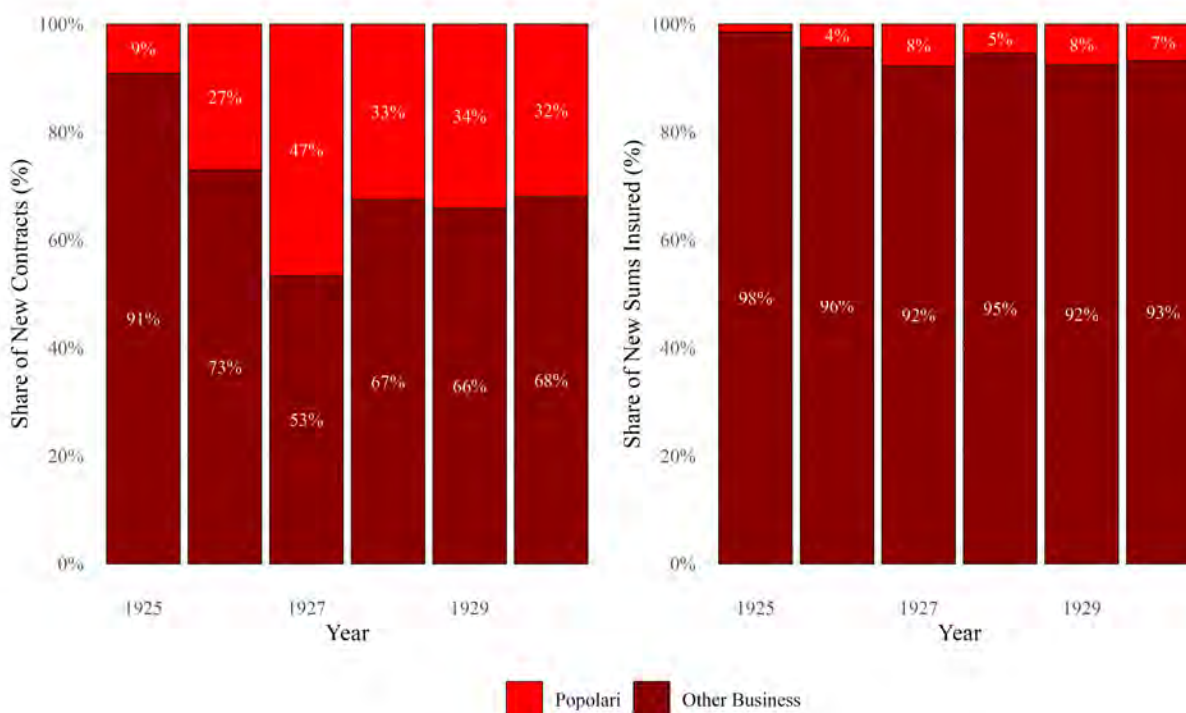


Figure 3.7: “The INA’s New popolari Branch, 1925-1930.”

In the same report, Gasbarri noted that his work had been further assisted by another new INA initiative to provide life insurance contracts for white-collar workers through group contracts with their employers. The whole experiment, in his view, showed the power of Fascist corporatism and the principles of the *Carta del Lavoro*: “the principle of collaboration, which finds its most noble expression in *previdenza*, is thus applied in concrete form.”¹⁵⁷ Gatti closely followed Gasbarri’s work, writing to some of his collaborators in the syndicates to thank them for assisting Gasbarri in January 1927.¹⁵⁸ In the same June report, Gatti also underlined Gasbarri’s statement regarding the *Carta del Lavoro*. As Gasbarri had noted, the articles cited in the *Carta del Lavoro* contained vague language regarding the importance of *previdenza*, to which workers and their employers were called upon to contribute in equal measure.¹⁵⁹

¹⁵⁶ “Relazione: Studio sulle Assicurazioni Popolari,” ASIA.

¹⁵⁷ “Viene applicato in forma concreta il principio della collaborazione che nella previdenza trova la sua nobile espressione.” “Relazione: Studio sulle Assicurazioni Popolari,” ASIA.

¹⁵⁸ Letter from Pres. Salvatore Gatti to Guido Secchiari, Segretario Circondariale dei Sindacati Fascisti, January 14, 1927, ASIA, fondo “Gabinetti e segreterie dei vertici 1912-1957”, 64/4, f. 2.

¹⁵⁹ Article 26 reads: “La previdenza è un’alta manifestazione del principio di collaborazione. Il datore di lavoro e il prestatore d’opera devono concorrere proporzionalmente agli oneri di essa. Lo Stato, mediante gli organi corporativi

In a personal audience the next year with Mussolini, Gatti presented the INA's new *popolari* program, emphasizing the new social ends of the insurance initiative and the particular role of the Fascist syndicates.¹⁶⁰ Alluding to mutual aid societies mutual funds' practice of providing life insurance to their members, Gatti obtained Mussolini's approval to "centralize and unify" these activities through the Institute. This echoed the language of the *Carta del Lavoro*, which expressed the state's intention to "coordinate and unify" the system and institutes of *previdenza*. Mussolini's office sent a memo to all ministries, informing them of the policy change:

"It has emerged that some entities formed with the aims of mutualism and have been extending their activities into the field of insurance by creating within their organizations offices with the function of assuming risks to the life of those associated.

In this regard, let it be communicated that His Excellency the Head of Government considers it expedient to centralize and unify this particular form of activity in the entity that the State itself created for this function, which can perform it through the most economic means and by offering the greatest guarantee for the insured: that is, the National Insurance Institute.

Mutualist and (social) assistance entities can well set themselves the goal, among others, of insuring their members sums payable on their death or after a certain term, but they should do so by signing special group insurance contracts to this end with the National Insurance Institute.

The Minister is asked to give orders to his subordinate offices such that the statutes of mutualistic and assistance organizations are examined to ensure conformity with these norms."¹⁶¹

Gatti boasted of his success with his audience with Mussolini at INA's March 22nd board meeting, using the exact same language as that contained in Mussolini's memo to the

e le associazioni professionali, procurerà di coordinare e unificare, quanto è più possibile, il sistema e gli istituti di previdenza." April 21, 1927, *Carta del Lavoro*.

¹⁶⁰ "L'On. Gatti ha segnalato il nuovo indirizzo che l'Istituto imprime alle assicurazioni collettive e sindacali, ove non si hanno di mira scopi industriali, ma finalità sociale e si adottano metodi di propaganda e di raccolta di contratti diversi da quelli in uso per le assicurazioni ordinarie e confacenti alle particolari esigenze di tali forme di assicurazione." Pres. Gatti to staff, March 8, 1928, ASIA, Raccolta delle circolari, "Gabinetto," no. 38.

¹⁶¹ "Si è rilevato che taluni enti sorti con finalità assistenziali e mutualistiche tendono ad estendere la loro azione anche nel campo propriamente assicurativo creando nel loro seno appositi organi con la funzione di assumere rischi sulla vita degli associati. Al riguardo si comunica che S.E. il Capo del Governo ritiene conveniente accentrare ed unificare tale particolare forma di attività nell'ente che lo Stato stesso ha creato per tale funzione, e che può esercitarla con i mezzi più economici ed offrendo il massimo delle garanzie per gli assicurati: cioè l'Istituto Nazionale delle Assicurazioni. Gli enti assistenziali e mutualistici possono ben prefiggersi fra gli altri scopi, anche quello di assicurare ai loro soci assegni esigibili alla morte o somme da pagarsi a tempo determinato; ma è opportuno che tale finalità venga attuata stipulando all'uopo speciali contratti di assicurazione collettiva con l'Istituto Nazionale delle Assicurazioni. Si prega codesto On. Ministro di impartire disposizioni ai dipendenti uffici, perché nell'esame di statuti e di regolamenti di enti assistenziali e mutualistici, si uniformino alle norme anzidette." Memo from PCM to all state ministries, April 25, 1928, ACS, PCM, 6.4.11015, "*Enti assistenziali e mutualistici, 1931-1933.*"

ministries.¹⁶² At Gatti's suggestion, the heights of the Fascist regime aligned the state behind the INA's cooptation of mutual funds and mutual aid societies, a policy initiative arrived at in part through Gasbarri's experimentation in Emilia.

Over the same period, INA developed new group insurance policies for higher-income individuals, civil servants and other white-collar employees. In 1926, the INA introduced the other new policy initiative that Gasbarri had mentioned, a form of life insurance that facilitated employers' payment of the *indennità di licenziamento*, the lump sum paid by white-collar employers to their employees upon the end of a period of employment. This amounted to half a month's salary for each year of service. Such payments had long been part of the contracts of public white-collar employees. The fascist government's 1924 decree, formalized into law in 1926, extended the obligation to provide for such payments to all employers of white-collar workers and to public employers where such a provision was not already guaranteed.¹⁶³ In September 1926, Gatti presented the special group insurance contract to the INA's General Agents. The INA guaranteed the delivery of these payments for employers in exchange for a yearly premium, repackaging them as a group life insurance policy for their workforces. In practice, employees could choose between a number of policy structures, dedicating a greater or lesser portion of their own wages towards the policy, which also contained the employer's contributions to their *indennità di licenziamento*.¹⁶⁴ As the INA would hold a vast number of such contracts and invest the premiums over time, employers could benefit from a reduction in costs, setting aside a yearly amount far smaller than that which would have been necessary for individual coverage.¹⁶⁵ The Institute had particular successes with selling these policies to universities, signing group contracts with the Universities of Bari, Bologna, Sassari, Padova, Parma and Genova in 1928 and 1929.¹⁶⁶ Statistics regarding these group contracts are not contained in their yearly financial report figures until 1938, but a collection of some of the larger contracts contained in the firm's archives, along with the copious mentions of smaller contracts in board minutes, gives an idea of the initiative's scale.¹⁶⁷

Alongside these group life insurance contracts for employees, the Institute also fought to take over municipal and regional government's preexisting pension plans. Through a premium

¹⁶² "Ha inoltre prospettato al Capo del Governo il problema se sia opportuno agevolare la tendenza, recentemente affermata in taluni enti previdenziali e mutualistici, di creare nel proprio seno organi speciali per le assicurazioni sulla vita, o se non convenga piuttosto accentrare tutte le iniziative del genere per unificarle nello Istituto Nazionale, che offre il massimo delle garanzie per gli assicurati. E. l'On. Mussolini si è esplicitamente pronunciato per quest'ultima soluzione, esprimendo il suo alto compiacimento per i risultati conseguiti dallo Istituto che attestano il suo continuo progressivo sviluppo." March 22, 1928, ASIA, VD 1912-1951, III, VCdA.

¹⁶³ Jessoula, Ferrera, and Fargion, *Alle radici del welfare all'italiana. Origini e futuro di un modello sociale squilibrato*, 74.

¹⁶⁴ Cite an example

¹⁶⁵ "Assicurazione collettive in connessione alla legge sul contratto dell'impiego privato," September 18, 1926, ASIA, Raccolta delle circolari, n. 324.

¹⁶⁶ July 9, 1929, June 8, 1929, February 16, 1929, May 30, 1928, May 1, 1929, July 9, 1929, ASIA, VD 1912-1951, III, VCdA.

¹⁶⁷ See Appendix 8.1 for a timeline of INA's collection of collective contracts. These are by no means comprehensive, and they have not been supplemented with those in their minutes, but they provide a good sampling.

payment on the part of the regional or municipal government, often paid out with interest over many years, the INA assumed their current portfolio of pension obligations. As the INA was a significant source of financing for infrastructure projects, negotiations for both transactions would often overlap. Examples abound: in May 1929, a 40 million lire loan to Genoa was negotiated simultaneously with a 65 million lire group insurance policy for public employees; in July 1929, Ravenna obtained a 10 million lire loan with the promise to transfer its pensions to the INA.¹⁶⁸ After the Great Depression hit and local governments scrambled for scarce financing resources, the INA would secure even more new contracts through these methods.

In a final collaborative initiative at the intersection of the state and Italian civil society in this period, Gatti's last year in office saw the beginnings of the Institute's partnership with the Catholic Church. While the consummation of this partnership would have to wait until some years after the 1929 Lateran accords, the first cooperative initiatives directly coincided with the beginnings of political reconciliation between the Vatican and the Italian state.¹⁶⁹ In May 1927, the priestly association "Fides" offered itself as distributor for the INA, proposing to market life insurance for priests.

"The President reports that the association "Fides" of Rome has declared itself willing to do advertising work through its own bulletin to its members for the collection of special insurance (contracts) among priests. The association will make use of its own trustees to this end and ensure that they contact the General Agents of the Institute, with whom they will reach an agreement on the compensation to be accorded to them."¹⁷⁰

Exactly a month after the signing of the Lateran treaty, in July 1929, Salvatore Gatti reported to board on the founding of the *Praevidentia*, a joint venture with Genoese private insurers to sell the INA's special insurance policies to clergymen.¹⁷¹

In all of these measures, the initiative with the Fascist syndicates was the centerpiece. Speaking at the Institute's July 1928 board meeting, Gatti listed some of the many new group contracts, before adding: "the most important of all these conventions is that which shall be signed this very day, with which an insurance system is provided for the *previdenza* of the *Confederazione Nazionale dei Sindacati Fascisti*, presided over by the honorable Rossoni, whom the President heartily thanks for the collaboration that he, and the directors of the *Confederazioni*, have given the Institute in the concrete actuation of the most perfect principle of *previdenza* for its own employees, and that is most auspicious for the spread of this system to the masses grouped by the

¹⁶⁸ May 1, 1929, July 9, 1929, ASIA, VD 1912-1951, III, VCdA.

¹⁶⁹ On the period of the accords, see Mario Casella, *Stato e Chiesa in Italia dalla conciliazione alla riconciliazione (1929-1931)*, (Lecce: Congedo, 2005).

¹⁷⁰ "Il Presidente riferisce che l'associazione "Fides" di Roma si è dichiarata disposta a fare opera di propaganda, a mezzo del proprio bollettino e dei propri aderenti, per la raccolta di assicurazioni speciali fra i Sacerdoti. L'Associazione si varrà all'uopo di propri fiduciari e disporrà che questi si mettano a disposizione degli Agenti Generali dello Istituto, i quali si accorderanno con i detti fiduciari per la misura dei compensi da corrispondere loro." May 2, 1927, ASIA, VD 1912-1951, III, VCdA.

¹⁷¹ July 9, 1929, ASIA, VD 1912-1951, III, VCdA.

regime within the *Sindacati dei lavoratori italiani*.”¹⁷² Rossoni, present at the meeting, responded that his *Confederazione* would make every effort to realize the principles of *previdenza* called for by the *Carta del Lavoro*.

The Institute’s claims to be a privileged interpreter of Fascist social policy would form the central thrust of its growth in the following decade. The regime’s objectives in promoting *previdenza* -- “the force of a civilized people,” as Mussolini would later put it --- dovetailed well with the INA’s own initiatives and older institutional mission.¹⁷³ In this regard, the Institute’s role in promoting life insurance as a means of savings offered an even stronger point of alignment. The Fascist regime presented itself as a “protector of Italian savings.”¹⁷⁴ In 1926, Mussolini made the restoration of the lire’s gold convertibility at the rate of 92.46 lire to the pound his signature economic policy initiative. While asserting the authority of his policy-making expertise, the campaign also represented an important step in the consolidation of his dictatorship’s authority at the grassroots level, in no small part through the work of the Fascist syndicalists.¹⁷⁵ At the December 1927 board meeting, Gatti toasted the success of *quota novanta*:

“The President, seeing as the board is meeting on the very day in which the act takes effect with which the National Government has decreed the end of the *corso forzoso* (suspension of gold convertibility) and returned to the regime of gold, wishes to draw attention to the historical importance of this fact, which entails the recognition of Italy’s power in the world. This event, which is one of the regime’s greatest victories, signals the beginning of the country’s economic recovery, and the beginning of a new period in the financial history of Italy. Monetary stability has enormous importance in the field of insurance, as our Institute, which fortunately has been able to survive, after the storm of devaluation, also the bitter crisis of the successive necessary revaluation, now sees before itself a long period of secure, fruitful work; as in every other area of the economy and savings, all productive energies can now be launched forward on safe ways, under the protection of He who, to Italy’s good fortune, rules her and steers her fate.”¹⁷⁶

¹⁷² July 19, 1928, ASIA, VD 1912-1951, III, VCdA.

¹⁷³ Mussolini himself would speak at the Institute’s 20th anniversary, exhorting INA’s staff: “avete l’obbligo morale, italiano e fascista di far sentire a strati sempre più vasti della popolazione che la previdenza è la forza di un popolo civile.” “Opuscolo del ventennale”, ASIA, 1933.

¹⁷⁴ Marcello De Cecco, “La protezione del risparmio nelle forme finanziarie fasciste,” *Rivista di Storia Economica* 3, no. 2 (1986): 237–41.

¹⁷⁵ See Philip Morgan, “‘The Party Is Everywhere’: The Italian Fascist Party in Economic Life, 1926-40,” *The English Historical Review* 114, no. 455 (1999): 85–111; Renzo de Felice, *Mussolini il fascista: L’organizzazione dello stato totalitario*, vol. II, 239-243. Roland Sarti, “Mussolini and the Italian Industrial Leadership in the Battle of the Lira 1925-1927,” *Past & Present*, no. 47 (1970): 97–112.

¹⁷⁶ “Il Presidente, poiché il Consiglio di Amministrazione si aduna nel giorno stesso in cui entra in vigore il provvedimento col quale il Governo Nazionale ha decretato la fine del corso forzoso ed il ritorno al regime aureo, desidera porre in rilievo la importanza storica di questo fatto, che significa il riconoscimento della potenza dell’Italia nel mondo. L’avvenimento, che è una delle maggiori vittorie del regime, segna l’inizio della ripresa economica del paese, e di un nuovo periodo della storia finanziaria italiana. La stabilità monetaria ha grandissima importanza nel campo assicurativo, sicché il nostro Istituto, che ha potuto felicemente superare, dopo la bufera della svalutazione, anche l’aspra crisi della successiva necessaria rivalutazione, vede ora di fronte a sé un lungo periodo di sicuro,

III.1. The Image of Italian Insurance under Fascism: The INA and the Italian Insurance Sciences, 1925-1929

The Institute's trajectory in the first years of the Fascist regime would have a profound impact on the shape and organization of the larger Italian actuarial community. In the ten years of the monopoly's life, the Institute had drawn in a considerable part of this community into the state sector itself. Even after the monopoly's dissolution, the INA found itself at the center of an institutional ecosystem not defined by a rigid opposition between public and private, or social and commercial insurance, but rather characterized by a general interest in insurance as a tool of modernization. Following the consolidation of his dictatorship, Mussolini sought domestic and international legitimacy for his regime by positioning it at the vanguard of economic and social policy.¹⁷⁷ This had a natural appeal for the technocratic, policy-oriented community of the Italian insurance sciences. In the last years of Gatti's tenure, the Institute would begin to more actively shape the epistemic community of insurance, financially contributing to regular academic conferences, launching its own dedicated insurance sciences journal, and dominating the agendas of major conventions.

As a former private actuary, head of the Italian Actuaries' Society, and President and General Director of the National Insurance Institute, until his removal by Mussolini, Guido Toja remained a personality at the very center of the Italian actuarial community. At the 1927 International Congress of Actuaries in London, Toja took the floor in the closing session on behalf of the Italian delegation. Speaking in French, Toja sought to illustrate the progress that had been made in Italian insurance over the last decade and a half. He then presented a modest request: that Italian be adopted as the fourth language of the conference. His limited remarks are highly illuminating regarding a few dimensions of the Italian insurance community's self-understanding in the early Fascist period.

Toja began by discussing INA and its monopoly. As he recalled, at the last congress, in 1912, the executive director of the Congress, M. Bégault "opened the discussion by expressing his despair that Italy had voted for the monopoly law."¹⁷⁸ Toja continued : "as Msr. Bégault believed it

feondo lavoro, come in ogni altro campo della economia e del risparmio, tutte le energie produttive potranno slanciarsi su vie sicure, sotto il presidio di Egli, per la fortuna dell'Italia ne regge e ne guida le sorti." December 22, 1927, ASIA, VD 1912-1951, III, VCdA.

¹⁷⁷ Domestically, Mussolini encouraged intellectual debate over the shape of corporatism, which stood at the intersection of both types of policy, see Alessio Gagliardi, *Il corporativismo fascista* (Roma: Laterza, 2010), 3-20. A surprising number of partners in international organizations shared Mussolini's belief that the liberal order would soon be replaced by something else, see Alessio Gagliardi, "The Social Policy of Italian Fascism and the International Labour Organization," *The Journal of Modern History* 97, no. 1 (March 2025): 152-79. British observers and American New Dealers were fascinated by Italian corporatist institutions; see Valerio Torreggiani, "Towards an Orderly Society. Capitalist Planning and Corporatist Ideology in Britain in the Great Slump (1931-1934)," *Journal of European Economic History* 45, no. 1 (2016): 67-97; Francesco Carlesì, *Mussolini e Roosevelt. Corporativismo fascista e New Deal. Il dibattito tra Italia e Stati Uniti* (Milano: Luni Editrice, 2022).

¹⁷⁸ "...a ouvert la discussion en disant tout son désespoir que l'Italie ait voté la loi du monopole." *Transactions of the Eight International Congress of Actuaries*, vol. 5, (London: Charles and Edwin Layton, 1927), 471.

necessary to make this communication in an official capacity, I now respond, officially, that the monopoly no longer exists in Italy, that the National Insurance Institute, if it works very well, competes with all the companies. This here is a declaration that should please Msr. Bégault and all our colleagues who know of the importance of competition in the progress of insurance.”¹⁷⁹ Toja then sought to offer the Congress decisive evidence of the progress of insurance in Italy. He noted that the Italian Association of Actuaries now had its own bulletin and that “right now the movement towards progress in insurance is very strong and not only in private institutions, but also in social institutions.”¹⁸⁰ Seeking to be as succinct as possible (“Messieurs, I do not want to surpass the five minutes that Msr. le Président has allotted us, and I yield to his request with the discipline fitting of an actuary,”) Toja then cited a few figures from the *Cassa Nazionale delle Assicurazioni Sociali* to illustrate the enormous progress that had been made in Italian insurance.¹⁸¹ The *Cassa*, Toja told the Congress, now took in 500 million per year in premiums and held funds greater than 8 billion lire. Toja then called the Congress’s attention to a book written on social policy by his colleague, Dr. Maria Castellani, *Pour la santé des ouvriers*, with a preface penned by none other than Prime Minister Benito Mussolini.

As a member of the national delegation in 1927, Toja’s concern was for the larger field of Italian insurance’s relative standing compared to its peers. This could be measured according to the degree of progress that had been made in various fields. The resumption of full competition in life insurance was perhaps one indicator, but the sheer size of the reserve funds of the *Cassa Nazionale delle Assicurazioni Sociali* were the best evidence, for Toja, of the tremendous progress that had been made in the sector. While in the Weimar Republic social insurance had abandoned fund-based models of provision, in Italy, the savings dimension of insurance was so firmly linked to understanding of the field that the total quantity of assets held by their social insurer could be presented as obvious evidence of the system’s modernity. Toja’s invocation of Mussolini was no blind nationalism, but rather reflects one prevalent image of the dictator in this period, that of a maestro of social and economic policy.¹⁸² Both Italian financial regulation and social welfare policy would draw considerable international attention through the 1930s.¹⁸³ The

¹⁷⁹“...comme M. Bégault avait cru nécessaire de faire officiellement cette communication, c’est officiellement que je répons que le monopole n’existe plus en Italie et que l’Institut national des Assurances, s’il fonctionne très bien, est en concurrence avec toutes les compagnies. C’est là une déclaration dont M. Bégault doit être satisfait et avec lui tous nos collègues qui savent l’importance de la concurrence dans le progrès de l’assurance.” *Transactions of the Eight International Congress of Actuaries* (London: Charles and Edwin Layton, 1927), 471.

¹⁸⁰ “...à présent le mouvement vers le progrès des assurances est très fort non pas seulement dans les institutions privées mais dans les institutions sociales.” *Transactions of the Eight International Congress of Actuaries* (London: Charles and Edwin Layton, 1927), 471.

¹⁸¹ “...je ne veux pas dépasser les cinq minutes que nous alloue M. le Président, et je cède à son invitation avec la discipline qui convient à un actuaire.” *Transactions of the Eight International Congress of Actuaries* (London: Charles and Edwin Layton, 1927), 471.

¹⁸² Mussolini carefully cultivated this image in his audiences with journalists and intellectuals, see Wolfgang Schieder, *Mythos Mussolini: Deutsche in Audienz Beim Duce* (München: Oldenbourg Verlag, 2013), 106-134.

¹⁸³ The attraction of Italian financial regulation is less well known, see Alexander Nützenadel, “Fascism and Finance: Economic Populism in Inter-War Europe,” *German Historical Institute London Bulletin* XLIV, no. 1 (May 2022): 3-5. Italy was nonetheless the first European country to assign broad supervisory powers to their central

INA, and Italy's larger actuarial community, found themselves at the intersection of both realms and actors within the community embraced their roles as policy entrepreneurs.

Through its own publications and organizational efforts, Gatti's INA would play a central role in coordinating and agenda-setting for this larger community. In early 1926, Gatti had proposed that the Institute found its own journal, "a journal with two functions, propaganda and technical information."¹⁸⁴ In the end, the proposal was rejected by the board, which preferred that the Institute continue to produce articles for publications in general newspapers, and collaborate with the *Cassa Nazionale* to produce a regular technical bulletin.¹⁸⁵ Following the success of a first series of academic conferences on insurance in March 1928, however, the Institute made the decision to begin printing the contributions to these conferences in a house journal, *Atti dello Istituto Nazionale delle Assicurazioni*. It was hoped that the journal would "make the Institute known and respected among subject-matter experts and academics in Italy and abroad."¹⁸⁶ The subject matter was broad and interdisciplinary, covering contributions regarding actuarial mathematics, demographics, insurance law, and financial economics.

In September 1928 the INA's top board members participated actively at the *Congresso Nazionale di Scienze delle Assicurazioni* in Turin, to which the company had contributed 20,000 lire in financing. The subject of the Congress was not *scienze attuariali* (actuarial sciences), but rather *scienze di assicurazioni*, insurance sciences, the same broad, interdisciplinary notion as that of the German *Versicherungswissenschaften*. At the Congress, Luigi Amoroso, advisor to the Institute's board and an international heavyweight in economics, pleaded for the establishment of a *facoltà attuariale* (actuarial faculty) in Italy and for a "more modern conception of the figure of the actuary."¹⁸⁷ Amoroso presented a paper on the velocity of circulation of money, while board members Vicinelli and Romanelli, and the Institute's medical service director, Marsella, contributed papers on subjects related to mortality in group insurance, invalidity risk, and insurance law. Gatti himself gave a keynote talk entitled "Le assicurazioni collettive in Italia in rapporto all'ordinamento corporativo dello stato," (Group Insurance in Italy with Regard to the Corporative Order of the State). Gatti described his talk to INA's board a few days following the Congress:

"Moving from a consideration of the continual evolution of the concept and practice of *previdenza*, social and private, over the last century in accordance with social and political conditions, (his) talk then points out what a prominent place *previdenza* has in the Fascist conception of the state, what new conditions the new syndical order has

bank, see Marco Molteni and Dario and Pellegrino, "The Establishment of Banking Supervision in Italy: An Assessment (1926–1936)," *Business History* 66, no. 6 (August 17, 2024): 1442–70.

¹⁸⁴ "...una rivista a duplice funzione di propaganda e di informazione tecnica." January 28, 1926, ASIA, VD 1912-1951, III, VCdA.

¹⁸⁵ *Ibid.*

¹⁸⁶ "...far conoscere ed apprezzare lo Istituto fra i tecnici e gli studiosi in Italia e fuori." February 16, 1929, ASIA, VD 1912-1951, III, VCdA.

¹⁸⁷ "...più moderna concezione della figura dell'attuario." February 16, 1929, ASIA, VD 1912-1951, III, VCdA.

created for the distribution of *polizze popolari*, transformed in an automatic and natural manner into group syndical (policies), group policies with their own characteristics and distinctive features of the utmost importance; how much the Institute has already achieved in this area; what can be hoped for in the new future through the activities of the Entity of the State, with the participation of the private insurance companies, to spread among the masses the spirit of *previdenza* and the practice of insurance...the report had the aim of shedding light on the particular orientation that Italian insurance activities, and especially those of the Institute, have in relation to the new syndical and corporative factors that now inform national life.”¹⁸⁸

The Congress itself was a significant organizational moment for the Italian actuarial community. The *Istituto Italiano degli Attuari* was founded shortly following the Congress and published the first edition of its journal in 1930.¹⁸⁹ At this pivotal occasion, it was Gatti’s vision for insurance and the future of Fascist social and economic policy that held center stage.

III.2. The Image of Italian Insurance under Fascism: The INA Crisis and Gatti’s Downfall, 1929

Even as Italian insurers sought to defend the image of Italian insurance abroad, Gatti’s abuses began to sour the INA’s image at home. In March and April 1927, Gatti twice sought the intervention of the Fascist prefectures of Milan and Rome to intimidate the authors of publications critical of INA. Both articles referred to Gatti’s moves in early 1927 to swap the heads of the Rome and Naples office and assume direct control over personnel decisions. The Rome office head had resigned rather than be arbitrarily transferred. In *La Propaganda della Assicurazione*, the author wrote: “Il trasferimento dell’Ispettore Superiore, reggente l’Agenzia di Roma, di cui ci siamo occupati, non è che un episodio. Niente di perfetto a questo mondo. Anche il massimo Istituto può avere le sue mende.”¹⁹⁰ In *Il Previdente*:

“The honorable Salvatore Gatti, who succeeded the illustrious actuary Ing. Toja in the role of President and Director General, leads the agency, and, as one hears, in a strong way: with a steady wrist, quite generously with regard to its newcomers, but rather severely in respect to the old insurers. Of a most agile mind, rich in resources, energetic

¹⁸⁸ “Dalla considerazione del continuo evolversi del concetto e della pratica della previdenza sociale e privata nell’ultimo secolo, in rapporto con le condizioni sociali e politiche, la memoria passava a indicare quale posto preminente la previdenza abbia nella concezione fascista dello Stato, quali condizioni nuove l’ordinamento sindacale abbia creato alla diffusione delle polizze popolari, trasforme in modo naturale ed automatico in collettive sindacali, collettive con caratteri propri e peculiarità della più alta importanza; quanto dall’Istituto sia già stato fatto in questo campo; che cosa possa sperarsi in un prossimo avvenire dall’attività dell’Ente di Stato, col concorso delle imprese private di assicurazione, per il diffondersi fra le masse popolari dello spirito di previdenza e della pratica assicurativa...la relazione ha avuto lo scopo di porre in luce il particolare orientamento che l’attività assicurativa italiana, e specialmente quella dell’Istituto, assume in relazione al nuovo fattore sindacale e corporativa che ormai informa la vita nazionale.” September 29, 1928, ASIA, VD 1912-1951, III, VCdA.

¹⁸⁹ See *Giornale dell’Istituto italiano degli attuari* (Istituto italiano degli attuari, 1930).

¹⁹⁰ “Gli organi della produzione,” March 31, 1927, *La Propaganda della Assicurazione*, ACS, PCM, 6.4.1071.

in his decisions, he has been able to dominate the situation from the moment he took power, taming his docile and fearful colleagues on the board and managing himself capably. The uproar that has resulted from the transfer of a functionary, even one of the old guard, must have surprised and perhaps irritated him. Especially because...it's disproportionate!"¹⁹¹

Both authors were reprimanded by the prefects, but the incident had clearly drawn attention to Gatti's authoritarian leadership style. The same year, as financing demands grew for the *bonifica integrale*, Gatti proved a less than accommodating intermediary for the needs of Mussolini and the Minister of the National Economy. In November 1927, Gatti protested the INA's inclusion in the fund capital for the new *Consorzio Nazionale per il Credito Agrario di Miglioramento*. Gatti claimed the Institute's funds were already absorbed by investments required by law, or "recommended by particular reasons of an economic or social interest."¹⁹² Nevertheless, the Institute was still required to put up 10 million lire. More specific financing requests from Ministers and Mussolini himself, a practice virtually unheard of in the first years of Gatti's tenure, soon followed. In February 1928, the Minister of the National Economy and Mussolini both specifically requested that the INA grant a 25 million lire loan for a land reclamation project (*bonifica integrale*) in Ferrara.¹⁹³

As these direct financing requests became more frequent, Gatti's claims that the Institute was strapped for funds would have invited closer scrutiny. It was not hard to track where the Institute's investments were going. In 1929, in a bound volume sent to Mussolini, Gatti presented an illustrative overview of INI's real estate holdings. The Director General of INI, Antonio Cipriani, wrote the introduction, claiming that "from this it is made clear how the National Insurance Institute, through the National Real Estate Institute, does not only seek commercial returns through the investment of its reserves, but also carries out work of a high social interest."¹⁹⁴ As presented in accompanying graphs, the Institute's real estate investments had leapt from a few buildings in 1925 to over 220 million lire in holdings in 1928. The book provided sketches of some of the more architecturally prominent locations in the center *piazze* of Italian cities such as Trieste, Genoa, Brescia, Cremona, Padova and Livorno.

¹⁹¹ "L'on. Salvatore Gatti, successo all'illustre attuario Ing. Toja, nella carica di Presidente e Direttore Generale, guida l'Azienda, a quanto si dice, alla maniera forte: con polso fermo, con criteri abbastanza larghi, nei riguardi dei nuovi venuti, piuttosto severo verso i vecchi assicuratori. Di mente agilissima, ricco di risorse, energico nelle sue decisioni, ha saputo dominare la situazione, appena assunto il potere, addomesticando i docili ed intimiditi colleghi del Consiglio di Amministrazione e destreggiandosi abilmente. Il chiasso che si è fatto per il trasferimento di un funzionario, sia pure della vecchia guardia, deve averlo stupito e forse irritato. Anche perché...sproporzionato!" "Stati d'animo," April 6, 1927, *Il Prevedente*, ACS, PCM, 6.4.1071.

¹⁹² "suggerite da particolari ragioni di interesse economico e sociale." November 23, 1927, ASIA, VD 1912-1951, III, VCdA.

¹⁹³ February 16, 1928, ASIA, VD 1912-1951, III, VCdA.

¹⁹⁴ "da essi risulta come l'Istituto Nazionale delle Assicurazioni, attraverso l'Istituto Nazionale Immobiliare, non persegua unicamente un fine industriale per l'investimento delle sue riserve, ma svolga altresì un'opera di alto interesse sociale." "Attività edilizia dell'Istituto (Istituto Nazionale Immobiliare)," 1929, ACS, PCM. 6.2.5241.

In April 1928, the Minister of the National Economy, Giuseppe Belluzzo, wrote a letter to Mussolini regarding Gatti's double role at the Institute as both President and Director General. Belluzzo pointed out that the situation was highly "abnormal," and had only been intended as a temporary state of affairs given the responsibilities faced by Toja in the transition from the monopoly.¹⁹⁵ Mussolini then immediately intervened, cutting Gatti's enormous income more than in half:

"I respond to your letter stop it is necessary to separate the role President from that of Director for the National Insurance Institute stop the reasons are evident and one can only ask why it has not already been done"¹⁹⁶

On February 2, 1929, at the second meeting of the year, Gatti resigned from his positions representing the INA on the board of the *Banca Nazionale del Lavoro e della Cooperazione* and the *Consorzio Nazionale per il Credito Agrario di Miglioramento*.¹⁹⁷ In the same meeting, Senator Antonio Garbasso, President of the *Cassa Nazionale delle Assicurazioni Sociali* joined the board for the first time following his appointment by the government. Gatti invited Garbasso to take his own position on the board of *Consorzio Nazionale per il Credito Agrario di Miglioramento*, which Garbasso declined. It seems likely that Garbasso had been sent to wrest some control from Gatti, but he seems to have not had much time for the job. Following his first appearance, Garbasso did not attend subsequent meetings. An informant at INA's statistical department alleged that Garbasso, who had apparently also been given housecleaning work at the CNAS, "he does not have a grip on the situation that he is responsible for."¹⁹⁸

The Institute's swiftly deteriorating financial situation would soon however become public knowledge. At the March 29 board meeting, Gatti announced that the Institute could not make any more financing commitments in advance:

"The President communicates that, in the today's meeting, the permanent committee has decided that financing requests not to be immediately implemented are not be given consideration, in accordance with the general criterion of not worsening the current situation with the Institute's (financial) commitments, operations with far-off and uncertain deadlines should not be deliberated upon,

¹⁹⁵ "La duplicazione delle mansioni costituisce una evidente anormalità nel funzionamento del nostro massimo organismo assicurativo." Belluzzo to Mussolini, April 4, 1928, ACS, PCM, 6.2.1614, sf.2.

¹⁹⁶ "Rispondo sua lettera (stop) bisogna separare la carica di Presidente da quella di Direttore Generale dell'Istituto Nazionale delle Assicurazioni (stop) I motivi sono evidenti et est soltanto da chiedersi perché non si sia già fatto." Mussolini to Belluzzo, April 5, 1928, ACS, PCM, 6.2.1614, sf.2. The Director General position earned significantly more than the President.

¹⁹⁷ February 2, 1929, ASIA, VD 1912-1951, III, VCdA.

¹⁹⁸ "Non è all'altezza della situazione che ricuopre." April 17, 1929, ACS, MdI, DGSP, PP, n. 173, "Istituto nazionale delle assicurazioni, 1929-1931".

but rather we should wait to assume new commitments, until the time of the relative disbursements is near and known.”¹⁹⁹

In June, Gatti was compelled to implement strict austerity.²⁰⁰ Within weeks, a petition was circulated by staff complaining about their financial treatment amidst the severe cuts. Gatti had the petition seized and the incident hushed up, but the political police had already become aware of the matter through their network of informants.²⁰¹ Salacious rumors circulated regarding the personal conduct of Gatti and his senior staff.²⁰² Following a secret report conducted for the PNF's general secretary, Augusto Turati, in September, Gatti's days were numbered. One of his most powerful supporters, Edmondo Rossoni had been recently removed from the *Gran Consiglio del Fascismo* in the wake of his own corruption scandal.²⁰³ According to an informant, Turati was fed up with him, and his old political patrons were nowhere to be seen:

“Things look quite good for Turati, who one hopes will remove once and for all from the political scene a figure who never enjoyed much sympathy, notorious more than anything, particularly in the capital, for his background. One hears in fact that Gatti owes his political fortune to the protection of Michele Bianchi, who had him nominated State Advisor, and always protected and supported him, and to the protection of Rossoni. Regarding this last friendship, there are allegations and claims that it was not without a (financial) interest.”²⁰⁴

¹⁹⁹ “Il Presidente avverte che, nella sua adunanza di oggi, il Comitato permanente ha ritenuto che non fossero da prendere in considerazione alcune richieste di finanziamento di attuazione non immediata, ispirandosi al criterio di massima che per non aggravare la situazione attuale degli impegni dello Istituto, sia opportuno non deliberare operazioni a scadenza lontana, ed incerta; ma aspettare, per assumere nuovi impegni, che sia prossimo e preciso il tempo delle relative erogazioni.” March 29, 1929, ASIA, VD 1912-1951, III, VCdA.

²⁰⁰ “In complesso, il Presidente avverte che si impone un programma di rigorosa parsimonia nelle spese.” June 28, 1929, ASIA, VD 1912-1951, III, VCdA.

²⁰¹ As reported in INA's board meeting minutes, an employee in the central headquarters, Rodolfo Bianchi, circulated a petition exhorting the Institute to take actions that, according to the Director General Scodnik were “in the course of being examined,” getting some thirty signatures and hundreds of declarations of support before the direction got word and stopped its circulation. June 28, 1929, ASIA, VD 1912-1951, III, VCdA.. The incident was noted by the political police, who did not know the exact content of the petition's demands, but believed it to regard some aspect of the Direction's financial treatment of staff. July 12, 1929, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni, 1929-1931.”

²⁰² Grixoni was accused of extorting sexual favors for granting applications to INA's public housing. September 25, 1929, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni, 1929-1931.”

²⁰³ This transpired in the summer of 1929; he would return by 1931. See Enzo Fimiani, “Rossoni, Edmondo,” in *Dizionario Biografico degli Italiani*, 2017.

²⁰⁴ “L'impressione è molto favorevole a S.E. Turati che si spera liberi una buona volta dalla scena politica una figura che non ha mai goduto delle simpatie, e più che altro nota, specie nella capitale, per i suoi precedenti. Si dà infatti che la fortuna del Gatti è venuta dalla protezione di Michele Bianchi che lo fece nominare Consigliere di Stato, e lo ha sempre appoggiato e protetto, e da quella di Rossoni. Su questa ultima amicizia si vuole e si afferma che non sia stata disinteressata.” September 27, 1929, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni, 1929-1931.”

Gatti was thus associated with Rossoni's own proven corruption. Suspicions in this regard soon found evidence in Gatti's unusual personal wealth. A political police informant described the impression derived from a visit to his residence:

“Rumors previously collected regarding the poor direction of insurance in general and of the National Institute in particular have been confirmed today in other circles that frequent Gatti's house. Luxury has become ostentation, the waste of money – these are the things that strike one with the first glimpse. The dominance that Gatti exercises in the Institute has not been diminished in the slightest with the change in his responsibilities and by putting Scodnik (Director General following the splitting of the two roles) at his side.”²⁰⁵

While the causes of the Institute's financial problems would only emerge in the course of the subsequent investigations, Gatti's waste and corruption were evident from multiple sources. On October 12, 1929, Gatti abruptly “resigned.” A political police informant joked that he likely read of his own resignation in the morning paper.²⁰⁶ His replacement, Giuseppe Bevione, would take over a demoralized Institute, in which Gatti's own personal network remained quite strong. As the INA struggled to find liquidity for its investment commitments, rumors circulated in multiple quarters that Bevione had been called down from Milan to sell off the Institute to private insurers.²⁰⁷ As one informant put it: “it is inconceivable that in the Fascist Regime an Institute that was the creation of Nitti should be kept alive.”²⁰⁸ As the Great Depression hit Italy, the INA was already engulfed in its own political and financial crisis.

²⁰⁵ “Le voci precedentemente raccolte circa il cattivo andamento delle Assicurazioni in genere, e dell'Istituto Nazionale in specie, hanno oggi trovato la sua conferma in altri ambienti che frequentano casa Gatti. Il lusso che è diventato fasto, lo sperpero del danaro, sono le cose che colpiscono a prima vista. La padronanza che il Gatti esercita nell'Istituto è assoluta e non è affatto diminuito con il cambiamento di funzioni affidategli e con l'avergli messo al fianco Scodnik.” September 3, 1929, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni, 1929-1931.”

²⁰⁶ September 27, 1929, October 13, 1929, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni, 1929-1931.”

²⁰⁷ December 19, 1929, December 28, 1929, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni, 1929-1931.”

²⁰⁸ “...è inconcepibile che si debba continuare a mantenere in vita in Regime Fascista un Istituto che fu creazione di Nitti.” December 28, 1929, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni, 1929-1931.”

Chapter 4: Building the *Gefahrengemeinschaft*: Private Insurance at the End of the Weimar Republic and Dawn of the Third Reich, 1930-1935

In the same months in which Schmitt planned his bombshell report on social insurance, he had begun to lunch regularly with a new friend and acquaintance, Hermann Goering. In the September 1930 elections the Nazis triumphed, taking second place with 18.25% of the vote. Some weeks following, Dr. Walter Eggerss of *Allianz*, who had met Goering through his acquaintanceship with Georg Emil von Stauß of Deutsche Bank, suggested to the two men that they meet.¹ Goering had begun to seek out a group of economic advisors for the Nazi Party (*Wirtschaftssenat*) and Eggerss proposed Schmitt as an ideal candidate. According to Eggerss' recollection, Schmitt was very receptive, noting that "it would be clever tactics in the circumstances to cultivate an acquaintance with leading Nazi personalities at an earlier rather than at a later date so as to win a voice in the shaping of their economic program."² Hilgard and Schmitt, in their own interrogations by the American military occupation, would characterize this action as entirely within the normal bounds of both men's role in *Allianz*'s government affairs – and indeed, given *Allianz*'s role as the public face of the German insurance industry, it very much was.³ What was unusual about the encounter with Goering, a lunch along with Eggerss in October 1930 at the Restaurant Hiller on Unter den Linden, was that the two truly hit it off. They would meet again at regular intervals every few weeks through March of the following year. Goering "made so excellent impression on us that he won us over completely to the political program of the Nazi party."⁴ Schmitt confided in Eggerss after their second lunch with Goering that "if I did not hold my position of first rank in the German economy, I could readily conceive that I would gladly play a role in this movement."⁵

Schmitt's own recollections of his meeting with Goering date their first encounter much later, and not to a private lunch.⁶ As Gerald Feldman has argued in his own reading of their interrogation reports, there is little reason to doubt the veracity of Eggerss' version of events. While Eggerss had no reason to lie, Schmitt was being tried as a Major Offender (*Hauptschuldiger*), for which he produced an account of his actions over the twelve years of Nazi rule littered with inconsistencies, evasions, and forgetfulness.⁷ The decision to seek early

¹ See Emil Lang, "Draft of Schmitt Report," Omgus Finance Division Records Regarding Investigations and Interrogations, 1945-1949, Records Relating to Interrogations of Nazi Financiers, 1946-1947: (OMGUS), 3. Stauß was the first major German businessman to build close contacts with the Nazis through Goering, see Henry Ashby Turner, *German Big Business and the Rise of Hitler* (New York: Oxford University Press, 1985), 142-144.

² Emil Lang, "Schmitt Report," 11; see in the same "Interrogation of Dr. Eggerss," 1-2.

³ See "Hilgard Interrogation," in "Draft of Schmitt Report," 5; also in the same "Interrogation of Dr. Schmitt," 2-7.

⁴ "Interrogation of Dr. Eggerss" in "Schmitt Report," 2.

⁵ "Interrogation of Dr. Eggerss," 3.

⁶ "Interrogation of Dr. Schmitt," 2-7. Schmitt claimed to have met Goering for the first time at a few dinner parties in late 1932, "it failed to make a positive impression upon me and hence I can recall none of the details." He claimed these were the only occasions where he had met Goering before January 30, 1933. See also Emil Lang, "Draft of Schmitt Report," 13.

⁷ Emil Lang contrasts the various statements made regarding early contact with the Nazis in "Schmitt Report, 12-14; Feldman echoes his conclusion in *Allianz and the German Insurance Business*, 53-54.

contact with Goering may have been something Schmitt preferred not to recall in the post-war, but interaction with leading politicians of Weimar parties would have been routine for Schmitt, as Hilgard pointed out.⁸ After their showing in the 1930 elections, the Nazis were no longer just a group of fringe radicals, but a political force to be reckoned with of dimensions yet unknown. As demonstrated by his management of the private insurance community's messaging apparatus, Schmitt was not an impulsive decision-maker, but planned carefully with long horizons.⁹ In suggesting a meeting with Goering, Eggerrss told Schmitt that "sooner or later the Nazis were certain to take power"¹⁰

The affinity felt by Goering and Schmitt for each other, attested to by their regular social contact and the decade-long relationship that ensued, is not hard to fathom. Goering had been specially placed in Berlin by Hitler following the September elections as the public face of the Nazi party in Berlin political society.¹¹ As the son of a high civil servant, a decorated World War I flying ace, and a successful businessman in the aviation sector, Goering had the right biography to succeed in elite conservative political circles. All of these factors would have worked to his favor with Schmitt. Goering and Schmitt were both the sons of educated men with doctorates, had early conservative socializations, served in the Great War, worked to establish themselves independently in German business, and both had considerable managerial talents.¹² They were also both image entrepreneurs, individuals who sought out public visibility. They had an interest in new means of shaping public opinion in modern society and in wielding the power this gave

⁸ See "Hilgard Interrogation," 5; also in the same, "Interrogation of Dr. Schmitt," 2-7.

⁹ Feldman struggled to reconcile this quality of Schmitt's and his apparent anti-Nazi credentials (established through some of his foreign contacts) with his decision-making in courting the Nazis, finding it "depressing" that Schmitt's "political sense and understanding were pathetically underdeveloped, which was truly remarkable in an otherwise so talented businessman and negotiator." *Allianz and the German Insurance Business*, 58. Emil Lang, the author of the OMGUS report cited above, had a different assessment: "As a thoughtful businessman he labored to apply the lessons of insurance to his daily life, and to make his career, during the Third Reich and afterward, impervious to all changes in political weather. Hence he insured his career with the Nazi regime and reinsured it with the victims of that same regime." "Draft of Schmitt Report," 44.

¹⁰ "Interrogation of Dr. Eggerss," 1-2.

¹¹ Alfred Kube, *Pour le mérite und Hakenkreuz: Hermann Göring im Dritten Reich*, Quellen und Darstellungen zur Zeitgeschichte, Bd. 24 (München: R. Oldenbourg, 1986), 15-21.

¹² Before the First World War, Kurt Schmitt studied law in Munich, where he was a member of a traditional conservative "Burschenschaft" (a student organization), sporting the distinguishing dueling scar on his nose. Goering, seven years younger, attended the Prussian military academy (Preußische Hauptkadettenanstalt in Großlichterfelde, Berlin) during the same period. Deutsche Koch, "Schmitt, Kurt," in *Deutsche Biografie* (Bayerische Staatsbibliothek, 2007), <https://www.deutsche-biographie.de/sfz114088.html#ndbcontent>. Kube, *Pour le mérite und Hakenkreuz*, 5-6. As Henry Ashby Turner notes, the sense of patriotism felt by businessmen of Schmitt's milieu had much in common with that of the higher officers' corps, and was not to the Weimar Republic as such, but to the *Vaterland* or the *Reich*; Henry Ashby Turner, *German Big Business and the Rise of Hitler*, 14, 22. In 1931, Schmitt even joined the *Stahlhelm*, the right-wing veterans' paramilitary organization. He became a Nazi Party Member in 1933, at least two months before his appointment to the government, and an SS Oberführer in September of that year. Feldman, *Allianz and the German Insurance Business*, 50, 64, 77.

one in elite circles. Just as Goering's charm worked on Schmitt, Schmitt's own charisma seems to have made an impression on Goering as well.¹³

As a public figure, even for German businessmen, Schmitt's reputation was anchored on the right-wing side of Berlin's political milieu. While the conservatively-inclined *Hotel Esplanade* had been chosen by the insurers' association for their public debut, Schmitt hosted his regular talks and luncheons at the even more conservative *Hotel Kaiserhof*, directly across from *Allianz*'s headquarters. In this period, the hotel came to function as an informal extension of the insurers' premises, serving as a meeting place and reception hall.¹⁴ While the hotel would become notorious only a few years later as the coordinating site for the Nazi's 1932 electoral campaign, in the late 1920s it had already publicly embraced its role as a gathering site for the more extreme end of German interwar conservatism, flying the red-white-and-black imperial flag instead of the Weimar Republic's red-black-and-gold.¹⁵ Schmitt's choice to use the hotel as his own staging ground can hardly be considered indicative of an extremist outlook, but, for someone deeply concerned with image and public relations, it cannot have been an uncaredful choice or unconscious message. While the Nazi party was on the very edge of political circles that Schmitt would have socialized with at the time, Goering seems to have won Schmitt over very quickly. Schmitt soon arranged a 5,000 RM payment to him from *Allianz* to support his lifestyle, telling Eggerss that "this man has good political ideas and we must help him."¹⁶ In February 1931, Walther Funk, a regular contact of Schmitt's in Berlin media, arranged a first meeting between Schmitt and Hitler at the *Hotel Kaiserhof*.¹⁷ Immediately following their conversation, Schmitt pledged 5 million RM to the SA from *Allianz* should a civil war break out in Germany.¹⁸

In the early years of the Third Reich, Schmitt's friendship with Goering would propel him to the heights of political power. In late June 1933, Goering recommended Schmitt to Hitler as Economics Minister. The offer did not come out of left field; the *Allianz* board had implicitly

¹³ Descriptions of Schmitt rarely fail to mention his charisma and interpersonal charm; see for example Ludwig Arps, *Deutsche Versicherungsunternehmer* (Karlsruhe: Verlag Versicherungswirtschaft, 1968), 165-173.

¹⁴ Eggenkämper, Modert, and Pretzlik, *Die Allianz*, 212-213.

¹⁵ The black-white-and-red banner was a more ambiguous political statement in the early years of the Weimar Republic, but soon came to be a symbol of the monarchists and radical right-wing, representing a rejection of the republic as a constitutional construction. See Thorsten Eitz, Isabelle Engelhardt, and Georg Stötzel, *Diskursgeschichte der Weimarer Republik* (Hildesheim: Georg Olms Verlag, 2015), 67-99. While the Hotel Esplanade had a more international orientation, having hosted the Dawes Commission in 1924, among other famous international guests, among Berlin's luxury hotels the Kaiserhof was known as „das Hotel der deutschen Gesellschaft.“ Szatmari, *Das Buch von Berlin*, Was nicht im "Baedeker" Steht. Bd. I (München: R. Piper & co, 1927), 21.

¹⁶ See "Schmitt Report," 12-13. Fritz Thyssen, the Nazis' strongest supporter among German industrialists, did the same, but with far larger sums. Thyssen hoped in doing so to support Goering's lifestyle and bolster his position within the party. See Henry Ashby Turner, *German Big Business and the Rise of Hitler* (New York: Oxford University Press, 1985), 148, 152.

¹⁷ Lang, "Draft of Schmitt Report," 33; „Interrogation of Kurt Schmitt," 24.

¹⁸ See Otto Wagener, *Hitler aus nächster Nähe: Aufzeichn. e. Vertrauten: 1929-1932*, ed. Henry Ashby Turner (Frankfurt am Main: Ullstein, 1978), 372-373.

given their blessing to Schmitt's turn as minister over a month before the offer was made.¹⁹ In early May, the board made a strong statement in favor of embracing the opportunity to shape the new Germany, calling on the „leading men of their company“ to lend their energies to the regime wherever they could: “It would be a mistake to remove ourselves from participation in the work of building our fatherland.”²⁰ Schmitt received an exit payment of 600,000 RM from the firm.²¹ In his relatively brief term as Minister (June 30, 1933 – January 1, 1935), he would serve as the architect of the re-organization of the Germany economy in the still somewhat amorphous “new Reich” that succeeded the Weimar Republic.²² His rise to minister capped two years of deliberate public relations interventions in insurance, consultation work for the last governments of the Weimar *Präsidialdiktatur* (presidential dictatorship), and shrewd tactical planning, as Schmitt turned down offers to become cabinet minister from some of the last chancellors before Hitler.²³ Once in office, Schmitt fought for his larger vision for the German economy, utilizing his abilities as a public speaker to advocate for the Nazi regime's approach to economic stimulus, corporate national responsibility, and labor relations. In the international sphere, Schmitt's appointment was widely welcomed by economic liberals. He was thought to represent a tack towards a more stable, less adversarial style of economic diplomacy, but also a model for bringing the practical knowhow and modern methods of business into economic policymaking.²⁴ Schmitt was a self-made entrepreneur with an exceptional track record. His industry, insurance, was not the stuffy gentleman's business of the 19th-century, but rather at the cutting edge of

¹⁹ Eggenkämper, Modert, and Pretzlik, *Die Allianz*, 244.

²⁰ „Es wäre falsch, sich der Mitarbeit an dem Aufbau unseres Vaterlandes zu entziehen.“ „Protokolle der 21. Vorstandssitzung“, May 10, 1933, FHA, S17.2-4; cited also in Modert et al., 244.

²¹ Lang, “Draft of Schmitt Report,” 33.

²² The end of Weimar pluralism and subordination of the state to the *Volksgemeinschaft* contained many possible political projects of many ideological varieties, as Michael Wildt has noted; see Michael Wildt, *Die Ambivalenz des Volkes: Der Nationalsozialismus als Gesellschaftsgeschichte* (Berlin: Suhrkamp Verlag AG, 2022), 13.

²³ For historians of German social politics, the end of the Weimar Republic dates to 1930, when the first Brüning government was called by President Hindenburg to rule without a parliamentary majority through emergency decrees. See Christopher Sachse and Florian Tennstedt, *Der Wohlfahrtsstaat im Nationalsozialismus*, Geschichte der Armenfürsorge in Deutschland, III (Stuttgart: Kohlhammer, 1992), 38-39; Rüdiger Hachtmann, *Vom Wilhelminismus zur neuen Staatlichkeit des Nationalsozialismus: Das Reichsarbeitsministerium 1918-1945*, Geschichte des Reichsarbeitsministeriums im Nationalsozialismus (Göttingen: Wallstein, 2023), 354. Schmitt was offered the Finance Ministry first by Brüning in October 1931, then later by Franz von Papen in June 1932, declining both. After the war, in his correspondence and interrogation he would state he did so due to concerns about the stability of their governments. Feldman, *Allianz and the German Insurance Business*, 48-50.

²⁴ The Economist wrote that Schmitt's appointment was “an act of extraordinary importance. Dr. Schmitt will regard himself in his new office above all as trustee of the capital market. He is a convinced advocate of free private business, undisturbed by State interference, and he does not lack the energy to champion his convictions.” “Germany,” July 18, 1933, *The Economist*, London. The New York Times noted favorably that the “Chancellor and his more realistic advisers are now cooling the hotheads.” Schmitt, the “head of the largest insurance company in Germany, and probably Europe” was characterized as “a stubborn “no” man, holding out for his own opinions, and a stabilizing force in the government.” “Rival Groups War Within Nazi Ranks,” July 16, 1933, *The New York Times*, New York. In August 1934, Schmitt was on the cover of TIME magazine, the “dynamic economics minister,” the “Man with the Cleft Nose.” The article noted that Schmitt was “not an original Nazi, Dr. Schmitt entered the Cabinet with a reputation as Germany's No. 1 insurance tycoon, a man of rugged integrity whose energy and calm enabled the Frankfurter Insurance Co. to be reorganized in 1930 without great loss to policy holders.” “Germany: Hand-to-Mouth,” *TIME*, August 6, 1934.

recent technological developments and broader shifts in corporate organization.²⁵ As Economics Minister, Schmitt made silent use of Nazi authoritarianism to lay the foundations for the more liberal economic order he imagined the end of Weimar would finally usher in. While Schmitt won battles with any number of Nazi ideologues promoting more corporatist or interventionist models of economic organization, including Walther Darré, Robert Ley, and Hans Goebbels in the insurance sector, his political defeat would eventually come over the question of rearmament at the hands of another *hoffähig*, internationally-networked financier: Hjalmar Schacht. Schmitt's last major proposal, never implemented following Schacht's ascendancy, contained, among many spending reductions, a package of further social insurance cuts.²⁶

Schmitt's influence and legacy extends well beyond insurance and cannot be fully expounded upon in this chapter.²⁷ A transitional figure, Schmitt took actions in office that nevertheless represented the fleeting triumph of his vision for the world of German insurance, a politically authoritarian economic liberalism.²⁸ The new degree of regulatory authority that the supervisory agency now exercised was augmented by Schmitt's role in the ministry. *Allianz's* leadership of the organized private sector was cemented through Schmitt's design for the organization of the branches of the Germany economy. The hybrid exercise of power that coordination between ministry, supervision agency, and private associations enabled made the governance structure of private insurance a powerful force. As institutional competitors for private insurance, such as social insurance, public insurance, and the myriad civil society organizations performing insurance-like functions were slowly squeezed out, private insurance reaped the benefits of the economic recovery. Group insurance and small-sum life insurance boomed, as those private insurers with particular ties to high-profile Nazi personalities, such as the *Volksfürsorge* and *Allianz*, did particularly well.²⁹ Schmitt's own advocacy and interventions had contributed more than anyone else to the shaping of the larger governance structures of German insurance. The fulfilment of his vision secured the life sector's preeminence over its institutional competitors

²⁵ Aside from the developments in concern structures, discussed in Chapter 2, insurance was at the forefront of early advances in information-age technology around the world. German insurance concerns were only a few years behind British and American life insurers in beginning to employ punch-card technology, with Allianz the first to do so, in 1926, FHA, B1.12.2.2196, Akt. 29. JoAnne Yates, *Structuring the Information Age: Life Insurance and Technology in the Twentieth Century* (Baltimore (Md.): Johns Hopkins University Press, 2009). Rudolf Hensel, of the Allianz board, found the country's insurers to be an inspiration for the company's technological modernization; Eggenkämper, Modert, and Pretzlik, *Die Allianz*, 171. In Germany at the period, business leaders of many industries looked to the US as an inspiration for corporate organization, Mary Nolan, *Visions of Modernity: American Business and the Modernization of Germany* (New York: Oxford University Press, 1994), 58-70.

²⁶ See Tooze, *Wages of Destruction*, 80-85.

²⁷ Apart from Feldman's account, no political biography of Schmitt has however yet been written.

²⁸ In supporting the shifting of the provision of this service to the private sector, life insurance might also be considered a parallel case to those identified by Germà Bel; see Bel, "Against the Mainstream: Nazi Privatization in 1930s Germany," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, March 1, 2006), <https://doi.org/10.2139/ssrn.895247>.

²⁹ Compare both firms' growing market shares with those of their competitors in Figure 2.4 in Chapter 2. For Allianz's business in group and small-sum insurance see Figure 4.1.

and made the ever-growing quantities of capital managed by the sector a powerful tool, dangerous in the wrong hands.

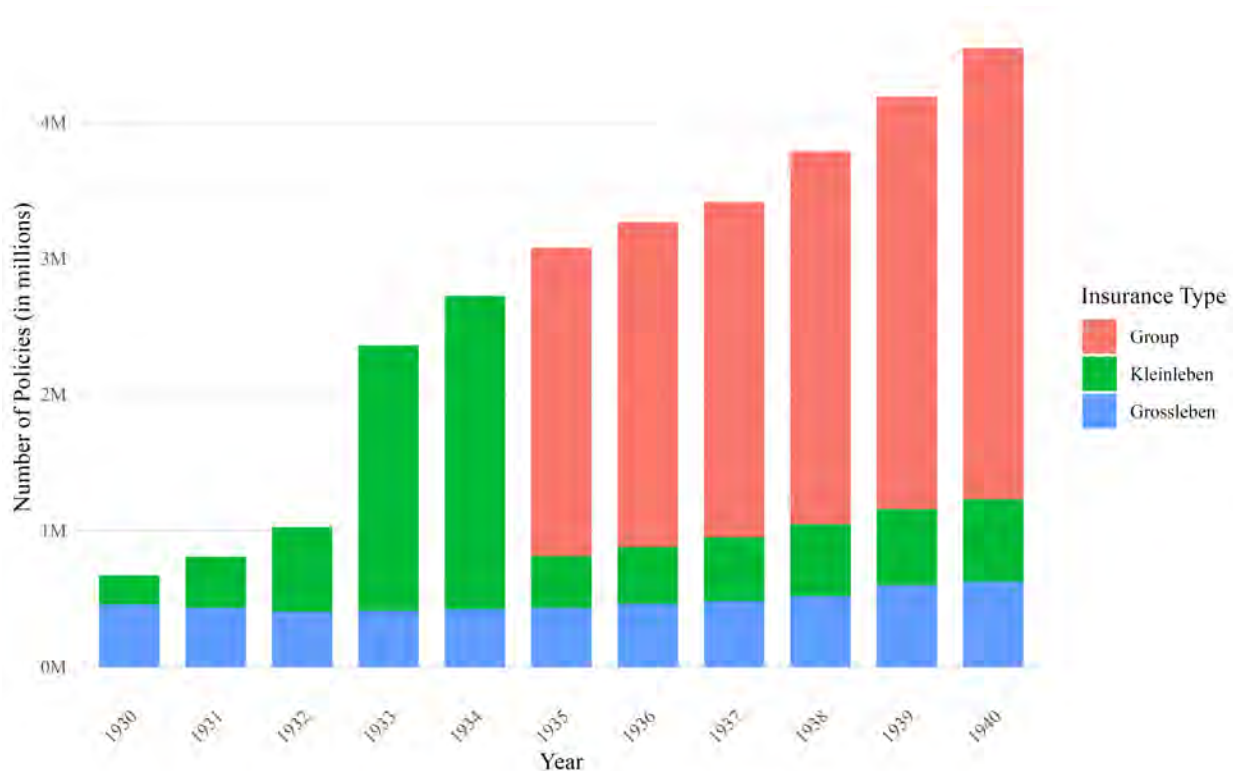


Figure 4.1: “Allianz’s Business in Small-Sum Life Insurance, 1930-1940.” Until 1935, group life insurance was categorized along with “Kleinleben” (small-sum life insurance).

For the private insurance community, Schmitt’s appointment was a major success. Aside from the particular advantages that insurers derived from Schmitt’s appointment in their conflicts with *völkisch* public insurers and Nazi-party-led private insurers, the significance of the achievement for the industry’s relative standing within Germany should not be understated. Leaders of German heavy industrial firms and their associations had become household names in Weimar politics.³⁰ In the Nazi regime, a dynamic, youthful insurance CEO led the general re-organization of the German economy.³¹ In the new *Reichsgruppe* structure, insurance, represented by Schmitt’s righthand man, Eduard Hilgard, would remain at the highest levels of industry self-coordination. Private insurers across the sector embraced aspects of the economic and political

³⁰ Hugo Stinnes, but also Gustav Krupp, Carl Duisberg and Ludwig Kastl; see for example Johannes Bähr and Christopher Kopper, *Industrie, Politik, Gesellschaft: Der BDI Und Seine Vorgänger, 1919-1990* (Göttingen: Wallstein Verlag, 2019), 50-113.

³¹ Kurt Schmitt presented the two key laws in this regard, the “Gesetz über die Ordnung der nationalen Arbeit” of January 30, 1934 and the “Gesetz über den organischen Aufbau der deutschen Wirtschaft” of February 27, 1934, contributing more than any other figure from the economy to the concrete political and societal renewal that was experienced as a revolution; see Hans-Ulrich Wehler, *Vom Beginn des Ersten Weltkriegs bis zur Gründung der beiden deutschen Staaten 1914-1949*, vol. 4, *Deutsche Gesellschaftsgeschichte* (München: C.H. Beck Verlag, 2003), 614-622.

rhetoric of the regime, which aligned with the branch's own focus on the family, savings, and self-responsibility in their marketing.³² Even those slogans which bedeviled other private entrepreneurs, such as *Gemeinnutz vor Eigennutz*, were readily recast in the rhetoric of German insurance as distinctive characteristics of insurance. A scholarly tradition that claimed to locate the origins of insurance in the practices of early medieval Germanic guilds offered an original piece of vocabulary for private corporate insurers that was extendable as a metaphor for Nazi German society: the *Gefahrengemeinschaft*, a “community of danger” which binds itself together for mutual protection against mortal peril.³³ As the Nazi political movement disavowed the primacy of the state as a political authority, the idea of the *Gefahrengemeinschaft* positioned private insurance as another expression of the underlying *Gemeinschaftsgedanke* (idea of community).³⁴ If the *Volksgemeinschaft* stood above all others, the *Gefahrengemeinschaft* was an equally valid means of collective organization when compared to any public institution. The only criterion that mattered, as Schmitt had long insisted, was performance.

Academics such as Alfred Manes had long dreamed of a fusion of the “social-political” motives of social insurance with the methods of private business administration.³⁵ In private insurers' Nazi-era rhetoric, the communalist maxim of “all for one, one for all” was touted as the foundational principle of their industry, which, they claimed, simply provided the most modern means for this principle's implementation. As a new vision of the boundaries between public and private, or a synthesis of insurance traditions, the liberal individualism of free choice for firms and clients met the authoritarianism of “harmonized” (*gleichgeschaltet*) Nazi society. In the world of Nazi German life insurance, corporate firms could freely compete, individuals could freely choose which insurance to purchase, but social welfare was dramatically reduced, the insured did not self-administrate their own insurance, and individuals were reminded that *Selbsthilfe* (self-help) was their obligation to the larger national community. On the international stage, the void left in insurance studies by the banishment of Manes and Germany's many other prominent Jewish insurance scholars from public life could not be filled by this new tradition.

³² On this complex relationship in other commercial sectors, see Pamela E. Swett, *Selling under the Swastika: Advertising and Commercial Culture in Nazi Germany*, 1st edition (Stanford, California: Stanford University Press, 2013); Bianca Gaudenzi, *Fascismi in vetrina: pubblicità e modelli di consumo nel Ventennio e nel Terzo Reich*, I libri di Viella 446 (Roma: Viella, 2023).

³³ Cornel Zwielerlein has identified the *völkisch* drift of this scholarly tradition, which he dates to the early work of Ludwig Maass, *Die Brandgilden, insbesondere in Schleswig-Holstein* (Stuttgart: F. Enke, 1910); and Georg Helmer, *Die Geschichte der privaten Feuerversicherung in den Herzogtümern Schleswig und Holstein, insbesondere die Geschichte der Entstehung und Entwicklung der Brandgenossenschaften oder “Brandgilden” in Schleswig-Holstein* (Berlin, 1925). See Cornel Zwielerlein, *Der gezähmte Prometheus: Feuer und Sicherheit zwischen Früher Neuzeit und Moderne, Umwelt und Gesellschaft*, Band 3 (Göttingen: Vandenhoeck & Ruprecht, 2011), 35-36.

³⁴ As in many other intellectual fields, insurers seized the opportunity offered by the rather flexible concept to take active initiatives; see Michael Wildt, *Die Ambivalenz des Volkes: Der Nationalsozialismus als Gesellschaftsgeschichte* (Berlin: Suhrkamp Verlag AG, 2022), 19.

³⁵ Alfred Manes, “Über die Grenzen der Privat- und der Sozialversicherung,” *Zeitschrift für die gesamte Versicherungswissenschaft* 12, no. 2 (May 1912), 513; “Report of the Proceedings: Group Insurance,” *Transactions of the Eighth International Congress of Actuaries*, vol. V, 378.

The 1934 International Congress of Actuaries in Rome was an effective stage for Italian fascists' self-adulation, but the German delegation appeared in disarray.

I. Private Life Insurance and Social Insurance through the Weimar Crisis, 1931-1933

Following the summer of 1931, Weimar's social insurance was headed for serious rollbacks. Two years after the FAVAG collapse, the summer of 1931 saw a number of major bank failures which roiled the German economy, pushing it off the precipice into the deepest recession ever recorded as GDP contracted by 26%.³⁶ In the fall of 1931, Chancellor Brüning convened a group of business experts to make recommendations for public spending reductions, including Kurt Schmitt. The reasoning behind Brüning's decision to implement significant, pro-cyclical public spending cuts in the middle of a recession has been debated by historians since the influential intervention of Knut Borchardt. Did Brüning have little choice but to cut expenditures to maintain a current account surplus, given the burden of reparations and the structural squeeze on business profits through the Weimar state's social insurance and wage policy?³⁷ Did contemporary economics have few tools to offer other than austerity in the period before Keynes's General Theory?³⁸ Did the prospect of further inflation weigh more heavily on the mind of Brüning than further job losses?³⁹ Or did Brüning demonstratively sacrifice German employment on the altar of reparations for the Western victors?⁴⁰

³⁶ See Tobias Straumann, *1931: Debt, Crisis, and the Rise of Hitler* (Oxford: Oxford University Press, 2019; 169–189; Albrecht and Spoerer Mark, “Das Bruttosozialprodukt in Deutschland nach den Amtlichen Volkseinkommens- und Sozialproduktsstatistiken 1901–1995,” *Jahrbuch für Wirtschaftsgeschichte / Economic History Yearbook* 38, no. 2 (1997): 27–54.

³⁷ Borchardt famously argued effectively that there was little alternative, given the structural weaknesses of the Weimar economy. Knut Borchardt, *Wachstum, Krisen, Handlungsspielräume der Wirtschaftspolitik: Studien zur Wirtschaftsgeschichte Des 19. Und 20. Jahrhunderts*, Kritische Studien Zur Geschichtswissenschaft, Bd. 50 (Göttingen: Vandenhoeck & Ruprecht, 1982). In his history of the insurance industry, Feldman relies heavily on the framework given by Borchardt, which he credits in “Politische Kultur und Wirtschaft in der Weimarer Zeit: Unternehmer auf dem Weg in die Katastrophe,” *Zeitschrift für Unternehmensgeschichte* 43, no. 1 (March 1, 1998): 3–18. The argument can be extended beyond arguing that overly high wages restricted the possibilities for growth to a deterministic affirmation of the impossibility of maintaining a political coalition in favor of the republic, “Die Überforderung der Weimarer Republik als Sozialstaat,” *Geschichte und Gesellschaft* 11, no. 3 (1985): 358–76. For a recent summary of the debate and some evidence speaking against this hypothesis, see Tai-kuang Ho, Ya-chi Lin, and Kuo-chun Yeh, “The Borchardt Hypothesis: A Cliometric Reassessment of Germany's Debt and Crisis during 1930–1932,” *The Journal of Economic History* 82, no. 3 (September 2022): 691–726, <https://doi.org/10.1017/S0022050722000262>.

³⁸ Charles S. Maier argued early on that this was not the case in “Die Nicht-Determiniertheit ökonomischer Modelle. Überlegungen zu Knut Borchardts These von der ‘kranken Wirtschaft’ der Weimarer Republik,” *Geschichte und Gesellschaft* 11, no. 3 (1985): 275–94. Adam Tooze's work has contributed significantly to a reevaluation of the horizons of economic policymaking in Germany in that era, J. Adam Tooze, *Statistics and the German State, 1900–1945: The Making of Modern Economic Knowledge*, Illustrated edition (Cambridge, UK ; New York: Cambridge University Press, 2001).

³⁹ Tobias Straumann shows that high inflation was not a specifically German concern, but was paramount in the minds of other countries' policymakers as well, Tobias Straumann, “Rule Rather than Exception: Brüning's Fear of Devaluation in Comparative Perspective,” *Journal of Contemporary History* 44, no. 4 (October 1, 2009): 603–17, <https://doi.org/10.1177/0022009409340645>.

⁴⁰ Hans-Ulrich Wehler argued that reparations were the principal issue for Brüning, notably calling his handling of the economy while in office a „rampage“ („Amoklauf“), Hans-Ulrich Wehler, *Vom Beginn des Ersten Weltkriegs bis*

It is beyond the scope of argument here to ponder the counterfactuals behind these questions. Whether Brüning was compelled by economic circumstances beyond his control to pursue a deflationary policy, or else did so by choice and at the exclusion of other available options, is somewhat irrelevant. Once a policy of expenditure reduction had been decided upon, the means of its implementation were up for debate. While social transfers made up more than 20% of Reich expenditures, reaching a high of 36.5% in 1932, subsidies for the *Invalidenversicherung* (IV), the largest social insurance branch, were a tiny share of this total, reaching an all-time high of 2.7% of total expenditures in 1932.⁴¹ The AV received no subsidy, while payments to the much smaller *knappschaftliche Versicherung* for miners reached an all-time high of 0.66% of government expenditures the same year. Perhaps unsurprisingly, social insurance was thus spared in the first emergency decrees cuts in 1930 and June 1931.⁴² By early 1931, however, the IV had begun feeling the effects of the distressed German capital market. In the fall of 1931, the individual institutes were forced to sell their assets at huge discounts to make payments.⁴³ The larger system was not structurally confronted with insolvency, as Schmitt had alleged. Even excluding the state's subsidies, when benefits and contributions are taken together as a whole, the social insurance system ran a small surplus for the entire period of 1924-1932.⁴⁴ Nevertheless, the difficulties arising from the general financial crisis resembled the "liquidity problems" that Schmitt had predicted.

zur Gründung der beiden deutschen Staaten 1914-1949, vol. 4, Deutsche Gesellschaftsgeschichte (München: C.H. Beck Verlag, 2003), 516. Macgregor Knox defends this interpretation as well, MacGregor Knox, *To the Threshold of Power 1922/33: Origins and Dynamics of the Fascist and National Socialist Dictatorships*, vol. 1 (Cambridge 2007), 371-374. Albrecht Ritschl, however, argues that deflationary policy was the only means to maintain Germany's good standing in the international system by meeting its reparations and debt payments, Albrecht Ritschl, *Deutschlands Krise und Konjunktur 1924-1934: Binnenkonjunktur, Auslandsverschuldung und Reparationsproblem zwischen Dawes-Plan und Transfersperre*, Jahrbuch für Wirtschaftsgeschichte. Beihefte 2 (Berlin: Akademie Verlag, 2002), 171-172.

⁴¹ See Figure 4.2. The vast majority of social transfer expenses thus consisted in direct payments to poor and war victims and in support for the unemployed, not in social insurance pension benefits.

⁴² Only a subsidy to post offices paid to finance earlier delivery of benefits was cut in 1930, in the June 1931 cuts another subsidy was removed, but benefits were actually increased for certain classes of beneficiaries. Alfred C. Mierzejewski, *A History of the German Public Pension System: Continuity amid Change* (Lanham: Lexington Books, 2016), 57.

⁴³ Despite holding 1.47 billion in assets, mostly government debt, the blue-collar plan had little cash on hand and could only sell their portfolio at a 30% - 40% markdown in August 1931. Mierzejewski, *A History of the German Public Pension System*, 57, 62.

⁴⁴ The social insurance system was of course divided into three separate entities. The point is that maintaining the level of benefits paid by the broader system did not financially require higher government expenditures in the near term. Mierzejewski, *A History of the German Public Pension System*, 64.

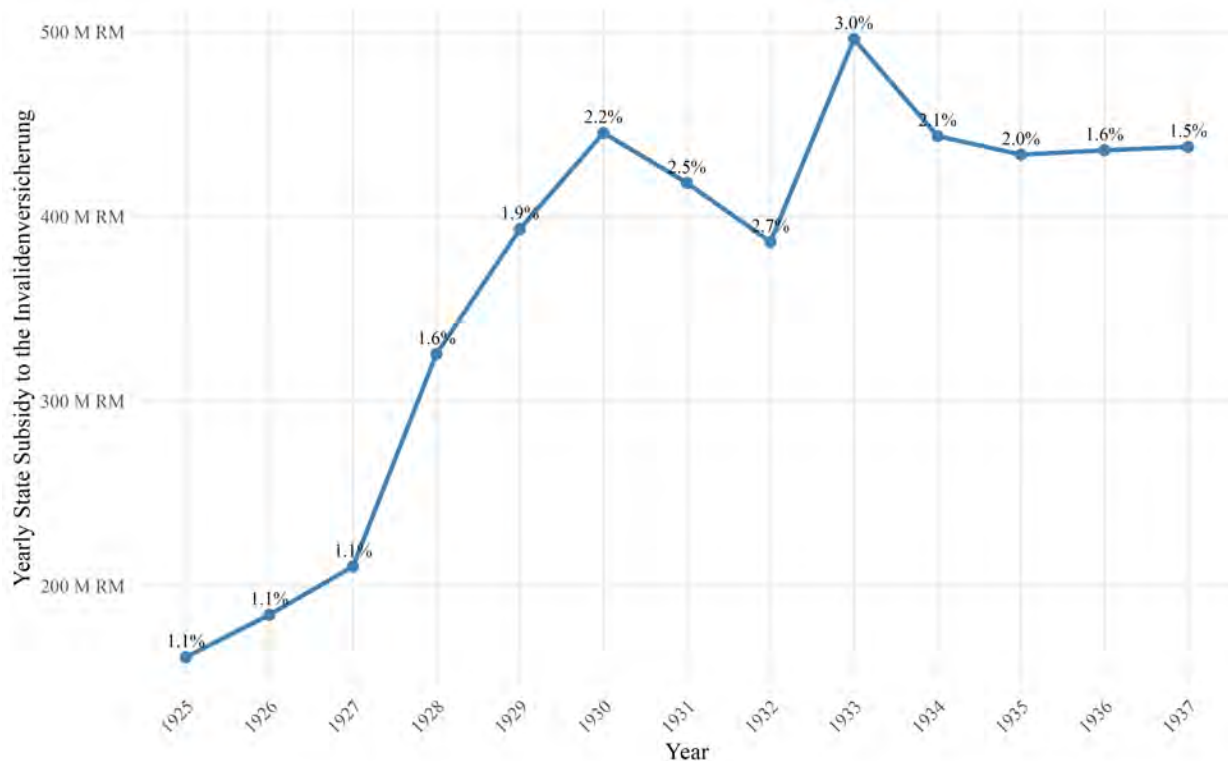


Figure 4.2: “The Reich Subsidy to the Invalidenversicherung, 1925-1937.” Percentage labels express the government yearly subsidy as a share of government expenditures.

Following the apparent success of Brüning’s deflationary politics in obtaining a reparations reprieve, support for deflationary budget cuts became unanimous among top German industrialists. Previously divided on the issue of whether to involve the social democrats in the government, big business shifted to a posture of hostility towards organized labor.⁴⁵ While social insurance payments were a small part of the budget, the employer’s contribution formed a substantive share of employee wages, around 8%.⁴⁶ As a share of GDP, social insurance pensions were not high, with rents for the IV and AV rising from around 1.38% in 1929 to 2.54% in 1932 as GDP plummeted.⁴⁷ Payments from the social insurance system only made up around one third

⁴⁵ Reinhard Neebe, *Grossindustrie, Staat und NSDAP 1930-1933: Paul Silverberg und der Reichsverband der Deutschen Industrie in der Krise der Weimarer Republik*, Kritische Studien zur Geschichtswissenschaft, Bd. 45 (Göttingen: Vandenhoeck und Ruprecht, 1981), 80-98, 100-104.

⁴⁶ For the two main branches (IV and AV), this had risen from around 3.10% and 5.49% to 8.42% and 8.1% respectively between 1913 and 1930; Von Krüedener, “Die Überforderung Der Weimarer Republik Als Sozialstaat,” 368.

⁴⁷ See Figure 4.3.

to fifty percent of the total income of individuals receiving social insurance benefits, who also relied on poor assistance, family support, and rental income.⁴⁸ The relative importance



Figure 4.3: "Social Insurance Pension Benefits (IV and AV), 1925-1936." Sums include all pension benefits paid by the IV and AV. Data labels express the total as a share of GDP.

of social insurance benefits in a suite of deflationary public spending cuts was thus quite small. Nevertheless, Schmitt's public intervention became one part of an overdetermined case for cuts. In the emergency order of December 8, 1931, benefits for widows and orphans were reduced in the kV, IV and AV on average between 15% and 20%, while the vesting period was increased across all branches.⁴⁹ In June 1932, the fifth emergency degree, implemented by Chancellor Franz von Papen, cut social insurance benefits even more drastically. Benefits for widows and orphans were reduced by 20-50%, and the base sum for pensions was cut by around 20% in the AV, by 50% in the IV relative to its 1925 peak.⁵⁰ Savings of 50 million RM were hoped to be

⁴⁸ Christoph Conrad, *Vom Greis zum Rentner: der Strukturwandel des Alters in Deutschland zwischen 1830 und 1930*, Kritische Studien zur Geschichtswissenschaft, Bd. 104 (Göttingen: Vandenhoeck & Ruprecht, 1994), 313.

⁴⁹ Lil-Christine Voss-Schlegel, *Alter in der "Volksgemeinschaft." Zur Lebenslage der älteren Generation im Nationalsozialismus.*, Schriften zur Wirtschafts- und Sozialgeschichte 80 (Berlin: Duncker & Humblot, 2005), 73-76; Mierzejewski, *A History of the German Public Pension System*, 58-61.

⁵⁰ Mierzejewski, *A History of the German Public Pension System*, 59-63.

obtained within about nine months through these measures, a sum equal to around 0.3% of total yearly Reich expenditures for the period.⁵¹

That Schmitt remained a strong advocate for general government expenditure cuts in this period is evident from a number of sources.⁵² The degree of his association with the idea of cuts to social insurance in public discourse is shown by an article in „Die Versicherung“, a Viennese insurance subject publication. On June 2, 1932, Schmitt was received individually along with other potential ministerial candidates by Franz von Papen, the next German chancellor. Schmitt was offered the Finance Ministry, but declined the position. The author of the article found three reasons to celebrate this news („dreierlei Freude”). Firstly, Schmitt had so impressed in the economics advisory council in December as to be remembered, secondly his call to serve in government had clearly raised the profile of private insurance to a much higher level („hoffähig, so to speak”), but also, surprisingly, Schmitt had wisely declined the position. As the author put it:

“We would have regarded the exposure of the leader of private insurance in the light of a financial capacity (as minister), precisely in this time of economic developments conditioned by political happenings, to be concerning (*bedenklich*) and dangerous for the cause that he has thus far represented. Developments in the following months in social insurance will, we fear, only reinforce our opinion.”⁵³

Schmitt’s involvement as finance minister would have created an untoward impression: the leader of private insurance, delivering the most drastic reductions to social insurance benefits in German history. Public perceptions of the interests of private insurance in a rollback of social insurance due to Schmitt’s own advocacy efforts were thus strong enough to be taken into consideration. Did Schmitt believe private insurance as an industry had a particular interest in these cuts? He gave his own theory of the case in a report at a meeting of the German private insurers’ association, held on June 10, 1932. Entitled “Die Grenzen der Privat- und Sozialversicherung,” in an echo of Manes’ 1911 article, his speech is worth quoting from at length. As recorded in the meeting’s minutes, following a brief introduction regarding the origins of social insurance’s failings, Schmitt turned to the question of how the private sector should respond to the situation:

⁵¹ “Ministerbesprechung vom 9. Juni 1932, 18 Uhr,” Nr. 17, *Akten der Reichskanzlei: Kabinett von Papen*, 321-323.

⁵² Schmitt, for instance, spoke in favor of large public spending reductions at the second meeting of the *Wirtschaftsbeirat* (Economic Council) called by Brüning to consult on economic policy, see “Sitzung des Wirtschaftsbeirats am 30. Oktober 1931, 17 Uhr, im Hause des Reichspräsidenten,” Document No. 531, *Akten der Reichskanzlei: Die Kabinette Brüning I/II*, vol. 3, 1881. He reiterated the importance of cuts at the meeting of the private insurers’ association, “Sitzungsbericht über die 2. Ordentliche Hauptversammlung des Reichsverbandes der Privatversicherung,” November 26, 1931, FHA, GDV, RS, 3.

⁵³ “Wir hätten aber die Herausstellung des Führers der Privatversicherung in das Licht der finanziellen Betätigung gerade in dieser Zeit der durch politische Geschehnisse bedingten Wirtschaftsentwicklung für zu bedenklich und gefährlich für die bisher von ihm vertretene Sache gehalten. Die nächsten Monate in der Entwicklung der Sozialversicherung werden, so fürchten wir, unsere Ansicht erhärten.” „Generaldirektor Schmitt lehnt das Reichsfinanzministerium ab,” in *Die Versicherung*, Vienna, June 2, 1932, FHA, GDV-8-020.

“For private insurance, the question now arises, whether there is the possibility to intervene in the arena of social insurance and, moreover, whether there is a (financial) interest in such an intervention. As it is known, he, the report-giver, has been asked repeatedly by the government and by the political parties for his opinion, or rather, for the opinion of private insurance. On these occasions he has expressed the position, which he expresses now, that private insurance cannot take on the inheritance of social insurance. Social insurance is a monopoly insurance, an obligatory insurance, and thus stands on fundamentally different ground than does private insurance. Private insurance must limit itself to pointing out the causes of the problems in social insurance and must continue to demand that technical insurance principles are followed in the reconstruction of social insurance. The reorganization (*Sanierung*) of social insurance must take place in consideration of the technical and commercial experience that private insurance has gathered.

