The Correlation Of Insurance And Slavery

Inikori's initial estimates of slave voyages accounting for 63 percent of premiums earned by the British marine insurance industry has been corrected and new estimates argue that it was only 7 percent . However, these new estimates only account for the insurance premiums of ships merely transporting slaves but does not account for insurance premiums gained for the whole marine industry, which during that period of time was inextricably linked to the slavery industry. The calculations for the total insurance premiums coming from marine insurance during that time period is between that of £140.5 million to £175.6 million . Such extensive financial benefit was not limited to Britain alone, but spanned the whole of Europe. However, Britain serves as the perfect archetype for our purposes as Britain was the dominating force in the transatlantic slave trade up to the end of slavery.

AN AMERICAN PERSPECTIVE - NEW YORK LIFE INSURANCE

Also falling under the realm of direct economic benefit, but deserving separate categorization of its own, is the benefit that slavery had to the insurance industry not only across the seas, but on land as well. Up to this point, a Euro-centric perspective has been given, however, this paper would not be complete without giving an American perspective for over 600,00 slaves were brought to North America . Examination and discussion of New York Life Insurance, the third largest insurance company in the United States, will serve as a proper archetype.

The impetus for New York Life's entry into the insuring of slaves were their slow sales of other insurance policies when they first opened in 1845. This was an obvious and ingenious move by the insurance company for, being a white man's most valued possession at the time, not offering slave insurance would have allowed ludicrous amounts of money to be left on the table . By 1846, they had various newspaper advertisements across the Southern region of the United States, the areas where slave labor was utilized more feverously .

In 1849 the Nautilus Mutual Life Insurance changed their name to New York Life Insurance.

By 1847 slave insurance policies made up a third of New York Life's insurance policies. These policies were especially lucrative regarding slave owner's who had interests in hazardous work industries such as factories, mines, steamboats etc .

Even though ex facie these policies seemed to be everything but lucrative as New York Life paid out nearly as much as they earned on premiums in death claims, historians have stated that New York Life had up to two years to utilize the revenue earned from slave insurance policies before death claims had exceeded annual premium payments . Further, there was not solely monetary benefit but brand awareness also as it gave the company an opportunity to break onto the insurance scene in the South .

CONCLUSION

From the foundational principle of insurable interest, to the expansion of the law regarding both property and life insurance policies, to the gargantuan financial gains made by insurance

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companies not only in Europe but in America as well, it is indeed factually accurate that slavery, without a shadow of a doubt, contributed to the growth of the insurance industry.

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