

Large American Corporations in the Spanish Life Insurance Market (1880-1922)

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During the first era of globalisation towards the end of the XIXth century, some of the large North American life insurance companies expanded considerably within the international market. The development of the agency system and the diffusion of attractive products rapidly increased the level of their business. In Spain, the incorporation of The New York Life and The Equitable Life in the 1880s had a dynamic and widespread effect on life insurance. At this time, Spanish capital companies operated almost exclusively in the traditional areas of life and fire insurance. These two North American life insurance companies became leaders in the Spanish market between 1880 and 1916. The government, influenced by economic nationalism, provided high deposits and reserves for insurance companies. As a result of this the executive committees of the North American corporations decided to abandon some markets. Their withdrawal from Spain in 1916 caused a complete overhaul in the market as well as strengthening Spanish insurance companies.

1. Introduction

The large American life insurance companies enjoyed a period of vigorous international expansion from 1870 onwards. The agency system and the spread of certain products (the Tontine system combined with scientific life insurance) were the basis for their establishing themselves in foreign markets. This phenomenon has been dealt with in various studies on the life insurance market in the United States¹ and in the history of the companies which carried out

¹ Various aspects of the development of life insurance in the United States have been studied by Albert S. Bolles, *Industrial History of the United States*, (New York 1981) pp. 837-848 and Morton Keller, *The Life Insurance Enterprise, 1885-1910: A Study in the Limits of Corporate Power*, (Cambridge 1963).

this process². As a result of the Armstrong investigation³, these companies changed their strategies with regard to foreign investment⁴. At the same time, European governments began to pass legislation that obliged American companies to keep deposits and reserves in the country. Some American companies, especially the three largest - *The New York Life Insurance Company*, *The Equitable Life Assurance Society of the United States* and *The Mutual Life Insurance Company of New York* – reacted to these new regulations by abandoning their operations in these countries.

The entry and subsequent withdrawal of these companies led to substantial changes in the underdeveloped European markets⁵. For this reason, the aim here is to analyse this phenomenon in the case of Spain, by addressing the following questions: a) the situation of the Spanish insurance market at the time when *The New York Life* and *The Equitable Life* began their operations, and their emergence as leaders in this branch; b) the circumstances which led to their abandoning their activity in Spain from 1916 onwards, and c) the repercussions of their withdrawal from the Spanish market.

2. The Spanish life insurance market around 1870 and the establishment of American companies

In the second half of the nineteenth century, the insurance market in Spain was considerably under-developed compared to other countries

² Important information is provided by the history of two of the three big insurance companies studied by Shepard B. Clough in *A Century of American Life Insurance. A History of the Mutual Life Insurance Company of New York 1843-1943*, (New York 1946), and by R. Carlyle Bulley in *The Equitable Life Assurance Society of the United States 1859-1964*, 2 vols. (New York 1967).

³ On the investigation and its consequences see Douglass C. North, 'Life Insurance and Investment Banking at the Time of the Armstrong Investigation of 1905-1906', *Journal of Economic History*, 14, 3 (summer 1954), pp. 209-228 and Roger L. Ransom and Richard Sutch, 'Tontine Insurance and the Armstrong Investigation: A Case of Stifled Innovation, 1868-1905', *Journal of Economic History* XLVII, (June, 1987), pp. 379-390.

⁴ Shepard B. Clough, *A Century of American Life Insurance. A History of the Mutual Life Insurance Company of New York 1843-1943*, (New York 1946), pp. 228-229. According to this author, the behaviour of these companies changed in the following way: a) they limited their activity to strictly insurance business; b) the business was run with a conservative policy c) a new ethical code was imposed.

⁵ See their presence in the Russian market in Paul J. Best, 'Insurance in Imperial Russia', *The Journal of European Economic History* 18 (Spring 1989), pp. 139-169.

such as Great Britain, the United States and France⁶. Spanish joint-stock companies were mainly specialised in maritime insurance and, in some cases, in fire insurance. According to the *Anuario Estadístico de España* in 1859, only the *Compañía General Española de Seguros* and *La Unión, Compañía General de Seguros* dealt in life insurance. *El Fénix Español, compañía de seguros reunidos*, would join them in 1864. This is the picture regarding Spanish insurance until the public limited company law in 1869, which led to the creation of insurance companies in many different provinces. This, however, did not change the life insurance market significantly.

We have to wait until the 1880s to find two Spanish life insurance companies which merged in 1897 to become the *Banco Vitalicio de España*. One of the reasons for the scarce development of this type of insurance in Spain was the lack of mortality tables. Initially the directors of this new company had to adopt the tables used by the French company *Crédit Viager*, increasing the premiums in order to correct possible deviations⁷.

In the 1880s, foreign companies also started to establish themselves in Spain, and were to control the Spanish insurance market for decades. According to Frax and Matilla⁸, foreign companies controlled 75 percent of the premiums of this sector by 1895. From 1870 onwards, American life insurance companies, fully engaged in the process of international expansion, started to show interest in the Spanish market⁹. *The New York Life Insurance Company* opened in Madrid in

⁶ Esperanza Frax and María Jesús Matilla, 'Los seguros en España: 1830-1934', *Revista de Historia Económica*, XIV, 1 (1994), p. 32. For the development of life insurance in other European countries see the work of R. Pearson in 'Thrift or dissipation? The business of life assurance in the early nineteenth century', *Economic History Review* XLIII (1990), pp. 379-414 and the work of Fanfani, Borscheid, Gales and Hautcoeur and Verley in Clara E. Núñez (ed.), *Insurance in Industrial Societies: Economic Role, Agents and Market from the 18th Century to Today*, (Seville 1998).

⁷ *Banco Vitalicio de España*, (Barcelona, Banco Vitalicio de España, 1980), p. 31.