The correct solution to this problem is of extraordinary importance for private insurance; for, if the solution is implemented according to technical insurance principles, the borders of social insurance will, by natural necessity, be drawn much more tightly than they have been up to now.”⁵⁴

Rather than getting directly involved in social insurance’s management, or its dissolution, the prudent thing to do was to criticize, sit back, and watch. By retaining their status as an outside community of experts, private insurance kept its credibility and, more importantly, assumed neither the costs nor the political responsibility for the system’s health.

As illustrated by these remarks, Schmitt viewed the issue of private insurance’s growth and social insurance’s funding methods to be intrinsically linked. In switching to an *Umlageverfahren* -- leaving the fund-based methods that Schmitt referred to as “technical insurance principles” behind -- the social insurance system had paid more extensive benefits to its clientele than it otherwise could have. Paying out benefits to current retirees in proportion to

⁵⁴ He attributed the problem to their refusal to reset their liabilities to match their assets, as had private insurance, and bad investment decisions encouraged by „die öffentliche Hand.“ The quoted portion goes: “Für die Privatversicherung entstehe nun die Frage, ob für sie die Möglichkeit bestehe, auf dem Gebiet der Sozialversicherung einzugreifen und ferner, ob sie ein Interesse an einem solchen Eingreifen habe. Wie bekannt, sei er, Berichterstatter, sowohl von Regierungsseite als auch von den politischen Parteien wiederholt um seine Meinung bzw. um die von der Privatversicherung befragt worden. Er habe dabei zum Ausdruck gebracht und vertrete auch jetzt diesen Standpunkt, dass die Privatversicherung nicht das Erbe der Sozialversicherung antreten könne. Die Sozialversicherung sei eine Monopol- und Zwangsversicherung und stehe dadurch grundsätzlich auf anderem Boden als die Privatversicherung. Die Privatversicherung müsse sich darauf beschränken, die Ursachen der Missstände innerhalb der Sozialversicherung aufzudecken, und sie müsse weiter die Forderung erheben, dass versicherungstechnische Grundsätze beim Wiederaufbau der Sozialversicherung befolgt werden. Die Sanierung der Sozialversicherung müsse erfolgen unter Berücksichtigung der technischen und kaufmännischen Erfahrungen, die innerhalb der Privatversicherung gesammelt worden seien. Die richtige Lösung dieses Problems sei für die Privatversicherung von außerordentlicher Bedeutung; denn bei einer auf versicherungstechnischen Grundlagen aufgebauten Lösung müssten die Grenzen für die Sozialversicherung naturnotwendig enger als bisher gezogen werden.“ „Sitzungsbericht über die 3. ordentliche Hauptversammlung des Reichsverbandes der Privatversicherung (E.V.), June 10, 1932, FHA, GDV, RS 24.

current available contributions, not their own contributions' long-term investment, the system anticipated the *dynamische Rente* (dynamic pension) in the future German public pension system and the PAYGO systems adopted in the postwar period across the Western world.⁵⁵ In his insistence that the social insurance system had effectively gone off the rails by adopting unsound accounting methods, Schmitt dismissed out of hand the arguments made by individuals such as Andreas Grieser in this period regarding PAYGO as a form of solidarity. If social insurance was insurance, then it simply could not be run as an *Umlageverfahren*. In Schmitt's view, a system run on such a basis, like the Weimar unemployment system, was in fact no insurance at all.⁵⁶

By the time of Hitler's appointment to Chancellor, the transformation of the social insurance system was complete. Major reductions had been implemented for all classes of beneficiaries, but particularly for widows and orphans in both the IV and AV. There were likely a number of reasons for targeting these groups. Many of them could not vote, they were a less politically sensitive target than war veterans, and they were among the groups for whom benefits had been particularly expanded in the early years of Weimar.⁵⁷ Regardless of the intention, one must note that these groups were also the primary beneficiaries of life insurance policies. Even in a country in which policies that provided individual retirement savings made up an ever larger share of life insurance sales, by definition, life insurance policies had a death benefit. I have not attempted to quantify the effect of these reductions on demand for life insurance in this period. Nevertheless, the initial nominal growth and persistence of life insurance through the Great Depression is remarkable.⁵⁸ Lower-income individuals in particular were the largest new group of insured. The

⁵⁵ For Germany, see Hans Günter Hockerts, "Sicherung im Alter. Kontinuität und Wandel der gesetzlichen Rentenversicherung 1889-1979," in *Sozialgeschichte der Bundesrepublik Deutschland Beiträge zum Kontinuitätsproblem*, ed. Werner Conze and M. Rainer Lepsius, Industrielle Welt (Stuttgart: Klett-Cotta, 1983), 296–323. Debate over the merits of PAYGO vs. funded models continues, but both methods are today regarded as forms of social insurance and the differences between them are not regarded by welfare economists to be so essential; see Nicholas Barr, "Pension Design and the Failed Economics of Squirrels," *LSE Public Policy Review* 2, no. 1 (September 6, 2021): 5, <https://doi.org/10.31389/lseprr.40>.

⁵⁶ In the same report, Schmitt announced he would not address the issue of unemployment insurance for precisely this reason. „Sitzungsbericht über die 3. ordentliche Hauptversammlung des Reichsverbandes der Privatversicherung (E.V.), June 10, 1932, FHA, GDV, RS 24.

⁵⁷ For the second round of cuts, it was hoped to thus avoid further reductions of pensions for war veterans.

“Ministerbesprechung vom 9. Juni 1932, 18 Uhr,” Nr. 17, *Akten der Reichskanzlei: Kabinett von Papen*, 321-323.

⁵⁸ See Figure 4.4.

expansion of German life insurance in this period of crisis was probably caused in part by a shift in precautionary savings behavior that took place across the world in response to the Great



Figure 4.4: “Life Insurance Sums Insured and Savings Bank Deposits, 1928-1938.” Data labels express both quantities as shares of German GDP.

Depression, as Eric Monnet and Victor DeGorce have recently argued. The flight to life insurance and other savings institutions was so large that it may even have compounded the effects of the economic crisis by reducing commercial banks’ lending capacity.⁵⁹ Nevertheless, the large reductions in social insurance benefits, certainly public knowledge in late Weimar, may well also have supported life insurance demand. In their communications to their salesmen, life insurance firms continued to regard social insurance as a substitute for their product, and they believed their customers did so as well.⁶⁰

⁵⁹ Victor Degorce and Eric Monnet, “The Great Depression as a Savings Glut,” *The Journal of Economic History* 84, no. 3 (September 2024): 874–916, <https://doi.org/10.1017/S0022050724000342>.

⁶⁰ For example, a Victoria ad from mid-1934 noted that a rumor that social insurance might be expanded had recently made the sale of life insurance more difficult. Reprinting an excerpt from a recent article by the Nazi state secretary for social insurance, that argued the system was only to be used as an emergency backstop, the Victoria newspaper found that “Diese Äußerungen aus berufenem Munde werden unseren Herren im Außendienst sicher eine gute Werbehilfe sein.” “Sozialversicherung und Privatversicherung,” *Ergo-Archiv, Monatsblätter für Versicherungswesen: Zeitung der Victoria* 35, no. 5 (April 1934).

Following the Nazi's rise to power in 1933, social insurance benefits would remain frozen at their crisis-era levels.⁶¹ In early 1933, reforms remained focused on implementing "den Spar- bzw. Versicherungsgedanken in der Sozialversicherung," (savings and insurance idea in social insurance) to make individual benefits correspond more closely to individual contributions.⁶² By the time Schmitt was called to serve as Economics Minister in June, the issue of social insurance had likely already been resolved to his satisfaction.

II. Governing Insurance between Weimar and the Third Reich: Continuities and Ruptures, 1931-1935

The most dangerous systemic competitor for private life insurance in the Weimar system had been beaten back. Challenges from less formidable competitors, however, grew in strength in the years of the economic crisis. Public life insurers and civil society insurers continued to compete for clients, supported by the same macro factors that buoyed *Allianz* and other corporate insurers' business. As the *Allianz* concern consolidated industry leadership and market share through the absorption of the FAVAG, influential members of Otto Braun's social-democratic government in Prussia considered creating their own public insurance concern by fusing together Germany's many regional operations. Ministerial Advisor Dr. Simon Abramowitz led these efforts until his forced retirement from the civil service following Chancellor Franz von Papen's liquidation of the legal Prussian government in July 1932.⁶³ In the Nazi period, public insurers would eventually re-emerge as an organized political force behind the leadership of Hans Goebbels, brother of Joseph Goebbels and head of the Rhineland's regional insurer. In Schmitt's *Reichsgruppe* system, nevertheless, public insurers were brought under the authority of a private insurer, *Allianz*'s Eduard Hilgard, who held considerable powers over both sectors through the *Führerprinzip* (leader principle). Due to political differences and the urban-rural divide within the public insurance community, no consolidated national public insurer emerged from Abramowitz's 1932 efforts.

Key to the transformation in the sectors' relationship, which redounded to the benefit of private insurance, were changes in the regulatory governance structure. Following the Nazi's rise to power, the private insurance supervisory agency reported directly to one of their own, Schmitt as Economics Minister. With the powers of the supervisory agency already strengthened by the June 1931 regulatory law, the private insurance ecosystem fought to extend the effective authority of their regulator over the public sector. Like Hitler's other ministers, Schmitt exercised extensive executive and effective legislative powers under the dictatorial structure created by the

⁶¹ Karl Teppe, "Zur Sozialpolitik des Dritten Reiches am Beispiel der Sozialversicherung," *Archiv für Sozialgeschichte* 17 (1977): 207-216; Sachse and Tennstedt, *Der Wohlfahrtsstaat im Nationalsozialismus*, 44.

⁶² Teppe, "Zur Sozialpolitik des Dritten Reiches," 214.

⁶³ Albert Fischer, *Die Landesbank Der Rheinprovinz: Aufstieg und Fall zwischen Wirtschaft und Politik*, Wirtschafts- und Sozialhistorische Studien, Bd. 6 (Köln: Böhlau, 1997), 317-420, 527.

Ermächtigungsgesetz (Enabling Act).⁶⁴ As head of the Prussian Ministry of Economy and Labor, an office which Schmitt assumed in parallel, he also began to take a more direct role in regulating public insurance, which until 1933 had largely been the responsibility of the Prussian Ministry of the Interior. The coordinating triangle of the insurers' association, supervisory agency, and Economics Ministry succeeded in resolving many conflicts in favor of private insurance, setting precedents for the effective binding nature of the agency's regulatory decisions beyond the private sector. Writing in 1934, Eduard Hilgard could celebrate the effective merger of most public and all private insurance oversight through the union of the Prussian and Reich's Economics Ministries.⁶⁵

Perhaps even more significantly for the private industry, the supervisory agency put the wide array of smaller competitors amongst *Sterbekassen*, firm pension funds, and newspaper insurers under great pressure to adopt the methods of life insurance, sell their portfolios to insurers as group insurance, or else dissolve their organizations. By late 1934, while private insurance's rivals in public insurance began to resurrect nationalization schemes, the expansive private sector and consolidated governance structure was a powerful tool that could be passed on to Schmitt's successor in the Economics Ministry, Hjalmar Schacht.

II.1. Governing Insurance: Private and Public Life Insurance, 1931-1935

Trained as a lawyer, Simon Abramowitz assumed the role of ministerial advisor (*Ministerialrat*) in the Prussian Ministry of the Interior around 1929.⁶⁶ He simultaneously served as state commissioner (*Staatskommissar*) for the public banking system association (*Sparkassen und Giroverband*) and led a successful effort to prevent a banking crisis in the public savings sector in the summer of 1931.⁶⁷ In the fall of 1931, Abramowitz turned his attention to the public life insurance sector. Abramowitz proposed a partial consolidation of public life insurance by bringing the *Deutsche Beamtenversicherung*, the life insurer for German civil servants, into the German public life insurers' association (*Verband öffentlicher Lebensversicherungsanstalten*) as a reinsurer for the other firms.⁶⁸ Responding to Abramowitz's initial proposal, Stuckmann, the director of the *Deutsche Beamtenversicherung*, argued that his firm could not financially handle that quantity of reinsurance. He proposed instead a more complete consolidation and rationalization. In his view, there was little alternative if the firms wanted to remain competitive: "When one considers today the development of *Allianz*, the *Gerling-Konzern* or the West-

⁶⁴ On the relative power of the Ministry in different periods of the Nazi regime, see Albrecht Ritschl, ed., *Das Reichswirtschaftsministerium in der NS-Zeit : Wirtschaftsordnung und Verbrechenskompex*, vol. Band 2, *Wirtschaftspolitik in Deutschland 1917-1990* ; (Berlin: Oldenbourg, 2016).

⁶⁵ Eduard Hilgard, *Das Versicherungswesen im national-sozialistischen Staat* (Berlin: Junker und Dunnhaupt Verlag, 1935), 56.

⁶⁶ "Simon Abramowitz," in *Wikipedia*, February 20, 2025, https://de.wikipedia.org/w/index.php?title=Simon_Abramowitz&oldid=253499339#cite_note-3.

⁶⁷ See Albert Fischer, *Die Landesbank Der Rheinprovinz: Aufstieg und Fall zwischen Wirtschaft und Politik*, 317-420, 525-527.

⁶⁸ Letter from the Directorate of *Deutsche Beamtenversicherung* to Ministerialrat Abramowitz, August 18, 1931, BAK, B280-609, "Akten betr. Rationalisierung des öffentlichen Versicherungswesens", B280-609.

German insurance group, one sees a tendency towards strong concentration. This concentration is moving forward relentlessly and all smaller or middling insurance firms will quickly fall under the influence of the big concerns to varying degrees. These large concerns will then one day dictate premium rates and contracts conditions on the insurance market, as no insurance enterprise will be there to counterbalance them, if the public institutes do not themselves convert to the idea of concentration and together form a unified entity.”⁶⁹ Stuckmann had broad ambitions for the new public firm, which could even employ new mechanized computing technology to obtain better economies of scale: “If public insurance should serve as an idea, as a guiding light, then it is of urgent necessity to make it as strong as possible. Through tight concentration it would be possible, in the future, to mechanize the internal administration apparatus and achieve substantial savings.”⁷⁰ Stuckmann however anticipated that public insurers would resist the idea: “through their local connections with other institutions and their local personal relationships, these institutions are quite focused on themselves and they will do their best to keep everything as it is.”⁷¹ He and his firm were, however, ready to support the initiative by all means necessary (“diesen Gedanken mit Rat und Tat zu fördern,”).

Abramowitz then began soliciting opinions on a full merger from the various associations of German public insurers and the heads of the public firms, and with some degree of urgency.⁷² Beyond its usefulness for the public sector, in which Abramowitz was a strong believer, concentration could achieve cost-savings through rationalization, which would support the emergency decrees to reduce public spending.⁷³ As the director of *Deutsche Beamtenversicherung* had warned Abramowitz, however, regional public insurers were generally opposed to the proposal. They argued that their particular local working methods would be

⁶⁹ „Wenn man heute die Entwicklung der Allianz, des Gerling-Konzerns, der Westdeutschen Versicherungsgruppe usw. betrachtet, so sieht man den Zug zur starken Konzentration. Diese Konzentration schreitet unaufhaltsam vorwärts und alle mittleren und kleineren Versicherungsgesellschaften werden mehr oder minder schnell unter den Einfluss dieser Gross-Konzerne geraten. Diese Gross-Konzerne werden dann eines Tages am Versicherungsmarkt die Beitragssätze und die Versicherungsbedingungen diktieren, da kein ausgleichendes Versicherungsunternehmen vorhanden sein wird, wenn nicht die öffentlichen Anstalten sich gleichfalls zur Konzentration bekennen und sich zu einem einheitlichen Gebilde zusammenschliessen.“ Letter from the Directorate of *Deutsche Beamtenversicherung* to Ministerialrat Abramowitz, August 18, 1931, BAK, B280-609, “Akten betr. Rationalisierung des öffentlichen Versicherungswesens.”

⁷⁰ „Wenn die öffentliche Versicherung als Idee und damit als Wegweiser dienen soll, dann ist es auch zwingendes Gebot, sie so stark wie möglich zu machen. Durch eine straffe Zentralisation würde es ermöglicht werden, in der Zukunft den Innenverwaltungsapparat zu mechanisieren und wesentliche Ersparnisse zu erzielen.“ Letter from the Directorate of *Deutsche Beamtenversicherung* to Ministerialrat Abramowitz, August 18, 1931, BAK, B280-609, “Akten betr. Rationalisierung des öffentlichen Versicherungswesens.”

⁷¹ „Diese Einrichtungen sind durch ihre örtlichen Verbundenheiten mit anderen Einrichtungen und den örtlichen persönlichen Beziehungen ganz auf sich eingestellt und werden bestrebt sein, alles beim alten zu lassen.“ Letter from the Directorate of *Deutsche Beamtenversicherung* to Ministerialrat Abramowitz, August 18, 1931, BAK, B280-609, “Akten betr. Rationalisierung des öffentlichen Versicherungswesens.”

⁷² See for example, Letter from the Verband öffentlicher Feuerversicherungsanstalten in Deutschland to Ministerialrat Abramowitz, September 9, 1931, BAK, B280-609, “Akten betr. Rationalisierung des öffentlichen Versicherungswesens.”

⁷³ Letter from Bundestag Abgeordneter from Ratibor Carl Ullitzka to the Prussian Minister of the Interior, Dr. Carl Severing, September 29, 1931, BAK, B280-609, “Akten betr. Rationalisierung des öffentlichen Versicherungswesens.”

disrupted by national consolidation. The director of the oldest public insurer in Germany, however, Professor Dr. Paul Riebesell of the *Hamburger Feuerkasse*, was very much in favor. Riebesell believed there was a way to preserve these models while combining higher levels of administration. Founding a single national insurer that no longer limited its business to a given province would allow the public insurers to offer large group contracts, which they had thus far not been able to do. Riebesell proposed the creation of a central institution, the *Oeffentliche Lebensversicherungsanstalt in Deutschland*. The governing assembly of the new organization (*Hauptversammlung*) and its executive administrative council (*Hauptverwaltungsrat*) would be filled half with members of the *Deutsche Beamtenversicherung*, half with members of the regional public life insurers. The organizations of the public life insurers would become branches (*Zweigniederlassungen*) of the institute, carrying on local business and continuing to invest premiums within their region.⁷⁴

Private insurance observed these nascent consolidation efforts with alarm. The leader of the private insurers' association, Dr. Lippert, wrote to the Prussian Ministry of the Interior to request clarification of some of Abramowitz's statements on the general matter on August 12, 1931.⁷⁵ In July 1931, Lippert had written directly to Abramowitz, to convey the uneasiness of private insurers with some of Abramowitz's comments at the summer's meeting of public insurers.⁷⁶ Abramowitz, as reported in the published minutes of the meeting, had implied that private insurers were collectively working together to keep premiums too low, and that their "starke Konzernierung" (strong concern formation) required public insurers to find a way to work beyond their regional borders.⁷⁷ Lippert requested to meet with Abramowitz to discuss the matter in person. Abramowitz, following up only after the letter to his superior, responded in August, inviting Lippert to speak over the phone.⁷⁸

On November 28, 1931, the heads of all of the regional life insurers came together to discuss Riebesell's proposal. Abramowitz headed the meeting. He opened the proceedings with the observation that, while insurance had not faced any particular financial difficulties due to the crisis, this could change very soon. It was best, in his view, to pre-empt such problems by considering the question of whether greater centralization or de-centralization would best equip public insurers to navigate the economic situation. While private insurers complained that the public insurers competed against them while funded by their own tax payments, the crisis had shown the importance of these public financial institutions. Under the current model, the

⁷⁴ Letter from Professor Dr. Riebesell to Ministerialrat Abramowitz, November 10, 1931, BAK, B280-609, "Akten betr. Rationalisierung des öffentlichen Versicherungswesens."

⁷⁵ Letter from Lippert to the Geheime Kanzlei des Preußischen Ministeriums des Innern, August 12, 1931, BAK, B280-595, "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung."

⁷⁶ Geheimer Regierungsrat Dr. Lippert to Ministerialrat Abramowitz, July 28, 1931, BAK, B280-595, "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung."

⁷⁷ Geheimer Regierungsrat Dr. Lippert to Ministerialrat Abramowitz, July 28, 1931, BAK, B280-595, "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung."

⁷⁸ Ministerialrat Abramowitz to Geheimer Regierungsrat Dr. Lippert, August 1931, BAK, B280-595, "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung."

Deutsche Beamtenversicherung and regionally-limited public insurers were competing against each other to their mutual detriment. Emphasizing that he did not see any use in intervening by (emergency) decree, he urged the public insurers to come to an agreement amongst themselves as to what sort of new organizational model could stop this internal competition. Abramowitz noted the danger of a “run” on public insurance, and, likely drawing on his experience in the recent crisis of the public banking sector, asked whether creating a central institute, as per Riebesell’s plan, could reduce the risk of a liquidity crisis created by the many separate businesses.⁷⁹

Abramowitz and Riebesell’s suggestions, however, met with general rejection. The provincial insurers saw no reason whatsoever to fuse their operations. Three public insurance general directors, Töpfer of Bavaria, Dr. Rentel of Stettin, and Dr. Weiß of Hessen-Nassau, all voiced their objections to the proposal. Summarizing their subsequent meetings for Abramowitz, Riebesell acknowledged that there was no consensus to work towards a fusion, and that the best that could be achieved was a working group (*Arbeitsgemeinschaft*) that would allow for greater coordination in managing large collective life insurance contracts for public employees. Should the circle of the insured extend beyond a region, or, in Prussia, a sub-regional locality, then the contract would be given to the *Deutsche Beamtenversicherung*. The firm which brought the business to the consortium could request 50% of the contract to be ceded back as reinsurance. Moreover, life insurance for all postal workers, railway workers, and white-collar government employees would be reserved for the *Deutsche Beamtenversicherung*.⁸⁰

In the following months, the hostility felt by the regional public life insurers towards the Berlin-headquartered *Deutsche Beamtenversicherung* found new expression. Political differences and the rural-urban divide made local public insurers deeply suspicious of incorporation into a larger national organization. Unable to move forward across the sector, *Deutsche Beamtenversicherung* began to negotiate a more limited merger with the public life insurer for Brandenburg. Brandenburg was in urgent need of funding liquidity, and *Deutsche Beamtenversicherung* made the necessary 5 million RM of financing contingent on a merger. Eberle, director of the public life insurer of the Saxon public savings banks *Sächsische Sparkassen* and of Saxony’s *Giroverband* (central clearing association) wrote to Abramowitz, complaining that these negotiations were taking place behind the backs of the public insurers’ association. Eberle referred to *Deutsche Beamtenversicherung* by the name of one of the public institutes that it had recently absorbed, *Wehrmacht*, Germany’s old public insurance organization for military officers.⁸¹ He complained that the negotiations had destroyed all faith in the “loyalty” of their

⁷⁹ “Protokoll über die Besprechung vom 28. November 1931, betreffend Umgestaltung des Geschäftsbetriebes der öffentlichen Lebensversicherungen und die Zusammenlegung mit der Deutschen Beamtenversicherung,” BAK, B280-609, “Akten betr. Rationalisierung des öffentlichen Versicherungswesens.”

⁸⁰ Attachment to letter from Professor Dr. Riebesell to Ministerialrat Abramowitz, January 18, 1932, „Arbeitsgemeinschaft der öffentlich-rechtlichen Lebensversicherung in Deutschland,” BAK, B280-609, “Akten betr. Rationalisierung des öffentlichen Versicherungswesens.”

⁸¹ In 1929, the *Preussische Rentenversicherungsanstalt* was merged with *Wehrmacht*, which had been founded as the *Lebensversicherungsanstalt für die Armee und Marine* in 1872; see Peter Koch, *Geschichte der Versicherungswirtschaft in Deutschland* (Karlsruhe: Verlag Versicherungswirtschaft, 2012), 108. Letter from Dr.

fellow public insurer. Given the precarious financial situation of the big private banks, this sort of internal disunion among public insurers was dangerous for the larger cause of public financial institutions, he argued. Centralization would also come at the cost of local customers, who were not just insurance clients but also recipients of loans. Eberle compared the *Deutsche Beamtenversicherung* to the hated *Allianz*:

“Just as *Allianz* could make capital conquests through the Reich with the savings bond, because they did not invest their savings nest egg in the interest of the real credit of the insured, but rather kept it available for special business opportunities à la Favag or à la savings bonds, the Wehrmacht is acting in the same manner, as they attempt to tempt Brandenburg to neglect real credit provision for the province, for which the institute itself was established.”⁸²

Eberle’s concerns about the provision of local credit were a commonly held concern. For regional public insurers, this was a distinguishing characteristic of their business vis-à-vis national private insurers, one that they had emphasized consistently in the years since their founding.⁸³

When Abramowitz did not intervene to stop the negotiations between Brandenburg and *Deutsche Beamtenversicherung*, Eberle went to his boss, the Ministerial Director for the Prussian Ministry of the Interior, Badt. The Brandenburg public insurer, Eberle alleged, was only negotiating with *Deutsche Beamtenversicherung* out of financial necessity, and the responsible civil servant for the negotiations, Ministerialrat Simon, had a conflict of interest through his proximity to *Deutsche Beamtenversicherung*. Abramowitz, in turn, was standing by while “Allianz-Favag methods” were used to take over the public insurer.⁸⁴ Members of the Prussian regional parliament supported the resistance of the other public insurers, sending a letter to the ministry in which they demanded answers to their inaction in the face of the acquisition attempt. “The undeniably biased – left-wing – political attitudes of the most influential directors of the *Deutsche Beamtenversicherung* give reason for concern that the money will also be invested in a biased manner and that the interests of the province residents will thus be damaged.”⁸⁵ After the

Eberle of the Giroverband Sächsischer Gemeinden to Ministerialrat Abramowitz, February 20, 1932, BAK, B280-609, “Akten betr. Rationalisierung des öffentlichen Versicherungswesens.”

⁸² Wie die Allianz deshalb beim Reiche mit dem Sparbrief Kapitaleroberungen machen konnte, weil sie ihre Versicherungsspargroschen nicht im Interesse des Realkredites der Versicherten anlegt, sondern für kühne Geschäfte à la Favag oder à la Sparbriefe trocken hält, so handelt auch die Wehrmacht, wenn sie Brandenburg mit dem großen Geldbeutel in Versuchung bringt, die Realkreditfürsorge der Provinz, aus welcher die Anstalt entstanden ist, in den Winkel zu stellen.” Letter from Dr. Eberle of the Giroverband Sächsischer Gemeinden to Ministerialrat Abramowitz, February 20, 1932, BAK, B280-609, “Akten betr. Rationalisierung des öffentlichen Versicherungswesens.”

⁸³ Arps, *Auf sicheren Pfeilern*, 595-598.

⁸⁴ Letter from Dr. Eberle of the Öffentliche Versicherungs-Anstalt der Sächsischen Sparkassen to Ministerialdirektor Badt, April 8, 1932, BAK, B280-609, “Akten betr. Rationalisierung des öffentlichen Versicherungswesens.”

⁸⁵ “Die unwidersprochen einseitige- linkspolitische – Einstellung der maßgebenden Direktoren der D.B.V. bietet zu der Besorgnis Anlaß, daß die Gelder einseitig angelegt und dadurch die Belange der Provinzeingesessenen geschädigt werden.” Inquiry N. 3290 of the third electoral period, first meeting 1928/32, from members of the

public insurers put together their own lending offer for Brandenburg, the sale would come to nothing and no further consolidation in the public sector was pushed forward.⁸⁶

Political divisions in public insurance and the defense of local autonomy thus prevented the emergence of consolidated public insurance enterprise in Germany. In the years to come, the *Deutsche Beamtenversicherung* would be the only public insurer to increase its market share, growing through national group insurance policies.⁸⁷ Public insurers remained limited to operating in their regional markets, likely a major limiting factor for their growth.⁸⁸ Following the deposal of the elected government of Prussia by Franz von Papen in July 1932, (*Preußenschlag*), Abramowitz became one of many civil servants forced into temporary retirement, as social democrats in public service were purged from the government. In one of his last acts in office, Abramowitz reassured public insurers they had nothing to fear from new arbitration panels for disputes over unfair competition methods, which they believed could advantage private insurers.⁸⁹ In 1933, following the Nazi seizure of power, he was permanently removed from public service due his Jewish background. He emigrated to London in 1934, where he worked for the organization of the SPD in exile.⁹⁰

Preussischer Landtag, Lindner, Kliesch, Meyer and Ulbrich (Christlich-sozialer Verdienst) to the Prussian Ministry of the Interior, BAK, B280-609, "Akten betr. Rationalisierung des öffentlichen Versicherungswesens."

⁸⁶ Brandenburg's public fire insurer and the association of public life insurers offered their own debt restructuring loan instead. Reply from Oberregierungsrat von Schon to Inquiry N. 3290, April 27, 1932, BAK, B280-609, "Akten betr. Rationalisierung des öffentlichen Versicherungswesens."

⁸⁷ A collective contract with the "Reichsbund der deutschen Beamten" nearly doubled *Deutsche Beamtenversicherung*'s total business in 1934. "Sonderdienst-Nachrichtenblatt Nr. 77 betrifft Deutsche Beamtenversicherung," October 26, 1936. Ergo-Archiv, AK 08.04.53 A0205-00011.

⁸⁸ See Figure 4.5.

⁸⁹ Prussian Ministry of the Interior (im Auftrage Abramowitz) to the Prussian Ministry of Trade and Commerce, November 1, 1932, BAK, B280-595, "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung."

⁹⁰ Albert Fischer, *Die Landesbank Der Rheinprovinz: Aufstieg und Fall zwischen Wirtschaft und Politik*, 525-527.

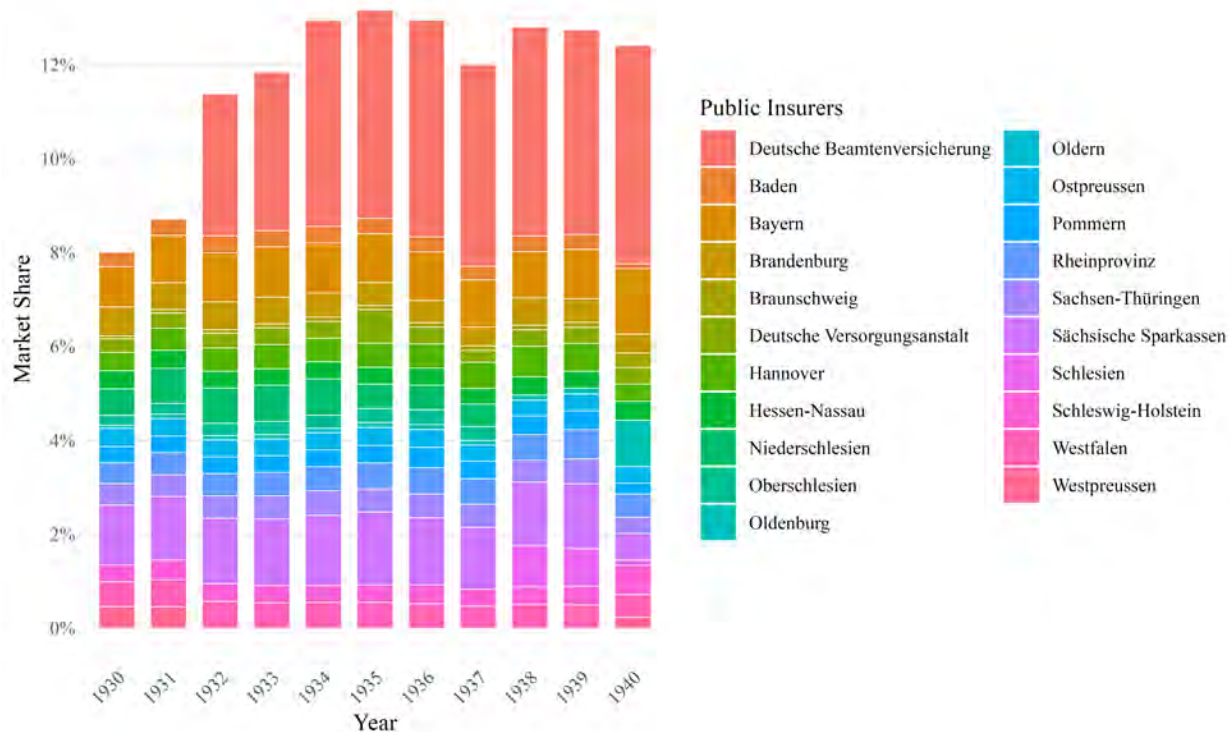


Figure 4.5: “Market Share of Public Life Insurers by Premiums, 1930-1940.” Data drawn from “Assekuranz-Jahrbuch,” 1932-42.

In the first year of Nazi rule, Prussian public insurers began to complain about being made subject to the private supervisory agency’s decisions through interventions from the no longer independent Prussian government. The private insurance supervisory agency, empowered by the law of June 1931 to expand its regulatory purview, began to take a more aggressive approach to compliance. The first such case regarded the legality of the “*Vorversicherungsvertrag*”, an agreement used by insurers to poach customers from their providers. After the private insurance supervisory office’s decree to illegalize these agreements in December 1932, public insurers were outraged to learn that the Prussian Ministry of the Economy and Labor intended to apply the regulation to them as well. The association of German public fire insurers complained to the ministry that this would seriously injure their business, by protecting the business of the larger private insurers.⁹¹ The closeness of the supervisory body to the private insurers, as seen through the eyes of public insurance, was a huge disadvantage for the public sector. In a letter written on January 18, 1933 to the Prussian Ministry of Labor and Economy, the head of the public fire insurers’ association wrote: “you will of course understand, that I find it unacceptable that the fate of our institutes is in the end decided over by the competition.”⁹² These protests were in vain

⁹¹ Director of the Verband öffentlicher Feuerversicherungsanstalten in Deutschland to Ministerialrat Dr. Schniewind of the Prussian Ministry of the Economy and Labor, January 18, 1933, BAK, B280-595, “Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung.”

⁹² „Sie werden es aber verstehen, wenn ich es für untragbar halte, dass über die Geschicke unsrer Anstalten letzten Endes deren Konkurrenz entscheidet.“ Director of the Verband öffentlicher Feuerversicherungsanstalten in

and a first step towards a more unitary regulatory authority for public and private insurance had been taken.

Shortly following Schmitt's appointment to Minister of the Economy for both the Reich and for Prussia in June, the private insurers' association wrote directly to the Prussian Economy and Labor Ministry to seek to expand the foothold gained through the decision regarding property insurance. Noting that the regulation formally applied to all branches of non-life insurance and that many life insurers also did business in these sectors, Lippert asked the Ministry to call on the public life insurers' association to make a statement acknowledging that the regulation applied to them as well.⁹³ In December and January, Lippert coordinated closely with Schmitt and his staff in the ministries as he negotiated a settlement with public insurance regarding the many cancellations they had solicited from private fire insurance clients. This practice had been rendered illegal by a court decision on November 3, 1933.⁹⁴ For Prussian public insurers, at least, the authority of Schmitt as Economics Minister and Prussian Economy and Labor Minister could not be contested.

Schmitt's most direct interventions, supported and sometimes solicited by the supervisory agency, would come on the terrain of life insurance. In the months following the Nazi seizure of power, civil society insurers briefly became even stronger competitors for corporate firms. Firms that had represented civil society groups in Weimar, such as the *Volksfürsorge*, but also civil society associations that brought together groups such as *Handwerker* (contractors), *Beamten* (civil servants), to say nothing of the large agricultural associations, were suddenly and swiftly nazified.⁹⁵ Having consolidated leadership over these associations and firms through the Nazi's political methods, the groups in question claimed a privileged role in the Nazi regime. In insurance, this was used as a powerful sales argument. On September 12, 1933, Lippert wrote a long letter to Schmitt's office in the Economics Ministry, outlining insurers' concerns regarding these firms and associations' appeals to their new clientele through references to Darré's agrarian politics, the party's slogan "Gemeinnutz vor Eigennutz," and to Hitler himself.⁹⁶ On October 4, 1933, Schmitt intervened to stop the Nazi party's name being used directly in advertising. The

Deutschland to Ministerialrat Dr. Schniewind of the Prussian Ministry of the Economy and Labor, January 18, 1933, BAK, B280-595, "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung."

⁹³ Dr. Lippert of the Reichsverband der Privatversicherung to Schmitt, Prussian Minister for the Economy and Labor, July 13, 1933, BAK, B280-595, "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung."

⁹⁴ See correspondence between private insurers and the Prussian Ministry for Economy and Labor in the first pages of the following archival collection, BAK, B280-596, "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung."

⁹⁵ The Nazi's infiltration of civil society groups had, of course, long preceded the Nazi's seizure of power. See Sheri Berman, "Civil Society and the Collapse of the Weimar Republic," *World Politics* 49, no. 3 (April 1997): 401-29, <https://doi.org/10.1353/wp.1997.0008>. On the *Gleichschaltung* of the labor movement, agricultural organizations, and middle-class associations, see Martin Broszat, *Der Staat Hitlers: Grundlegung und Entwicklung seiner inneren Verfassung*, (München: Deutscher Taschenbuch Verlag, 1969), 180-217, 230-243. On the takeover of the *Volksfürsorge*, see Ingo Böhle, "Die Volksfürsorge Lebensversicherungs-AG im Dritten Reich" (Hamburg, University of Hamburg, 1996), 19-32.

⁹⁶ Lippert to Economics Minister Schmitt, September 12, 1933, FHA, BAB 31-01-17052.

text of his declaration adopted some of the language from the insurers' letter nearly word for word:

“Recently, there has been an increase in the number of cases in which insurance enterprises or insurance agents invoke the National Socialist German Workers' Party in their sales/advertising and particularly emphasize purported connections of the Party with their enterprise. This mixing-up of Party and business must be condemned in the strongest terms. No one has the right to attempt, whether by invoking the Party or the supposed wishes of the *Führer*, to move insurance clients to sign contracts with given insurance enterprises. Every insurance client must moreover be granted completely free choice of insurer within the bounds of existing law.”⁹⁷

Reprinting the declaration in December, the private supervisory agency reminded private firms that such advertising was not desired by the government and showed “a lack of tact and taste.”⁹⁸ The Prussian Economics and Labor Ministry then forwarded the declaration to all Prussian public authorities, further asserting the de facto authority of the supervisory agency for a good portion of public insurers' businesses.⁹⁹

In the same period, the supervisory agency came to function not only as a coordinating point for private insurers and regulators, but also as a go-between for the industry and Schmitt in the Ministry. While private insurers often directed their complaints personally to Schmitt, he would communicate with the larger sector through the supervisory agency. Private insurers kept Schmitt closely involved in small, ongoing controversies with public insurers. In June 1934, for instance,

⁹⁷ „In letzter Zeit mehren sich die Fälle, in denen Versicherungsunternehmen oder Versicherungsagenten bei der Werbung sich auf die Nationalsozialistische Deutsche Arbeiterpartei berufen und angebliche Verbindungen der Unternehmung mit der Partei besonders hervorheben. Diese Verquickung von Partei und Geschäft muß auf das schärfste mißbilligt werden. Niemand ist berechtigt, unter Berufung auf die Partei oder angebliche Wünsche des Führers den Versuch zu machen, Versicherungsinteressenten zu dem Abschluß von Verträgen mit bestimmten Versicherungsunternehmen zu bewegen. Jedem Versicherungsinteressenten muß vielmehr völlig freie Wahl bei der Auswahl des Versicherers im Rahmen der bestehenden Gesetze gewährleistet bleiben.“ Schmitt's declaration also addressed attempts by Walther Darré to monopolize insurance provision for the rural sector through the *Reichsnährstand*. As this primarily concerned various forms of non-life insurance, this is not treated here, but the quotes continues: „Im Zusammenhange damit muß auch klargestellt werden, daß es nicht von der Reichsregierung betriebenen Wirtschaftspolitik entspricht, wenn ohne Rücksicht auf ein Bedürfnis neue Versicherungsunternehmen, namentlich solche mit berufsständischem Charakter, aufgezogen und nunmehr unter Nutzbarmachung politischer Zusammenhänge den bestehenden Versicherungsunternehmen die Versicherten ausgespannt und den neuen Unternehmen zugeführt werden.“ Memo from the Reichsaufsichtsamt für Privatversicherung to all firms under its supervision, A-III-1857, December 4, 1933, BAK, B280-596, “Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung.”

⁹⁸ „Ein Mangel an Takt und Geschmack.“ Memo from the Reichsaufsichtsamt für Privatversicherung to all firms under its supervision, A-III-1857, December 4, 1933, BAK, B280-596, “Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung.”

⁹⁹ Memo from the Prussian Minister for the Economy and Labor to the Regierungspräsidenten and Polizeipräsidenten in Berlin and the Oberpräsidenten and Regierungspräsidenten in Stettin, Breslau, Aurich and Sigmaringen, II-26796, December 29, 1933, BAK, B280-596, “Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung.”

the private insurers' association forwarded to Schmitt their complaint to the Reich Ministry of the Interior about police putting up flyers for public insurance.¹⁰⁰ In October 1934, the insurers updated the Economics Ministry about a dispute between the private supervisory agency and General Director Hans Goebbels, of the Rhineland province public insurers. A director of the insurance company had been accused by the supervisory office of using knowledge gained through their role in the NSDAP to get business for fire insurance. While the insurers agreed with Goebbels that the issue was not really something that a central Reich office needed to busy itself with, seeing as the Economic Ministry had become aware of the problem already, they sought to provide further clarification on the matter.¹⁰¹ As a final example, in November 1934, the board of *Allianz* forwarded a copy of a memo of the association of public fire insurers containing criticism of *Allianz*'s high dividends to Schmitt's office in the Prussian Ministry. That a "smear piece has in fact been used for (commercial) competition purposes, is something that we unfortunately must observe very frequently, and ever more often," the complaint read.¹⁰² The Ministry promptly intervened, demanding that the association publicly retract the memo.¹⁰³

Schmitt's communications through the agency extended beyond interpretations of regulatory policy to strategic advice and political information. In a letter to all private insurers labelled "highly confidential" ("streng vertraulich") the president of the supervisory office informed Germany's insurers that the Economics Minister had become aware of internal communications between an insurer and their local Berlin branch, in which the branch had been encouraged to advertise the higher yields of their investments compared to those of public insurers.¹⁰⁴ Schmitt informed the supervisory office that public insurers were very much aware of these advertising methods. He noted that they then made use of this fact when demanding that the state impose industry-wide maximum interest rates on insurance investments. Public insurers blamed private insurers' imposition of high interest rates for the higher rates which they themselves charged for mortgage loans and claimed that they only did so to compete for life insurance customers. The imposition of state-set interest rates was something Schmitt wished to avoid and was struggling against politically. His own preferred method to bring down the interest rate was to support increased savings. As the supervisory office put it, there was no need to elaborate on what the implications of Schmitt's remarks to the agency meant for private insurers. Calling on private insurers to support the Economics Ministry's goal of lowering interest rates by taking their own

¹⁰⁰ Lippert of the Reichsverband der Privatversicherung to Schmitt, Prussian Minister for the Economy and Labor, June 12, 1934, BAK, B280-596, "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung."

¹⁰¹ Lippert of the Reichsverband der Privatversicherung to Schmitt, Economics Minister, October 10, 1934, BAK, B280-596, "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung."

¹⁰² Allianz to the Prussian Ministry of Economy and Labor, Ministerialrat Bernard, November 1, 1934, BAK, B280-596, "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung."

¹⁰³ Ministerialrat Bernard of the Prussian Ministry of Economy and Labor to Prof. Dr. Riebesell of the Association of Public Fire Insurers, November 8, 1934, BAK, B280-596, "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung."

¹⁰⁴ President Josef Kissel of the Reichsaufsichtsamt für Privatversicherung to all supervised firms that publish reserve statistics, A-III-1519, October 20, 1933, Ergo-Archiv, Hamburger Bestände N0001-00218 (1933.4).

independent initiatives, the supervisory authority emphasized that this message from Schmitt must remain “highly confidential.”¹⁰⁵

As the coordinative triangle between the Economics Ministry, the supervisory agency, and the private insurers’ association and large firms took shape, it thus had some relevance in the battle Schmitt was fighting to determine the larger shape of the German economy. Starting in the summer of 1933, Schmitt began making numerous public speaking appearances across Germany, defending the regime’s approach to economic recovery based on an initial fiscal stimulus, already inherited from the last days of the 1932 Von Schleicher government.¹⁰⁶ It was Schmitt’s hope that this initial stimulus would then allow the private economy to take over and begin to recover on its own. Lower interest rates, brought about by greater savings, would spur greater business investment, and render further public intervention unnecessary. Private business’s cooperation in achieving lower rates was thus quite important. Discouraging deeper political interventions in the economy of any sort – including, notably, regarding “Aryan or non-Aryan firms”-- Schmitt nevertheless emphasized that private businesses had their highest obligation to the state.¹⁰⁷ The state, in turn, had an obligation to protect their property rights: “The government will protect with its full authority what the individual *Volksgenosse* has earned in his life full of work for his old-age and his children. Trusting in this, the German people will be motivated to save and accrue assets. This is the best, and in truth, the only means, to make the capital necessary for the future available to the German economy through its own power, and, incidentally, it is also the only way to naturally lower the price for loan capital, the interest rate.”¹⁰⁸ Since before his appointment as Economics Minister, Schmitt had made similar points regarding the importance of savings capital.¹⁰⁹ Insurers were thus called on to support an economic recovery consistent with less direct state intervention by reducing interest rates, as Schmitt had confidentially communicated to them through the supervisory agency.

¹⁰⁵ President Josef Kissel of the Reichsaufsichtsamt für Privatversicherung to all supervised firms that publish reserve statistics, A-III-1519, October 20, 1933, Ergo-Archiv, Hamburger Bestände N0001-00218 (1933.4).

¹⁰⁶ See the collection of his speeches in FHA, GDV-8-020. On the financing of these make-work programs see Tooze, *The Wages of Destruction*, 38-45.

¹⁰⁷ Schmitt empathized that the economic dislocation that the full exclusion of “non-Aryan” firms from the economy would hinder economic recovery. See Economics Ministry to the German Chamber of Industry and Commerce, September 9, 1933, BAB, R 4701-22056.

¹⁰⁸ “Mit ihrer ganzen Autorität wird die Regierung schützen, was der einzelne Volksgenosse in seinem Leben voll Arbeit sich für sein Alter und seine Kinder geschaffen hat. In diesem Vertrauen wird das deutsche Volk zum Sparen und zur Bildung eines Vermögens angeregt werden. Das ist das beste und in Wahrheit einzelne Mittel, um der deutschen Volkswirtschaft aus eigener Kraft das für die Zukunft benötigte Kapital zur Verfügung zu stellen und im übrigen auch der einzige Weg, um den Preis für Leihkapital, den Zinssatz, natürlich zu senken.” „Unterredung des „Deutschen“ mit dem Wirtschaftsminister,“ March 18, 1934, FHA, GDV-8-020.

¹⁰⁹ Speaking with Hitler along with other leading businessmen in late May, 1933, Schmitt had made the following point: “Wenn man den Kapitalmarkt durch Maßnahmen von finanzieller Seite beleben will, so muss das vom Sparkapital ausgehen. Das Vertrauen, dass man Geld anlegen kann, muss wiederkommen. Voraussetzung ist dabei, dass das vorhandene deutsche Kapital in den Markt wieder hineingeht, und dafür muss das Vertrauen gestärkt werden. Es muss in dieser Richtung der ganze Apparat unserer Propaganda eingesetzt werden.” „Besprechung mit führenden Industriellen, 29.5.1933,“ *Akten der Reichskanzlei: Regierung Hitler*, vol. I, 516-517.

There is not sufficient space here for a broader presentation of Schmitt's activities as Economics Minister. The "Wiederaufbaugesetz" (reconstruction law), which set the basic institutional structure of German industry coordination for the following decade, is probably the most significant legacy of Schmitt's tenure.¹¹⁰ As regards insurance, the new framework was significant in that it brought private and public insurance into the same body, with an individual from private insurance, Eduard Hilgard of *Allianz*, at the head of the organization. This endowed Hilgard, Schmitt's childhood friend and righthand man at *Allianz*, with considerable powers over the larger industry, as will be further explored in Chapter 6.¹¹¹ While Schmitt's successes have been characterized as a rearguard action against nationalization by various means, as has been seen, private insurance's opponents in the public sector found themselves in a relatively weak position. It would take several years following Schmitt's departure from the Ministry before new party-affiliated rivals in either sector could muster the strength to challenge private insurance once again. In the meantime, private insurance continued to implement a proactive agenda of expanding its markets and consolidating its governance structure.

II.2 Governing Insurance: Life Insurance and Civil Society, 1931-1935

Private insurers' initiatives to promote group and small-sum life insurance and the supervisory agency's actions against institutional competitors can be understood as two sides of a campaign to foster a deeper, more unified national life insurance market, a critical part of Schmitt's general vision. The largest growth opportunities for life insurance in the 1920s had come in the largescale distribution of small-sum policies. Following the June 1931 supervisory law, the supervisory office intervened in increasing measure against *Abonnementversicherer*, firm pension funds, and *Sterbekassen*, denying regulatory approval to these entities, which now had to seek regulatory approval to operate, and effectively pressurizing these businesses to cede their portfolios to private life insurers. As the small-sum sector boomed, the office fought to prevent the growth in group insurance from begetting destructive competition on policy rates, fighting the establishment of associations formed solely to negotiate group insurance deals for their members. *Allianz* had made major investments both in smaller-sum individual life and group life insurance administration and these soon began to deliver. While this did not come at the cost of civil society insurers that had already professionalized, such as the *Volksfürsorge* or the religious insurers, group life absorbed other non-insurance-based funds (*Sterbekassen* und *Pensionskassen*). Firms such as *Allianz* directly targeted these funds in their advertising. Following Schmitt's departure from office, his successor as Economics Minister, Hjalmar Schacht, was courted by private insurers to inherit Schmitt's role as custodian of the industry against public political competitors. For Schacht, the governance structure that Schmitt had worked so hard to establish would enable a form of decentralized control over a deep, unified national life insurance market that suited the financial needs of rapid rearmament quite well.

¹¹⁰ „Gesetz zur Vorbereitung des organischen Aufbaus der deutschen Wirtschaft“, Reichsgesetzblatt 1, 1934, 185.

¹¹¹ Hilgard had begun his career in the Finance Ministry before being called by Schmitt to join *Allianz* in 1920. See Feldman, *Allianz and the German Insurance Business*, 8-10.

As has been shown, both the structure of power in the private insurance institutional ecosystem and the challenge of public insurance favored close coordination between firms, the regulator, and the Economics Ministry regarding public relations. The relationship between the supervisory agency and private insurance companies regarding the question of their non-insurance competitors bears some further elucidation, however. Private insurance interests were undoubtedly influential for the supervisory agency, and Schmitt's special role in consulting on the legislation that extended the supervisory agency's authority has been discussed in Chapter 2. Over the same period, private life insurers were quite vocal in their demands that non-insurance funds, particularly *Sterbekassen*, be regulated in the same manner as life insurers. Beyond their interest in the financial stability of the larger sector, what interest did private insurers have in the matter?

The answer to this question lies in the financial economics of *Sterbekassen*, as can be gathered from industry publications and marketing materials. It is clear that insurers viewed *Sterbekassen* and other non-regulated funds as competitors. From their customers' perspective, these organizations provided the same service as life insurers: the guarantee of a given sum upon their death in exchange for a regular fee. *Pensionskassen*, as has been shown in discussions of group insurance, provided an identical service to mixed life insurance, guaranteeing a sum, or an annuity, upon their client's retirement or death, also in exchange for a regular contribution. From the insurers' perspective, these institutes could effectively undercut them by using non-actuarial methods to set their rates. In the same manner as in social insurance, *Sterbekassen* funded a given year's benefits by that year's contributions, with any surplus saved and invested, and any deficit covered by previous surpluses. Unlike life insurance, these firms did not seek to accumulate a reserve sufficient to cover the difference between the actuarial present value of their liabilities and the actuarial present value of their premium cash flow. As insurers pointed out, the sustainability of these accounting methods required that the *Sterbekassen* maintain a certain number of members, which, given these were local associations, often connected to given professional milieus, or even groups of war veterans, could not necessarily be taken for granted.

In 1932, *Allianz* produced some guidance literature and advertising materials for their salesmen to sell group life insurance to *Sterbekassen*. Entitled "Umlage oder Versicherung?", the collection of articles aimed to highlight that *Umlageverfahren* were unreliable, and, in fact, no real form of insurance.¹¹² While the assumption that new members would be maintained indefinitely was unjustified, *Allianz's* advertisers adopted the much more unreasonable assumption that no new members would ever join these associations. Only in the case of war veterans' funds was this even remotely plausible. In a pamphlet under the same title („Umlage oder Versicherung? Ein Wort an Vereinsmitglieder“) given out to association members, *Allianz* outlined the implications of this dubious assumption:

¹¹² „Umlage oder Versicherung?“, FHA, B1.12.2.2196, Akt. 13.

“Take an association with 1200 members, who are between 41 and 70 years old. The association wants to insure its members for 1,000 RM each of *Sterbegeld* (funeral insurance). The *Umlage* (financing contributions) are calculated according to the changing number of dying members, for whose dependents 1,000 RM each must be paid out, and the number of living members, who together cover these sums. We assume by the way that the association is one joined by no new members – a fate that sooner or later all associations must reckon with and the *Kriegervereine* (veterans’ associations) are currently experiencing.”¹¹³

Comparing the financial trajectories of an association with no new members that used an *Umlageverfahren* and one that opted for group life insurance yielded a dire picture. While in the first year of a switch to life insurance, the members of the association paid four times more in premiums, by the eleventh year the seamounts were equal and by the 41st year (with only 31 members still alive in the association), the *Umlage* payments were nearly ten times higher than the corresponding life insurance premiums.¹¹⁴ An illustrated chart followed the copy, showing the trajectories of each model: “The adjacent figure, configured according to this example, illustrates the dangers of the *Umlageverfahren* better than words.”¹¹⁵

The dangers that these methods posed, in the rhetoric of private insurers, extended well beyond the risks for the individuals in these associations. In the same collection of advertising materials, a reprint of an article from the *Vossische Zeitung* by Dr. Edmund Delmonte, “Rechtlose Versicherte: Gefahren der kleinen Kassen,” (“The Restless Insured. The Dangers of Small Funds”) outlined the larger problems posed by these associations. Delmonte began the article with the familiar tale of the “idea of insurance”, which he argued, had manifested itself in Germany in many different sorts of small *Kassen*. By his estimate, in Prussia alone around 5,000 *Sterbekassen* were active.¹¹⁶ These funds, while arising from good intentions, now threatened the insurance community by keeping individuals out of the larger risk pool of the insured:

“These funds, in which the idea of insurance is played with in a dangerous game, do not only damage the idea (of insurance) as such, but also endanger the broad foundations of all insurance, which are necessary for achieving a balancing of risks. Millions of the little

¹¹³ „Nehmen wir einen Verein mit 1200 Mitgliedern an, die 41 bis 70 Jahre alt sind. Der Verein will seinen Mitgliedern je 1000 R.M. Sterbegeld zahlen. Die Umlage richtet sich nun ganz nach der Zahl der jeweils sterbenden Mitglieder, an deren Angehörige je 1000 RM auszuzahlen sind, und nach der Zahl der noch Lebenden, auf welche diese Summen umgelegt werden. Wir nehmen dabei an, daß es sich um einen Verein handelt, dem keine neuen Mitglieder beitreten – ein Schicksal, mit dem früher oder später jeder Verein einmal rechnen muß und das z.B. die Kriegervereine gegenwärtig erleben.“ „Umlage oder Versicherung? Ein Wort an Vereinsmitglieder,“ FHA, B1.12.2.2196.

¹¹⁴ „Umlage oder Versicherung? Ein Wort an Vereinsmitglieder,“ FHA, B1.12.2.2196.

¹¹⁵ „Besser als Worte zeigt die nebenstehende, nach diesem Beispiel angefertigte Zeichnung die Gefahren des Umlageverfahrens.“ „Umlage oder Versicherung? Ein Wort an Vereinsmitglieder,“ FHA, B1.12.2.2196.

¹¹⁶ Dr. Edmund Delmonte, “Rechtlose Versicherte: Gefahren der kleinen Kassen,” Sonderdruck aus der Vossischen Zeitung Nr. 453, September 21, 1932. FHA, B1.12.2.2196.

and littlest people, who belong to funds without a legal claim (to the insured sum), naturally do not insure themselves with one of the usual enterprises.”¹¹⁷

The influence of these funds was also harmful for the larger savings economy:

“The fund contributions are not even always small. One hears of monthly contributions, which are only pennies or only a few Marks; there are also contributions of 25 Marks per month and more. In this manner an unendingly large quantity of capital is drawn away from the great economic reservoirs, which, in consequence of its fragmentation in many thousands of individual funds, can never nourish the larger economy. The administration of these funds also often becomes expensive through fees. Much, if not everything, thus speaks for subjecting these funds without legal claim to rigorous oversight, especially as the moral or commercial pressure to become a member is not always small.”¹¹⁸

Aside from these many problems, it would have been apparent to observers that the financial accounting methods of the pure *Umlage*-run firms prevented yearly contributions from being invested at all. These contributions often only covered administration and benefits. As seen in the example given *Allianz*, the necessary life insurance premium to provide the same amount of benefits as an *Umlagekasse* was initially several times higher, with the lion's share being invested. The challenge, for insurers, however, was to sell members of these associations on an initial fourfold increase in their yearly dues. Painting a dire financial picture was perhaps effective, but the direct intervention of the supervisory authority to impose life insurance's financial accounting methods was a surer option. As early as 1931, and at a high tempo through 1933, the supervisory agency and the Prussian Economics and Labor ministry readily filled this role.

Following the June 1931 regulatory law, all *Sterbekassen*, *Bausparkassen*, and *Abonnentenversicherer* were required to immediately apply for regulatory approval if their contracts gave their members a legal claim to their benefits. This approval could be obtained from the supervisory agency if their activity extended beyond a given region, or from the regional government if their business remained local.¹¹⁹ Without having recourse to accounting

¹¹⁷ „Diese Kassen, in denen mit dem Versicherungsgedanken ein gefährliches Spiel getrieben wird, schädigen nicht nur den Gedanken als solchen, sondern gefährden auch die breite Grundlage der Gesamtversicherung, die zum Risikoausgleich notwendig ist. Millionen von kleinen und kleinsten Leuten, die den Kassen ohne Rechtsanspruch angehören, versichern sich naturgemäß nicht mehr bei einer der üblichen Gesellschaften.“ “Rechtlose Versicherte: Gefahren der kleinen Kassen,” Sonderdruck aus der Vossischen Zeitung Nr. 453, September 21, 1932. FHA, B1.12.2.2196.

¹¹⁸ „Die Kassenbeiträge sind nicht einmal immer gering. Man kennt Monatsbeiträge, die nur Pfennige oder wenige Mark ausmachen; es gibt auch Beiträge von 25 Mark monatlich und mehr. Dadurch wird den großen volkswirtschaftlichen Reservoirs unendlich viel Kapital entzogen, das infolge seiner Zersplitterung in viele Tausende von einzelnen Kassen nie die Gesamtwirtschaft befruchten kann. Auch ist die Verwaltung solcher Kassen oft über Gebühr teuer. Es spricht also vieles, wenn nicht alles dafür, daß diese Kassen ohne Rechtsanspruch einer genauen Kontrolle unterworfen werden, zumal der moralische oder geschäftliche Druck zur Mitgliedschaft nicht immer gering ist.“ Dr. Edmund Delmonte, “Rechtlose Versicherte: Gefahren der kleinen Kassen,” Sonderdruck aus der Vossischen Zeitung Nr. 453, September 21, 1932. FHA, B1.12.2.2196.

¹¹⁹ „Versicherungsaufsichtsgesetz,” *Reichsgesetzblatt I*, 1931, 315–334.

documents from *Bausparkassen* and *Abonnentenversicherer*, it is unclear whether the firms were using actuarial methods in calculating their premiums. In any case, the exchanges between the *Hamburg-Mannheimer* with the supervisory authority in 1933 show a flood of requests for approval of group contracts with all three types of non-insurance funds, suggesting that for many of these entities outsourcing their insurance functions to private insurers was now preferable to handling actuarial accounting internally.¹²⁰ In general, the supervisory office took an acute interest in the question of whether these organizations were setting aside sufficient reserves to cover their members along with the cash flows secured from contracts: “it is our prerogative, in general, to regulate the question of reserves for *Abonnentenversicherer*.”¹²¹ There is thus reason to think that premium rates for these other types of funds were often found to be too low by regulators. Approval for these funds came slowly: the *Hamburg-Mannheimer* was enmeshed in a large number of cases where their partner fund’s legal basis for operation was under scrutiny and had to repeatedly inquire for updates on the office’s decisions.¹²² In approving group contracts, the supervisory office also conducted a degree of due diligence to ensure that the contracting party was not an entity that had been formed solely for the purpose of seeking a group insurance contract.¹²³ From January 1, 1934 onwards, the founding of new independent *Sterbekassen* was strictly discouraged. For *Bausparkassen*, strict regulatory penalties applied to firms that did not obtain approval from the supervisory agency before December 31, 1933.¹²⁴

Firm pension funds would face similar obstacles to doing business through new legislation that came from Schmitt’s office in the Economics Ministry. A “Fürsorgepflicht” (care obligation) for German employers was established as an undefined requirement of the *Gesetz zur Ordnung der nationalen Arbeit* (National Labor Law) of January 20, 1934.¹²⁵ In late 1934, Schmitt’s ministry completed their work on the new taxation regime for Germany, the *Steueranpassungsgesetz*.¹²⁶ This permitted firms to deduct contributions to private employee pensions from their taxes as operating expenses only if they were given to funds that provided employees with a legal claim to benefits. As has been seen, welfare funds that provided a legal claim to benefits were required to seek regulatory approval from the supervisory agency or regional authority. Decrees from the supervisory agency on February 7, 1934 and again on April 23, 1935 made it explicit that any such funds founded for groups of employees would need to obtain regulatory approval, as was

¹²⁰ See the correspondence in the Ergo-Archiv, Hamburger Bestände N0001-00218, 1933.1-4.

¹²¹ „Wir behalten uns vor, die Frage der Reservenstellung bei der Abonnentenversicherung allgemein zu regeln.“ Letter of the Reichsaufsichtsamt für Privatversicherung to the Directorship of the Hamburg-Mannheimer-Versicherungs-Aktien-Gesellschaft, November 7, 1933, Ergo-Archiv, Hamburger Bestände, N0001-00218, 1933.4.

¹²² Letter from the Juristische Abteilung of the Hamburg-Mannheimer Insurance Company to the Reichsaufsichtsamt für Privatversicherung, February 15, 1933 Ergo-Archiv, Hamburger Bestände N0001-00218, 1933.1.

¹²³ Memo from the Reichsaufsichtsamt für Privatversicherung to all large life insurers, accident insurers, and liability insurers, November 6, 1933, Ergo-Archiv Hamburger Bestände N0001-00218, 1933.4.

¹²⁴ Attachment to letter from the Hamburg-Mannheimer Insurance Company to the Reichsaufsichtsamt für Privatversicherung, November 13, 1933, Ergo-Archiv Hamburger Bestände N0001-00218, 1933.4.

¹²⁵ “Gesetz zur Ordnung der nationalen Arbeit,” January 20, 1934, *Reichsgesetzblatt I*, 1934, 45.

¹²⁶ “Steueranpassungsgesetz,” October 16, 1934, *Reichsgesetzblatt I*, 925.

already implied by the 1931 law.¹²⁷ As shall be further shown in Chapter 6, this approval requirement could be a serious barrier to creating new such funds, as it was not the policy of the Economics Ministry to favor further decentralization in the management of savings.

In 1933, *Allianz* began to see a surge in group insurance policies. Some of these contracts came immediately following the Nazi's rise to power for large Nazi associations: the Nation-Socialist Reich's Association of German War Victims (*NS-Reichsverband Deutscher Kriegsoffer*), the National-Socialist Teachers' League (*NS-Lehrerbund*), the National-Socialist Lawyers' League (*NS-Rechtswahrerbund*), and the Fraternal League of German Police Officials (*Kameradschaftsbund Deutscher Polizeibeamten*).¹²⁸ In the case of the police organization, a pre-existing contract of the Prussian police association with the *Hamburg-Mannheimer* had been rendered null and void following Hermann Goering's dissolution of the association and its incorporation into the larger Nazi national association.¹²⁹ *Allianz* had invested as early as 1926 in punch-card machine technology that could facilitate the accounting process for such large numbers of policies. Around 1930, the firm consolidated the use of these machines for the ASS.¹³⁰ In 1937, it began to switch accounting practices for these "Monsterverträge" (monster contracts), primarily with the Nazi associations and centrally managed in Berlin, to the punch-card system.¹³¹ *Victoria's* internal service for monitoring its competition noted that in 1933, *Allianz* had increased group insurance enrollment from 300,000 to nearly 1.74 million, with an average insured sum for the new business of around 144 RM.¹³² The large contracts with the Nazi civil society organizations, which numbered in the hundred thousands, made up a certain share of this business, but not all of it. In their own advertising materials from early that fall, *Allianz* boasted of having insured around "1,500 associations of every variety", with more than 800,000 members total. By the end of the year, this figure would more than double.¹³³ The group sector, as *Victoria's* corporate monitoring service noted, was the only source of the firm's growth for 1933 in life insurance.¹³⁴

¹²⁷ See, for example, the exchange between the insurance supervisory office and the Economics Ministry regarding the founding of a *Sterbekasse* by the employees of the *Vereinigte Aluminiumwerke*, beginning December 9, 1935, BAK, B280-554.

¹²⁸ See Feldman, *Allianz and the German Insurance Business*, 120-121, Eggenkämper, Modert, and Pretzlik, *Die Allianz*, 268-269.

¹²⁹ Hamburg-Mannheimer to the Insurance Supervisory Office, September 6, 1933, Ergo-Archiv, Hamburger Bestände, N0001 - 00218(1933.3); on Goering's action and the new contract with *Allianz* see Feldman, *Allianz and the German Insurance Business*, 122-123.

¹³⁰ Recollections of Mr. Adrian, former employee of *Allianz* in the life sector in Berlin, FHA, B1.12.2.2196, Akt 29.

¹³¹ Recollections of R. Narr, former department director of *Allianz* in Berlin, "Gruppen-Versicherungen," FHA, B1.12.2.2196, Akt. 1.

¹³² „Victoria Sonderdienst-Nachrichtenblatt Nr. 44, Betreff: Allianz und Stuttgarter Lebensversicherungsbank AG," June 6, 1934, Ergo-Archiv, AK-08-04-53, A0205-00011.

¹³³ "Gemeinschaftsversicherung – das Gebot der Stunde," August 1933, FHA, B1.12.2.2196.

¹³⁴ „Victoria Sonderdienst-Nachrichtenblatt Nr. 44, Betreff: Allianz und Stuttgarter Lebensversicherungsbank AG," June 6, 1934, Ergo-Archiv, AK-08-04-53, A0205-00011. See Figure 4.6.

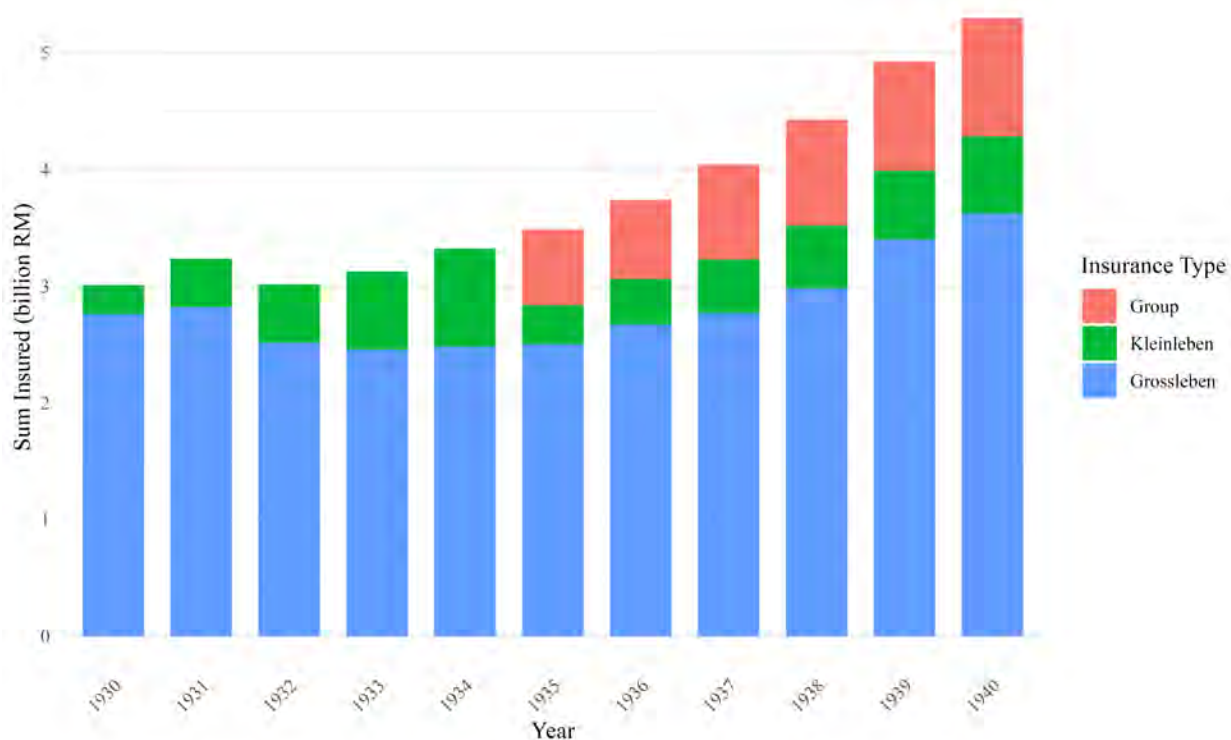


Figure 4.6: "Allianz's Growth by Sector, 1930-1940." Figures drawn from Allianz's yearly financial reports.

The general boom in group insurance in the first year of the Nazi regime, based on *Allianz's* results alone, likely incorporated a large number of *Sterbekassen*. The larger boom in small-sum life insurance likely also drew momentum from the regulatory hurdles *Sterbekassen* and other organizations now faced. If the figure estimated by Delmonte in 1932 for Prussia is accurate, considering the territory had around 60% of the German population and assuming an equal rate of prevalence, the number of *Sterbekassen* in all of Germany would have been more than 8,000.¹³⁵ While it is difficult to get a sense for the average size of these organizations, references to these funds often characterize them as quite local. Nonetheless, evidence from group insurance contracts with national associations of various types, a few examples given by Ernest Vesper in his work on the subject, and the independent initiatives of workforces to found new associations of this type in the 1930s shows that they could also be quite large.¹³⁶ If *Allianz's* business is a representative sample, then there would have been around 4 million members of

¹³⁵ According to Ernest Vesper, in 1935, in the city of Essen alone, 500 such funds applied for regulatory approval following a change in supervision requirements: one for every 1,333 inhabitants. See Ernest Vesper, *Die Sterbekassen in alter und neuer Zeit*, Schriftenreihe des Instituts für Versicherungswissenschaft an der Universität Köln, Heft 23 (Berlin: Duncker u. Humblot, 1966), 68-70.

¹³⁶ Among others, *Sterbekassen* for postal workers, Ernest Vesper, *Die Sterbekassen in alter und neuer Zeit*.

these funds, now a ripe market for insurers.

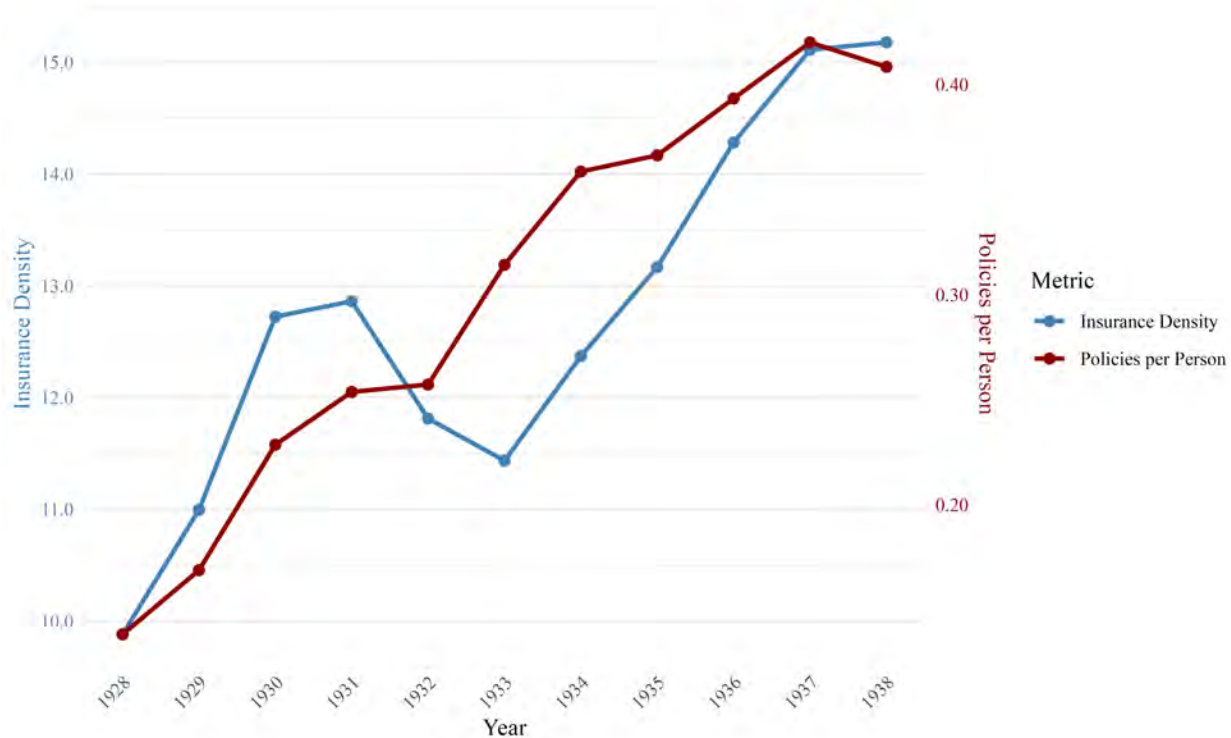


Figure 4.7: “Life Insurance Density and Policy Prevalence, 1928-1938.” Figures show life insurance premiums and policies per member of the population (insurance density and policies per person).

Considering the regulatory pressure on *Abonnentenversicherer*, whose clientele was estimated at around 9 million in 1931, private insurance’s replacement of these alternative providers may explain some part of the large increase in policy prevalence and insurance density through the first years of the Third Reich.¹³⁷ The private insurance business thus absorbed the energies of the associational entrepreneurialism that had fostered an explosion of new organizational forms of mutual aid during the Weimar Republic. Civil society groups that had already formed their own insurance organizations, however, could still participate in the boom. The *Volksfürsorge* would prove the biggest winner in the new insurance market over the longer term, and the religious insurers also demonstrated an ability to retain their market share.¹³⁸ Ingo Böhle has written on the highly aggressive sales practices employed by the *Volksfürsorge* following their absorption into the organization of Robert Ley’s *Deutsche Arbeitsfront*.¹³⁹ Gerald Feldman, in turn, has written at length about Schmitt’s interventions to stop the DAF insurers from demanding that all organization members recommend DAF insurance policies.¹⁴⁰ As Timothy Mason, among others, has argued, Schmitt’s confrontation with Ley was a decisive showdown in early conflicts

¹³⁷ See Figure 2.1.

¹³⁸ See Figure 2.4.

¹³⁹ One *Volksfürsorge* employee was reprimanded by the supervisory office for threatening to send a competitor to a concentration camp. Böhle, “Die Volksfürsorge Lebensversicherungs-AG im Dritten Reich,” 43.

¹⁴⁰ See Feldman, *Allianz and the German Insurance Business*, 88-95.

between the Nazi labor wing and organized German business, with Schmitt effectively limiting the organization's purview in December 1933.¹⁴¹ Kurt Schmitt's role as defender of the private insurance community is a small piece of a larger story in which his actions to smother both Ley and Walther Darré's plans has greater implications for the emergence of the Nazi economic system. For insurance, however, while the Nazi public insurers and Ley mounted new challenges to private insurance, these first years of the Third Reich represent primarily the successful channeling of independent civil society organizational forms into private life insurance.

In conclusion, regardless of whether *Allianz* itself was gaining new business through Schmitt's high-profile role in the regime, the firm and larger sector reaped the benefits of a new regulatory regime that had begun in the last years of Weimar. Schmitt had played an important role in creating this regime and continued to shepherd it along as Economics Minister. The following section more directly addresses the question of the public image of private insurance under the Third Reich. While the *DAF* insurers and public insurers annoyed private insurers with their claims to represent the Nazi party, *Allianz* and other private firms did not refrain from adapting their own public relations apparatus to the new political environment. *Allianz* encouraged its sales staff to mention its large group contracts with the NSDAP in conversation with clients.¹⁴² In the very same period in which Lippert had complained about some civil society insurers' use of the Nazi slogan "Gemeinnutz vor Eigennutz," an August 1933 *Allianz* pamphlet advertised "Gemeinschaftsversicherung – das Gebot der Stunde," (Community Insurance: A Necessity of the Hour). The copy began:

"The *Gemeinschaftsgedanke* (community idea) „one for all – all for one“ demands from each organization that it employ all its energies to create beneficial institutions for the totality of its members in all areas. Arranging a group insurance contract for *Sterbegeld* is a social act.”¹⁴³

The notion of the "Gemeinschaftsgedanke" in insurance and the adjective "social" would certainly not have appeared in *Allianz*'s advertising in the era preceding the Nazi takeover. These advertising efforts, nevertheless, stand in continuity with *Allianz*'s broader, cross-cutting case for private corporate insurers as superior technical intermediaries for those following the socially-positive urge to save, or to insure themselves. While Schmitt's vision for the larger economy would not be realized, his vision for the governance of insurance in Germany, featuring more limited social insurance institutions, modernization and consolidation in the private sector, a restrained, locally active public sector, and a regulatory authority strictly intervening to prevent unfair competition from non-insurance institutions was, by late 1934, a completed work.

¹⁴¹ Timothy W. Mason, *Sozialpolitik im Dritten Reich: Arbeiterklasse und Volksgemeinschaft*, 1977th ed. (Opladen: Westdeutscher Verlag, 1977), 116-122.

¹⁴² Eggenkämper, Modert, and Pretzlik, *Die Allianz*, 268.

¹⁴³ „Der Gemeinschaftsgedanke "Einer für alle – Alle für Einen" verlangt von jeder Organisation den Einsatz aller Kräfte, um für die Gesamtheit der Mitglieder auf allen Gebieten segensreiche Einrichtungen zu treffen. Eine soziale Tat ist die Schaffung einer Gruppenversicherung für Sterbegeld." Gemeinschaftsversicherung – das Gebot der Stunde." August 1933, FHA, B1.12.2.2196.

Insurers' public relations efforts reflected this success, seeking to explain the role of the consolidated private insurance ecosystem in the new political regime.

As the Nazi regime radicalized, the functionality of this governance structure and expansive life insurance sector formed a strong argument for its preservation. As seen in Delmonte's 1932 article, the capacity of life insurance to bring small sums of savings together into larger pools of capital had been part of insurance's rhetorical case for the displacement of alternative forms of solidarity. As has been further seen, the technical justification for life insurance was also a case for increased savings, as switching from an *Umlageverfahren* to a funded model for smaller organizations meant an initial increase in premiums, which were invested and not distributed. On November 1, 1934, Eduard Hilgard wrote to Schmitt's effective successor in the Economics Ministry, Hjalmar Schacht, touting the advantages of the coordinating mechanism of the supervisory office within the private industry for the needs of state investment. He observed that as of recently, public insurers had demanded that different branches of insurance be nationalized and given over to the public insurance firms or to the *Reichsversicherungsanstalt* which managed white-collar social insurance.¹⁴⁴ Comparing the vast difference in the amounts of capital managed by both branches, he noted that life insurance firms, while decentralized in around 200 joint-stock companies and 300 mutual companies, were nevertheless subject to "the constant supervision of a giant supervisory and auditing apparatus, that is however completely separated from the individual enterprises."¹⁴⁵ Allowing a nationalization would put these funds at the disposal of a centralized instance, run by either the Nazi party or the state. "The danger that would emerge from this does not need to be elaborated upon in detail."¹⁴⁶ The governance structure for private life insurance that had emerged through Weimar and the first years of the Third Reich was a powerful tool. The regulatory office oversaw a deep, unified national life insurance market that managed vast quantities of capital. In the wrong hands, it could be highly dangerous. Hilgard sought Schacht's support in preventing this, while offering himself as an agent for this capital's proper employment by the new Economics Minister.

III. The Image of German Insurance in the First Years of Nazi Rule

As illustrated by Schmitt's October declaration, the problem of fair advertising practices in insurance gained new salience with the Nazi rise to power. Before the elimination of the political opposition and organization of a one-party state, it had hardly been a matter of concern for private insurers if labor insurers, such as the *Volksfürsorge*, signaled their ideological orientation

¹⁴⁴ Director Eduard Hilgard, Leiter der Hauptgruppe XI Versicherung der Gesamtorganisation der gewerblichen Wirtschaft to Reichsbankpräsident Hjalmar Schacht, November 1, 1934, BAK, B280-596.

¹⁴⁵ "...der ständigen Kontrolle eines riesigen, jedoch für die einzelnen Unternehmungen wieder völlig getrennten Kontroll- und Revisions-Apparates." Director Eduard Hilgard, Leiter der Hauptgruppe XI Versicherung der Gesamtorganisation der gewerblichen Wirtschaft to Reichsbankpräsident Hjalmar Schacht, November 1, 1934, BAK, B280-596.

¹⁴⁶ "Die Gefahr, die hieraus entsteht, braucht im einzelnen nicht dargelegt zu werden." Director Eduard Hilgard, "Führer" of the Hauptgruppe XI Versicherung der Gesamtorganisation der gewerblichen Wirtschaft to Reichsbankpräsident Hjalmar Schacht, November 1, 1934, BAK, B280-596.

or connection to a given political party. Direct comparisons between public and private and the use of anti-capitalist rhetoric had been regulated by the “Versicherungsfriede” (insurance truce) between public and private insurers since 1927. Schmitt’s declaration in response to the many complaints from private insurers regarding the “Verquickung von Partei und Geschäft” (mixing-up of party and business) shows the extent to which an affiliation with the Nazi party was a powerful appeal. Schmitt’s declaration, however, concerned insurers who claimed their business directly represented the party or Hitler himself. The agency’s protestations that doing so showed a lack of “tact and taste” should be taken at their word. Private and public insurers could easily invoke the Nazi political movement and regime by subtler means. Moreover, in their attempts to appeal to a broader, cross-class clientele, and their new focus on the family in life insurance, private insurers had already adopted advertising messaging in line with aspects of Nazi political propaganda. The rhetorical challenge faced by private insurers, who criticized social insurance for its repression of the individual will, while making appeals to individual’s communal responsibilities, was similar to that faced by the Nazis. Insurers’ *Selbstgleichschaltung* (self-realignment) with Nazi political messaging does not simply reflect the new importance of politics for all arenas of life in a totalitarian state. Rather, a highly organized business community, heavily reliant on advertising and direct sales for growth, sought out new business across all classes, while holding a distinct animus for the social political institutions of the Weimar Republic, resulting in inevitable convergences with the political messaging adopted by the Nazis.¹⁴⁷

The institutional ecosystem of insurance had always extended well beyond the individual private businesses themselves. Aside from industry governance institutions, like the associations and the supervisory office, the larger community of academic insurance studies still played an important role. Nevertheless, the private sector had taken on a more active role in setting the industry’s agenda and public image management. In the Nazi era, Kurt Schmitt and Eduard Hilgard would step further into these roles as the public relations leadership for private insurance. In their speeches and publications, these men outlined the role of insurance in the new Nazi regime. Synthesizing the findings of a new school of academic historical insurance studies and contemporary political developments, Hilgard offered an original defense of private insurance in general, and life insurance in particular, as distinctive elements of the new Nazi state and society. This treatise was not merely a translation of private insurance’s *raison-d’être* into meaningless, cynical *lingua tertii imperii*, but a real attempt to give an intellectual foundation to a sector that had previously been able to draw on a more ecumenical tradition — one in which social insurance had played a prominent role.¹⁴⁸ Hilgard’s key ideas, even his exact phrasings, were repeated in the more high-brow insurance publications distributed to salesmen. It would have

¹⁴⁷ On the Nazi’s campaign methods, see Michael Mann, *Fascists* (Cambridge: Cambridge University Press, 2004), 139-206.

¹⁴⁸ Feldman argues such in Hilgard’s case in *Allianz and the German Insurance Business*, 107-108. He does not discuss or directly cite Hilgard’s treatise anywhere in the work. The term comes from the work of Victor Klemperer, *LTI: Notizbuch eines Philologen* (Leipzig: Reclam, 1996), first published in 1947.

found its way to the broader public of educated insurance clients beyond Hilgard's readership in academic circles. Further down the ladder, simplified versions of these talking points appeared in firm advertising, and in publications for salesmen working with less educated clientele. While Schmitt had denounced advertising that politically pressured individuals to take life insurance with a given firm, the larger industry adopted proactive messaging techniques that portrayed insurance as a virtual obligation for members of the *Volkgemeinschaft* in good standing.

III.1. The Invention of the *Gefahrengemeinschaft*: „Das Versicherungswesen im nationalsozialistischen Staat“ (The Insurance System in the National Socialist State) by Eduard Hilgard

Eduard Hilgard's treatise on the shape of the insurance system in Nazi Germany was published in a series edited by Otto Christian Fischer, Hilgard's counterpart in the new organizational structure for the financial economy as leader of the *Reichsgruppe Banken*.¹⁴⁹ Entitled *Die neue Wirtschaft* (The New Economy), the series was published by Junker & Dünnhaupt, a Berlin publishing house for political and academic subjects that produced highbrow interpretations of the Nazi political and economic system. In another series from the publishing house, for example, *Schriften der deutschen Hochschule der Politik*, edited by Paul Meier-Benneckenstein, the volume *Idee und Gehalt der Nationalsozialismus* (Ideas and Content of National Socialism) contained an intellectual guide to Nazism penned by Nazi luminaries such as Dr. Carl Schmitt (*Nationalsozialismus und Völkerrecht*), Dr. Joseph Goebbels (*Wesen und Gestalt des Nationalsozialismus*), and State Secretary Fritz Reinhardt (*Finanz- und Steuerpolitik im nationalsozialistischen Staat*).¹⁵⁰ The nature of the appeal of Nazi ideology to the highly educated has been debated by scholars for decades. Hilgard was part of a much larger group of educated individuals, and intellectuals, who saw the regime's new political beginning as an opportunity.¹⁵¹ Many would have shared the sentiment of *Allianz's* board: "It would be a mistake to remove ourselves from participation in the work of building our fatherland."¹⁵² Hilgard's essay, in the tradition of the interdisciplinary insurance sciences, appealed to this broader readership among the educated, not solely those particularly knowledgeable of insurance. The text has a clear programmatic dimension, systematically laying out an account of the past, present, and future of insurance in German society.

