



PROJECT MUSE®

---

*Investing in Life: Insurance in Antebellum America* (review)

Liz McFall

Enterprise & Society, Volume 13, Number 4, December 2012, pp.  
900-903 (Review)

Published by Cambridge University Press



➔ For additional information about this article

<https://muse.jhu.edu/article/492383>

state, and intellectuals. I would like to know more about the producers of the visual culture she explores. I also wish she dealt with intent. Hershfield rests her argument on the idea that these images were “addressed to women ... in the popular culture of a predominantly middle-class consumer” (160), yet she uses images intended for other audiences to build her argument. For example, postcard photographs of Indian women laboring as laundresses (104) and sorting coffee (112) were intended for foreign consumption while beer advertisements were likely for men (100). Distinct in purpose, how do these images fit into the making of the modern Mexican woman? Despite my wish list, Hershfield’s book is a welcomed contribution to the field of Mexican cultural history. She gives the reader much to ponder and students of history much to discuss.

Dina Berger

Loyola University, Chicago

doi: 10.1093/es/khs021

Advance Access publication August 22, 2012

---

Sharon Ann Murphy. *Investing in Life: Insurance in Antebellum America*. Baltimore, MD: Johns Hopkins University Press, 2010. 416 pp. ISBN: 978-0801896248, \$67.00 (cloth).

---

Were it not for the attention of American historians, notably Geoffrey Clark, *Betting on Lives: The Culture of Life Insurance in England 1695–1775* (1999) and Timothy Alborn, *Regulated Lives: Life Insurance and British Society 1800–1914* (2009), British life insurance historiography would be unquestionably poorer fare. It is peculiar that equivalent attention to the history of American life insurance, from whichever side of the Atlantic, has been such a long time coming but the delay only adds to the satisfaction of reading Sharon Ann Murphy’s impressive history. Until now, researchers interested in the establishment of the industry in America have, in the main, navigated between the various company and economic histories, the influential treatments offered by Viviana Zelizer, *Morals and Markets* (1979) and Owen J. Stalson, *Marketing Life Insurance: Its History in America* (1942), and the informative fragments on offer in shorter articles. None of these offers anything like the detail that authors like Clark and Alborn have amassed concerning the British scene, and none of them offers much empirical insight into the antebellum industry. This under described

state is the part of what makes *Investing in Life* so rewarding, but the book is carefully crafted enough to hold its own in any case.

A sense of this can be gleaned from the first of the volume's three parts, "The Creation of the Industry." Here, the ostensibly obvious point that the industry did not simply emerge, but had to be created, is given serious scrutiny to determine just what that involved. This matters because establishing life insurance has been too often regarded as a marketing challenge, one that was resolved only when the industry figured out how to reach and persuade enough customers. Murphy's effectiveness in debunking this idea grants her volume some revisionist force. As she demonstrates, the work that went into understanding American mortality, selecting lives, pricing risks, building a business model, and defining policy within an evolving legal and regulative context, far exceeds even the most expanded definition of marketing. If the baseline purpose of insurance is to manage risk by spreading it across large numbers, a great deal of practical labor is required to construct financial stability that will endure even when claims mature in volume. Murphy shows that despite American companies' attachment to the same promotional bromide of mortality, science and certainties favored by their British counterparts, financial safety for early American companies too often had more to do with conservative pricing than mortality knowledge (cf. Alborn, 2009).

This was not for the want of trying, as the painstaking documentation of New York Life and Trust President William Bard's efforts to determine accurate American mortality tables, demonstrates. Bard understood early on that it was only informed pricing that would secure the industry in the long term but as Part III, "Cooperation, Competition and the Quest for Stability" explains, the necessary pooling of knowledge and resources was not easily accomplished. As the industry grew more competitive in the middle of the century and rate cutting became commonplace, there was a pronounced reluctance among companies to fully disclose their mortality experience and their relative exposure. Thus, widespread discrepancies in premium rates persisted in quiet contradiction of the repeated public assertion that mortality rates were "statistically understood" (247). Despite the difficulties, the American Life Underwriters Convention might—or might not—eventually have managed to produce a combined experience table if the outbreak of the civil war had not proved a final distraction. It is, as Murphy acknowledges, hard to say, since "whether owing to the stress of the war years, frustration with the lack of progress on the combined mortality table, or changes within the industry itself, the convention never met again after 1862" (252).