In the very sentence of the treatise, Hilgard directly took on a fundamental problem for private businesses posed by the Nazi ideology. A formative part of the Nazi political platform, the slogan

¹⁴⁹ Fischer wrote his own article on the banking system for the same series: Otto Christian Fischer, *Das Bankwesen im nationalsozialistischen Staat, Die Neue Wirtschaft*, vol. 1 (Berlin: Junker und Dünnhaupt, 1934).

¹⁵⁰ The series was advertised in the back of Hilgard's volume. On the journal and publishing house's roles during the Nazi period, see Rainer Eisfeld, *Ausgebürgert und doch angebräunt: deutsche Politikwissenschaft 1920-1945*, (Baden-Baden: Nomos, 1991).

¹⁵¹ As Michael Wildt writes: "Der Bruch mit der rechtsstaatlichen Verfasstheit der deutschen Republik 1933 bot zahlreichen Eliten den »Ermöglichungsraum«, den sie immer gefordert hatten", Michael Wildt, *Die Ambivalenz des Volkes: Der Nationalsozialismus als Gesellschaftsgeschichte* (Berlin: Suhrkamp Verlag AG, 2022), 19.

¹⁵² „Es wäre falsch, sich der Mitarbeit an dem Aufbau unseres Vaterlandes zu entziehen.“ „Protokolle der 21. Vorstandssitzung“, May 10, 1933, FHA, S17.2-4.

Gemeinnutz vor Eigennutz is difficult to translate precisely. *Gemeinnutz* refers, literally, to common usage and common benefits, just as in the term *gemeinnützig*, which had been the source of so much conflict between private and public insurers. *Eigennutz*, literally for one's own good, or one's own use, has its own connotations and might be translated as self-interest, with an undertone of selfishness, or egotism. Hilgard writes:

“The insurance system is in the fortunate situation of knowing that the idea that gives it its very form, „one for all – all for one“ is in full harmony with the fundamental principle and departure point of the National-Socialist worldview. By proclaiming the subordination of *Eigennutz* (self-interest) to the *Gemeinwohl* (common good) and thus showing the German people with unerring consistency the way forward, which has as its goal the incorporation of the individual in the community, the individual economic unit in the larger economy, National Socialism has arrived at maxims that in their essential features have molded insurance as an institution of communal aid from its ancient beginnings.”¹⁵³

Paraphrasing the notorious slogan, Hilgard opened his text with the insurers' old adage on the principal of reciprocity, or solidarity, long embraced by insurance theorists of all political stripes: “one for all – all for one.” He then traced the lineage of the idea of insurance, embracing a relatively new current in German insurance scholarship that found the roots of modern insurance in medieval Germany. Cornel Zwielerlein has reconstructed the emergence of this school of thought, which, around 1900 began to construct a theory of the origins of fire insurance in the guilds of German cities.¹⁵⁴ As Zwielerlein argues, the theories of these authors, Wilhelm Schäfer, Ludwig Maas and Georg Helmer, took on a marked *völkisch* quality in the 1930s, and have the flaw of ignoring the history of premium-based insurance outside of Germany.¹⁵⁵ Partially adopting this scholarship, Hilgard, while acknowledging that Italian underwriters first invented transport insurance, argued that the “idea of insurance” must in fact actually predate monetary exchange.¹⁵⁶ He continued: “Following the new orientation in Germanic historical research, it is

¹⁵³ „Das Versicherungswesen ist in der glücklichen Lage, den Gedanken, der ihm Gestalt gegeben hat, “Einer für alle, alle für einen,” in Übereinstimmung mit dem fundamentalen Grundsatz und Ausgangspunkt nationalsozialistischer Weltanschauung zu wissen. Indem der Nationalsozialismus die Unterordnung des Eigennutzes unter die Forderungen des Gemeinwohles proklamiert und damit in seiner unbeirraren Konsequenz dem deutschen Volk den Weg gewiesen hat, der die Eingliederung des Einzelmenschen in die Volksgemeinschaft und der Einzelwirtschaft in die Gesamtwirtschaft zum Ziele hat, stellt er Maximen auf, die in ihren Grundzügen der Versicherung als einer Einrichtung der Gemeinschaftshilfe von ihren Urfängen das Gepräge gaben.“ Eduard Hilgard, *Das Versicherungswesen im national-sozialistischen Staat* (Berlin: Junker und Dunnhaupt Verlag, 1935), 7.

¹⁵⁴ See Cornel Zwielerlein, *Der gezähmte Prometheus: Feuer und Sicherheit zwischen Früher Neuzeit und Moderne, Umwelt und Gesellschaft*, Band 3 (Göttingen: Vandenhoeck & Ruprecht, 2011), 35-36.

¹⁵⁵ See, for example, Ludwig Maass, *Die Brandgilden, insbesondere in Schleswig-Holstein* (Stuttgart: F. Enke, 1910), or Georg Helmer, *Die Geschichte der privaten Feuerversicherung in den Herzogtümern Schleswig und Holstein, insbesondere die Geschichte der Entstehung und Entwicklung der Brandgenossenschaften oder “Brandgilden” in Schleswig-Holstein* (Berlin, 1925).

¹⁵⁶ „Während die Transportversicherung, hervorgegangen aus den Notwendigkeiten des Seeverkehrs, in ihrem Ursprung letzten Endes eine Erfindung italienischer Kaufleute darstellt und im Anfang einzelne Kaufleute als Träger zeigt, muß die Geburt des Versicherungsgedankens überhaupt lange vor der Entstehung der Geldwirtschaft, in den

of particular interest, to study the first expressions of the *Versicherungsgedanke* within Germanic cultural circles.¹⁵⁷ Embracing this looser definition of the “idea of insurance”, Hilgard moved beyond the formerly hegemonic definition of insurance in Germany, that of Manes, who had defined insurance as reciprocity through defined benefits and contributions, not the mere idea of mutual aid.

Hilgard continued: “The foundation and departure point are formed by the family and tribe, with their strong, blood bond as a sworn community against all dangers.”¹⁵⁸ Rising beyond immediate kin relations, individuals then joined together in the spirit of voluntary *Selbsthilfe* (self-help) to protect themselves against various dangers, particularly fire. While the first formal German insurance company was founded as a state institution, the *Hamburger Feuerkasse* in 1676, in Hilgard’s account, this had been inspired by the private London *Fire Office*.¹⁵⁹ Regarding the Germanic guilds, Hilgard found that “it is important to make it clear that these organizations did not emerge from state initiatives; we find them far more often to have been opponents of the state authorities (*Obrigkeits*), which often met them with pronounced mistrust.”¹⁶⁰

In a stroke of rhetoric, Hilgard tied private insurers to the real Germanic origins of insurance. He also implicitly associated private insurance as a form of organization with the politics of the Nazi movement, which claimed a political legitimacy beyond that of the state.¹⁶¹ The *Gefahrengemeinschaft*, or community of the insured, could share in this legitimacy, whether organized by public or private means. Following his recounting of the history of public and private insurance in Germany, Hilgard would directly address this aspect of Nazi political ideology, which was, at the very least, agnostic towards the role of the private or public sector in insurance: “At the summit of all political, legal, and economic thought today, one finds the principle that the state is not an end in itself, but rather only the organization of the *Volksgemeinschaft*, and that the economy – both private and that of the public hand – is but a means for the achievement of this goal.”¹⁶² Making the jump from the imaginary of medieval

Anfangsformen menschlicher Gemeinschaft gesucht werden,” Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 13.

¹⁵⁷ „Es ist gerade im Zeichen der Neuorientierung germanischer Geschichtsforschung von besonderem Reiz, die ersten Äußerungen des Versicherungsgedankens innerhalb des germanischen Kulturkreises zu studieren.“ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 13.

¹⁵⁸ „Grundlage und Ausgangspunkt bilden Familie und Sippe mit ihrer starken blutmäßigen Bindung als beschworene Gemeinschaft in allen Gefahren.“ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 13.

¹⁵⁹ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 14.

¹⁶⁰ „Es ist wichtig, festzustellen, daß diese Organisationen nicht der staatlichen Initiative entsprungen sind; wir finden sie vielmehr oft als Gegner der staatlichen Obrigkeit, die ihnen häufig mit ausgesprochenem Mißtrauen begegnet.“ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 14.

¹⁶¹ Wildt notes that this had as a result a sort of „dynamisation“ of the concept of the state, rather than its true relegation. See Michael Wildt, *Die Ambivalenz des Volkes: Der Nationalsozialismus als Gesellschaftsgeschichte* (Berlin: Suhrkamp Verlag AG, 2022), 138-146.

¹⁶² „In der Spitze allen politischen, rechtlichen und wirtschaftlichen Denkens steht heute der Grundsatz, dass der Staat nicht Selbstzweck, sondern nur die Organisation der Volksgemeinschaft ist, und dass die Wirtschaft -- die

communities of mutual aid to the modern insurance corporation was an easy leap, simply a question of what means were most effective. Hilgard reminded his readers that “the idea of insurance is eternal, its form of appearance determined by the time.”¹⁶³

At this point, Hilgard entered into a longer defense of the specific merits of competition between organizational forms in insurance. No one form of insurance was suited to providing all types of coverage, and in fact, competition among many separate entities, perhaps of different organizational models, was likely to deliver the best results.¹⁶⁴ In Hilgard’s view, productive competition depended on whether firms, public and private, were capable of putting the notion of “Gemeinnützigkeit” in the background, “particularly as follows from a state order that has made the principle *Gemeinnutz vor Eigennutz* a binding prescription for each individual.”¹⁶⁵ Only competition based on common fundamentals, that is, no unfair advantages, would lead to a “Steigerung der Leistung” (increase of performance). In the *Leistungsgemeinschaft* of Nazi society, a key principle for Nazi economic and welfare institutions, this was an important rhetorical point.¹⁶⁶ Hilgard’s remarks also contain many of Schmitt’s own talking points regarding the necessity of a diversity of forms in insurance from before the Nazi seizure of power, as well as classic business community rhetoric regarding the benefits of competition, all of which aligned with the Nazi focus on performance.

When it came to social insurance, Hilgard offered a sharpened form of arguments long advanced by Schmitt, Moldenhauer, and other public opponents of social insurance from the private insurance community in the Weimar era and long before. Hilgard’s perspective emphasized the philosophical dimension of the individual’s free decision to take on life insurance:

“Pure social insurance is obligatory and extinguishes the freedom of will of the individual white-collar or blue-collar worker. The right to claims and the obligation to contributions exist by power of law without any consideration of the will of the productive individuals captured within (the system)...individual insurance, on the other hand, is rooted in the free decisions of particular commercial firms and individuals conscious of their responsibility.”¹⁶⁷

private wie die der öffentlichen Hand -- nur ein Hilfsmittel zur Erreichung dieses Ziels darstellt.“ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 33.

¹⁶³ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 18.

¹⁶⁴ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 21-23.

¹⁶⁵ „...zumal im Zeichen einer staatlichen Ordnung, die für jeden einzelnen den Grundsatz “Gemeinnutz vor Eigennutz” zur bindenden Vorschrift erhoben hat.“ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 23.

¹⁶⁶ On this notion in the area of welfare and old-age provision, see Christopher Sachse and Florian Tennstedt, *Der Wohlfahrtsstaat im Nationalsozialismus*, Geschichte der Armenfürsorge in Deutschland, III (Stuttgart: Kohlhammer, 1992), 57.

¹⁶⁷ „Die reine Sozialversicherung ist obligatorisch und schaltet die Willensfreiheit des einzelnen Angestellten und Arbeiters aus. Anspruchsberechtigung und Beitragspflicht bestehen kraft Gesetzes ohne Rücksicht auf den Willen

This amounted to, Hilgard continued, a fundamental difference between the two systems:

“While social insurance is only the bureaucratic administrator of a legally grounded obligation to provide (for the future) and can only attribute its constantly expanding scope to the state’s legislative acts, which subjugated ever more firms and circles of individuals, the individual insurer, like every businessman, must bring in business himself, by awakening in the customer his belief in the necessity of insurance protection.”¹⁶⁸

Proponents of German social insurance had once defended their system by arguing that a greater freedom lay in the self-administration of this mandatory insurance.¹⁶⁹ Hilgard employed another notion of freedom to defend the superior ethic of private insurance. The necessity of insuring oneself resulted from the free recognition of a chain of obligations extending well beyond one’s individual family. The business of insurance, in turn, played a critical role in the unfinished work of National Socialism to awaken this consciousness of responsibility across class lines:

“One would think that insurance’s connection with all classes of the population and all branches of the economy would have won it an extraordinary popularity. We know, that this is the case, as insurers would wish it to be so. Although National Socialism has set the goal of awakening in the people the conviction that the individual can only be valued as part of the whole, that his connections to the community (*Gemeinschaft*) make him valuable, that the needs of one affect the other to the greatest degree, and that the *Volksgemeinschaft* has the right to demand that individual cares in advance (for himself) (*rechtzeitig Vorsorge trifft*) and does not carelessly court danger (*auf die Gefahr ankommen lässt*).”¹⁷⁰

der von ihr erfassten schaffenden Menschen...die Individualversicherung dagegen wurzelt im freien Entschluss verantwortungsbewusster Menschen und einzelner wirtschaftlicher Betriebe.“ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 26.

¹⁶⁸ „Während die Sozialversicherung nur bürokratischer Träger der Verwaltung einer gesetzlich begründeten Vorsorgepflicht ist und ihren ständig gewachsenen Umfang nur staatlichen Gesetzgebungsakten verdankt, die immer neue Betriebe und Personenkreise ihr unterwarfen, muß der Individualversicherer wie jeder Kaufmann das Geschäft heranholen, indem er im Kunde die Ueberzeugung von der Notwendigkeit des Versicherungsschutzes weckt.“ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 27.

¹⁶⁹ See Ludwig Laß „Entstehung und soziale Bedeutung“, in *Berichte, Denkschriften und Verhandlungen des fünften Internationalen Kongresses für Versicherungs-wissenschaft zu Berlin vom 10. bis 15. September 1906* (Berlin: E. S. Mittler und Sohn, 1906), 665-667.

¹⁷⁰ „Man sollte meinen, daß diese Verbundenheit mit allen Schichten der Bevölkerung und allen Zweigen der Wirtschaft der Versicherung eine außerordentliche Popularität verschafft habe. Wir wissen, daß dem noch nicht so ist, wie es sich die Versicherer wünschen müßten. Zwar hat es sich der Nationalsozialismus zum Ziel gesetzt, im Volk die Ueberzeugung zu wecken, daß der Einzelne nur als Glied der Gesamtheit gewertet werden kann, daß nur seine Beziehungen zur Gemeinschaft ihn wertvoll machen, daß die Not des Einzelnen die anderen in stärkstem Maße berührt und daß die Volksgemeinschaft ein Recht hat zu fordern, daß der Einzelne rechtzeitig Vorsorge trifft und es nicht leichtsinnig auf die Gefahr ankommen lässt.“ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 31.

While this work was as yet incomplete, the growth of life insurance gave reason for hope as proof of Germans' sense of responsibility both towards the family and the state:

“The strong upswing beginning in 1924 is not only the best evidence for the vital power of insurance and the will to work of the individuals working in this branch, but is simultaneously proof of the healthy moral constitution of the German people, who in an overwhelming majority have actuated their consciousness of responsibility towards family and state through the uptake of insurance protection in its manifold forms.”¹⁷¹

Beyond these more philosophical considerations, Hilgard also touched on most recent political or regulatory issues that had been dealt with in the public sphere, presenting a more concrete case for the relevance of insurance for the Nazi economy. Hilgard praised steps toward a unitary supervisory authority for private and public insurers and Schmitt's actions to bring *Sterbevereine* under the oversight of the supervisory authority.¹⁷² He explained the recent challenge to insurance companies posed by Darré's proposed *Reichsnährstand* as monopoly agricultural insurer, which, he happily noted, had been countered by public and private insurers' common efforts.¹⁷³ As Schmitt had done in his talks on insurance over the last several years, Hilgard emphasized the importance of the financial role of insurance, particularly life insurance, as a source of investment funds for the economy and for the state itself:

„The National Socialist State particularly needs a strong source of support for its constructive work, one that insures German people against the vicissitudes of life, one that protects the economy and trade from the convulsions of elemental events by enabling consistent calculation of economic enterprise through the reduction of risks, and one that, by effecting a satisfactory distribution of the capital that flows together into insurance for national economic requirements, assists the state and economy in coming up with the funds needed for this constructive work.”¹⁷⁴

Hilgard observed that the sector's assumption of this role as financier of the German economy and state had begun early in Weimar, even in the face of resistance from the expansion of social

¹⁷¹ „Der 1924 stark einsetzende starke Aufschwung stellt nicht nur der Lebensfähigkeit der Versicherung und dem Arbeitswillen der in diesem Zweige tätigen Personen das beste Zeugnis aus, sondern ist gleichzeitig Beweis für die gesunde moralische Konstitution des deutschen Volkes, das in seiner überwiegenden Mehrheit das Verantwortungsbewusstsein gegenüber Familie und Staat durch die Wiederaufnahme des Versicherungsschutzes in seinen mannigfaltigen Arten praktisch betätigte.“ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 18.

¹⁷² Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 56.

¹⁷³ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 36.

¹⁷⁴ „...gerade der nationalsozialistische Staat in seiner Aufbauarbeit eine starke Stütze braucht, die den deutschen Menschen vor den Wechselfällen des Lebens sichert, die Wirtschaft und Handel vor den Erschütterungen elementarer Ereignisse bewahrt, indem sie durch Abnahme dieser Risiken eine stabile Kalkulation wirtschaftlicher Betriebe ermöglicht, und die durch eine den volkswirtschaftlichen Notwendigkeiten gerecht werdende Verteilung der bei ihr zusammenströmenden Kapitalien der Wirtschaft und dem Staat bei der Aufbringung der für den Aufbau nötigen Mittel Hilfstellung leistet.“ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 11.

insurance, but was perhaps unknown to those outside of the field.¹⁷⁵ As the state needed financing power more than ever for its employment efforts, the savings and investment function of insurance now stood in the focus of the public interest.¹⁷⁶ Life insurance in particular, with its large reserves, was extremely important for this, and Hilgard noted that *Allianz* held assets in greater quantities than any other German institution besides the *Reichsbank* and the social insurance institutes.¹⁷⁷

The language of proactive effort, of construction and reconstruction, pervades the text, published in 1935. While the conflict with the professional-corporatist (*berufsständische*) and public insurers received considerable treatment, the document consistently appeals not to conservative sentiments of preservation, but to the active work of building out the insurance economy for the “new state” and the *Volksgemeinschaft*. Certainly Hilgard may have thought this sort of rhetoric had better chances of success in the political environment of 1935 than a more defensive approach. However, his spirited case for private insurance covered in great detail what would have been, for both him and Schmitt, rather exciting developments in the sector. As Hilgard pointed out, life insurance enrollment had surged since 1924. Regulatory developments had contributed to allowing more modern providers, such as *Allianz*, to translate this expression of the eternal *Versicherungsgedanke* into the modern form of the corporate life insurance portfolio.

The horizons for expansion highlighted in the text correspond to very real opportunities and challenges faced by German life insurance. While highly dependent on sales, life insurance did not sell a consumption product, but rather relied on clients’ sense of responsibility towards their dependents, and the lack of a more extensive social safety net. Linking this sense of responsibility towards dependents to one’s responsibility to the larger community of the *Volksgemeinschaft* was an easy rhetorical step, and would have provided an excellent sales argument for those authentically caught up in enthusiasm for the Nazi project. The emphatically pan-class Nazi political movement crossed lines that social insurance had drawn quite starkly in its institutional organization and that private insurance had long sought to transcend in its marketing. The virtues of the ideal life insurance client were certainly not far removed from those of an ideal productive member of the *Volksgemeinschaft*. For Hilgard, all of these

¹⁷⁵ “Es zeugt von einer ganz außergewöhnlichen Leistung des Aussendienstes und einer beneidenswert gesunden Konstitution des Versicherungsgedankens, wenn es schon nach 5 Jahren, Ende 1928, gelungen war, trotz der Erweiterung des Feldes der Sozialversicherung mit weit über 2 Milliarden Bruttoprämie den Stand von 1914 zu überflügeln,” Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 43.

¹⁷⁶ “Diese Ziffern offenbaren auch dem Laien, dass die Versicherungswirtschaft damit einen überragenden Faktor auf dem deutschen Kapitalmarkt darstellt. In einer Zeit, da eine ausgeblutete Wirtschaft ausserordentlichen Bedarf an Kapital zur Wiedereingangssetzung hat, und der Staat zur Finanzierung seiner gigantischen Arbeitsbeschaffungspläne auf den freien Kapitalmarkt nicht minder als auf das Steueraufkommen angewiesen ist, ruft die Kapitalanlage der Versicherungsgesellschaften mehr als in normalen Zeitläuften in den Brennpunkt des öffentlichen Interesses,” Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 44.

¹⁷⁷ “In diesem Zusammenhang dürfte die Feststellung von Interesse sein, dass die größte deutsche Lebensversicherungsgesellschaft auch die größte Effektenbesitzerin aller deutschen wirtschaftlichen Unternehmungen ist, wenn man die Reichsbank und die Träger der Sozialversicherung außer Betracht lässt,” Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 45.

harmonies would have been quite clear. He concluded the essay: “To insure does not just mean today to take care of one’s self and one’s family, but rather to show one’s consciousness of duty and responsibility, and to carry out the work of (national) construction.”¹⁷⁸

III.2. The Image of German Insurance at Home: The Messaging Apparatus of Private Life Insurance

More than ever in the Nazi period, the clear hierarchies within the private insurance world streamlined the branch’s preexisting communication apparatus. Talking points of Hilgard and Schmitt were repeated in central publications for sales staff, then presumably finding their way into the mouths of salesmen who conversed with their clients. As seen in the communications of the supervisory agency to insurance firms regarding interest rates and -- as shall later be seen, regarding the financing of rearmament -- what not to say was sometimes just as important as what needed to be mentioned. The climate of self-censorship and fear that likely prevailed in many corners of the diverse insurance economy should not be underrated. Under these circumstances, language that had already obtained some degree of sanction through its use by prominent Nazis in good standing such as Schmitt would have perhaps been deferred to in public. There were of course other forums and contexts connected to insurance where pushing the envelope yielded its own rewards, such as in the Nazi party press, *Das Schwarze Korps* and other radical publications. As Hans Lembke has shown in his research regarding the political reception of the collapse of the Austrian *Phönix* in 1935, calls to nationalize all private insurance flourished despite individuals like Schmitt’s best efforts to put them under official censure.¹⁷⁹ As will be discussed further in Chapter 6, these debates culminated in an intervention by Hermann Goering, with approval from Hitler, who imposed a ten-year moratorium on all further discussions of nationalization in 1938. For corporate private insurers, continuities in nationally and family-oriented advertising can already be seen before the Nazi’s rise to power, and ever greater alignment with Hilgard’s programmatic text on private insurance as a *Gefahrengemeinschaft* can be observed going into the late 1930s.

Following the takeover of the *Stuttgarter Verein*, *Allianz* inherited its business in smaller-sum life insurance. In the early 1930s, the firm began to refine its advertising methods and build out its organization in this branch. In mid-1930, a cover story in their house newspaper reported that “Die ASS marschiert!” (ASS is on the march!), proudly showcasing the rapid doubling of the business.¹⁸⁰ The acronym no longer referred to the *Allianz Spar- und Sterbekasse* (literally, the Allianz Death and Savings Fund) founded in 1926, but instead to the *Allianz und Stuttgarter*

¹⁷⁸ „Versichern heisst heute nicht nur, für sich selbst und für die Familie sorgen, sondern Pflichtbewusstsein und Verantwortung erkennen lassen und Aufbauarbeit leisten.“ Hilgard, *Das Versicherungswesen im national-sozialistischen Staat*, 69.

¹⁷⁹ Hans H. Lembke, *Phönix, Wiener und Berliner: Aufstieg und Sturz eines europäischen Versicherungskonzerns* (VS Verlag für Sozialwissenschaften, 2016), 63-72, 129-152.

¹⁸⁰ “Die ASS marschiert!”, FHA, *Allianz-Zeitung* 12, no. 8 (August 1930).

Spar- und Versorgungsversicherung (Allianz and Stuttgarter Savings and Care Insurance).¹⁸¹ The firm developed savings instruments oriented towards specific savings goals for families, such as *Brautaussteuerversicherung* (bridal dowry insurance) and *Berufsausbildungsversicherung* (professional training insurance). While these policies would have been primarily composed of a savings premium, the policyholder was still guaranteed the insured sum in the event of their death before the time of the policy's maturation. Advertising played on notions of familial responsibility and the passage of time, while avoiding directly addressing the insured's mortality. Getting rid of the "Sterbe-" (death) element in the name differentiated *Allianz's* service from the non-insurance-based funds with which it had sought to compete, but also represented a new trend in marketing. "Waving with the coffin" (*mit dem Sarg winken*) had long been a fixture in insurance advertising, but now, not only in Germany but also internationally, modern insurance corporations sought to find a less gloomy means of evoking the need for their product. At the 1930 International Congress of Actuaries, the advantage of American sales methods were thought by some to lie in their more cheerful outlook.¹⁸² In 1933, *Victoria's* in-house advertising newspaper celebrated the fact that their first film advertisement for a specific life insurance branch (also *Familienversorgung*) had managed to "treat the theme of life insurance in a brief sketch without depicting death and the transience of man."¹⁸³

The ASS invoked familial responsibility by reminding heads of household that their children would soon become adults. In an assortment of advertising leaflets and instructions for salesmen for smaller-sum policies (the *Allianz Lebensblätter*), one pamphlet from 1930 has a full cover black-and-white photo of a small girl perched on her father's lap. "I'll marry my daddy!" is the only textual caption. Inside the pamphlet, the copy continues: "All little girls first want to marry their daddy. But how will they think about this when they are 1000 weeks old? Prudent parents look ahead and like to lay the foundations for their child's future household when they're still in the cradle. But then all sorts of other necessary expenditures force their way to the front again and again. There is still time for the dowry – one thinks. But one day the dowry must be there. How does one pull together the money for it?"¹⁸⁴ The policy promised to force regularity in parents' savings efforts through monthly premium collections, guaranteeing a payout at either the daughter's wedding or 25th birthday, even in the event of the policy signatory's death. Another pamphlet, entitled "Vom Spiel ins ernste Leben" (From Games into Serious Life), was illustrated with a full cover photo of a young boy doing some woodworking. It offered a similar product

¹⁸¹ *Bericht der Allianz Lebensversicherungsbank Aktiengesellschaft in Berlin über das Geschäftsjahr 1925*. The name was changed sometime in 1929; "Die „ASS“ in neuer Aufmachung," *FHA, Allianz-Zeitung*, no. 7 (July 1929).

¹⁸² A.R. Reid, "The Growth of the Investment Element in Life Insurance as against Purely Assurance Cover," *Comptes rendus du neuvième Congrès international d'actuaire*, vol. II, 138.

¹⁸³ „Ein Lebensversicherungsfilm," *ERGO-Archiv, Monatsblätter für Versicherungswesen: Zeitung der Victoria* 34, no. 10 (October 1933).

¹⁸⁴ "Alle kleinen Mädchen wollen zunächst ihren Vati heiraten. Wie werden sie aber darüber denken, wenn sie 1000 Wochen alt sind? Fürsorgliche Eltern sehen voraus und möchten möglichst schon an der Wiege den Grundstein für den späteren eigenen Hausstand ihres Kindes legen. Aber zunächst drängen sich immer wieder andere notwendige Ausgaben vor. Die Aussteuer hat noch Zeit – meint man. Aber eines Tags wird die Aussteuer da sein müssen. Wie das Geld dafür zusammenbringen?," *FHA, Lebensblätter/ASS-Werbesammlung „Ich heirate meinen Vati!"*

payable at fixed term as insurance for professional education (*Berufsausbildungsversicherung*).¹⁸⁵

Contained along with the pamphlets, instructions for their use reminded salesmen that “a major success, even with the best advertising material, comes only in the rarest of occasions without the active personal involvement of the representative.”¹⁸⁶ As noted in other contexts, the wife of the primary earner could be the best party to address.¹⁸⁷ The instructions also reminded salesmen that these materials and methods should be used across class and occupational lines: „the social position of the (insurance) candidates plays no role for the ASS: everyone needs ASS insurance, both the salesman and the (blue-collar) worker, the civil servant and the clerk, etc., as for every desire there is already a (type of) insurance.”¹⁸⁸ Allianz’s methods in this regard were influential for German life insurance both through perceptions of their being at the cutting-edge of modern insurance practices, but also through the firm’s shaping of common advertising efforts in insurance.¹⁸⁹ Family was a prominent theme in these common advertisements; in relating the new common advertising initiative to their sales staff, the editors of the *Hamburg-Mannheimer* house newspaper argued that only efforts on such a scale could convince “every family father” of the need for life insurance.¹⁹⁰

In the first years following the Nazi’s rise to power, Nazi family policies probably contributed to an even greater emphasis on family themes, not only by *Allianz*, but also by other insurers including *Victoria*, the *Hamburg-Mannheimer*, and even the *Volksfürsorge*. The *Volksfürsorge* adopted new cross-class advertising methods following the DAF takeover. No longer appealing to solidarity among workers, the firm adopted a new mascot “Der Schrittmacher” (literally translatable as “the Pacemaker”), represented by a young boy from the mountains and produced

¹⁸⁵ FHA, *Lebensblätter/ASS-Werbesammlung* „Vom Spiel ins ernste Leben.“

¹⁸⁶ „...ein ausschlaggebender Erfolg, selbst mit dem besten Werbematerial ohne rührige persönliche Tätigkeit des Vertreters nur in den seltensten Fällen zu verzeichnen sein wird.“ „Das vorliegende Werbematerial für die ASS-Versicherung...“ March 10, 1934, FHA, *Lebensblätter/ASS-Werbesammlung*.

¹⁸⁷ The wife of the salesman could even help in this regard through her social contacts, as outlined in the *Allianz-Zeitung*, “Die Frau des Vertreters als beste Gehilfin bei der ASS-Versicherung.” FHA, *Allianz-Zeitung* 14, no. 11 (November 1932).

¹⁸⁸ „Die soziale Stellung der Kandidaten spielt für die ASS-Versicherung keine Rolle: eine ASS-Versicherung braucht jeder, sowohl der Kaufmann, wie der Arbeiter, der Beamte wie der Angestellte usw., da für jeden Wunsch auch eine Versicherung da ist.“ „Das vorliegende Werbematerial für die ASS-Versicherung...“ March 10, 1934, FHA, *Lebensblätter/ASS-Werbesammlung*.

¹⁸⁹ See, for example, „Die Konkurrenz lobt die Allianz,“ FHA, *Allianz-Zeitung* 14, no. 11 (November 1932).

¹⁹⁰ „Gemeinschaftspropaganda für die Lebensversicherung,“ Ergo-Archiv, *Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 5 (May 1928). The *Hamburg-Mannheimer* published some ads from this collection in later issues. One such example reads “Ungewisse Zukunft: für Deine Frau, wenn Du nicht mehr da bist – für deinen Sohn, wenn Du ihm nicht mehr helfen kannst – für Deine Tochter, wenn Du nicht mehr für sie sorgen kannst – also Lebens-Versicherung!“, Ergo-Archiv, *Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 2 (February 1932). Another example: „Das wichtigste auf der Welt: die Kinder! Deshalb! Vorsorgen für ihre Zukunft. Also Lebensversicherung!“, Ergo-Archiv, *Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 9 (September 1932).

advertisements on family themes.¹⁹¹ New families were a considerable source of business for life insurers. One of the many cases of complaints regarding unfair competition by public insurers concerned an employee of Hans Goebbels' use of Nazi-party-collected information on new family formations to hit up potential clients.¹⁹² As recipients of special loans for wedded couples that could be paid off in cash, or by having children (*abgekindert*), these individuals would have been good targets for small-sum life insurance policies that secured the household against default in the event of the father's death.¹⁹³

As in Nazi propaganda, what might be seen today as an old-fashioned emphasis on the family was anything but this in the eyes of the insurers. As demonstrated in the ASS and *Victoria's* advertising, the most modern methods -- film plays, advertising literature with targeted psychological appeals along with large, evocative photographs -- frequently put the family and household at the center. The editors of *Allianz's* collection of pamphlets and instructions for salesmen (the *Lebensblätter*) described one of their insurance policies: "It is a master example for how insurance can fit the spirit of the time and how it really does do so indeed. Who, as a layman, would guess when looking at this mathematical formula (which we will spare our readers!), that it could hide inside such a modern idea as a new and more complete means of supporting the family economically?"¹⁹⁴

The rhetorical innovation in advertising post-1933 was to extend this sense of familial responsibility to the collective, just as Hilgard did in his article. The state could demand that individuals take responsibility for their families, who would, as good *Volksgenossen* (members of the *Volksgemeinschaft*), freely accept this burden. In a *Hamburg-Mannheimer Zeitung* article from late 1934:

"The State has the greatest interest in the spread of the idea of life insurance (*Lebensversicherungsgedankens*), as each citizen who obtains sufficient insurance for himself and his family unburdens the welfare services of the state from present or future obligations far more strongly as can social insurance, which only amounts to a form of emergency assistance. The state can make the moral demand, that every individual who founds a family also takes care of this family and does not abandon them to the kindly care of the state. This personal sense of responsibility, which we now demand, and rightly

¹⁹¹ See Böhle, "Die Volksfürsorge Lebensversicherungs-AG im Dritten Reich," 44. See also the collection of yearly reports and the 1938 jubilee edition of the *Volksfürsorge* BAB, R90787.

¹⁹² Attachment to Letter from Lippert of the Reichsverband der Privatversicherer to Schmitt, Economics Minister, December 1, 1934, BAK, B280-596.

¹⁹³ See Sachse and Tennstedt, *Der Wohlfahrtsstaat im Nationalsozialismus*, 40.

¹⁹⁴ „Sie ist ein Musterbeispiel dafür, wie die Versicherungstechnik mit dem Geist der Zeit gehen kann und auch wirklich geht. Wer würde als Laie, wenn er die mathematische Formel zu dieser Versicherung sähe (mit der wir unsere Leser verschonen wollen!) wohl vermuten, daß sich auch in ihr so moderne Gedanken, wie eine neue und vollkommenere Art wirtschaftlicher Förderung der Familie verbergen?“. „Victoria Sonderdienst-Nachrichtenblatt Nr. 68, Betreff: Familien-Zusatzversicherung der Allianz und Stuttgarter Lebensversicherungsbank AG,“ February 13, 1935, Ergo-Archiv, AK-08-04-53, A0205-00011

so, in all areas of life, certainly cannot be missing in its own most ancient realm, the family.”¹⁹⁵

As a means of individually providing for retirement and family by insuring wage earnings, life insurance easily fit into the rhetoric of the *Volksgemeinschaft* as a *Leistungsgemeinschaft*, a community based on performance and results. *Allianz*’s in-house newspaper for June 1934 led with a cover photo of a sprawling urban construction site, where two larger-than-life male laborers spoke with each other over a large stone labelled “Foundation Stone of Germany” (*Grundstein Deutschland*): “Productive Germany needs life insurance!”¹⁹⁶ Here the notion of the „productive“ (*schaffende*) members of society found particular emphasis. It was those actively engaged in supporting themselves, their families, and the larger society through their work who had need of life insurance. Supposedly unproductive “asocial” members of German society, increasingly excluded from Nazi welfare schemes, were not potential life insurance clients anyways.¹⁹⁷ In the same issue, *Allianz* latched onto this distinction more explicitly, presenting arguments that could be used to bring in clients by calling on them not to become social burdens. Noting that the social insurance system had already begun to struggle financially due to the aging of the German population, the author bemoaned the fact that “the burden of the old *Volksgenossen* who are no longer productive rests on the shoulders of the productive, and is financed by their (financial) yield (*Ertrag*).”¹⁹⁸ By purchasing life insurance now, clients could guarantee they would not further contribute to this problem: “Let it be said here, that it belongs to the very essence of life insurance that it is born by the insurance signatory (*Versicherungsnehmer*) and not by their offspring, however numerous. Each takes care of his own old age, but in today’s times each is also obligated to do so themselves in advance and to relieve the youth from this obligation. They will already have enough burdens to carry.”¹⁹⁹

Even the more complex ideas espoused by Hilgard regarding the nature and function of insurance appeared frequently in firm newspapers in the period surrounding his essay’s

¹⁹⁵ „Das größte Interesse an einer Verbreitung des Lebensversicherungsgedankens hat der Staat selbst, denn jeder Staatsbürger, der durch eine ausreichende Versicherung für sich und seine Angehörigen sorgt, entlastet den Wohlfahrtsdienst des Staates von gegenwärtigen oder künftigen Verpflichtungen weit stärker, als es die immer nur einen Notbehelf bildende Sozialversicherung tun kann. Der Staat kann moralisch verlangen, dass jeder, der eine Familie gründet, für diese Familie auch sorgt und sie nicht der gütigen Fürsorge des Staates überlässt. Dieses persönliche Verantwortungsbewusstsein, das wir heute mit Recht auf allen Gebieten des Lebens fordern, darf ganz gewiß auf seinem ureigensten Gebiet nicht fehlen; auf dem Familie.“ „Staat und Lebensversicherung,“ *Ergo-Archiv, Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 4 (April 1934).

¹⁹⁶ „Schaffendes Deutschland – zur Altersversorgung Familienversorgung Berufsausbildung Brautaussteuer für den Erbhofbauern -- braucht Lebensversicherung.“ *FHA, Allianz-Zeitung* 16, no. 6 (June 1934).

¹⁹⁷ See Wolfgang Ayass, *„Asoziale“ im Nationalsozialismus* (Stuttgart: Klett-Cotta, 1995).

¹⁹⁸ „...die Lasten der alten, nicht mehr schaffenden Volksgenossen ruhen auf den Schultern der schaffenden, werden aus deren Ertrag finanziert.“ „Das Zahlenbild des deutschen Volkes,“ *FHA, Allianz-Zeitung* 16, no. 6 (June 1934).

¹⁹⁹ „Hier sei zwischengeschaltet, dass es zum Wesen der Lebensversicherung gehört, daß sie von ihren Versicherungsnehmern selber – und nicht deren mehr oder minder zahlreichen Nachkommen – getragen wird. Jeder sorgt für sein eigenes Alter; aber bei der heutigen Lage ist auch jeder verpflichtet, für sein Alter selber vorzusorgen und die Jugend von dieser Verpflichtung zu entlasten. Sie wird ohnehin genug Lasten zu tragen haben.“ „Das Zahlenbild des deutschen Volkes,“ *FHA, Allianz-Zeitung* 16, no. 6 (June 1934).

publication. This ranged from plays on the same Hegelian maxim of freedom -- in the same *Allianz-Zeitung* for June 1934, one reads: “it clearly emerges from the last months’ application statistics that the recognition of the necessity of life insurance is growing in all circles of the population”²⁰⁰ -- to more direct engagement with his and Schmitt’s talking points on the significance of life insurance for national investment. The *Hamburg-Mannheimer Zeitung* reminded its readership of the importance of long-term insurance investment and savings discipline for the state and nation:

“State support for life insurance is not only implemented with a view to unburden the state (financially) and (promote) founding families, but also in particular with a view towards the economically necessary formation of wealth and capital. In life insurance, the individual commits themselves to regularly planned savings for the long term, in this manner the larger, small, and even smallest regular contributions are pooled together to an ever greater extent into large sums of capital, which are then made available for the larger economy in the particularly necessary and desirable form of long-term lending: as mortgage loans and as state and local bonds they support the construction economy and support employment creation measures.”²⁰¹

In the first issue of the *Hamburg-Mannheimer Zeitung* for 1936, the author tied the notion of the *Gefahrengemeinschaft* to the law of large numbers: “the mathematically largest possible number of insured is, from a social and ethical perspective, a *Gefahrengemeinschaft* bound together with each other for better or for worse.”²⁰² Entitled “Der Gemeinschaftsgedanke in der Lebensversicherung” (The Idea of Community in Life Insurance), the article argued that the accumulation of as many contracts as possible was an economic necessity for businesses, but that the businesses could only realize this economic task if all members of Nazi society felt a proper sense of responsibility towards their community.²⁰³ Victoria’s in-house paper made a similar argument to Hilgard’s regarding the dangerous, anti-communal nature of forming special, professional-corporative (*berufsständische*) insurers, not only as pursued by Darré’s agricultural

²⁰⁰ „Schon aus den Antragsstatistiken der letzten Monate geht hervor, daß die Einsicht in die Notwendigkeit der Lebensversicherung in allen Bevölkerungskreisen wächst.“ „Schaffendes Deutschland braucht Lebensversicherung,“ FHA, *Allianz-Zeitung* 16, no. 6 (June 1934).

²⁰¹ „Die staatliche Förderung der Lebensversicherung erfolgt aber nicht nur unter dem Gesichtspunkt der Entlastung des Staates und der Familiengründung, sondern vor allem auch unter dem Gesichtspunkt der volkswirtschaftlich notwendigen Kapital- und Vermögensbildung. In der Lebensversicherung verpflichtet sich der Versicherte zu einem planmäßigen Sparen auf lange Sicht; auf diese Weise werden aus größeren, kleinen und kleinsten regelmäßigen Beiträgen in wachsendem Umfange große Kapitalien angesammelt und der Gesamtwirtschaft in der Form der besonders notwendigen und wünschenswerten langfristigen Ausleihung zugeführt: als Hypothekendarlehen, als Staats- und Kommunalanleihen befruchten sie vor allem die Bauwirtschaft und dienen heute vor allem der Arbeitsbeschaffung.“ „Staat und Lebensversicherung,“ Ergo-Archiv, *Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 4 (April 1934).

²⁰² „Der Gemeinschaftsgedanke in der Lebensversicherung,“ Ergo-Archiv, *Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 1 (January 1936).

²⁰³ „Der Gemeinschaftsgedanke in der Lebensversicherung,“ Ergo-Archiv, *Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 1 (January 1936).

ministry, but also regarding the projects of German doctors.²⁰⁴ “The support of particular insurance enterprises or insurance groups who neglect risk distribution would, in our most dutiful conviction, practically go directly against the principle of *Gemeinnutz vor Eigennutz*.“²⁰⁵ Hilgard’s line in the first sentence of his treatise regarding the relationship of insurance to the Nazi „*Gemeinnutz vor Eigennutz*“ maxim appeared in a very similar manner in the *Hamburg-Mannheimer Zeitung*: “Without any boasting, the insurance economy can claim to be, in its total structure and effects, a fulfillment of the new economic thinking that puts *Gemeinnutz* before *Eigennutz*.“²⁰⁶

While the *Hamburg-Mannheimer*, *Victoria*, and *Allianz* firm newspapers tended to have a certain sophistication, the idea of a *Gefahrengemeinschaft* as a form of risk-sharing also made appearances in much less elevated contexts. *Die Vorsorge*, the firm publication of the *Evangelische Vorsorge* is one such example. The paper was distributed at no cost to the firm’s insurance clients among protestant churchgoers. It began its issue for October 1937 by explaining the concept in basic terms: “Our insurance is a *Gefahrengemeinschaft*. That means that the *Volksgenossen* that have come together through membership in the *Evangelische Vorsorge* want to protect themselves from danger (*Gefahr*).“²⁰⁷ In the July 1936 issue, the firm adopted the slogan “*Vorsorgen ist Pflicht jeden Volksgenossen!*” (“*Vorsorgen* is the obligation of every *Volksgenossen*”), re-printed at the bottom of the page in many issues and even in full-page advertisements over the following years.²⁰⁸

The package of slogans, theories, and general talking points synthesized by Hilgard in his text was a product of the larger private insurance institutional ecosystem. Binding together Nazi rhetoric and old insurance discourse, it contained ideas that had been tested out and circulated before the time of its writing. His formulations likely had a significant influence on how individuals farther down the hierarchy expressed their own case for private life insurance to clients. They reflect the private insurance ecosystem’s broader self-understanding, at least among

²⁰⁴ These attempts came later than the initiatives to which Schmitt and the private insurers had responded in October 1933. “Sonderdienst-Nachrichtenblatt Nr. 52 betrifft Ärzte-Zwangsversicherung“, November 7, 1934. Ergo-Archiv, AK 08.04.53 A0205-00011.

²⁰⁵ „Die Förderung einzelner bestimmter Versicherungsunternehmen oder Versicherungsgruppen, die den Risikoausgleich vernachlässigen, würde praktisch dem Grundsatz, daß Gemeinnutz vor Eigennutz geht, nach unserer pflichtmäßigen Überzeugung diametral zuwiderlaufen.“ „Freiheit in der Wahl der Versicherungsunternehmen“, ERGO-Archiv, *Monatsblätter für Versicherungswesen: Zeitung der Victoria* 34, no. 10 (October 1933).

²⁰⁶ „Insbesondere die Versicherungswirtschaft kann ohne Überheblichkeit von sich behaupten, dass sie in ihrer ganzen Struktur und in ihrem Wirken dem neuen Wirtschaftsdenken, welches den Gemeinnutzen vor den Eigennutzen stellt, durchaus gerecht wird.“ „Der Gemeinschaftsgedanke in der Lebensversicherung“, Ergo-Archiv, *Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 1 (January 1936).

²⁰⁷ „Unsere Versicherung ist eine Gefahrengemeinschaft. Das heißt, die Volksgenossen, die sich durch den Beitritt zur Evangelischen Vorsorge zusammengeschlossen haben, wollen sich dadurch gegen Gefahr schützen.“ „Bist du ausreichende versichert?“, Ergo-Archiv, 10201 -00001, *Die Vorsorge: Mitteilungen der Evangelischen Versicherungs-Zentrale* 10, no. 4 (October 1937).

²⁰⁸ Ergo-Archiv, 10201 -00001, *Die Vorsorge: Mitteilungen der Evangelischen Versicherungs-Zentrale* 9, no. 3 (July 1936).

its more sincere advocates, and its pretensions to be a vital support for the economy, state, and society under Nazism. While containing a degree of historical invention regarding insurance's Germanic pedigree, this scholarly tradition was neither unserious nor *völkisch* enough to disappear from the mainstream in the post-Nazi era.²⁰⁹ The larger case made by Hilgard for private life insurance was coherent enough and, in fact, brought some longstanding contentions of private insurers into rhetorical alignment with Nazi social policy and economic objectives in the financial economy. Shedding the tradition of Manes, Hilgard brought a theoretical and historical grounding of insurance as collective risk-bearer into a current of political thought that relegated the state to second rank as political authority. The "social-political moment" in insurance, ironically, something that Manes had claimed could indeed be disassociated from state involvement, was now up for grabs, and the *Gefahrengemeinschaft* represented private insurers' best gambit to hold onto this aura of *völkisch* legitimacy.

The firms selling insurance through this rhetoric were among the most successful in the growing market of life insurance through the 1930s. The deeper connection to job creation through state-led investment, particularly in armaments, was both present and absent in these appeals. While, as shall be seen, insurers were told to keep quiet regarding their large holdings of state debt to fund re-armament, sales staff and knowledgeable observers were consistently reminded of the critical contributions that insurance made to the state's investment objectives. As will be further explored in Chapter 6, it was this vital connection to the re-circulation of savings as investment that would preserve private life insurance's independence from outside Nazi influences in the last years before the Second World War. While Schmitt and Hilgard were frequently cited in these early years, in 1937, Goering himself was quoted in the pages of the *Hamburg-Mannheimer Zeitung*. Connecting the dots between individual responsibility for the family, regular disciplined savings, and the larger needs of state, Goering spelled out the case for private life insurance as well as anyone yet had. He only left out, as did the private insurers, the specific risks against which their *Gefahrengemeinschaft* was meant to protect them, individually and collectively:

"Insurance serves the national economy in another way, in that it collects small, regularly paid contributions of savings money, which taken together today are an indispensable factor in the national economy. The Reich government and the Prussian state government are in clear recognition of what great significance insurance has for the work begun by the *Führer*, as it strengthens capital markets and thus contributes to the collection of the necessary funds for the continuation of the *Arbeitsschlacht* (battle for work). Lastly, it is of significance for the people and the state that insurance awakens and strengthens the

²⁰⁹ Cornel Zwierlein notes that Peter Koch adopted Georg Helmer's thesis regarding the origin of fire insurance; Cornel Zwierlein, *Der gezähmte Prometheus: Feuer und Sicherheit zwischen Früher Neuzeit und Moderne*, Umwelt und Gesellschaft, Band 3 (Göttingen: Vandenhoeck & Ruprecht, 2011), 35.

drive to self-responsibly plan for the future and thus works against a state of affairs in which public welfare has too extensive, unfulfillable claims made of it.”²¹⁰

III.3 The Image of German Insurance Abroad: The Limits of the *Gefahrengemeinschaft*

While the German private insurance community drew prestige from Schmitt and Hilgard's roles in the Nazi regime at home, the two men's association with Nazism was no credit to them abroad. Schmitt's appointment as Economics Minister had been initially welcomed in international liberal circles due to the much worse alternatives.²¹¹ In the first weeks of the Nazi regime, the party's violent hounding of the opposition had already drawn international concern and attention. By 1934, the Night of Long Knives had confirmed the regime's unusually violent means of conducting politics. Collapsing while giving a speech on June 28, 1934, Schmitt experienced a rapid health decline that no doubt stemmed in part from the pressure of such high stakes political games, in which conservative military generals and members of the SA alike could be abruptly murdered.²¹² The Nazi's antisemitic policies, which step-by-step excluded Jews completely from public life, were likely also a source of deep uneasiness for Schmitt. As Economics Minister he had insisted that there “could be no Jewish question in the economy.”²¹³ To his friends on the outside of the Nazi movement, including the Jewish former director of the *Berliner Handelsgesellschaft*, Otto Jeidels, and the theologian Martin Niemöller, Schmitt showed himself to be concerned regarding the violent rhetoric of the Nazi regime.²¹⁴ He, however, continued to lunch at regular intervals with Hitler following his departure from office, enjoyed a standing invitation to visit the chancellery unannounced, and made no public statements that would have jeopardized his standing as a personality of first rank in Nazi society.²¹⁵ Following

²¹⁰ „Die Versicherung dient auch auf andere Weise der Volkswirtschaft, indem sie in kleinen regelmäßig gezahlten Beiträgen Spargelder sammelt, die zusammengefasst gerade heute einen unentbehrlichen Faktor in der Volkswirtschaft ergeben. Die Reichsregierung und die Preußische Staatsregierung sind sich klar darüber, welche große Bedeutung die Versicherungen für die Durchführung der vom Führer begonnenen Arbeiten haben, indem sie den Kapitalmarkt stärken und damit dazu beitragen, das die für die Weiterführung der Arbeitsschlacht notwendigen Mittel zusammenfließen. Schliesslich ist es für Volk und Staat bedeutsam, daß die Versicherungen den Antrieb, selbstverantwortlich für die Zukunft zu sorgen, erwecken und stärken und damit einer Entwicklung entgegenarbeiten, in der an die öffentliche Versorgung zu weitgehende und unerfüllbare Ansprüche gestellt werden können.“ „Führende Persönlichkeiten über die Lebensversicherung,“ Ergo-Archiv, *Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 10 (October 1937).

²¹¹ His immediate predecessor, Alfred Hugenberg, had made a terrible impression at the World Economic Congress in London weeks before Schmitt's appointment by demanding all of Germany's former colonies back, as well as the recognition of a right to expand eastward. Tooze, *Wages of Destruction*, 52.

²¹² Feldman, *Allianz and the German Insurance Business*, 102; Tooze, *Wages of Destruction*, 71.

²¹³ Quoted in Feldman, *Allianz and the German Insurance Business*, 97.

²¹⁴ Otto Jeidels wrote numerous letters on behalf of Schmitt to the American occupying authorities, see FHA, NL 1/73; on his relationship with Niemöller see Carl Collado Seidel, "Vom Reichswirtschaftsminister zum Gegner des NS-Regimes. Der Wirtschaftsführer Kurt Schmitt: Financier Hitlers und des Widerstandes?", in: Detlef J. BLESSEN (Hg.): *Financiers, Finanzen und Finanzierungsformen des Widerstandes* (Schriftenreihe der Forschungsgemeinschaft 20. Juli e.V., 5), Münster (LIT) 2006, 53-71.

²¹⁵ See Emil Lang, "Draft of Schmitt Report," 23-25.

the resignation of Hjalmar Schacht as Minister, in 1937, Schmitt was once again offered the Economics Ministry, which he declined.²¹⁶

While the more vulgar antisemitism of rank-and-file Nazis was off-putting for Schmitt, he had broadly agreed with Goering's presentation of the Nazi party's program regarding Jews in 1930. As Eggerr's recounted, Goering had then said "that the right to vote should be withdrawn from them and that they should not be permitted to hold public office or to participate in the professions or to hold positions which would put them in authority over Germans. Dr. Schmitt and myself shared these views at the time and hence Goering's statement struck as both as very reasonable."²¹⁷ In his memoirs, Schmitt would confirm his support for what seems to have appeared to him, perhaps all the more so in the postwar era, to be a comparatively moderate position regarding German Jews:

"I must honestly say, that I had no reservations about this line, for it cannot objectively be contested that in our public and intellectual life, beginning with the Reichstag, in the press, and also in many scientific faculties, in the legal field and above all in the Berlin banking business, the Jews had too strong and too loud and also an unhealthy influence. A certain pushing of them back and holding them to great modesty can only be desired and good. Many a Jewish friend has confirmed this as his own view."²¹⁸

No direct archival evidence can speak to the tenor of Schmitt's relationship with German Jews from the "scientific faculties" such as Alfred Manes of Berlin, or Jews in the legal field and in government, such as Simon Abramowitz of Berlin.²¹⁹ As is quite evident, however, both of these men had an influence in German insurance that was strong and loud, perhaps, from Schmitt's perspective, unhealthy. Following the Nazi takeover, they became ghosts. Driven immediately from their government positions and from public life, these men vanished from the intellectual and political communities that they had done so much to shape. For Manes, who published prolifically while running insurance academia's most important journal, or for Abramowitz, who had played a central role in the Prussian ministry's response to the general financial crisis of 1931, abrupt removal from working life was certainly more than an economic hardship, but represented truly a social death.²²⁰ Schmitt's opinion of both, who, as two of the most prominent Berlin Jews in insurance would certainly have been known to him, might be judged by his cruel indifference to the destruction of their legacies and professional lives in Germany.

²¹⁶ Emil Lang, "Draft of Schmitt Report," 18.

²¹⁷ "Interrogation of Dr. Eggerr's" in "Schmitt Report," 2.

²¹⁸ From Schmitt's memoirs, quoted in Feldman, *Allianz and the German Insurance Business*, 58; Kurt Schmitt, "Erinnerungen," FHA, NL 1/133, 22.

²¹⁹ Wilhelm Kisskalt, Schmitt's colleague at *Munich Re*, would nonetheless blame Manes's animosity towards the concern for the attention given to German reinsurance decartelization by the occupying powers; Feldman, *Allianz and the German Insurance Business*, 493.

²²⁰ See Marion A. Kaplan, *Between Dignity and Despair: Jewish Life in Nazi Germany* (Oxford University Press, 1998).

At the 1934 International Congress of Actuaries, Manes, for the first time in over thirty years, did not form part of the German delegation. For the two sessions on *Volksversicherung* (industrial life insurance) and *Gruppenversicherung* (group insurance), German scholars submitted no papers. In the discussion sessions, members of the German delegation gave brief verbal reports on developments in their country in each sector since the previous panels on the subject in 1927. For group insurance, O. Hafner, and for industrial life insurance, R. Dolezel, spoke of recent developments in the sector, both touching on the competition from *Sterbekassen*.²²¹ Hafner noted that the German supervisory office was making progress in forcing *Sterbekassen* to move away from their insecure financing methods, or else cede their business to insurers who would charge higher premiums through a fully-funded model.²²² While the representative of Italian insurance, Bevione's righthand man in INA, Ignazio Giordani, proudly credited the fascist party with the progress made in *assicurazioni popolari* since 1927, Nazi insurance rhetoric did not appear in the Congress sessions or in the delegates' papers. In the great debate over the inherently social nature of insurance that unfolded at the two sessions, men such as Hilgard would certainly have had much to contribute. The borders of public and private insurance, in theory and in practice, had been redrawn in Nazi Germany, even if the final shape of the broader institutional ecosystem remained uncertain.

There are a number of conclusions that might be drawn from this silence. Firstly, the Jewish members of the German insurance academy, not only Manes, were likely vital to the German international delegation's organization. The larger inward turn in German intellectual and political life left its mark on insurance studies, all the more so due to the high proportion of Jewish intellectuals involved in the field.²²³ In general, Italian fascists showed a far more open interest in international exchange, even as they used these forums for validation and self-congratulatory displays. But finally, one might conclude that the *Gefahrengemeinschaft* rhetoric, while in part sincere, clearly had limited use outside of Germany. As the most high-profile representative of German insurance, Schmitt was invited as honorary vice president but did not attend. The German delegation was instead led by Ministerial Director Johannes Heintze, who directly reported to Schmitt in the Economics Ministry as head of the Department for Money, Capital Markets and Banking.²²⁴ Giordani, at the head of an Italian public company with most of its business in Italy, needed fear little blowback in openly promoting fascism. Nazism, for members of the German private insurance community, could perhaps work well for their industry at home, but was a liability among their international colleagues.

²²¹ *Atti del decimo Congresso Internazionale degli Attuari*, vol. VI (Roma: Istituto Poligrafico dello Stato, 1934), 383-385, 497-498.

²²² *Atti del decimo Congresso Internazionale degli Attuari*, vol. VI, 385.

²²³ Martin Lengwiler, "The Paradigm of Interdisciplinarity: The German Model of Insurance Sciences (1880s-1950s)," *Revue d'histoire des Facultés de Droit et de La Culture Juridique* 36 (2016): 422-423.

²²⁴ "Johannes Heintze," in *Wikipedia*, April 13, 2024, https://de.wikipedia.org/w/index.php?title=Johannes_Heintze&oldid=244024255.

Chapter 5: Italian Life Insurance in the Era of Fascist Corporatism, 1930-1935

Following Gatti's dismissal from the Presidency of the INA in October 1929, Mussolini appointed two men to head the Institute: as President, Senator Giuseppe Bevione, a journalist with a long career in politics behind him, as Director General, Dr. Ignazio Giordani, a top state technocrat, most recently Director General for Labor and *Previdenza sociale* at the Ministry of National Economy. Mussolini would have a prominent presence in the Institute over the following years through his direct interventions and through Bevione and Giordani, who would come to report directly to the *Capo del Governo* (head of government).¹ To understand the Institute in this period, one needs to understand these men and their relationship to Mussolini. As the Institute embarked on a highly ambitious campaign to transform Italian life insurance, Mussolini's rhetoric surrounding Fascist corporatism served as both inspiration and legitimation.

While Bevione's career in journalism has been written on, there is scholarship that exists on his nearly fourteen-year tenure at the head of INA. Born in Turin in 1879, Bevione began working for *La Stampa* in 1904 with stints as foreign correspondent in London and Buenos Aires.² He built a national reputation for himself through his advocacy for the Italian invasion of Libya in 1911 then won a tight special election campaign for the Italian parliament in Turin with the nationalist ticket in 1914. While in parliament, Bevione called for an Italian intervention in the First World War, then volunteering to serve with the *alpini*. In the post-war period, following the Fascist rise to power, Bevione assumed the directorship of *Il Secolo*, the Milanese daily, ushering in a new era of alignment with the regime in August 1923.³ Bevione seems to have become part of Mussolini's circle of intimates during this period, befriending his brother, Arnaldo, who would push to make him director of *La Stampa*.⁴ Bevione's personal correspondence with Mussolini testifies to the fact that the two had a close rapport.⁵ He would use his personal relationship with Mussolini, deep connections in media, and abilities as a publicist to position the Institute at the center of intellectual and political debates regarding the future shape of the corporatist order.

In this project, Ignazio Giordani would prove a valuable ally. Little scholarship exists on Ignazio Giordani, who surfaces occasionally in histories of Italian public administration, but never in

¹ While Mussolini took the title of "Duce del Fascismo", in his capacity as head of the Italian government he was referred to through the title "Capo del Governo," which replaced the more commonly used term of "Presidente del Consiglio dei Ministri" used for Italy's prime ministers. Renzo De Felice, *Mussolini il fascista. La conquista del potere (1921-1925)*, vol. I (Turin: Einaudi, 1966), 439.

² Giuseppe Sircana, "Bevione, Giuseppe," in *Dizionario Biografico degli Italiani* (Treccani, 1988).

³ High finance led the paper's realignment, choosing Bevione for the position. He wrote in his first editorial: "Ci basta dichiarare che 'Il Secolo' si schiera apertamente al fianco dell'on. Mussolini e gli darà, con perfetta indipendenza, il suo appoggio leale, deciso, convinto." Quoted in Nicola Tranfaglia, Paolo Murialdi, and Massimo Legnani, *La stampa italiana nell'età fascista* (Roma; Bari: Laterza, 1980), 19.

⁴ Bevione's wife was said to have helped introduce Mussolini's wife, Rachele Mussolini, to high society, "Bevione, Giuseppe", ACS, MdI, DGPS, DPP, fascicoli personali, n. 130.

⁵ His correspondence with Mussolini's secretary contains frequent handwritten notes, as well as evidence of yearly Christmas gifts to each of Mussolini's children, ACS, SPD, CO, b. 1161, 509540/I, sf.1-14.

focus.⁶ More than a decade of minutes of the Institute's board meetings, however, would provide material for an intimate portrait. As Direct General for Labor, Welfare and Credit in the Ministry of the National Economy, he represented Italy at the International Labor Conference in Geneva in 1929.⁷ Giordani was deeply familiar with Italy's social insurance system, having authored a report earlier that year on the introduction of mandatory health insurance.⁸ At the INA he would prove an effective administrator, taking measures to reform the Institute's organizational structure in careful consultation with its employees. Drawing on his experience in actuarial sciences and social policy, Giordani spearheaded the Institute's development of a wide variety of new types of life insurance, including the various *assicurazioni popolari* for low-wage earners. Bevione's flexible intellect and skill as a publicist were thus complemented by Giordani's managerial abilities and deep technical background.

Giordani's relationship to Mussolini is of equal importance in understanding the Institute's new initiatives. This was a different Mussolini: not a political patron, or a dictator, but the intellectual and spiritual leader of Italy's modernization.⁹ While charting the general direction of the regime's political projects, Mussolini refrained from intervening authoritatively on the precise design, allowing variations to flourish then picking and choosing those that best suited given political exigencies.¹⁰ Men such as Giordani were thus invited to try their hand at realizing the Duce's ideas. In the Great Depression, as the world's most powerful industrial nations sunk into disorder, the horizons of Mussolini's ambitions for the Fascist state grew. In a speech in November 1933 to the Italian parliament, Mussolini presented his original theory of the historical evolution of capitalism and new era of the corporative state (*Stato corporativo*).¹¹ Having entered into a period of decadence, Mussolini argued, capitalist enterprises now threw themselves deliberately into the arms of the state. Where Rudolf Hilferding, Finance Minister of the SPD and Marxist theorist had called for the nationalization of large banks as an adequate means to effect state socialism, Mussolini asserted that private, oligopolistic enterprises' direct embrace of state support heralded the dialectical overcoming of the opposition between capitalism and socialism.¹² Where liberal "supercapitalism" moved inexorably towards the "standardization of the human being, from the cradle to the grave," and Marxist thought insisted on two distinct

⁶ Guido Melis, "Le élite nei Ministeri economici," *Rivista trimestrale di scienza della amministrazione*, 2005, 1000–1012.

⁷ "Twelfth Session of the International Labor Conference" (Geneva: League of Nations, 1929).

⁸ Fabio Bertini, "Il fascismo dalle assicurazioni per i lavoratori allo stato sociale," in *Lo stato fascista*, ed. Marco Palla (Venice: La nuova Italia, 2001), 224.

⁹ This approach proved attractive for many intellectuals; see Ruth Ben-Ghiat, *Fascist Modernities: Italy, 1922-1945*, 8-24.

¹⁰ See Alessio Gagliardi, *Il corporativismo fascista* (Roma: Laterza, 2010), 18-24.

¹¹ Benito Mussolini, "Discorso per lo Stato corporativo," in *Opera omnia*, ed. Edoardo Susmel and Duilio Susmel, vol. 26 (Venice: La Fenice, 1958), 86-96.

¹² Rudolf Hilferding, *Das Finanzkapital: eine Studie über die jüngste Entwicklung des Kapitalismus*, Marx-Studien, Blätter zur Theorie und Politik des wissenschaftlichen Sozialismus, Bd. 3, Hälfte 1 (Wien: I. Brand, 1910); „Se noi volessimo cedere per pura ipotesi a questo capitalismo dell'ultima ora, noi arriveremo de plano al capitalismo di Stato, che non è altro che il socialismo di Stato rovesciato!“, Mussolini, "Discorso per lo Stato corporativo," 90.

oppositional classes, Italy's social and economic complexity defied both systems.¹³ Both would be superseded, Mussolini believed, through a new form of political and economic organization: the *stato corporativo*.

In his writings, but all the more so in his technical work, Giordani offered a bold vision of the role the INA might play in such a state. In leading the Institute's technical development of a wide variety of professionally-tailored life insurance policies, Giordani laid the foundations for the Institute's political work with the Fascist syndicalists in the six *Confederazioni*, the successors to Rossoni's single central organization.¹⁴ The presidents of these organizations sat on the Central Committee (*Comitato Corporativo Centrale*) of the National Council of Corporations (*Consiglio Nazionale delle Corporazioni*), which was empowered to make binding decisions relating to work legislation with their counterparts from the employers' *Confederazioni* in April 1935.¹⁵ It was Bevione and Giordani's plan to use these new powers to create an effective national life insurance mandate through collective bargaining agreements for each sector. Embracing the possibilities of the as yet incomplete corporatist system, Giordani presented a modernist vision of corporatist harmony through state-led financial centralization, with the life insurance contract as a technical means of social and economic rationalization.¹⁶ In their efforts to promote the Institute's signature policy initiative, *assicurazione popolare*, Giordani and Bevione would attempt to provide substance for Mussolini's musings.

Before embarking on this project, however, Bevione and Giordani had to first consolidate the Institute's own internal organization. Gatti's corruption was a serious burden, both for the Institute's finances and for its morale. In the first years of their administration, Giordani implemented careful reforms in consultation with personnel to improve portfolio retention and secure the Institute's finances. While the two would be challenged by other Fascist factions, Mussolini's personal interest in the Institute, underwritten by his direct control of its finances, provided the political capital necessary to complete their reforms. In a period in which, as Christopher Duggan has explored, many Italians felt deep personal affection for Mussolini, his receptions of the Institute's employees and presence at its 20th birthday celebration were, moreover, likely a huge boost to morale.¹⁷ For Bevione and Giordani, Mussolini's public embrace of the INA offered a powerful source of legitimation for expansion. Building on Gatti and Toja's earlier initiatives, Giordani and Bevione welded the Institute to the new "totalitarian"

¹³ "standardizzazione del genere umano dalla culla alla bara."

¹⁴ Francesco Perfetti, *Il sindacalismo fascista*, 155-164.

¹⁵ Alessio Gagliardi, *Il corporativismo fascista* (Roma: Laterza, 2010), 109.

¹⁶ This vision was a vision of societal transformation that stemmed both from conviction the needs of intra-elite competition; see Patrick Bernhard and Lutz Klinkhammer, eds., *L'uomo nuovo del fascismo: la costruzione di un progetto totalitario*, Prima edizione, Ricerche dell'Istituto storico germanico di Roma 11 (Roma: Viella, 2017), 9-27.

¹⁷ See Christopher Duggan, *Fascist Voices: An Intimate History of Mussolini's Italy* (London: Vintage, 2013); see also Rolf Petri, "Sentimenti per il duce. Un approccio diverso al Ventennio," *Italia Contemporanea*, no. 2016/280 (2016).

institutions of the Fascist State, Party, and the Catholic Church to penetrate into Italians' daily lives.¹⁸

Through publicity initiatives across academia, and national and international media, Bevione and Giordani then transformed this campaign into a juggernaut. A special academic conference on *popolari*, held in Venice at the end of September 1935, was intended to be the lift-off moment for their initiative. Preceded by a formal agreement among the *Confederazioni* to pursue mass group contracts for whole labor sectors, the Congress would instead come to represent a highwater mark of sorts for their plans. By September 1935, Mussolini's attention had been drawn away from the INA. Following the invasion of Ethiopia, moreover, the *stato corporativo* would yield primacy of place to Mussolini's foreign policy ambitions and the drive for autarchy, sapping momentum from Bevione and Giordani's plans at a critical juncture.

I. Consolidating the Institute in the Corporative Economy: The INA and Italy's Financial Crisis

On November 16, 1929, a little over a month after Bevione's appointment to the Presidency of the Institute, he and Giordani held their first board meeting. In subsequent meetings Giordani would run the show, but Bevione personally led their first introduction to the Institute and its board. Offering peremptory praise for the departed Gatti, Bevione presented his and Giordani's plans for the Institute:¹⁹

"Sales will have to be intensified ever more, by keeping an eye not just to the quantity, but also to their quality, that is, not only by trying to deliver big numbers, but through the delivery of stable and secure numbers. A first investigation has ascertained that the percentage of contract lapses is rising to a concerning level, not only in general, but also in comparison, because it is higher than that which one sees in the private industry. This cannot only be attributed to the general economic conditions, or to the activities of the competition, but shows a deficiency of rigor and prudence in the choice of risks...regarding the plan for the financial activity of the Institute, the President states little will be modified in the actions that have been conducted thus far, noting that the

¹⁸ On the quotidian presence of the Fascist regime in ordinary contexts through its penetration of professional and social welfare institutions, see Paul Corner, "Italian Fascism: Whatever Happened to Dictatorship?," *The Journal of Modern History* 74, no. 2 (2002): 325–51. On the Church as complement and competitor, see Fulvio De Giorgi, "Il cattolicesimo italiano: un concorrente totalitario," in *L'uomo nuovo del fascismo: la costruzione di un progetto totalitario*, ed. Patrick Bernhard and Lutz Klinkhammer, Prima edizione, Ricerche dell'Istituto storico germanico di Roma 11 (Roma: Viella, 2017).

¹⁹ "Il Presidente riprende quindi la parola per ricordare le benemeritenze del suo predecessore Senatore Gatti, e dal precedente Generale Gr. Uff. Scodnik: Il Senatore Gatti ha legato il suo nome all'ultimo quinquennio dell'Istituto, affrontando le difficoltà che permanevano ancora assai gravi quando egli ne assunse la precedenza, per la recente trasformazione radicale apportata alla natura dell'Azienda dalla recente legge dell'aprile 1923 che instaurava il regime della concorrenza con le imprese private. Dei risultati conseguiti sotto la sua guida è indice sicuro lo incremento della produzione, del numero dei contratti, del portafoglio e del patrimonio dello Istituto, posto in evidenza dalle cifre relative al quinquennio 1924-1929, che attestano lo sforzo compiuto ed il successo ottenuti." November 16, 1929, ASIA, VD 1912-1951, IV, VCdA.

norm to which we must remain uncompromisingly loyal is that of the security of the investments. When he had the honor of being received by His Excellency, the Head of Government, to present his plans to him, he was given the strict command to absolutely not do any bad business, this order will be observed.”²⁰

Without directly acknowledging the situation that he had inherited, Bevione made the Institute's new priorities quite clear. At the following meeting in November, Giordani presented and rejected several ludicrous financing requests that had been submitted to the new leadership. One proposal called for the INA to insure mortgages on 500 million lire of residential real estate construction, financed by a consortium of American banks. All mortgage holders for the new construction would be required to stipulate a life insurance policy with the Institute. As compensation for guaranteeing these payments for 25 years, INA would receive the commissions on the life insurance policies and a half year's interest on each installment of the residents' mortgage payments. Giordani advised against accepting proposal as the Institute would effectively be assuming the job of administrating the properties, taking on all of the investment risk, for minimal compensation.²¹ His lengthy exposition and criticism suggests that the idea had some backing, perhaps among members of INA's board. Nevertheless, following Giordani's unceremonious dissection, it was rejected unanimously. At this meeting and subsequent ones, the Institute rejected numerous other investment proposals, including a number of loan requests from private individuals, and an offer from the Institute's major debtor, the SATA, to purchase a luxury hotel, the Grand Hotel di Napoli.²² Following Gatti's dismissal, a political police informant had noted that “a large crowd has immediately sprung up around the Honorable Bevione to make lucrative deals. I will take names.”²³ Some of these individuals were likely quite disappointed.

At the same first board meeting, Bevione hinted at the general direction that the Institute's new investments were meant to take:

“Moreover, it is wished that the collaborative relationships with the other parastatal entities, those that pursue activities similar to those of our Institute, are made tighter. This

²⁰ “Dovrà essere sempre più intensificata la produzione, avendo di mira non solo la quantità, ma la qualità di essa, non dovendosi cioè cercare soltanto il conseguimento di grosse cifre, ma quello di cifre permanenti e sicure. Una prima indagine ha condotto a constatare come la percentuale della decadenza dei contratti sia venuta salendo ad un livello preoccupante, non solo in via assoluta, ma anche in via relativa, perché superiore a quello che si rileva nella industria privata. Ed il fatto non può attribuirsi soltanto alle condizioni economiche generali, ed alla attività della concorrenza, ma rileva una deficienza di rigore e di oculatezza nella scelta dei rischi...circa il programma della attività finanziaria dello Istituto, il Presidente dichiara che poco sarà da modificare nella azione finora seguita, tenendo presente che la norma cui si dovrà rimanere intransigentemente fedeli è quella della sicurezza degli investimenti. Quando egli ebbe l'onore di essere ricevuto da S.E. il Capo del Governo per esporgli il suo programma, ne ricevette la consegna rigorosa di non concludere, assolutamente, cattivi affari, tale consegna sarà mantenuta.” November 16, 1929, ASIA, VD 1912-1951, IV, VCdA.

²¹ November 27, 1929, ASIA, VD 1912-1951, IV, VCdA.

²² November 27, 1929, December 7, 1929, ASIA, VD 1912-1951, IV, VCdA

²³ “Una gran ressa si è fatta subito intorno all'On. Bevione per inizioamento di affari lucrosi. Farò dei nomi.” October 13, 1929, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931”.

collaboration, in some ways and within certain limits, can also be extended to the *Consorzio di Credito per le Opere Pubbliche* (Credit Consortium for Public Works, CREDIOP).²⁴

The Institute was to be more tightly integrated into the parastatal “alternative circuit to the treasury” led by Alberto Beneduce at the head of CREDIOP and ICIPU.²⁵ The two other major state insurance institutes, the *Cassa Nazionale delle Assicurazioni Sociali* (National Social Insurance Fund, CNAS) and the *Cassa Nazionale Infortuni* (National Accident Fund, CNI), were also participants in these consortiums. Closer integration of INA in this network can be conceived of as a re-integration: the Institute was in fact the original *ente Beneduce* (Beneduce entity). This pattern of entropy and resorption was not unique to the INA. During the same period in which Gatti had led the Institute, the CNAS had also sought to assert independence in its investment policy.²⁶ As Mussolini consolidated his dictatorship, these miniature fiefdoms were brought back into the tightly coordinated parastatal financial sector.

For the INA, this meant that direct requests from Mussolini and the Finance Ministry, once a rarity, would now come much more frequently. In February 1930, for example, 50 million lire in financing for the *bonifica integrale* (land reclamation) and 50 million lire for the state highway construction firm, the *Azienda autonoma della Strada* (Autonomous Highway Corporation) were requested.²⁷ The Institute’s finances, however, were strapped. As Giordani noted in his report to the board, these two investments brought their total commitments and expected expenditures for 1930 to 635 million lire, while the Institute could expect to have around 505 million in available funds from revenues and cash reserves.²⁸ The INA held large reserves of state bonds, but amidst the international financial crisis these could not be sold without risking the lira’s stability.²⁹ Making matters worse, insurance policies for 700 million lire backed by *Titoli del Littorio* (Loan of the Littorio, a state bond issue made in 1926) were due to mature in 1932, and large quantities

²⁴ “È desiderabile, poi, che si rendano sempre più stretti i rapporti di collaborazione con gli altri Enti parastatali che svolgono attività analoga a quella del nostro Istituto, collaborazione che, in qualche modo e dentro opportuni limiti, potrà essere estesa anche al Consorzio di credito per le opere pubbliche,” November 16, 1929, ASIA, VD 1912-1951, IV, VCdA.

²⁵ See Sabino Cassese, “Gli aspetti unitari degli statuti degli enti di Beneduce,” in *Alberto Beneduce e i problemi dell’economia italiana del suo tempo. Atti della giornata di studio per la celebrazione del 50° anniversario dell’istituzione dell’IRI* (Roma: Edindustria, 1985); see also Marcello De Cecco, “Splendore e crisi del sistema Beneduce,” in *Storia del capitalismo italiano dal dopoguerra a oggi*, ed. Fabrizio Barca (Roma: Donzelli, 1997). Ob Beneduce in the Fascist era see Nicola De Ianni, “Il viaggio breve. Beneduce dal socialismo al fascismo,” *Rivista di storia finanziaria* 14 (2005). As his biographer, Marco Magnani, points out, Beneduce shared with Mussolini a fundamentally authoritarian perspective on the appropriate path towards Italian modernization; Marco Magnani, “Alberto Beneduce e lo stato imprenditore,” in *Intellettuali e uomini di regime nell’Italia fascista*, ed. Piero Berucci, Piero Bini, and Lucilla Conigliello (Firenze: Firenze University Press, 2019).

²⁶ Guido Melis, “L’organizzazione della gestione: l’INPS nel sistema amministrativo italiano (1923-1943),” in *Novant’anni di previdenza in Italia: culture, politiche, strutture - Atti del Convegno* (Rome: INPS, 1989), 105-113.

²⁷ February 26, 1930, ASIA, VD 1912-1951, IV, VCdA.

²⁸ February 26, 1930, ASIA, VD 1912-1951, IV, VCdA.

²⁹ “...che per ovvie ragioni non possiamo mettere sul mercato,” February 26, 1930, ASIA, VD 1912-1951, IV, VCdA.

of policies backed by the *Prestito Nazionale V* and *Prestito Nazionale VI* (the Fifth and Sixth National Loans from 1917/1918) would follow in 1933. Ideally, the insurance contracts behind these bonds would be renewed, so as to conserve the Institute's portfolio and prevent the market being flooded with Italian state debt.³⁰ In the meantime, however, the Institute could expect to see reductions in its reserves and premium revenues, even as direct financing requests from the government called for large new outlays. As the financial and economic crisis worsened, demand for emergency public works financing would put the INA under even more pressure from Mussolini and his Ministers.

In the winter of 1929-1930, Bevione and Giordani took immediate steps to reduce small expenditures. They cut the Institute's advertising budget and charitable donations and adopted stricter criteria in granting low-interest mortgage loans to the Institute's employees.³¹ While small sums could be saved on the margins, the larger revenue problems were caused by systemic issues regarding policy lapses. To boost performance, Gatti had set ever higher yearly minimum quotas for new business for the Institute's General Agencies. With their financial incentives linked to the volume of new business, General Agents and their subordinates responded by neglecting portfolio retention and focusing on new contracts. These practices extended beyond negligence to fraud. In Agrigento, for example, agents had faked high production numbers by forging the signatures of clients, collecting the commissions and then cancelling the contracts.³²

To better understand the Institute's problems with retention, Giordani convened a meeting of the Institute's General Agents in Rome in February. Agents pointed out that their high yearly sales minimums resulted from the Institute's performance in 1928, which for a number of reasons had seen unusually high demand. Many complained about the arbitrary thresholds for commission rates and production minimums, which varied from agency to agency. To address these issues, Giordani presented a new incentive structure aimed at eliminating these inequities while rewarding agencies for portfolio retention. A scaled bonus was introduced, allowing agencies to earn a higher percentage commission on growth in premium revenue if they retained higher percentages of the previous year's business.³³ Additionally, the special, lower bonus rates for *popolari* sales were eliminated:

³⁰ Giordani would report on this later in June: "È soddisfacente la trasformazione, in corso, dei contratti abbinati coi prestiti nazionali in contratti di assicurazione normale, ciò che ha importanza non solo per la conservazione del portafoglio, ma anche perché evita la immissione sul mercato di una massa considerevole di titoli pubblici." June 27, 1930, ASIA, VD 1912-1951, IV, VCdA.

³¹ These sums were reduced by a total of 500,000 lire. At the same meeting, a financing request for 200,000 lire was rejected, "ricordando che, secondo i criteri adottati, il mutuo di favore può essere accordato ai funzionari solo per acquisto di un modesto appartamento per loro abitazione." In February a loan to a General Agent was rejected, as was another loan to another employee "perché il finanziamento domandato sarebbe destinato a fini diversi dal pagamento del prezzo dello appartamento che egli occupa, e che risulta di proprietà della moglie di lui." December 21, 1929, February 26, 1930, ASIA, VD 1912-1951, IV, VCdA.

³² December 21, 1929; November 27, 1929, ASIA, VD 1912-1951, IV, VCdA.

³³ The 7% flat rate rose to 9%, 10% and 11% if agencies retained 80%, 82%, or above 84% of the previous years' new contracts. February 26, 1930, ASIA, VD 1912-1951, IV, VCdA.

“Up until now the sales of *assicurazioni popolari* were subject to a regime of special commissions not at all sufficient to encourage its development, which is a matter of particular concern for our Institute.”³⁴

The problems in agents' compensation models had also impaired the Institute's ability to effectively predict costs and revenues. Gatti's administration had consistently estimated yearly new business to be 1.5 billion lire, a figure that was never actually reached in final figures.³⁵ Lowering their estimate for 1930, Giordani set stricter criteria for calculating yearly new business totals, counting only those contracts for which at least a half year's premium had been paid as completed.

The larger compensation structure for direct employees was also in need of reform. In December 1929, Giordani initiated studies to completely rework this structure to “give to the personnel the feeling that the many jarring disproportions will be eliminated with fairness and equity.”³⁶ Gatti's old personnel director, Grixoni, was removed from his position and replaced by a high government functionary, Dr. Campese, who had left the CNAS. The project of personnel reform would take a full year to complete. On December 31, 1930, Giordani presented the new compensation and promotion structures to the board. Raises and compensation were standardized for each class of employee, while formal open *concorsi* (competitions) would be used for promotions and hiring in place of the untransparent system employed by Gatti and Grixoni.³⁷

As Giordani reformed personnel, Bevione overhauled the Institute's investment policy. In January, Bevione proposed the total dissolution of the *Istituto Nazionale Immobiliare* (National Property Institute, INI). The financial committee, however, saw advantages in maintaining the organizational structure of the independent subsidiary, which now managed over 300 million lire in real estate. To recover the 50 million lire in capital that the Institute had invested under Gatti, the transfer of an equivalent value of real estate to the Institute was implemented.³⁸

As the first year of their tenure progressed, Giordani and Bevione faced resistance from many sides. Very few old employees were fired, and Gatti retained many contacts in the Institute who sought to undermine the pair in various ways.³⁹ Board member Giuseppe Mastromattei began his

³⁴ “Fin qui la produzione delle Assicurazioni Popolari era sottoposta ad un regime di premi affatto speciale non sufficiente per incoraggiare lo sviluppo di tale attività, le cui sorti stanno particolarmente a cuore al nostro Istituto.” February 26, 1930, ASIA, VD 1912-1951, IV, VCdA.

³⁵ “Negli esercizi precedenti, per stabilire un preventivo di spesa, si calcolò una produzione probabile utile agli effetti dei premi, di L1.500.000.000. Tale produzione non fu però quasi mai raggiunta, e tanto meno lo sarà nel 1930, applicando il criterio adottato nel 1929, e che si ritiene utile di mantenere, di richiedere cioè il perfezionamento dei contratti col pagamento di un semestre almeno di premi.” February 26, 1930, ASIA, VD 1912-1951, IV, VCdA.

³⁶ “a dare al personale la sensazione che le molte stridenti sperequazioni saranno eliminate con giustizia a con equità.” December 21, 1929, ASIA, VD 1912-1951, IV, VCdA.

³⁷ December 31, 1930, ASIA, VD 1912-1951, IV, VCdA.

³⁸ January 29, March 26, 1930, ASIA, VD 1912-1951, IV, VCdA.

³⁹ Political police reported on his many contacts, but also an amateurish spy ring involving his niece. ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931.”

own intrigues to take over the Institute, providing a stream of criticism to the Ministry of the Interior on the new management.⁴⁰ Amongst older employees, the new leadership, in particular Bevione, was initially regarded as out of their depth: “they refer to the new directors, the journalist Bevione, the President, as men imposed by politics, but devoid of any understanding of the actuarial subject.”⁴¹

The financial situation of the Institute remained the object of rumor and speculation. Allegations that the Institute was having trouble disbursing payments may have been unfounded, but the situation Giordani presented to the board in February 1930 was not a happy one. On top of the additional hundred million lire for the highways and *bonifica integrale*, in March, the INA was also asked to contribute 35 million lire in financing for the *Ente Autonomo Forze Idrauliche Adige-Garda* (Autonomous Entity for Hydraulic Power Adige-Garda), 25 million lire in bonds issued by the state-owned metallurgy enterprise *Società Cogne*, and more funds for numerous new loans to municipalities for public works projects, including a 30 million lire request from Venice.⁴² Italy was now in a full recession, and the government needed funds to finance make-work projects to maintain employment.⁴³ Bevione presented an overly rosy picture of the Institute’s finances in his first presentation of the Institute’s yearly report to Mussolini in July, but it seems that, in general, expectations went well beyond what the INA or Italy’s other parastatal insurers and banks were capable of:⁴⁴

“The President and Director General report that the meeting which was supposed to take place yesterday with the Head of Government between the directors of the parastatal entities to determine the availability of liquid funds to put towards the financing of works in the public use was not held, because in a preliminary meeting with the Honorable Minister of Finance it was made clear how scarce the funds are which – taking into account commitments already assumed – both our Institute, and the CNAS, the savings banks (*Casse di risparmio*) and CREDIOP could currently come up with, compared to that which the works program that the government intends to implement to alleviate industrial unemployment would require.

His Excellency, the Minister of Finance, elected to confer with the Head of Government. In the meantime, in alignment with the other Institutes, it was agreed upon to strictly limit

⁴⁰ On Mastromattei, see Simone Conversi, “The Ina, Giuseppe Mastromattei and the Failure of the Italian Insurance and Reassurance Company Atlante,” *Le Carte e La Storia*, no. 1/2024 (2024). See also April 30, 1930, December 27, 1930, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931.”

⁴¹ “Si accenna anche ai nuovi dirigenti, al giornalista Bevione, Presidente, uomini imposti dalla politica ma digiuni assolutamente da qualsiasi cognizione in materia attuariale.” November 1, 1929, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931.”

⁴² March 26, April 30, June 27, ASIA, VD 1912-1951, IV, VCdA.

⁴³ See Stefano Cecini, “Il finanziamento dei lavori pubblici in Italia. Un confronto tra età liberale ed epoca fascista,” *Rivista di storia economica*, no. 3/2011 (2011).

⁴⁴ Bevione to Mussolini, July 17, 1930, ACS, PCM, 6.4.5241.

any other type of investment commitments, so as to conserve the greater part of funds for the state.”⁴⁵

On November 2, 1930, a report to the political police illustrates the political reaction to this decision, and the broad constituencies relying on the INA to provide financing:

“Directors of public works (projects) and also the mayors of a few cities who approached the National Insurance Institute as the entity authorized to purchase their state annuities met with the response from Comm. Giordano [sic], Director General of the Institute, that there are no funds, that in any case they have to wait until the decision of the Banking Committee and of the Savings Banks, which will meet within the Institute in the first days of this month...as an immediate consequence of this response – it is said – we will quite soon see the suspension of many public works (projects), with the consequence of heightened unemployment.”⁴⁶

Bevione and Giordani’s fragile political situation would soon hit a breaking point on the issue of the management of the Rome agency. The Rome General Agency had been managed directly by INA’s central administration since 1924. Under Gatti, the office had deteriorated to such a great extent that, rather than being among the most lucrative agencies, it was now losing money.⁴⁷ Presenting their reform proposal to the board on January 1931, Giordani outlined the Agency’s trajectory:

“In essence, the sales results delivered annually through central management (*gestione economica*) were much higher than those given by management through franchising (*gestione in appalto*). However, this development, not always qualitatively perceptible, led to excessive administrative work that was sometimes unprofitable, and to the gradual

⁴⁵ “Il Presidente e il Direttore Generale riferiscono come la riunione che doveva aver luogo ieri presso il Capo del Governo, dei dirigenti degli Enti parastatali, per la determinazione delle disponibilità liquide da destinare al finanziamento di opere di pubblica utilità, non sia stata tenuta, perché in un convegno preliminare presso l’On. Ministro delle Finanze era stata precedentemente messa in evidenza la scarsità dei mezzi di cui - tenuto conto degli impegni già assunti - potrebbero disporre attualmente così il nostro Istituto come la Cassa Nazionale per le Assicurazioni Sociali, le Casse di risparmio e il Consorzio di credito per le opere pubbliche, di fronte a ciò che importerebbe il programma di lavori che il Governo intende svolgere anche per provvedere alla disoccupazione operaia. S.E. il Ministro delle Finanze si è riservato di conferire col Capo del Governo. Frattanto, d’accordo con gli altri Istituti, si è convenuto di limitare sempre più rigorosamente ogni altro genere di impieghi patrimoniali; per conservare a disposizione dello Stato la maggior parte delle disponibilità.” October 31, 1930, ASIA, VD 1912-1951, IV, VCdA.

⁴⁶ “Impresari di opere pubbliche e anche i Podestà di taluni comuni che si erano rivolti all’Istituto Nazionale delle Assicurazioni, come all’Ente autorizzato per lo sconto delle obbligazioni dello Stato, si sono sentiti rispondere dal Comm. Giordano [sic], Direttore Generale dell’Istituto, che non ci sono i fondi, che ad ogni modo bisogna attendere la decisione che prenderà il Comitato Bancario e delle Casse di Risparmio che si riunirà in seno all’Istituto nei primi di questo mese...come effetto immediato di queste risposte – si dice – si vedrà ben presto la sospensione di molte opere pubbliche, con la conseguenza di una accentuata disoccupazione.” November 2, 1930, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931.”

⁴⁷ October 21, 1931, ASIA, VD 1912-1951, IV, VCdA.

hiring of many employees, whose work, completely inadequate to the possibilities of the Agency and difficult to rein in, constitutes the principal cause of the central management's deficit. This and other reasons – among which, the accumulation of large sums of advances for salesmen, which were not always possible to recover, and the tendency of the sales staff to obtain ever higher commissions – convinced the Direction that it was the right choice to return to a franchising arrangement, both to relieve the Institute of further (financial) exposure, and to restore to its management the essential commercial criteria from which it has deviated. That said, the Director General recounts how the news that the Rome General Agency would be leased as a franchise was published, and how the Institute received 18 applications for the concession. The Direction has taken every care in making inquests, particularly for those candidates on whose technical, moral, and financial capacities there was insufficient information.”⁴⁸

At the following board meeting, Giordani reported that a triumvirate of experienced insurers had been selected by the board to take over the General Agency. The group was led by Giacomo Alatri, who had served as Rome's General Agent from 1916-1923.⁴⁹ This ran afoul of Giuseppe Bottai, now Minister of the Corporations, whose own preferred candidate for the lucrative position, Mario Mazzetti, a Console General in the Fascist militia (MVSN), had been cast aside.⁵⁰ Bottai and Giordani were alleged to have a history of some sort, with Bottai having tapped Giordani for the INA to rid himself of him.⁵¹ Whatever the substance of these allegations, later reports would treat it as established fact that Giuseppe Bottai, together with the Minister of Finance, Antonio Mosconi, conspired to unseat Bevione and Giordani from the INA, in part because of their decision regarding the Rome office in favor of “the Jew Alatri.”⁵² In late

⁴⁸ “Effettivamente i risultati produttivi conseguiti annualmente dalla gestione economica furono di gran lunga superiore a quelli conseguiti dalla gestione in appalto. Senonché, tale sviluppo, non sempre qualitativamente apprezzabile, determinò un lavoro amministrativo eccessivo e talvolta improficuo, e portò successivamente alla assunzione graduale di numeroso personale, la cui opera, affatto inadeguato alle possibilità dell'Agenzia, e di difficile contenimento, costituisce la causa principale della passività della gestione economica. Questa ed altre ragioni - fra cui il cumularsi di somme cospicue per anticipi a produttori, non sempre recuperabili, e la tendenza del personale produttivo ad ottenere compensi provvigionali sempre maggiori - hanno convinto la Direzione che sia conveniente il ritorno al regime di appalto, sia per sollevare lo Istituto da ulteriori esposizione, sia soprattutto per ripristinare nella gestione i necessari criteri industriale da cui la gestione si è andata discostando. Ciò premesso, il Direttore Generale spiega come sia stata divulgata la notizia che l'Agenzia generale di Roma si sarebbe data in appalto, e come siano pervenute allo Istituto diciotto domande di aspiranti alla concessione. La Direzione ha con ogni cura fatto apposite istruttorie, specialmente per i candidati sulla cui capacità tecnica, morale e finanziaria mancavano sufficienti elementi di giudizio.” January 28, 1931, ASIA, VD 1912-1951, IV, VCdA.

⁴⁹ Alatri had remained with the INA, leading *Assicurazioni d'Italia* after the office was taken into central administration. December 14, 1916, ASIA, Carte del presidente Bonaldo Stringher, 6 “Corrispondenza”, 3 “Corrispondenza con gli Agenti Generali”, 63 “Nomina di Giacomo Alatri ad Agente Generale di Roma e provincia per il 1917-1922.”

⁵⁰ The *Milizia Volontaria Sicurezza Nazionale* (MVSN), February 2, 1931, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931.”

⁵¹ December 27, 1930, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931.”

⁵² On Bottai, Mosconi, Giordani, and Bevione see March 7, 1931, August 13, 1930, February 9, 1931, April 8, 1931, July 22, 1931, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931.” Bottai's

February, a drawing of a hammer and sickle and inscriptions reading “Down with Mussolini” and “Death to Mussolini” were discovered in a bathroom in INA’s accounting division.⁵³ Several informants suspected this had been done by the faction opposed to their leadership to provoke an investigation. In the same period, Antonio Mosconi’s son, who himself worked for INA, drafted a secret memo criticizing Bevione and Giordani and sent it to both Ministers.⁵⁴ This finally triggered the political investigation that they desired. Rumors reported that Bevione’s position was felt to be untenable and that he would soon be replaced by Mosconi, Alfredo Rocco or Beneduce.⁵⁵

Bevione’s personal political capital, however, was perhaps greater than the two Ministers had imagined. In a unilateral intervention, Mussolini sequestered the memo and, in the face of Finance Minister Mosconi’s strong protests, appointed Bevione special conservator of the Institute (*Regio Commissario*), on April 30, 1931.⁵⁶ With his position dramatically strengthened, Bevione then followed up on the findings of the investigation on Gatti with a purge of the Institute’s personnel. On June 30, 1931, Head Inspector Arturo Danise and Vice Director General Alberto Vicinelli were both fired along with over thirty other individuals including four other high functionaries. On July 9, another Head Inspector, Silvio Morelli, was fired.⁵⁷ Political police informants alleged that over 200 salesmen and fifteen inspectors were fired without severance in April 1931.⁵⁸ The INA’s board was again dissolved.⁵⁹

From May through October, Bevione then governed the Institute alone, while retaining Ignazio Giordani as his Director General. During this period he approved several large investments requested by Mussolini, including a 60 million lire discounting operation for the *Società Romana per le Ferrovie del Nord* (Roman Corporation for the Northern Railways).⁶⁰ In one of his last acts as *Regio Commissario*, Bevione approved a massive repurchase agreement with the *Banca Commerciale Italiana* (BCI) to provide the bank with the necessary collateral to secure a 500 million lire loan from the *Banca d’Italia*.⁶¹ The agreement, signed by Giuseppe Toeplitz of the BCI, Bevione for INA, and the Governor of the *Banca d’Italia*, Vincenzo Azzolini, could be

antisemitism well preceded his role in implementing the country’s racial laws, Ben-Ghiat, *Fascist Modernities*, 26-27.

⁵³ March 5, March, 10, March 13, 1931, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931.” See also February 25, 1931, ASIA, VD 1912-1951, IV, VCdA.

⁵⁴ Bevione to Mussolini, April 23, 1931, ACS, SPD, CO, b. 1161, 509540/I, sf. 3.

⁵⁵ March 7, 1931, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931.”

⁵⁶ Bevione’s letter dates to May 22, 1931, ACS, SPD, CO, b. 1161, 509540/I, sf. 3. Regarding Bevione, see the many other reports from industry informants from April to June in ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931.”

⁵⁷ June 30, July 9, 1931, ASIA, VD 1912-1951, IV, VdRC. See also July 5, 1931, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931.”

⁵⁸ Dealings with salesmen were not generally recorded in board minutes, so while there is no other record, this is highly plausible. April 17, 1931, ACS, MdI, DGSP, PP, n. 173, “Istituto nazionale delle assicurazioni”, 1929-1931.”

⁵⁹ See Appendix 7.1

⁶⁰ July 9, 1931, ASIA, VD 1912-1951, IV, VdRC.

⁶¹ September 26, 1931, ASIA, VD 1912-1951, IV, VdRC.

renewed for the same sum of 500 million lire every three months until the end of 1932. In November, the INA would put up 50 million lire in capital for the newly constituted *Istituto Mobiliare Italiano* (IMI), which undertook the work of restructuring the BCI's complex industrial holdings.⁶² The private bank was completely nationalized in 1933.⁶³ Teodoro Mayer of *Assicurazioni Generali* was called to head to the IMI, to which a consortium of private insurers led by *Generali* also contributed 50 million lire.⁶⁴ As a symbolic moment, Bevione's approval of the enormous loan represents the full re-integration of the INA into a parastatal financial system that would completely supplant Italy's private industrial banks in long and medium-term credit provision.⁶⁵

In consolidating Bevione's control over the Institute, Mussolini gave his support to the program of reforms that had been embarked upon by him and Giordani. Henceforth, however, Mussolini assumed personal oversight of the Institute's investment policy.⁶⁶ Beginning in the fall of 1931, Bevione's administration was required to produce lists of its financial capacity for each year, including all planned investments to be given Mussolini's personal approval.⁶⁷ Any predicted excess was put at Mussolini's disposal for public works projects.⁶⁸ In the following years of Bevione's second administration, Mussolini's specific directions regarding financing requests are mentioned at nearly every single meeting.⁶⁹ When the Institute sought to deviate from the year's planned expenditures, this had to be approved by Mussolini. The result was, in this period, a shift away from real estate and mortgage loans towards discounting state annuities for infrastructure projects and direct loans to municipalities and other public sector entities.⁷⁰

⁶² On the IMI see Giorgio Lombardo, *L'Istituto mobiliare italiano* (Bologna: Il Mulino, 1998).

⁶³ See Mimmo Franzinelli and Marco Magnani, *Beneduce. Il finanziere di Mussolini* (Milano: Mondadori, 2009), 208-215; Leandra D'Antone, "Da ente transitorio a ente permanente," in *Storia dell'IRI*, ed. Valerio Castronovo (Roma: Laterza, 2012), 168-198; Gianni Toniolo, *L'economia dell'Italia fascista* (Rome: Laterza, 1980), 228-233.

⁶⁴ November 28, 1931, Verbal Consiglio Direttivo, ASG.

⁶⁵ Marcello De Cecco, "Splendore e crisi del sistema Beneduce: note sulla struttura finanziaria e industriale dell'Italia dagli anni 20 agli anni 60," in *Storia del capitalismo italiano dal dopoguerra a oggi*, ed. Fabrizio Barca (Rome: Donzelli Editore, 1997).

⁶⁶ The official monitoring body was now the Ministry of Corporations, which Mussolini would lead personally from 1932 to 1932. The Ministry of the National Economy was dissolved in September 1929; its responsibilities were passed on to the Ministry of the Corporations, Gagliardi, *Il corporativismo fascista*, 54.

⁶⁷ "In materia di investimenti patrimoniali, su richiesta dei Consiglieri Cesauro e Rubino se esista un piano di finanziamento per il 1932, il Presidente risponde che, a seguito di riunioni presiedute da S.E. il Capo del Governo, l'Istituto ebbe a scrivere al Capo del Governo stesso una lettera in cui si esponevano le disponibilità per il 1932, gli impegni già assunti e quello che rimaneva da investire." October 21, 1932, ASIA, VD 1912-1951, IV, VCdA. The yearly budget estimates for 1933 onwards are contained in ACS, PCM, 6.2.1614, 6.2.1617

⁶⁸ This estimate for 1935, for example, was 115 million lire; by 1937 it had risen to 514 million lire. ACS, PCM, 6.2.1614, 6.2.1617.

⁶⁹ At the very first meeting following the *Regio Commissario*, for instance, regarding the loan to the hydraulic power works in Lago di Garda: "La richiesta è stata segnalata da S.E. il Capo del Governo, il quale ha fatto anche presente che la mancanza di tale finanziamento metterebbe in grave imbarazzo l'Amministrazione Comunale per gli impegni contrattuali assunti e per la necessità della esecuzione delle opere progettate." October 21, 1931, ASIA, VD 1912-1951, IV, VCdA

⁷⁰ See Figure 5.1

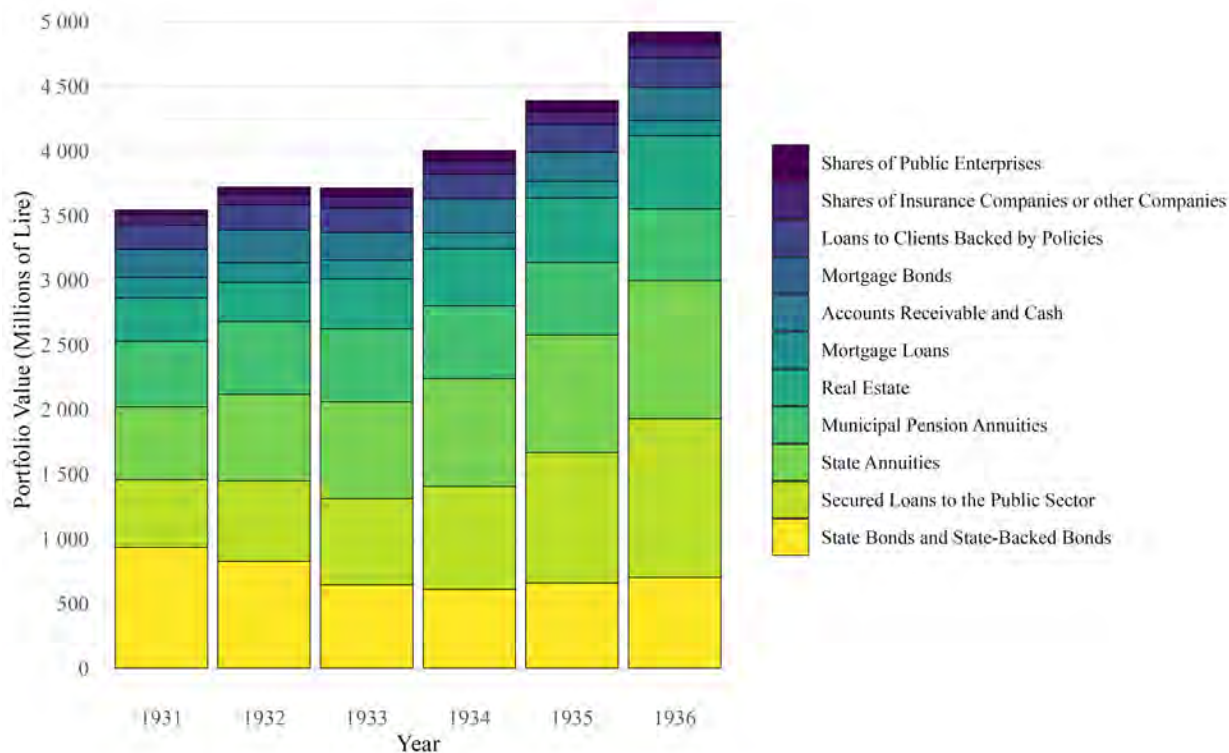


Figure 5.1: “The INA’s Investment Policy under Giuseppe Bevione, 1931-1936.”

The political deployment of the INA’s financing power thus became one more tool in Mussolini’s hands. Beyond the investment policy, the Institute also began to make large direct payments to Mussolini through the office of his personal secretary for given charitable causes.⁷¹ Mussolini would also occasionally directly solicit charitable donations from the Institute.⁷² In disrupting Gatti’s clientelist network and rooting out the smaller-scale corruption that had flourished down the chain of command in INA, Bevione brought the Institute into another patronage network, that of Mussolini and his increasingly personalist regime.

II. Consolidating the Institute in the Corporative Economy: Mussolini and the INA’s 20th Anniversary

Following the 1931 reforms for the Institute’s direct staff, Giordani turned his attention to the Institute’s salesmen, who were not directly paid, but worked solely on commission. Alongside municipal employees and postal workers, professional insurance agents formed the core of the INA’s distribution network. In November 1932, Giordani presented a proposal to better recognize the work of these employees to the Institute’s board:

⁷¹ These amounts would range from 500,000 to 3 million lire. Bevione also provided Mussolini’s children with Christmas gifts each year. See ACS, SPD, CO, b. 1161, 509540/I, sf. 1-14.

⁷² For example, in the meeting on June 14th, 1933, 25,000 lire were requested by a Mussolini for a scientific expedition to Tibet. ASIA, VD 1912-1951, IV, VCdA.

“The Director General contends that one of the most vivid aspirations of the peripheral collaborators of the insurance entities (INA and *Assicurazioni d'Italia*) is and has been that of receiving a sign of recognition of professional and social importance of their activities, so that these assume, from a social point of view, the tone of dignity adequate to the important function that these individuals carry out and ,from a professional point of view, allows for those who dedicate all of their work to insurance-based *previdenza* with complete integrity and satisfactory results to be rewarded.

These aspirations coincide with the interests of the firm, to which, without a doubt, it would be of great use to form a corps of collaborators exclusively dedicated to the development of the work of insurance, who are fond of the Institute, and who feel themselves to be both morally and materially valued by the Institute, so as to better resist the flatteries of the competition, which are particularly strong in this period of greater difficulty in work.”⁷³

For salesmen who had shown consistent commitment to the INA, special bonuses and recognition would be offered through inclusion in the *Albo dei Produttori* (the “Table of Salesmen,” less literally, the Champion Salesmen).⁷⁴ Agents who met certain yearly production figures for five years would be paid a monthly stipend by the Institute, with a bump to a higher level after ten years. For travelling agents, this threshold was 2.5 million lire, 1.5 million lire for agents in regional capitals, and 1 million lire for local agents.⁷⁵ In addition, agents could receive a bonus of 0.20% of the sum insured value of retained policies.⁷⁶ The combination of material and dignitary incentives proved popular. For salesmen who were unable to meet the quotas but had all of the “necessary moral and professional requisites,” the INA lowered the threshold for membership, even as they reserved the monthly stipend for those who met the thresholds.⁷⁷

⁷³ “Il Direttore Generale premette che una delle più vive aspirazioni dei collaboratori periferici degli Enti assicurativi è stata ed è quella di ottenere un segno di riconoscimento dell’importanza professionale e sociale delle loro attività, così che questa assuma, dal punto di vista sociale, un tono di dignità adeguata alla importante funzione che essi esplicano e dal punto di vista professionale consenta la valorizzazione di coloro che allo sviluppo della previdenza assicurativa dedicano tutta la loro opera con assoluta correttezza e con soddisfacenti risultati. Tali aspirazioni coincidono con gli interessi dell’Azienda, alla quale riesce senza dubbio specialmente utile crearsi un corpo di collaboratori esclusivamente dedicati allo sviluppo del lavoro assicurativo, affezionati all’Azienda e che si sentano da questa valorizzati moralmente e materialmente, così da poter meglio resistere alle lusinghe della concorrenza, lusinghe particolarmente vive in questo periodo di maggiore difficoltà di lavoro.” November 30, 1932, ASIA, VD 1912-1951, IV, VCdA.

⁷⁴ November 30, 1932, ASIA, VD 1912-1951, IV, VCdA.

⁷⁵ January 17, 1934, ASIA, VD 1912-1951, IV, VCdA.

⁷⁶ For policies still paid up after three years. January 17, 1934, ASIA, VD 1912-1951, IV, VCdA.

⁷⁷ “necessari requisiti morali e professionisti,” January 17, 1934, ASIA, VD 1912-1951, IV, VCdA.

For INA's General Agents, Giordani's reforms satisfactorily addressed the concerns that they had raised in 1930.⁷⁸ These individuals were a diverse group but were generally established businessmen. Given their social status, membership in the Fascist Party was often a given. INA's direction regarded party membership as an asset in selecting new General Agents. When selecting a new General Agent for Treviso in September 1932, Giordani noted that while his favored candidate was quite young, he had enrolled in the PNF at an early age.⁷⁹ When looking for a new General Agent for Turin in 1933, the board determined that the current Federal Secretary of the Fascist Party for the region, Andrea Gastaldi, offered "every assurance of being the best solution for that representation."⁸⁰ Being made subject to disciplinary proceedings by the PNF was also good enough reason to terminate a franchising agreement, with numerous such cases in the years of Bevione's tenure.⁸¹

When Bevione arranged for Mussolini to receive a special delegation of General Agents, it was surely a privilege for these socially and professionally ambitious men. Bevione proudly reported on the audience at the November 1932 board meeting, quoting Mussolini's remarks at the occasion word for word:

"I wanted to receive you to show my affection for you and for the great Institute to which you belong and of which I am a client. I keep a close watch on the National Insurance Institute – with a benevolent eye – because it constitutes one of the pillars of our statal organization, to which it has rendered and continues to render great services. After all, the State is always the best client, because it never goes bankrupt. Public funds are administrated by it with great prudence, and I always call for prudence in these matters. Indeed, in the coming year we will celebrate the ventennial (of the Institute's founding) and we will do so with much solemnity; we will give the occasion its appropriate measure. The Italian people must come to know your institution better, all the more so because the functions that it carries out have social, economic, and national significance. You must make *previdenza* ever more popular (*popolare*), as everyone needs to learn to plan ahead so that life is more manageable in less happy times. Tomorrow I will make an announcement regarding this reception: for now, I thank you for your visit and for your

⁷⁸ "Gli Agenti Generali riuniti in Roma per il loro convegno annuale, non hanno rivolto all'Amministrazione nessuna nuova richiesta di vantaggio materiali, ed hanno mostrato di rendersi conto, che l'Amministrazione stessa, anche con la recente istituzione della Cassa di Previdenza, è già venuta loro incontro nei limiti del possibile." January 26, 1933, ASIA, VD 1912-1951, IV, VCdA.

⁷⁹ September 28, 1932, ASIA, VD 1912-1951, IV, VCdA.

⁸⁰ October 5, 1933, ASIA, VD 1912-1951, IV, VCdA.

⁸¹ A few examples: in June 1932 the General Agents for Bari were released from duty due to their expulsion from the Party; in January 1931, the general agent of Castellamare di Stabia was to be fired for the same reason, but he had his PNF membership card restored to him in September and was permitted to stay on. Likewise for the General Agent of Reggio Calabria, who was fired in December 1930 for the same reason, but was permitted to return in May 1933. ASIA, VD 1912-1951, IV, VCdA.

act of homage. Pursue your work with stamina, for you work, as we all do, for our Italy.”⁸²

Mussolini’s remarks preceded any concrete planning initiatives for the ventennial celebration. This likely led to a more extravagant event than would have otherwise been put on.⁸³ The largescale maturation of policies linked to Italy’s wartime loans had meant that the Institute only narrowly escaped an underwriting loss in 1932. Without the net revenues from mandatory reinsurance quotas it would have posted an operating loss for 1933.⁸⁴ On top of the financial demands made of the Institute’s liquidity for public works financing, large sums of money were also called for ad hoc unemployment relief.⁸⁵ It seems unlikely that Bevione would have chosen to devote much resources to a celebration without Mussolini’s approval, given how tight funds were.

In any case, in the summer of 1933 the INA would celebrate their ventennial in style. To bring all of their General Agents and the members of the *Albo dei Produttori* to Rome, publish a 200-page commemorative volume, and provide gratis life insurance policies for orphans in the localities of each General Agency, the Institute planned to spend 840,000 lire, roughly one third of its yearly advertising budget.⁸⁶ The celebration was a tremendous publicity success and probably a significant boost to morale. The festivities began on June 27th, with a visit to the Tomb of the Unknown Soldier (*Tomba del Milite Ignoto*) and the Altar of the Fascist Martyrs (*Ara dei Martiri Fascisti*) in the Campidoglio. Following a speech by the Director General, the staff then visited the Exhibition of the Fascist Revolution (*Mostra della Rivoluzione Fascista*).⁸⁷ The next day, with Mussolini himself in attendance, Bevione made a speech addressed to the

⁸² “Ho voluto ricevervi per dimostrare la mia simpatia a Voi e al Grande Istituto al quale appartenete e di cui sono cliente. L’Istituto Nazionale delle Assicurazioni è da ma attentamente vigilato - con occhio benevolo - perché esso costituisce uno dei pilastri della nostra organizzazione statale alla quale ha reso e rende grandi servizi. Del resto lo Stato è sempre il migliore cliente perché non fallisce. Il pubblico denaro è da esso amministrato con grande prudenza ed io raccomando sempre la prudenza in questa materia. Sì, l’anno venturo festeggeremo il ventennio e lo faremo con molta solennità; l’avvenimento sarà messo nel giusto rilievo. È necessario che la Vostra grande istituzione sia conosciuta sempre meglio dal popolo italiano, anche perché le funzioni che essa esercita hanno un’influenza sociale, economica e nazionale. È necessario che Voi rendiate sempre più popolare la previdenza perché occorre far sì che ognuno provveda or che la vita sia più tollerabile nei giorni meno lieti. Farò domani un comunicato sul Vostro ricevimento: intanto vi ringrazio della vostra visita e del vostro atto di omaggio. Lavorate quindi con lena perché Voi lavorate come lavoriamo tutti per l’Italia nostra.” November 30, 1932, ASIA, VD 1912-1951, IV, VCdA.

⁸³ “Il Presidente nel rinnovare l’espressione di riconoscenza dell’Amministrazione per l’attenzione con cui il Capo del Governo ne segue l’opera, comunica che in una delle prossime sedute farà proposte concrete per la celebrazione del ventennale dell’Istituto, secondo gli intendimenti espressi dal Duce stesso. Ritiene opportuno che la cerimonia abbia luogo dopo l’approvazione del bilancio 1932.” November 30, 1932, ASIA, VD 1912-1951, IV, VCdA.

⁸⁴ See Figure 5.2

⁸⁵ INA would contribute another million lire for the winter of 1932, October 21, 1932, ASIA, VD 1912-1951, IV, VCdA.

⁸⁶ For 1933, the Institute planned to spend 2.75 million lire on advertising. December 19, 1932, ASIA, VD 1912-1951, IV, VCdA.

⁸⁷ May 31, 1933, ASIA, VD 1912-1951, IV, VCdA.

Duce and the Institute's staff. Comparing the Institute's growth between 1912 and 1923 with that between 1923 and 1933, Bevione announced that "the phase of the Institute's greatest development belongs to the Fascist Era."⁸⁸ Beyond the Regime's many other contributions, Bevione held Mussolini's personal defence of the Italian currency responsible for the INA's success: "you thus stopped the Institute from losing its real stature, recording in its balance sheets enormous numbers of no significance, while at the same time, you defended to the very last cent the holdings of the most virtuous savers."⁸⁹ Bevione thanked Mussolini for the "administrative tranquility" that had come under his watchful eye.⁹⁰

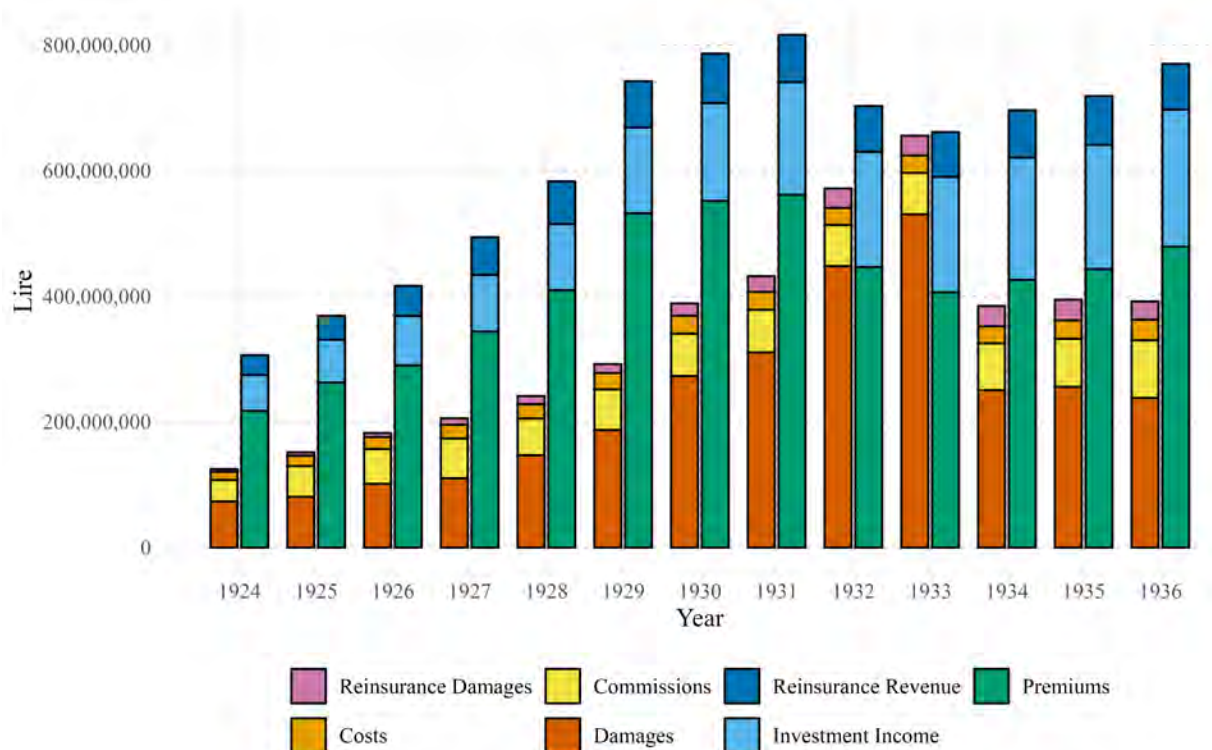


Figure 5.2: "The INA's Operating Revenues and Expenses, 1924-1936."

Following an overview of the INA's functions and role in Italian *previdenza*, Bevione turned his attention to the Institute's staff. Praising the "artefici" (the makers) of the Institute's success, Bevione directed remarks to each particular sub-group of employees. The technical staff at the Rome headquarters were hailed for their "exacting technical training, perfect fascist discipline" and "fervorous enthusiasm" with which they attended to the "regular and precise functioning of

⁸⁸ "La fase del massimo sviluppo dell'Istituto ricade adunque per intero in Era Fascista." "Opuscolo ventennale," ASIA.

⁸⁹ "Avete così impedito che l'Istituto perdesse la sua sostanziale importanza, segnando nei suoi bilanci grosse cifre senza significato, ed avete nello stesso tempo difeso fino all'ultimo centesimo l'avere dei più virtuosi risparmiatori." "Opuscolo ventennale," ASIA.

⁹⁰ "...tranquillità di amministrazione," "Opuscolo ventennale," ASIA.

this giant machine.”⁹¹ To the General Agents, Bevione quoted Mussolini’s remarks made earlier at another private audience: “you, Excellency, have honored them with a sculpturesque epithet, which they rightfully bear proudly, as it constitutes the highest recognition of the importance and nobility of their mission: you have called them the ‘Prefects of Previdenza.’”⁹² Finally, Bevione praised the small salesmen as “little apostles of *previdenza*.”⁹³

Mussolini then spoke briefly to the gathered agents and staff: “the speech of Comrade Senator Bevione relieves me from needing to add much more. You have listened to him with the attention of those who are informed in these matters and are, as one says today, ‘experts.’”⁹⁴ Calling the Institute the “financial force of the Fascist State,” Mussolini urged its staff to work towards the future: “let us vow that, also in this area, Italy will reach the vanguard of all the nations.”⁹⁵ The highlight of the festivities soon followed, as Mussolini made a dramatic appearance on the balcony of the Institute above the rest of their gathered staff. His short speech would be reprinted in the Institute’s publications for years to come:

“I am very happy to see you gathered here in compact masses before your powerful Institute, the pride and force of the Fascist Regime. The enthusiasm that pours from your hearts tells me that you are not only functionaries – disciplined and active as every fascist functionary must be – but that you are collaborators and propagandists.

There is a difference between the savage and the civilized man: the savage cuts down the tree to take its fruit, the civilized man waits till the fruit is ripe, and in the meantime, he cares for the tree. You have the moral, Italian, and fascist obligation to make ever larger parts of the population feel that *previdenza* is the force of a civilized people.”⁹⁶

⁹¹ “...severa preparazione tecnica, perfetta disciplina fascista...fervore di entusiasmo...regolare preciso funzionamento della macchina gigantesca.” “Opuscolo ventennale,” ASIA.

⁹² “Voi, Eccellenza, li avete onorati di una definizione scultoria, della quale essi vanno giustamente fieri, perché costituisce il più alto riconoscimento della importanza e della nobiltà della loro missione: li avete chiamati ‘i Prefetti della previdenza.’” The Italian prefects had become the key link between the central government and the regional provinces in Mussolini’s political dictatorship. “Opuscolo ventennale,” ASIA.

⁹³ “...piccoli apostoli della previdenza.” “Opuscolo ventennale,” ASIA.

⁹⁴ “Il discorso del camerata Senatore Bevione mi dispensa dall’aggiungervi molte parole. Lo avete ascoltato con l’attenzione di coloro che sono informati delle cose e sono, come si dice oggi, esperti.” “Opuscolo ventennale,” ASIA.

⁹⁵ “forza finanziaria dello Stato Fascista...facciamo voti che anche su questo terreno l’Italia possa giungere all’avanguardia di tutte le nazioni.” “Opuscolo ventennale,” ASIA.

⁹⁶ “Sono molto lieto di vedervi raccolti in masse compatte attorno a questo vostro potente Istituto, che è un vanto e una forza del Regime Fascista. L’entusiasmo che sgorga dai vostri cuori mi dice che voi non siete soltanto dei funzionari – disciplinati e attivi come è e come deve esser ogni funzionario fascista – ma siete anche dei collaboratori e dei propagandisti. C’è una differenza fra il selvaggio e l’uomo civile: il selvaggio taglia l’albero per cogliere il frutto: l’uomo civile aspetta che il frutto sia maturo e, intanto, cura l’albero. Avete l’obbligo morale, italiano e fascista di far sentire a strati sempre più vasti della popolazione che la previdenza è la forza di un popolo civile.” “Opuscolo ventennale,” ASIA.

For all of the Fascist fanfare, the occasion marked the capstone of two years of difficult changes. Bevione and Giordani's reforms had responded to serious problems in the Institute and were broadly popular. Regardless of their political views, ten tumultuous years of political infighting and uncertainty following the monopoly's abolition would have made for a difficult working environment. As Mussolini hailed Institute's contributions to Italy's future, both he and Bevione reminded them that it was their Institute, their country, and their future. Given Mussolini's widespread popularity in Italy at the time, this speech was likely received as rapturously as the Institute's publication described it.⁹⁷

The broader publicity impact of the intervention for the INA's leadership, however, was excellent. It would prove a significant moment in the development of the broader publicity campaign to support their new *popolari* initiatives. In the end, costs ran to 947,000 lire, with overruns resulting largely from the expense of re-printing Bevione's speech in numerous national newspapers.⁹⁸ The substance of these remarks recast the Institute's age-old mission of promoting savings and insurance in the spiritual fervor of Fascist ideology. Bevione spoke of "apostles of savings," while Mussolini himself had said that the Institute was the custodian of "savings that must be considered more sacred than any other savings."⁹⁹ The Institute's technical work was in the center of Mussolini's praise, something that would not have been lost on the Institute's actuaries and other staff. Mussolini's call to bring Italy to the avantgarde of insurance meant, for these individuals, the development of new, more socially targeted insurance policies that brought life insurance to "ever larger parts of the population."¹⁰⁰ The 1933 celebration became the first in a series of elaborate conferences showcasing developments in Italian insurance for domestic and foreign audiences. The Institutes' own initiatives would be cast as a modernist crusade to bring life insurance to the masses.

The technical, scientific side of the business in insurance was, for Giordani, inextricable from the Institute's prestige and prospects of success. At the last meeting before the ventennial celebration, Giordani presented a proposal for the Institute to create a new interdisciplinary insurance journal on the model of Alfred Manes' *Zeitschrift für die gesamte Versicherungswissenschaften*. In Italy, Giordani noted, apart from smaller insurance journals, there was only the *Rivista dell'Istituto Nazionale degli Attuari*, which dealt solely with the actuarial side of issues, not with social, economic, and political questions regarding insurance.¹⁰¹

⁹⁷ "Applausi vivissimi e prolungati e gride ripetute di: Duce, Duce hanno accolto la fine del discorso." "Opuscolo ventennale," ASIA.

⁹⁸ He claimed at the board meeting that this had been done at Mussolini's own request July 19, 1933, ASIA, VD 1912-1951, IV, VCdA.

⁹⁹ "...un risparmio che deve essere considerate anche più sacro di ogni altro risparmio." "Opuscolo ventennale," ASIA.

¹⁰⁰ "a strati sempre più vasti della popolazione," "Opuscolo ventennale," ASIA.

¹⁰¹ June 14, 1933, ASIA, VD 1912-1951, IV, VCdA.

Giordani proposed creating a *Rivista delle Assicurazioni Private* to fill the same niche as the journals of the CNAS and CNI did for the social insurance institutes:

“This proposal, looking beyond a scientific perspective, also needs to be considered from a practical point of view: the greater expansion of the national insurance industry, in particular that of the Institute and the connected company (*Assicurazioni d'Italia*) in foreign and domestic markets.”¹⁰²

The close relationship between perceptions of the larger Italian insurance industry and the INA was, for Giordani, moreover, a given:

“to show the whole world the seriousness, modernity, and organization of our industry means to show today, during the world crisis, the solidity of the Institute.”¹⁰³

That fall, the Institute would purchase new premises for its technical staff in the *popolari* and *collettive* divisions. They had grown too rapidly for the old building.¹⁰⁴ In the same period, the Institute first introduced Powers punch-card computing machines to handle the larger numbers of policies.¹⁰⁵ While the *popolari* campaign would need Giordani's technical skills and Bevione's publicity strategy to truly fly, by 1933 it had already been launched through the Institute's complex collaborations with the many institutions of the Fascist Regime.

II.1. The Campaign for *assicurazioni popolari*: The INA in Italian Civil Society, 1933-1935

The core element of the INA's institutional wager on the Fascism had always been the Fascist syndicalists. This bet faced a major setback with the separation of Edmondo Rossoni's *Confederazione* into six small sub-organizations in November 1928.¹⁰⁶ While Rossoni would return to Mussolini's good graces before too long, Gatti and Toja's plans to use the *Confederazione* for mass distribution were dashed. By the time Giordani and Bevione took over, the syndicalist organizations were merely one group insurance client among many.¹⁰⁷ While

¹⁰² “Ma la proposta, oltre che da un punto di vista scientifico, deve essere esaminata anche da un punto di vista pratico; l'espansione maggiore dell'industria assicurativa nazionale, e in particolare dell'Istituto e Società collegato, nei mercati interni ed esterni.” June 14, 1933, ASIA, VD 1912-1951, IV, VCdA.

¹⁰³ “Mostrare al mondo intero la serietà, la modernità, l'organizzazione della nostra industria significa dimostrare oggi, durante la crisi mondiale, la solidità dell'Istituto.” June 14, 1933, ASIA, VD 1912-1951, IV, VCdA.

¹⁰⁴ September 27, 1933, ASIA, VD 1912-1951, IV, VCdA.

¹⁰⁵ Ignazio Giordani, “Le assicurazioni popolari in Italia,” *Atti del decimo Congresso Internazionale degli Attuari*, vol. II; July 17, 1935, ASIA, VD 1912-1951, IV, VCdA.

¹⁰⁶ Known as the “sbloccamento” -- the central organization was dissolved; see Francesco Perfetti, *Il sindacalismo fascista*, 155-164.

¹⁰⁷ “Il Direttore Generale, dopo avere ricordato che la ex “Confederazione Nazionale dei sindacati fascisti”, aveva in corso con lo Istituto una importante assicurazione collettiva del proprio personale, ora rescissa, comunica che la “Confederazione Nazionale fascista dei Sindacati del Commercio” derivata, come è noto, dallo sbloccamento della predetta Confederazione, ha deciso di ripristinare a favore dei propri impiegati il trattamento già praticato per essi dalla disciolta Confederazione dalla quale dipendevano.” March 26, 1930, ASIA, VD 1912-1951, IV, VCdA.

Giordani and Bevione's attention was initially held by consolidating their control of the organization, they soon pressed forward with Gatti's group contract initiatives, signing new agreements with the white-collar employees of organized corporative groups, regional governments, and state civil servants. After these first years of upheaval, the Institute then led the larger national insurance community in lobbying for centralization of insurance-based savings, while building its own signature initiative, small-sum insurance contracts (*popolari*) distributed through the Fascist party, large employers, and the Catholic Church.

As seen in INA's collection of group contracts, the early period of Giordani and Bevione's tenure saw a major uptick in this business.¹⁰⁸ One particular Roman INA salesman, Ugo Cavicchioli, was especially successful: between 1928 and 1932, Cavicchioli was involved in obtaining the following group policies (*collettive*):

- 1) *Collettiva Riscatto del Debito Vitalizio del Governorato di Roma* (Purchase of the Annuity Debt of the Government of Rome) ,
- 2) *Collettiva Personale dipendente dalla disciolta Confederazione Nazionale dei Sindacati Fascisti* (Employees of the Defunct National Confederation of Fascist Syndicates),
- 3) *Collettiva Personale dipendente dai Consorzi Agrari* (Employees of the Agrarian Consortiums),
- 4) *Collettiva Personale dipendente dal R.A.C.I.* (Employees of the Royal Automobile Club of Italy), *Collettiva Personale Aeronautica* (Air Force),
- 5) *Collettiva R. Esercito* (The Army),
- 6) *Collettiva R. Marina* (The Navy),
- 7) *Collettiva Personale dipendente dalla Confederazione Nazionale Sindacati Fascisti dell'Industria* (Employees of the National Fascist Syndicates of Industry),
- 8) *Collettiva Personale dipendente dalla Confederazione Nazionale Fascista del Commercio* (Employees of the National Fascist Confederation of Trade), and the
- 9) *Collettiva Personale dipendente dalla Confederazione Nazionale dei Sindacati Fascisti dei Trasporti Terrestri e della Navigazione Interna* (Employees of the National Confederation of Fascist Syndicates for Land Transport and Internal Navigation).

This was big business -- the deal with the *Governorato di Roma* in April 1932 alone yielded a revenue stream of 17,352,446.17 lira, roughly 5 percent of the Institute's total premiums for that year.¹⁰⁹

As Mussolini continued to support the centralization of public *previdenza* activities through the INA, this created pressure for these organizations to sign large group contracts. Following Mussolini's public embrace of the Institute, more restrictive legislation was passed to further

¹⁰⁸ See Appendix 8.1.

¹⁰⁹ April 6, 1932, May 23, 1932, July 17, 1933, ASIA, VD 1912-1951, IV, VCdA.

regulate the larger sector. In July 1933, a new law was discussed in the Council of Ministries which would apply the strict capital requirements and supervision provisions of the 1923 insurance law to syndical mutual funds.¹¹⁰ The 1928 decree that called on all funds to do life insurance business through group contracts with INA did not apply legal penalties to those that avoided doing so. Still exempting funds that covered benefits of less than 2,000 lire, the draft law raised their funding requirements from the 100,000 lire deposit to 5 million lire in capital.

Private insurance companies also had an interest in these group contracts. The 1928 decree allowed for the INA to offer these in co-insurance with the “best national companies.” Alberto Redenti, the head of the *Federazione Nazionale delle Imprese Assicuratrici Fasciste* (The National Federation of Fascist Insurance Enterprises), sent a brief to Mussolini in support of the legislation.¹¹¹ As Redenti noted, syndical organizations had also drawn legitimation from the *Carta del Lavoro*’s Article 26 in forming their own mutual funds. Redenti emphasized that these smaller organizations could not do business according to actuarial principles, as they lacked the diversification of risks necessary for the “law of large numbers.” Giving the business to life insurance firms regulated by the 1923 law would protect and centralize these workers’ savings in the general interest.

In October, Bevione sent his own letter to Mussolini. Bevione began by reminding the Duce of the sacredness of the savings entrusted to the Institute, quoting Mussolini’s remarks from the ventennial celebration.¹¹² He then noted that the 1928 decree gave the INA a particular role in centralizing *previdenza* as called for by Article 26 of the *Carta del Lavoro*. Assuring Mussolini of the “perfect coherence” of INA’s ethical, social, political, and economic objectives with those of the state, Bevione argued that smaller institutions were not up to the task of employing these “sacred” savings effectively: “the fragmentation of insurance activity would lead to an equally deprecable dispersion in the management of savings with providential aims.”¹¹³ It would not have escaped either party that any funds centralized through INA went towards the state’s investment needs, personally overseen by Mussolini. In September 1933, Bevione contacted Rossoni, still on INA’s board, and now back in Mussolini’s good graces, requesting him to intervene as well.¹¹⁴ Bevione thanked him for his help in this regard on December 8, asking him to remind the Ministry of Corporations that these smaller organizations had an “obligation to seek group contracts with the Institute, which is permitted to work, when convenient, in co-

¹¹⁰ “*Enti assistenziali e mutualistici, 1931-1933*,” ACS, PCM, 6.4.11015,

¹¹¹ Memo attached to letter from Redenti to Mussolini, August 10, 1933, ACS, PCM, 6.4.11015.

¹¹² “Un risparmio più sacro di ogni altro risparmio,” Bevione to Mussolini, October 11, 1933, ACS, PCM, 6.4.11015.

¹¹³ Ibid.

¹¹⁴ September 23, 1933, ACS, PCM, 6.4.11015.

insurance with the other companies.”¹¹⁵ By July 1934, several large public organizations had ceded management of their pension funds to INA as a direct consequence of the law.¹¹⁶

While the INA reaped the rewards of its regulatory offensive, it sought out new partners beyond the syndicates for the purposes of mass distribution of small-sum contracts. The Fascist Party, as of December 1930, under the leadership of Achille Starace, gained a new identity in the 1930s as the institutionalized mass party of the “totalitarian” state.¹¹⁷ In the fall of 1931, Bevione and Giordani began talks to reach a distributional agreement with *Dopolavoro*, the fascist leisure organization controlled by the PNF. By the early 1930s, *Dopolavoro* had chapters in virtually every Italian working establishment and was rapidly expanding the scope of its activities.¹¹⁸ Following “long and complex negotiations,” in December 1931 an agreement was arrived at for *Dopolavoro* to actively advertise INA’s insurance policies in all of its local branches in exchange for a share of the commissions. In addition to the commissions, however, Achille Starace requested that a yearly 500,000 lire donation be made to *Dopolavoro* by INA. Following a pause in the negotiations, the Institute made a counteroffer of 100,000 lire and the deal was sealed in February 1932.¹¹⁹ By the end of 1933 the arrangement had proven a success: Giordani reported that this new customer base – the “particularly numerous and regularly grouped working masses” – was most promising.¹²⁰ Commission shares for top leadership at *Dopolavoro* and for the provincial organizations further down the hierarchy had been decisive. In total, collaboration with firm-level *Dopolavoro* organizations yielded 43,000 new contracts in 1933.¹²¹

At the same time, the Institute’s technical division assisted in negotiations with FIAT to develop a new policy for a group contract with the firm’s 20,000 industrial workers: the *polizza operaia* (worker’s policy). In addition to the special provisions offered by ordinary *popolari*, which included discounts of up to 50% on medical treatment, temporary exemption from payment of premiums in the event of unemployment, full exemption in the event of disability or the birth of a sixth child, and double payment in the event of death by accident, the new *polizza operaia* allowed for partial payout in the event of involuntary unemployment.¹²² As Giordani reported to the board in July 1933, such contracts had numerous cost-saving advantages:

¹¹⁵ “...obbligo di provvedere alle assicurazioni collettive a mezzo dell’Istituto, il quale potrà operare, se del caso, in coassicurazione con altre Compagnie.” Bevione to Rossoni, December 8, 1933, ACS, PCM, 6.4.11015.

¹¹⁶ “Il Dott. Grà dà notizie circa l’applicazione che si va iniziando concretamente delle disposizioni del decreto 26 ottobre 1933 per le quali varie Casse ed Enti previdenziali, come la Cassa dei piloti civili, l’Ente Nazionale Fascista di Cooperazione per gli Impiegati, la Società di Previdenza per gli Ufficiali, ecc, si sono determinati a trasferire all’Istituto le prestazioni assicurative a favore dei loro iscritti.” July 18, 1934, ASIA, VD 1912-1951, IV, VCdA.

¹¹⁷ See Patrizia Dogliani, “Partito e movimento dalle origini agli anni del regime fascista,” in *Marcia su Roma e dintorni”: dalla crisi dello Stato liberale al fascismo*. (Rome: Viella, 2024), 151–67.

¹¹⁸ Victoria De Grazia, *The Culture of Consent: Mass Organisation of Leisure in Fascist Italy* (Cambridge: Cambridge University Press, 2002).

¹¹⁹ December 28, 1931, February 24, 1932, ASIA, VD 1912-1951, IV, VCdA.

¹²⁰ February 24, 1932, ASIA, VD 1912-1951, IV, VCdA.

¹²¹ April 4, 1934, ASIA, VD 1912-1951, IV, VCdA.

¹²² Bevione to Mussolini, June 9, 1933, ACS, PCM, 6.4.9549.

“This operation constitutes a first experiment with the aim of approaching the problem of the *assicurazioni popolari* through a rapid, integral solution, by means of a substantial reduction of the costs of sales and administration, which are necessarily higher when distribution is done through individual promotions. The reduction of sales costs, among other things, allows for the buyout value of policies to be set substantially higher than ordinary policies, particularly in the case of the firing of an insured worker, which greatly facilitates the signing of contracts. The conservation of the portfolio acquired in this manner is made easier, in turn, not only by the different (higher) values of the buyout allowed in the case of termination compared with that given under other circumstances, but also through the direct intervention of the firm (FIAT), both in promoting the operation among its own employees, but also through the commitment the firm has assumed to withhold the monthly premiums owed for the policies from the wages of employees.”¹²³

In a letter to Mussolini, Bevione informed him of the initiative, praising the “modernity of perspective,” shown by Italy’s top industrialists.¹²⁴ The agreement with FIAT was followed by another on the same model with the synthetic fiber production firm, SNIA-Viscosa.¹²⁵ Altogether, 1933 saw *popolari* sales finally break out, reaching 146,666 new policies for an average sum insured of around 2,000 lire.¹²⁶

Combining both approaches, the Institute began to negotiate an agreement with Starace to collaborate more intensively. Giordani proposed to create *Comitati provinciali di propaganda* (Provincial Committees for Propaganda), that would bring together the Institute’s General Agents and large local employers in each province. In exchange for brokering meetings between the two groups to discuss group *popolari* policies, the party would devolve a share of the commission to the local *Comitati provinciali di assistenza* (Provincial Assistance Committees), the welfare institutions controlled by the Fascist Party.¹²⁷ While the agreement does not seem to have been

¹²³ “Il Direttore Generale informa che l’Istituto aveva da qualche mese iniziato trattative con la Fiat per una vasta raccolta di assicurazione a tipo popolare fra gli operai, attualmente in numero di oltre ventimila. Le trattative sono state felicemente concluse con la firma della Convenzione (allegata in atti). Questa operazione costituisce un primo esperimento tendente ad avviare il problema delle Assicurazioni Popolari ad una rapida, ed integrale soluzione, attraverso una sensibile riduzione dei costi di produzione e di amministrazione, necessariamente elevati quando la raccolta avvenga a mezzo della propaganda individuale. La diminuzione dei costi di produzione rende tra l’altro possibile l’adozione di valori di riscatto sensibilmente più elevati a quelli ordinari, in ispecie per il caso di licenziamento dell’operaio assicurato e pertanto facilita notevolmente la sottoscrizione dei contratti. La conservazione del portafoglio così acquisito è a sua volta facilitata non solo dalla diversa misura dei valori di riscatto concessi in caso di comprovato licenziamento rispetto a quelli conseguibili in ogni altro caso, ma soprattutto dall’intervento diretto dell’Azienda tanto per la propaganda dell’operazione presso i propri operai, quanto per l’impegno che essa ha assunto di trattenere mensilmente i premi dovuti per le polizze sugli stipendi degli operai sottoscrittori delle polizze.” July 19, 1933, ASIA, VD 1912-1951, IV, VCdA.

¹²⁴ Bevione to Mussolini, June 9, 1933, ACS, PCM, 6.4.9549.

¹²⁵ April 4, 1934, ASIA, VD 1912-1951, IV, VCdA.

¹²⁶ Ibid.

¹²⁷ November 29, 1933, ASIA, VD 1912-1951, IV, VCdA.

adopted, this would form the model for INA's work with the Fascist syndicates in the coming years.

Seconding this work with employers was the Institute's business with the Catholic Church. Following the reconciliation agreement between the Church and the Italian State, Catholicism became the official religion of Italy and the Church took an active role in supporting the Regime.¹²⁸ In October 1932, the Institute reached a sales agreement with the clergymen of the *Federazione delle Associazioni del Clero* (Federation of Clergy Associations), an organization whose members included every single parish priest in Italy.¹²⁹ The priests of the *Federazione* agreed to sell the *polizza pacis*, an insurance policy covering funeral expenses, to their congregations. Individual priests would receive a share of the commissions – no less than 30% for sales– and, depending on the case, even handle premium collection and claim disbursement.¹³⁰ As Giordani noted, these priests were often the executors of their parishioners' wills, which could facilitate the administrative process of disbursing payments to the Church for burial services.

A more significant step came in 1934 with the *polizza nuziale* (nuptial policy). The *Santa Lega Eucaristica di Milano* (Holy Eucharistic League of Milan) made a proposal to INA to distribute a *polizza popolare* to couples at the celebration of their marriage along with their own religious instruction booklets, offering to cover the first three monthly payments through its share of policy commissions. In return, INA would compensate the *Lega* for the cost of the booklet if the policy was maintained through the first year. Giordani was highly enthusiastic:

“The high moral significance (of the proposal), that is, the creation of an act of *previdenza* in the very moment in which a new nuclear family is formed, has no need to be illustrated. Its force of propaganda and penetration, especially in the rural and provincial centers, and among the more modest classes, where the authority of the Priest has solid roots, seems indubitable. In Italy, there are around 300,000 marriage ceremonies per year, thus there are 300,000 families in which the name of the Institute will be forever associated with one of the most important acts in life. In Italy's 20,000 parish priests, the Institute finds just as many collaborators and propagandists. It should be noted that the S. *Lega* plans to conduct this action across all Italian dioceses; they will certainly heed the call, as the protector of the League is the Cardinal Prefect of the *Sacra Congregazione Concistoriale*, who is responsible for disciplining the dioceses and nominates their bishops.”¹³¹

¹²⁸ See Fulvio De Giorgi, “Il cattolicesimo italiano: un concorrente totalitario,” in *L'uomo nuovo del fascismo: la costruzione di un progetto totalitario*, ed. Patrick Bernhard and Lutz Klinkhammer, Prima edizione, Ricerche dell'Istituto storico germanico di Roma 11 (Roma: Viella, 2017).

¹²⁹ March 15, 1933, ASIA, Raccolta delle circolari, Servizio Assicurazioni Popolari, n. 133.

¹³⁰ Ibid.

¹³¹ “La proposta è parsa all'Istituto meritevole di particolare considerazione. Il suo alto significato morale, e cioè la creazione dell'atto di *previdenza* nel momento stesso in cui si dà vita al nuovo nucleo famigliare, non ha bisogno di

To find further support the new policy, the Institute adopted terms that supported the Fascist state's natalist initiatives.¹³² Premium reductions were granted for each childbirth and half of the policy's value was to be paid out upon the birth of a sixth child.¹³³ Writing to Mussolini, Bevione asked for a word of public support:

“It is thus a small contribution that the Institute, in its own sphere of action, has sought to make to the holy battle the Your Excellency fights for the health and integrity of the nuclear family; if Your Excellency thinks that the initiative may appear interesting and worthy of your encouragement, it shall without a doubt achieve the goals that it has set out.”¹³⁴

The broader aim of these arrangements can best be summarized in Giordani's own words. In a 1934 board meeting, Giordani offered an overview of each individual contract type, which could be sorted into two categories, those “regarding events in the course of a human life” and those “regarding professional activities.”¹³⁵ Giordani recounted collaborations with a vast number of

essere illustrato. La sua forza di propaganda e di penetrazione, specie nei centri provinciali e rurali, e tra le classi modeste ove l'autorità del Sacerdote ha solide radici, appare indubbia. In Italia si celebrano circa 300.000 matrimoni all'anno, sono quindi 300.000 famiglie nelle quali il nome dell'Istituto si associa indissolubilmente ad uno degli atti più importanti della vita. L'Istituto trova infine nei 22.000 parroci italiani, altrettanti propagandisti e collaboratori. È da tener presente infatti che la S. Lega si propone di svolgere la sua azione attraverso tutte le Diocesi italiane, le quali risponderanno sicuramente all'appello, in quanto protettore della S. Lega è precisamente il Cardinale Prefetto della Sacra Congregazione Concistoriale, che presiede alla disciplina nelle diocesi ed alla nomina dei rispettivi Vescovi.” January 31, 1934, ASIA, VD 1912-1951, IV, VCdA.

¹³² On these initiatives see Patrizia Dogliani, *Il fascismo degli italiani. Una storia sociale* (Torino: UTET, 2014), 105-107.

¹³³ “Istituzione di un libretto di famiglia,” ACS, PCM, Gabinetto, 1934, Fascicoli per categorie, 6.2.1614.

¹³⁴ “È pertanto questo un piccolo apporto che l'Istituto, nella sua sfera d'azione, ha voluto dare alla santa battaglia che l'E.V. conduce per la sanità e l'integrità del nucleo familiare; e se V.E. ritiene che l'iniziativa si presenti interessante e meritevole del Suo incoraggiamento, essa raggiungerà senza dubbio gli scopi propostisi.” Bevione to Mussolini, March 7, 1934, ACS, PCM, Gabinetto, 1934, Fascicoli per categorie, 6.2.1614.

¹³⁵ “Infine il Direttore Generale desidera riassumere in forma sintetica al Consiglio i principali provvedimenti che sono stati adottati dall'Istituto per la diffusione della previdenza dal 1930 all'aprile corrente:

A. In relazione agli eventi della vita umana:

1) Alla nascita - Forme caratteristiche di assicurazione: dotale, mista crescente, fanciulli. La propaganda per la previdenza a favore dei neonati viene svolta, generalmente, dalle Agenzie attraverso la periodica segnalazione delle nascite fatte dagli uffici anagrafe dei Comuni.

2) La puerizia e la giovinezza - Polizza del Balilla (convenzion con l'O.N.D.); Propaganda nelle scuole elementari e medie svolta sotto il patrocinio del Ministero dell'E.N. e con il vivo ed efficace interessamento dei Provveditorati agli Studi, delle Autorità scolastiche e dei professori e maestri (lezioni sulla previdenza, film “Il Piave”, giornalino “La Prima Idea”) Beneficio Orfani

3) Per la età adulta: Polizza Nuziale (Convenzione con la S. Lega Eucaristica)

4) Per la maturità e la vecchiaia - Polizza Pacis (Convenzione con la Federazione del Clero).

5) Per la sanità fisica - Assicurazione complementare per l'invalidità assoluta e permanente e per l'invalidità temporanea. Prestiti su polizza senza interesse per operazioni di alta chirurgia. Visite mediche gratuite e assistenza sanitaria sotto varie forme

B. In relazione all'attività professionale

1. Operai (Convenzione con l'O.N.D.; Polizza Fiat; Polizza del Decennale; Polizza Alva; Polizza Soc. Cotoniere Meridionali; Polizza Olivetti, ecc.)

Accordi con il Ministero delle Corporazioni per l'assegnazione di premi sotto forma assicurativa de parte dei C.

organizations. For nearly each case, INA's technical staff had created special insurance contracts with particular terms thought to be particularly suited to the group's needs. Both the political networking and the technical work behind these efforts was truly extensive. As in the case of FIAT and the *polizza nuziale*, these differences were not just in advertising but reflected substantive adjustments to premiums and benefits.¹³⁶

In Italy, the parastatal Institute derived direct state support for expansion through its ambition to represent the technical vanguard of modernization in Italian social and economic life. It availed itself of the Fascist regime's new means of penetrating aspects of civic, domestic, and professional spheres. Rather than offering a standard, one-size-fits-all policy, the Institute responded to the Mussolini's vision for a diverse, but highly organized "corporate economy" coordinated through the "corporate state."¹³⁷ The results, while initially modest, were quite encouraging, as the Institute now dominated a new market in small-sum life insurance that had

P.E.C. - in occasione della ricorrenza della festa del lavoro - a lavoratori e piccoli impiegati che si distinguono per l'attaccamento al lavoro, interessamento alla famiglia e alla casa e sentimenti di devozione alla Nazione e al Regime
 2. Agricoltori - Adozione di tariffe speciali rispondenti alle particolari necessità del ceto agricolo. Accordi con la Confederazione Nazionale Fascista degli Agricoltori. Accordi con la Federazione Nazionale Fascista delle Masserie Rurali. Accordi col Ministero dell'Agricoltura e Foreste per l'adozione di speciali provvidenze assicurative per la bonifica, l'appoderamento e la cessione in proprietà di terreni incolti (in corso di studio)

3). Impiegati privati Assicurazione delle indennità previste dalla legge sull'impiego privato. Accordi con l'Associazione Nazionale Fascista Dirigenti Aziende Industriali per l'assicurazione dei propri organizzati. Assicurazione del personale amministrativo delle Agenzie Generali dell'INDA - accordi col Ministero E.N. per l'assicurazione volontarie del personale educativo ed amministrativo degli istituti medi d'istruzione pareggiati, parificati e privati e dei ---- privati. Accordi col R.A.C.I. per l'assicurazione del personale dipendente e dei Conservatori del P.R.A. Accordi con la Segreteria del P.N.F. per l'assicurazione volontaria nelle forme ordinarie degli impiegati delle Aziende private.

4) Ecclesiastici: Accordi con la S. Congregazione del Concilio per la prestazione sotto forma assicurativa della cauzione dovuta dei sacerdoti beneficiati a garanzia della amministrazione dei beni ecclesiastici

5) Impiegati dello Stato e di Enti di diritto pubblico - Accordi col Ministero delle Finanze per l'assicurazione volontaria degli impiegati civili e militari dello Stato. Accordi col Ministero dell'E.N. per l'assicurazione del personale insegnante, assistente, amministrativo e subalterno degli Istituti Superiori. Accordi col Ministero dell'Agricoltura per l'assicurazione del personale delle Cattedre Ambulanti di Agricoltura, Scuole pratiche di agricoltura e stazioni sperimentale agrarie. Accordi con la Federazione Italiana Consorzi Agrari per l'assicurazione del personale dipendente dai Consorzi. Accordi con la Associazione P.I. per l'assicurazione volontari dipendenti Enti Locali. Tariffe speciali per l'assicurazione del personale dipendente dalle Casse di Risparmio. Accordi col Ministero Colonie per l'assicurazione obbligatoria degli impiegati, a contratto tipo, dipendenti dai R.R. Governatorati Coloniali. Accordi con l'O.N.D. per l'assicurazione del personale dipendente.

6) Appartenenti alle forze armate - Accordi col Ministero Guerra per l'assicurazione volontaria integrativa del trattamento di pensione per gli Ufficiali del R.E, R.M. e R.G.F. Collaborazione richiesta dal Ministero Guerra, per l'assicurazione obbligatoria integrativa del trattamento di quiescenza degli ufficiali del R.E. (in corso di studio). Accordi col Ministero Aeronautica per l'assicurazione obbligatoria del personale navigante. Accordi col Ministero R.M. - Accordi col Comando General M.V.S.N. per l'assicurazione volontaria degli appartenenti alla Milizia.

7) Vari - Accordi coll'Assoc. Mutilati e Invalidi di guerra. Accordi con l'Assoc. Naz. Combattenti. Accordi con la Federazione Naz. Mutualità Volontaria per la trasformazione dei fondi delle organizzazioni mutualistiche dipendenti. Forme assicurative dirette ad agevolare l'estinzione di mutui ipotecari." April 25, 1934, ASIA, VD 1912-1951, IV, VCdA.

¹³⁶ See above examples.

¹³⁷ Benito Mussolini, "Discorso per lo Stato corporativo," in *Opera omnia*, ed. Edoardo Susmel and Duilio Susmel, vol. 26 (Venice: La Fenice, 1958), 95.

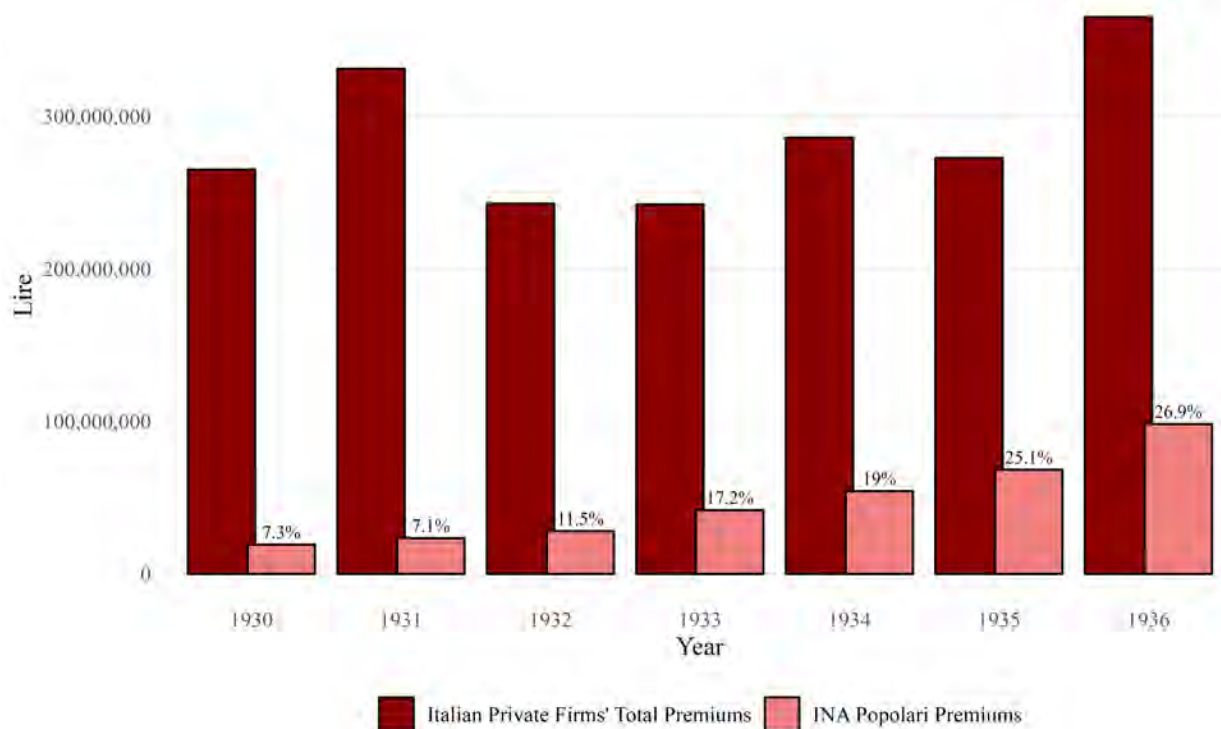


Figure 5.3: “The INA’s popolari Branch Compared to Private Firms’ Total Life Business, 1930-1936.” The percentage figures show the size of popolari premiums compared to total private life premiums.

simply not existed before.¹³⁸ Leaving the details of the Institute’s relationship with its private peers for Chapter 7, it is worth noting that these firms were completely excluded from this new market. By 1934, when accounting for sales cost amortizations over multiple years, the branch was turning a small operating profit.¹³⁹ Leveraging this organization, Bevione and Giordani sought to further develop their new models for distribution.

II.2. The Image of Italian Insurance Abroad: The International Congress of Actuaries of 1934

For the 11th International Congress of Actuaries, the Italian delegation finally obtained recognition of Italian as an official fourth language. Following the cancellation of the event in Montreal, the Congress was scheduled to take place in Rome. As seen in the Institute’s preparations for the ventennial celebration, the international image of the Institute was of great interest for board members, and for Giordani in particular. A visit from Swiss Re, the continent’s largest reinsurer, to the INA further illustrates the validation Giordani experienced from the Institute’s good image among insurers from advanced industrial countries. In the following board meeting, Giordani read the firm’s thank-you letter out loud (“thanking us for the reception made

¹³⁸ See Figure 5.3

¹³⁹ April 4, 1934, ASIA, VD 1912-1951, IV, VCdA.

for a high functionary of their Company, he expresses an extremely flattering opinion of the technical and administrative organization of the Institute.”¹⁴⁰ The desire for international recognition was something felt among Italy’s broader actuarial community, as has been seen in the case of Guido Toja.¹⁴¹ The international Congress was a great opportunity to showcase the development of Italian insurance. The Fascist regime routinely used the stages provided by internationalist organizations to propagandistic effect.¹⁴² Taking participants on a tour of Rome’s classical heritage, which had been carved out of the old medieval city and set on display through the Fascist’s architectural reforms, the Congress would also pay visits to the key pilgrimage sites of the Fascist movement – the exhibition of the Fascist Revolution (*Mostra della Rivoluzione Fascista*) and the Altar to the Fascist Martyrs (*Ara dei Fascisti Caduti*).¹⁴³ Much like the regime itself, INA’s leadership would seek to win further legitimacy for its domestic agenda through a strong showing on this international stage.

The presidency of the 1934 Congress was held by representatives of both commercial and social insurance in Italy.¹⁴⁴ Paolo Medolaghi, President of the *Istituto Italiano degli Attuari* and Director General of the *Istituto Nazionale Fascista della Previdenza Sociale* (INFPS), and Alberto Redenti, President of the *Federazione Nazionale delle Imprese Assicuratrici Fasciste* chaired the organizing committee. Vice presidents on the committee were Ignazio Giordani for INA, Arnold Frigessi di Rattalma of the *Riunione Adriatica*, and Professors Luigi Amoroso and Francesco Cantelli from the academic community. The INA committed 120,000 lire to the Congress’s financing and assumed a strong role in organizing the event.¹⁴⁵ It was likely the Institute that pushed for the inclusion of two panels on subjects important to their latest initiatives that had been covered at the 1927 London Congress: industrial life insurance (*assicurazioni popolari*) and group insurance (*assicurazioni collettive*). Referencing the 1927 Congress, the industrial life panel was entitled “I progressi dell’assicurazione popolare dopo il

¹⁴⁰ “...ringraziando per l’accoglienza fatta ad un alto funzionario della Compagnia che si è trattenuto qualche giorno presso la nostra Sede, esprime giudizi estremamente lusinghieri dell’ordinamento amministrativo e tecnico dell’Istituto.” May 15, 1935, ASIA, VD 1912-1951, IV, VCdA.

¹⁴¹ Again at the 1930 Congress in Sweden, Toja had pressed for Rome to be chosen as the site for the next Congress. *Comptes rendus du neuvième Congrès International d’Actuaires*, vol. IV, International Congress of Actuaries (Uppsala: Almqvist & Wiksells Boktryckeri-A.B., 1930), 491. Sadly, Toja died in February 1933 and would not see Rome Congress take place the next year; Luciano, “Toja, Guido.”

¹⁴² Madeleine Herren, “Fascist Internationalism,” in *Internationalism in the Age of Nationalism*, ed. Glenda Sluga and Patricia Clavin (Philadelphia: University of Pennsylvania Press, 2015), 191–212.

¹⁴³ The *Via dell’Impero*, the grand boulevard running from Piazza Venezia to the Colosseum, was constructed during the Fascist era and completed in 1932. See Fernando Salsano, “Il rinnovamento urbano nella Roma fascista: gli sventramenti nell’area del Campidoglio, di piazza Venezia e dei fori imperiali,” in *Reconstruire Rome: la restauration comme politique urbaine, de l’antiquité à nos jours*, ed. B. Bonomo (Rome: Publication de l’École Française de Rome, 2024), 227–55; Aristotle Kallis, “Fascism and Romanità: Framing the Ancient Imperial City,” in *The Third Rome, 1922–1943: The Making of the Fascist Capital*, ed. Aristotle Kallis (London: Palgrave Macmillan UK, 2014), 73–105.

¹⁴⁴ For the following, see *Atti del decimo Congresso Internazionale degli Attuari*, vol. VI (Roma: Istituto Poligrafico dello Stato, 1934), 1-50, 683-687.

¹⁴⁵ December 20, 1933, ASIA, VD 1912-1951, IV, VCdA.

Congresso di Londra del 1927,” (“Progress in Industrial Life Insurance since the London Congress of 1927”).

Like the INA’s own ventennial celebration, the Congress was kicked off in the Campidoglio. On the morning of Friday May 4, 1934. dignitaries including the Governor of Rome, Francesco Boncompagni-Ludovisi, the President of the International Congress’s permanent organizing committee, Amédée Bégault, the President of the Congress, Paolo Medolaghi, and the Undersecretary to the Minister of the Corporations, Alberto Asquini, gave speeches welcoming the delegates. Mussolini himself was present and spoke briefly, wishing the Congress all the best success, and promising to follow their proceedings with his full attention. Referencing the ongoing “world crisis,” Mussolini noted that while the work of the gathered actuaries was not “popular” it was nonetheless more important than ever.¹⁴⁶

The international delegations then proceeded to the usual Fascist pilgrimage sites: the Tomb of the Unknown Soldier (*Tomba del Milite Ignoto*), the Altar of the Fallen Fascists (*Ara dei Caduti Fascisti*) and the Votive Chapel of the National Fascist Party (*Cappella Votiva del Partito Nazionale Fascista*). Following a lunch and a first panel on unemployment insurance, they returned to Campidoglio for a reception with the Governor of Rome. The remaining days of the Congress, which lasted a full week, were sprinkled with cultural activities, including a symphony concert, a visit to the Roman Forums and to the *Mostra della Rivoluzione Fascista*, a visit to the new Fascist city of Littoria, and an excursion to Naples and Pompei.

The panel on *popolari*, headed by Ignazio Giordani, took place at the Congress’s Tuesday session. Chairing the panel, Giordani submitted his own contribution in which he laid out in comprehensive detail the Institute’s drive to promote life insurance in Italy. Beginning with a history of the Italian life insurance sector before Fascism, Giordani then summarized Gatti’s initiatives in Italy’s schools, and the early collaborations with the Fascist syndicates, before arriving at 1927, the year of the passage of the *Carta del Lavoro*:

“The event then took place which pushed the State Firm into its true plane of spirituality and action, setting its directives according to an adequate valuation of the service that the Firm can render through the penetration of the idea of *previdenza* among the masses of the people (*masse popolari*). I allude to the promulgation of the Work Charter, that fundamental document which has disciplined and permeated the entire social structure of Italian life. It is precisely the Work Charter, with its principles that dominate the organization of national life, that indicated for the Institute, which as a State Entity which

¹⁴⁶ “Sono lieto di porgerVi il saluto cordiale del Governo Fascista e quello mio personale. Non si può veramente dire che le discipline scientifiche alle quali applicate il Vostro ingegno siano estremamente popolari ma si deve affermare che sono di una enorme importanza soprattutto oggi, nello attuale periodo di crisi mondiale. Per questi motivi io seguirò con la più grande attenzione i lavori del Vostro Congresso, che Vi auguro fervidi di positivi risultati.” *Atti del decimo Congresso Internazionale degli Attuari*, vol. VI, 281.

must live in the orbit of the State and pursue the ends of the State in its own activity, its true field of action, the promotion of *previdenza popolare*.”¹⁴⁷

While the Work Charter would have been known to this international audience as the centerpiece of Fascist social policy, it is unlikely they would have had much familiarity with its particular jargon (e.g. “*previdenza* as the high manifestation of the principle of collaboration”). The message of its deeper political philosophy, was however quite simple:

“Essentially, as regards *previdenza*, the dominant principles of the Charter alter the ordinary conception of the defense of the individual, replacing it with the defense of the collectivity, seeing as *previdenza*, under these principles, is located in that highest content of real and ideal significance in the first, foundational declaration of the Charter itself: the Nation is above the individual and the groups, the whole Nation as one, morally, politically, and economically.”¹⁴⁸

These lines were likely meant for domestic consumption as much as for the international audience. Giordani’s explanation of the distribution network of the Institute provided concrete details that participants picked up on and remarked upon in the session:

“Thus, with the unconditional support of all the Authorities of the State, the Regime, the Church, the State Firm is convening, in every Province of the Kingdom, Provincial Committees for the Propaganda of *assicurazioni popolari*, which might be said to be the very centers of the irradiation of the idea of *previdenza* and savings among all strata of the Italian people.”¹⁴⁹

Concluding the article, Giordani quoted from Bevione’s speech to Mussolini at the ventennial celebration:

¹⁴⁷ “Si verificò intanto l’evento che ha posto l’Azienda statale in Italia nel suo vero piano di spiritualità e di azione, fissando le direttrici di adeguata valutazione del servizio che l’Azienda è in grado di rendere con la penetrazione della idea di previdenza fra le masse popolari. Alludo alla promulgazione della Carta del Lavoro, di quel fondamentale documento che ha disciplinato e permeato di sé tutto l’assetto sociale della vita italiana. È precisamente la Carta del Lavoro, con i suoi principi dominanti la organizzazione della società nazionale, convergenti tutti in quello unitario del bene della collettività e della Nazione, che ha segnato per l’Istituto, quale Ente di Stato che deve vivere nell’orbita dello Stato e ai fini di questo esplicare la propria attività, il vero campo di azione nella diffusione della previdenza popolare.” Ignazio Giordani, “Le assicurazioni popolari in Italia,” *Atti del decimo Congresso Internazionale degli Attuari*, vol. II, 428.

¹⁴⁸ “...la previdenza come alta manifestazione del principio di collaborazione...In sostanza, nei riguardi della previdenza, i principi dominanti la Carta modificano l’ordinaria concezione di difesa del singolo, per sostituirvi la difesa della collettività, giacché anche la previdenza, in forza di tali principi, si inquadra in quel contenuto altissimo di significato ideale e reale della dichiarazione prima basilare per la Carta medesima: la Nazione superiore all’individuo e ai gruppi, il complesso Nazione uno, moralmente, politicamente, economicamente,” Ignazio Giordani, “Le assicurazioni popolari in Italia,” *Atti del decimo Congresso Internazionale degli Attuari*, vol. II, 429.

¹⁴⁹ “Così pure, con l’appoggio incondizionato di tutte le Autorità dello Stato, del Regime, della Chiesa, l’Azienda statale sta costituendo, in ogni Provincia del Regno, dei Comitati Provinciali di Propaganda delle Assicurazioni popolari, i quali possono dirsi veri centri di irradiazione dell’idea di previdenza e di risparmio in tutti gli strati del popolo italiano.” Ignazio Giordani, “Le assicurazioni popolari in Italia,” *Atti del decimo Congresso Internazionale degli Attuari*, vol. II, 434.

“This Administration thus applies your motto, O’ Duce, in the field of insurance: “go towards the people.” The industrious Italian people also deserve this. We will ever more greatly perfect the techniques of *assicurazioni popolari*, and through ever more persuasive, ever more penetrant propaganda, we will strive to reach ever greater areas, we will move from the city to the countryside, so that, in the near future, in this area as well, to the immense benefits of the working classes, Italy will be second to no other nation.”¹⁵⁰

The stark nationalist message was received rather ambivalently by the Congress’s international guests. Following Giordani’s introduction to the panel, J.M. Laing, a British actuary, spoke first:

“A perusal of some of the papers submitted and the attitude taken by some of the speakers to whom I have listened, have convinced me that there is a tendency to confuse Group Insurance and Social Insurance with Industrial Assurance.”¹⁵¹

Laing expressed his conviction that industrial life insurance relied on agents, which could not be replaced by public institutions: “No better illustration of this vital fact could be afforded than the closing down of the Post Office scheme of Life Assurance in England since the date of the London Congress.”¹⁵² In a comment probably also aimed at the Japanese participant in the panel, N. Hirai, who had discussed the growth of life insurance in Japan under a public monopoly, Laing stressed the importance of private competition. He directly countered Giordani’s statement that Italy would become “second to none” in industrial life insurance:

“I am strongly of opinion that the best service will be rendered to the insuring public by keeping legislative control or interference compatible with the maintenance of sound finance and by leaving reasonable and healthy competition to secure, for the public, benefits and services which, I am sure, can be provided by the present system of operation in English-speaking countries in a manner better than by any alternative system.”¹⁵³

For B. Robertson, another British actuary, the coercive dimension of the Institute’s sales methods was an interesting difference, perhaps something distinctly Italian:

“In reading the papers submitted to the Congress I have been impressed by the different methods by which the business is carried on. Broadly speaking, Industrial Assurance has

¹⁵⁰ “Questa Amministrazione applica adunque, o’ Duce, nel campo assicurativo il Vostro motto: “andare verso il popolo”. Il laborioso popolo italiano anche questo merita. Perfezioneremo ancor più la tecnica delle assicurazioni popolari, e attraverso una propaganda sempre più persuasiva, sempre più penetrante, ci sforzeremo di raggiungere zone sempre più vaste, e passeremo a suo tempo dalla città alle campagne, affinché, in un non lontano avvenire, anche in questo ramo, di immenso beneficio per le classi lavoratrici, l’Italia non sia seconda a nessun’altra nazione.” Ignazio Giordani, “Le assicurazioni popolari in Italia,” *Atti del decimo Congresso Internazionale degli Attuari*, vol. II, 439.

¹⁵¹ *Atti del decimo Congresso Internazionale degli Attuari*, vol. VI, 493.

¹⁵² *Atti del decimo Congresso Internazionale degli Attuari*, vol. VI, 494-495.

¹⁵³ *Atti del decimo Congresso Internazionale degli Attuari*, vol. VI, 495.

been conducted on a voluntary basis by the English speaking countries of the World and has attained a huge measure of success...the methods to be adopted, whether a voluntary system or a Government system, must depend, of course, on the temperament or political views of the people concerned.”¹⁵⁴

The remainder of the session unfolded without any controversy. The American delegation answered some questions on industrial life insurance in the United States, while German delegates took the opportunity to give a brief presentation on developments in Germany since the economic crisis. Concluding the panel, Amédée Bégault, the President of the Congress, happily announced that Mussolini had obliged his request for an autographed photo.¹⁵⁵

Whatever the impact of Giordani’s talk, the week-long events of the Congress were undoubtedly a publicity success for the larger Italian industry and for the Fascist regime. Giordani’s presentation was but one of many by Italian contributors, who formed a much larger share of contributors than in previous conferences. Pietro Smolensky, the Chief Actuary of *Assicurazioni Generali*, and Prof. Luigi Amoroso, had sent papers and attended these events for decades, but this time they were joined by participants from across Italian private industry, public service, and academia.¹⁵⁶ Bevione, Giordani, and Amoroso hosted visits of the Congress delegates to the headquarters of the INA and the *Assicurazioni d’Italia*, while Medolaghi and Edgardo Morpurgo held receptions at the headquarters of INFPS and the offices of *Assicurazioni Generali*.¹⁵⁷

As a statement of purpose, Giordani’s remarks offer a clear lens on the Institute’s ambitions. His vision put the Institute squarely at the center of the Regime’s ambitions to create a new political, economic, and social system. In his final words to the panel, Giordani echoed Mussolini’s own introductory remarks on the “world crisis”, stating that the new systems that had sprung up to confront it in insurance would endure beyond its passage.¹⁵⁸ He may have meant merely the new

¹⁵⁴ *Atti del decimo Congresso Internazionale degli Attuari*, vol. VI, 502.

¹⁵⁵ “Mesdames, Messieurs, je suis heureux de vous faire savoir qu’ayant manifesté le désir de recevoir comme souvenir de la séance d’ouverture du Congrès une photographie de S.E. Mussolini, il a, avec bienveillance, adhéré à mon désir en me l’envoyant revêtu de son autographe (*Applaudissements*). Comme je vois dans cette manifestation une nouvelle preuve de sa bienveillance envers le Congrès, je crois de mon devoir de vous en donner connaissance. » *Atti del decimo Congresso Internazionale degli Attuari*, vol. VI, 517.

¹⁵⁶ At the Stockholm conference, only two Italian delegates, Toja and Medolaghi, took the floor during the entire proceedings, and only six papers were submitted (Cantelli, Jacob, Smolensky, Messina, Ottivani, Castellani). More than twenty different individuals from the Italian delegation spoke in the panels at the Rome Congress, with at least one article submission for each of the nine panels.