It is one of the virtues of *Investing in Life* that it places the industry so firmly within the complications of its context, resisting simple

explanations of a history that has large gaps despite the meticulous record-keeping of some financial institutions. These absences are apparent in Murphy's discussion of Baltimore Life, the northern company with the largest southern book, after the Non-Intercourse Act forbade commercial interaction between northern companies and southern states in 1861. Here, the difficulty of achieving legal, moral, or practical determinations regarding company and individual liability, obligation and entitlement, after the chaos of the war is laid bare. A studied resistance of simple explanations and a historical sensitivity to an unreachable past also distinguishes the discussion of slave insurance in the chapter "Securing Human Property." Whatever the persistences of that past, just how differently things were done emerges in the account of how the "dual designation of slaves as both persons and property" (195) blurred the usual demarcation between life and fire companies in the competition for slave risk business.

Murphy's handling of slave insurance helps make Part II, "Reaching out to the Middle Class," perhaps the most memorable section of the book. Part II strikes home even more resoundingly, for me at least, because it is here that Murphy really nails her overarching theme. That is, that the character of the industry in the antebellum era has been misunderstood. There are a number of steps to this argument and in each of them Murphy's evidential case is compelling. It is not just that the industry was far more buoyant prior to the entry of the new mutual companies and their marketing techniques than Stalson's history allows. It is that the profound differences in how the life industry worked in the period have been missed. Murphy, for example, shows that early companies were not blind to the sales potential of their agents; instead their agents were part of a business model where, in the absence of reliable mortality data, selection of good risks simply mattered more than market expansion. Her revision (209–27) of Zelizer's explanation that slow growth can be traced to life insurance's confounding of the sacred/profane distinction is more merciless still. Using the clerical roots of the life insurance movement, sermons, and the religious press, Murphy undermines the claim of widespread condemnation. If anything, she does the job rather too well, leaving me convinced long before she exhausted her sources.

Any fault is the one a sociologist *would find* in a historian. Where Zelizer's account lacks the exemplary historiographical force of Murphy's, one could be left in no doubt of the importance of the ideas Zelizer was testing, even for those with little interest in insurance. In Murphy's still excellent book, there are ideas that transcend the particularities of the insurance case, but you have to dig quite deep to find them. Nevertheless, the book left me with an appetite for another

history of this standard to cover the post-bellum period and the mass extension of the market through industrial insurance.

Liz McFall

Open University, United Kingdom

doi: 10.1093/es/khs016

Advance Access publication August 22, 2012

---

José Camilo L. de Guevara, Carlos Dávila L. De Guevara, Lina Aceneth Grisales Rincón, David Schnarch González. *Lo social y lo económico: ¿Dos caras de una misma moneda? La Fundación Social y sus empresas (1984–2010)*. Bogotá, Colombia: Universidad de los Andes, 2011. 275 pp. ISBN 978-958-695-687, \$20 (paper).

---

This book offers a historical study of the political thought, social activities, and governance practices that have defined the *Fundación Social* during the last twenty-five years in Colombia. As part of a larger research endeavor sponsored by the *Fundación* to celebrate its 100<sup>th</sup> anniversary, the authors seek to demonstrate how this social organization has productively combined a quest for economic profit with a social obligation to contribute to the “common good.” As an entrepreneurial group guided by Jesuit priests and strongly informed by Catholic Church teachings, the *Fundación*, the authors argue, has historically attempted to pursue a business model dedicated to “social justice.” Drawing methodologically on the “grounded theory of reality,” the authors describe the historical development of this organization from its origins as a workers saving association founded at the beginning of the twentieth century to its consolidation into one of the most important and profitable businesses in Colombia. Indeed, the *Fundación* is today an umbrella organization for a group of banks, insurance companies, and social welfare enterprises that constitute one of the biggest financial groups in the nation.

The book opens with a compressed historical contextualization of the *Fundación*’s first seven decades. It presents the historical origins as background, indeed as a legacy, to the consolidation of the organization in the last twenty-five years—the main topic of discussion in the book. After a brief methodological chapter, the authors invite the readers to see the structural conditions behind the creation of the organization. First, the authors present a detailed analysis of the social thought influencing the business model by discussing how the