¹⁵⁷ *Atti del decimo Congresso Internazionale degli Attuari*, vol. VI, 685.

¹⁵⁸ “Questo rapido sguardo al vasto panorama che risulta dai singoli quadri relativi alla situazione dell’assicurazione popolare nei vari paesi lascia una impressione confortante. La crisi gravissima non ha stroncato nè ha fatto intristire il ramo che si presentava così rigoglioso; ne ha soltanto – ed era inevitabile – ritardato alquanto lo sviluppo. Ma in tutto il mondo ripari ben congegnati sono stati posti in opera per attenuare i danni della bufera, e molti dei sistemi all’uopo escogitati, e che non si sarebbero forse attuati senza la crisi, resteranno come preziosi acquisti anche nel periodo di ripresa che l’avvenire immancabilmente ci prepara.” *Atti del decimo Congresso Internazionale degli Attuari*, vol. VI, 197.

popolari insurance business, but likely also the larger corporatist system that Italian social policy experts believed would supersede the liberal economic order, in Italy and beyond.¹⁵⁹

II.3. The Image of Italian Insurance at Home: The Venice National Congress of 1935

For September of the following year, the Institute made plans to host another Congress on industrial life insurance in Venice. At this occasion, the academic community studying new forms of *assicurazioni popolari* in Italy would be brought together with the political representatives of Italy's Fascist syndicates, now ready to move forward with the Institute's signature project. Giordani explained the Congress's double agenda to INA's board:

“to shed light on the function of the *assicurazioni popolari* in the Fascist State and to illustrate the legal, technical, medical and organizational problems connected with this insurance.”¹⁶⁰

Count Giuseppe Volpi, the prominent Venetian industrialist and former Minister of Finance, would chair the Congress's organizing committee, along with Bevione.¹⁶¹ Each of the presidents of the *Confederazioni* would participate as well. Giordani continued:

“The Congress certainly has political and scientific aims, but it will also need to achieve some practical and concrete objectives, both in the preceding period and the period that follows. The Institute thus intends to invite to the Congress an adequate number of representatives from the schools, from the *Dopolavoro* organizations, from the ecclesiastical world, from the veterans' associations, from the syndical organizations, and, general, all of those who particularly engage in, or could engage in, the work of *previdenza popolare*, thus we also intend to invite the General Agents and a sufficient number of representatives from the corps of salesmen, according to their performance in reaching the highest sales figures. The Head of Government has already expressed his approval of the Institute's initiative.”¹⁶²

¹⁵⁹ Alessio Gagliardi, “The Social Policy of Italian Fascism and the International Labour Organization,” *The Journal of Modern History* 97, no. 1 (March 2025): 152–79.

¹⁶⁰ “...mettere in luce la funzione delle assicurazioni popolari nello Stato Fascista e ad illustrare i problemi giuridici, tecnici, medici e organizzativi che si riconnettono alle assicurazioni medesime.” February 27, 1935, ASIA, VD 1912-1951, IV, VCdA.

¹⁶¹ On Volpi, see Luciano Segreto, “Giuseppe Volpi. Il grande mediatore tra istituzioni, politica ed economia,” *Studi Storici*, no. 4 (2020): 905–34.

¹⁶² “Il Congresso si propone senza dubbio finalità scientifiche e politiche, ma esso deve raggiungere per l'Istituto anche scopi pratici e concreti sia nel periodo precedente al Congresso stesso sia successivamente. Si propone pertanto l'Istituto di invitare al Congresso un adeguato numero di rappresentanti della Scuola, delle organizzazioni dopolavoristiche, del mondo ecclesiastico, delle associazioni combattentistiche, delle organizzazioni sindacali e, in genere, di tutti quei, quali particolarmente si svolge o può svolgersi il lavoro della previdenza popolare, così come si propone di invitare gli Agenti Generali e una adeguata rappresentanza del corpo dei produttori, subordinatamente all'attività che essi esprimeranno per conseguire i maggiori risultati produttivi. Il Capo del Governo ha già manifestato il suo gradimento per l'iniziativa dell'Istituto.” February 27, 1935, ASIA, VD 1912-1951, IV, VCdA.

Giordani had informed INA's General Agents of the event the day before, announcing special bonus for the *popolari* sales competition.¹⁶³ The larger intention was thus to build momentum and publicity, using the occasion before and after the Congress to take concrete steps towards new distribution arrangement with the *Confederazioni*.

From his correspondence with Mussolini, one can deduce that it was Bevione's fervent hope that the Duce would speak at the Congress. Bevione continued to use his deep media contacts and personal relationship with Mussolini to solicit the Duce's comments on the Institute's initiatives, which were then published across Italy. His reception of INA's yearly financial reports was a recurring genre in this form of reporting. To entice Mussolini's participation at the Congress, however, Bevione relied on the foreign press. In June 1935, Bevione sent Mussolini a compilation of clippings from the international press regarding the upcoming event. Bevione had paid for translations of an article he had written, entitled "Go towards the people" ("Andare verso il popolo"), to be published in a number of international insurance journals, including London's *The Review*, the Viennese periodicals, *Wirtschafts- und Assecuranz-Compass* and *Die Versicherung*, the Hungarian *Biztosítási Közlöny* of Budapest, and the Parisian *La Réassurance*.¹⁶⁴ Other journals in Germany, the United States, Great Britain, and Brazil carried reports on the conference at Bevione's request, praising the initiative in language that could not have been better designed to attract Mussolini's attention.

On April 26, 1935, an article appeared in the American *Eastern Underwriter* under the headline (translated) "Industrial Insurance is a Priority in Mussolini's Social Programs." Announcing the Congress, the paper explained that "*assicurazione popolare* constitutes a problem of primary importance in the Fascist platform; it is regarded as a means to improve the economic and cultural condition of the broad masses of the population, who cannot afford ordinary insurance."¹⁶⁵ In *La Razón*, published in Buenos Aires on April 29th, the author wrote "it should be noted in this regard that Italy has given great growth to the movement towards *previdenza* for the people. Thus, also in this area, action is taken according to Mussolini's directive 'towards the people' and in support of the greater spread of (social) assistance and collaboration in social matters...voluntary insurance, in summation, needs to be considered with regard to its ethical significance as a means of elevating the civilization of the Italian people through Mussolini's impulse of renewal."¹⁶⁶ In the March 25th edition of the Viennese *Oesterreichische Revue*, the

¹⁶³ Bevione to General Agents, February 26, 1935, ASIA, Raccolta delle circolari, no. 2500 1/111.

¹⁶⁴ "Venezia – Congresso Nazionale delle Assicurazioni Popolari, 1935" ACS, PCM, 14.3.4499.

¹⁶⁵ "L'Assicurazione popolare ha un posto di primo piano nei programmi sociali di Mussolini ' - l'assicurazione popolare costituisce un problema di primaria importanza nel programma fascista; essa è considerata come un mezzo per migliorare le condizioni economiche e culturali di larghe masse della popolazione che non possono rivolgersi all'assicurazione ordinaria." ACS, PCM, 14.3.4499.

¹⁶⁶ "È opportuno rivelare a questo proposito che l'Italia ha dato grande incremento al movimento previdenziale a favore del popolo. Così, anche in questo campo l'azione si svolge secondo le direttive di Mussolini e del Fascismo 'verso il popolo' ed in favore di una maggiore diffusione dell'assistenza e della collaborazione nel campo

author wrote: “The Congress will complete a serious work of fundamental importance for the welfare of the people, which the government seeks.”¹⁶⁷

A few observers picked up on some of the distinctive features of the *popolari* initiative, placing them within the larger debates that had interested the international insurance community since before the Great War. The Parisian *L'Argus* praised Bevione for his use of the expression “one must go to the people,” which they attributed to the “that great Frenchman, Count Albert de Mun.”¹⁶⁸ Noting that the congress had both a technical and a political purpose, the journal observed that in Latin-speaking countries, life insurance was largely something for the rich. The suite of technical and other measures developed at the Congress could perhaps help bring insurance to the “immense masses that live exclusively from their daily (wages).” The author continued: “a most beautiful thing, without a doubt, is social insurance. But social insurance does not exclude private insurance.”¹⁶⁹

This particular contention, advanced by Alfred Manes, could be seen as either a fatal contradiction or clever synthesis depending on the perspective. Summarizing Bevione’s article, the Berlin-based *Deutsche Versicherungs-Presse* presented their perspective on this very tension: “*assicurazione popolare* presents, in the Fascist Regime, a problem of systemic policy: the problem, that is, of the place which it ought to assume in the Italian corporative order.”¹⁷⁰ Rather than an alternative form of social insurance, *popolari* must be seen as a complement to social insurance, one that “raises the position of the worker.”¹⁷¹ Just as in contemporaneous German discourse on life insurance, they emphasized the voluntary nature of the insurance contract as an important distinguishing feature; this ensured the “moral and economic elevation of the people.”¹⁷² The article concluded: “the Congress thus has a high scientific mission, but this is a science that has its roots in life. For this reason above all else it is of moral and social importance.”¹⁷³

sociale...l’assicurazione facoltativa deve essere considerata insomma nel suo significato etico, come mezzo di elevazione civile del popolo italiano sotto l’impulso rinnovatore di Mussolini.” ACS, PCM, 14.3.4499.

¹⁶⁷ “Il Congresso deve compiere un grave Lavoro che sarà di importanza fondamentale per quel benessere del popolo cui il Governo mira.” ACS, PCM, 14.3.4499.

¹⁶⁸ “Bisogna andare verso il popolo... grande francese, il Conte Alberto de Mun.” ACS, PCM, 14.3.4499.

¹⁶⁹ “massa immensa che vive esclusivamente del proprio quotidiano... Bellissima cosa, senza dubbio le assicurazioni sociali. Ma l’assicurazione sociale non esclude l’assicurazione private.” ACS, PCM, 14.3.4499.

¹⁷⁰ “L’assicurazione popolare presenta innanzi tutto, in Regime Fascista un problema di politica sistemica: il problema, cioè, del posto che essa deve assumere nell’ordinamento corporativo italiano. Si può dire brevemente che l’assicurazione popolare favorirà la protezione della famiglie e le attività economiche e culturali.” ACS, PCM, 14.3.4499.

¹⁷¹ “eleva la posizione del lavoratore.” ACS, PCM, 14.3.4499.

¹⁷² “elevazione morale ed economica del popolo.” ACS, PCM, 14.3.4499.

¹⁷³ “Bisogna adattarsi ai reali bisogni della massa... Il Congresso ha dunque un’alta missione scientifica; ma si tratta di una scienza che ha le sue radici nella vita. Esso ha perciò innanzi tutto una importanza morale e sociale.” ACS, PCM, 14.3.4499.

Despite Bevione's best efforts, however, Mussolini did not take the bait. By early September, he was consumed with preparations for the Italian invasion of Ethiopia.¹⁷⁴ The Undersecretary to the Minister of the Corporations, Ferruccio Lantini, was designated to represent the government at the Congress.¹⁷⁵ Two days before the start date, Lantini pulled out, delegating the task to a Fascist Member of Parliament, Augusto de Marsanich. Bevione immediately wrote to Mussolini to request that Lantini attend. On September 27th, Mussolini's secretary sent a telegram to Lantini: "by order of the Duce" he would attend and give a speech. The following day, now the first day of the conference, Lantini confirmed to Mussolini that he would make an appearance. Mussolini's absence would have been all the more disappointing for Bevione as the Institute had made a significant organizational breakthrough in the weeks before the Congress. Presidents of four of the Fascist *Confederazioni* were ready to sign a formal association agreement with the INA. On September 19th, Bevione wrote to Mussolini again to request that they might sign the agreement in his presence, hinting that he would appreciate his attendance of the Congress.¹⁷⁶ This, however, would not take place.

By the time Bevione and Giordani had brought the ponderous forces of the Fascist regime behind their signature policy initiative, the Duce had shifted focus. In the same speech in November 1933, Mussolini remarked that what had seemed to be the "crisis in the system," was something more, a "crisis of the system." This heralded the supersession of the capitalist economic order, but also indicated fatal weakness in the liberal international system.¹⁷⁷ Abandoning competition on social and economic policy, Mussolini mounted a direct military challenge to the Western powers, gambling and winning an initial stunning success with the conquest of Ethiopia.¹⁷⁸ In response to the League of Nation's limited economic sanctions, Mussolini's "Regulatory Plan for the New Italian Economy" would give priority to the needs of Italian autarchy: self-sufficiency in the production of the critical materials needed for modern war.¹⁷⁹

While INA's social mission was somewhat diminished in urgency, its financial firepower would now be needed more than ever. The custodianship of national savings, however, was still the core of the Institute's mission, and had never disappeared from its arguments regarding the

¹⁷⁴ The invasion was Mussolini's brainchild and he personally held the position of Minister of Foreign Affairs in this period. Renzo De Felice, *Mussolini il duce. Gli anni del consenso, 1929-1936*, (Torino: Einaudi, 1997), 540-552. Bevione wrote to him in early September, as diplomatic tensions with the United Kingdom were reaching a breaking point. Bevione to Mussolini September 4, 1935, ACS, PCM, 14.3.4499.

¹⁷⁵ For this exchange see "Venezia – Congresso Nazionale delle Assicurazioni Popolari, 1935" ACS, PCM, 14.3.4499.

¹⁷⁶ "...per la diffusione delle Assicurazioni popolari fra le masse lavoratrici." September 19, 1935, ACS, SPD, CO, b. 1161, 509540/I, sf. 7.

¹⁷⁷ Benito Mussolini, "Discorso per lo Stato corporativo," in *Opera omnia*, ed. Edoardo Susmel and Duilio Susmel, vol. 26 (Venice: La Fenice, 1958), 86-96.

¹⁷⁸ Following the Italian capture of Addis Ababa, the League of Nation's economic sanctions were dropped, de facto recognizing Mussolini's conquest. De Felice, *Mussolini il duce. Gli anni del consenso, 1929-1936*, 588-606.

¹⁷⁹ Benito Mussolini, "Il piano regolatore della nuova economia italiana," in *Opera omnia*, ed. Edoardo Susmel and Duilio Susmel, vol. 27 (Venice: La Fenice, 1959), 241.

popolari initiative. The following year, the speech of INA's Secretary General for the Congress, Antigono Donati, appeared in the firm's house journal. As Donati argued, beyond their social benefits, mass contracts for *assicurazioni popolari* would bring about an essential centralization in the management of national savings:

“From a financial perspective...the spread of the *assicurazioni popolari* on a grand scale will bring about a massive flow of capital, in the form of premiums, into the coffers of the Institute, which will then flow out again into the public economy, through support for public works, agricultural projects (land reclamation, irrigation) and industrial projects (factories, public buildings, bridges, roads, etc.). It is therefore indispensable that the full energies of the regime work together with INA so that maximum dissemination is achieved.”¹⁸⁰

¹⁸⁰ Antigono Donati, “Le assicurazioni popolari in Italia”, ASIA, “Atti I.N.A”.., vol. IX, 1936.

Chapter 6: Underwriting Autarky: German Life Insurance and the Drive for War, 1936-1939

In August 1936, some five months following Mussolini's speech on the new organization of the Italian economy, Adolf Hitler released his own programmatic statement on German autarky. Known as the "Denkschrift zum Vierjahresplan" (Memorandum for the Four-Year Plan), the piece was a rare direct intervention from Hitler and provided his full endorsement for a rapid and ambitious armaments' investment program.¹ While it was presented in public as another economic initiative to build out the economy and secure a given standard of living, the Plan's true aim was war. As Hitler put in in the concluding line of the text: "the Germany army must be operational in four years. The German economy must be fit for war in four years."² Along with direct spending on armaments, the Four-Year Plan called for enormous investments in the industries needed to support war goods production, particularly in advanced synthetic materials which, it was hoped, could replace some commodity imports (such as rubber and oil) bought with precious foreign exchange. The Plan empowered Hermann Goering as Commissioner for the Four-Year Plan (*Beauftragter für den Vierjahresplan*) to achieve these goals by any means necessary.³ To pull off the massive increase in military spending, which aimed for a level of more than 20% of national income, the regime would have to rely on continued suppression of demand and the redirection of investment capital away from private investment into public debt.⁴ Hjalmar Schacht, whose expert management of foreign exchange reserves and the domestic financial system had allowed the German economy to maintain an already expansive investment policy without a currency devaluation, was now on the outs, outranked on economic questions by Goering.

Schacht's talents, however, were still highly needed and he initially retained his positions as Economics Minister and President of the Reichsbank. Placing large quantities of national debt under the conditions of international financial isolation required careful work. This was all the more so the case as the regime sought to conceal the debt-financed expansion from the German public, employing the methods of "geräuschlose Finanzierung" (silent financing) first initiated by Schacht to place state bonds with institutional investors.⁵ German private insurers, still reaping the benefits of the economic expansion and their regulatory regime's channeling of demand for *Vorsorge* towards life insurance, had an important role to play in this system. In the

¹ Dietmar Petzina, *Autarkiepolitik im Dritten Reich*, Schriftenreihe der Vierteljahrshefte für Zeitgeschichte, Nr. 16 (Stuttgart: Deutsche Verlagsanstalt, 1968), 48-53.

² The original document is contained in the appendix of Wilhelm Treue, "Hitlers Denkschrift zum Vierjahresplan 1936," *Vierteljahrshefte für Zeitgeschichte*, 1955, 210.

³ Petzina, *Autarkiepolitik im Dritten Reich*, 57-78.

⁴ Tooze, *Wages of Destruction*, 255-258.

⁵ See Ralf Banken, "Der Ursprung der geräuschlosen Kriegsfinanzierung im „Dritten Reich“ 1935–1939," *Jahrbuch für Wirtschaftsgeschichte* 61, no. 2 (November 1, 2020): 459–85; Michiyoshi Oshima, "Von der Rüstungsfinanzierung zum Reichsbankgesetz 1939," *Jahrbuch für Wirtschaftsgeschichte* 47, no. 1 (June 1, 2006): 177–217.

Reichs' short and medium-term debt issues through 1936 (*Reichsschatzanweisungen*), private life insurers had contributed a considerable amount of the financing.⁶

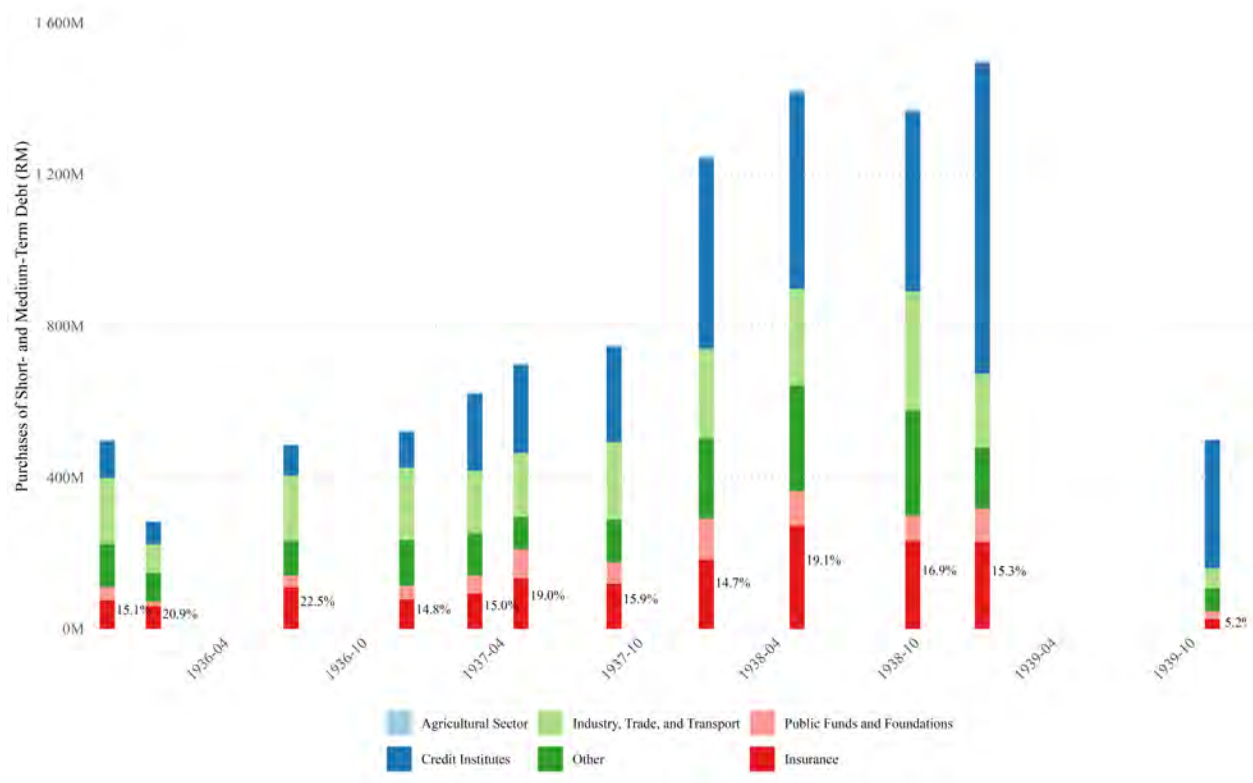


Figure 6.1: “Shares of Issuance Rounds of Short- and Medium-Term Reich Debt, 1935-1939.” Percentages show shares of *Reichsschatzanweisungen* 4½%. Figures for insurance include social insurance.

As head of the *Reichsgruppe Versicherungen*, Eduard Hilgard negotiated directly with the Finance Ministry and Reichsbank to determine life insurers' share of each new round of debt issuance. Life insurance, a long-term contractual savings instrument, was well suited to the needs of a state-led investment economy. Regular premium payments from clients allowed insurers to estimate their new yearly investment outlays for the purposes of state planning. For life insurance customers, their own commitments to life insurance premiums anchored a given savings quotient in their household budgets and restricted expenditures on consumption. The industry's centralized governance structure and its regulatory office's broad supervisory powers, moreover, were a ready-made tool for German autarky. In courting Schacht in 1934, Hilgard had reminded him of the branch's financial firepower, and of the coordinating capabilities of the supervisory office.

Nazi public pronouncements regarding the aims of the Four-Year Plan, however, seemed to create a very different sort of political opportunity for individuals on the margins of this hierarchy in German insurance. Concealing the military expansion and large debt-driven fiscal

⁶ See Figure 6.1 above.

stimulus from the German public, the Nazi regime presented the Plan as a continued push to win the battle for employment (*Arbeitsschlacht*) and reach a higher standard of living.⁷ To contain the inevitable inflationary effects of the new spending, however, the regime was forced to publicly intervene with price controls. In a speech at the *Berliner Sportpalast* on October 28, 1936, Goering explained the function of the new office of Price Commissar (*Reichskommissar für die Preisbildung*):

“It will be the task of the Commissar for Price Formation to ascertain, again and again, whether prices are justified (berechtigt) or else derive from self-interest and egotism. Should that be the case, then we will ruthlessly take action. Against all those who seek to exploit Germany’s growth and recovery, against parasites, I shall take action with draconian measures.”⁸

While Goering well understood the real reason for the need for price controls, he presented the new commission as part of a larger ideological mobilization against profit-seeking and parasitism in the economy. From the perspective of the newly appointed Price Commissar, and for Nazi public personalities of a populist ilk, rising insurance premiums were potential evidence of private profiteering, even as life insurance premiums – a form of savings, not a consumption good – would have been one of the forces absorbing excess demand and hemming inflation in. The duty of the Price Commissar was not defined as fighting inflation, but as preventing all “unjustified” price increases. The regime’s deception regarding the purposes of its fiscal expansion were thus baked into the very mission the office created to contain its inflationary effects.⁹

In early 1937, the Price Commissar, Gauleiter Josef Wagner, and Hjalmar Schacht, still Economics Minister and president of the Reichsbank, became enmeshed in conflict regarding insurance premiums. Converting *Sterbekassen* to actuarially-funded life insurance created the appearance of insurance “price increases”, and the Price Commissar’s office intervened with the supervisory agency to stop the new rates from taking effect. Wagner considered insurance premiums to be prices like any others and argued that it was his duty to intervene to prevent price increases that could lead to an inflationary spiral. However, as Schacht and the private insurers attempted to illustrate, insurance premiums did not behave like the prices of consumer goods. Moreover, as savings capital from life insurance premiums provided a vital part of the financing of the Four-Year Plan, these flows could not be interfered with by the Commissar without imperiling the Plan’s objectives. While Schacht ultimately won the specific argument regarding

⁷ Tooze, *Wages of Destruction*, 223.

⁸ „Es wird die Aufgabe des Kommissars für die Preisbildung sein, immer wieder festzustellen, ob der Preis berechtigt ist oder Eigennutz und Ichsucht entspringt. Ist das der Fall, dann wird rücksichtslos durchgegriffen. Gegen alle, die versuchen die Konjunktur und den Aufschwung Deutschlands auszunutzen, gegen Parasiten werde ich mit drakonischen Maßnahmen einschreiten.“ Alfred-Ingemar Berndt, Erich Schrötter, and Joseph Goebbels, *Gibt mir vier Jahre Zeit! Dokumente zum ersten Vierjahresplan des Führers*, 2. Aufl (München: Zentralverlag der NSDAP, 1937), 217.

⁹ On the methods of the price control office, see Petzina, *Autarkiepolitik im Dritten Reich*, 162-165.

life insurance, he would resign later that year, as Goering's new authorities overwhelmed his ability to make policy.

For public insurers, the ideological campaign against profit-seeking gave them a golden opportunity to relaunch their longstanding critiques of the private sector. In 1937, a series of articles in the SS's publication, *Das Schwarze Korps*, criticized Germany's insurers for overly profiting from their business.¹⁰ Later that year, Hans Goebbels, brother of Joseph Goebbels and director of the Rhineland's public insurer, and Hans Schwede-Coburg, Gauleiter of Pommern and director of the region's public insurer, began to aggressively agitate for full nationalization of the private sector. These men directed their persuasive efforts at Goering, whose rhetoric in support of the Price Commissar office deeply resonated with their populist critiques of private insurance. Goering's 1937 expropriation of German steel industrialists through the founding of the *Reichswerke Hermann Göring* also likely set an exciting precedent. In an attempt to coopt these critical factions, Eduard Hilgard appointed a Nazi "alter Kämpfer" ("old fighter," a member of the original political movement), Andreas Braß, to the head of the *Wirtschaftsgruppe Privatversicherung*. Braß had made a name for himself denouncing high premiums in auto insurance and held a position in private insurance in the DAF-owned non-life insurance firm, *Deutsche Versicherung*.¹¹ The choice would prove a mistake. Braß used his position to publicly berate private insurers for their inadequate National Socialism, seeking to spearhead a political takeover of the industry. In July 1938, a coalition of Braß, Hans Schwede-Coburg and the financial secretary of the NSDAP, Franz Xaver Schwartz, forced a conversation with the Economics Ministry on "urgent reforms" in insurance, submitting proposals for private insurance's political purification and nationalization.

The insurance industry thus found itself, seemingly, at a crossroads. As the armaments drive kicked into a higher gear, life insurance, still dominated by private firms, was more economically important than ever. Simultaneously, the general atmosphere of ideological mobilization and the specific criticisms of private business advanced from the heights of the regime had rendered private insurance vulnerable to criticism from public insurance. Both private insurers, through ever larger contributions to the state's debt financing, and public insurers, through their strident, anti-capitalist rhetoric, sought to work towards the purposes of the Four-Year Plan. The resolution of the conflict would show which side more correctly understood the objectives behind the Plan's mobilization efforts.

In the last years before the war, life insurers lost virtually all investment autonomy through the demands of state debt-financing.¹² Private insurance would nonetheless see some last triumphs in

¹⁰ While other party publications were sometimes cited in insurers' complaints to their leaders and the Ministry, the SS publication, which sought to be the public face of the regime's new elite, was a particularly menacing critic. On the weekly paper's role in the larger organization See Mario Zeck, *Das Schwarze Korps: Geschichte und Gestalt des Organs der Reichsführung SS*, Medien in Forschung + Unterricht, Bd. 51 (Tübingen: M. Niemeyer, 2002).

¹¹ Feldman, *Allianz and the German Insurance Business*, 168-169.

¹² See Figure 6.2 above.

the consolidation of their industry's governance structure and continued market expansion. A new

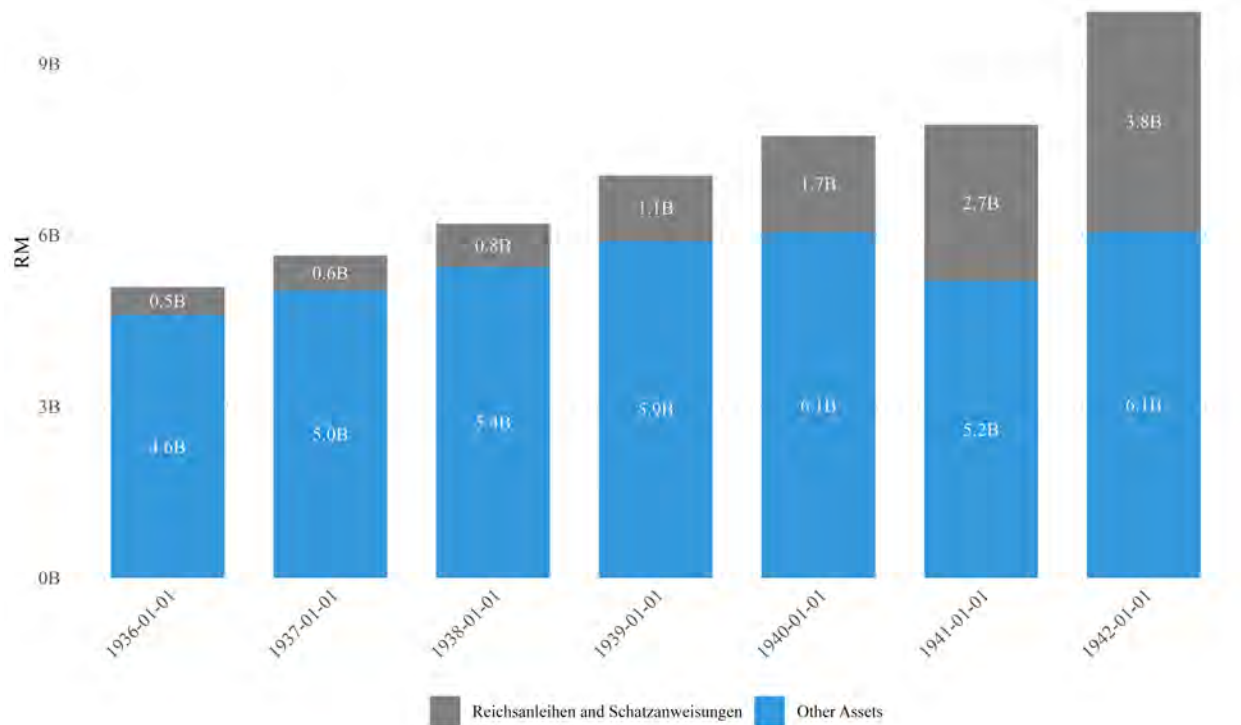


Figure 6.2: “Life Insurers’ Cumulative Holdings of Reich Bonds and Other Assets, 1936-1942.”

law in 1938 brought German *Handwerker* (contractors) into the mandatory social insurance system but provided an opt-out for those who purchased private life insurance. The preservation and expansion of the supervisory agency’s ambit continued to press non-insurance-based funds to give up their business or change their funding models. Members of large Nazi organizations were shepherded into large group life insurance contracts, which boomed through the end of the decade. The religious insurers, the one remaining independent civil society group in the insurance business, were “deconfessionalized” (*entkonfessionalisiert*) through a 1938 decree and sold off to a large concern, *Victoria*. Insurers successfully fought for the equal status of life insurance premiums along savings deposits in wartime measures to foster savings.¹³ Their last major contribution to the German war effort – an unsolicited, voluntary guarantee of war life risks for soldiers and civilians – would underwrite one last surge of demand in life insurance

¹³ This account ends with the Second World War, so this cannot be not recounted in detail. In late 1941, the *Wirtschaftsgruppe Lebens- und Krankenversicherung* contacted the Economics Ministry to request equal treatment of life insurance regarding the tax advantages conferred on savings accounts through the “Eisernes Sparen” decree: “Das Ziel der Verordnung liesse sich im Wege des Lebensversicherungsvertrages in gleicher Weise erreichen wie durch das Eisernes Sparen. Die überschüssige Kaufkraft wäre in noch viel wirksamerer Weise wie beim Eisernen Sparen abgeschöpft, denn es handelt sich in der Lebensversicherung um eine langfristige Bindung dieser überschüssigen Kaufkraft.” November 12, 1941, FHA, SM-1-22.

during the first years of the conflict. The war's exorbitant toll in human life would however prove life insurers' undoing. In 1943, insurers' investments in the war effort finally sunk, as the claims of the dead outweighed premiums paid by the living.

I. Premiums and Prices: Life Insurance, the Economics Ministry and the Office of the Four-Year Plan, 1936-1938

Following the creation of Goering's office in October 1936, Schacht and the Economics Ministry found themselves in a defensive bureaucratic struggle. Hitler's decision to undertake a massive military expansion alarmed Schacht on account of the unsustainable economic trajectory and the broader implications of the decision for Germany's international relationships.¹⁴ The new office of the Four-Year Plan, moreover, was a direct challenge to Schacht's institutional terrain and represented a loss of confidence in him on the part of Hitler. It was the private insurers' association, however, that first contacted the Economics Ministry regarding the intrusive activities of the newly appointed Price Commissar, Gauleiter Josef Wagner. Following the decree forbidding price increases of November 26, 1936,¹⁵ the insurance supervisory agency asked the *Reichsverband der Privatversicherer* to contribute an opinion to exempt insurance premiums from its stipulations. On December 21, Lippert conveyed a message to the Economics Ministry to request their "kind support of our position in negotiations" through the Ministry's presence at a meeting with the Price Commissar that had been scheduled for the very same day.¹⁶ Given the supervisory agency's approval of premium increases for a few German health insurers that would take effect January 1, 1937, the request was urgent.¹⁷

Lippert attached the association's brief on the matter for the supervisory agency to his letter to the Economics Ministry. In the brief, he referred to insurance's exemption from the emergency deflationary decrees of the winter of 1931 as favorable precedent, but also made a more theoretical case against treating insurance premiums as inflationary price increases:

"The price freeze is intended, first of all, to address the danger that in a free market, due to increased demand and limited supply, price increases take shape. There can be no talk of such in the area of insurance, as insurance protection can be provided in any volume even when demand has increased many times over. In contrast to the price of a good, in

¹⁴ Petzina, *Autarkiepolitik im Dritten Reich*, 74-75.

¹⁵ „Preisstopp-VO vom 26. November 1936,“ *Reichsgesetzblatt* I, 955.

¹⁶ „Wir bitten das Reichswirtschaftsministeriums um freundliche Unterstützung unseres Standpunktes bei den Verhandlungen mit dem Herrn Reichskommissar für die Preisbildung.“ Lippert of the Reichsverband der Privatversicherung to the Reichs- und Preußische Wirtschaftsministerium, December 21, 1936, FHA, SM 1458-1-2062.

¹⁷ Lippert of the Reichsverband der Privatversicherung to the Reichs- und Preußische Wirtschaftsministerium, December 21, 1936, FHA, SM 1458-1-2062.

insurance, assuming the sum insured and the weight of the risk to be constant, the track record of losses sets the premium rate.”¹⁸

Lippert pointed out that the value of the service of insurance depended on the value of the risk, which could vary considerably, even from one day to the next. Insurance premium increases were often not price hikes but rather reflected an increase in the value of the service provided. If damages increased, risks had probably been priced too low, in which case, without a premium increase, coverage for all insured was endangered: “A general ban on premium hikes will thus necessarily be to the detriment of the *Gefahrgemeinschaft* of the insured, and thus to the general public.”¹⁹

At the meeting on December 21st, both sides were able to agree that “the fundamental principles according to which insurance oversight are conducted are difficult to bring in harmony with the guidelines of the Reich’s Commissar for Price Formation.”²⁰ A second meeting was held the very next day. In these discussions, the role of insurance, particularly life insurance, as *Kapitalsammelstelle* (site of capital collection) first came up, something Lippert had not pointed out in his own brief. Representatives of the Economics Ministry and insurance supervisory agency were unable to convince the Commissar’s representative that insurance premium increases were not price increases or should not be subject to his authority.²¹ The Commissar’s office nonetheless agreed to coordinate with the supervisory agency and Economics Ministry regarding his decisions on insurance premium hikes.²²

Only a few weeks later, Schacht himself seems to have decided to adopt a more aggressive posture. His Ministerial Counselor Dr. Warncke prepared a strongly worded letter, rewriting critical portions following consultation with the Minister before sending it to the Price Commissar. The letter directly challenged the Commissar’s authority to prevent insurance

¹⁸ “Das Preisverbot wird in erster Linie der Gefahr begegnen wollen, daß sich im freien Markt bei verstärkter Nachfrage und knappem Angebot Preiserhöhungen bilden. Hiervon kann im Bereich der Versicherung keine Rede sein, weil Versicherungsschutz in jedem Umfange auch bei vielfach verstärkter Nachfrage gewährt werden kann. Im Gegensatz zum Warenpreis bestimmt sich vielmehr der Satz der Versicherungsprämie – bei gleichbleibender Versicherungssumme und gleichbleibender Schwere des Wagnisses – im wesentlichen nach dem Schadenverlauf.” Reichsverband der Privatversicherung to the Reichsaufsichtsamt für Privatversicherung, December 8, 1936, attached to letter from Lippert of the Reichsverband der Privatversicherung to the Reichs- und Preußische Wirtschaftsministerium, December 21, 1936, FHA, SM 1458-1-2062.

¹⁹ „Ein generelles Prämienerhöhungsverbot muß notwendig zu einer Schädigung der Gefahrgemeinschaft aller Versicherten und damit der Allgemeinheit führen.“ Reichsverband der Privatversicherung to the Reichsaufsichtsamt für Privateversicherung, December 8, 1936, attached to letter from Lippert of the Reichsverband der Privatversicherung to the Reichs- und Preußische Wirtschaftsministerium, December 21, 1936, FHA, SM 1458-1-2062.

²⁰ „...die Grundsätze, nach denen die Versicherungsaufsicht geführt wird, mit den Richtlinien des Reichskommissars für die Preisbildung schwer vereinbar sind“ Memo from Ministerialrat Dr. Warncke in the Economics Ministry, December 23, 1936, FHA, SM 1458-1-2062.

²¹ Memo from Ministerialrat Dr. Warncke in the Economics Ministry, December 24, 1936, FHA, SM 1458-1-2062.

²² To the Herrn Leiter der Reichsgruppe „Versicherungen,“ December 23, 1936 and to the Reichsaufsichtsamt für Privatversicherung, from Ministerialrat Dr. Warncke, FHA, SM 1458-1-2062.

premium increases.²³ Rather than reiterating the technical points raised by Lippert, Warncke and Schacht chose to engage the Commissar on the grounds of his mandate to regulate prices, that is, the broader success of the Four-Year Plan. Warncke and Schacht noted that it was the task of the Price Commissar to prevent any general price rises that might emerge from current market conditions. The insurance supervisory agency, they noted, already provided oversight against unjustified premium increases and had done so for decades. The letter continued:

“The responsibility of the oversight office is currently all the greater, as the savings capital assembled by insurers is one of the main sources of financing for the Four-Year Plan. A restriction of the activities of the insurance oversight offices, which puts the insured and the whole economy in jeopardy, (is something) I cannot permit. Moreover, it has already become clear that cooperation with your office has so burdened the supervisory agency that the regular execution of its tasks could be called into question.”²⁴

In the final paragraph of the letter, the Economics Minister informed the Price Commissar that he had ordered the supervisory agency to ignore the Commissar’s requests and continue conducting business as usual. In a legal opinion given within the Ministry during the drafting process, it was cautioned against including this last sentence, as the law establishing the Price Commissar clearly stated that the office’s authority extended to goods and services of all types: “the last paragraph in the letter to the *Reichskommissar* is not in alignment with the legal situation.”²⁵ In the copy sent to the Commissar on February 20, however, the language was retained. In his angry response on March 5, Commissar Wagner cited the law and called Schacht’s belief that insurance was not subject to his purview to be “*rechtsirrig*“ (legally erroneous).²⁶ Given this fact, he noted, he hoped that Schacht had not in fact told the supervisory agency to disregard his office, and that, if he had in fact done so, that he would immediately retract the order.²⁷

The conflict between the Price Commissar and the Economics Ministry soon escalated further. On March 24, Warncke wrote to Schacht’s reportee, the *Reichskommissar für das Kreditwesen* (Reich Commissar for the Credit System), Friedrich Ernst, informing him that the Commissar’s

²³ “In wiederholten Verhandlungen haben Ihre Sachbearbeiter die Auffassung vertreten, daß auch das Versicherungswesen von Ihnen überwacht werden müsse. Diese Auffassung teile ich nicht.“ Draft of letter from Ministerialrat Dr. Warncke to the Herrn Reichskommissar für die Preisbildung, with edits („nach Vortrag bei Herrn Reichspräsident“), February 1937, FHA, SM, 1458-1-2062.

²⁴ „Die Verantwortung der Aufsichtsbehörde ist zur Zeit um so größer, als das bei den Versicherern angesammelte Sparkapital eine der Hauptquellen für die Finanzierung des Vierjahresplans ist. Eine Einengung der Tätigkeit der Versicherungsaufsichtsbehörden, welche die Versicherten und die Gesamtwirtschaft gefährdet, kann ich nicht zulassen. Zudem hat sich bereits gezeigt, daß eine Mitwirkung Ihrer Dienststelle das Reichsaufsichtsamt in einer Weise belastet, daß die ordnungsmäßige Erfüllung der ihm obliegenden Aufgabe in Frage gestellt wäre.“ Draft of letter from Ministerialrat Dr. Warncke to the Herrn Reichskommissar für die Preisbildung, with edits („nach Vortrag bei Herrn Reichspräsident“), February 1937, FHA, SM, 1458-1-2062.

²⁵ “...der letzte Absatz in dem Schreiben an den Reichskommissar steht mit dieser Rechtslage nicht in Einklang.”

²⁶ Attached to the edited draft of the above February 1937 letter on the Ministry’s stationery, undated, FHA, SM, 1458-1-2062.

²⁷ Präsident Generaloberst Göring, Beauftragter für den Vierjahresplan, Reichskommissar für die Preisbildung (Wagner) to the Herrn Reichs- und Preußischen Wirtschaftsminister, March 5, 1937, FHA, SM, 1458-1-2062.

authority also gave him the right to oversee money and capital markets. The Commissar could intervene regarding the cost of credit, when necessary.²⁸ Wagner demanded that Ernst keep him apprised of major developments, coordinate with a member of his office, and seek individual approval for any interest rate higher than the established norms. A copy of the letter was forwarded to Schacht in the Economics Ministry.

Schacht responded swiftly. The Commissar's demands, now well beyond the scope of insurance premium increases, may have been justified by the language of the law, but was clearly at cross-purposes with the implementation of the Four-Year Plan. Noting that all financial markets had been exempted from the price stop order and that any change to this could destabilize markets, Schacht told Wagner he was nevertheless still willing to "involve him in his decisions over fundamental matters in this area."²⁹ Given his mandate to handle the financing of the Four-Year Plan, however, Schacht's full authority could not be called into question:

"In view of the tasks that fall to me, consolidating the short-term debt of the Reich and the financing of the Four-Year Plan, which require the full mastery of money and capital markets, I cannot agree to the cession of the responsibilities of the Economics Ministry, the *Reichsbank*, the Bank Oversight Office, or the Reich's Commissar for the Credit System in the area of money and capital markets and in the Stock, Foreign Exchange and Banking system."³⁰

Over the following two months, the conflict dragged out. Schacht did not rescind his order to the insurance supervisory agency. While receiving all documentation the insurance supervisory agency produced regarding premium increases, Schacht's Ministry did not pass it on to the Price Commissar. On April 19, Widmann, the president of the supervisory agency, wrote to the Economics Ministry in a panic, letting an old contact for insurance questions in the Ministry know that the Price Commissar had begun to contact him "personally" regarding approved premium increases. Moreover, as Widmann noted, a great number of pending cases regarding the conversion of *Umlage*-financed *Sterbekassen* to life insurance were soon to be approved. This would result in a large number of premium increases, which would openly flout the Commissar's

²⁸ "...um in der Lage zu sein, nötigenfalls meinen Einfluß auf die Gestaltung der Kreditkosten zur Geltung bringen zu können." Präsident Generaloberst Göring, Beauftragter für den Vierjahresplan, Reichskommissar für die Preisbildung (Wagner) to the Herrn Reichskommissar für die Preisbildung für das Kreditwesen, copies sent to the Kreditaufsichtsamt and the Reichs- und Preußischen Wirtschaftsminister, March 24, 1937, FHA, SM, 1458-1-2062.

²⁹ "...daß ich – wie in Verfolg der Ende November v.Js. geführten Erörterungen vereinbart worden ist – selbstverständlich auch fernerhin bereit bin, Sie bei meinen Entschlüssen über grundsätzliche Fragen auf diesem Gebiete zu beteiligen"

³⁰ „Auch könnte ich einer Übertragung der dem Reichswirtschaftsministerium, der Reichsbank, dem Bankenaufsichtsamt und dem Reichskommissar für das Kreditwesen auf dem Gebiete des Geld- und Kapitalmarkts sowie des Börsen-, Devisen-, und Bankwesens obliegenden Zuständigkeiten im Hinblick auf die mir zufallenden Aufgaben der Konsolidierung der kurzfristigen Verschuldung des Reichs und der Finanzierung des Vierjahresplanes, deren Lösung die völlige Beherrschung des Geld- und Kapitalmarkts voraussetzt, nicht zustimmen.“ Draft of letter from the Reichs- und Preuß. Wirtschaftsminister (Schacht) to the Reichskommissar für die Preisbildung (Wagner), April 1937, FHA, SM 1458/1/2062.

authority. He asked that the Economics Ministry inform the Price Commissar that the Ministry that was holding their correspondence and not passing it on.³¹

Widmann's letter seems to have had some effect, as, nearly two months following Wagner's March 4th demand, Schacht drafted a response. Here Schacht once again insisted that his mandate made him responsible for the financial health of the insurance sector. He sought to impress on Wagner the significance of savings capital for the Four-Year Plan. Insurance premiums must not be interfered with, he argued, as this would damage trust in insurance institutions:

“Any shaking of this trust, to say nothing of a collapse, would, in accordance with our experience, seriously damage willingness to obtain insurance coverage, and thus seriously damage the further collection of savings capital through premiums. This is all the more impermissible, as the funds raised through the insurance business, available for investment purposes, are needed for the important objectives of state policy (“für die wichtigen staatspolitischen Aufgaben”).³²

Rather than sending the letter, Schacht thought better of it and had a subordinate reach out to the Price Commissar by telephone.³³ The subordinate was instructed to tell Wagner that while he had drafted a “rather sharp” letter again regarding insurance, Schacht's differences with him were not personal and perhaps could be settled over the phone. In the report of the call, the subordinate noted that Wagner had again expressed his concern that insurance premium hikes could lead to a price spiral (“so könnte dadurch ein Preistreiben eintreten, das ihn zum Eingreifen veranlassen könnte”). Schacht's subordinate, in turn, again emphasized to Wagner that Schacht was charged with ensuring the financial health of the insurance sector.³⁴ The Commissar requested greater coordination between the two offices, and Schacht's reportee agreed to keep his staff in touch with the Price Commissar's staff regarding issues of importance.

That summer, representatives of the Economics Ministry and the Price Commissar began negotiating an arrangement for approving a set of exemptions to the general price freeze for

³¹ President of the Reichsaufsichtsamt für Privatversicherung (Widmann) to Ministerialdirektor Dr. Schniewind, Reichs- und Preußischen Wirtschaftsministerium, April 19, 1937, FHA, SM, 1458-1-100.

³² „Jede Erschütterung dieses Vertrauens, von Zusammenbrüchen ganz abgesehen, würde erfahrungsgemäß die Bereitwilligkeit, Versicherungsschutz zu nehmen, und damit die weitere Ansammlung von Sparkapitalien in den Prämien ernstlich beeinträchtigen. Dies darf umso weniger geschehen, als die im Versicherungsgewerbe aufkommenden, für Anlagezwecke verfügbaren Mittel für die wichtigen staatspolitischen Aufgaben benötigt werden.“ Draft of letter from the Reichs- und Preußische Wirtschaftsminister, Ministerialrat Dr. Warncke, to the Herrn Reichskommissar für die Preisbildung, May 1937, SM 1458-1-100.

³³ “Auf Anordnung des Herrn Präsidenten Schacht habe ich den Herrn Reichskommissar Wagner noch einmal angerufen und ihm telefonisch gesagt, es läge dem Herrn Präsidenten ein sachlich ziemlich scharfer Entwurf eines Schreibens an den Herrn Reichskommissar in Sachen Privatversicherung vor. Herr Schacht habe mich beauftragt, Herrn Wagner zu sagen, daß ihm an Differenzen mit Herrn Wagner nichts läge und daß wir deshalb den Versuch einer telefonischen Verständigung machen wollen.“ Internal Memo, Economics Ministry, May 24, 1937, SM 1458-1-100.

³⁴ Internal Memo, Economics Ministry, May 24, 1937, SM 1458-1-100.

insurance. In a report on the negotiations on September 4, the Economics Ministry's representatives were jubilant, thinking to have achieved the maximum of what could have been hoped for:

“According to the draft the Price Commissar will be practically shut out of the important area of life insurance...moreover the Price Commissar has granted a general exemption from the price freeze for the conversion of (short-term) risks to life-long contracts in life insurance and for the conversion of *Pensions*- and *Sterbekassen* from *Umlage* to premium-insurance procedures. The work begun in 1934 to bring unsupervised insurance entities under insurance oversight can thus continue.”³⁵

Life insurance, under Schacht's protection and authority, would thus be spared from further disruptive intrusions. Importantly, the branch's expansion into the field of the *Sterbekassen* could go forward undisrupted. A different summary of the agreement was sent to Goering's representative in the Price Commissar's office: “the draft, which corresponds to the agreements between (our) staff, fulfills your wishes to a very great extent.”³⁶

The week of the conclusion of the agreement was, however, Schacht's last week in the Economics Ministry. Following his political defeat at the hands of Goering in August regarding the creation of the *Reichswerke-Hermann-Göring*, Schacht took a leave of absence from the Economics Ministry. On November 26, 1937, he formally resigned, and Goering took over the office on an interim basis pending the appointment of Walther Funk.³⁷ In early November, his office received an edited draft of the agreement from Wagner, with, as Wagner characterized it, only a few changes made to facilitate the Commissar's ability to identify premium increases that fell under his authority.³⁸ The Economics Ministry's staff were deeply disappointed: “The Price Commissar's newly prepared draft significantly deviates from the draft which was produced together with the Price Commissar's staff, and which, after they expressed their agreement, was sent to the Price Commissar for his signature.”³⁹ The final agreement contained these changes,

³⁵ “Nach dem Entwurf ist der Preiskommissar auf dem wichtigen Gebiet der Lebensversicherung praktisch ausgeschaltet...ferner hat der Preiskommissar eine allgemeine Ausnahme von der Preisstopp für die Umstellung von dem Risiko auf den lebenslänglichen Versicherungsvertrag in der Lebensversicherung und für die Umstellung von Pensions- oder Sterbekassen vom Umlage- auf das Prämiendeckungsverfahren erteilt. Die seit 1934 in Gang befindliche Unterstellung unbeaufsichtigter Versicherungseinrichtungen unter Versicherungsaufsicht kann also fortgesetzt werden.” Internal Memo of the Economics Ministry, Ministerialrat Koehler, September 4, 1937, FHA, SM, 1458-1-100.

³⁶ “Der Entwurf, der den Vereinbarungen der Sachbearbeiter entspricht, kommt Ihren Wünschen weitgehend entgegen.” Letter from Ministerialrat Koehler to Herrn Ministerpräsidenten Generaloberst Göring, Beauftragter für den Vierjahresplan, Reichskommissar für die Preisbildung, September 4, 1937, FHA, SM, 1458-1-100.

³⁷ See Kube, *Pour le mérite und Hakenkreuz*.

³⁸ Ministerpräsident Generaloberst Göring, Beauftragter für den Vierjahresplan, Reichskommissar für die Preisbildung to the Herrn Reichs- und Preußischen Wirtschaftsminister, November 2, 1937, FHA, SM, 1458-1-100.

³⁹ “Der von dem Preiskommissar aufgestellte neue Entwurf weicht wesentlich von dem Entwurf ab, der zusammen mit den Sachbearbeitern des Preiskommissars aufgestellt und, nachdem diese Ihr Einverständnis erklärt hatte, dem Preiskommissar zur Mitzeichnung übersandt worden ist.” Internal Memo of the Economics Ministry, Ministerialrat Dr. Koehler, November 20, 1937.

imposed against the will of the weakened Ministry. Nevertheless, the revisions affected only non-life insurance and the general exemptions for life insurance that had been negotiated by Schacht's Ministry were retained.⁴⁰

With Schacht out of the way, Goering's Price Commissar could expand his office's authority. Tellingly, however, the autonomy of the Economics Ministry and insurance supervisory agency was left untouched regarding life insurance. Even with Schacht gone, the Price Commissar reported to Goering, who had a broader interest in the success of the Four-Year Plan than in the particular extent of his Price Commissar's authority. As shown in Chapter 4, Goering was well aware of the role of private life insurance in financing his aggressive armaments drive:

“Insurance serves the national economy in another way, in that it collects small, regularly paid contributions of savings money, which taken together today are an indispensable factor in the national economy. The Reich government and the Prussian state government are in clear recognition of what great significance insurance has for the work begun by the *Führer*, as it strengthens capital markets and thus contributes to the collection of the necessary funds for the continuation of the *Arbeitsschlacht* (battle for work).”⁴¹

In the next year, private life insurance would be called upon to contribute more than ever before to this struggle, working towards the objectives of the Four-Year Plan in a fight for its survival.

II. Working Towards the Führer: The Life Insurance Nationalization Debate, 1936-1939

As the head of the *Reichsgruppe Versicherungen*, Hilgard was formally empowered through the *Führerprinzip* to make binding decisions on behalf of the whole insurance industry. Alongside the new *Reichsgruppe* for both private and public, and the *Wirtschaftsgruppen*, directly below the *Reichsgruppe*, private insurers however retained their old industry associations as coordinating sites. Keeping his position on the board of *Allianz*, by 1937 Hilgard spent half of his time working as coordinator and liaison with the Economics Ministry at the head of the *Reichsgruppe*.⁴² Due to Hilgard's role, but also due to the prestige of ex-Minister Schmitt, now at the head of *Munich-Re*, *Allianz* thus held a unique position in industry governance.

⁴⁰ “Sonderabdruck aus dem Ministerialblatt für Wirtschaft – Anwendung der Verordnung über das Verbot von Preiserhöhungen vom 26. November 1936 im privaten und öffentlich-rechtlichen Versicherungswesen,” February 1, 1938, FHA, SM, 1458-1-100.

⁴¹ „Die Versicherung dient auch auf andere Weise der Volkswirtschaft, indem sie in kleinen regelmäßig gezahlten Beiträgen Spargelder sammelt, die zusammengefasst gerade heute einen unentbehrlichen Faktor in der Volkswirtschaft ergeben. Die Reichsregierung und die Preußische Staatsregierung sind sich klar darüber, welche große Bedeutung die Versicherungen für die Durchführung der vom Führer begonnenen Arbeiten haben, indem sie den Kapitalmarkt stärken und damit dazu beitragen, dass die für die Weiterführung der Arbeitsschlacht notwendigen Mittel zusammenfließen. Schliesslich ist es für Volk und Staat bedeutsam, daß die Versicherungen den Antrieb, selbstverantwortlich für die Zukunft zu sorgen, erwecken und stärken und damit einer Entwicklung entgegenarbeiten, in der an die öffentliche Versorgung zu weitgehende und unerfüllbare Ansprüche gestellt werden können.“ „Führende Persönlichkeiten über die Lebensversicherung,“ *Ergo-Archiv, Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, no. 10 (October 1937).

⁴² “Hilgard Interrogation,” July 16, 1947 (Part II), 8.

For Nazi public insurers, such as Hans Schwede-Coburg, the power of a large, international financial company in German insurance had always been a sore point. On an intellectual level, the ambiguous position of insurance between social and economic institutions had made the presence of profit-seeking private firms an object of critiques from various sides for decades. While Schmitt had fought a public relations battle to defend the idea of insurance as a purely economic institution, strong intellectual traditions in German insurance provided arguments for treating insurance as a public utility.⁴³ As has been seen, Hilgard drew quite effectively on *völkisch* currents in German insurance scholarship to defend the private organization of insurance as a *Gefahrengemeinschaft*, a means of realizing communalist principles outside of the state. Other Nazi theories of insurance, however, could draw on the statist tradition in German insurance to denounce the role of private, profit-seeking entities in the provision of a public good. Focusing primarily on non-life insurance, Andreas Braß, the head of the *Wirtschaftsgruppe Privatversicherung*, Hans Schwede-Coburg, Gauleiter and director of the Pommern public insurer in Stettin, and Georg Amend, assistant to the *Reichsschatzmeister* (treasurer) of the Nazi party, collaborated in an effort to drive private insurance businessmen from the sector and form a new state and party-led entity. In their lengthy “reform proposals”, the primary point of contention --and the only real common ground between the men -- was their opposition to the role of Schmitt, Hilgard, and *Allianz*, and their demand for more “political” leadership at the top of the industry.

While Gerald Feldman has recounted this plot in some detail in his work on *Allianz*, in my own account, the expansive fiscal policy behind the armaments drive of the Four-Year Plan forms the interpretative key to the plot’s rise and fall. The Four-Year Plan did indeed create an “environment of mobilization in which radical measures attained a higher degree of plausibility and thus legitimacy,” but also an economic situation in which the premium flows from life insurance had an ever more important role to play in funding growing public debt issues.⁴⁴ It is a puzzle that, despite the critical nature of this savings function, three vague, highly disruptive nationalization plans, none of which gave particular thought to practical implementation, received serious consideration from the Economics Ministry and Goering’s office. The ideological mobilization campaign against profit-seeking in the Four-Year Plan explains these critiques’ broader political salience, but this campaign itself originated from the tension between the public rhetoric presenting the Four-Year plan and its actual policy objectives.

Presenting the Plan at the Berliner *Sportpalast* on October 28, 1936, Goering famously said he could summarize the Plan’s objectives in a single sentence:

“The protection of German honor and the protection of German life. A clear goal, clear all the more so because we know how far this protection has been pushed, and because

⁴³ See Chapter 1’s the discussion of Adolph Wagner.

⁴⁴ Feldman, *Allianz and the German Insurance Business*, 173. GDV-26 pg. 15

we also know that in the Four-Year this protection consists in further strengthening and building up Germany's economic power."⁴⁵

In the remainder of the speech, Goering explained that the Plan called for the peaceful construction of the country, not once mentioning military expansion or the large quantities of debt financing. His single, somewhat oblique reference to the German armed forces referred to the "winning back of defense freedom" as an achievement of the first four years of Nazi rule.⁴⁶ Unable to publicly explain, let alone defend, the inflationary impact of their debt-financed fiscal policy, the Nazi regime chose to present price controls as part of a larger ideological mobilization against excessive profit-seeking. In the same speech, Goering introduced the new office of the Price Commissar:

"It will be the task of the Commissar for Price Formation to ascertain, again and again, whether prices are justified (berechtigt) or else derive from self-interest and egotism. Should that be the case, then we will ruthlessly take action. Against all those who seek to exploit Germany's growth and recovery, against parasites, I shall take action with draconian measures."⁴⁷

In the Commissar's office, pricing policy was in fact implemented according to the idea of a "justified price", i.e. one that only reflected input costs. In its early years, the office did not attempt to develop a more strategic approach to containing inflation by focusing on critical input prices, or steering production through controlled price signals, for example.⁴⁸ While Goering and his advisors were certainly aware that price controls were only needed to contain excess demand, the deceptive rhetoric regarding the Four-Year Plan's objectives permeated the methods of the very offices created to facilitate its implementation.⁴⁹

Critics of private insurance sector in this period, who had long mounted populist critiques of exploitative private businesses, thus drew tremendous legitimation from the Plan. In line with Nazi rhetoric, critics of private insurance produced nationalization proposals denouncing private insurers' profit-seeking and parasitism. Given their close alignment with Goering's own rhetoric, it can hardly surprise that they believed he could be won over to the cause. As they understood it,

⁴⁵ "...die Sicherung der deutschen Ehre und die Sicherung des deutschen Lebens. Ein klares Ziel, klar vor allem darum, weil wir ja wissen, wie weit heute die Sicherung gedungen ist und weil wir darum auch wissen, daß diese Sicherung im zweiten Vierjahresplan darin besteht, die Wirtschaftskraft Deutschlands weiter zu stärken und aufzubauen." Alfred-Ingemar Berndt, Erich Schrötter, and Joseph Goebbels, *Gebt mir vier Jahre Zeit! Dokumente zum ersten Vierjahresplan des Führers*, 2. Aufl (München: Zentralverlag der NSDAP, 1937), 212.

⁴⁶ "Rückgewinnung der Wehrfreiheit," Berndt, Schrötter, and Goebbels, *Gebt mir vier Jahre Zeit! Dokumente zum ersten Vierjahresplan des Führers*, 212-219.

⁴⁷ „Es wird die Aufgabe des Kommissars für die Preisbildung sein, immer wieder festzustellen, ob der Preis berechtigt ist oder Eigennutz und Ichsucht entspringt. Ist das der Fall, dann wird rücksichtslos durchgegriffen. Gegen alle, die versuchen die Konjunktur und den Aufschwung Deutschlands auszunutzen, gegen Parasiten werde ich mit drakonischen Maßnahmen einschreiten.“ Berndt, Schrötter, and Goebbels, *Gebt mir vier Jahre Zeit! Dokumente zum ersten Vierjahresplan des Führers*, 217.

⁴⁸ Petzina, *Autarkiepolitik im Dritten Reich*, 162-165.

⁴⁹ Tooze, *Wages of Destruction*, 255-256.

the Four-Year Plan was made to fight precisely such battles. Andreas Braß, who gained notoriety in the summer of 1936 through a populist campaign against high automobile insurance premiums, referenced the ideological mobilization drive in the introduction to his 1938 *Handbuch der Versicherung* (Insurance Handbook):

“The Four-Year Plan can only succeed if all firms, cells of the economy, and economic forces approach this work in the communal spirit of the fulfilment of duty and responsible economic leadership, with creative will and powerful desire, and, even if it should cost them some hard sacrifices, subordinate themselves without consideration of their own egos in service of the common cause. The profit-seeking spirit cannot be, cannot be allowed to be, the motivation for the provision of the general public with insurance protection.”⁵⁰

In their lengthy proposals to reorganize all German insurance provision, none of its critics connected this ideological mobilization to the most significant contribution of insurance to the Four-Year Plan’s military mobilization: debt financing. Whether any of these proposals received serious consideration from Goering is thus an open question. Goering, as has been seen, had an understanding of the role of life insurance in financing state debt and was ruthlessly committed to fulfilling the ambitious targets of the Four-Year Plan. By not dismissing nationalization proposals outright, however, he may have hoped to see a certain motivational effect on private insurers’ contributions. This general competitive dynamic was something of which Goering, and the private insurers themselves, were very much aware. In his own account of the conflict, Gerald Feldman presents a quote from Andreas Braß that shows the extent to which insurers were reflexive participants in Nazi organizational Darwinism: “Goering lets the forces fight it out, just as the Führer makes the currents (*Strömungen*) fight against each other in big questions.”⁵¹ To become a credible threat for private insurance, the specter of nationalization would have had to loom quite large indeed. For public insurers, on the other hand, conjuring an aura of political support meant they could create an appearance of strength, perhaps obtaining victory over their powerful competitors by fiat from the heights of the regime.

Public insurers thus doubled down on their anti-profit-seeking rhetoric, hoping to win endorsement by vocal alignment with the ideological mobilization of the Four-Year Plan. Private insurers focused on meeting the regime’s financing goals, committing more funds than ever to

⁵⁰ „Der Vierjahresplan kann nur gelingen, wenn sämtliche Betriebe, Wirtschaftszellen und wirtschaftenden Kräfte aus dem Gemeinschaftsgeist der Pflichterfüllung und der verantwortlichen Wirtschaftsführung heraus mit schöpferischem Willen und kraftvollem Wollen an dieses Werk herangehen und sich, selbst wenn es harte Opfer kosten sollte, ohne Rücksichtnahme auf das eigene Ich in den Dienst der gemeinsamen Sache stellen. Der Geist des Profitstrebens kann und darf nie der Beweggrund für die Versorgung der Allgemeinheit mit Versicherungsschutz sein.“ Andreas Brass, “Die Versicherung im nationalsozialistischen Staat,” in *Handbuch der Versicherung: Lexikon für Versicherungspraktiker*, ed. Rudolf Lencer et al, (Hamburg: Hanseatische Verlagsanstalt, 1938), 6.

⁵¹ „Göring überlasse es den Kräften selbst, dass sie sich durchfechten, genau wie der Führer bei grossen Fragen die Strömungen gegeneinander ankämpfen läßt.“ „Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,” February 24, 1938, FHA, GDV-26. Feldman cites Braß’s talk at greater length in, *Allianz and the German Insurance Business*, 175.

state bond issues and even overshooting their quotas.⁵² As Hilgard told the private insurers in the *Wirtschaftsgruppe*, “numbers will prove more than words and phrases.”⁵³ Both groups worked towards Goering and, while likely never obtaining his attention, Hitler himself. The resolution of the conflict shows which side more correctly understood the priorities of the Nazi regime.



Figure 6.3: “Net Quarterly Purchases of Reich Debt by Life Insurers, 1938-1942.” Data points show the increase in life insurers’ holdings of *Reichsanleihen* and *Schatzanweisungen* for each preceding quarter.

II.1. The Four-Year Plan’s Ideological Mobilization and the Insurance Sector, 1936-1938

In late 1934, Hilgard had written to Schacht to warn him of public insurers’ ambitions to achieve a branch-by-branch nationalization of the private sector through “one-off decisions of the Reich Chancellor.”⁵⁴ Hilgard briefly explained the governance and political leadership within the industry to Schacht. At the head of the public insurers’ association was Professor Dr. Paul Riebesell, who had proposed the branch’s consolidation in 1931. As Hilgard noted, Hans Schwede-Coburg and Hans Goebbels, brother of Joseph Goebbels, remained quite influential. Through press releases, public talks, and other occasional comments from these leading

⁵² See Figure 6.3 above.

⁵³ „Zahlen würden mehr bewiesen als Phrasen und Reden.“ „Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,“ February 24, 1938, FHA, GDV-26.

⁵⁴ „...Einzelentscheidungen des Reichskanzlers.“ Director Eduard Hilgard, “Führer” of the Hauptgruppe XI Versicherung der Gesamtorganisation der gewerblichen Wirtschaft to Reichsbankpräsident Hjalmar Schacht, November 1, 1934, BAK, B280-596.

personalities, Hilgard argued, the larger intent of the branch regarding nationalization was already quite clear.⁵⁵

With his letter to Schacht, which had followed up on a personal audience with the Minister, Hilgard had likely sought to maintain continuity in the Economics Ministry's interventional policy towards public insurers' criticisms of private insurance. Following the Nazi seizure of power in 1933, the Economics Ministry had intervened frequently to interdict such criticism.⁵⁶ In the early days of the regime, Schmitt's high-profile role as Minister gave private insurance, and *Allianz* in particular, an aura of protection from the Nazi radical left wing's populist critiques of high finance.⁵⁷ In August 1933, for example, Schmitt received an endorsement from none other than Gottfried Feder, an original Nazi Party member best known for his populist critiques of "interest slavery."⁵⁸ A letter from *Allianz* to the Ministry in late 1934 serves as an illustration of the status quo at the time Schacht took office. In the letter, the firm protested public insurers' circulation of a newspaper article criticizing *Allianz's* high profits, observing that "the article contains, to our knowledge, the only derogatory criticism of our business (*Geschäftsabschluss*, referring to their yearly financial report), which has been discussed in the leading National Socialist press in a thoroughly approving manner."⁵⁹ Responding to the Ministry's reprimand, the head of the *Verband öffentlicher Feuerversicherungsanstalten* (Association of Public Fire Insurance Institutes) mockingly observed that they had in fact wondered if it was still permitted to criticize private insurance at all.⁶⁰

The spectacular collapse of the Viennese *Lebensphönix* in early 1936, however, marked a turning point in the Nazi press's treatment of private insurance. The *Phönix's* director, Dr. Wilhelm Berliner, had led the continent-leading firm as a ponzi scheme until his suicide in February 1936 when the concern's finances began to completely unravel. Berliner was Jewish, and Nazi publications including the leading SS weekly journal, *Das Schwarze Korps*, made much of the affair, criticizing the German government for preferring to operate at a remove from the private

⁵⁵ „Aus Presseverlautbarungen, Vorträgen und gelegentlichen Äusserungen führender Persönlichkeiten des öffentlich-rechtlichen Versicherungswesens geht hervor, dass man in diesen Kreisen sich mit der Absicht trägt, die Geschäftsbestände der privaten Versicherung auf die Träger des öffentlich-rechtlichen Versicherungswesens, also die Provinzial-Versicherungsanstalten und die Sozietäten, zu übertragen.“ Director Eduard Hilgard, "Führer" of the Hauptgruppe XI Versicherung der Gesamtorganisation der gewerblichen Wirtschaft to Reichsbankpräsident Hjalmar Schacht, November 1, 1934, BAK, B280-596.

⁵⁶ See the many examples in "Akten betreffend Konkurrenzkampf zwischen der privaten und öffentlichen Versicherung," BAK, B280-596, B280-597.

⁵⁷ The SA called Schmitt as the protector of capital in a satirical song; see Tooze, *Wages of Destruction*, 71.

⁵⁸ Feder was now Schmitt's direct reportee as State Secretary (*Staatssekretär*) in the Economics Ministry. Eggenkämper, Modert, and Pretzlik, *Die Allianz*, 244.

⁵⁹ "Der Artikel enthält unseres Wissens die einzige abfällig Kritik unseres Geschäftsabschlusses, der von der führenden nationalsozialistischen Presse im durchaus zustimmenden Sinne besprochen worden ist." Sekretariat – Allianz und Stuttgarter Verein Versicherungs-Aktien-Gesellschaft to the Herrn Preussischen Minister für Wirtschaft und Arbeit, to the hands of Ministerialrat Bernard, November 1, 1934, BAK, B280-596.

⁶⁰ Verband öffentlicher Feuerversicherungsanstalten in Deutschland to the Herrn Reichswirtschaftsminister und Preuss. Minister f. Wirtschaft und Arbeit, November 17, 1934, BAK, B280-596.

insurance business, which still had many Jewish employees in 1936.⁶¹ Later that year, *Das Schwarze Korps* published an article denouncing *Allianz* for continuing to employ Jewish staff.⁶² Simultaneously, a new genre of articles criticizing private insurers' handling of damage claims were printed in the publication, leading the supervisory agency to complain to the Economics Ministry in April 1937 about "repeated attacks by *Das Schwarze Korps* against German private insurance."⁶³

The new political climate of renewed ideological mobilization then saw some important shifts in the political leadership at the top of insurance governance organizations. In early 1937, Eduard Hilgard appointed Andreas Braß of the DAF insurer *Deutsche Versicherung* to head the *Wirtschaftsgruppe Privatversicherung*. In doing so, Hilgard hoped to co-opt some of the voices critical of corporate insurance by making Braß the face of the private industry. While running his own insurance firm, *Deutsche Versicherung*, into the ground, Braß had gained popularity in Nazi circles by mounting a public campaign against high automobile insurance premiums in the summer of 1936.⁶⁴ In public insurance, Hans Schwede-Coburg successfully deposed Paul Riebesell as head of the public insurers' *Wirtschaftsgruppe* in the fall of 1937.⁶⁵ While Braß was thought to be a compromise pick, he had long criticized the role of old business networks in the insurance sector, and soon began conspiring with Schwede-Coburg to drive Hilgard and other businessmen from their positions.

For Schwede-Coburg, his campaign kicked off with direct calls to end private company's insurance provision as part of a larger "reform." On November 29, 1937, Kurt Schmitt sent a telegraph to Goering, asking him to stop the publication of one of Schwede-Coburg's articles in this regard:

"I hear that an article from Gauleiter Schwede-Coburg about the reform of the insurance system will appear the day after tomorrow Wednesday in the *Zeitschrift der Öffentlich-Rechtliche Versicherung* and in all daily newspapers stop the article is fit to cause extreme perturbation and do great damage to the private insurance sector stop please be so inclined as to urgently stop the publication of the article until I have personally explained the matter to you"⁶⁶

⁶¹ Lembke, *Phönix, Wiener und Berliner*, 143-145.

⁶² Feldman, *Allianz and the German Insurance Business*, 129-131.

⁶³ "Wiederholte Angriffe des "Schwarzen Korps" gegen die Deutsche Privatversicherung." Reichsaufsichtsamt für Privatversicherung tot he Herrn Reichs- und Preußischen Wirtschaftsminister, April 5, 1937, FHA, SM 1458-1-99.

⁶⁴ Feldman, *Allianz and the German Insurance Business*, 169-170.

⁶⁵ Feldman, *Allianz and the German Insurance Business*, 173.

⁶⁶ „Ich erfahre dass ein Artikel von Gauleiter Schwede-Coburg über die Reform des Versicherungswesens übermorgen Mittwoch in der Zeitschrift die Öffentlich-Rechtliche Versicherung und in allen Tageszeitungen erscheinen soll stop Der Artikel ist geeignet grösste Beunruhigung und schwere Schwädigung der privaten Versicherungswirtschaft herbeizuführen stop Bitte dringend Erscheinen des Artikels verhindern zu wollen bis ich Ihnen persönlich die Angelegenheit vorgetragen habe“ Copy of telegram from Reichsminister a.D. Dr. Kurt Schmitt to Generaloberst Göring, November 29, 1937, FHA, SM, 1458-1-99.

Schmitt also telegraphed Walther Funk, who Schmitt knew would soon take over as Economics Minister, while asking him for his assistance in the matter: “I will be much obliged to you if you will also attend to the issue.”⁶⁷

In the following months, the issue of “reforms” gained ever more resonance. On February 24, 1938, at a meeting of the *Wirtschaftsgruppe Privatversicherung*, Andreas Braß opened the proceedings with a lengthy speech on the looming prospect of nationalization (*Verstaatlichung*). It is unclear whether Braß was already directly conspiring with Schwede-Coburg at this early stage, but his lengthy, animated remarks allow one to surmise what he hoped to gain from the situation. Painting a truly dire picture, Braß told the assembled private insurers that he had heard that “nationalization of insurance is a settled matter.”⁶⁸ He called on the members of the group to give him their “absolute trust” to act on their behalf. To prove the branch’s bona fides as National Socialists, Braß proposed the creation of a “political commission” of old Nazis, such as himself, who would represent private insurance in public. Braß had previously sought to dissolve the parallel industry associations retained by the private insurers and his proposal for a political commission was surely a first step towards replacing these networks’ representation in the *Wirtschaftsgruppe* with his own men.

Calling on private insurers to give him their full trust, Braß provided highly misleading information regarding the origins of the plot to nationalize private insurance, which he urged them to keep completely confidential. As reported in the meeting minutes:

“Nationalization is demanded first of all by State Secretary Krohn in the Labor Ministry; the articles that have recently appeared in *Das Schwarze Korps* were influenced by Krohn and the Labor Ministry. He (Braß) asks the gentlemen to treat this news as confidential. This information may not be passed on, so as to not foreclose the possibility of obtaining further information. Krohn is supported in his purposes by the SS leadership (*Reichsführung SS*). The Economics Minister Funk has a strong connection to the SS leadership. Perhaps he has also been presented with a *fait accompli*. We must seriously grapple with this problem. He (Braß) is speaking very openly with the gentlemen.”⁶⁹

That Funk and the Economics Ministry had taken any personal interest in the nationalization of insurance business is not supported by any archival evidence. In fact, the Economics Ministry

⁶⁷ „Ich bin Ihnen sehr verbunden wenn auch Sie sich der Angelegenheit annehmen wollten“; Copy of telegram from Reichsminister a.D. Dr. Kurt Schmitt to Reichsminister Funk, November 29, 1937, FHA, SM, 1458-1-99.

⁶⁸ „...die Verstaatlichung der Versicherung eine beschlossene Angelegenheit ist.“ „Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,“ February 24, 1938, FHA, GDV-26.

⁶⁹ “Gefordert werde die Verstaatlichung in erster Linie vom Staatssekretär Krohn vom Arbeitsministerium; die Artikel, die in letzter Zeit in Schwarzem Korps erschienen seien, wären beeinflusst von Krohn bzw. vom Arbeitsministerium. Er bitte die Herren, dies als vertrauliche Mitteilung zu behandeln. Diese Mitteilungen dürften nicht weiter getragen werden, um die Möglichkeit weiterer Information nicht zu verbauen. Krohn werde in seinen Absichten unterstützt von der Reichsführung SS. Reichswirtschaftsminister Funk habe eine starke Verbindung mit der Reichsführung SS. Vielleicht sei auch dieser vor vollendete Tatsachen gestellt worden. Wir müßten uns ernsthaft mit diesem Problem befassen. Er spreche mit den Herren ganz offen.” „Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,“ February 24, 1938, FHA, GDV-26.

would soon attack the Labor Ministry's plan for social insurance expansion -- to which Braß was in part referring -- as an unfair restriction on the business of commercial life insurers.⁷⁰

Private insurers present at the meeting were able to directly contradict some other aspects of the picture painted by Braß. Hilgard spoke following Braß, saying that he knew that discussions of the question of nationalization had already taken place between Schmitt and Goering:

“It has been made clear that Goering has in no way backed the nationalization tendency, but rather the forces that are pursuing nationalization are strong and make continued efforts to win over decisive factors, such as Goering, to their cause.”⁷¹

Dr. Krause, another colleague in the *Wirtschaftsgruppe*, could report that he already had met with Krohn, who, he said, was not at all interested in nationalizing private insurance. Nevertheless, private insurers' discreditation of social insurance in the years before 1933 remained an unpleasant memory for him and the article in *Das Schwarze Korps* in favor of nationalization had tickled him:

“Herr Krohn mentioned in this regard that he could recall how, for a long time, before the Nazi takeover (*Machterübernahme*), private insurance and social insurance had not been friends. Before the takeover, private insurance had done everything to regard social insurance with suspicion.”⁷²

Krause, as he reported at the meeting, had said to Krohn that this all belonged to the past, and referred to an article in support of social insurance written by Hanns Ullrich, General Director of the *Gothaer*, Germany's oldest life insurance company.⁷³ Krohn noted that he was grateful to private insurance and would not forget it, but that while he had no interest in starting a discussion over the boundaries between social and private insurance, he was not afraid of one either.⁷⁴

⁷⁰ Lil-Christine Voss-Schlegel, “Von der Arbeitnehmersversicherung zur Volksversicherung: Die Handwerkerversicherung 1938,” *Zeitschrift für Unternehmensgeschichte / Journal of Business History* 47, no. 2 (2002): 180.

⁷¹ „Es sei festgestellt worden, dass Göring in keiner Weise sich die Verstaatlichungstendenzen zu eigen gemacht habe; eher die Kräfte, die sich für die Verstaatlichung einsetzten, seien stark und geben sich fortgesetzt Mühe, andere entscheidende Faktoren wie z.B. Göring für ihre Bestrebungen zu gewinnen.“ „Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,” February 24, 1938, FHA, GDV-26.

⁷² Regarding the article in question „Das Ziel: Volksversicherung,” in *Das Schwarze Korps*, Krause reported that “Krohn sagte, dass er darüber nicht traurig sei.” Regarding social insurance and private insurance: “Herr Krohn habe dabei zum Ausdruck gebracht, dass er sich erinnern könnte, dass lange Zeit vor der Machtübernahme die Privatversicherung und die Sozialversicherung nicht befreundet gewesen seien. Die Privatversicherung habe vor der Machtübernahme alles getan, um die Sozialversicherung mit Mißtrauen zu beobachten.” „Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,” February 24, 1938, FHA, GDV-26.

⁷³ An article with the title „Abgrenzungsfragen innerhalb der Deutschen Versicherungswirtschaft” was published by Ullrich in an issue of the journal in question only a couple weeks after the encounter. Krause may have of course been referring to an earlier article, and not a draft, but the timing and Krohn's use of the term “Abgrenzungen” in connection with the piece suggests this may have been the piece. Hans Ullrich, „Abgrenzungsfragen innerhalb der Deutschen Versicherungswirtschaft,” *Die Deutsche Volkswirtschaft* 7 (1938), 408-410.

⁷⁴ “Er habe darauf hingewiesen, dass das Dinge seien, die der Vergangenheit angehören und habe den Artikel von Herrn Ullrich zitiert. Krohn erwiderte, dass er das auch nicht vergessen würde, und er sei der Privatversicherung

Krause offered his own shrewd assessment of Krohn's perspective on the broader issue of the reform of private insurance to the assembled private insurers:

“Everything that the Labor Ministry used to have has been moved elsewhere (*wegorganisiert*), it only has social insurance left as an essential function, this needs to be built out in order to secure the foundation of the Ministry. This is the Labor Ministry's motivation. Herr Krohn is of course too clever to lay himself open to us in these matters.”⁷⁵

Krause's assessment was likely correct. While the Labor Ministry had a hand in very many domains, it remained independent from other ministries and party organizations in very few areas, among which social insurance was the most important.⁷⁶ Krohn may have viewed the nationalization debate as a useful distraction, a means of weakening the position of private insurers in the ongoing debate over the first expansion of social insurance under the Nazi regime.⁷⁷ Regarding the potential for a state takeover of small-sum life insurance, Krohn acknowledged to Krause that it was clear within the Labor Ministry that the costs were much too high: “the Italian example is quite illuminating.”⁷⁸

Despite Braß's obfuscation, private insurers' own contacts thus gave them a more accurate picture of the constellation of political forces aligned behind the prospect of “reforms.” Neither Goering, nor the Ministries had lent their support to the initiative, and it was certainly not a “settled matter.” Braß's subsequent conduct would make his clumsy attempts at playing a double game obvious to some members of the industry. The very next day, at the yearly public assembly of the *Wirtschaftsgruppe*, Braß gave a speech entitled “Gemeinschaftsarbeit in der Versicherungswirtschaft,” (*Gemeinschaft Work in the Insurance Sector*). Speaking as the leader of the *Wirtschaftsgruppe* on behalf of all private insurers, Braß confessed that the branch had

dankbar dafür. Er habe nicht die Absicht, jetzt eine Diskussion über Abgrenzungen zur Privatversicherung einzuleiten er weiche dem aber auch nicht aus.“ „Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,” February 24, 1938, FHA, GDV-26.

⁷⁵ „Dem Arbeitsministerium sei alles wegorganisiert worden, was es früher hatte, als wesentliche Aufgabe habe es nur noch die Sozialversicherung, diese solle ausgebaut werden, um den Unterbau des Ministeriums zu festigen. Das ist das Motiv beim Arbeitsministerium. Herr Krohn sei natürlich zu geschickt, dass er sich uns gegenüber in Dingen exponiere.“ „Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,” February 24, 1938, FHA, GDV-26.

⁷⁶ See Ulrike Schultz, “Das Reichsarbeitsministerium 1919-1945. Organisation, Führungspersonal und politische Handlungsspielräume,” in *Das Reichsarbeitsministerium im Nationalsozialismus: Verwaltung - Politik - Verbrechen*, ed. Alexander Nützenadel, Geschichte des Reichsarbeitsministeriums im Nationalsozialismus (Göttingen: Wallstein Verlag, 2017).

⁷⁷ As will be discussed later in the chapter, private insurers were supported by the Economics Ministry in seeking an opt out for German *Handwerker*; see Voss-Schlegel, “Von der Arbeitnehmersversicherung zur Volksversicherung,” 178-179.

⁷⁸ „Wir würden uns festlaufen, weil die Kosten zu hoch wären, und das italienische Beispiel leuchte den Leuten außerordentlich ein.“ „Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,” February 24, 1938, FHA, GDV-26.

committed a litany of sins against National Socialism due to its overly capitalist mindset.⁷⁹ Criticizing the industry for its high commissions and other factors contributing to higher costs, he praised the work of the Price Commissar for finishing the work he had begun in his campaign against high automobile insurance premiums.⁸⁰ At the following meeting of the *Wirtschaftsgruppe* in June, Braß would claim that he had only done so to preempt criticism and show pro-active alignment with the Nazi movement. Nevertheless, *Das Schwarze Korps* immediately seized on his statements as outright confessions, which only created further negative press for the industry.⁸¹ In the meantime, Braß began to implement his plan to bring more of his own men into the *Wirtschaftsgruppe*. Three new council members with strong Nazi party connections joined the members of the *Wirtschaftsgruppe* at the June meeting, with another three selected by Braß for a second round.⁸²

II.2. Private Insurance in Crisis: The “Reform” Proposals of the Summer of 1938

While Braß cultivated his influence within the *Wirtschaftsgruppe* and undermined private insurers’ image in public, on June 9th, he personally sent a proposal to Kurt Lange in the Economics Ministry for a “organizational restructuring of the insurance sector.”⁸³ The proposal called for Hans Schwede-Coburg to head the supervisory agency, which would lose its direct oversight functions. Braß also called for the appointment of “political personalities” to head a cosmetically reorganized *Reichsgruppe*.⁸⁴ He was particularly concerned with the personnel in these organizations and called for the supersession of a system in which “personalities are the top and in the other positions and offices, that all represent a given economic power complex. Thus the largest concern always got the leading office, and certain other concerns occupy the next spots...these concerns, which emerged in the capitalist era, can no longer decide things on their own.”⁸⁵ Following up with Lange a month later, Braß produced another six pages of winding prose about the inadequate “socialist” orientation of private insurance. At the end of the letter, he got to the point: “the representatives of the private insurance sector are still too stuck in the views of the capitalist system and therefore show too insufficiently socialist an outlook. It is thus

⁷⁹ Andreas Braß, “Gemeinschaftsarbeit in der Versicherungswirtschaft. Vortrag auf der Jahreshauptversammlung der Wirtschaftsgruppe Privatversicherung am 25. Feb. 1938,” in *Neumanns Zeitschrift für Versicherungswesen*, 10, 1938.

⁸⁰ Braß, „Gemeinschaftsarbeit in der Versicherungswirtschaft.“

⁸¹ Feldman, *Allianz and the German Insurance Industry*, 176-177.

⁸² „Aktennotiz für Herrn Generaldirektor Brass,“ June 1, 1938, FHA, GDV-26.

⁸³ „organisatorische Neugliederung der Versicherungswirtschaft,“ Generaldirektor Andreas Braß to Ministerialdirektor Kurt Lange, June 9, 1938, FHA, SM, 1458-1-92.

⁸⁴ Generaldirektor Andreas Braß to Ministerialdirektor Kurt Lange in the Economics Ministry, June 9, 1938, FHA, SM, 1458-1-92.

⁸⁵ “...an die Spitze und in die weiteren Stellungen und Ämter Persönlichkeiten traten, die jeweils einen bestimmten wirtschaftlichen Machtkomplex vertraten. Infolgedessen bekam der größte Konzern immer das leitende Amt, und gewisse andere Konzerne besetzten die nächsten Posten...die im kapitalistischen Zeitalter großgewordenen Konzern dürfen nicht mehr allein bestimmend sein.” Generaldirektor Andreas Braß to Ministerialdirektor Kurt Lange in the Economics Ministry, June 9, 1938, FHA, SM, 1458-1-92.

not the form, but rather the individuals, who operate within a given form. This can however be changed.”⁸⁶

On June 15th, Schwede-Coburg and Hans Goebbels met with Lange in person to present Schwede-Coburg’s own proposal for the “reform” of the industry. The same day, Schwede-Coburg sent a copy of his proposal directly to Goering himself.⁸⁷ At the meeting in the Economics Ministry, it was decided to further discuss the issue on June 28th with a personal representative of Hitler and the financial secretary of the Nazi Party, Franz Xaver Schwartz.⁸⁸ Before this meeting, Georg Amend drafted another “reform” proposal on behalf of Schwartz, which he submitted to the Economics Ministry on June 27th.⁸⁹ As evidence for coordination between the three men, in their meeting with the Ministry on June 15th both Hans Goebbels and Schwede-Coburg showed themselves to be aware of Braß’s proposal, which had however been kept secret from private insurers.⁹⁰ Moreover, Amend, in his correspondence with the Economics Ministry, noted that while it was useless to confer with private insurers on the general matter, the Ministry ought to ask Andreas Braß for his opinion on the subject.⁹¹

The proposals themselves bear numerous similarities. As with Braß’s proposal for a political intervention, Amend and Schwede-Coburg’s texts began with lengthy rhetorical statements on the inadequate ideological orientation of private insurance. As fundamental points of critique, both nationalization proposals emphasized the irreconcilability of the profit motive with the

⁸⁶ The full quote is as follows: „Falsch sind aber die Schlußfolgerungen, die die Öffentlich-Rechtlichen aus den sozialistischen Forderungen ziehen, denn nicht deswegen, weil es eine private Versicherungswirtschaft gibt, ist die Versicherungswirtschaft liberalistisch und müßte in eine andere Form gegossen werden, sondern die Versicherungswirtschaft findet deshalb noch nicht die Anerkennung und das Vertrauen der Öffentlichkeit, weil die Vertreter der privaten Versicherungswirtschaft noch zu sehr in den Auffassungen des kapitalistischen Systems verstrickt sind und deshalb zu wenig sozialistische Haltung zeigen. Nicht die Form ist es also, sondern die Menschen, die sich in einer bestimmten Form betätigen. Das kann aber nun geändert werden, anders, als es die Öffentlich-Rechtlichen folgern. Man schafft eine autoritäre Wirtschaftsführung, die zufolge ihrer bisherigen Einstellung auch die Gewähr dafür bietet, daß die sozialistischen Forderungen unserer Zeit erfüllt werden.“ Generaldirektor Andreas Braß to Ministerialdirektor Kurt Lange in the Economics Ministry, July 21, 1938, SM, 1458-1-94.

⁸⁷ Niederschrift über die Verhältnisse im privaten und öffentlich-rechtlichen Versicherungswesen nebst Reformvorschlägen von Gauleiter und Oberpräsident Schwede-Coburg,“ attached in letter from Schwede-Coburg to Generalfeldmarschall Göring, June 15, 1938, FHA, SM, 1458-1-94.

⁸⁸ Note for the Economics Ministry as reported by Dr. Daniel and Dr. Matthes, June 16, 1938. FHA, SM, 1458-1-92.

⁸⁹ “Denkschrift zur Reform der deutschen Individualversicherung,” by Georg Amend, attached to letter from Reichsschatzminister Franz Schwartz to the Economics Ministry, to the hands of Ministerialdirektor Kurt Lange, June 27, 1938, FHA, SM, 1458-1-92.

⁹⁰ Note for the Economics Ministry as reported by Dr. Daniel and Dr. Matthes, June 16, 1938. FHA, SM, 1458-1-92.

⁹¹ “Ich stehe nämlich grundsätzlich auf dem Standpunkt, dass es zwecklos ist, mit den Privatversicherern über das Kardinalproblem meines Reformvorschlages zu diskutieren, nämlich dass die Versicherung eine treuhänderische und eine gemeinnützige Aufgabe ist und dieselbe nicht zum Zwecke des Erwerbs (Gewinnes) betrieben werden darf, was von diesen stets verneint werden wird und weshalb auch Erörterungen mit ihnen über die Art einer Reform auf der von mir vorgeschlagenen Grundlage überflüssig sind.“ “Diese Frage bitte ich vor allem aber auch dem Leiter der Wirtschaftsgruppe Versicherung, Parteigenossen Braß, zur Stellungnahme unterbreiten zu wollen.“ Schwartz to Lange, July 4, 1938, FHA, SM, 1458-1-94.

provision of insurance as a common good. In Schwede-Coburg's introduction, for example, he writes:

"It was no material outlook on the things in human life, but rather a thought of moral feeling that brought insurance to mankind. No pursuit of profit, no speculation, but rather the need for common welfare for life and the existence of our fellow men created, in the course of time, this massive organization that secures the community against the contingencies of life...it thus follows that the insurance system, which suffers from such perverse developments, must be brought back to its original form, the selfless idea of support."⁹²

Amend had a similarly uncompromising take on private enterprise in insurance. In his letter introducing the proposal to the Ministry, he stated his belief that insurance had "a fiduciary (*treuhänderisch*) and non-profit (*gemeinnützige*) mission and should not be operated for the purpose of profit."⁹³ In his own introduction, he identified private insurance's form of damage coverage (*Schadendeckung*) as only one of three functions of insurance that included damage protection (*Schadenverhütung*) and damage mitigation (*Schadenunterdrückung*).⁹⁴ The latter functions were clearly beyond the scope of private enterprise.

While neither Schwede-Coburg nor Amend referred to the author directly, the views presented were in line with a German insurance tradition that can be traced back to Adolph Wagner. Wagner famously considered insurance, by its very nature, to be a public utility.⁹⁵ Both Schwede-Coburg and Amend primarily concerned themselves with non-life insurance, the sector in which public companies had historically been the most successful. In line with the series of articles in *Das Schwarze Korps*, Schwede-Coburg sought to demonstrate that private insurers charged unnecessarily high premium rates and paid high dividends, while Amend emphasized that fragmentation in the branch resulted in higher administrative costs than were necessary. Both accounts provided brief sketches of the history of the private sector. In Schwede-Coburg's text, private insurance in Germany had been born of the profit-seeking motive during the inflation, in Amend's account, it had been imported from England to Germany along with liberalism in the

⁹² „Es war keine materielle Einstellung zu den Dingen des menschlichen Lebens, sondern ein Gedanke sittlichen Empfindens, der den Menschen die Versicherung brachte. Keine Gewinnsucht, keine Spekulation, sondern das Bedürfnis nach einer gemeinsamen Fürsorge für das Leben und die Existenz der Mitmenschen schufen im Laufe der Zeit diese gewaltige Organisation der Sicherung der Gemeinschaft vor den Zufälligkeiten des Lebens...Daraus folgt, dass das unter einer solchen widernatürlichen Entwicklung leidenden Versicherungswesen wieder auf die ursprüngliche Form des selbstlosen Unterstützungsgedankens zurückgeführt werden muss.“ „Niederschrift über die Verhältnisse im privaten und öffentlich-rechtlichen Versicherungswesen nebst Reformvorschlägen von Gauleiter und Oberpräsident Schwede-Coburg,“ FHA, SM, 1458-1-94.

⁹³ „Ich stehe nämlich grundsätzlich auf dem Standpunkt, dass die Versicherung eine treuhänderische und eine gemeinnützige Aufgabe ist und dieselbe nicht zum Zwecke des Erwerbs (Gewinnes) betrieben werden darf.“ Schwartz to Lange, July 4, 1938, FHA, SM, 1458-1-94.

⁹⁴ „Denkschrift zur Reform der deutschen Individualversicherung,“ by Georg Amend, attached to letter from Reichsschatzminister Franz Schwartz to the Economics Ministry, to the hands of Ministerialdirektor Kurt Lange, June 27, 1938, FHA, SM, 1458-1-92.

⁹⁵ See the discussion in Chapter 1.

early 19th-century. Neither statement was entirely incorrect, but the language and presentation was strident and amateurish, especially when compared to Hilgard's own writings on insurance, or that of public insurers' previous reform proposals in 1931, such as that of Dr. Paul Riebesell.⁹⁶ Neither proposal made direct comparison between costs or premium rates to illustrate their points regarding costs. As shall be seen, these reflected rather poorly on public insurance. While both authors criticized private insurers' investment policies, arguing that they were profit-driven and not community-focused, neither addressed the function of life insurance as a *Kapitalsammelstelle* (capital collection point) for supporting state debt issues.

Following their critiques, both authors presented their reform proposals. Schwede-Coburg called for a "cleansing of the insurance sector ("Säuberung der Versicherungswirtschaft"), by which he meant the removal of individuals from private industry from its governance. A new organization would be created to take insurance outside of the economy (closing the *Reichsgruppe*), that "takes over, provisionally, the handling of current 'problems' in insurance, in an authoritarian manner."⁹⁷ He proposed that only one form of corporate organization be permitted in the future, that of a public institute, which of course meant the dissolution or conversion of the private firms. No plan was offered for how the public sector would be reorganized to completely absorb private business. Amend provided slightly more detail, calling for the creation of a single non-profit public organization, a *Reichsversicherungskammer* (Reich Insurance Chamber).⁹⁸ This would be divided into four parts based on insurance branches: *Gebäudeversicherung* (building insurance), *Lebensversicherung* (life insurance), *Schadenversicherung* (damage insurance) and *Tierversicherung* (animal insurance). On the operational level, regional and local *Gauversicherungskammern* (Gau Insurance Chambers) and *Kreisversicherungskammern* (Locality Insurance Chambers) would handle business affairs, with a chamber of representatives of the party, state, and insured advising the presidents of each *Gauversicherungskammer* and the president of the *Reichsversicherungskammer* at the top. Following the reorganization of public insurance to fit this model, private insurance would then be absorbed into it as well. Nevertheless, any such re-organization would have been a truly formidable task. Public insurers were not restricted to operating in any of the new *Reichsgau*, but rather worked within the borders of the old German provinces, while private insurers did business across the country.

⁹⁶ "Diese Entwicklung der Privatversicherung zeigt, dass nicht Gemeinsinn, sondern Erwerbssinn das private Versicherungswesen der neueren Zeit geschaffen hat." „Niederschrift über die Verhältnisse im privaten und öffentlich-rechtlichen Versicherungswesen nebst Reformvorschlägen von Gauleiter und Oberpräsident Schwede-Coburg," FHA, SM, 1458-1-94. „Diese Form des Versicherungsbetriebes kam erst vor ca. 125 Jahren nach Deutschland und zwar mit dem Liberalismus aus England." "Denkschrift zur Reform der deutschen Individualversicherung," by Georg Amend, attached to letter from Reichsschatzminister Franz Schwartz to the Economics Ministry, to the hands of Ministerialdirektor Kurt Lange, June 27, 1938, FHA, SM, 1458-1-92.

⁹⁷ „...die zunächst vorläufige Regelung der bestehenden "Probleme" in der Versicherung autoritär übernimmt." „Niederschrift über die Verhältnisse im privaten und öffentlich-rechtlichen Versicherungswesen nebst Reformvorschlägen von Gauleiter und Oberpräsident Schwede-Coburg," FHA, SM, 1458-1-94.

⁹⁸ „Denkschrift zur Reform der deutschen Individualversicherung," by Georg Amend, attached to letter from Reichsschatzminister Franz Schwartz to the Economics Ministry, to the hands of Ministerialdirektor Kurt Lange, June 27, 1938, FHA, SM, 1458-1-92.

Many branches of insurance are also missing from Amend's proposal – reinsurance and export credit insurance in particular.

Following receipt of the proposals, staff at the Economics Ministry sought to better understand where the initiative was coming from. Ministerial Counselor Dr. Daniel of the Economics Ministry called Amend up directly to ask whether the Schwarz would allow his reform proposal to be discussed with private insurers. Amend then became evasive, saying that Schwarz had not agreed for the proposal to be passed on, that the proposal should be treated confidentially, but that Schwarz also had no problem if the Ministry wished to discuss the problems addressed in the proposal with private insurers.⁹⁹ Amend reminded Dr. Daniel that, while he found discussion with the private insurers to be pointless, he could understand if the Ministry wanted to solicit their opinions on why certain branches should not be nationalized.¹⁰⁰ Amend also said that Schwarz had recently had a long meeting with Hitler in which “he had probably also discussed the insurance system with the Führer.”¹⁰¹ As Daniel noted in his memo regarding the call, however: “Hauptstellenleiter Amend did not mention the result of this conversation.”¹⁰²

Using the same language provided by Amend, Daniel then invited private insurance's top representatives, including Schmitt, Hilgard, and Braß, to explain which sectors of the insurance business they should be allowed to continue to manage and for what reasons.¹⁰³ Schmitt did not attend the July 15th meeting, but Hilgard and another *Allianz* representative, Wilhelm Kißkalt were present, along with Braß. Kurt Lange chaired the meeting, which he opened by noting that reform proposals had already been brought to the very heights of the regime, to both Hitler and Goering.¹⁰⁴ The private insurers then were given the chance to defend their industry. Hilgard did much of the talking. He immediately pointed out that the deeper reason for the “reform proposal” from public insurers was that public insurance was struggling for its existence through falling

⁹⁹ Note for the Economics Ministry as reported by Dr. Daniel and Dr. Matthes, June 16, 1938. FHA, SM, 1458-1-92.

¹⁰⁰ “Dieser habe ja auch in seinem Schreiben zum Ausdruck gebracht, dass er es verstehe, wenn das Wirtschaftsministerium sich von der Privatversicherung die Frage beantworten lasse, ob und welche Versicherungszweige auch weiterhin von der Privatversicherung betrieben werden müssten und aus welchen Gründen.“ Note for the Economics Ministry as reported by Dr. Daniel and Dr. Matthes, June 16, 1938. FHA, SM, 1458-1-92.

¹⁰¹ “Im Zusammenhang damit deutete Hauptstellenleiter Amend noch an, dass der Reichsschatzminister vor einigen Tagen eine längere Besprechung mit dem Führer gehabt habe und dabei wohl auch das Versicherungswesen dem Führer gegenüber erörtert habe. Über das Ergebnis der Besprechung äußerte sich Hauptstellenleiter Amend nicht.“ Note for the Economics Ministry as reported by Dr. Daniel and Dr. Matthes, June 16, 1938. FHA, SM, 1458-1-92.

¹⁰² “Über das Ergebnis der Besprechung äußerte sich Hauptstellenleiter Amend nicht.” Note for the Economics Ministry as reported by Dr. Daniel and Dr. Matthes, June 16, 1938. FHA, SM, 1458-1-92.

¹⁰³ Economics Ministry to former Minister Schmitt, Chairman of the Board of Munich Re, Director Hilgard, Leader of the Reichsgruppe Versicherungen, General Director Braß, Leader of the Wirtschaftsgruppe Privatversicherung, General Director Forstreuter, Gerling Concern, General Director Hamann, Victoria of Berlin, General Director Ullrich, Gotha, General Director Bökenkamp, Leader of the Fachgruppe Krankenversicherung, Director Dr. Küpper, Chairman of the German Insurance Protection Association, Mr. de la Camp, Staatsrat (State Counselor) Bartholatus, Geheimer Regierungsrat (Secret Government Counselor) Kißkalt, Chairman of the Supervisory Board of Munich Re, July 6, 1938, FHA, SM, 1458-1-94.

¹⁰⁴ Note for the Economics Ministry, Dr. Daniel, Dr. Matthes and Segelcke, July 17, 1938, FHA, SM, 1458-1-94.

premiums and rising costs.¹⁰⁵ A public monopoly institute, he argued, would end up being subsidized by the Reich. Kißkalt, then spoke, pointing out that the only country that had actually nationalized insurance was Russia and that in France free masons called for its “socialization.” Italy, in contrast, following the experiment with INA had “taken its distance from socialization.”¹⁰⁶ Braß, the full extent of whose subterfuge was likely still unknown to private insurers, then spoke, taking a penitent stance on behalf of the whole private industry. He noted that the accusations against private insurance regarded its world view, not its material performance. “It unfortunately must be admitted that public insurance has shown itself to be more socialist than private insurance,” he said.¹⁰⁷ Hilgard then spoke up again, refusing to allow Braß’s contention to stand unchallenged. Public insurance was not “more socialist” than private insurance, he said, and it had not given more funds for social purposes than private insurance had. Public insurance only acted as if it were more national-socialist than private insurance (“die öffentliche-rechtliche Versicherung gebärde sich lediglich nationalsozialistischer als die Privatversicherung.“)¹⁰⁸

II.3. The Mobilization of Private Insurance in the Fall of 1938

Following the meeting, Hilgard took immediate action On July 29th, he sent his own reform proposal to Lange.¹⁰⁹ Beginning with a presentation of some raw numbers, Hilgard laid out the vast differences in financial performance between the public and private sector. The public sector was in decline, while the private sector’s market share was growing. Moreover, costs were declining in the private sector, now below those of public insurance. He provided his own brief history of plans to nationalize German insurance, filled with quotes and specific references. He noted that Dr. Rudolf Hilferding, the famed Finance Minister and socialist theorist of the SPD, had once called for the socialization of insurance in 1918 and that the *Front Populaire* (Popular Front) in France had made the same demand when they came to power in 1936. He then elaborated at length on the history of the Italian insurance industry’s partial privatization, quoting from Article VII of the *Carta del Lavoro* (Work Charter) in German: “the corporative state regards private initiative in economic life to be the most effective and most useful instrument for the interests of the nation.”¹¹⁰ Hilgard then sought to illustrate Hitler’s own skepticism towards

¹⁰⁵ Note for the Economics Ministry, Dr. Daniel, Dr. Matthes and Segelcke, July 17, 1938, FHA, SM, 1458-1-94.

¹⁰⁶ Note for the Economics Ministry, Dr. Daniel, Dr. Matthes and Segelcke, July 17, 1938, FHA, SM, 1458-1-94.

¹⁰⁷ “Es müsse leider zugegeben werden, dass die öffentlich-rechtliche Versicherung sich sozialistischer als die Privatversicherung gezeigt habe.” Note for the Economics Ministry, Dr. Daniel, Dr. Matthes and Segelcke, July 17, 1938, FHA, SM, 1458-1-94.

¹⁰⁸ “Hilgard bestritt, dass die öffentlich-rechtliche Versicherung sozialistischer sei und für soziale Zwecke mehr Mittel aufgewandt habe als die Privatversicherung. Die öffentliche-rechtliche Versicherung gebärde sich lediglich nationalsozialistischer als die Privatversicherung.” Note for the Economics Ministry, Dr. Daniel, Dr. Matthes and Segelcke, July 17, 1938, FHA, SM, 1458-1-94.

¹⁰⁹ “Gedanken zu der ‚Reform des Versicherungswesens‘ im Anschluss an die Besprechung im Reichswirtschaftsministerium am 15.7.1938,” attached to letter from Hilgard to Lange, July 29, 1938, FHA, SM, 1458-1-94.

¹¹⁰ “Der korporative Staat betrachtet die Privatinitiative im Wirtschaftsleben als das wirksamste und nützlichste Instrument im Interesse der Nation.” “Gedanken zu der ‚Reform des Versicherungswesens‘ im Anschluss an die

the notion of the „purely mechanical“ construction of the national-socialist state through a quote from *Mein Kampf*.¹¹¹ He rounded off his case with another quote from the *Deutscher Volkswirt*'s July 15 issue:

“There is much talk once again in the economy of nationalization, socialization and similar. In principle, the question of socializing or nationalizing economic affairs (“die Wirtschaft,” literally, the economy) has only been posed in bolshevik countries, in the authoritarian and democratic state the management of the economy (“Ausübung der Wirtschaft”) through private entrepreneurial initiative and the right to private property are fundamental principles of economic policy.”¹¹²

Hilgard then proceeded to a more schematic examination of public insurance's allegations against private insurance, rejecting each specific point. Concluding, he presented his own counterproposal:

“It has proven itself ever more so to be completely intolerable that the supervision of public and private (insurance) enterprises lies in completely different hands. A unity of perspective in the German insurance system can only be brought about if supervision becomes unitary.”¹¹³

To end political disputes within the industry, Hilgard proposed the dissolution of the offices of the separate *Wirtschaftsgruppen*, at the time held by Braß and Schwede-Coburg.

More than a week before this document reached the Economics Ministry, however, Hilgard had already corresponded with the Ministry regarding another matter. Since 1935, Hilgard had directly handled negotiations with the Finance Ministry regarding insurers' contributions to state debt issues.¹¹⁴ Life insurers, which held reserves in quantities five times higher than non-life

Besprechung im Reichswirtschaftsministerium am 15.7.1938,“ attached to letter from Hilgard to Lange, July 29, 1938, FHA, SM, 1458-1-94.

¹¹¹ The reference is to Chapter 4 of *Mein Kampf*, “Persönlichkeit und völkischer Staatsgedanke.”

¹¹² “Man hört in der Wirtschaft wieder einmal viel von Verstaatlichung, Sozialisierung und ähnlichem sprechen... Grundsätzlich wird die Frage nach Sozialisierung oder Verstaatlichung der Wirtschaft nur in bolschewistischen Ländern gestellt; im autoritären und demokratischen Staat bilden die Ausübung der Wirtschaft durch private Unternehmerinitiative und das Recht des Privateigentums Hauptsätze des wirtschaftspolitischen Verhaltens.” Quoted from the July 15, 1938 lead article of the *Deutscher Volkswirt*. “Gedanken zu der ‚Reform des Versicherungswesens‘ im Anschluss an die Besprechung im Reichswirtschaftsministerium am 15.7.1938,“ attached to letter from Hilgard to Lange, July 29, 1938, FHA, SM, 1458-1-94.

¹¹³ „Es hat sich immer mehr als völlig untragbar erwiesen, dass die Beaufsichtigung der öffentlich-rechtlichen und der privaten Unternehmungen in verschiedenen Händen liegt. Ein einheitliche Grundauffassung im deutschen Versicherungswesen kann nur herbeigeführt werden, wenn auch die Aufsicht einheitlich ist.“ “Gedanken zu der ‚Reform des Versicherungswesens‘ im Anschluss an die Besprechung im Reichswirtschaftsministerium am 15.7.1938,“ attached to letter from Hilgard to Lange, July 29, 1938, FHA, SM, 1458-1-94.

¹¹⁴ For example, on April 2, 1936 Hilgard wrote to the heads of both of the *Wirtschaftsgruppen*, informing them that insurers would be required to take on a quantity of loans equivalent to what they had underwritten in 1935, “je zur Hälfte Schuldverschreibungen der 4 ½ % Anleihe des Deutschen Reiches von 1935, 2. Ausgabe und 4 ½ % auslosbare Schatzanweisungen des Deutschen Reiches von 1936.” The heads of the subgroups were to collect written commitments for at least the same quantity as the previous year from each firm in the *Wirtschaftsgruppe*, and to then give Hilgard a list of each firm's contribution. This was to remain confidential: “Über den Abschluss dieser

insurers, took on the vast majority of these investments, with private life insurers, whose market share was more than five times that of the public sector, providing the lion's share of this total.¹¹⁵

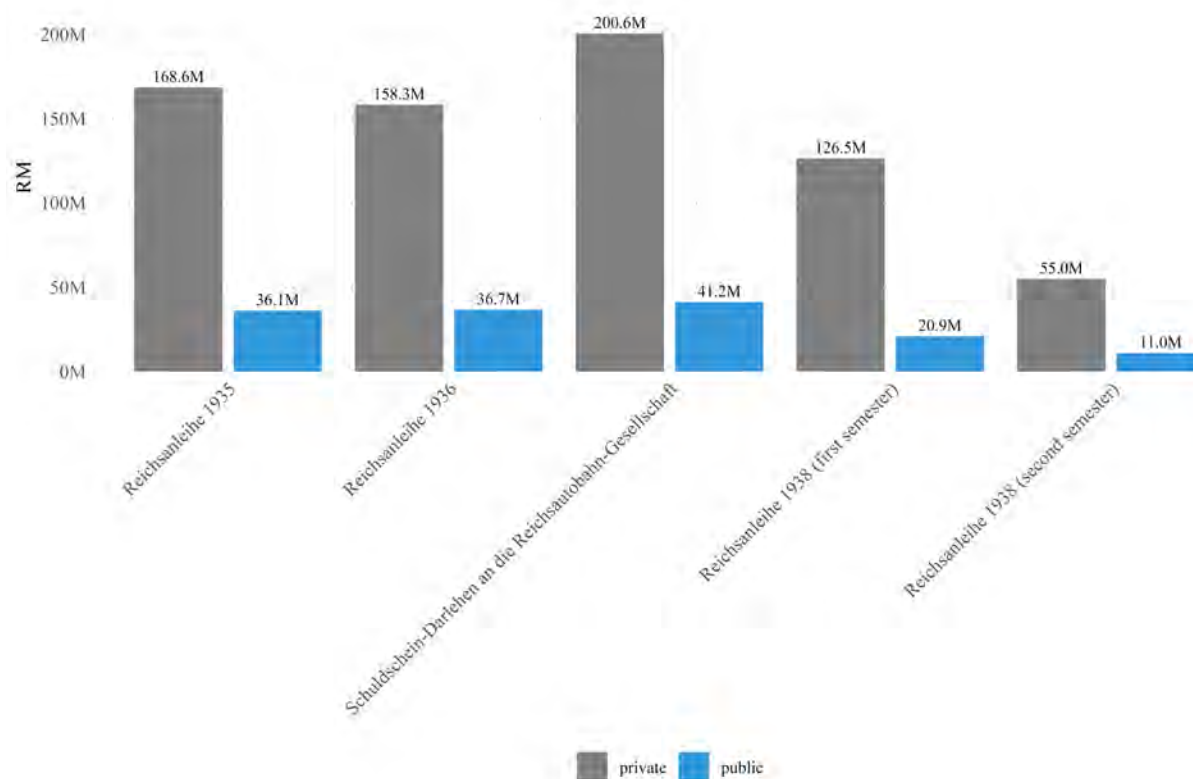


Figure 6.4: “Contributions of Public and Private Insurers to Various Debt Issuance Rounds, 1935-1939.”

Contributions were considered “voluntary”, but were closely overseen by Hilgard and the Ministries. The Economics Ministry had reprimanded Hilgard in October 1937 for not involving foreign insurers in these supposedly “voluntary” payments, encouraging him to better make them aware of their obligations to the host country.¹¹⁶ In December 1937, representatives of the Finance Ministry, Reichsbank, and Economics Ministry met with Hilgard to discuss the

neuen Reichsanleihe ist in den Zeitungen bereits eine Notiz erschienen, welche auf eine vorzeitige Presse-Information durch das Reichswirtschaftsministerium zurückzuführen ist. Im übrigen bitte ich, darauf hinzuweisen, dass irgendwelche Presse-Verlautbarungen nicht erwünscht sind; ich verweise in dieser Beziehung auf das im Schreiben des Herrn Reichs- und Preussischen Wirtschaftsministers vom 14.5.1935 ausgesprochene Verbot.“ Hilgard, Leiter der Reichsgruppe „Versicherungen“, to the leaders of the Wirtschaftsgruppe Privatversicherung and the Wirtschaftsgruppe öffentlich-rechtliche Versicherung. April 2, 1936, FHA, SM, 1458-1-65.

¹¹⁵ See Figure 6.4.

¹¹⁶ “Ich hätte daher trotz der Freiwilligkeit der Beteiligung keine Bedenken gehabt, wenn auch ausländische Versicherungsunternehmen, die sich an der Zeichnung nicht beteiligt haben, hierauf von Ihnen hingewiesen und ihnen die Teilnahme an diesen Aktionen erneut nahe gebracht worden wäre.“ The Ministry called on Hilgard to remind the foreign firms of their „Pflichten gegenüber dem Gastland,“ and requested that he confer with the Ministry to draft the letter. Letter from the Economics Ministry, Ministerialrat Dr. Koehler to Hilgard, October 5, 1937, FHA, SM, 1458-1-65.

insurance branch's lackluster contributions to debt issues.¹¹⁷ A confusion in accounting had led the Reichsbank to count social insurance's contributions to debt subscriptions along with those of private and public commercial insurance. For the last three debt issues of short to medium-term *Reichsschatzanweisungen*, all insurance, including social insurance, had subscribed for 340 million RM.¹¹⁸ The Reichsbank could deduce that commercial insurance had only contributed a very small share of this sum. Insurers were asked to make up the difference by taking on two 125 million RM tranches of a long-term *Reichsanleihe* for 1938. Hilgard, while offering no guarantee, promised to organize the branch's efforts, telling the Reichsbank director that he was certain he could come up with the funds without forming a special consortium. The Reichsbank director then urged insurers to also purchase more of other publicly issued securities. When Hilgard told insurers at the February 24th meeting of the *Wirtschaftsgruppe* that "numbers will prove more than words and phrases," he had just finished coordinating the first 125 million RM tranche.¹¹⁹ Only a few days after the July 15th meeting to discuss the prospect of nationalization, Hilgard wrote again to the Economics Ministry regarding insurers' financial contributions to the Four-Year Plan:

"With reference to (our) conversation on the 16th, I send attached a list of the subscriptions to state bonds (*Reichsanleihe*) thus far. In this regard I expressly note that the sums expected from the Reich Finance Minister and Reichsbank have in all cases been come up with, and in part, not unsubstantially, even exceeded. This is most noticeably the case with the most recent loan. As known, insurance firms were required to come up with a sum of 125 million RM in the first half of the year. Instead, they have signed for 147 million RM and have already paid another 66 million RM for the second half of the year. When again and again there is talk of the poor will (*schlechten Willen*) of the insurance firms, it is completely unjustified."¹²⁰

Hilgard attached a report containing a breakdown of all payments made by insurers to the various debt issues. Contributions of private insurers outweighed the public insurers' contributions by a ratio of 4:1 for earlier years, reaching a 5:1 ratio for the 1938 debt issue.¹²¹

¹¹⁷ Internal Memo for the Economics Ministry, Ministerialrat Dr. Koehler, January 17, 1938, FHA, SM, 1458-1-65.

¹¹⁸ See Figure 6.1.

¹¹⁹ On February 16, 1938, Hilgard sent the Economics Ministry a list of each individual firm's contributions for the first tranche, which reached 133 million RM total. Hilgard to the Economics Minister, February 16, 1938, FHA, SM, 1458-1-65. The quote comes from the meeting discussed earlier: „Zahlen würden mehr bewiesen als Phrasen und Reden,“ „Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,“ February 24, 1938, FHA, GDV-26.

¹²⁰ „Unter Bezugnahme auf die Besprechung vom 16. C.t. übersende ich beiliegend eine Aufstellung über die bisherigen Zeichnungen auf Reichsanleihe. Ich stelle in diesem Zusammenhang ausdrücklich fest, dass die seitens des Herrn Reichsfinanzministers und der Reichsbank erwarteten Beträge in allen Fällen aufgebracht, zum Teil sogar nicht unerheblich überzeichnet worden sind. Am deutlichsten wird dies bei der zuletzt aufgetragenen Anleihe. Die Versicherungsunternehmen waren bekanntlich verpflichtet worden, im Laufe des ersten Halbjahres einen Betrag von 125 Millionen aufzubringen. Sie haben stattdessen 147 Millionen gezeichnet und darüber hinaus bereits 66 Millionen à conto des 2. Halbjahres gezahlt. Wenn immer wieder von dem schlechten Willen der Versicherungsunternehmen gesprochen wird, so ist dies völlig unberechtigt.“ Hilgard to the Economics Minister, to the hands of Regierungsrat Mattes, July 21, 1938, FHA, SM, 1458-1-65.

¹²¹ See Figure 6.4.

The contrast, thus, was stark. The branch's performance seems to have made an impact, as a few months later, the Economics Ministry informed Hilgard that no fixed quota would be assigned for the remainder of the debt issue:

“The Reich Finance Minister voiced to me his expectation that insurance firms will participate to the extent of their available means in the state bond issue without taking on a defined sum of bonds...I am in agreement with this view and am confident that private and public insurance firms, in alignment with the spirit of the aforementioned decree of August 12, 1938, in consciousness of their national duty, will do everything to insure the further success of German (national) construction and will contribute to making the state bond issue a full success.”¹²²

The August 12 decree was a ban on new mortgage financing, the largest category of investment holdings for private insurance firms.¹²³ On October 17, Hilgard forwarded the note from the Economics Ministry to the *Wirtschaftsgruppe Privatversicherung*, urging them to deliver.¹²⁴ As with all previous issues, complete discretion regarding the debt placement was expected.¹²⁵ Insurance firms' holdings reached an all-time high share of total state debt in this period.¹²⁶

¹²² „Der Reichsminister der Finanzen hat mir gegenüber die Erwartung ausgesprochen, dass die Versicherungsunternehmungen sich auch ohne Uebernahme eines festen Reichsanleihebetrages im Rahmen ihrer verfügbaren Mittel an der Zeichnung der Reichsanleihe beteiligen werden...Ich schließe mich dieser Auffassung an und bin überzeugt, dass die privaten und öffentlichrechtlichen Versicherungsunternehmungen entsprechend den Grundgedanken des erwähnten Erlasses vom 12. August 1938 im Bewusstsein ihrer nationalen Pflicht alles tun werden, um an dem weiteren Gelingen des deutschen Aufbaus mitzuhelfen und dazu beitragen, dass die Reichsanleihe zu einem vollen Erfolg wird.“ Memo from Wirtschaftsgruppe Privatversicherung to all suborganizations and firm directors, October 17, 1938, FHA, SM, 1458-1-65.

¹²³ See Borscheid, *Versicherungsstatistik*.

¹²⁴ „Der Leiter der Reichsgruppe „Versicherungen“ hat uns nachstehendes Schreiben des Herrn Reichswirtschaftsminister vom 10. Ds. Mts. – IV Kred. 18128/38 – übersandt mit dem Ersuchen, die nachgeordneten Gliederungen und angeschlossenen Unternehmungen zu unterrichten und an sie im Sinne der Ausführungen des Herrn Reichswirtschaftsministers zu appellieren, ihrer sich aus dem vorstehenden Schreiben ergebenden Verpflichtung in vollstem Umfang nachzukommen.“ Memo from Wirtschaftsgruppe Privatversicherung to all suborganizations and firm directors, October 17, 1938, FHA, SM, 1458-1-65.

¹²⁵ „Wir geben Ihnen hiervon mit der Bitte um vertrauliche Behandlung der Angelegenheit im Auftrage des Leiters der Wirtschaftsgruppe Privatversicherung Kenntnis, der mit dem Leiter der Reichsgruppe Versicherungen überzeugt ist, dass die Privatversicherung an dem weiteren Gelingen des deutschen Aufbaus mithelfen und zu einem vollen Erfolg der Reichsanleihe beitragen wird.“ Memo from Wirtschaftsgruppe Privatversicherung to all suborganizations and firm directors, October 17, 1938, FHA, SM, 1458-1-65.

¹²⁶ See Figure 6.5.

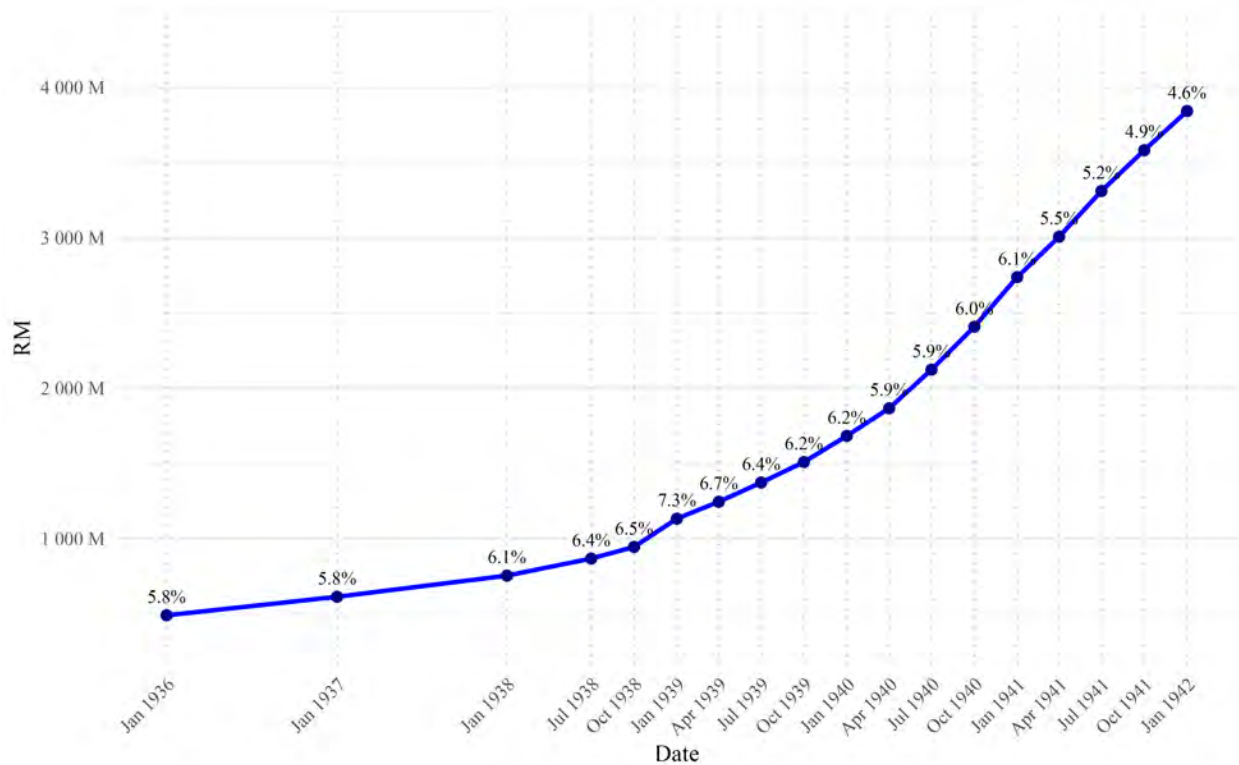


Figure 6.5: “Life Insurers’ Cumulative Holdings of Reich Debt, 1936-1942.” Percentage labels express these holdings as a share of the Reich’s outstanding short, medium, and long-term debt (*Reichsanleihen* and *Schatzanweisungen*) from linear interpolations of yearly totals.

Two months later, in a meeting held on December 12, 1938, Goering and Hitler’s final decision on the nationalization question was relayed to the top members of the insurance industry. Eduard Hilgard, Walther Funk, Georg Amend, Hans Schwede-Coburg, Hans Goebbels, Andreas Braß, Kurt Lange, Kurt Schmitt, and Eduard Hilgard all attended the meeting, which Goering convened.¹²⁷ As Hilgard described it:

“Göring invited the two parties to the conflict to state their cases. Schwede-Coburg and Goebbels launched into a violent attack against private insurance companies. Dr. Schmitt and myself spoke for the defense. The others present took small part in the discussion. After an hour of controversy Göring suddenly intervened and exclaimed: ‘The decision has been made. I have already presented the question to the Führer and he has decided that peace will prevail between the parties during a period of ten years.’”¹²⁸

Hilgard described the same general trajectory in greater detail in notes on the meeting that he passed on to Schmitt.¹²⁹ The concrete outcome was a moratorium on discussions of nationalization – certainly a favorable outcome for private insurers. This was not a total victory,

¹²⁷ “Hilgard Interrogation,” July 14, 1947 (Part I), OMGUS, 9.

¹²⁸ “Hilgard Interrogation,” July 14, 1947 (Part I), OMGUS, 10.

¹²⁹ Feldman, *Allianz and the German Insurance Business*, 184.

as Rudolf Hess's chief of staff, Martin Bormann, requested that Funk make Georg Amend head of the supervisory agency. Hilgard, Bormann requested, should be removed as leader of the *Reichsgruppe*.¹³⁰ As Feldman narrates, however, in February 1939, Schmitt reached out personally to Goering. He made the case that Hilgard was the "natural leader" of the branch, and that without him, conflict would once again ensue. Private insurers' market share, however, seems to have ultimately been the deciding factor. As contained in Goering's handwritten note to Funk on the matter: "if the private (insurers) are 80%, then Hilgard must remain."¹³¹

The forces in favor of nationalization thus lost the battle decisively. On March 3, 1939, Braß, who had compromised himself politically through the denunciation of well-connected Nazis in another insurance firm, was formally replaced by Hilgard as leader of the *Wirtschaftsgruppe*.¹³² Schwede-Coburg was dismissed by Funk on March 3, 1939, replaced by Hilgard as well.¹³³ At the May 1939 meeting of the *Wirtschaftsgruppe Privatversicherung*, Hilgard announced that, as per the Economics Ministry's decree, he had been made leader of both *Wirtschaftsgruppen* to organize their dissolution and manage their full incorporation into the *Reichsgruppe*.¹³⁴ Hilgard's reform proposal, which had called for the dissolution of the two public and private *Wirtschaftsgruppen*, was thus implemented to the letter. His demand that public insurers be made subject to the private insurers' regulatory body would have to wait several years, but would be finally enacted in 1943.¹³⁵

Through Schmitt's timely intervention, but also through his own actions, Hilgard had shown himself to be the "natural leader" of the Nazi insurance sector.¹³⁶ The substance of the decision resulted from practical considerations regarding private insurance's role in the structurally important economic sector. For the highest priority of immediate rearmament, Hilgard had demonstrated that private life insurance was capable of delivering for the Four-Year Plan beyond fixed quotas. In his rhetorical performance, Hilgard eloquently connected the private sector's identity with notions of competitive dynamism in the "democratic, authoritarian State" of the Nazi regime. The specter of nationalization, stemming from populist critiques of private financial enterprise had drawn force from the Four-Year Plan's rhetoric. As evidenced in Hilgard's correspondence with the Economics Ministry, the affair produced considerable pressure on private insurers. To demonstrate their worth and loyalty, Hilgard and the larger private insurance community worked harder than ever towards the goals of the Nazi regime. By letting the conflict fester, Goering obtained greater leverage over private insurers for the Four-Year Plan's demands. Following the November pogrom (The Night of Broken Glass, November 9-10, 1938), Goering

¹³⁰ Feldman, *Allianz and the German Insurance Business*, 185.

¹³¹ Feldman, *Allianz and the German Insurance Business*, 187.

¹³² Economics Minister Funk to Hilgard, March 3, 1939, FHA, SM, 1458-1-17.

¹³³ Funk to Schwede-Coburg, March 3, 1939, FHA, SM, 1458-1-17.

¹³⁴ „Niederschrift über die Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,“ May 22, 1939, FHA, GDV-26.

¹³⁵ Tigges, *Geschichte und Entwicklung der Versicherungsaufsicht*, 113-114.

¹³⁶ As said by Kurt Schmitt in his letter to Goering, see Feldman, *Allianz and the German Insurance Business*, 185-187.

would attempt to press further funds out of the private insurance industry, demanding that private insurers pay all Jewish damage claims to the Ministry of Finance. Hilgard's sangfroid in the face of Goering's demand suggests that, by this point, the threat of nationalization may no longer have been particularly realistic.¹³⁷

For advocates of nationalization, the failure was an immense disappointment. While the private industry's agenda of governance consolidation marched forward, Hilgard would pay a price for his political demolition of Schwede-Coburg and Braß. Braß denounced Hilgard to the Gestapo for alleged homosexuality in the fall of 1938, allegedly on Schwede-Coburg's request.¹³⁸ This led to a series of interrogations, after which Hilgard however was fully cleared and took over both men's positions in the *Wirtschaftsgruppen*.¹³⁹ In protecting his industry from men Hilgard considered to be dangerous, fanatical Nazis, he nevertheless made insurance a far more useful tool for the Nazi regime's priorities than these vocal advocates of nationalization could have understood how to do on their own.

III. The *Gefahrengemeinschaft* Goes to War

The larger trajectory of the private life insurance institutional ecosystem from 1933-1939 is thus one of a steady march towards greater consolidation of industry governance and market expansion. Hilgard's intuition that public insurance was waging its battle against the sector from a position of economic weakness was correct. While the spillover of this conflict into occupied territories would give public insurers new opportunities to grab market share, only one public insurer managed to increase its share of life premiums at all relative to the larger sector in Germany through 1939: *Deutsche Beamtenversicherung*. The firm did so through large collective contracts for public employees.¹⁴⁰ As was also the case in Italy, political conflicts between institutional competitors in insurance took on highly ideologically charged tones, but the demands of aggressive autarky and armament drives made the practical function of the emergent forms of organization in savings and investment of greater importance than the question of ideological alignment. In both Nazism and Fascism, ideological orientation remained an ambiguous issue. As seen in Hilgard and the public insurers' reform proposals, both private and public factions could plausibly call on core political tenets of Nazism in support of their positions. In Germany, the expansive markets for life insurance, the centralized oversight function of the supervisory agency, and the larger industry's coordination through its established

¹³⁷ Hilgard recounted his meeting with Goebbels and Goering on the matter on November 12, 1938, "Hilgard Interrogation," July 14, 1947 (Part I), OMGUS, 8-10. On the pogrom's insurance claims, see Andre Botur, *Privatversicherung im Dritten Reich: zur Schadensabwicklung nach der Reichskristallnacht unter dem Einfluss nationalsozialistischer Rassen- und Versicherungspolitik*, Berliner juristische Universitätschriften. Reihe Zivilrecht, Bd. 6 (Berlin: Verlag Arno Spitz, 1995). Feldman's account provides additional details, *Allianz and the German Insurance Business*, 190-235.

¹³⁸ See Feldman, *Allianz and the German Insurance Business*, 182-183.

¹³⁹ "Hilgard Interrogation," July 14, 1947 (Part I), OMGUS, 8-10.

¹⁴⁰ See Figure 4.5.

hierarchy, formed a powerful tool, and one in the hands of the private insurers. Ultimately, disruption of this function was not desirable.

While it is certainly not implausible that Schwede-Coburg and his allies could have obtained Hitler's approval to give all insurance to the public sector, the resolution of the conflict in favor of private insurance is consistent with a style of intervention common to both dictatorships. As shall be seen in the case of conflicts in Italian social insurance, independent power bases across these institutional ecosystems created a desirable form of inter-institutional competition through parallel centralizations. Interventions in these areas generally aimed for gentle re-balancing, but did not seek to completely restructure the sector to the benefit of one party to the conflict. As both regimes drove towards autarky and war, the means of investment control and consumption repression offered by the centralization and expansion of different types of insurance provision were useful tools, regardless of their ideological legitimation. Had Paul Riebesell managed to spearhead the consolidation of the public sector in 1931, perhaps a successful national public insurance firm would have been able to leverage its market share to take over certain private sectors under Nazi rule.¹⁴¹ Following his political downfall at the hands of Hans Schwede-Coburg, however, Riebesell no longer had any role in the public sector's leadership. In fact, he seems to have felt more loyalty to the business of commercial insurance as a whole than to the public sector, as evidenced by his correspondence with the private insurers' *Wirtschaftsgruppe* regarding the social insurance expansion in early 1938.¹⁴²

The victory of private insurance over public insurance coincided with some other important developments that strengthened private insurers' mastery of their growing market. Firstly, in 1937, the supervisory agency gained the right to make an assessment of the economic need for a new insurance organization when granting regulatory approval.¹⁴³ In numerous cases preceding this decision, the supervisory agency had already discouraged the formation of new independent *Sterbekassen*. A lengthy exchange with the *Vereinigte Aluminium-Werke* provides an illustrative example from early 1936.¹⁴⁴ Following the 1937 decree, the supervisory agency had legal grounds to deny applications for new insurance organizations not only on the basis of the

¹⁴¹ See Chapter 4.

¹⁴² Riebesell to Wirtschaftsgruppe Privatversicherung, to the hands of Dr. Krause, February 15, 1938, FHA, SM, 1458-1-78.

¹⁴³ Michael Tigges, *Geschichte und Entwicklung der Versicherungsaufsicht* (Karlsruhe: VVW, 1985), 111-113.

¹⁴⁴ The exchange between representatives of the firm's employees and the supervisory agency begins in late December 9, 1935 and continues through 1936. On April 27, 1936, Ministerialrat Dr. Warncke wrote again to the *Vereinigte-Aluminiumwerke* to settle the matter: "Wie Rechtsanwalt Rüter auf seine Anfrage fernmündlich bereits mitgeteilt worden ist, bestehen gegen die Errichtung einer selbstständigen Sterbekasse durch Ihre Werke wie vor schwerwiegende Bedenken. Aus den in dieser Angelegenheit wiederholt geführten Besprechungen ist Ihnen bekannt, daß ich die Gründung selbstständiger Sterbekassen aus wohlervogenen Gründen schon seit geraumer Zeit nicht für angezeigt halte. Ich bedauere, von dieser Stellungnahme auch angesichts des Wunsches der Gefolgschaft Ihrer Werke nach einer selbstständigen Sterbekasse nicht abweichen zu können." Warncke to Vereinigte Aluminium-Werke Aktiengesellschaft, BAK, B280-554. See other examples with smaller Vereine in the same file.

insurance sector's needs, but also regarding the needs of the larger economy.¹⁴⁵ After the 1938 wage freeze, employers seeking to compensate employees through additional benefits would have been pushed towards group insurance policies with established life insurance firms, as the barriers to forming an independent fund with tax deductible benefits were not inconsiderable.¹⁴⁶ Total group policies grew from 6.1 million to 7.9 million between the beginning of 1938 and the end of 1942.¹⁴⁷

Secondly, private life insurers benefitted from a new market-sharing arrangement with German social insurance. Conflict between the two institutional ecosystems did not reach the tenor of the Weimar period during the Third Reich, but, as seen in the discussions between Dr. Krause and Johannes Krohn of the Labor Ministry in February 1938, the issue of statutory insurance for *Handwerker* (contractors) proved a point of contention. Lil-Christine Voß-Schlegel has illustrated the various political issues at play in the conflict, which she characterizes as primarily a battle between the DAF and Labor Ministry.¹⁴⁸ As Voß-Schlegel acknowledges, however, the Economics Ministry was also a party to the conflict and obtained a modification of the Labor Ministry's original proposal to avoid encroaching on private insurers' business.¹⁴⁹ Exchanges within the *Wirtschaftsgruppe Privatversicherung* show that life insurers organized to make a case for their own defense. Professor Paul Riebesell of the *Hamburger Feuerkasse* produced some calculations for the private insurers showing that individual insurance remained less expensive for younger *Handwerker*, and Dr. Schloessmann of *Allianz* sent a communiqué to the life branch, calling on them to emphasize that the *Handwerker* themselves were opposed to a social insurance mandate.¹⁵⁰

Hammered out in the same months of private insurance's defeat of the nationalization proposals, the first expansion of social insurance in the Third Reich would thus allow for an opt-out through the purchase of private life insurance. For a sum of 2,500 RM for a half exemption and 5,000 RM for a full exemption, *Handwerker* could escape participation in the social insurance system.¹⁵¹ *Handwerker* over the age of sixty would participate in a *Umlage*-financed system

¹⁴⁵ "Bei Prüfung des gesamtwirtschaftlichen Bedürfnisses sind sowohl die Verhältnisse auf dem Gebiete der Versicherungswirtschaft wie auch die Bedürfnisse der gesamten Volkswirtschaft zu berücksichtigen. Gegenüber diesen Bedürfnissen müssen die Interessen des einzelnen Unternehmens wieder zurücktreten." From the April 24, 1937 decree, quoted in Tigges, *Geschichte und Entwicklung der Versicherungsaufsicht*, 111.

¹⁴⁶ As mentioned in Chapter 4, the 1934 *Steueranpassungsgesetz* made benefits only deductible if employees had a legal claim to them, which made them subject to the supervisory agency's oversight. "Steueranpassungsgesetz," October 16, 1934, *Reichsgesetzblatt I*, 925; „Lohnstopp-VO vom 25. Juni 1938," *Reichsgesetzblatt I*, 691.

¹⁴⁷ See Voss-Schlegel, *Alter in der "Volksgemeinschaft."*

¹⁴⁸ See Voss-Schlegel, "Von der Arbeitnehmersversicherung zur Volksversicherung." The DAF would challenge the social insurance system further through its scheme for a PAYGO-financed welfare system in the first year of the war; see Voss-Schlegel, *Alter in der "Volksgemeinschaft."* *Zur Lebenslage der älteren Generation im Nationalsozialismus*, 158-175.

¹⁴⁹ Voss-Schlegel, "Von der Arbeitnehmersversicherung zur Volksversicherung," 178-180.

¹⁵⁰ Riebesell to Wirtschaftsgruppe Privatversicherung, to the hands of Dr. Krause, February 15, 1938, and Memo of the Fachgruppe Lebensversicherung, Sterbekassen of the Wirtschaftsgruppe Privatversicherung, response of Dr. Schloessman to the Labor Ministry's Proposal, March 3, 1938, FHA, SM, 1458-1-78.

¹⁵¹ Voss-Schlegel, "Von der Arbeitnehmersversicherung zur Volksversicherung," 182-183.

outside of the normal *Angestelltenversicherung*, which incorporated the rest of the *Handwerker*. Life insurers were required to fund part of this system through a 0.3% tax on the insured sums of those *Handwerker* who opted out. Any constraint on the life insurance business through increased social insurance coverage was thus offset by the new incentive to purchase their product. For the *Volksfürsorge*, at least, perhaps all the more so because of their status as the largest DAF firm, the law produced a boom in large-sum contracts, finally bringing the specialized *Volksversicherer* into this sector.¹⁵²

The fate of Germany's religious insurers, a last independent civil society faction in the insurance business, is no exception to the general trend of centralization through the private corporate sector. The dissolution of the religious insurers was effected through the authority given to the supervisory agency through the 1937 law.¹⁵³ Both churches, which had maintained considerable market share with their firms, were forced to sell off their majority stakes in the *Evangelische Vorsorge* and *Katholische Volkshilfe*. The *Katholische Volkshilfe* became *Volkshilfe AG*, and sold to the Aachen-Müncher group, while the *Evangelische Vorsorge*, now simply *Vorsorge*, was sold off to *Victoria*. In the supervisory agency's brief to the Economics Ministry regarding the *Vorsorge*, they noted that firing the pastors and churches from the organization's sales and collection organization would not significantly impact the business.¹⁵⁴ The private corporate sector thus absorbed the firms, which permanently lost their openly religious character.

This account of the history of German life insurance ends with the onset of the Second World War. The conflict would see an acceleration of the regulatory assault on independent *Sterbekassen* through forced sales to corporate insurance providers.¹⁵⁵ During the war years, the supervisory office would begin to publish statistics on smaller *Sterbekassen* and other institutions still outside of their regulatory authority, showing confidence that they could now track most of these organizations.¹⁵⁶ As Peter Borscheid has written, the supervisory agency, now under Georg

¹⁵² Böhle, "Die Volksfürsorge Lebensversicherungs-AG im Dritten Reich," 66.

¹⁵³ In a letter to the Ministry of the Interior, Ministry of Finance, Ministry of Labor, Hitler's staff representative, and Ministry for Church Affairs, Ministerialrat Dr. Daniel of the Economics Ministry conveyed this decision. Citing the 1931 and 1937 regulatory laws, Daniel wrote: "Auf Grund dieser Bestimmung habe ich in einem grundsätzlichen Erlass an die Versicherungsaufsichtsbehörden den Standpunkt eingenommen, dass die Errichtung von Unternehmen, deren Wirkungskreise auf einen konfessionellen Bevölkerungsteil beschränkt werden soll, mit dem Interesse der Gesamtwirtschaft nicht vereinbar sei. Unternehmen dieser Art führen m.E. zu einer Auslese von Wagnissen, die den gesunden Gesamtausgleich im Versicherungswesen verhindert und auch dem Gedanken der Volksgemeinschaft zuwiderläuft. Daraus ergibt sich die Folgerung, dass auch bestende konfessionell Versicherungsunternehmen durch die Aufsichtsbehörden keine Förderung erfahren sollen, sondern dass in geeigneter Weise auf das allmähliche Verschwinden dieser heute nicht mehr erwünschten Wirtschaftsgebilde hingewirkt werden muss." May 1938, Ergo-Archiv, I001-00003.

¹⁵⁴ Reichsaufsichtsamt für Privatversicherung to the Reichswirtschaftsminister, July 5, 1938, Ergo-Archiv, I001-00003.

¹⁵⁵ Böhle, "Die Volksfürsorge Lebensversicherungs-AG im Dritten Reich," 91-93

¹⁵⁶ For 1937-1940, they are listed as „Gestalte, die in der Statistik des Reichsaufsichtsamts nicht geführt sind“ and „Sterbe- und Pensionskassen.“ See Appendix 9.1.

Amend, would show ever increasing alignment with the Nazi regime's priorities during the war.¹⁵⁷

Life insurers had long sought to avoid addressing “death and the transience of man” in their advertising, but the German invasion of Poland on September 1, 1939 brought the financial realities of war risks in life insurance to the forefront of public debate.¹⁵⁸ The industry initially took a cautious position, as shown in a draft of an article for publication in *Neumanns Zeitschrift für Versicherungswesen* presented to the Economics Ministry by the *Reichsgruppe Versicherungen* on September 26, 1939.¹⁵⁹ Individual firms would cover the additional war risk through plans approved by the supervisory agency, which would eventually provide a unitary plan for all war coverage.¹⁶⁰ The supervisory agency, however, chose an aggressive approach. In a decree sent to all supervised firms on October 7, 1939, the agency announced that all war risks would be fully covered by existing policies, regardless of whether the policyholder was a member of the military or a civilian.¹⁶¹ For contracts of 500 RM or less, no war upcharge would be assessed at all, for any with a value above 500 RM but less than 5,000 RM, an upcharge of 0.25% of the contract's sum insured would be assessed for each month of the war.¹⁶² Keeping in mind the average insured sum in 1939 was 805 RM, many insured would have paid no upcharge at all, while the vast majority would have seen only a modest surcharge.¹⁶³ For example, given a yearly premium of 70 RM for a 1000 RM endowment contract, a yearly war-risk charge of 21.4% of the premium (15 RM) would have been assessed.¹⁶⁴ For new contracts, an additional one-time war risk charge could be charged, with small-sum insurance below 500 RM also

¹⁵⁷ Peter Borscheid, *Mit Sicherheit Leben: Von Den Anfängen Bis Zur Währungsreform von 1948*, vol. 2, 1 vols. (Eggenkamp, 1989), 144

¹⁵⁸ „Ein Lebensversicherungsfilm,“ ERGO-Archiv, *Monatsblätter für Versicherungswesen: Zeitung der Victoria* 34, no. 10 (October 1933).

¹⁵⁹ Reichsgruppe Versicherungen to Ministerialrat Daniel of the Economics Ministry, draft of article entitled “Anpassungen der Leistungen an die Kriegsereignisse,” September 23, 1939, FHA, SM, 1458-1-99.

¹⁶⁰ „Von der Lebensversicherung ist festzustellen, dass sie im Rahmen der von den einzelnen Gesellschaften festgelegten und vom Reichsaufsichtsamt für Privatversicherung genehmigten Versicherungsbedingungen das Kriegsrisiko mitträgt. Mit dem Reichsaufsichtsamt für Privatversicherung zur Zeit geführte Verhandlungen haben zum Ziele, eine einheitliche Ausrichtung aller Lebensversicherungsgesellschaften in Bezug auf diese Frage herbeizuführen. (Für die nach dem 1. September abgeschlossenen Neuversicherungen besteht die Verpflichtung zur Zahlung eines einmaligen Betrages, der je nach der Höhe der Versicherungssumme in Promille dieser Summe festgesetzt ist...damit treten diese Neuversicherten in dem Kreis der Versicherungsgemeinschaft ein). Die deutsche Lebensversicherung zeigt damit, dass sie gewillt ist, gestützt auf ihre finanzielle Kraft, weitgehende Verpflichtungen zum Nutzen ihrer Versichertengemeinschaft zu übernehmen.“ “Anpassungen der Leistungen an die Kriegsereignisse,” September 23, 1939, FHA, SM, 1458-1-99.

¹⁶¹ Reichsaufsichtsamt für Privatversicherung to all supervised firms, October 7, 1939, Ergo-Archiv, N0205-00003, vol. 3.

¹⁶² The upcharge had a progressive scale -- 0.5% for any sum greater than 5,000 but less than 20,000, 1% for the next 20,000 RM, and 2% for any sum beyond the 40,000 RM. Reichsaufsichtsamt für Privatversicherung to all supervised firms, October 7, 1939, Ergo-Archiv, N0205-00003, vol. 3.

¹⁶³ See Figure 6.7.

¹⁶⁴ The example assumes a premium structure in use in 1925, see Appendix 5.1

completely exempt.¹⁶⁵ The supervisory office reserved the right to cover additional losses through a charge assessed on insurance companies.

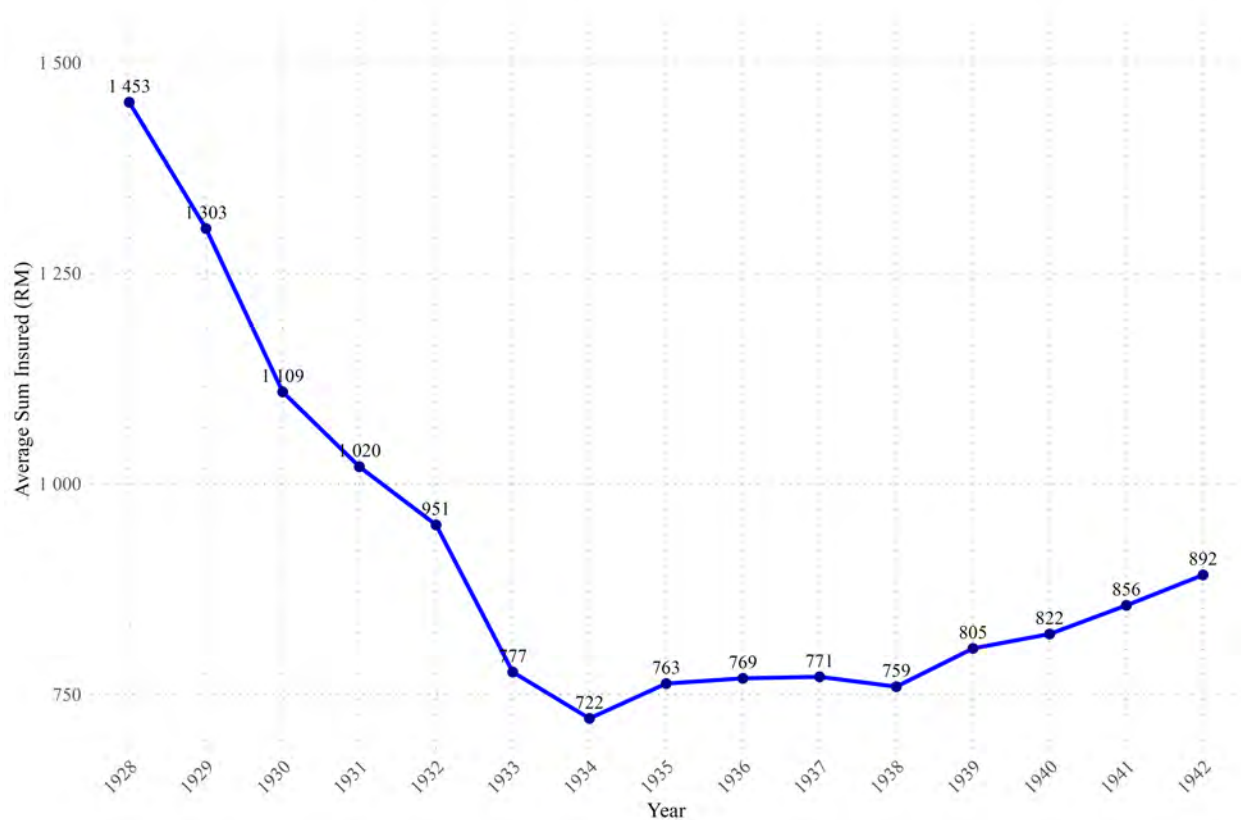


Figure 6.6: “Average Sum Insured in Life Insurance Contracts, 1928-1942.”

This decision flew in the face of pre-1939 regulatory policy, according to which war risk was excluded from life insurance contracts’ conditions of coverage. As Ingo Böhle writes, the political wager to cover war risk with such a small charge could only hope to succeed if the German army won a quick victory.¹⁶⁶ In an article published on December 31, 1939, Hilgard presented the branch’s decision as a realization of the concept of the *Gefahrengemeinschaft*:

“It would be a mistake thus to conclude that the payout capacity (*Leistungsfähigkeit*) of insurance is reduced. To the contrary. Insurers are only required in accordance with their nature to observe certain limits, so that a careless waste of the funds of the collective, which they have gathered and saved through premium payments, does not take the place of the promised payout (*Leistung*). Thus at the same time, through a very concrete

¹⁶⁵ The scale for the one-off charge is as follows: 500 RM – 0%, for the next 4500 RM – 10%, for the next 15,000 RM – 15%, for the next 20,000 RM – 20%, anything above 40,000 RM – 30%. Reichsaufsichtsamt für Privatversicherung to all supervised firms, October 7, 1939, Ergo-Archiv, N0205-00003, vol. 3.

¹⁶⁶ Böhle, “Die Volksfürsorge Lebensversicherungs-AG im Dritten Reich,” 93.

example, it becomes clear what an enormous economic significance the idea of the *Gefahrengemeinschaft* can acquire in practice.”¹⁶⁷

As these highly favorable conditions for insured were maintained through the war, life insurance would see one last surge in enrollment.¹⁶⁸

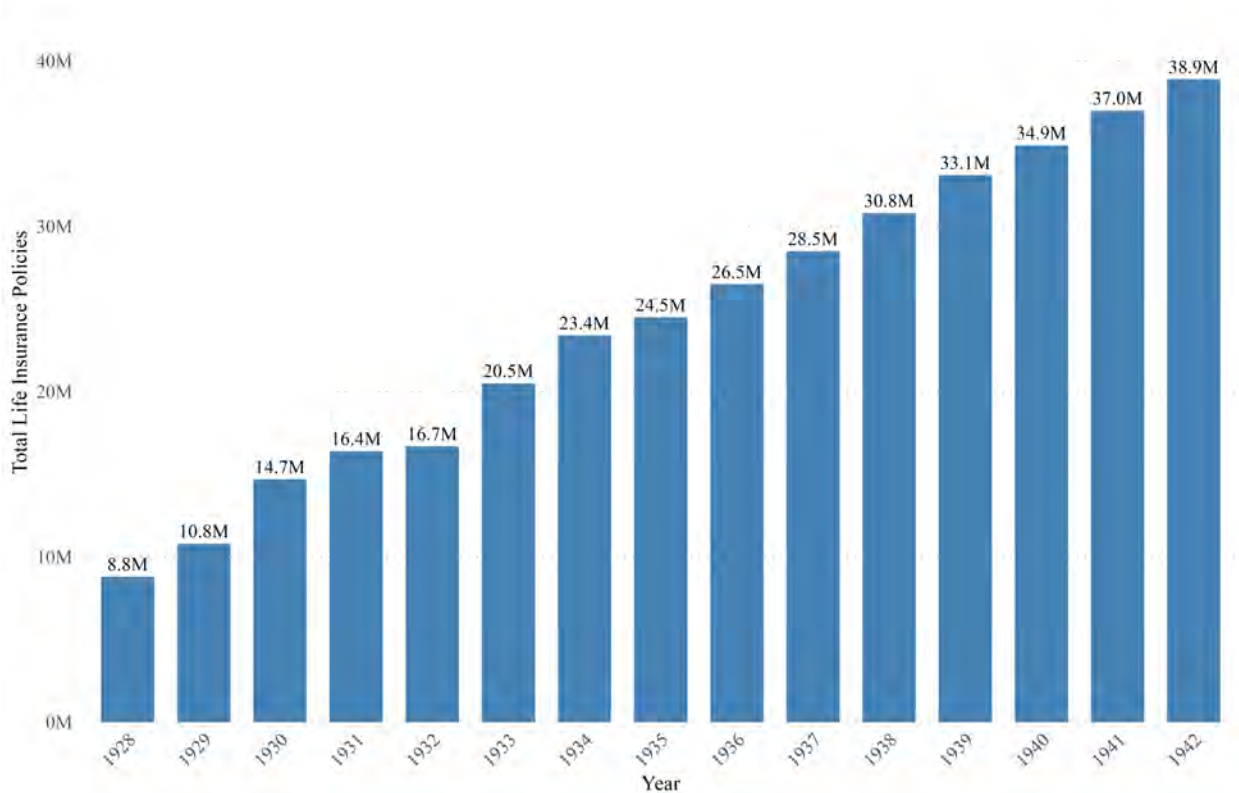


Figure 6.7: “Life Insurance Policies in Germany, 1928-1942.”

In 1944, in their correspondence with the Economics Ministry, the subgroup of the *Reichsgruppe Versicherungen* for life insurance was asked to explain the insurers’ sinking contributions to public debt issues for 1943. Walther Funk had noticed that in 1943 the other *Kapitalsammelstellen* continued to deliver increases in their debt subscriptions, while private insurance’s contributions had decreased. To explain the discrepancy, the insurers provided the following explanation:

¹⁶⁷ Es wäre irrig, hieraus auf eine Minderung der Leistungsfähigkeit der Versicherung schließen zu wollen. Im Gegenteil. Nur sind die Versicherungsträger dazu genötigt, gewisse Grenzen, die ihnen wesensgemäß sind zu beachten, um nicht an die Stelle der zugesagten Leistung ein leichtfertiges Vergeuden von Mitteln der Gesamtheit, die sie durch Beitragszahlungen aufgebracht und angesammelt hat, treten zu lassen. Hier wird zugleich an einem sehr konkreten Beispiel ersichtlich, welche ungeheuer wirtschaftliche Bedeutung der soziale Begriff der *Gefahrengemeinschaft* in der Praxis gewinnen kann.“ Eduard Hilgard, “Versicherungseinsatz im Kriege,” in *Soll und Haben*, December 31, 1939, FHA, GDV-8-020.

¹⁶⁸ See Figure 6.7 above.

“The reasons for the mentioned decline relative to the results for 1942 are in our view due to the elevated payouts of life insurance claims for war deaths including the many dead through bombing attacks. Moreover when looking to the future, significant declines can be expected, as henceforth contracts closed in 1924 with a 20-year maturation will expire in an increased quantity.”¹⁶⁹

The many 20-year contracts from 1924 was likely pure fiction.¹⁷⁰ It was the politically unmentionable mass casualties on the Eastern Front that were driving down underwriting margins, pushing the entire German life sector towards insolvency. Far from a “pure money business,” in 1942, German insurers held around 35 billion RM worth of liabilities in human lives. Backing these claims were assets of 10 billion RM, around half of which were in state bonds. As the war ground to its conclusion, the wagers of the Nazi regime, the private insurance business, and the *Gefahrenengemeinschaft* all went up in smoke.

¹⁶⁹ „Die Gründe für den eben erwähnten Rückgang gegenüber dem Ergebnis aus dem Jahre 1942 sind nach unserer Auffassung zunächst auf die erhöhten Auszahlungen für Kriegsterbefälle einschließlich der durch Fliegerangriff Getöteten durch vermehrte Auszahlung von Lebensversicherungsleistungen zurückzuführen. Sodann kommen für die Zukunft betrachtet, erhebliche Abläufe in Frage, da die im Jahre 1924 mit 20-jähriger Laufzeit abgeschlossenen Verträge nunmehr im verstärkten Umfang zum Ablauf kommen werden.“ Attachment in letter from the Wirtschaftsgruppe Kranken u. Lebensversicherung to the Economics Ministry, May 26, 1944.

¹⁷⁰ Simply by looking at policy numbers and sum insured for each year of business, these contracts would have made up a trivial share of the branch’s total holdings by 1944.

Chapter 6 – Underwriting Autarky: The INA in the Italian War Economy, 1936-1940

In 1939, Louis C. Franck published a sequel to his 1934 work on Italian Fascist corporatism. Debates on corporatism had elicited considerable interest at the *École Polytechnique* of Paris, where Franck had written his 1934 doctoral thesis on the subject. Through interviews with both members of the Italian opposition in exile in Paris and leading Fascist corporatist theorists such as Ugo Spirito, Alfredo Rocco, and Giuseppe Bottai, Franck arrived at the conclusion that corporatism might be an effective means of social and political domination, but was certainly not a new economic system.¹ By 1939, however, Franck believed that there was indeed something of novelty in the Italian economy:

“In five years, Italy has accelerated through every gear, bringing it from the illusions of corporatism to the reality of the war economy...the myth of autarky has completely displaced that of the myth of corporatism, absorbing it entirely. It must be observed, however, that corporatism remains the soft wax through which all of the ambiguities, all of the hesitations, and all of the backlash against the political evolution of the dictatorship have been absorbed over the last years...today, corporatism is the foundation of the construction of autarky, which it accommodates with its structures, with the living apparatus of both its aspirational mandates and concrete implementation.”²

For Franck, the critical dimension of the Italian economy’s transformation was the new system of savings and investment:

“The basic elements of the Italian controlled economy are: the existence of collective savings, growing year to year; the deployment of these savings for the state’s financial needs; a relatively stable yield on these savings, despite the large increase in demand...here we touch the heart of the system. The rest is details.”³

Repressing demand through the control of salaries and rationing of goods, the state still had to ensure that the mass of liquid savings was channeled into the desired sectors. To finance Italy’s expensive new autarky industries – chemical fibers, steel, shipbuilding, among others – the

¹ Matteo Pasetti, *L’Europa corporativa: una storia transnazionale tra le due guerre mondiali*, (Bologna: Bononia University Press, 2016), 216-217.

² “In cinque anni, l’Italia ha bruciato le tappe che l’hanno condotta dalle illusioni del corporativismo alle realtà dell’economia di guerra...il mito autarchico ha rimpiazzato il mito corporativo, assorbendolo completamente. Va osservato, comunque, che il corporativismo è sempre stato la cera morbida in cui si sono impresse tutte le ambiguità, i ripensamenti e i contraccolpi dell’evoluzione politica della dittatura nel corso degli ultimi anni....Oggi il corporativismo è la base della costruzione autarchica, che esso favorisce con le sue strutture, con l’apparato vivente delle sue commissioni di programma e di realizzazione.” Louis Franck, *Il corporativismo e l’economia dell’Italia fascista*, ed. Nicola Tranfaglia, trans. A. Nadotti (Torino: Bollati Boringhieri, 1990), 95-98.

³ “Caratteristiche salienti dell’economia controllata italiana sono certamente: l’esistenza di un risparmio collettivo crescente di anno in anno; l’impiego di tale risparmio per il finanziamento dello Stato; una remunerazione piuttosto stabile del risparmio, malgrado il considerevole aumento della domanda...qui tocchiamo il cuore del sistema. Il resto sono dettagli.” Franck, *Il corporativismo e l’economia dell’Italia fascista*, 102.

Italian state had assumed full control over the provision of credit.⁴ As Mussolini had put it in his 1936 speech on the reorganization of the Italian economy:

“As regards the lending sector – which is to the economy as blood is to the human organism – recent actions have logically brought it under the direct control of the state. This sector, for a thousand reasons, is of absolute pertinence for the State.”⁵

For the INA, the autarky or war economy thus meant a valorization of the function it had been created to perform. Even as the Institute’s rhetoric called for the expansion of *previdenza* for the sake of Italy’s workers, the centralization of savings was a precondition of centralizing national investment. Since the time of Nitti and Giolitti, individual savings had had this dual significance for the INA. Securing citizens and their families’ welfare in times of duress, savings was also a national resource. The expansion of both the INA and the CNAS, now re-baptized as INFPS, were as important in fulfilling Nitti and Beneduce’s visions for the Italian financial economy as were the parastatal holding companies that listed the bonds sold to these Institutes and loaned out the proceeds.⁶ Financing the Italian state’s wars in Ethiopia and Spain, but also the expansion of the modern industries needed to face down international sanctions, Italy’s insurance institutes underwrote the ambitions of Mussolini’s regime.⁷

Whether this was a perversion or fulfilment of the INA’s founding ambitions is a matter of perspective. Neither Nitti nor Beneduce considered war in of itself to be abhorrent. On the contrary, in 1907, Nitti had written that war could be a means of progress.⁸ In 1915, in the dedication of his work *Il capitale straniero* to his Belgian friend, Emilio Vandervelde, he qualified this view:

“You believed that peace needed to endure in Europe; I believed that war was ever a necessity, and, in many respects, also a great force of progress. I can only weep for this prediction, and recognize, that, while war is necessary and can never disappear, there has

⁴ As Franck put it: “Raccolta di risparmio e funzioni di credito sono totalmente controllate dallo stato: “L’Ispettorato controlla in pratica tutto il credito italiano.” Franck, *Il corporativismo e l’economia dell’Italia fascista*, 100.

⁵ “Per quanto riguarda il settore del credito - che sta all’economia come il sangue all’organismo umano- i recenti provvedimenti lo hanno logicamente portato sotto il controllo diretto dello Stato. Questo settore è, per mille ragioni, di assoluta pertinenza dello Stato.” “Il piano regolatore della nuova economia italiana,” in *Opera omnia*, ed. Edoardo Susmel and Duilio Susmel, vol. 27 (Venice: La Fenice, 1959), 245. On the banking law Mussolini was referring to, see Renzo Costi, “The Banking Law of 1936,” *Banca Impresa Società*, no. 3/2012 (2012), <https://doi.org/10.1435/73081>. The nationalizations referred to by Franck, and much other lending activity, was managed through the IRI: see Leandra D’Antone, “L’architettura di Beneduce e Menichella,” in *Storia dell’IRI*, ed. Valerio Castronovo (Roma: Laterza, 2012), 229-268.

⁶ See Leandra D’Antone, “L’Iri di Beneduce e il valore morale del risparmio,” *Imprese e Storia* 41–42 (October 2010): 109–40, <https://doi.org/10.1400/226562>.

⁷ This has of course been noted in the literature on Italian autarky and the social state, but most often is characterized as an abuse of these Institutes’ intended functions. See, for example, Rolf Petri, *Storia economica d’Italia: Dalla grande guerra al miracolo economico (1918-1963)* (Bologna: Il Mulino, 2002), 124; Chiara Giorgi and Ilaria Pavan, *Storia dello stato sociale in Italia* (Bologna: Il Mulino, 2021), 118-126.

⁸ See Francesco Saverio Nitti, *Il Partito radicale e la nuova democrazia industriale: prime linee di un programma del Partito radicale* (Società tip.-editrice nazionale, 1907), 135-138.

never been a modern war that does less for the progress of man than the one that we are now fighting.”⁹

Nevertheless, he continued to believe that the capacity to fight such a war was a sign of national virtue. Quoting his 1907 writings, he wrote:

“One should not, I wrote, consider war as the product of a barbarous society or as a brutal form of egoism: war rather presupposes in those who fight a spirit of individual voluntary sacrifice (*rinunzia individuale*). Those who contribute to the victory, the dead, will not taste the fruit of war. The spirit of indiscipline, the impatience of our democracies, but above all else the egocentric spirit, the mania of individual rights and the demand for individual rights, do not show an elevated spirit, but rather selfishness and weakness.”¹⁰

He called on Italy to overcome these forms of egoism in the present day to develop economically and militarily:

“Italy still has rather modest economic machinery: and yet the effort to develop (*arricchire*) needs to be all the greater to be able to become a great force, or a great military force. Yet this can only come to be with the development of that spirit of discipline and spirit of sacrifice (*rinunzia*) which Italians have never had the sin of being excessive in.”¹¹

In both the general coordinates of its founding mission, and in the concrete form it came to take through the Fascist totalitarian state, the INA was the perfect institution for the needs of Italian autarky. With regard to Italy’s poorer citizens, which the Institute had so struggled to reach,

⁹ “Voi avete creduto che la pace dovesse essere in Europa durevole; io ho creduto invece sempre che la guerra sia una necessità e sotto molti aspetti anche una grande forza di progresso. Devo addolorarmi della mia previsione e riconoscere che se la guerra è necessaria e non potrà scomparire, mai guerra moderna gioverà al progresso umano meno di quella che ora si combatte.” Francesco Saverio Nitti, “Il capitale straniero in Italia,” *Scritti di economia e finanza*, vol. 3, 407

¹⁰ “Non bisogna, io scrivevo, considerare la guerra come il prodotto di una società barbarica e come una forma brutale di egoismo: essi anzi suppone in coloro che vi partecipano uno spirito di rinunzia individuale. Coloro che più contribuiscono alla vittoria, i morti, non godono il frutto della guerra. Lo spirito d’indisciplina, l’insofferenza delle nostre democrazie, soprattutto il loro spirito egocentrico, la mania di rivendicazione di diritti o di pretesi diritti individuali, non dimostrano in generale spirito di elevazione, ma egoismo e debolezza,” Francesco Saverio Nitti, “Il capitale straniero in Italia,” *Scritti di economia e finanza*, vol. 3, 407. Writing in 1927, Nitti would, however, draw a distinction between healthy love for one’s country and nationalism: “L’amore della patria è sacro. La nazione intesa come formazione storica e base della patria, è una idea nobile. Non si può concepire, nella fase attuale di civiltà, alcun sviluppo che non sia base su quei gruppi formati dalla storia e dai sentimenti che si chiamano le nazioni...Lo Stato nazione, quale è concepito dal nazionalismo, è basato sulla diffidenza degli altri popoli, sul programma della forza e della esaltazione della guerra. Non è l’amore della patria, è l’odio delle altre patrie. Ogni Stato nazione, concepito come organismo, non può svilupparsi se non a danno delle altre nazioni. Il nazionalismo è alla nazione ciò che il bigottismo è alla religione: la degradazione di un’idea nobile.” Nitti, “Bolscevismo, fascismo, e democrazia,” *Scritti politici*, vol. II, 255.

¹¹ “L’Italia ha ancora un meccanismo economico assai modesto: e però più grande deve essere lo sforzo di arricchire per potere essere anche militarmente una grande forza. Ma ciò potrà avvenire solo con lo sviluppo dello spirito di disciplina e dello spirito di rinunzia, due cose di cui gli Italiani non hanno mai peccato per eccesso.” Nitti, “Il capitale straniero in Italia,” 407.

Bevione took a similar perspective to that of Nitti in 1915. To spread the Institute's *popolari*, Bevione called for voluntary life insurance to be made mandatory for Italy's workers. In a letter to Mussolini on August 4, 1936, Bevione requested his support for what would be a "true grand social reform."¹² Bevione went so far as to call the universal extension of the small-sum life policy, the *polizza XXI aprile*, a social and economic necessity:

"How might such conditions be obtained? Not by requirement, that is by imposing the *polizza XXI aprile* through law. The Istituto Nazionale delle Assicurazioni under the Fascist regime takes pride in and is defined by freedom of contract, that is the voluntary nature of its clientele. The *polizza XXI aprile* must also find its public on the basis of the spontaneous conviction of those interested... So, free pursuit of new insurance contracts by means of the action of the peripheral organizations of the National Institute, which would need to convince laborers one by one of the benefits of the *polizza XXI aprile*, albeit with the help of the union leaders? Neither is this path the right way. For in this way one cannot conquer the laboring masses, as is necessary to achieve a true grand social reform. Thus, no way forward remains but that of collective labor agreements – that most potent instrument of the Regime, which can serve admirably to this purpose."¹³

Splitting the costs of the premium between the employers and employees, the costs would amount to a reasonable amount for each group, Bevione argued. The labor leaders of the *Confederazioni*, who, in consistency with INA's normal practices, would receive a commission for these large contracts, had already agreed. Bevione however needed Mussolini's help for with a precondition to their agreement: forcing Italy's employers to contribute their share as well.

"It is not up to the Institute to convince the employers... this will be effected by the inherent goodness of the policy, the full, hearty endorsement that the workers' confederations and the Party have given it, the favorable atmosphere that an initiative of this magnificence and social utility will inevitably elicit in the fascist regime, and, above all else, your enthusiastic approval, o' Duce."¹⁴

Mussolini's response, delivered through his secretary to Bevione, was not unenthusiastic, but also not a wholehearted endorsement:

"The Duce has responded favorably to the spirit of the proposal but considers it opportune that concrete determinations with regard to its realization, so as to avoid redundancy or interference with other measures or initiatives, not be separated from judicious study of modalities and timings."¹⁵

¹² Bevione to Mussolini, August 4, 1936, ACS, SPD, CO, b. 1161, 509540/I, sf. 8.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Sebastiani to Bevione, August 18, 1936, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 8.

Mussolini was likely referring to ongoing efforts to consolidate Italy's social insurance system. Following Giuseppe Bottai's departure from the Ministry of the Corporations, in 1933 he had taken on the presidency of the *Istituto Nazionale Fascista della Previdenza Sociale* (INFPS), the successor to the *Cassa Nazionale delle Assicurazioni Sociali*.¹⁶ Just as the INA had sought to consolidate and centralize voluntary *previdenza*, the INFPS sought to do the same for all Fascist social policy transfers, claiming to be "not only considered as an insurance entity, but will be fully invested with the social mission of executive organ of Fascist *previdenza*."¹⁷

As INA sought to exploit the state's rising financial needs to become, effectively, a "second social insurance institute," it thus came to face resistance from a number of quarters.¹⁸ Fascist politicians associated with the INFPS and the Ministry of Corporations – Giuseppe Bottai, Ferruccio Lantini, and Bruno Biagi -- did their best to stop the Institute's expansion. Competition between the INA and Italy's private insurers also escalated in this period. Shut out of the captive *popolari* markets, private insurers found their foreign business under considerable pressure through political upheaval in Europe. While attempting to develop their own *popolari* initiatives, *Generali* and *Riunione Adriatica* competed more aggressively on price, fought to reduce INA's reinsurance premiums, and attempted to assert control over the Institute through the corporative system. When the Fascist state implemented racial laws excluding Jews from Italy's social life, Beviere proposed that the whole Italian private insurance sector be nationalized. The private insurers, in the meantime, reached out to their colleagues in the Nazi insurance industry to attempt to preempt their public competitors' expansion across Europe's shifting borders.

Following Italy's entry into the Second World War, a new *modus vivendi* was established between the three factions: the state social insurer, the state commercial insurer, and the larger private insurance companies. In Mussolini's political interventions, loyalty was rewarded above all else, but the different organizational resources of the competing factions also needed to be kept in balance.¹⁹ In the conflict amongst these three factions, the privileges of managing the larger insurance sector, statutory and commercial were ultimately rebalanced amongst them. From their customer's perspective, however, if not macroeconomically, the nature of these organizations' function had been transformed. Rather than "defending" Italians' savings, these

¹⁶ Giorgi and Pavan, *Storia dello stato sociale in Italia*, 117-118.

¹⁷ "...non solo considerato come un ente assicuratore, ma risulta investito di pieno diritto della missione sociale di organo esecutore della previdenza fascista." *Schema di Regio Decreto concernente il perfezionamento ed il coordinamento legislativo della previdenza sociale in attuazione della Carta del Lavoro*, ACS, PCM, 6.4.4186, cited in Giorgi and Pavan, *Storia dello stato sociale in Italia*, 119.

¹⁸ Alberto Redenti, head of the Fascist private insurers' federation, quote in Tommaso Fanfani, *Alleanza assicurazioni: Cento anni di storia* (Milan: Alleanza Assicurazioni S.p.a., 1998). Pietro Capoferri, the famous Fascist labor leader made almost identical comments in this regard, calling the INA a double of the INFPS, Fabio Bertini, "Il fascismo dalle assicurazioni per i lavoratori allo stato sociale," in *Lo stato fascista*, ed. Marco Palla (Venice: La nuova Italia, 2001), 257.

¹⁹ Didier Musiedlak, "Mussolini, Charisma and Decision-Making," *Portuguese Journal of Social Science* 8, no. 1 (June 1, 2009): 31-41.

Institutes sequestered them.²⁰ The enormous investment expansion heightened Fascist rhetoric regarding the moral value of savings and the imperative to make financial sacrifices for the collectivity.²¹ Economic thinking among Italy's technocrats, in the meantime, had left behind the neoclassical doctrine of Say's Law for the "circuit of capital." Rather than determining investment *ex ante*, savings, and real savings institutions, simply absorbed, or failed to absorb investment. As Mario Perugini and Marianna Astore have argued, this doctrine simply gave a name to the emergent practice of monetary debt financing and financial repression implemented in Italy since the invasion of Ethiopia.²² These practices, in turn drew inspiration from technical exchanges with Germany's *Reichsbank* beginning in the early 1930s.²³ For the INA, as early as 1935, the large investments demanded of it could only be covered by these advances from the Bank of Italy. This incessant demand is the background to the INA's ambitious expansion measures in this period. By the time of the Fascist regime's defeat, as the Italian lira plunged, the INA had more life insurance clients than ever before.

I. INA's Institutional Competitors and the *popolari* Campaign, 1936-1938

In the mid-1930s, the stability in Italian life insurance achieved by the 1923 law and settlement began to unravel. *Generali* and the *Riunione Adriatica* remained INA's only significant competitors in the private sector.²⁴ As has been seen, the private sector supported INA's regulatory action against other types of group funds, as they had their own group insurance business and would also co-insure some public entities with the INA. The *popolari* initiative, however, was the Institute's own. Other than the INA, the only firm that provided this type of insurance in Italy in 1935, *Alleanza Assicurazioni*, was a tiny business.²⁵ As the INA began to invest more ambitiously in the sector, however, management at *Generali* decided to compete as well. In 1935, the firm poached one of the INA's high inspectors, Mario Gasbarri. After Gasbarri's work developing *assicurazioni popolari* in rural northern Italy, in 1931 he had moved to Milan, where he headed the new division responsible for group contract negotiations with all of Northern Italy.²⁶ He would have been closely involved in the negotiations with FIAT and other larger industrial employers for group *popolari* contracts. At the INA's February 1935 board

²⁰ Marcello De Cecco, "La protezione del risparmio nelle forme finanziarie fasciste," *Rivista di Storia Economica* 3, no. 2 (1986): 237–41.

²¹ On this aspect of economic culture, see Francesco Dandolo and Filippo Sbrana, "Le trasformazioni del settore bancario tra le due guerre," in *La cultura economica tra le due guerre*, ed. Piero Baruccio, Simeone Misiani, and Manuela Mosca (Milano: Franco Angeli, 2015). On calls for financial sacrifice, see Petra Terhoeven, *Oro alla Patria. Donne, guerra e propaganda nella giornata della Fede fascista*, trans. M. Cupellaro (Bologna: Il Mulino, 2006).

²² Mario Perugini and Marianna Astore, "The Bank of Italy Goes to War: Financing Fascist Warfare, 1935-1943," in *Giving Credit to Dictatorship: Authoritarian Regimes and Financial Capitalism in Europe during the Twentieth Century*, ed. Valerio Torreggiani and José Luís Cardoso (Taylor & Francis, 2024).

²³ Perugini and Astore, "The Bank of Italy Goes to War," 92-97.

²⁴ See Figure 7.1

²⁵ See Tommaso Fanfani, *Alleanza assicurazioni: Cento anni di storia* (Milan: Alleanza Assicurazioni S.p.a., 1998).

²⁶ Giordani to Staff, October 19, 1931, Raccolta delle circolari, Servizio tariffe e collettive, no. 72.

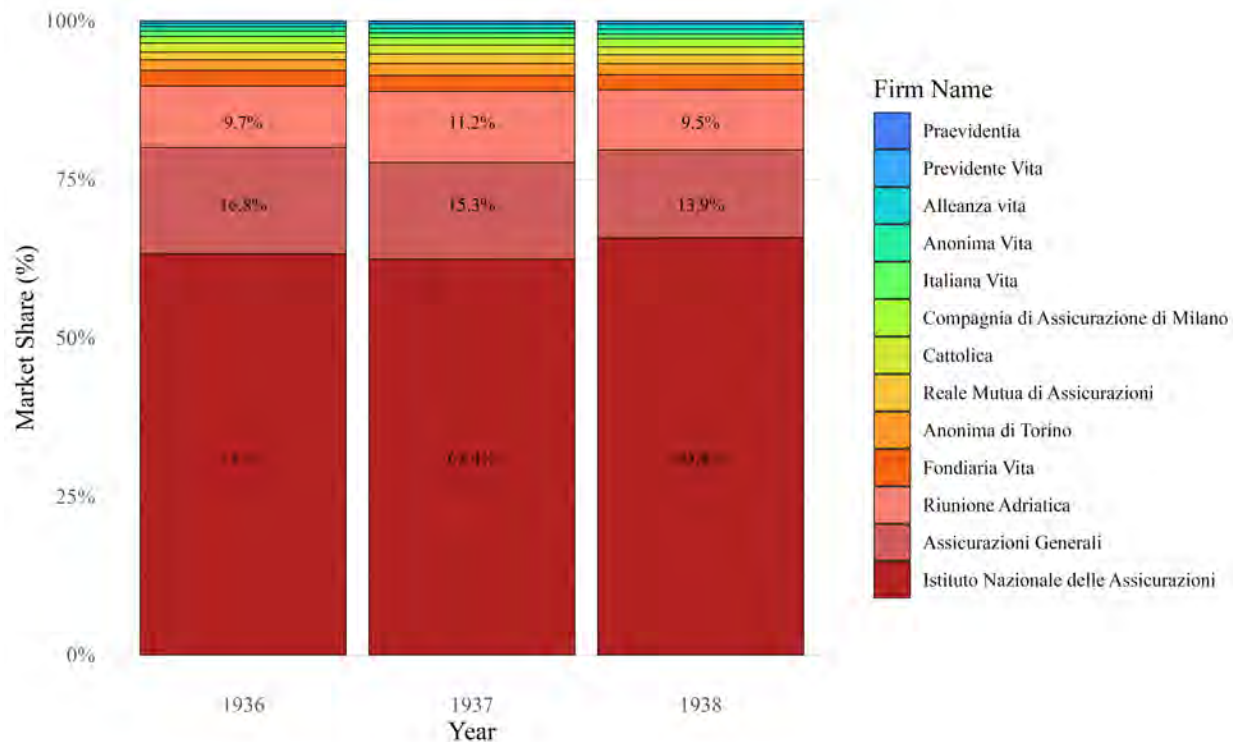


Figure 7.1: “Italian Insurers’ Domestic Market Share, 1936-1938.”

meeting, Giordani noted that he was leaving to work for *Generali*, which had acquired *Alleanza* and made Gasbarri director.²⁷

Gasbarri lost no time in getting the organization up and running. In *Generali*’s board minutes from July 1935, it was reported that:

“*Alleanza Vita Milan* has obtained ministerial approval for the new form of *assicurazioni popolari*, in which both the capital and the premiums are fixed, for all ages, in round numbers, which allows for the policies to have the character of bond notes (*carte valori*). The first results, thanks to the zeal of the new Director Dr. Gasbarri, are promising, to the degree that it has been possible to bring in the first million in business within a few weeks with an (internal) organization that one might call less than rudimentary.”²⁸

²⁷ “Le dimissioni del Dott. Gasbarri sono determinate dal suo passaggio, in qualità di Direttore, ad una Società concorrente collegata con le “Assicurazioni Generali di Venezia.” February 27, 1935, ASIA, VD 1912-1951, IV, VCdA.

²⁸ “L’Alleanza Vita - Milano ha ottenuto l’approvazione ministeriale per la nuova forma di assicurazioni popolari, in cui tanto i capitali che i premi sono eguali per tutte le età ed espressi in somme tonde, il che permette di dare alle polizze il carattere di carte valori. I primi risultati, grazie anche allo zelo del nuovo direttore Dott. Gasbarri, sono promettenti, così che è stato possibile di raccogliere il primo milione di affari in poche settimane con un’organizzazione che può dirsi meno che rudimentale.” “Verbali del Consiglio Direttivo,” July 19, 1935, ASG.

In June 1935, tensions between the companies began to rise over advertising practices. Edgardo Morpurgo had written to complain to Bevione about an ad published in newspapers across Italy that “refers to Italian private insurers in an unkind manner.”²⁹ Bevione read Morpurgo’s letter out loud to Mussolini at a private meeting, and he forwarded a copy of his response to Mussolini’s secretary. While the advertising itself is not contained in the archive, another INA publication from May of that year gives an idea of the type of material it might have contained. Portraying growth in sales and premiums on a speedometer, the INA is shown to be rapidly outpacing the competition. The ad cited by Morpurgo contained a ranking of all European insurance firms by size, with the INA at the top. As Bevione put it in his response to Morpurgo: “No one, not even a layman, can be surprised that it is not an Italian private company in first place; the fact that nevertheless a national entity is there (in first place) is something no Italian can be unhappy about.”³⁰

Bevione’s handling of this incident, or perhaps other conflicts with private insurance, was received favorably in higher quarters of the government. Remarking on Bevione’s potential candidacy for Minister of Finance, an informant noted “that he never took Beneduce seriously and knew to fight certain Jewish groups of Trieste.”³¹ A year before Bevione’s briefing of Mussolini on his conflict with Morpurgo, in June 1934, confidential lists containing the names of each member of the two Triestine firms were sent to Mussolini’s special secretary.³² Providing information on the ethnicities (“Jew,” “Greek,” “enthusiastic Slav,” “Israelite”) and political loyalties (“Austria supporter,” “Austrian citizen,” “Austrian citizen,” “Austrian, fired employees who sinned by being Italian”) of each member, the lists were accompanied by a memo explaining the firms’ religious and kinship connections:

“As regards the religions of many of the components of the two Companies’ Councils, one must keep in mind that the groups of the Morpurgos, the Aras, the Brunners, the Luzzattos, the Bessos, etc. have multiplied, extending kin relations through marriages, even between blood relatives, to such an extent that the union of the various families can be considered insoluble...moreover, the shares of the two Companies are mostly held by these very families, who thus impose their own direction on the administration of the Firms.”³³

²⁹ “...chiami in causa in modo non simpatico gli assicuratori privati italiani.” Bevione to Morpurgo, May 29, 1935, ACS, SPD, CO, b. 1161, 509540/I, sf. 7.

³⁰ “Nessuno, anche profano, può sorprendersi che al posto No. 1 non sia proprio una Compagnia privata italiana, e il fatto che vi sia comunque un Ente nazionale non può dispiacere a nessuno in Italia.” May 29, 1935, ACS, SPD, CO, b. 1161, 509540/I, sf. 7.

³¹ “...che non ha mai preso sul serio il Beneduce e che ha saputo combattere certi gruppi ebraici triestini.” September 20, 1935, “Bevione, Giuseppe”, ACS, MdI, DGPS, DPP, fascicoli personali, n. 130.

³² The lists are found in ACS, SPD, CO, “Assicurazioni Generali di Venezia” and “Riunione Adriatica di Sicurtà.”

³³ “Ebreo”, “Greco”, “Slavo sfegatato”, “Israelita”, “Austriacante”, “citt. Austriaco”, “Austriaco, licenziava impiegati che peccavano d’ital.” “Per quanto riguarda poi le religioni di molti dei componenti dei Consigli delle due Compagnie, bisogna tener presente che i gruppi dei Morpurgo, degli Ara, dei Brunner, dei Luzzatto, dei Besso, ecc. si sono talmente moltiplicate [sic], stringendo attraverso matrimoni, anche tra consanguinei, vincoli di parentela tali

The two companies, of course, had plenty of enemies who could have prompted the investigation, which may well have derived from the Ministry of the Interior or from Mussolini's own initiative. Mussolini's own antisemitism manifested in suspicions of Jewish disloyalty, bringing the international Triestine private firms under ever closer scrutiny.³⁴

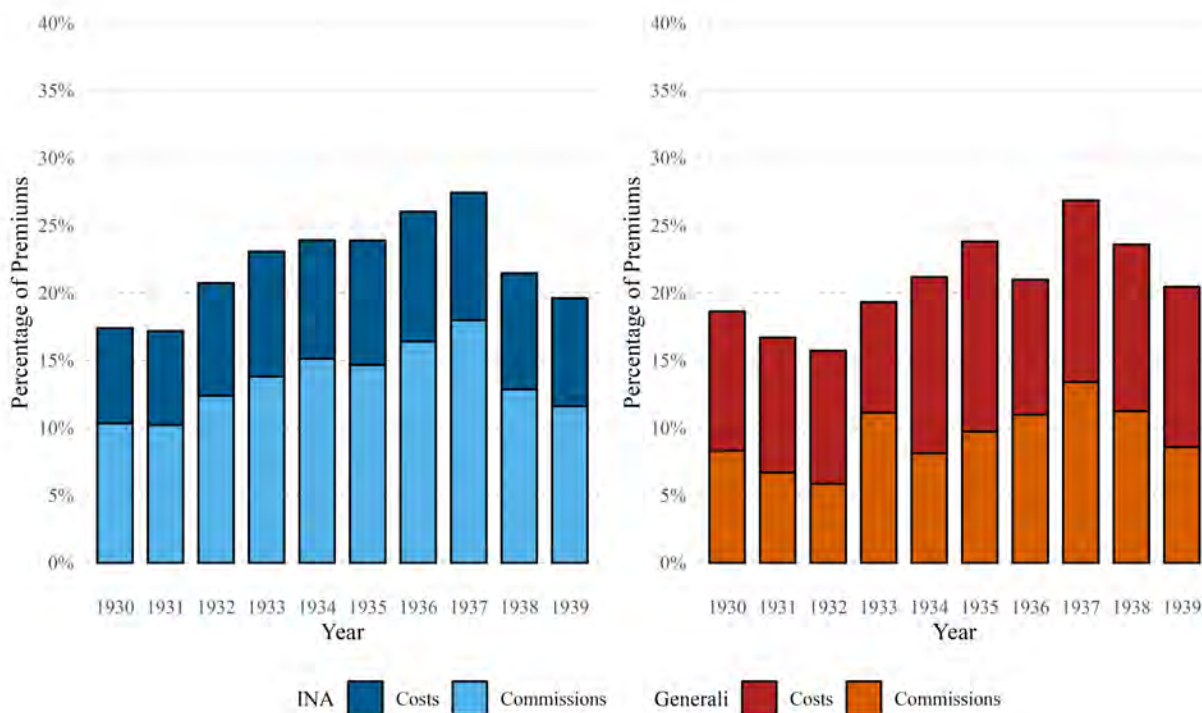


Figure 7.2: "INA and Generali's Expense Ratios, 1930-1939."

As the INA aggressively expanded into new captive markets, the private companies responded by demanding reductions in their legal reinsurance premiums to INA. The pretext for their demand was rising sales expenses. As commission rates were not effectively regulated by the Ministry, a price war among the larger firms could escalate quickly. While it is difficult to get a holistic picture due to limited data, *Generali* at least seems to have seen rising sales and administrative expenses in this period, posting higher cost ratios and higher commissions as a percentage of new sums insured.³⁵ To cover these additional commissions, which, the INA alleged now rose to 85% to 90% of the first year's premium, the private firms requested that they pay a lower rate of reinsurance to the INA. In INA's reinsurance rates, 70% of the first year's

che l'unione tra le varie famiglie può considerarsi indissolubile...d'altronde le azioni delle due Compagnie sono per la massima parte detenute dalle suddette famiglie, che naturalmente imprimono nell'amministrazione delle Società, il proprio indirizzo." Anonymous memo received by Mussolini's special secretary on June 4, 1934, ACS, SPD, CO. "Assicurazioni Generali di Venezia" and "Riunione Adriatica di Sicurtà."

³⁴ Renzo De Felice, *Storia degli ebrei italiani sotto il fascismo*, (Torino: Einaudi, 1988), 143-145.

³⁵ See Figure 7.2 and Figure 7.3.

premium were assumed to go towards sales costs, which were subtracted in proportion from the reinsurance premium paid to the INA.³⁶

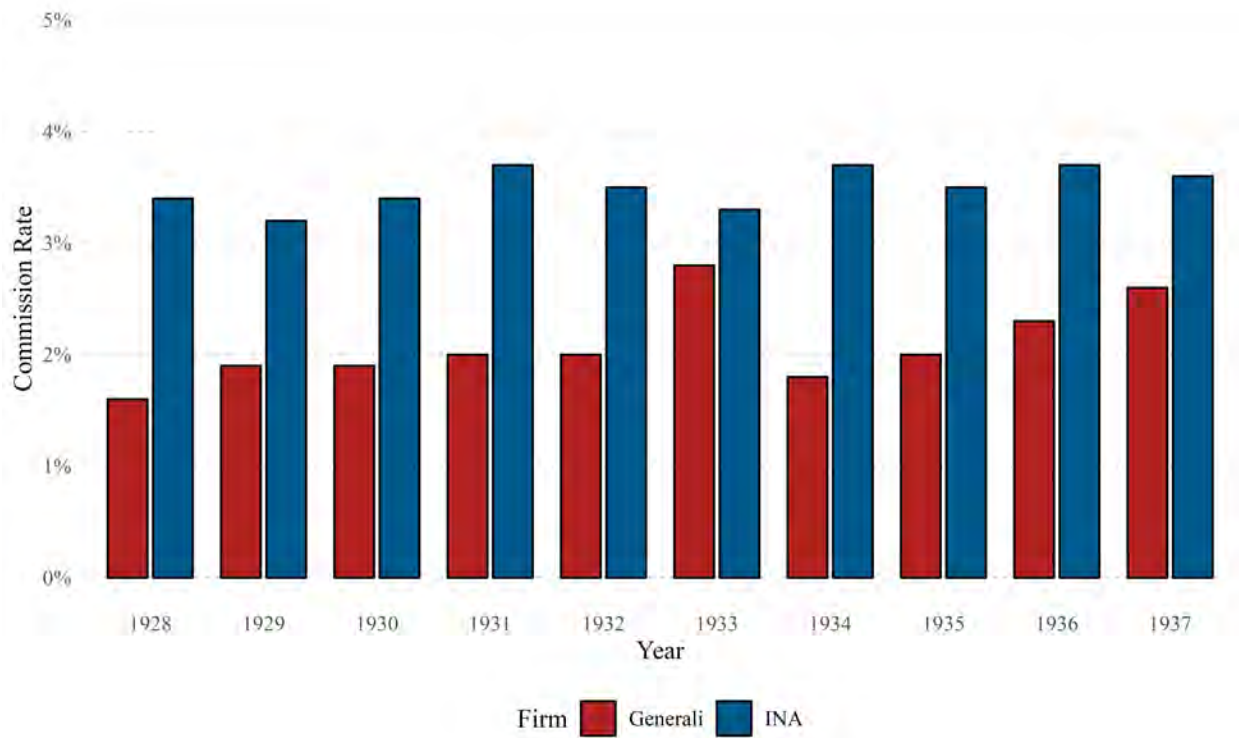


Figure 7.3: “INA and Generali’s Effective Commission Rates, 1928-1937.” Figures derived from dividing sales premiums over new sums insured.

Kickbacks of commissions through *abbuoni* (credits) to the insured were a common sales tactic in Italian insurance in this period. In June 1936, the INA and the private insurers had failed to reach an agreement to abolish the practice.³⁷ While frequently complaining about the competition’s use of these methods, INA’s board members acknowledged doing it themselves as well:

“It is well known that the actual cost of sales is represented only in part by the real compensation of the Agents and Salesmen, a part that is certainly large and disappears in kickbacks and in another illegal ways of hogging sales, methods which the Agents of the best Companies and even of the Institute see themselves compelled to use, if they do not want to lose ground to the competition...a kickback is almost always the leverage used for obtaining the cancellation of our active contracts.”³⁸

³⁶ November 6, 1936, ASIA, VD 1912-1951, IV, VCdA.

³⁷ June 16, 1936, ASIA, VD 1912-1951, IV, VCdA.

³⁸ “È ben noto che soltanto una parte dell’attuale costo della produzione rappresenta il reale compenso degli Agenti e Produttori, una parte certamente notevole e dispersa in abbuoni e in altre forme illecite di accapparramento della produzione, forme a cui anche gli Agenti delle migliori Compagnie e dello stesso Istituto si vedono costretti, se non

At their March 3, 1937 board meeting, Giordani reported on two motions made by the *Corporazione della Previdenza e del Credito* that had reached the effective executive body for the *Corporazioni*, the *Comitato Centrale Corporativo*. The first motion regarded the abolition of premium kickbacks, the second motion called for the technical committee of the *Corporazione* to make changes to the existing relationship with the INA:

“The Corporative Technical Committee of Insurance, by request of the National Fascist Federation of Insurance Companies, will examine the complex problem of the relationship between the National Insurance Institute and the private insurance Companies, with the aim of formulating recommendations that it will see fit to submit to the competent Authorities of the Government.”³⁹

The *Comitato Centrale Corporativo* (Central Corporative Committee, the executive body of the *Consiglio Nazionale delle Corporazioni*) had however declined to take up the second motion. Bevione promised to the board that he would make sure the relevant Ministries were made aware of this attempt to regulate the INA through the Corporative system.⁴⁰ In general, Bevione’s position with Mussolini and among the Ministries put the private insurers at a serious disadvantage. When the *Riunione Adriatica* applied to the Ministry of Corporations to offer their own *polizza XXI Aprile*, the Minister of Corporations, Ferruccio Lantini, informed Bevione of their submission. Bevione then wrote a brief against approving the application, which he forwarded to Mussolini. Lantini also opposed the entry of new competition in “so delicate of a sector.”⁴¹

Nevertheless, the somewhat ambiguous position of the Institute between commercial insurance and social insurance made for competitors from the state side of insurance as well. In the INA’s attempt to extend its special life insurance policies across Italian society, the consolidated INFPS, led by Giuseppe Bottai, was a serious rival. Bottai sought to rationalize the management of the INFPS’s many separate funds, consolidating their finances. With the Institute’s mission to become the “executive organ of Fascist *previdenza*,” the potential for conflict with INA was clear. The INA seems to have specifically raised the issue at some point with Mussolini or his Ministers, as in January 1935, Bottai wrote to Mussolini’s secretary regarding the

vogliono perdere terreno di fronte ai concorrenti...Lo abbuono è quasi sempre la leva per fare lo storno dei nostri contratti in corso.” November 6, 1936, ASIA, VD 1912-1951, IV, VCdA.

³⁹ “Il Comitato Tecnico Corporativo delle Assicurazioni, su richiesta della Federazione Nazionale Fascista delle Imprese assicuratrici, esaminerà il complesso problema dei rapporti fra l’Istituto Nazionale delle Assicurazioni e Compagnie private di assicurazione, allo scopo di formulare quei voti che riterrà opportuno sottoporre alle competenti Autorità di Governo.” March 3, 1937, ASIA, VD 1912-1951, IV, VCdA.

⁴⁰ “Il Presidente dà assicurazione che sarà sua cura eventualmente interessano i Ministri competenti di tutelare anche su questo punto gli interessi dello Istituto, che coincidono del resto con quelli più generali del mercato assicurativo italiano.” March 3, 1937, ASIA, VD 1912-1951, IV, VCdA.

⁴¹ “...un settore tanto delicato.” May 7, 1937, ASIA, VD 1912-1951, IV, VCdA.

“unfoundedness of the fears of the National Insurance Institute regarding competition from the INFPS.”⁴²

In April 1936, the INA’s plans to push for mass distribution for the *popolari* through the Fascist syndicates was coming along steadily. Bevione finally obtained the publicity moment that he had wanted with the signing of the special association agreement between the *Confederazioni* and the Institute in the presence of Mussolini:

“The Director General reports to the board regarding the reception that the Head of Government acceded to hold for the Representatives of the Institute and to the *Confederazioni dei Lavoratori*, who presented to him the draft of the agreement regarding the new *polizza popolare XXI Aprile*. The Duce was extremely pleased with the results obtained; he approved the new type of policy and expressed the hope that the collaboration between the Institute and the Syndicates will lead to the collection of millions of contracts among the working masses. The President, the Director General, and the Presidents of the *Confederazioni* were also received by the Vice Secretary and by the Administrative Secretary of the Party. The special Committee will form an organizational plan for the collection of these contracts as soon as possible.”⁴³

Given his enthusiastic support for the association agreement, Mussolini’s lukewarm response to Bevione’s subsequent proposal for mass group contracts, as cited in the introduction to the Chapter, may have come as a surprise. The Institute nevertheless pressed ahead with the original plan, while *Confederazioni* extending an invitation to the employers’ organizations to participate in the organizing committee:

“The work of propaganda is very intense, in tight collaboration with the *Confederazioni dei lavoratori*. Following the vote of the special Committee, the *Confederazioni dei Datori di Lavoro* (Employers’ Confederations) were invited to participate and most have already joined.”⁴⁴

⁴² “Infondatezza dei timori dell’Ist. Naz. Assicurazioni per una concorrenza dell’Ist. Naz. Fascista Prev. Sociale.” ACS, SPD, CO, b. 1174, sf. 3, “Gestione ecc. Bottai gen. 1933-feb. 1935.”

⁴³ “Il Direttore General riferisce al Consiglio circa l’accoglienza che il Capo del Governo volle riservare ai Rappresentanti dell’Istituto e delle Confederazioni dei Lavoratori che gli sottoponevano il progetto di accordo relativo alla nuova polizza popolare XXI Aprile. Il Duce si compiacque vivamente per i risultati raggiunti, approvò il nuovo tipo di polizza e auspicò che la collaborazione fra Istituto e Sindacati portasse a raccogliere milioni di contratti fra le masse lavoratrici. Il Presidente, il Direttore Generale, e i Presidenti delle Confederazioni sono state anche ricevuti dal Vice Segretario e dal Segretario Amministrativo del Partito. Quanto prima l’apposito Comitato si occuperà del piano di organizzazione per la raccolta di questi contratti.” April 24, 1936, ASIA, VD 1912-1951, IV, VCdA.

⁴⁴ “È molto intenso il lavoro di propaganda, in stretta collaborazione con le Confederazioni dei lavoratori. In seguito al voto espresso dall’apposito Comitato si sono invitate a partecipare al Comitato stesso le Confederazioni dei datori di lavoro, che in massimo hanno già aderito.” September 26, 1936, ASIA, VD 1912-1951, IV, VCdA.

1936 was a banner year, with the best results for *popolari* thus far.⁴⁵ In lieu of sectoral collective contracts, which remained in negotiation within the committee, the INA pressed ahead with its sales methods involving the Fascist party and syndicates, with which it shared portions of the commissions.

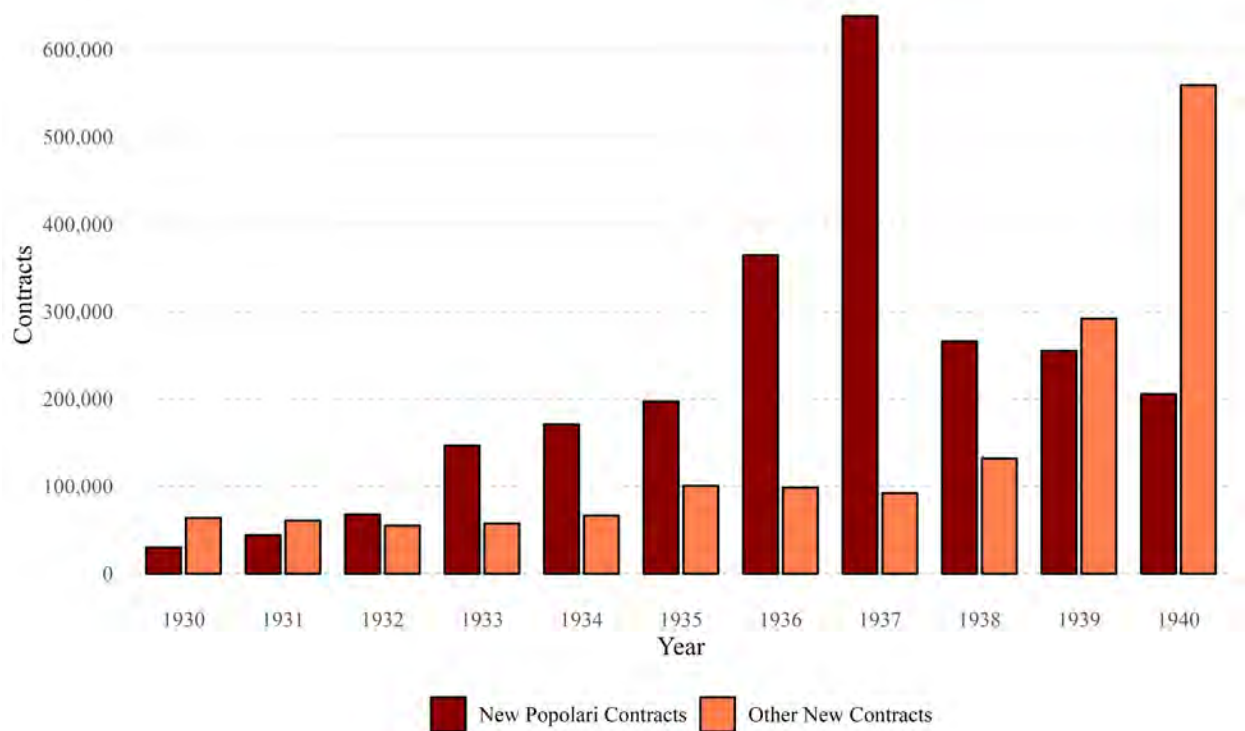


Figure 7.4: “INA’s New Contracts in *popolari* and Other Branches, 1930-1940.”

In March 1937, the Minister of Corporations, Ferruccio Lantini, intervened to stop the Institute’s campaign to spread these policies among industrial workers. Lantini claimed to have received reports of highly coercive practices on the part of the Institute’s sales operations:

“It seems that, in fact, rather than undertaking the individual work of persuasion, the Institute’s agents, in many centers, obtain the stoppage of work announced by siren, assemble the workers on the factory floor, and at these assemblies promote the benefits of the policies, then immediately circulating a sign-up form. At times local *gerarchi* make appearances at these assemblies and *carabinieri* are present to preserve order. It seems that, due to the manner in which the promotion is conducted, many individuals are unsure how to refuse, or are unable to refuse, to sign themselves up, but after the first or second payment period, when presented with the withholding receipt, many complain and refuse to make the payment, protesting that they are unable to do so.”⁴⁶

⁴⁵ See Figure 7.4.

⁴⁶ Lantini to Bevione, March 13, 1937, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 9.

Lantini called on Bevione and the Institute to immediately cease and desist all sales methods that could give even the appearance of coercion, specifically requesting that local Fascist leaders not be present at these events.⁴⁷ Moreover, Lantini forwarded the letter to the heads of the *Confederazioni* as well as the leaders of the employers' confederations:

“This Ministry wishes to bring to the attention of the *On. Confederazione*, confidentially, a copy of the letter which it has just sent to the *On. Istituto Nazionale delle Assicurazioni*, making it aware of the necessity that, in promoting the sale of the insurance policy *XXI Aprile*, all methods of propaganda that could however result in even the appearance of coercion to enroll be avoided.”⁴⁸

Bevione then discussed the issue personally with Mussolini. On April 16, following up on their discussion, he sent a copy of Lantini's letter to the *Confederazioni* as proof of Lantini's efforts to obstruct the *popolari*. He trusted that Mussolini would be able to assist him in the matter.⁴⁹ It is unclear whether Mussolini then directly intervened. Even if he did, Lantini's letter may have undercut the aura of total regime support that Bevione wished to conjure.

Internally, the firm's leadership dismissed the allegations of coercion as completely unfounded. Bevione celebrated the success of the collaboration with the syndicates at the September 1937 board meeting:

“The President is pleased to note that the Syndicates collaborate with conviction in the distribution of the *polizza XXI Aprile*, to the degree that the Institute has heard echoes of concerns that, however, are without foundation, as the work is taking place without any illicit pressure and with the greatest respect for the liberty of the clients.”⁵⁰

Nevertheless, unmistakable evidence of the insurance policies' unpopularity among the working classes soon emerged internally. The following report further suggests that no small degree of coercion was employed in hitting the stunning yearly sales figures the Institute was obtaining.⁵¹ Giordani's response to these reports is illustrative of his broader attitudes towards the project:

⁴⁷ Ibid.

⁴⁸ “Questo Ministero ritiene opportuno di portare a conoscenza di codesta On. Confederazione, in via riservata, copia della lettera, che ha testè diretto all'On. Istituto Nazionale delle Assicurazioni per far presente la necessità che, nel diffondere il collocamento della polizza di assicurazione XXI aprile, sia evitato qualsiasi metodo di propaganda che possa comunque risolversi, anche nell'apparenza, in una coartazione alla sottoscrizione.” March 15, 1937, Ministry of Corporations to all *Confederazioni*, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 9.

⁴⁹ “Ritengo utile che Ella, anziché parlare di impressioni, possa mettere sotto gli occhi delle prove...grato infinitamente per questo suo prezioso aiuto.” Bevione to Mussolini, April 16, 1937, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 9.

⁵⁰ “Il Presidente si compiace di rilevare che i Sindacati collaborano con fede per la diffusione della polizza XXI Aprile, tanto che all'Istituto è giunta l'eco di preoccupazioni che però non hanno ragione di essere perché il lavoro si svolge senza pressioni illecite e col massimo rispetto della libertà degli assicurandi.” September 29, 1937, ASIA, VD 1912-1951, IV, VCdA.

⁵¹ See Figure 7.4

“The Director General notes that the experience of these last years have shown that even in Firm Groups in which the employer has taken on the responsibility of withholding the insurance premiums from salaries, as soon as the third year of the premium has been paid, the workers request the cash surrender value of the policy *en masse*; and rather often the request has been accepted, due to, rather than any urgent economic necessary, the indifference of the employers, who, having been asked, do not undertake any effective action to preserve the act of *previdenza*. Among the individual *popolari* insurance policies, the tendency towards surrender is also quite noticeable and, at least in part, derives from the lack of comprehension of the act of *previdenza* which has been carried out. In each of these cases, one cannot completely exclude the hypothesis that the salesman takes action, quite unwelcomely, hoping to follow up on the surrender of the policy with the closure of a new contract before too long. While the surrender of the policy does not take place to the detriment of the insuring entity, it is clear that in the specific case of the *assicurazioni popolari*, essentially workers’ policies, taking a higher social perspective, one ought to employ all devices that might promote the greatest possible consistency in the *popolare* contract, stopping the portfolio from being turned over too often, with the consequent damaging repercussions.”⁵²

While the Institute would have set surrender values to recoup its administrative expenses, portfolio turnover, of course, would have had an impact on the Institute’s premium revenues. As shall be seen in part IV, the Institute was strapped for liquidity in this period.⁵³

In any case, Giordani blamed the mass policy surrenders on Italy’s industrial workers’ own ignorance, even on unscrupulous salesmen, anything but the coercive sales methods of the Institute or the workers’ precarious economic situations. He then took actions he believed would better protect their interests:

“The Director General proposes, in full agreement with the directors of the four *Confederazioni dei Lavoratori*, who were consulted in a meeting of the Committee *XXI Aprile*, to allow for policy surrender on normal terms only after five years of premiums,

⁵² “Il Direttore Generale fa presente che la esperienza di questi ultimi anni conduce a rilevare che anche in Gruppi Aziendali nei quali il datore di lavoro si è assunto l’impegno di trattenere sui salari la quota del premio di assicurazione appena compiuta la terza annualità di premio gli operai richiedono in massa il riscatto della polizza; e assai spesso la richiesta ha seguito, più che per necessità economiche impellenti, per indifferenza dei datori di lavoro che, pure sollecitati, non appongono alcuna efficace azione tendente a far conservare l’atto di previdenza. Tra le assicurazioni individuali popolari la tendenza al riscatto appena maturato il triennio è pure rilevabile e, in parte almeno, dipende da scarsa comprensione dell’atto di previdenza compiuto. In tutti i casi non si può del tutto escludere l’azione, non desiderato in tal senso, del produttore che, a seguito di un riscatto, spera di far seguire in tempo più o meno breve, un nuovo contratto. Per quanto il riscatto non sia operazione dannosa all’Ente assicuratore, è certo che nel caso specifico delle assicurazioni popolari essenzialmente operai, è opportuno, da un superiore punto di vista sociale, mettere in opera tutti gli accorgimenti che possono conferire al contratto popolare la maggiore possibile consistenza, evitando il troppo rapido rinnovarsi del portafoglio e le conseguenti dannose ripercussioni.” January 26, 1938, ASIA, VD 1912-1951, IV, VCdA.

⁵³ See Figure 7.5.

allowing for the insured however to request the policy surrender after three years of premiums for urgent reasons of need. For those insured through the policy *XXI Aprile*, these urgent reasons of need will need to be approved of by the competent syndical organizations.”⁵⁴

The syndicates, who also received bonuses for conserving their portfolio, would be given the authority to decide whether the insured could be released from their contracts and be returned their savings.

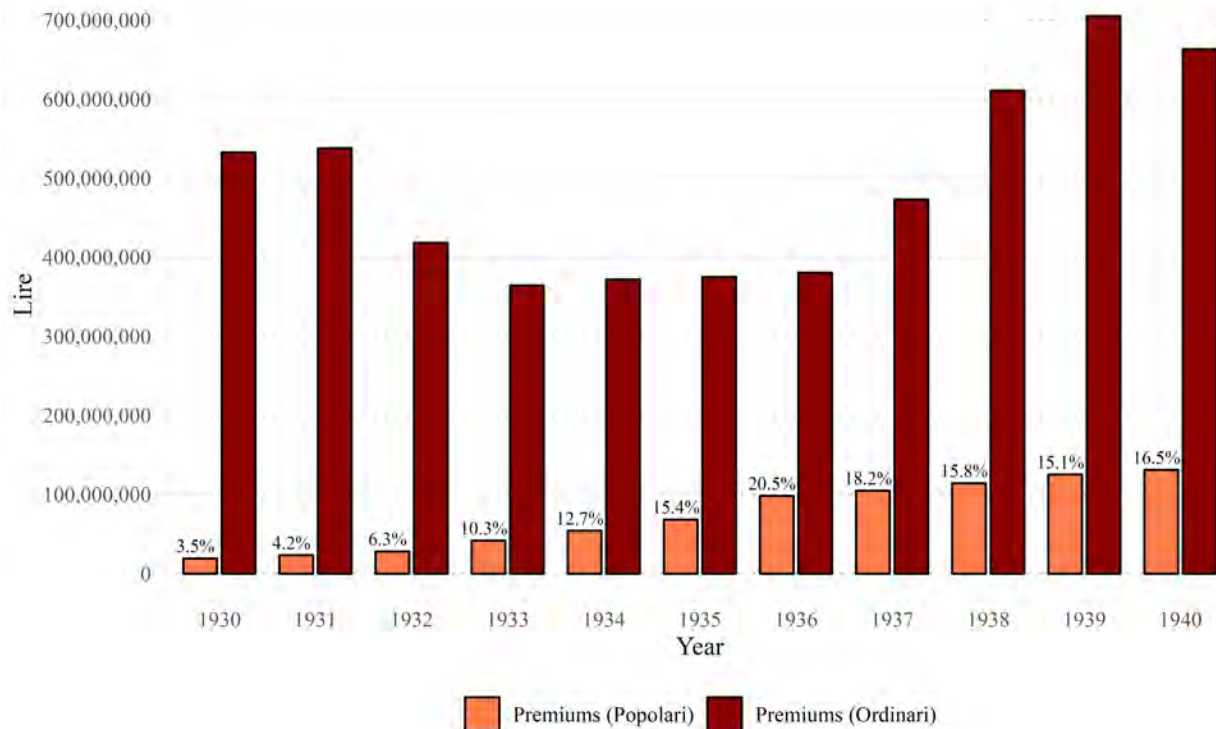


Figure 7.5: “The INA’s Yearly popolari Premiums and Traditional Life Premiums, 1930-1940.” The percentages express the relative size of the popolari business compared to the traditional life sector.

Whether through arrogance, self-interest, or delusion, this paternalistic attitude towards Italy’s working poor was entirely consistent with the Institute’s approach to the spread of *previdenza*, which, since the time of Toja and Beneduce, they had believed to be a problem of education as much as economics or organization. The coercive practices of the INA in other areas are confirmed through numerous complaints that found their way to Mussolini’s secretary. On April 6, 1936, for example, Genoese schoolteachers complained of “propaganda undergirded by

⁵⁴ “Il Direttore Generale propone, di pieno accordo con i dirigenti delle quattro Confederazioni dei Lavoratori, che sono stati appositamente consultati in una seduta del Comitato della XXI Aprile, di consentire il riscatto in via normale soltanto dopo cinque annualità di premio, salvo sempre la possibilità da parte dell’assicurato di richiedere tale riscatto dopo il pagamento delle tre prime annualità di premio per motivate ragioni di necessità. Per gli assicurati in forma XXI Aprile, tali motivate ragioni di necessità dovranno essere riconosciute dalle competenti organizzazioni sindacali.” January 26, 1938, ASIA, VD 1912-1951, IV, VCdA.

threats” from the Institute’s inspector; on February 9, 1939, the Turinese prefect reported “discontent among Turinese workers due to incessant propaganda for the *polizza XXI aprile*.”⁵⁵ High rates of policy lapses and surrenders continued to be observed internally and were analysed in an article for INA’s in-house journal.⁵⁶

In 1939, Giordani blamed the problem on the Fascist syndicates, who he accused of enrolling “workers who, whether due to the size of their salary or to disruptions in their employment, have not been able to continue to make the payments.”⁵⁷ Calling on General Agents to discipline their collaborators in the Syndicates, Giordani simultaneously exhorted the Agents to hit higher yearly figures or risk being dismissed:

“To those who show themselves to be resting on positions reached in previous quarters and particularly to those who systematically do not worry too much about sales in the first quarters as they ought to, but instead rush to make up for it at the close of the year with hurried work of little consistency, to these individuals we must say, indeed we are pushed to say by necessity, that these are not times of rest, and that the Institute will not be able to tolerate slowpokes in its own ranks. We are living in times of acceleration (ore in cui si debbono bruciare le tappe) and for this reason we call on this faction to get in line, as we are closely watching them, and we will not be able to postpone the reexamination of certain Agencies’ situations should any case demand it.”⁵⁸

Strong incentives were thus present to hit sales figures at all costs and worry about portfolio retention later. Giordani himself was feeling the pressure from the Institute’s own finances. In this period, the INA made huge commitments to yearly state debt issues, which it could only finance through advances from the Bank of Italy in the hundreds of millions of lire.⁵⁹ Taking on additional debt each year, the Institute needed to grow its sales to hit revenue goals and cover these expected payments.

⁵⁵ See December 22, 1935, April 6, 1936, March 13, 1937, and February 9, 1939, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 7, 8, 9, 11.

⁵⁶ As the author put it: “the growth of collective production, which, harvesting indistinct masses of workers, tends to lower the average age of the insured, who, otherwise, would have come to insurance, normally, at a more mature age.” Roberto Masciotti, “Indagini statistiche sulle assicurazioni popolari”, ASIA, Atti I.N.A., vol. XII, 1939.

⁵⁷ “Contrariamente infatti alle direttive impartite da questa Direzione Generale la produzione della polizza XXI Aprile è stata talvolta acquisita presso lavoratori che o per la misura del salario o per la discontinuità della loro occupazione non hanno poi avuto la possibilità di continuare i pagamenti del premio.” Giordani to Inspectors and General Agents, February 9, 1939, Raccolta delle circolari, no. 330. See also no. 310, 316.

⁵⁸ “A quelli invece che mostrano di rimanersene assisi sulle pozioni raggiunte negli esercizi scorsi e soprattutto a quelli che sistematicamente all’inizio dell’esercizio non si preoccupano, come dovrebbero, della produzione e corrono ai ripari solo alla chiusura con un lavoro affrettato e quindi di scarsa consistenza, a costoro noi dobbiamo dire, ed è la necessità che ne sospinge, che questi non sono tempi di sosta e che l’Istituto non potrà tollerare tardi gradi fra le proprie fila. Viviamo ore in cui si debbono bruciare le tappe ed è pertanto che rivolgiamo a quest’altra schiera di mettersi in riga perché noi li seguiamo attentamente e non potremmo rinviare il riesame di talune situazioni agenziali qualora il caso lo richiedesse.” May 30, 1939, ASIA, Raccolta delle circolari, no. 354.

⁵⁹ See section IV. For a cross-section of the INA’s investments, see Figure 7.9.

While Giordani seems to have genuinely believed that high lapse and surrender rates reflected mistakes, ignorance, and isolated bad practices, Bevione likely took a more cynical view. A smooth political operator and experienced publicist, the contradictions between the idea that the Institute “takes pride in and is defined by freedom of contract, that is the voluntary nature of its clientele” and its mass group agreements would not have eluded him.⁶⁰ To Italy’s private insurers, Bevione is alleged to have even said that “Italians will appreciate *assicurazioni popolari* through it being forced upon them.”⁶¹

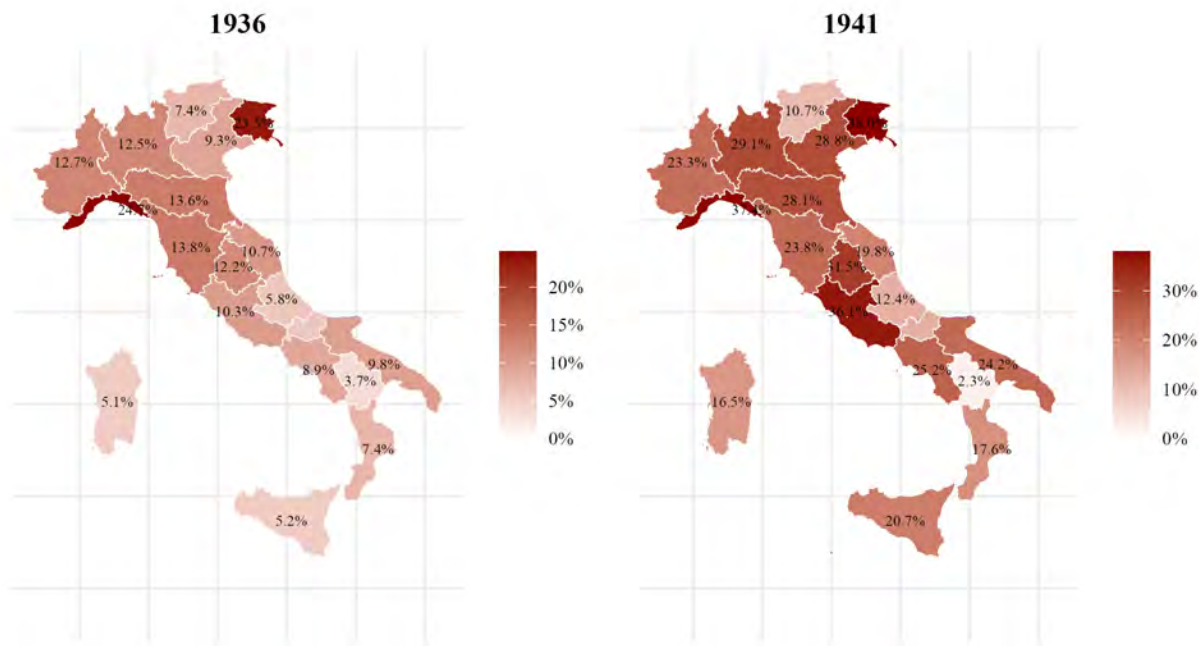


Figure 7.6: “Percentage of Italian Families with an INA Insurance Policy by Region, 1936 and 1941.”

In any case, the branch continued to rapidly expand, even while 1936 proved the peak for new contracts.⁶² Lantini’s intervention may have had some effect, or perhaps the Institute simply exhausted the supply of industrial workers that could be captured through their working methods. Beginning in 1938, the Institute extended the same model to the rural sector, working with the fascist syndicates, and, crucially, the new state grain-purchasing monopoly of the *Enti Ammassatori di Grano*. The grain monopoly played the same role as Italy’s industrial employers in the scheme, withholding insurance premiums from their payments to agricultural clients.⁶³ These contracts were among the most technically inventive, offering temporary exemption from premium payments in the event of bad harvests. A reduction of 50% in the total yields of given

⁶⁰ Bevione to Mussolini, August 4, 1936, ACS, SPD, CO, b. 1161, 509540/I, sf. 8.

⁶¹ “...gli italiani avrebbero apprezzato le assicurazioni popolari, imponendogliele.” Quoted in Fanfani, *Alleanza assicurazioni: Cento anni di storia*, 169.

⁶² See Figure 7.4

⁶³ February 23, 1938 ASIA, ASIA, VD 1912-1951, IV, VCdA; October 25, 1938, ASIA, Raccolta delle circolari, n. 305. On the *Enti ammassatori*, see Manuel Vaquero Piñeiro, “Rastrellare il grano: gli ammassi obbligatori in Italia dal fascismo al dopoguerra,” *Società e storia*, no. 2 (2015): 257–93.

products for the insured's particular region allowed for a eighteen-month reprieve, a reduction of 60% allowed for the payout of one quarter of the policy.⁶⁴ By 1941, the Institute had succeeded in penetrating into more of these rural, harder-to-reach areas, as can be seen in Figure 7.6 above.

While the *popolari* campaign was a success for the Institute in terms of political influence, financing power, and market share, it was costly to implement. Administrative costs and commission costs rose dramatically through 1937.⁶⁵ The division only achieved a yearly operating profit after more than ten years of work in 1940.⁶⁶ *Generali's* own subsidiary had similar difficulties, necessitating direct loans from their parent company in 1936 and 1938 to offset large operating losses.⁶⁷ The small yearly profits reported by the firm in its official publications were largely an accounting fiction; *Generali* considered folding up the business completely in 1939.⁶⁸ As even the state Institute, with all of its advantages in reaching customers, struggled to make a profit, this is hardly surprising. When Johannes Krohn of the German Labor Ministry referenced the Italian example regarding the high costs of *Volksversicherung*, these difficulties were likely precisely what he was referring to.⁶⁹

II. The INA and Trieste's Private Insurers, 1938-1942

As Italy prepared for a larger European war, formalizing its alliance with Germany in May 1939, the Italian insurance sector would be thrust into upheaval. Inflationary dynamics in the war economy, the restructuring of the insurance business in the new territories of the Third Reich, and the Italian racial laws would present dangers and opportunities for each branch. The ultimate result, on the institutional level, was a rebalancing of their institutional terrains, based on formal functional distinctions and political settlements. On a personal level, however, the presidents of the private insurance firms, Edgardo Morpurgo and Arnaldo Frigessi di Rattalma, were removed from their leadership positions and other Jewish members of their board were fired. Giuseppe Volpi di Misurata, the Venetian industrialist and financier, and Fulvio Suvich, at the time Italy's Ambassador to the United States, took over the companies.⁷⁰ Despite Bevione's best efforts, the private firms remained firmly independent, while the INFPS, now led by Ferruccio Lantini, secured its place as the leading social insurance institute in Italy. Nevertheless, Bevione's efforts

⁶⁴ Giordani to staff, May 14, 1938, ASIA, Raccolta delle circolari, no. 270.

⁶⁵ See Figure 7.2.

⁶⁶ "Il Direttore generale ringrazia e aggiunge alle comunicazioni già fatti da sommarie notizie del bilancio della speciale gestione per l'assicurazione popolare che nel 1940 per la prima volta, dopo ammortizzare interamente le spese di produzione chiude con un beneficio netto." May 29, 1941, ASIA, ASIA, VD 1912-1951, IV, VCdA.

⁶⁷ A loan of 820,000 lire was made to cover a 600,000 lire loss in 1936; another one million was extended by *Generali* in 1938. July 27, 1936, July 18, 1938, "Verballi del Consiglio Direttivo," ASIA.

⁶⁸ Tommaso Fanfani, *Alleanza assicurazioni: Cento anni di storia* (Milan: Alleanza Assicurazioni S.p.a., 1998), 174.

⁶⁹ „Wir würden uns festlaufen, weil die Kosten zu hoch wären, und das italienische Beispiel leuchte den Leuten außerordentlich ein.“ Krohn, quoted by Dr. Krause in „Sitzung des Beirats der Wirtschaftsgruppe Privatversicherung,“ February 24, 1938, FHA, GDV-26.

⁷⁰ On Volpi, see Luciano Segreto, "Giuseppe Volpi. Il grande mediatore tra istituzioni, politica ed economia;" on Suvich, see Anna Millo, "Fra Trieste, Roma e Washington. Note su Fulvio Suvich e la politica estera italiana durante il fascismo,," *Italogramma* 4 (2012).

to find a captive market for the Institute were rewarded with legislation that gave it the exclusive right to manage all funds paid towards the *indennità di licenziamento*, the legal severance payment, in 1942.

In the political contest to control Italian insurance, social insurance, private insurance, and INA's hybrid model all had distinct resources to offer for the exigencies of the war economy. For the private firms, this was in large part their extensive international business and presence in foreign financial markets. In 1937, *Generali* contracted a 1.5-million-dollar loan to provide the government with the foreign exchange necessary to meet its grain import requirements.⁷¹ On a political level, *Generali* and the *Riunione Adriatica* sought to match the INA's policy of generous donations to Mussolini. In 1932, for its 100th anniversary, *Generali* offered one million lire to Mussolini.⁷² In February 1937, *Generali* donated another 500,000 lire to the Fascist party, while in 1936 the *Riunione Adriatica* committed to a yearly 50,000 lire for orphans of soldiers killed in Italian East Africa.⁷³ These sums, however large, paled in comparison to the INA's payments of three million for its 20th anniversary, and one million lire per year every other year, rising to two million in 1938.⁷⁴ As far as investments, while *Generali* committed to investing 10 million lire in the new Italian Empire, the INFPS and the INA committed 250 million lire each, publicizing their commitments in *Il Messaggero*.⁷⁵

Early in 1938, the Triestine firms had already begun to prepare for the consequences of the coming racial turn in Fascist policy. As Anna Millo recounts, in April 1938, special measures were approved by the firms' shareholders to allow the board to replace the firm's leadership without their consultation.⁷⁶ Bevione, writing to Mussolini's secretary in June 1938, made an oblique reference to lists regarding the two firms that he had personally compiled and transmitted to the Duce:

"I would be grateful for your conveyance to the Duce, as a complement to the lists which I directly brought to him previously, the combined lists of the political and syndical personalities which, after the recent meetings (shareholders' assemblies) are competing to replace the boards of the two largest private insurance companies and the two firms that are directly owned by them."⁷⁷

⁷¹ July 23, 1937, "Verbali del Consiglio Direttivo," ASIA.

⁷² March 29, 1932, Ministry of the Interoire to SPD, ACS, SPD, CO, "Assicurazioni Generali di Venezia."

⁷³ Telegram Mussolini to Assicurazioni Generali, February 9, 1937, ACS, SPD, CO, "Assicurazioni Generali di Venezia." Riunione Adriatica di Sicurtà to Mussolini, May 8, 1936, ACS, SPD, CO, "Riunione Adriatica di Sicurtà."

⁷⁴ Bevione to Mussolini, June 24, 1933, June 23, 1936, July 8, 1938, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 5, 8, 10.

⁷⁵ "Per la valorizzazione dell'Etiopia: Investimenti per mezzo miliardo della Previdenza Sociale e dell'Istituto Assicurazioni," Article in *Il Messaggero*, May 31, 1936. ACS, SPD, CO, b. 1161, f. 509540/I, sf. 8.

⁷⁶ Anna Millo, *Trieste, le assicurazioni, l'Europa: Arnaldo Frigessi di Rattalma e la Ras* (Franco Angeli, 2004), 170-171.

⁷⁷ "Vi sarò grato se vorrete consegnare al Duce, a complemento degli elenchi da me precedentemente e direttamente a lui consegnati, gli elenchi uniti delle personalità politica e sindacali che, dopo le recenti assemblee, concorrono a

On September 12, 1938, before the passage of any legislation formally excluding Jews' from given occupations, Edgardo Morpurgo resigned as president and was replaced by Giuseppe Volpi.⁷⁸ A week later, amidst public antisemitic demonstrations, Mussolini visited the city of Trieste and gave a speech defending the new policy.⁷⁹ To commemorate the occasion, the board of *Generali* sent another 250,000 lire to Mussolini for the *Opera Maternità ed Infanzia*.⁸⁰ The day after, Morpurgo sent the Duce a copy of his resignation letter along with an emotional handwritten note in which he declared his continued loyalty to Mussolini:

“The image of the great Leader of our Country has always carried me through these years of struggles and hard work: This has been my only comfort, even in the hours of my parting from the organization that was my life’s passion.”⁸¹

At the INA’s October board meeting, Giordani presented the results of the Institute’s survey of their agents and other sales staff to determine whether they were Jewish.⁸² The legislation excluding Jews from given professions had still not been passed, but, as Giordani noted, the Institute was ready to respond when it was.⁸³ At the same time, Bevione sought to exploit the situation at *Generali* and *Riunione Adriatica* to the Institute’s advantage. In a handwritten letter to Mussolini, Bevione proposed that INA re-establish its monopoly, not just over life insurance, but over all commercial insurance in Italy:

“The prohibition on Jews being owners or directors of businesses of any nature that employ one hundred or more individuals urgently raises the problem of the insurance firms, which are, almost in their entirety, classically and irreducibly Jewish businesses as regards their ownership and technical and financial direction. As President of the National Insurance Institute, I have the duty to present to you my thoughts regarding the best solution that can be given to this problem. It consists, in my view, in the creation of a State monopoly in all insurance (life and non-life), to be exercised through this Institute.

sostituire i Consigli di Amministrazione del Lavoro delle due maggiori Compagnie private di Assicurazione e delle due Società che ne sono l’emanazione diretta.” Bevione to Sebastiani, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 10.

⁷⁸ “Verbali del Consiglio Direttivo,” September 12, 1938, ASG.

⁷⁹ Millo, *Trieste, le assicurazioni, l’Europa*, 172; Michele Sarfatti, “Il discorso razzista e antisemita di Mussolini a Trieste il 18 settembre 1938,” *Qualestoria* 1 (June 2013).

⁸⁰ Prefect of Trieste to Mussolini’s secretary, September 20, 1938, ACS, SPD, CO, “Assicurazioni Generali di Venezia.”

⁸¹ “L’immagine del grande Capo del nostro Paese mi ha costantemente sorretto in questi anni di lotte e di duro lavoro: Essa sola mi ha confortato anche nelle ore del distacco dall’Ente che è stata la passione della mia vita.” Morpurgo to Mussolini, September 21, 1938, ACS, SPD, CO, “Assicurazioni Generali di Venezia.”

⁸² October 13, 1938, ASIA, VD 1912-1951, IV, VCdA.

⁸³ “Il Direttore General riferisce che sono state raccolte le notizie di carattere razziale sui dipendenti dell’Istituto. Prescindendo dagli impiegati, per i quali si attendono i provvedimenti legislativi, è in grado di sottoporre all’esame del Consiglio le informazioni concernenti a) gli agenti generali ed i loro coagenti, b) i rappresentanti all’estero, c) il personale addetto alla produzione di nomina della Direzione Generale.” October 13, 1938, ASIA, VD 1912-1951, IV, VCdA.

Triumphing in 25 years of work over the competition of the old Triestine Companies in the area of life insurance, the National Institute has demonstrated its technical, administrative and financial capacities.”⁸⁴

“Aryan” employees of the Institute could take on the project of managing these firms’ domestic business, which would provide cost savings across all branches. The state already controlled many sectors of the economy, Bevione noted, including banking, steel, shipping, and transit. Moreover, the broader insurance business had both a financial and intelligence use for the Italian state:

“Precious elements of knowledge of the economic life of the country, of its industrial plants, of its (resource) stockpiles, would thus remain protected from any dangerous publicity, and further considerable financial funds would be constituted in the National Institute, which would go towards the service of the State.”⁸⁵

The firm’s foreign business, Bevione wrote, could of course not be taken over by the INA. Selling off their portfolios and operations outside Italy, however, would result in a foreign exchange windfall, far more than the small trickles of foreign profits that their business brought in.⁸⁶ If Mussolini approved of the idea, Bevione offered to send him a more developed plan.

Mussolini’s response, scrawled on a notepad by his secretary, provides his answer to the proposal: “I believe Bevione is right. It’s time to move forward.”⁸⁷ Marginalia on the original letter, however, indicates Minister of Finance Thaon de Revel’s response on October 11th: “the Finance Minister said it can’t be done.”⁸⁸ The Institute’s board meeting minutes do not mention the proposal, suggesting it was first kept confidential, and then not followed up upon. Volpi and Suvich would instead conduct “aryanizations” of both insurers. Nevertheless, managing the firms’ complex operations required that Jews from top management were retained for both firms: for *Generali*, Michele Sulfina, and Arnaldo Frigessi di Rattalma for the *Riunione Adriatica* as

⁸⁴ “Il divieto fatto agli ebrei di essere possessori o dirigenti di aziende di qualsiasi natura che impiegano cento o più persone mette urgentemente nel ____ anche il problema delle Società di assicurazione che sono nella quasi totalità aziende tipicamente ed irriducibilmente ebraiche per proprietà e direzione tecnica e finanziaria. Come Presidente dell’Istituto Nazionale delle Assicurazioni ho il dovere di sottoporVi il mio pensiero sulla soluzione migliore che potrebbe essere data al problema. Essa consiste, a mio avviso, nella creazione del monopolio di Stato di tutte le assicurazioni (vita e danni) da esercitarsi a mezzo di questo Istituto. Vincendo trionfalmente in 25 anni di lavoro la concorrenza delle secolari Compagnie triestine nel campo della assicurazione vita, l’Istituto Nazionale ha dimostrato la sua capacità tecnica, amministrativa e finanziaria.” Bevione to Mussolini, October 7, 1938, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 10.

⁸⁵ “Elementi preziosi di conoscenza della vita economica del paese, dei suoi impianti, delle sue scorte rimarrebbero così esclusi da pericolose pubblicità, e altre notevoli disponibilità finanziarie si costituirebbero presso l’Istituto Nazionale, che andrebbero a servizio dello Stato.” Bevione to Mussolini, October 7, 1938, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 10.

⁸⁶ Bevione to Mussolini, October 7, 1938, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 10.

⁸⁷ “Credo abbia ragione Bevione. Bisogna fare un passo avanti.” “Lettera Bevione sul monopolio assicurativo”, October 8, 1938, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 10.

⁸⁸ “Il M. delle Finanze ha detto che non si può fare.” Bevione to Mussolini, October 7, 1938, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 10.

Director General.⁸⁹ Volpi would write to Mussolini in May of 1939, explaining the political complexity of the private insurers' business in Central Europe. As would later be contended by the American OSS, Volpi's comments suggest that the concerted intervention played no small part in making these outside branches into the eyes and ears of the Italian secret service.⁹⁰ Bevione's own remarks regarding the intelligence value of non-life insurance contracts suggest that individuals in the Italian government were also becoming concerned with the use of international insurance firms' operations for espionage, which could pose either a danger or an opportunity.

To secure the independence of the Italian private sector, the two firms entered into an intra-Axis alliance with German private insurers. Anna Millo, Johannes Bähr and Christopher Kopper, and Gerald Feldman have all traced the intricate relationships between these private insurers concerns, maintained in continuity with older relationships, but strengthened through their countries' political convergence.⁹¹ In January 1940, another Congress was held in Rome, this time between insurers from Germany and Italy. Eduard Hilgard headed the German delegation, with Bruno de Mori, Director General of the joint reinsurance venture between the INA and the private Italian firms, as secretary general of the Italian executive committee. A joint statement on insurance collaboration, published in the press was the result: "Accords for Italo-Germanic Cooperation in Insurance."⁹² The insurers announced their aim for the "intensification and development of insurance relationships between the two countries," particularly in the realm of reinsurance.⁹³ It was agreed that reinsurers from both countries would receive equal treatment from each other. Plans to form a larger reinsurance consortium to replace the London British reinsurers were discussed. Finally, there was agreement on the "need for strengthening the (private) insurance sectors of the countries, so that their nourishment is not detracted from by state or parastatal entities (State reinsurance funds or the like)."⁹⁴ This collaboration had legs and would be further developed through the years of the war. It would culminate in 1943 with the

⁸⁹ Millo, *Trieste, le assicurazioni, l'Europa*, 172-191.

⁹⁰ "Si può dire che in tutti i paesi d'Europa e fuori, anche il campo assicurativo è turbato e si rese necessaria perciò una sorveglianza di uomini fidati e capaci e mercè le opportune segnalazioni del Ministero degli Affari ho potuto affidare la sorveglianza di alcuni settori difficili, come quelli Balcanici e Polacco-ungheresi, ad ex Alto Funzionari di quel Dicastero, quali gli Ambasciatori Cerutti e Galli." Volpi to Mussolini, May 12, 1939, ACS, SPD, CO, "Assicurazioni Generali di Venezia." The report reads: "After the outbreak of war, some of their foreign branches became Axis intelligence centers." "Italian Insurance," Office of Strategic Services (OSS)-State Department Intelligence and Research Reports, Part 05: Postwar Europe, 1945-1949.

⁹¹ See Millo, *Trieste, le assicurazioni, l'Europa*, 193-205; Johannes Bähr and Christopher Kopper, *Munich Re: Die Geschichte der Münchener Rück 1880-1980* (C.H.Beck, 2015); Gerald D. Feldman, "Competition and Collaboration among the Axis Multinational Insurers: Munich Re, Generali, and Riunione Adriatica, 1933-1943," in *European Business, Dictatorship, and Political Risk, 1920-1945*, vol. 1 (Berghahn Books, 2004), 41-61.

⁹² "Accordi per la collaborazione Italo-Germanica nel campo assicurativo," January 18, 1940, ASIA. The document also contains a German-language version of the agreement

⁹³ "Intensificazione e sviluppo dei rapporti assicurativi fra i due Paesi," in *Ibid.*

⁹⁴ "...necessità per il potenziamento della industria assicurativa dei Paesi che ad essa non venga sottratto alimento da parte di enti statali o parastatali (Casse statali di riassicurazione e simili." *Ibid.*

foundation of a Union for Large Risks, a consortium of all major continental insurers, German, Italian, French, and Swiss, under the leadership of Kurt Schmitt.

The arrangement between Italian and German insurers served the interests of both countries' private industries in their political battles with public insurers. In Italy at home, with the INA, in Germany particularly in the occupied territories, public competitors continued to mount political challenges.⁹⁵ The same author of the American OSS report believed that these insurers' cooperation suited the larger political objectives of both regimes as well:

“The foreign facilities and experience which these three [sic] leading Italian concerns have acquired in the foreign field furnish a key to the understanding of German-Italian cooperation matters of insurance. The Italian partner is more of a liability than an asset in some fields of cooperation, but in insurance the participation of the leading Italian firms has been considered from the very beginning highly profitable and useful for the establishment of the New Order. The Italians have had much longer experience than the Germans not only in the Balkans but in South America and the Iberian Peninsula. The Germans are also aware that Italians and Italian companies are more welcome in Spain and Spanish-speaking countries. The reiterated statements on joint insurance penetration and cooperation between Germany and Italy since 1940 must not, therefore, be taken as boastful Axis propaganda but as an expression of a policy which actually works for the benefit of both parties.”⁹⁶

Whether this was in fact the case or not, the intention of the arrangement certainly was to leverage each others' resources to preempt state intervention, putting a larger network of international operations and financial firepower at both regimes' disposal. Italian private insurers' foreign business made them useful intermediaries for their own government, but also useful allies for German private insurance. Both factors buttressed their political position in Italy against their public competitor.

III. War Finance and Welfare: The INA and the INFPS, 1938-1942

Just as the INA had sought to use the declaration of empire to support their *popolari* initiative, the INFPS received a rhetorical boost from Mussolini's calls to “narrow the gaps” in the provision of Italian welfare.⁹⁷ By 1938, high inflation had seriously eroded the purchasing power

⁹⁵ Feldman, *Allianz and the German Insurance Business*, 345-417.

⁹⁶ “Italian Insurance,” Office of Strategic Services (OSS)-State Department Intelligence and Research Reports, Part 05: Postwar Europe, 1945-1949.

⁹⁷ This language, used in Mussolini's 1936 autarky speech, was repeated both in Bevilacqua's proposal and those of the INFPS regarding social welfare extensions: “Devono raccorciarsi, e si raccorceranno; nel sistema fascista le distanze fra le diverse categorie di produttori, i quali riconosceranno le gerarchie del più alto dovere e della più dura responsabilità.” Benito Mussolini, “Il piano regolatore della nuova economia italiana,” in *Opera omnia*, ed. Edoardo Susmel and Duilio Susmel, vol. 27 (Venice: La Fenice, 1959), 246.

of pensions for Italy's poorer workers.⁹⁸ Public dissatisfaction with the meager benefits grew, as reported on by the Ministry of the Interior.⁹⁹ In February 1939, a letter from Mussolini to Bruno Biagi was published in all of Italy's newspapers, calling on the President of the INFPS to take immediate action to raise public pensions without increasing social insurance premiums for Italy's poorer workers.¹⁰⁰ While the INFPS had sought legitimacy in a broader concept of *previdenza*, consolidating the payment of family bonuses, maternity care, health insurance, and other policies in a single institute, there was still considerable overlap with the work of the INA. Itself a form of contractual or forced savings, the pension section of the INFPS remained far and away the largest financial division. Structured as a fund-based model, this section obtained large yearly surpluses of contributions over benefits, which went towards the Italian state's financing needs.¹⁰¹ In 1931, an observer in the German Labor Ministry noted this characteristic of the Italian pension system, and social insurance system as a whole:

“In 1930, revenue from insurance contributions came to 427 million, while insurance payouts only required 133 million; a comparison of the figures, which yield a surplus of 283 million, shows to what a great degree this insurance, like the others, is in fact used as a source of tax revenue.”¹⁰²

The report noted that half of the CNAS's investments went towards discounting state annuities.

⁹⁸ The state paid out a flat sum of 100 lira per year for each pension, which otherwise were tracked with contributions. As a percentage of total pension payments, the state's contribution descended over the course of the first years of Fascist rule, going from 62% to 16% from 1923 to 1929, with an average of 13.6% for the remainder of the period. On the details of the contributions structure see Jessoula et al. 2012: 38-45. See Appendix 10.1 for the inflation index.

⁹⁹ Many such complaints can be found in the following file, but one is particularly evocative: “Alcuni giorni or sono un conoscente, commentando le disposizioni in tema di gratifiche natalizie deliberato dal Governo, osservava che questi provvedimenti denotano come effettivamente la politica del Regime verso i lavoratori sia improntata a concetti encomiabili e squisitamente umanitari. Ma le ottime intenzioni del Regime, purtroppo, in sede di attuazione trovano tanti e tali inceppi, proprio da parte degli enti ed organizzazioni ad hoc proposti, che, praticamente, restano lettera morta, non solo, ma quello che è peggio, radicano nelle masse la convinzione che le famose provvidenze del Regime altro non siano se non turlupinature e demagogiche trovate per vestirsi dalle penne del pavone a spesa della credulità e della buona fede del popolo.” December 26, 1938, ACS, MdI, b. 179, n. 7.

¹⁰⁰ Mussolini's letter to Biagi dates to November 24, 1938. It was published under the following headline “L'ordine del Duce: ‘Un forte passo innanzi, sulla strada della legislazione sociale, accorciatrice delle distanze.’” Milan, February 7, 1939. ACS, CO, b. 1174, “Riforma della previdenza sociale.”

¹⁰¹ Giorgi, *La previdenza del regime*, 76-77.

¹⁰² “An Einnahmen aus Versicherungsbeiträgen kamen 1930 Millionen 427 auf, während die Versicherungsleistungen nur 133 Millionen beanspruchten; ein Vergleich bei den Zahlen, die einen Überschuss von 283 Millionen ergeben, zeigt in wie starkem Maße diese wie auch die anderen Versicherungen tatsächlich als Steuerquelle benutzt werden.” “Status der italienischen Cassa Nazionale Assicurazioni Sociali,” December 20, 1931, BAB, R3901-5838, “Die ausländische Sozialversicherung – Italien.”

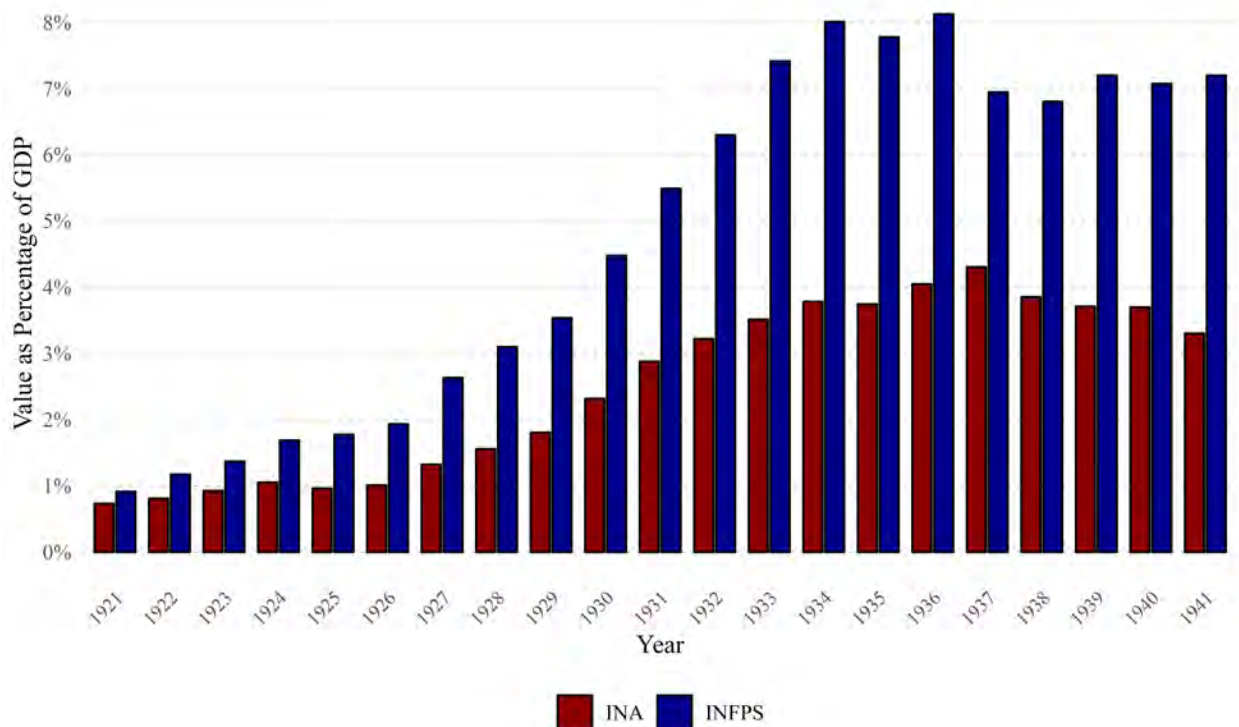


Figure 7.7: “INA and INFPS’s Total Assets, 1921-1942.” Figures show assets expressed as a percentage of nominal GDP.

In 1938, at the height of the *popolari* campaign, INA’s yearly surpluses for additional state investment for the first time exceeded that of INFPS.¹⁰³ INA’s total assets were also closing in on those of the social insurer.¹⁰⁴ While the social insurance reforms presented by Bruno Biagi allegedly responded to Mussolini’s request to raise benefits, they also hiked contributions significantly. The plan, which would raise the maximum monthly income for white collar workers from 800 to 2000 lire, would mean a financial windfall for the Italian state. Whether this was done intentionally with an eye towards containing inflation is difficult to assess. Biagi himself made no mention of this dimension of the reforms in his March 1939 proposal:

“It is not one of my competencies to put these considerations regarding the financial relevance of this action in relation with those regarding general financial and economic activity; however the reform that you desire seems to me to be particularly timely, fit to decisively move the Italian worker towards the goals of social elevation that you have set through such a long vigil and that have been constantly pursued by the Regime under your guidance.”¹⁰⁵

¹⁰³ See Figure 7.7.

¹⁰⁴ See Figure 7.5.

¹⁰⁵ „Non rientra nella mia competenza porre in relazione tali considerazioni sulla rilevanza finanziaria del provvedimento con quelle interessanti l’attività finanziaria ed economica generale; purtuttavia la riforma da Voi voluta mi appare come particolarmente tempestiva e tale da portare decisamente il lavoratore italiano verso le metà

Comments from the INFPS's top staff regarding Biagi suggests he was not regarded as a particularly quick study in technical matters. He may well indeed have not understood the larger financial role of the INFPS in the autarky economy:

“In the environs of the INFPS, among its most intelligent functionaries, there are complaints about the ineptitude of the Director General Paolo Medolaghi, who, while a man of undoubted rectitude, has completely fossilized between the numbers and his actuarial calculus and certainly does not have the mentality of a Fascist leader (*dirigente*). Thus, due to the incomprehension and disinterest of the Director General, everything falls to President Biagi, who, despite how much he has tried to study to acquire the necessary expertise in the field of *previdenza*, has not been entirely successful.”¹⁰⁶

Medolaghi was pushed into retirement shortly following this memo, after which Biagi held both the job of President and Director General for the next year.¹⁰⁷ A law professor at the University of Bologna, Biagi was another policy entrepreneur in the general intellectual world of corporatism, but had no background in economics, finance, or insurance.¹⁰⁸ He had made his entry into Fascist politics in the early 1920s at the head of Bolognese veterans' associations and remained involved with the city's artisans and cooperative movement into the 1930s.¹⁰⁹ His modesty regarding his understanding of the technical side of insurance contrasts with the confidence of Bevione, who, despite his non-academic background, participated in debates on Italian monetary policy and authored many articles on economic subjects in prominent Fascist publications.¹¹⁰

The Minister for the Corporations, Ferruccio Lantini, who supervised the INFPS and consulted on their reforms, would, however, have had a clear understanding of the role of savings in the country's autarky drive. Lantini was another intellectual policy entrepreneur in corporatism.

di elevazione sociale da Voi indicate fino dalla ormai lontana vigilia e costantemente perseguitate sotto la Vostra guida, dal Regime.” Biagi to Mussolini, March 7, 1939, ACS, CO, b. 1174, “Riforma della previdenza sociale.”

¹⁰⁶ “Nell'ambiente dell'Istituto Nazionale Fascista di Previdenza Sociale, dai più intelligenti funzionari, è lamentata la inettitudine del Direttore Generale Medolaghi, il quale, sebbene uomo di indubbia dirittura, si sarebbe fossilizzato assolutamente tra le cifre e il suo calcolo attuariale e non avrebbe certo, quindi, la mentalità del dirigente fascista. Sicchè, per la incomprendione e il disinteressamento del Direttore Generale tutto deve far capo al Presidente Biagi, il quale, per quanto si sia preoccupato di studiare per acquistare la necessaria competenza nel campo della previdenza, non riesce a tutto.” February 11, 1936, ACS, MdI, b. 179, n. 8.

¹⁰⁷ Guido Melis, “L'organizzazione della gestione: l'INPS nel sistema amministrativo italiano (1923-1943),” in *Novant'anni di previdenza in Italia: culture, politiche, strutture - Atti del Convegno* (Rome: INPS, 1989).

¹⁰⁸ See, for example, Bruno Biagi, *Lo stato corporativo*, (Rome: Istituto nazionale fascista di cultura, 1934).

¹⁰⁹ “Bruno Biagi,” in *Wikipedia*, May 26, 2024,

https://it.wikipedia.org/w/index.php?title=Bruno_Biagi&oldid=139483496.

¹¹⁰ The Ministry of the Interior reported discussions in high government circles that he could be made Finance Minister. September 20, 1935, “Bevione, Giuseppe”, ACS, MdI, DGPS, DPP, fascicoli personali, n. 130. Bevione advised Mussolini to take the lira off the gold standard in December 1935, forwarding him an article from the London *Financial Times*. Bevione to Mussolini, December 6, 1935, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 7. Bevione was perfectly aware of the function of forced savings in the Italian war economy and wrote an article explaining the theory for the layman, Giuseppe Bevione, “La moneta e le Armi,” *Gerachia*, no. 12 (December 1942).

Appointed to head the National Export Institute in 1934, from 1935 onwards he led the work of the Ministry of Corporations, first as Undersecretary, then as Minister.¹¹¹ The Ministry retained the old functions of the Ministry of National Economy and, while losing something of its centrality to the Ministry of Foreign Exchange during the autarky drive, was nonetheless intimately involved in coordinating the autarky plans' design and implementation.¹¹² Lantini would have known that the ambitious investment plans relied on internal Italian savings and have had a clear idea of where this savings came from. Lantini also oversaw the INA and participated occasionally in the Institute's board meetings.¹¹³ In the end, the planned reform, presented again to Mussolini after further consultation with Lantini, called for massively expanded the funding base for the INFPS by raising the minimum income level for exemption to 2000 lire per month.¹¹⁴ While bringing in a large source of new revenue, the plan would also increase the effective top rate for each earning class from 7.51% to 4.17%.¹¹⁵ As Biagi put it:

“It is of course, undeniable and unavoidable that the reform calls for an increase in contributions, but this circumstance, which derives rather from the excessive modesty of current benefits than from the absolute size of future benefits, is an indispensable condition because it allows for the realization of real, and not illusory progress in our *previdenza* legislation.”¹¹⁶

The actual execution of the reforms, whether by accident or design, resulted in huge surpluses for the INFPS.¹¹⁷ In 1938, INFPS's pension division had paid out 391 million lire in pensions and took in 602 million in contributions. In 1939, the same division paid out 436 million in pensions and received contributions of 1,274 billion lire.¹¹⁸ Lantini would assume the presidency of the INFPS in November 1939.¹¹⁹

These surpluses would have been even greater had Bevione not solicited Mussolini's intervention to protect the INA's interests. In the run-up to the final passage of the proposed reforms, Bevione attempted to contact Mussolini regarding what he called an “issue of vital importance” for the Institute.¹²⁰ Bevione was concerned about the impact of the legislation on INA's business in group contracts for white-collar workforces and public employees. In Biagi's proposal, the

¹¹¹ Benedetta Garzarelli, “Lantini, Ferruccio,” in *Dizionario Biografico degli Italiani* (Treccani, 2004).

¹¹² Alessio Gagliardi, “Il Ministero per gli scambi e valute e la politica autarchica del fascismo,” *Studi Storici* 46, no. 4 (2005): 1033–71.

¹¹³ July 17, 1935, ASIA, VD 1912-1951, IV, VCdA.

¹¹⁴ Biagi to Mussolini, March 7, 1939, ACS, CO, b. 1174, “Riforma della previdenza sociale.”

¹¹⁵ Matteo Jessoula, Maurizio Ferrera, and Valeria Fargion, *Alle radici del welfare all'italiana. Origini e futuro di un modello sociale squilibrato* (Venice: Marsilio, 2012), 44.

¹¹⁶ Biagi to Mussolini, March 7, 1939, ACS, CO, b. 1174, “Riforma della previdenza sociale.”

¹¹⁷ Pavan and Giorgi note that Biagi and the INFPS administration were overwhelmed by the complexity of the reforms and had little time to prepare them, perhaps biasing them towards a conservative approach to hiking benefits. Pavan and Giorgi, *Storia dello stato sociale in Italia*, 188-189.

¹¹⁸ Giorgi and Pavan, *Storia dello stato sociale in Italia*, 124.

¹¹⁹ Benedetta Garzarelli, “Lantini, Ferruccio,” in *Dizionario Biografico degli Italiani* (Treccani, 2004).

¹²⁰ Bevione to Mussolini, March 6, 1939, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 11.

INFPS President had noted that voluntary collective insurance agreements could be offered by the INFPS alongside its mandatory social insurance:

“The proposal to allow for supplementary contributions to obligatory old-age and disability insurance through group contracts between interested professional associations, and with the approval of the INFPS, particular professional categories, is of remarkable legal interest, but above all else, of remarkable importance from a social and syndical perspective.”¹²¹

This was essentially Bevione’s plan, now seized upon by the Institute’s public rival. On March 10th, Bevione met with Lantini, who expressed the position of the government that the spheres of action of INA and INFPS needed to be clarified “clearly and for all time.” Lantini suggested that all “insurance obligatory by law” be INFPS’s purview, while “elective or optional insurance” be reserved for INA.¹²² Bevione pressed for a corollary to be added, namely that “elective collective insurance shall not be administered by INFPS.” He followed up several days later, proposing a more restrictive phrasing that forbid INFPS from offering any form of insurance not obligatory by law, with exceptions for the specific forms of individual insurance INFPS had inherited from other institutions. This would protect INA’s business in group insurance contracts.

The problem seemed to have been resolved for the INA, as on April 27, 1939, Giordani reported to the board that:

“The law decree containing the known actions in social *previdenza* is soon to be published. With this will be implemented an extension of the categories of the application of obligatory pensions, but with suitable precautionary stipulations pre-existing arrangements will be exempted. Thus, beyond allowing for the maintenance of the portfolio, as regards group contracts currently in negotiation, a notable increase in business may take place in this area.”¹²³

A last issue to be resolved, however, was the determination of the upper limit to incomes for the social insurance mandate. By the text of the law promulgated as royal decree in April 1939, the income threshold for white-collar employees was to be raised from 800 to 1500 lire per month. In the weeks preceding the decree’s ratification in law, discussions began within the Council of State to increase this threshold to 2000 lire, as proposed in Biagi’s original memo. Bevione got

¹²¹ “Notevole interesse giuridico e, soprattutto, notevole rilievo dal punto di vista sociale e sindacale, riveste anche la proposta eventualità di consentire che mediante contratto collettivo, da stipularsi tra le associazioni professionali interessate e previo parere dell’Istituto della previdenza sociale, possano essere stabilite, per particolari categorie professionali, contributi supplementari per l’assicurazione obbligatoria invalidità e vecchiaia.” Biagi to Mussolini, March 7, 1939, ACS, CO, b. 1174, “Riforma della previdenza sociale.”

¹²² Bevione to Lantini, March 16, 1939, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 11.

¹²³ “È di prossima pubblicazione il decreto legge che contiene i noti provvedimenti sulla previdenza sociale. Con esso si dispone l’estensione delle categorie di applicazione delle pensioni obbligatorie, ma con opportune norme cautelative si fanno salvi i trattamenti preesistenti. Così oltre a permettere il mantenimento del portafoglio, per quanto si riferisce alle collettive in corso, una notevole raccolta di affari potrà ancora effettuarsi in questo campo.” April 27, 1939, ASIA, VD 1912-1951, IV, VCdA.

word of these discussions and sent an urgent memo to Mussolini. Bevione pleaded that extending INFPS's mandate would constitute a "significant limitation" of INA's sphere of activity. Here Mussolini then intervened in his favor, setting the limit at 1500 lire.¹²⁴

While the accords seemed to establish a functional distinction between the two types of insurance, in reality, the lines were still blurred. The INA retained its large business in group contracts for *indennità di licenziamento*, which, while voluntary, fulfilled mandatory provisions of Italian social legislation, while the INFPS continued to manage voluntary insurance for some professional categories. INA and INFPS would both be favored by further expansions of these *previdenza* funds, mandatory savings funds. In 1943, the government would raise contributions for the INFPS's old-age and disability insurance by 50%, hiking benefits by only 25%.¹²⁵ In April 1941, the Ministry of Finance asked the INA to form a proposal to take on the management of all Italian firms' severance pay funds:

"The Director General reports that recently the Institute was invited to formulate a proposal for the Ministry of Finance for the investment of a financial insurance form of the *indennità di licenziamento* (severance pay funds) required of all businesses in the Kingdom for their workforces. The assets that the Institute would gain through such an operation would need to be used for the acquisition of state bonds and equivalents.

There is no need to digress to illuminate the enormity of this operation, which in a very brief period of time could more than double the Institute's holdings, but its very enormity leads to doubts regarding the economic and political advisability of imposing such a large sacrifice on all businesses in this particular moment, and doubts regarding the certainty that after the project receives a concrete design, this might not form the basis of the passage of the work to another state entity, or even the creation of a new Institute."¹²⁶

Rivalries, perhaps even some bitterness regarding the Institute's comparative marginalization in *previdenza*, were still clearly quite strong. Giordani continued:

"To the first objection, the Minister of Finance countered that businesses have now had 16 years of time to begin setting aside the necessary funds to satisfy their commitments as defined by the Law on Private Employment, and that, in any case, the superior interest

¹²⁴ Bevione to Mussolini, May 24, 1939, ACS, SPD, CO, b. 1161, f. 509540/I, sf. 11.

¹²⁵ Jessoula et al, *Alle radici del welfare all'italiana*, 43. Like the INA, during the war the INFPS would explicitly embrace its function in collecting and redirecting savings, Chiara Giorgi, *La previdenza del regime*, 298-300.

¹²⁶ "Il Direttore generale riferisce che recentemente l'Istituto è stato invitato a formulare una proposta al Ministero delle Finanze per l'investimento di una forma finanziaria assicurativa delle indennità di licenziamento dovute da tutte le aziende del Regno al proprio personale impiegatizio. Le attività derivanti all'Istituto da tale operazione dovrebbero essere impiegate per l'acquisto di titoli di stato ed equipollenti.

Non occorre dilungarsi a lumeggiare la vastità dell'operazione che in un brevissimo periodo di tempo potrebbe più che raddoppiare l'attività dell'Istituto, ma la sua stessa vastità lascia dubbiarsi sia sull'opportunità economica e politica di imporre alle aziende un tanto cospicuo sacrificio in questo particolare momento, sia sulla certezza che una volta concretato un progetto completo questo non possa servire di base per il passaggio del lavoro ed altro ente statale, o addirittura per la creazione di un nuovo Istituto." April 24, 1941, ASIA, VD 1912-1951, IV, VCdA.

of the State Treasury in the current moment of emergency does not allow for a rigorous selection of sources for the absorption of income and that the chosen source (the INA) appears the most suitable because it limits the possible of an excessive and detrimental expansion of firms in a moment in which easy profits carry savings towards private bonds, to the detriment of state bonds.”¹²⁷

Despite the Ministry’s strong support, the ambitious proposal still faced political resistance. In October 1941, Bevione wrote to Mussolini to solicit another intervention. He began the letter:

“Duce, you have benevolently authorized me to sound the alarm bell with you when a legitimate interest of this Institute is in danger.”¹²⁸

Italy’s private insurers, which were cut into the action through an exemption for firms that signed group contracts with them, were nevertheless fighting for more. As Bevione recounted, they wanted to form a new investment consortium, managed by them and the INA, to manage the funds. Enumerating the advantages of the Institute in this regard, he explained that the request was urgent:

“I feel myself all the more obliged to inform you, Duce, that currently discussions are taking place within the Ministry of Corporations, within which the requests of the private companies seem to be getting the upperhand.”¹²⁹

Here again, Mussolini made a quick decision: “tutto a Bevione” (“everything to Bevione”).¹³⁰ Passed into law on January 8, 1942, the measure did in fact nearly double the INA’s assets, bringing in millions of new insured and billions in lire.¹³¹ The larger settlement in the sector thus gave each major player among the social insurers, the private commercial insurers, and the public institute a share of the pie.

¹²⁷ “Alla prima obiezione il Ministero delle Finanze ha eccepito che le aziende hanno ormai avuto sedici anni di tempo per iniziare gli accantonamenti necessari a soddisfare gli impegni sanciti dalla legge Impiego privato, ed in ogni modo che il superiore interesse del Tesoro dello Stato nell’attuale momento di emergenza, non consente una rigorosa selezione delle fonti di assorbimento del reddito e quella prescelta appare fra le più opportune perché limita la possibilità di eccessiva e dannosa espansione delle aziende in un momento in cui i più facili guadagni convogliano il risparmio verso i Titoli industriali, a danno dei Titoli di Stato.” April 24, 1941, ASIA, VD 1912-1951, IV, VCdA.

¹²⁸ “Duce, mi avete benevolmente autorizzato a suonare presso di Voi il campanello di allarme quando un legittimo interesse di questo Istituto è in pericolo.” Bevione to Mussolini, October 2, 1941, ACS, SPD, CO, b. 1161, 509540/I, sf. 13.

¹²⁹ “Mi sento tanto più obbligato a informarVi di ciò, Duce, in quanto sono in corso fra le parti interessati discussioni presso il Ministero delle Corporazioni, nelle quali le richieste delle Compagnie sembrano prendere il sopravvento.” Bevione to Mussolini, October 2, 1941, ACS, SPD, CO, b. 1161, 509540/I, sf. 13.

¹³⁰ Bevione to Mussolini, October 2, 1941, ACS, SPD, CO, b. 1161, 509540/I, sf. 13.

¹³¹ RDL no. 5, January 8, 1942.

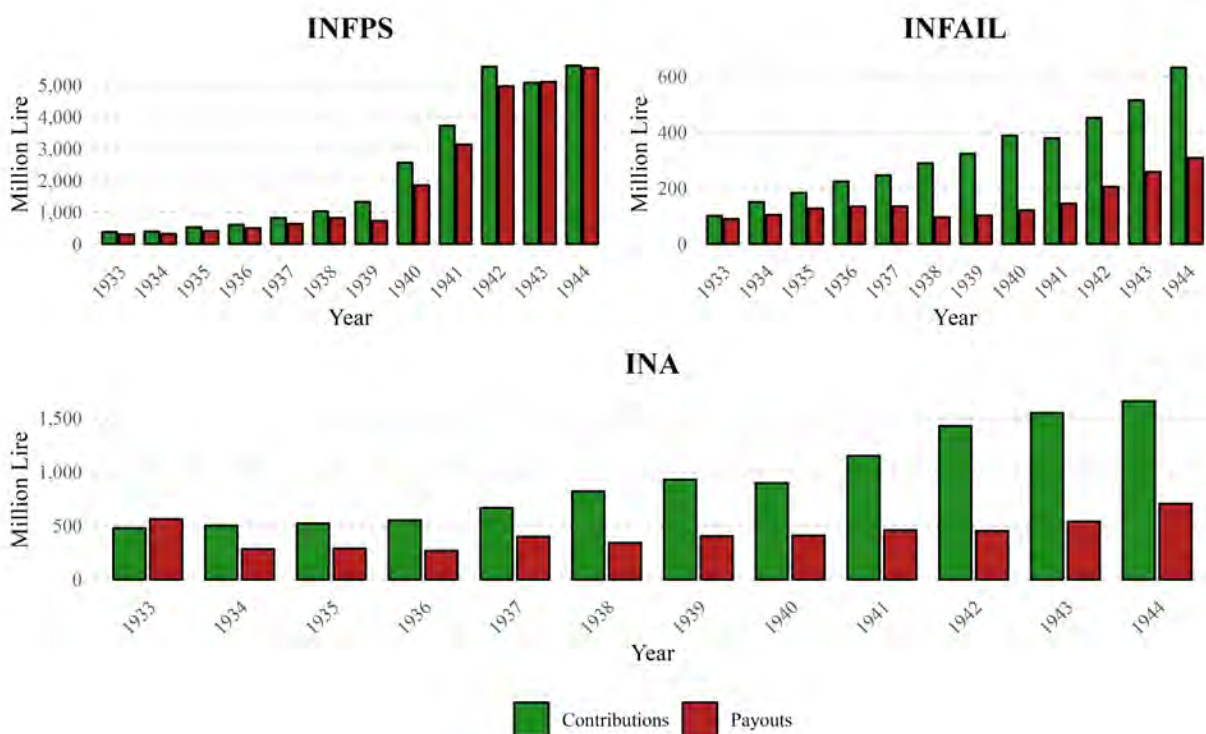


Figure 7.8: “INA’s State Insurance Institutes’ Yearly Claims and Contributions, 1933-1944.”

IV. The Defense of Savings and the “circuitto dei capitali”

With the proceeds from the new fund, the INA immediately purchased one billion lire of state debt.¹³² Having only received a first installment from the transfer of these funds, the INA received a 724 million lire short-term loan from the Bank of Italy to make up the rest. This was, by 1942, standard practice for the Institute, which had borrowed and paid down figures ranging up to 1 billion lire many times over the previous seven years. The first such loan had been made in October 1935. In the weeks immediately preceding the invasion, the Ministry of Finance had sought to free up state financial resources by selling off their war pension portfolio to INA. Rather than covering the pension payments themselves, the state would sell an annuity worth 750 million lire to the state insurer. In early years, this would amount to new cashflow commitments for the INA, but the firm could expect to profit as the years went by.¹³³ The board moved to split the payment with the INFPS to keep the sum manageable. To fund the Institute’s new commitments to the purchase of the state’s war loan, the *Prestito Redimibile 5%*, Giordani requested a 95 million lire loan from the Bank of Italy on 140 million lire of collateral, with an interest rate of 4.5% and 5%.¹³⁴ In February 1937, the Institute would again turn to the Bank of Italy for a loan, this time to fund the purchase of bonds for IRI-Mare, the large state holding

¹³² April 26, 1942, ASIA, VD 1912-1951, IV, VCdA.

¹³³ September 26, 1935, ASIA, VD 1912-1951, IV, VCdA.

¹³⁴ October 30, 1935, ASIA, VD 1912-1951, IV, VCdA.

companies' subsidiary in shipbuilding.¹³⁵ This would rise to 65 million lire by March 3rd, then 120 million lire by March 24th, as some of the Institute's bond-linked insurance policies matured.¹³⁶ The INA paid the bank back in installments of 14 million lire per month, planning to pay back 84 million lire over the remainder of 1937. The Institute's expansion in *popolari* thus was effectively paid forward by the Bank of Italy, with the extra revenue financing the Institute's share of the IRI bonds and the state's war debt.

By June 1938, this debt, however, had grown to enormous proportions. Further commitments to IRI-Mare and IRI-Ferro had demanded large quantities of cash, along with *the Prestito Immobiliare*, which the Institute intermediated through special policies. For 1937 and 1937, the Institute had in fact needed to borrow from the Bank of Italy to transmit its profits to the State, so tight was its liquidity on account of constant demands for investment. As recorded in the July 1938 board meeting minutes:

“Taken note that the residual debt of the Institute to the Bank of Italy amounts, as of June 3, 1938, to 755,587,44 lire, confirmed that for the reimbursement of this debt the Institute on the aforementioned date transferred 223 million and that the liquidity situation of the Institute's funds has been notably weighed upon by the discount of around 250 million lire of annuities for land reclamation (*bonifica*) (from 1936, to cover this debt, around 40 million lire of old annuities were tied down, and are now held by the Bank of Italy in place of the Institute), as well as payments at fixed deadlines such as the war pensions (84 million per year) and the disbursements to the Ministry of Agriculture and Forestry (60 million per year), both investments these that are not reimbursable in the short term.”¹³⁷

Later loan issues, like that in 1942, would require one-off liquidity injections in sums in the hundreds of millions. In February 1940, the Institute purchase another billion lire in state bonds, 85% of which was covered by the Bank of Italy's advance, which was scheduled to be paid off over five years.¹³⁸ As total revenue for 1941 was estimated at 1.11 billion lire, these were truly enormous commitments. For 1941 alone, the Institute budgeted 360 million lire to pay off these advances.¹³⁹ In fighting for its *popolari* and for the *indennità di licenziamento*, the Institute was

¹³⁵ February 5, 1937, ASIA, VD 1912-1951, IV, VCdA.

¹³⁶ March 24, 1937, ASIA, VD 1912-1951, IV, VCdA.

¹³⁷ “Preso nota che il residuo debito dell'Istituto verso la Banca d'Italia ammonta, al 3 giugno 1938, a L. 755.587.414, constatato che per il rimborso di tale debito l'Istituto alla data suddetta ha versato circ. l. 223 milioni e che la situazione di liquidità dei fondi dell'Istituto è stato notevolmente appesantita anche dallo sconto di annualità per circa 250 milioni di lire per le opere di bonifica (dal 1936 sono state vincolate, ai fini dell'estinzione di tale debito, circa 40 milioni di precedente annualità che in luogo dell'Istituto sono ora incassate dalla Banca d'Italia), nonché da pagamenti a scadenza fissa quali le pensioni di guerra (84 milioni all'anno) e dalle sovvenzioni al Ministero Agricoltura e Foreste (60 milioni annui) investimenti questi non rimborsabili a breve scadenza.” June 23, 1938, ASIA, VD 1912-1951, IV, VCdA.

¹³⁸ February 29, 1940, ASIA, VD 1912-1951, IV, VCdA.

¹³⁹ October 31, 1941, ASIA, VD 1912-1951, IV, VCdA.

also struggling to find new funds to cover the extremely large commitments it had already taken on to support Italian autarky and military financing.

So long as the Institute could pay off these advances, in theory, any inflationary impact from the expansive policy could be contained. Bevione himself explained the mechanism in an article in *Critica Fascista*. Commenting on the population's instinctual fear of inflation, Bevione noted that the regime was determined to defend the lira, and that, in the unlikely event of a devaluation, the regime would demand sacrifices from property-owners to distribute the burden:

“And in this manner a healthy atmosphere is created in which that powerful and irresistible device that has been called the circuit of capital (“circuito dei capitali”) can operate with full efficacy. The mechanism is simple. The state spends more than six billion lira per month on the war beyond fiscal revenues. As soon as its necessary, the Treasury covers these expenditures through the circulation of new bills which it receives as an advance from the Bank of Italy. If the flow of these bills was unlimited and undefined, the Country would fall into the abyss of inflation. That true masterwork of financial engineering that is the circuit of capital ensures that those initial means of payment which gave impulse to the entire movement return to the Bank of Italy.”¹⁴⁰

As Bevione explained, unless the holders of the excess currency wished to throw it out the window, they would have no choice but to invest it in state financial instruments – whether through bonds, bank deposits, or insurance.¹⁴¹ Bevione's text resembles other popular explanations of the doctrine behind the Axis's war financing measures such as those of Ernst Wagemann.¹⁴²

The theory required, of course, that the state tightly control all alternative uses of funds besides its military spending. In the same period in which the German state banned insurers' mortgage lending and put a halt to all public housing construction, Italy's Ministry of Finance announced a stop to all lending to Italy's regional and municipal governments for infrastructure financing.¹⁴³ Nevertheless, exceptions were permitted in numerous cases, such as a 12 million lire loan to

¹⁴⁰ “Con ciò si è creata la sana atmosfera nella quale quel poderoso e irresistibile congegno che è stato chiamato il circuito dei capitali può operare con piena efficacia. Il meccanismo è semplice. Lo Stato spende per la guerra oltre sei miliardi mensili al di là delle entrate fiscali. Alle prime necessità la Tesoreria provvede con la circolazione coi biglietti che riceve in anticipazione dalla Banca d'Italia. Se il flusso di questi biglietti fosse illimitato e indefinito il Paese precipiterebbe nel baratro dell'inflazione. Quell'autentico capolavoro di ingegneria finanziaria che è il circuito dei capitali provvede al ritorno alla Banca d'Italia di quei mezzi di pagamento iniziale che hanno dato impulso al movimento.” Giuseppe Bevione, “La moneta e le armi,” *Gerachia*, no. 12 (December 1942).

¹⁴¹ “Tutto ciò disposto e attuato, è evidente che il privato nel cui portafoglio sono finiti i biglietti di banca consegnati dal Tesoro in pagamento delle spese di guerra, se non ha il gusto di buttarne una buona parte dalla finestra, non ha altra via aperta se non di acquistare Titoli di Stato o Buoni di Tesoro poliennali o ordinari, oppure di depositare il suo danaro presso una Banca o una Cassa di Risparmio, le quali ne faranno con massima sollecitudine il sopradetto impiego.” Giuseppe Bevione, “La moneta e le armi,” *Gerachia*, no. 12 (December 1942).

¹⁴² Ernst Wagemann, “*Wo kommt das viele Geld her?*”: *Geldschöpfung und Finanzlenkung im Krieg und Frieden*, (Düsseldorf: Völkischer, 1940).

¹⁴³ Tooze, *Wages of Destruction*, 258.

Florence more than three months following the ban.¹⁴⁴ Moreover, INA's involvement in construction financing continued apace with numerous loans to state housing enterprises.¹⁴⁵ Examining the firm's year-on-year growth in reported assets for the period, loans to municipalities and public entities continue to increase.¹⁴⁶ Among the public bodies which received loans from the INA was the INCIS, the *Istituto Nazionale per le Case degli Impiegati Statali* (The National Institute for Public Employee Housing). In December 1938, the INA committed another 25 million lire loan to the Institute, to be followed up on in 1940 with 31 million lire, in 1941 another 100 million, and in 1942, 70 million lire.¹⁴⁷ While rigid controls kept private investors from raising funds, the Italian state continued to direct scarce funds towards infrastructure and housing, even as its state insurance institutes were so strapped for cash that they relied on enormous advances from the bank of issue for basic liquidity needs.¹⁴⁸

¹⁴⁴ September 30, 1938, ASIA, VD 1912-1951, IV, VCdA; December 22, 1938, ASIA, VD 1912-1951, IV, VCdA.

¹⁴⁵ For example, a 50 million lire loan to build public housing in Milan in January 1939 and a 60 million lire loan for the construction of housing in Addis Ababa in July 1939. Many smaller projects were also approved in the same period. January 25, 1939, July 20, 1939, ASIA, VD 1912-1951, IV, VCdA.

¹⁴⁶ See Figure 7.8.

¹⁴⁷ February 25, 1943, ASIA, VD 1912-1951, IV, VCdA.

¹⁴⁸ On the larger import of these financing operations, see Mario Perugini and Marianna Astore, "The Bank of Italy Goes to War: Financing Fascist Warfare, 1935-1943," in *Giving Credit to Dictatorship: Authoritarian Regimes and Financial Capitalism in Europe during the Twentieth Century*, ed. Valerio Torreggiani and José Luís Cardoso (Taylor & Francis, 2024). Charles Maier argued that this was an inherent flaw in Fascist political decision-making, the inability to choose between priorities. Charles S. Maier, ed., "The Economics of Fascism and Nazism," in *In Search of Stability: Explorations in Historical Political Economy*, Cambridge Studies in Modern Political Economies (Cambridge: Cambridge University Press, 1988), 70–120.

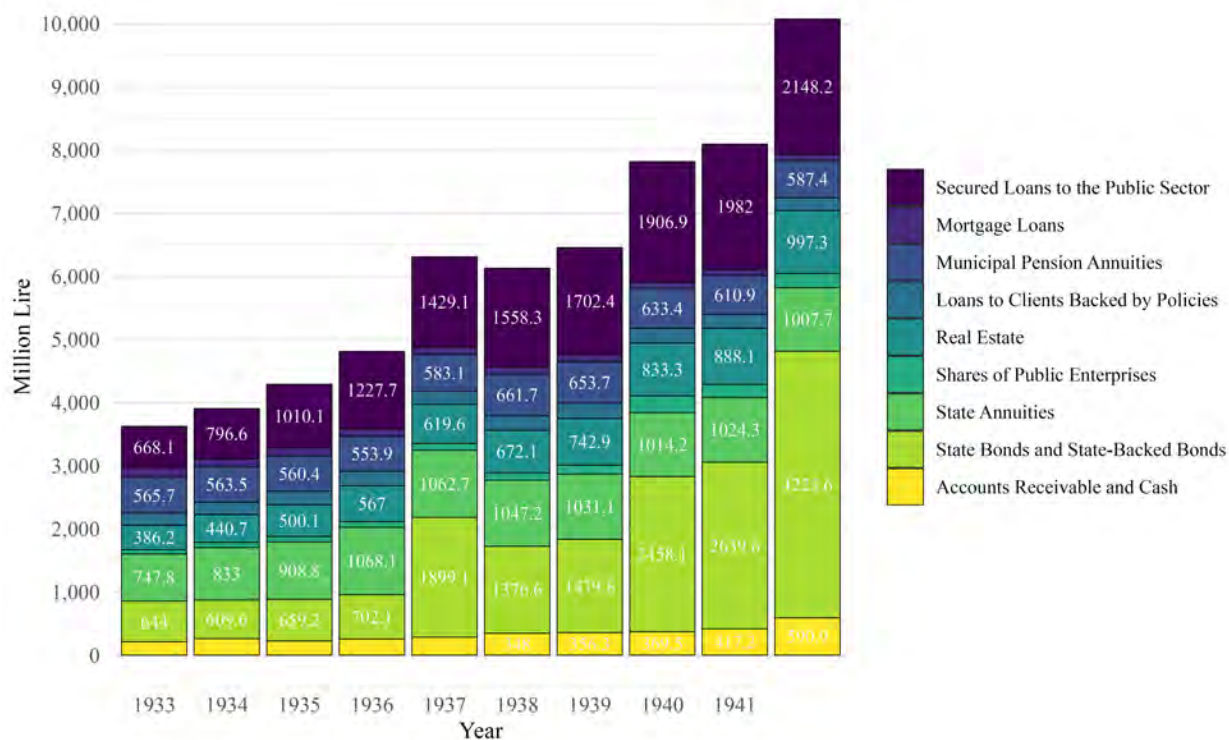


Figure 7.9: “INA’s Assets, 1933-1942.”

While the reasons for this approach to wartime finance went well beyond any individual institution, for the INA, these funds were a critical political tool. In the high period of the *popolari* campaign in late 1936, one particular investment stands out in this regard. As the INA used the *Confederazioni dei Lavoratori dell’Industria* to sell *popolari* to industrial workers, the leadership of the *Confederazione* received a new headquarters from the Institute in Forlì, built at the INA’s own expense.¹⁴⁹ The *Confederazione* received the right to purchase the building from the INA through a 35-year loan at an interest rate of 5.5%.¹⁵⁰ This facility of the INA like the rest of its finances, was also available to Mussolini. At a meeting with Mussolini on April 8, 1938, the President of the *Opera Nazionale per i Combattentii* requested that the INFPS and INA undertake a construction project in the center of Pomezia. Mussolini referred the matter to his secretary: “Dire a Bevione di fare qualche palazzo.”¹⁵¹ In June 1938, the INA commissioned a group of architects to create a proposal.¹⁵² In February 1939, the Institute took bids to carry out the construction and by February 1940, the tenants had moved in. The building hosted seven shops and ten apartments, accessible through three sets of marble stairways and equipped with four garages. The Institute’s building inspector described the results of the project:

¹⁴⁹ November 6, 1936, ASIA, VD 1912-1951, IV, VCdA.

¹⁵⁰ June 23, 1938, ASIA, VD 1912-1951, IV, VCdA.

¹⁵¹ “Tell Bevione to do some buildings.” April 8, 1938, ACS, SPD, CO, b. 1161, 509540/I, sf. 10.

¹⁵² June 23, 1938, February 23, 1939, VD 1912-1951, IV, VCdA.

“Analysed in detail the building may appear to be excessively extravagant, if one wishes to compare it with the rural environment from which it emerges; but this line belongs to the superior educative mission that the Regime has entrusted to this building towards those people who have lived for too many years in conditions of complete abandonment.”¹⁵³

Total costs amounted to 1.1 million lire. Even after it had taken Italy to war, the political machine of which the INA was part and parcel needed to be greased and attended to.

As in Germany, the Institute took on large war risks to support the war effort. In some respects, the arrangement was even more generous than that offered by German insurance firms. No additional war risk premium was charged for civilians, while military personnel paid a yearly upcharge set to 1% of the sum insured.¹⁵⁴ For Germany’s poorer soldiers, who paid no upcharge on insurance sums of less than 500 RM (around 2000 lire), the arrangement was of course more favorable, while Italy’s wealthy civilians had a much better deal than their German counterparts. While the financial trail for German firms breaks down with the Nazi regime’s defeat and the Allied occupation, in Italy, the INA continued to post its financial reports for each year through the Fascist regime’s collapse. Bevione and Giordani hosted their final board meeting on June 23, 1943, where they presented that year’s financial reports with the usual ceremony. The Institute had reached an all-time high for total contracts, with 4.3 million Italians insured, of which 2.8 million were *popolari* customers. The average sum insured was around 6,000 lire, with the average *popolari* policy of around 1,500 lire.

The real worth of these sums, however, had already diminished dramatically and would decline further. For an INA client who bought their policy in 1938, by 1942 it would have lost one third of its value. By 1944, it would have been worth less than a tenth, by 1948 one fiftieth.¹⁵⁵ The INA’s customers, of course, fared no worse than anyone else holding paper assets. Given the relatively low Italian mortality in World War II, the INA’s insurance losses seem to have been largely covered by inflation and by new policies’ higher premiums. In 1944, the Institute made insurance payouts of 700 million lire, including claims from mortality, policy surrenders, and maturations. As recently as 1940 this would have been a financial disaster, consuming nearly 90% of premium revenue. In 1944, despite the loss, the Institute’s loss ratio remained well within the normal range of the *ventennio* at 44%. While the Institute and the Fascist regime’s “defense of savings” had led to these savings’ destruction, the Institute survived the war financially. The social infrastructure of *previdenza*, savings, and insurance, moreover, would prove just as durable.

¹⁵³ “Analizzato nei dettagli il fabbricato può apparire con qualche eccessiva ricchezza, se lo si vuole confrontare con l’ambiente rurale al centro del quale sorge; ma questa linea rientra nel quadro superiore missione educatrice che il Regime ha affidato alla casa verso quel popolo che per troppi anni ha vissuto in condizioni di complete abbandono.” May 28, 1941, VD 1912-1951, IV, Verbali del Comitato Permanente.

¹⁵⁴ July 25, 1940, VD 1912-1951, IV, VCdA.

¹⁵⁵ See Appendix 10.1.

Chapter 8: Conclusions

By the height of the Second World War, both countries' life insurance economies had overtly taken on the roles available to them in the Nazi and Fascist savings economies. While in 1942 Bevione defended the “circuito dei capitali” in the public sphere, German private insurers emphasized the particular ability of their industry to absorb excess purchasing power in correspondence with the Reich Economics Ministry. In October 1941, the head of the *Wirtschaftsgruppe Kranken- und Lebensversicherung* wrote to the longtime correspondent in the Ministry for insurance affairs, Ministerial Advisor Daniel to request equal tax treatment of life insurance in the new *eisernes Sparen* (iron savings) scheme adopted to finance the rising costs of the war.¹

“The goal of the measure can be achieved through life insurance contracts in the same manner as through iron savings. The excess purchasing power would be absorbed in a much more effective way than with iron savings, as life insurance ties down excessive purchasing power for the long term.”²

Life insurance was not compulsory in either country. Nevertheless, political campaigns, regulatory interventions, and group contracts had created everything but a mandate. On the incentive side, special provisions to cover war risk, and the general lack of alternative consumption or savings options, fostered participation. The effect was a non-compulsory savings scheme that nonetheless bears a resemblance to other Fascist and Nazi methods of governing German and Italian society. A spectrum of enticement and compulsion brought customers to life insurance, while the centralization of the sectors' market governance ensured that even small, local funds or organizations' savings were used in the coordination of the larger war effort.³

Among the western Allies similar schemes were advanced to finance their own wartime expenditures. In his essay “How to Pay for the War”, John Maynard Keynes proposed a system of forced savings, or “deferred pay.”⁴ To cover the costs of the war that could not be met through taxation, Keynes proposed a mandatory savings quota on a sliding scale tracked to income.⁵ For managing these savings, Keynes proposed that participants be permitted to deposit the funds at an institution of their choice: “he might choose his friendly society, his trade union, or any other

¹ Marie-Luise 1945- Recker, *Nationalsozialistische Sozialpolitik im zweiten Weltkrieg*, Studien Zur Zeitgeschichte (München: Oldenbourg, 1985), 194-206.

² “Das Ziel der Verordnung liesse sich im Wege des Lebensversicherungsvertrages in gleicher Weise erreichen wie durch das Eiserne Sparen. Die überschüssige Kaufkraft wäre in noch viel wirksamerer Weise wie beim Eisernen Sparen abgeschöpft, denn es handelt sich in der Lebensversicherung um eine langfristige Bindung dieser überschüssigen Kaufkraft.” November 12, 1941, FHA, SM 1458-1-22.

³ Sven Reichardt, “Faschistische Beteiligungsdiktaturen. Anmerkungen zu einer Debatte,” in *Politische Gewalt in Deutschland: Ursprünge - Ausprägungen - Konsequenzen*, ed. José Brunner (Göttingen: Wallstein Verlag, 2014), 133–60.

⁴ John Maynard Keynes, “How to Pay for the War,” in *Essays in Persuasion*, ed. John Maynard Keynes (London: Palgrave Macmillan UK, 2010), 367–439.

⁵ Keynes, “How to Pay for the War,” 392-393.

body approved for the purposes of health insurance; or, failing such preference, the Post Office Savings Bank.”⁶ The approved societies of Great Britain’s pre-Beveridgian welfare system, many of which were industrial life insurers, could be mobilized along with other public and private long-term savings institutions to perform an identical function to that which the German and Italian life insurance sectors had come to carry out.⁷ Keynes had a familiarity with life insurance that went beyond his academic work. From 1921-1938, he was Chairman of the National Mutual Life Assurance Society and he even attended the 1927 London Congress of Actuaries.⁸ In his proposal, he suggested that exceptions be made to the savings quotas for life insurance premiums already in force, and for the new purchase of endowment policies.⁹ Despite Keynes’ courtship of the Labor party with the scheme, it was unpopular and was ultimately rejected.¹⁰

In the United States, plans to introduce a similar compulsory savings program were discussed, but ultimately discarded as well.¹¹ Instead, in 1941, the voluntary Payroll Savings Program was implemented in a concerted effort with American employers, who facilitated the transfer of employee savings to cover special war bonds. At the same time, a publicity campaign was rolled out:

“In every state, county and town volunteers preached the gospel of savings instead of spending. Here was a grassroots program, carried out by neighbor to neighbor, friend to friend and worker to worker.”¹²

The campaign likely contributed to the general rise in savings rates achieved during the war.¹³ Rationing, price and wage controls were part of a larger suite of measures. Notably, group insurance was exempted from the War Labor Board’s limitations on wage increases for up to 5% of workers’ salaries, while the premiums were allowed to be deducted from employers’ taxes.¹⁴

What, if anything, distinguishes the developments in German and Italian insurance from these initiatives? Each belligerent country adopted its savings infrastructure the best it could to

⁶ Keynes, “How to Pay for the War,” 403.

⁷ Michael Heller, “The National Insurance Acts 1911-1947, the Approved Societies and the Prudential Assurance Company,” *20 Century British History* 19, no. 1 (2008): 1–28.

⁸ Mark E. Holder and Richard J. Kent, “On the Art of Investing According to Keynes,” *Journal of Portfolio Management* 37, no. 3 (Spring 2011): 4–6; *Transactions of the Eighth International Congress of Actuaries*, vol. Vol.I-V (London: Charles and Edwin Layton, 1927).

⁹ Keynes, “How to Pay for the War,” 404.

¹⁰ Richard Toye, “Keynes, the Labour Movement, and ‘How to Pay for the War,’” *Twentieth Century British History*, January 1999.

¹¹ Lawrence R. Samuel, *The World War II Bond Campaign* (New York: Fordham Univ Press, 2025), 3-76.

¹² Ted R. Gamble, National Director of the War Finance Division of the U.S. Treasury Department, “Financing a War American Style,” *Minuteman* (Publication of the War Finance Division, U.S. Treasury Department, III, No. 4 (15 September 1943); cited in Lewis Moore, “Savings and War Bonds as a Method of Financing World War II” (Chicago, The University of Chicago, 1951).

¹³ Gillian Brunet, Eric Hilt, and Matthew Jaremski, “War Bonds and Household Saving in WWII,” *Explorations in Economic History* 97 (July 1, 2025): 101692.

¹⁴ Paul S. Fisher, “Group Accident and Health Insurance,” *Journal of the American Association of University Teachers of Insurance* 12, no. 1 (1945): 5–10.

perform the same function. As Lawrence Samuel has written, social pressure was deliberately employed in the American war bond savings campaign, considered a more effective method than compulsory savings even.¹⁵

The difference lies, for both Germany and Italy, in the fact that these developments preceded the military conflict. Just as in these countries' public welfare systems, the "war preparation phase" saw dynamic growth in the private insurance sector.¹⁶ In the 1920s and 1930s, INA's savings campaigns mobilized funds for a program of national development in which war was an essential step towards securing the country's general welfare. In Germany, private life insurers' rhetoric of the insurance system as a *Gefahrengemeinschaft* called for collective protection against dangers unknown, also as part of a regime bent on war. In both cases, the market governance structures that were centralized under Fascism and Nazism under the banner of this rhetoric took on a critical function in preparations for war through autarky investment drives.

The integration of private insurance concerns in this political undertaking, ironically, produced another convergence across the ocean. In 1940, American military intelligence became concerned that sensitive national information had been solicited and obtained through the business networks of continental European concerns.¹⁷ In 1942, at the urging of American private reinsurers, military intelligence operatives were placed within their international insurance branches.¹⁸ The extent to which this cooperation helped either the war effort or the insurers is unclear. It is clear that fears regarding the long reach of totalitarian power led to deliberate attempts to mimic these public-private collaborations in the United States. In any case, while German insurers were banned from doing business outside of Germany until the early 1950s, other continental reinsurers would emerge from the war in better shape than US reinsurers expected.¹⁹

On the domestic level, German and Italian insurers survived the politics of the immediate post-war period unscathed. Much as in other sectors, they would successfully fend off the application of American-style anti-trust policy.²⁰ Both industries retained strong national particularities: intimate connections between private insurance and social policy across member states ensured that life insurance was among the last sectors to be brought into the European Common

¹⁵ Samuel, *The World War II Bond Campaign*, 15, 32.

¹⁶ Peter Starke, "The Impact of War on Welfare State Development in Germany," in *Warfare and Welfare: Military Conflict and Welfare State Development in Western Countries*, ed. Herbert Obinger, Klaus Petersen, and Peter Starke (Oxford, New York: Oxford University Press, 2018).

¹⁷ See NARA, RG 226 ; A1 210 330 13254; 250-64-27-6.

¹⁸ Timothy James Naftali, "X-2 and the Apprenticeship of American Counterespionage, 1942-1944." (Harvard University, 1993), 303.

¹⁹ Naftali, "X-2 and the Apprenticeship of American Counterespionage, 1942-1944", 336; Barbara Eggenkämper, Gerd Modert, and Stefan Pretzlik, *Die Allianz: Geschichte des Unternehmens : 1890-2015* (München: Verlag C.H. Beck, 2015), 252-256.

²⁰ Luciano Segreto and Ben Wubs, "Resistance of the Defeated: German and Italian Big Business and the American Antitrust Policy, 1945-1957," *Enterprise & Society* 15, no. 2 (June 2014): 307-36.

Market.²¹ In 1985, a report on the EEC's insurance economies found that the large national markets had exceptionally low levels of foreign market share – in Germany 3%, in Denmark 2%, and in France 4%.²² Nevertheless, as the report noted, European concerns managed to maintain their business across borders through reinsurance and through complex holding organizations.²³

The broader financial and social institutions that these insurers were part of, likewise, displayed great persistence as well. In Germany, life insurance enrollment rapidly recovered. In 1951, the reduced population of West Germany held 20.9 million life insurance policies; by 1954 per capita policy rates would reach that attained in 1942, the last year of statistics during the war.²⁴ Returning to their traditional area of mortgage lending, life insurers would play a significant role in financing the immense volumes of housing required for reconstruction.²⁵ United in the *Gesamtverband der deutschen Versicherer* (Full Association of German Insurers), public and private commercial insurance buried the hatchet.²⁶ As Hilgard had predicted, eliminating the separate industry groups and combining the regulatory agencies ended conflict once and for all. Tensions with Germany's social insurance system, however, would not disappear. In 1956, as Konrad Adenauer deliberated over the introduction of a new universal, non-funded pension plan (the *dynamische Rente*), German life insurers took action. Forming the *Gemeinschaft zum Schutz der deutschen Sparer* (Community for the Protection of German Savers), private insurers mounted another public relations campaign against social insurance's expansion.²⁷ The resistance would fail, but their most dire predictions regarding the collapse of investment would not come to pass. As Christopher Kopper writes, the organization's founder would be forced to acknowledge that their projection for a collapse of investment and ensuing economic recession was "doomerism, if not purposeful pessimism."²⁸

²¹ Bill Pool, *The Creation of the Internal Market in Insurance* (Luxembourg: UNIPUB, 1990).

²² There is no figure given for Italy, but it was estimated to be around the same as that in France. Sam Aaronovitch and Peter Samson, *The Insurance Industry in the Countries of the EEC: Structure, Conduct, and Performance* (Luxembourg: Office for Official Publications of the European Communities, 1985), 163.

²³ "We have already suggested, however, that the share of foreign-controlled firms in total number of firms is not the most significant indicator of foreign penetration," Aaronovitch and Samson, *The Insurance Industry in the Countries of the EEC*, 159. On these reinsurance concerns, see Harold James et al., *The Value of Risk: Swiss Re and the History of Reinsurance*, 1 edition (Oxford: Oxford University Press, 2014); Johannes Bähr and Christopher Kopper, *Munich Re: Die Geschichte der Münchener Rück 1880-1980* (C.H.Beck, 2015).

²⁴ For policy numbers for the postwar, see Borscheid, *Versicherungstatistik*, 71.

²⁵ Dieter Krüger, "Privatversicherung und Wiederaufbau. Probleme der Reorganisation des Versicherungsgewerbes in Westdeutschland 1945-1952," *VSWG: Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte* 74, no. 4 (1987): 531-534.

²⁶ See Heike Wieters, "Between National Welfare Institutions and New European (Welfare-) Markets: German Life Insurance Industry and the Quest of Europeanization, 1945–1960," in *Reconsidering Europeanization: Ideas and Practices of (Dis-)Integrating Europe since the Nineteenth Century*, ed. Florian Greiner, Peter Pichler, and Jan Vermeiren (De Gruyter Oldenbourg, 2022), 385–406.

²⁷ Hans Günter Hockerts, *Der deutsche Sozialstaat: Entfaltung und Gefährdung seit 1945* (Vandenhoeck & Ruprecht, 2012), 78-84.

²⁸ „Schwarzmalerei, wenn nicht Zweckpessimismus," see Kopper, "Versicherungskonzerne in der »Deutschland AG«,“ 176.

In Italy, commercial life insurance continued to be an industry of significance.²⁹ As in Germany, the INA participated to a great extent in housing construction after the war.³⁰ The larger public savings and investment infrastructure it was part of, however, were of even greater importance. Through 1964, Italian social insurance would consistently achieve large yearly surpluses of contributions over benefits, reaching a high of 1.8% of GDP in 1964.³¹ As Italy rapidly industrialized, public welfare funds remained both a vital resource for industrial development and for hidden social transfers through large investments in the *Mezzogiorno*.³² Only following the reforms of 1965-1966 would the state insurance system stop consistently producing such large surpluses, setting in motion a steady reversal, in which Italian social welfare would come to be a liability, not an asset, for public finances.³³

In both countries, the financial infrastructure of insurance and associated patterns of savings behavior had become routine. As in Charles Maier's account of Europe's two postwar eras, it is hard to imagine a more potent symbol of the incorporation of the working classes into European mainstream society than the triumph of the life insurance corporation and the life insurance contract.³⁴ On a practical level, the high investment needs of the post-war economies in Germany and Italy were served just as well by life insurance as were the Fascist and Nazi dictatorships. Infrastructure is versatile and has no economic ideology. Centralizing and spreading life insurance created institutions useful for both countries.

These achievements became the best defense in denazification and defascistization trials for the individuals who had played such important roles in the Nazi and Fascist insurance systems. As Schmitt would come to see it, he had effectively defended German private insurance against the specter of nationalization.³⁵ Tried as a "major offender", Schmitt solicited letters from the network of international contacts he had maintained as the head of Munich Re. Among others, support from his old friend, Otto Jeidels, now Vice President of the Bank of America in San Francisco, contributed to him escaping with a minor fine and the label of "follower."³⁶ Schmitt provided specific instructions for the composition of these letters, where he encouraged his contacts to express their faith in the American justice system. As Gerald Feldman put it, Schmitt

²⁹ On post-war developments, see Giorgio Cingolani, *Le assicurazioni private in Italia. Gestione del rischio e sicurezza sociale dall'Unità a oggi* (Bologna: Il Mulino, 2019), 180-224.

³⁰ Paola Di Biagi, *La grande ricostruzione: il piano Ina-Casa e l'Italia degli anni cinquanta* (Donzelli Editore, 2001).

³¹ See Appendix 11.1.

³² Franco Bonelli, "Appunti Sul 'Welfare State' in Italia," *Studi Storici* 33, no. 2/3 (1992): 669-80.

³³ See Chiara Giorgi and Ilaria Pavan, *Storia dello stato sociale in Italia* (Bologna: Il Mulino, 2021), 362-374; Matteo Jessoula, Maurizio Ferrera, and Valeria Fargion, *Alle radici del welfare all'italiana. Origini e futuro di un modello sociale squilibrato* (Venice: Marsilio, 2012), 209-258.

³⁴ Charles S. Maier, "The Two Postwar Eras and the Conditions for Stability in Twentieth-Century Western Europe," *The American Historical Review* 86, no. 2 (1981): 327-52, <https://doi.org/10.2307/1857441>.

³⁵ Hilgard would be remembered as such as well within the industry, see Peter Koch, *Geschichte der Versicherungswirtschaft in Deutschland* (Karlsruhe: Verlag Versicherungswirtschaft, 2012), 280. On Schmitt and Hilgard, see Feldman's account, *Allianz and the German Insurance Business*, 446-496.

³⁶ Feldman, *Allianz and the German Insurance Business*, 73, 482.

“master(ed) what might be called the politics of denazification, as he had once mastered conducting business politics in the Nazi regime.”³⁷

The details of Bevione’s departure from the INA are unclear, but June 1943 marked his last board meeting at the head of the Institute.³⁸ In 1947, the INA’s first post-war president, Annibale Gilardoni, with the approved of the INA’s board, denounced Bevione and Giordani for their actions at the head of the Institute during the Fascist era.³⁹ Widespread corruption in the appointment of agents and in the use of the Institute’s funds were alleged. The 500 million lire loan to the *Banca Commerciale Italiana* was cited, as well as the Institute’s purchase and eventual transfer of the *Hotel Rocca di Papa* to the Fascist party.⁴⁰ At the trial, multiple witnesses gave depositions in support of Bevione. The public magistrate then pronounced his verdict, exonerating the pair:

“Gentlemen, I want to say one thing, that the duo Bevione-Giordani brought the Institute to great heights; these are not (mere) words and these are not (mere) phrases, but documents exist and they speak: the firm’s financial reports which disprove any accusations that might be spread.”⁴¹

The same witnesses had testified in support of Ignazio Giordani, now deceased.⁴² The magistrate continued:

“Giordani, who I see in spirit in this hall, and I have to say, as a magistrate and as a man, that my soul weeps when I read in this trial that this man, who gave everything and received nothing, was imprisoned and his being gave out: moral suffering kills the weak. Today, if he were present here, he would be restored by my words. We will need to restore his honor in spirit, because we have heard that he, together with Bevione, always pursued the interests of his Institute. Let my simple words serve to restore honor to this man who, unfortunately, died due to the misfortune of certain events, and I do not wish to say more, Gentlemen of the Court, for reasons that are easy to understand.”⁴³

³⁷ Feldman, *Allianz and the German Insurance Business*, 73, 480.

³⁸ An April 28th report suggested he intended to resign, an August report for the Badoglio government alleged extensive corruption and ties to Fascism on his part and Giordani’s. See ACS, MdI, DGPS, DPP, fascicoli personali, n. 130.

³⁹ See the depositions of Gilardoni, taken January 11, 1947, as well as those of Annetto Puggioni, Marino Marinelli, and Arnaldo Petretti, who had all worked at the Institute for many years during the Fascist period. Marinelli and Puggioni served as Director General in the immediate postwar. ASIA.

⁴⁰ Regarding the hotel, see the board minutes of May 29, 1935, ASIA, VD 1912-1951, IV, VCdA.

⁴¹ “Signori, io voglio dire una cosa, che il binomio Bevione-Giordani aveva portato l’Istituto a grandi altezze; non sono parole e non sono frasi, ma esistono documenti che parlano: i bilanci che smentiscono tutte le accuse che si sono volute insinuare.” “Requisitoria del Pubblico Ministero, Processo Bevione.” ASIA.

⁴² “Era non solo un galantuomo ma un gentiluomo perfetto. Si deve al binomio Bevione-Giordani la prosperità dell’Istituto.” “Deposizione Petretti”, ASIA.

⁴³ “Giordani che vedo qui in spirito in questa aula, e devo dire come magistrato e come uomo, che mi piange l’anima quando ho letto in questo processo che questo uomo aveva tutto dato e nulla ricevuto, era caduto nel carcere e l’organismo non aveva resistito: le sofferenze morali stroncano chi è debole. Oggi se fosse qui presente sarebbe dalla

Bevione would resume his work as a journalist, covering finance and economics with the media outlets *24 Ore* and *Roma*. He died in Turin in 1976.⁴⁴

In an interview with *Capital* magazine in 1968, the hiring consultant Dr. Maximilian Schubart was asked to describe the appearance of top management talent in Germany:

“Schubart: Grey-haired, with robust rosy faces, confident in presentation, confident in conduct, grey Fresco suits, often with glasses, that fog up with small emotions, good efficiency and cold souls...no longer large in stature, but over their whole person lies an air of indifference and the realization, that something, somewhere, is missing with them.

Capital: What are German managers missing?

Schubart: Maybe the past. Over the past twenty years, apart from the qualifications which allowed them to build these great enterprises, they have been able to let nothing from their backgrounds live with them...the simple, sober fact that we all lived in the Third Reich has become a taboo.”⁴⁵

Like these managers, the German and Italian life insurance industries came of age under Fascism and Nazism. In the decades that followed, this simple, sober fact would slowly recede from view.

mia parola ristabilito. Dobbiamo riabilitarlo anche in spirito perché abbiamo sentito che egli insieme a Bevione faceva sempre gli interessi del suo Istituto. Valga la mia modesta parola a riabilitare quest'uomo che purtroppo è caduto per fatalità di certi eventi, e non voglio dire di più, Signori della Corte, per ragioni facili a comprendersi.” “Requisitoria del Pubblico Ministero, Processo Bevione.” ASIA.

⁴⁴ Giuseppe Sircana, “Bevione, Giuseppe,” in *Dizionario Biografico degli Italiani* (Treccani, 1988).

⁴⁵ „Capital: Dr. Schubart, Sie gelten als der erfolgreichste Vermittler von Spitzenpositionen in Deutschland. Was für Leute suchen Sie? Wie sehen Deutschlands Spitzenmanager aus?

Schubart: Grauhaarig, mit gut-durchblüteten rosigen Gesichtern, sicherem Auftreten, sicherem Benehmen, grauen Freskoanzügen, oftmals mit Brille, die sich bei einem Hauch von Rührung beschlägt, guter Effizienz und kalten Seelen...keine Stiernacken mehr, aber über den ganzen Menschen liegt ein Hauch, von Indifferenz und der Erkenntnis, daß irgendwo etwas bei ihnen fehlt. - Capital: Was fehlt den deutschen Managern?

Schubart: Vielleicht die Vergangenheit. In den letzten zwanzig Jahren haben sie neben ihren Qualifikationen, die sie zum Aufbau großer Unternehmen befähigt haben, nichts von ihrer Vergangenheit, von ihrem Werdegang, mitleben lassen können...diese nackte, nüchterne Tatsache, daß wir alle im Dritten Reich gelebt haben, ist zum Tabu geworden.” „Deutschlands Top Manager: Von Hitler erzogen,” *Capital*, (1968: 4).

Appendix 1.1 - Estimating Commission Expenses and Industrial Life Insurance Costs for German Private Insurers, 1910-1914

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Intercept)	-191759.994** (88959.718)	-230727.992** (113422.954)	10909.316 (50586.897)	4846.331 (61774.077)	426538.812*** (73532.673)	402617.166*** (60839.000)	506848.271*** (88130.225)	482343.201*** (70605.008)
premiums	0.159*** (0.004)		0.096** (0.003)			0.076*** (0.003)		0.073*** (0.004)
lagged_premiums		0.167*** (0.004)		0.098** (0.004)	0.076*** (0.004)		0.073*** (0.004)	
new_sum_vols			0.073** (0.005)	0.079** (0.006)	0.032*** (0.009)	0.018** (0.008)	0.054*** (0.008)	0.040*** (0.007)
new_sum_novols			0.019** (0.003)	0.019** (0.004)	0.010*** (0.003)	0.010*** (0.003)	0.007** (0.003)	0.006** (0.003)
volks_share_sum					-786950.701*** (170982.363)	-693413.518*** (135931.152)		
lagged_premiums × volks_share_sum					0.206*** (0.023)			
premiums × volks_share_sum						0.205*** (0.020)		
volks_share_policies							-6602.325*** (1466.942)	-5711.856*** (1166.704)
lagged_premiums × volks_share_policies							0.001*** (0.000)	

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
premiums × volks_share_ policies								0.001*** (0.000)
Num.Obs.	267	203	267	203	203	267	203	267
R2	0.884	0.872	0.965	0.965	0.976	0.976	0.975	0.975
R2 Adj.	0.883	0.872	0.965	0.965	0.976	0.975	0.974	0.975
AIC	8255.4	6317.4	7936.8	6057.6	5985.0	7844.0	5998.2	7849.2
BIC	8266.2	6327.3	7954.7	6074.1	6008.2	7869.1	6021.4	7874.3
Log.Lik.	-4124.70 8	-3155.68 3	-3963. 389	-3023. 777	-2985.487	-3914.986	-2992.09 0	-3917.59 2
F	2012.615	1375.394	2435.0 17	1841.7 45			1509.208	2064.612
RMSE	1238493. 21	1364499. 24	676856 .60	712484 .74	590008.61	564631.88	609515.9 7	570170.7 0
* p < 0.1, ** p < 0.05, *** p < 0.01								

Appendix 1.2 – Estimating Commission Expenses and Industrial Life Insurance Costs for German Insurers, 1924-1936

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(Intercept)	393.578 ***	542.941 ***	111.27 6*	42.098	131.37 6**	98.438	38.792	-50.360	-1.773	18.947
	(67.567)	(94.972)	(67.06 9)	(81.57 0)	(59.57 9)	(73.65 3)	(77.11 2)	(82.297)	(57.60 6)	(57.38 0)
premiums	0.209** *		0.143* **		0.144* **		0.137* **	0.112** *		
	(0.003)		(0.005)		(0.005)		(0.006)	(0.007)		
lagged_pre miums		0.211** *		0.111* **		0.115* **				
		(0.005)		(0.006)		(0.006)				
new_sum_t otal			0.020* **	0.031* **			0.020* **		0.027* **	
			(0.001)	(0.001)			(0.001)		(0.001)	
new_sum_k l					0.021* **	0.030* **		0.008** *		0.022* **
					(0.002)	(0.002)		(0.002)		(0.001)
new_sum_g l					0.019* **	0.030* **		0.024** *		0.028* **
					(0.001)	(0.001)		(0.001)		(0.001)
kl_share_su m							191.71 0 (185.4 76)			
premiums × kl_share_su m							0.038* ** (0.012)			
kl_policy_s hare							694.372 *** (156.32 1)			
premiums × kl_policy_s hare							0.069** * (0.010)			
Num.Obs.	655	566	591	512	655	566	589	567	527	529
R2	0.855	0.775	0.895	0.877	0.896	0.876	0.899	0.909	0.769	0.770
R2 Adj.	0.854	0.775	0.894	0.877	0.895	0.875	0.898	0.909	0.769	0.769

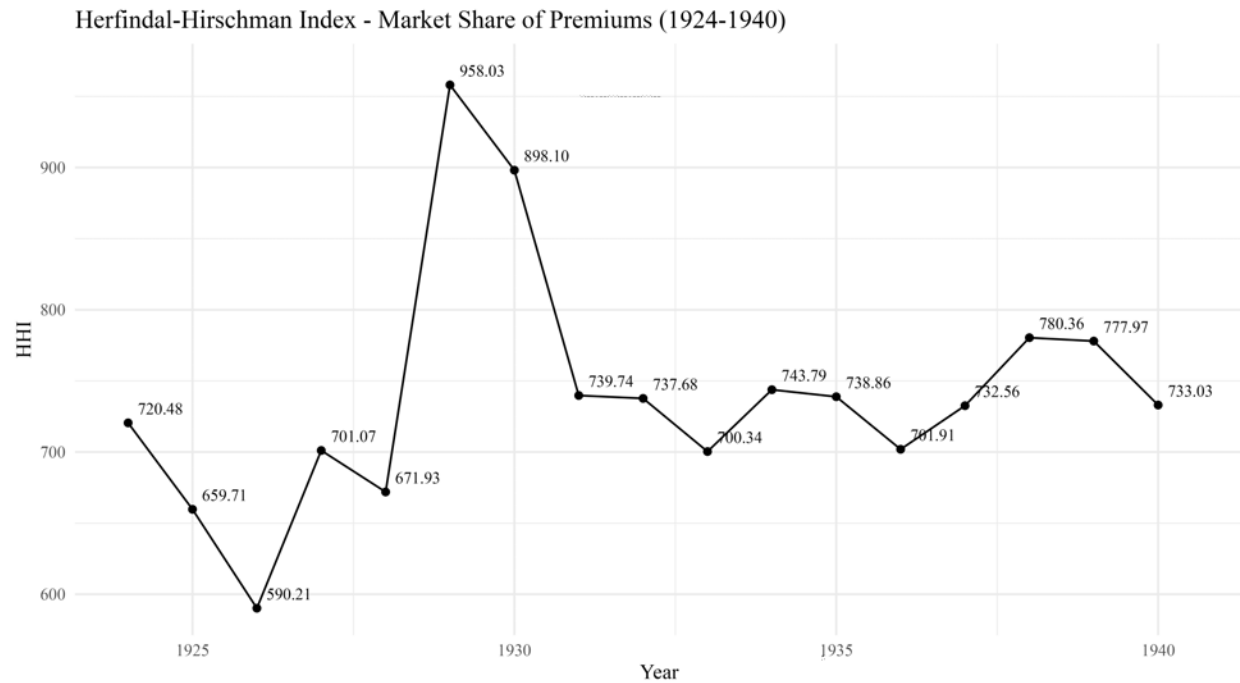
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
AIC	11417.0	10166.3	10157. 8	8924.3	11202. 8	9833.4	10104. 6	9681.9	8844.0	8877.0
BIC	11430.5	10179.3	10175. 3	8941.2	11225. 2	9855.1	10130. 9	9712.3	8856.8	8894.1
Log.Lik.	-5705.5 08	-5080.1 56	-5074. 883	-4458. 129	-5596. 395	-4911. 719	-5046. 316	-4833.9 54	-4418. 982	-4434. 521
F										881.22 5
RMSE	1468.15	1913.33	1297.2 5	1463.1 5	1242.8 7	1420.8 5	1272.4 0	1219.94	1060.2 1	1057.7 5

* $p < 0.1$, **

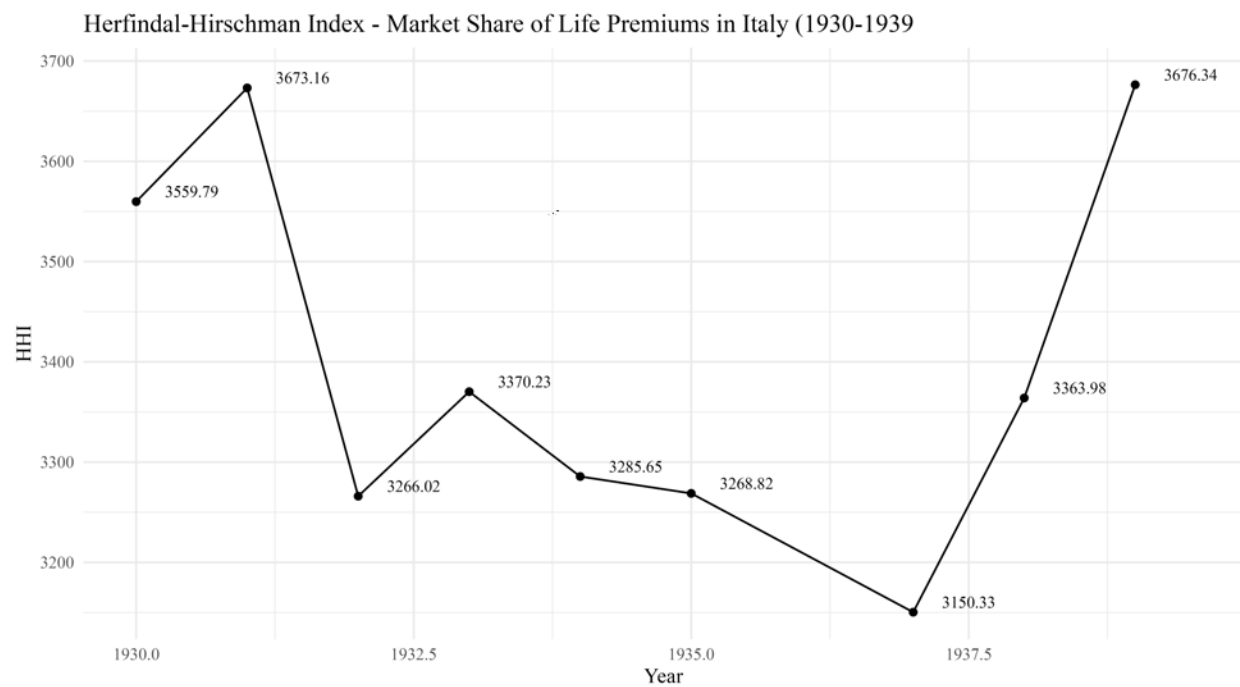
$p < 0.05$,

*** $p < 0.01$

Appendix 2.1 – Firm Concentration in German Life Insurance

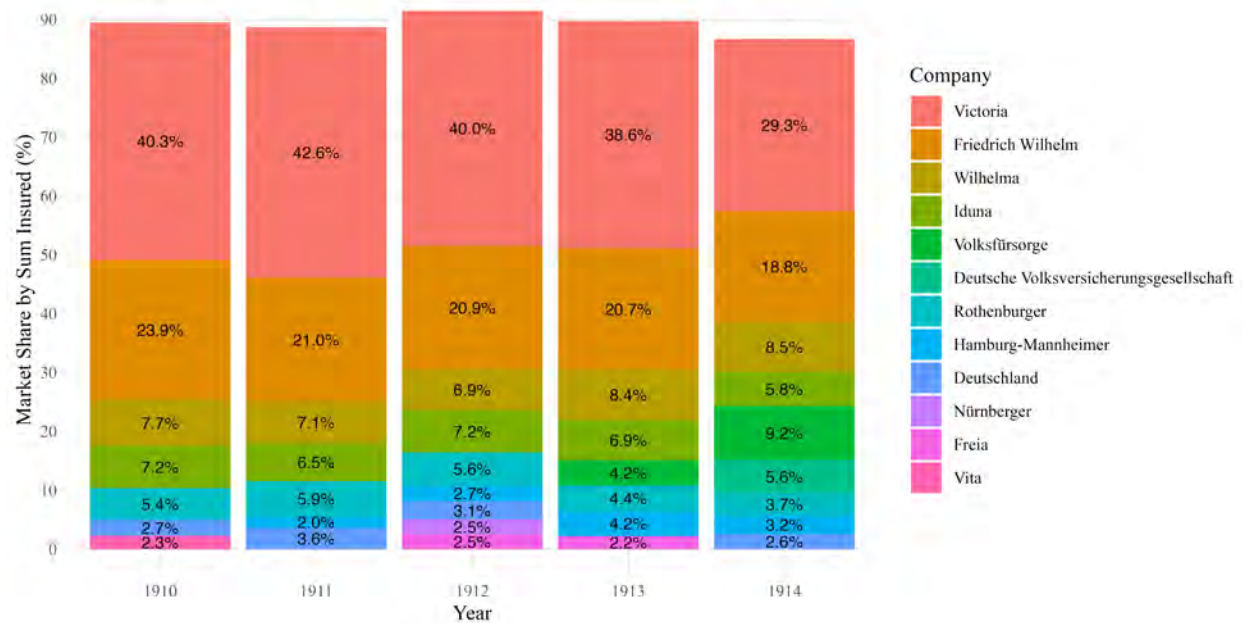


Appendix 2.2 – Firm Concentration in Italian Life Insurance



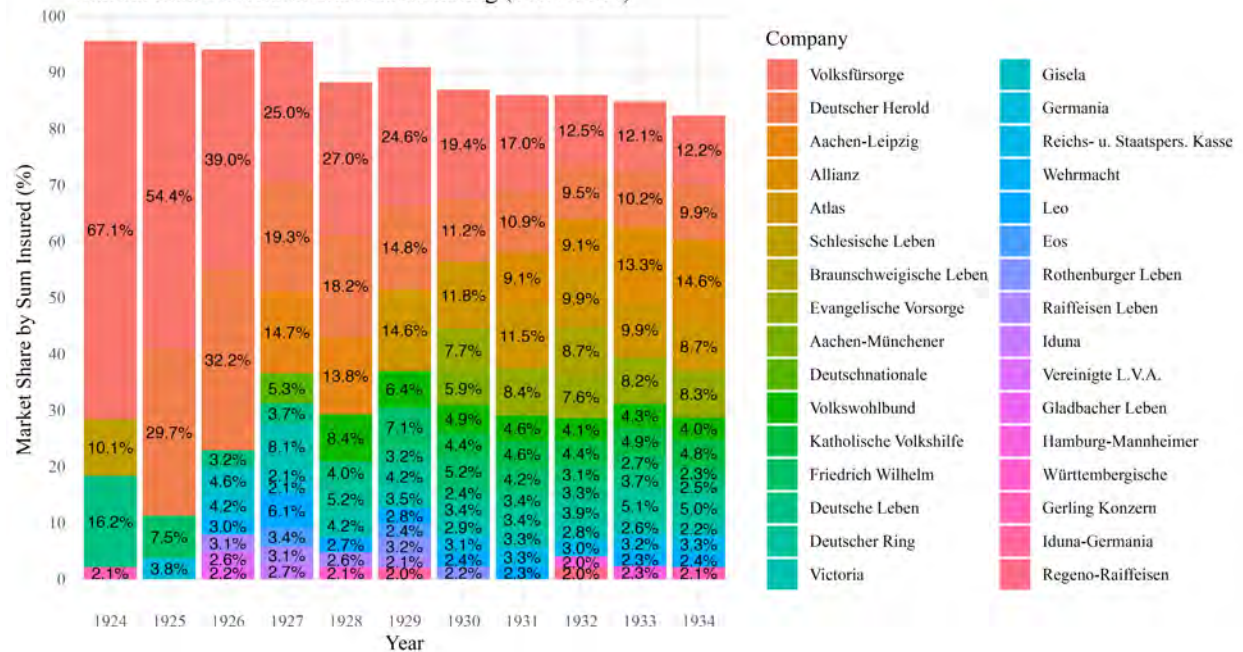
Appendix 3.1 – Market Share in German Industrial Life Insurance (*Volkerversicherung*)

Market Share in Volkerversicherung (1910-1914)



Appendix 3.2 – Market Share in Industrial Life Insurance (*Kleinlebensversicherung*)

Market Share in Kleinlebensversicherung (1924-1934)



Appendix 4.1 – Founding Dates of German Firms in 1914 and 1924

Year of Founding for Insurers (1914 and 1924)			
Firm_1914_Name	Founding_1914	Firm_1924_Name	Founding_1924
Berlinische Lebensversicherungsgesellschaft	1836	Aachen-Münchener	1923
Deutsche Lebensversicherungsgesellschaft	1902	Agrippina	1923
Deutsche Volksversicherungsgesellschaft	NA	Allgemeine Rentenanstalt	1923
Deutschland	1884	Allianz	1922
Deutscher Anker	1897	Atlas	1922
Freia	1867	Bayerische Leben	1921
Friedrich Wilhelm	1866	Braunschweigische Leben	1920
Nordstern	1867	Concordia	1922
Nordstern Arb.	NA	Deutsche Leben	1923
Preuß. Lebensvers.	1865	Deutsche Welt	1923
Victoria	1853	Deutscher Herrold	1923
Urania	1891	Deutschnationale	1913
Thuringia	1856	Festwert A.-G.-	1923
Frankfurter	1844	Frankfurter Leben	1844
Providentia	1857	Friedrich Wilhelm	1866
Hamburg-Mannheimer	1899	Gerling Konzern	1922
Janus	1847	Germania	1922
Volksfürsorge	NA	Gilde	1921
Volskvers. D.N. Holdinggesellschaft	NA	Gothaer Leben	1922
Concordia	1853	Hamburg-Leipziger	1924
Teutonia	1853	Hamburg-Mannheimer	1899
Lübecker	1828	Heracles Lebensv.	1924
Atlas	1896	Hovad	1921
Magdeburger	1856	Iduna	1922
Wilhelma	1873	Janus	1848
Arminia	1889	Karlsruher Leben	1922
Bayererische Versicherungsbank	1835	Kronos	1922
Nürnbergger	1884	Leipziger Leben	1922
Germania	1857	Magdeburger Leben	1855
Armee und Marine	1872	Münchener Leben	1922

Year of Founding for Insurers (1914 and 1924)

Firm_1914_Name	Founding_1914	Firm_1924_Name	Founding_1924
Preuß. Rentenanstalt	1841	National	1924
Sterbekasse der Lehrer	NA	Nordstern	1922
Braunschweiger	1841	Nürnberger Leben	1884
Darmstädter	1855	Preussische Beamtenversicherung	1875
Sächsische	1875	Raiffeisen Leben	1922
Rothenburger	1856	Rothenburger Leben	1923
Gothaer	1827	Schlesisch-Koelnische	1924
Iduna	1854	Schlesische Leben	1923
Deutsche MLVG	1875	Spandauer Leben	1922
Preuß Beamtenverein	1875	Stuttgart-Lübecker	1923
Schles.	1859	Stuttgarter Leben	1922
Karlsruher	1864	Ver.Ber.Preuss.	1836
Leo. Volksversicherung	NA	Victoria	1853
Friedrich August	NA	Victoria am Rhein	1923
Leipziger L.	1830	Volksfürsorge	1912
Vesta	1873	NA	NA
Potsdam	1868	NA	NA
Mecklenburg	1853	NA	NA
Allg. Deutscher	1875	NA	NA
Stuttgarter Renten.	1855	NA	NA
Stuttgarter L.V.G.	1854	NA	NA
Brandenburg	1912	NA	NA
Schlesische	1911	NA	NA
Westpreußen	1911	NA	NA
Ostpreußen	1910	NA	NA
Nassau	1913	NA	NA
Posen	1911	NA	NA
Pommern	1911	NA	NA
Verband	1912	NA	NA

Appendix 5.1 – Premiums for Traditional Life Insurance – reported in the January 1925 edition of the *Monatsblätter der Hamburg-Mannheimer Versicherungs-Aktien-Gesellschaft*, (Ergo-Archiv).

Rates were given for a 20,000 RM mixed policy with medical certificate, payable at age 60, and quoted in sums per 1,000 RM.

Premium Rates for Standard Life Insurance Policies (1925)

Firm Name	For a Thiry-Year-Old	For a Forty-Year-Old
Nürnberger Leben	40.00	59.30
Kronos	39.35	59.35
Ver.Ber.Preuss.	38.70	56.80
Victoria	38.45	59.85
National	37.30	58.00
Concordia	37.00	55.00
Deutsche Leben	36.70	56.70
Münchener Leben	36.00	56.20
Gilde	35.90	59.45
Festwert A.-G.-.	35.80	55.20
Intag-Phöbus	NA	56.00
Braunschweigische Leben	35.00	56.00
Karlsruher Leben	35.00	55.00
Basler	35.00	54.10
Agrippina	34.50	54.10
Deutschnationale	34.50	53.60
Astra	34.50	53.30
Gothaer Leben	34.30	53.30
Allianz	34.20	55.65
Hamburg-Leipziger	34.20	54.50
Frankfurter Leben	33.20	53.10
Stuttgart-Lübecker	33.00	54.00
Stuttgarter Leben	32.90	53.70
Germania	32.70	51.40
Spandauer Leben	32.61	52.66
Schlesisch-Koelnische	32.40	52.40
Iduna	32.35	51.96
Alba	32.30	52.20
Janus	32.10	51.20
Leipziger Leben	31.70	49.90

Premium Rates for Standard Life Insurance Policies (1925)

Firm Name	For a Thiry-Year-Old	For a Forty-Year-Old
Bayerische Leben	31.60	52.20
Gerling Konzern	31.10	52.30
Magdeburger Leben	31.00	52.20
Allgemeine Rentenanstalt	31.00	50.00
Hamburg-Mannheimer	29.40	48.60

Appendix 6.1 – Top Ten German Small-Sum Life Insurers by Policy Totals, 1924-1934

Top Ten Kleinlebensversicherer by Total Policies (Ranked)

Year	Rank	Firm	Total Policies
1924	1	Volksfürsorge	402030
1924	2	Deutscher Herold	147902
1924	3	Deutsche Leben	36100
1924	4	Schlesische Leben	33811
1924	5	Victoria	28971
1924	6	Gerling Konzern	14031
1924	7	Germania	4489
1924	8	Hovad	2000
1924	9	Nürnberger Leben	1585
1924	10	Raiffeisen Leben	35
1925	1	Volksfürsorge	537420
1925	2	Deutscher Herold	336175
1925	3	Germania	33406
1925	4	Victoria	24630
1925	5	Friedrich Wilhelm	22138
1925	6	Gerling Konzern	10484
1925	7	Deutsche Leben	6944
1925	8	Nürnberger Leben	6177
1925	9	Bayerische Leben	898
1925	10	Kronos	611
1926	1	Volksfürsorge	715573
1926	2	Deutscher Herold	646762
1926	3	Vereinigte L.V.A.	94412
1926	4	Germania	81166
1926	5	Deutsche Leben	55862
1926	6	Leo	45278
1926	7	Wehrmacht	43974
1926	8	Gladbacher Leben	41024
1926	9	Victoria	21905
1926	10	Gisela	21763
1927	1	Volksfürsorge	1017586
1927	2	Deutscher Herold	945542
1927	3	Deutsche Leben	191094
1927	4	Deutschnationale	129195

Top Ten Kleinlebensversicherer by Total Policies (Ranked)

Year	Rank	Firm	Total Policies
1927	5	Eos	121316
1927	6	Germania	105625
1927	7	Sorgenfrei	44850
1927	8	Gisela	26571
1927	9	Hamburg-Mannheimer	23754
1927	10	Nürnberger Leben	22929
1928	1	Volksfürsorge	1444828
1928	2	Deutscher Herold	1188566
1928	3	Volkswohlbund	708914
1928	4	Deutsche Leben	300729
1928	5	Württembergische	247891
1928	6	Deutscher Ring	168757
1928	7	Victoria	155806
1928	8	Leo	154055
1928	9	Germania	129533
1928	10	Sorgenfrei	57472
1929	1	Volksfürsorge	1886519
1929	2	Atlas	1443197
1929	3	Deutscher Herold	1386575
1929	4	Volkswohlbund	760222
1929	5	Deutsche Leben	357005
1929	6	Württembergische	317244
1929	7	Friedrich Wilhelm	295392
1929	8	Leo	212764
1929	9	Victoria	203611
1929	10	Deutscher Ring	203531
1930	1	Volksfürsorge	2150723
1930	2	Atlas	1899821
1930	3	Deutscher Herold	1471002
1930	4	Evangelische Vorsorge	1150777
1930	5	Volkswohlbund	781009
1930	6	Katholische Volkshilfe	684103
1930	7	Deutsche Leben	403835
1930	8	Württembergische	364003
1930	9	Friedrich Wilhelm	310190
1930	10	Victoria	260265

Top Ten Kleinlebensversicherer by Total Policies (Ranked)

Year	Rank	Firm	Total Policies
1931	1	Atlas	2234988
1931	2	Volksfürsorge	2225139
1931	3	Deutscher Herold	1626647
1931	4	Evangelische Vorsorge	1383567
1931	5	Volkswohlbund	803460
1931	6	Katholische Volkshilfe	778989
1931	7	Deutsche Leben	608473
1931	8	Württembergische	381039
1931	9	Allianz	375543
1931	10	Victoria	351262
1932	1	Atlas	2387960
1932	2	Volksfürsorge	2222741
1932	3	Deutscher Herold	1619425
1932	4	Evangelische Vorsorge	1458157
1932	5	Katholische Volkshilfe	848230
1932	6	Volkswohlbund	828225
1932	7	Deutsche Leben	661588
1932	8	Allianz	486120
1932	9	Württembergische	388563
1932	10	Victoria	369241
1933	1	Atlas	2662620
1933	2	Volksfürsorge	2217667
1933	3	Allianz	1948901
1933	4	Deutscher Herold	1769943
1933	5	Evangelische Vorsorge	1616460
1933	6	Karlsruher Leben	1084499
1933	7	Katholische Volkshilfe	955023
1933	8	Deutsche Leben	594500
1933	9	Deutscher Ring	468167
1933	10	Württembergische	410082
1934	1	Atlas	2997018
1934	2	Volksfürsorge	2517279
1934	3	Allianz	2302380
1934	4	Deutscher Herold	1945732
1934	5	Evangelische Vorsorge	1797287
1934	6	Karlsruher Leben	1387259

Top Ten Kleinlebensversicherer by Total Policies (Ranked)

Year	Rank	Firm	Total Policies
1934	7	Katholische Volkshilfe	1096219
1934	8	Volkswohlbund	926394
1934	9	Deutsche Leben	527504
1934	10	Deutscher Ring	501086

Appendix 7.1 – INA's Board of Directors (*Consiglio di amministrazione*)

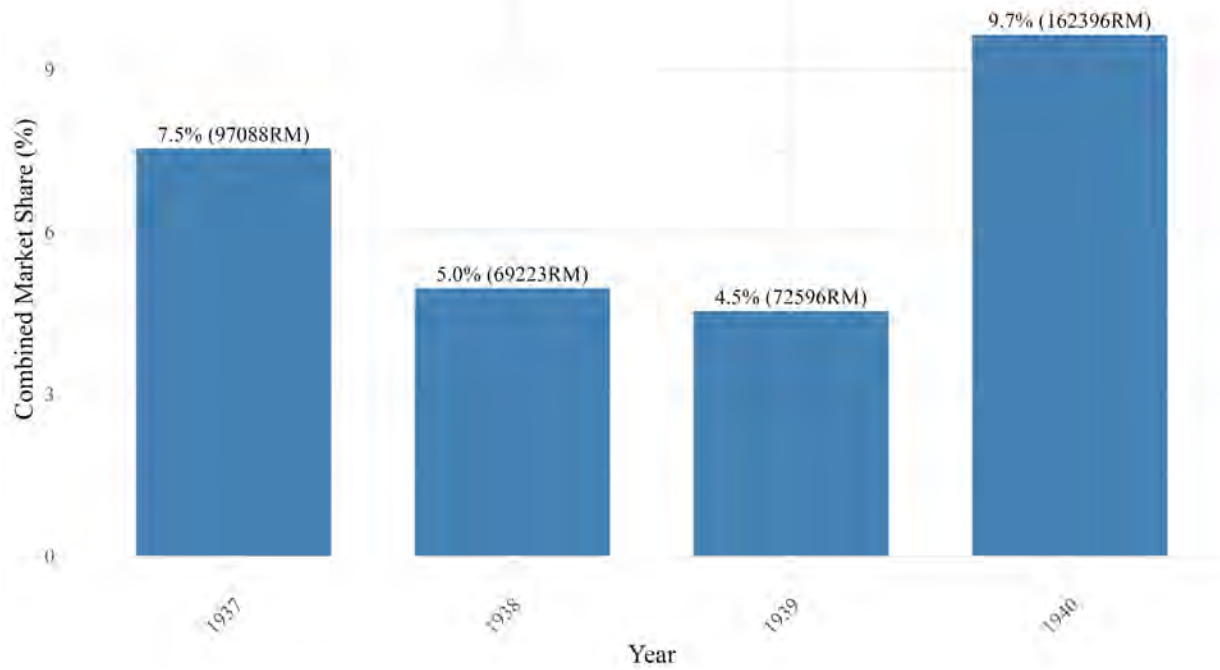
Column1	1922	1923	1924	1925	1926	1927
President	Bonaldo Stringher	Guido Toja	Guido Toja	Commissario Gatti	Salvatore Gatti	Salvatore Gatti
Vice-President	Pietro Verardo	Massimo Rocca				
Director General	Guido Toja	Guido Toja	Guido Toja		Salvatore Gatti	Salvatore Gatti
Vice Director General		Enrico Scodnik	Enrico Scodnik		Alberto Vidnelli//Leone	Alberto Vidnelli//Leone Ar
CdA	Aristide Zengarini	Edmondo Rossoni	Edmondo Rossoni		Edmondo Rossoni	Edmondo Rossoni
	Umberto Clerici	Francesco Paolo Cantelli	Francesco Paolo Cantelli		Antonio Cipplco	Antonio Cipplco
	Francesco Guerra	Alfredo De Gregorio	Alfredo De Gregorio		Ignazio Florio	Salvatore Contarini
	Angelo Mariotti	Salvatore Gatti	Salvatore Gatti		Giovanni Indri	Giovanni Indri
	Orazio Paretti	Umberto Ricci	Umberto Ricci		Giuseppe Mastromattei	Giuseppe Mastromattei
	Giovanni Rosmini	Giovanni Rosmini	Giovanni Rosmini		Giovanni Rosmini	Giovanni Rosmini
	Propsero Anaderlo	Mario Chaudano	Arnaldo Petretti		Arnaldo Petretti	Arnaldo Petretti
		Ferdinando Salterio	Emanuele Paternò di Sessa		Luigi Amoroso	Luigi Amoroso
			Giuseppe Falciani		Enrico Scodnik	Enrico Scodnik
	1928	1929	1930	1931	1932	1933
President	Salvatore Gatti	Salvatore Gatti	Giuseppe Bevione	Commissario Bevione	Giuseppe Bevione	Giuseppe Bevione
Director General	Salvatore Gatti	Salvatore Gatti	Ignazio Giordani		Ignazio Giordani	Ignazio Giordani
Vice Director General	Alberto Vidnelli//Leone	Alberto Vidnelli//Leone	Ambron		Ambron//Marinelli	Ambron//Marinelli
CdA	Edmondo Rossoni	Edmondo Rossoni	Edmondo Rossoni		Edmondo Rossoni	Edmondo Rossoni
	Antonio Cipplco	Antonio Cipplco	Antonio Cipplco		Giovanni Marinelli	Giovanni Marinelli
	Salvatore Contarini	Salvatore Contarini	Salvatore Contarini		Salvatore Contarini	Salvatore Contarini
	Giovanni Indri	Felice Ferrari Pallavicino	Felice Ferrari Pallavicino		Ignazio Giordani	Ignazio Giordani
	Giuseppe Mastromattei	Giuseppe Mastromattei	Ignazio Giordani		Beniamino Tesoro	Michele Rampini
	Giovanni Rosmini	Giovanni Rosmini	Giovanni Rosmini		Oswaldo Sebastiani	Oswaldo Sebastiani
	Arnaldo Petretti	Arnaldo Petretti	Arnaldo Petretti		Arnaldo Petretti	Arnaldo Petretti
	Luigi Amoroso	Luigi Amoroso	Luigi Amoroso		Francesco Paolo Rubino	Francesco Paolo Rubino
	Enrico Scodnik	Antonio Garbasso	Antonio Garbasso		Marco Arturo Vicini	Marco Arturo Vicini
					Vittorio Solaro del Borgo	Vittorio Solaro del Borgo
	1934	1935	1936	1937	1938	1939
President	Giuseppe Bevione	Giuseppe Bevione	Giuseppe Bevione	Giuseppe Bevione	Giuseppe Bevione	Giuseppe Bevione
Director General	Ignazio Giordani	Ignazio Giordani	Ignazio Giordani	Ignazio Giordani	Ignazio Giordani	Ignazio Giordani
Vice Director General	Ambron//Marinelli	Ambron//Marinelli	Ambron//Marinelli	Ambron//Marinelli	Ambron//Marinelli	Marinelli
CdA	Edmondo Rossoni	Edmondo Rossoni	Bruno Biagi	Bruno Biagi	Bruno Biagi	Bruno Biagi
	Giovanni Marinelli	Giovanni Marinelli	Leonida Bonnanì	Leonida Bonnanì	Leonida Bonnanì	Leonida Bonnanì
	Salvatore Contarini	Salvatore Contarini	Salvatore Contarini	Salvatore Contarini	Salvatore Contarini	Salvatore Contarini
	Ignazio Giordani	Ignazio Giordani	Ignazio Giordani	Ignazio Giordani	Ignazio Giordani	Ignazio Giordani
	Michele Rampini	Michele Rampini	Ezio Maria Gray	Ezio Maria Gray	Ezio Maria Gray	Ezio Maria Gray
	Oswaldo Sebastiani	Oswaldo Sebastiani	Oswaldo Sebastiani	Oswaldo Sebastiani	Oswaldo Sebastiani	Oswaldo Sebastiani
	Arnaldo Petretti	Arnaldo Petretti	Arnaldo Petretti	Arnaldo Petretti	Arnaldo Petretti	Arnaldo Petretti
	Francesco Paolo Rubino	Francesco Paolo Rubino	Francesco Paolo Rubino	Francesco Paolo Rubino	Francesco Paolo Rubino	Francesco Paolo Rubino
	Marco Arturo Vicini	Marco Arturo Vicini	Marco Arturo Vicini	Marco Arturo Vicini	Marco Arturo Vicini	Marco Arturo Vicini
	Vittorio Solaro del Borgo	Vittorio Solaro del Borgo	Vittorio Solaro del Borgo	Vittorio Solaro del Borgo	Vittorio Solaro del Borgo	Vittorio Solaro del Borgo
	1940	1941	1942	1943		
President	Giuseppe Bevione	Giuseppe Bevione	Giuseppe Bevione	Giuseppe Bevione		
Director General	Ignazio Giordani	Ignazio Giordani	Ignazio Giordani	Ignazio Giordani		
Vice Director General	Marinelli	Marinelli	Marinelli	Marinelli		
CdA	Ferruccio Lantini	Ferruccio Lantini	Ferruccio Lantini	Ferruccio Lantini		
	Leonida Bonnanì	Leonida Bonnanì	Leonida Bonnanì	Leonida Bonnanì		
	Salvatore Contarini	Salvatore Contarini	Salvatore Contarini	Salvatore Contarini		
	Ignazio Giordani	Ignazio Giordani	Ignazio Giordani	Ignazio Giordani		
	Ezio Maria Gray	Ezio Maria Gray	Ezio Maria Gray	Ezio Maria Gray		
	Oswaldo Sebastiani	Oswaldo Sebastiani	Oswaldo Sebastiani	Oswaldo Sebastiani		
	Arnaldo Petretti	Arnaldo Petretti	Arnaldo Petretti	Arnaldo Petretti		
	Michele D'Addezio	Michele D'Addezio	Michele D'Addezio	Michele D'Addezio		
	Marco Arturo Vicini	Marco Arturo Vicini	Marco Arturo Vicini	Marco Arturo Vicini		
	Vittorio Solaro del Borgo	Vittorio Solaro del Borgo	Vittorio Solaro del Borgo	Vittorio Solaro del Borgo		

Appendix 8.1 – INA’s Collective Contracts

[illegible]

Appendix 9.1 – The Supervisory Office’s Statistics on Smaller Firms and Funds, 1937-1940

Market Share of Sterbekassen, Pensionskassen, Smaller Life Insurers or Other Entities



Appendix 10.1 – The Value of the Italian Lira, 1910-1950 - Alberto Baffigi, “Italian National Accounts, 1861-2011,” SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, October 25, 2011), <https://doi.org/10.2139/ssrn.2239014>.

Year Deflator	Year Deflator	Year Deflator
1910 0.2022346	1924 1.0529183	1938 1.0000000
1911 0.2134078	1925 1.1847328	1939 1.0444444
1912 0.2211429	1926 1.2411067	1940 1.2191283
1913 0.2184358	1927 1.0857143	1941 1.3849438
1914 0.2140845	1928 1.0268041	1942 1.5782881
1915 0.2552632	1929 1.0120130	1943 2.5089636
1916 0.3452941	1930 0.9434251	1944 10.3460000
1917 0.5018072	1931 0.8378307	1945 22.2133333
1918 0.7293750	1932 0.7938272	1946 28.5714286
1919 0.7724638	1933 0.7427500	1947 48.6111111
1920 1.0146789	1934 0.7141256	1948 51.3422819
1921 1.0394309	1935 0.7529536	1949 50.3649635
1922 1.0391837	1936 0.8241730	1950 48.7378641
1923 1.0409091	1937 0.9317380	

Appendix 11.1 – Italian *previdenza*, 1931-1940 – Istat, *Serie Storiche*, “Contributi e prestazioni relativi agli enti di previdenza - Anni 1921-2013.”