⁸ "La evolución del sector seguros en Francia y España, 1800-1936" in Clara E. Núñez, (ed.), *Insurance in Industrial Societies: Economic Role, Agents and Market from the 18th Century to Today*, (Seville 1998), pp. 38-39.

⁹ R. Carlyle Buley, *The Equitable Life Assurance Society of the United States 1859-1964*, (New York 1967). See chapter 5 of volume I.

1881, and *The Equitable Life Assurance Society of the United States* also started to operate a year later, in 1882. At the end of the nineteenth century American companies offered a package that was very attractive to those seeking insurance in Spain. This consisted in combining life insurance with the Tontine method¹⁰, which *The Equitable Life* had been doing since 1868¹¹. This combination placed the American companies that operated in Spain in a position of leadership in the life insurance business. In fact, in 1895, *La Equitativa de los Estados Unidos* was responsible for 48 percent of all the premiums collected by foreign companies for this class of insurance in Spain¹². At the turn of the century, however, the American companies' interest in the Spanish market began to undergo changes. In the last decade of the nineteenth century, in response to Spain's chronic public debt, the government introduced the first deposits for insurance companies. Property was included in such deposits until 1895, but starting in that year, a deposit of 20 percent of the premiums became a necessary requirement. American companies, especially *The Equitable Life*, opposed this measure. For the first time, the parent company considered abandoning the Spanish market if such a condition was demanded. The company managed to get the government to ease the restriction through the political influence of its agent, Juan José Rosillo. Furthermore, the scarce popularity enjoyed by the American insurance companies once war broke out in Cuba in 1898 must also be taken into account.

¹⁰ A contemporary criticism of this practice can be seen in J. A. De O, *La Equitativa y La New York de los Estados Unidos. Análisis de sus pólizas tontinas ó de acumulación, con otras observaciones de gran interés para los que estén asegurados ó deseen asegurarse en dichas Sociedades*, (Barcelona 1891). For the history of Tontine insurance until the Armstrong Investigation and its subsequent prohibition see Roger L. Ransom and Richard Sutch, 'Tontine Insurance and the Armstrong Investigation: A Case of Stifled Innovation, 1868-1905', *Journal of Economic History* XLVII, 2 (June, 1987), pp. 379-390.

¹¹ R. Carlyle Buley, *The Equitable Life Assurance Society of the United States 1859-1964*, (New York 1967), vol. 1, p. 93. On 31 December 1868 *The Equitable* announced new "Tontine Dividend Life Assurance Policies" to its agents. This was one of the most important strategies of its worldwide expansion.

¹² Esperanza Frax and María Jesús Matilla, 'Los seguros en España: 1830-1934', *Revista de Historia Económica*, XIV, 1 (1994), pp. 183-203.

Despite these small setbacks, the American companies had secured the leadership of life insurance in Spain and in other European countries by the end of the nineteenth century. Their success was based on taking advantage of economies of scale derived from their international expansion, offering the same reserves they had available in the United States as a guarantee to their policy holders in different countries, at a time when most European countries were not investing reserves in national funds. This situation enabled them to be extremely competitive, and to set lower rates than their competitors who operated in smaller markets. Furthermore, the introduction of new practices, especially new insurance packages and the agency system¹³, allowed them to increase their business enormously. In the case of Spain, American companies contributed effectively to the development of life insurance, bringing their techniques and experience to bear in the international market¹⁴. Mortality was higher in Spain, but as long as deposits were not demanded, American companies continued operating in and leading the Spanish market.

3. The first government regulations in the sector

The American crisis of 1907 affected American companies operating in Spain, and made even clearer the need for some degree of government intervention in order to defend the rights of Spanish policy holders¹⁵. The first law of private insurance in Spain was passed in 1908, which

¹³ See J. Owen Stalson, *Marketing Life Insurance. Its History in America*, (Cambridge 1942).

¹⁴ In 1881 *The New York Life Insurance Company* had branches in England, France, Holland, Austria, Switzerland, Belgium, Denmark, Norway, Italy, Spain and in Latin America (Cuba, Puerto Rico and the rest of the Antilles, Venezuela, Mexico, Colombia and Brazil).

¹⁵ Journals and reviews specialised in insurance reported on the decline in international business of American insurance companies and published some figures relating to this downturn. *El mutualista. Revista Ibero-Americana de Mutualidad, Economía y Finanzas* published (on 20 June 1908, p. 7) the amount in dollars of business done by eight of the most important insurance companies between 1904 and 1907. *The New York Life* went from 345 million in 1904 to 135 in 1907, and *The Equitable Life* from 225 to 72 million dollars.

set in train the process of regulating the sector. For the first time, the 1908 law set out a series of prerequisites for an insurance company to be authorised in Spain¹⁶. Apart from deposits, reserves were also established, especially mathematical ratios for the companies which operated in the branch of life insurance. At first, the Spanish law stipulated that all the reserves of Spanish policies had to be deposited in Madrid under government control, but this was then changed so that only 50 percent was now required to remain in Spain. Despite this rectification, the chiefs at the head office of *The Equitable* began to consider abandoning the Spanish market. On 12 September 1908, they ordered the managers of the Spanish agency to put a stop to all business. A month later, after a meeting in New York between Rosillo, the secretary general for Europe, and the directors of *The Equitable*, the latter gave way and authorised their agent in Madrid to register the company. The parent company, however, still insisted on adding the Madrid premises to the reserves. In 1908, two other American companies asked to be admitted to the special registry which was a condition for operating in Spain. *The New York* was registered, as was *The Germania Life Insurance Company*¹⁷, a company which changed its name to *The Guardian Life Insurance Company* in 1917 due to the pressures brought to bear on shareholders of German origin, and on those insured with them, during the First World War.

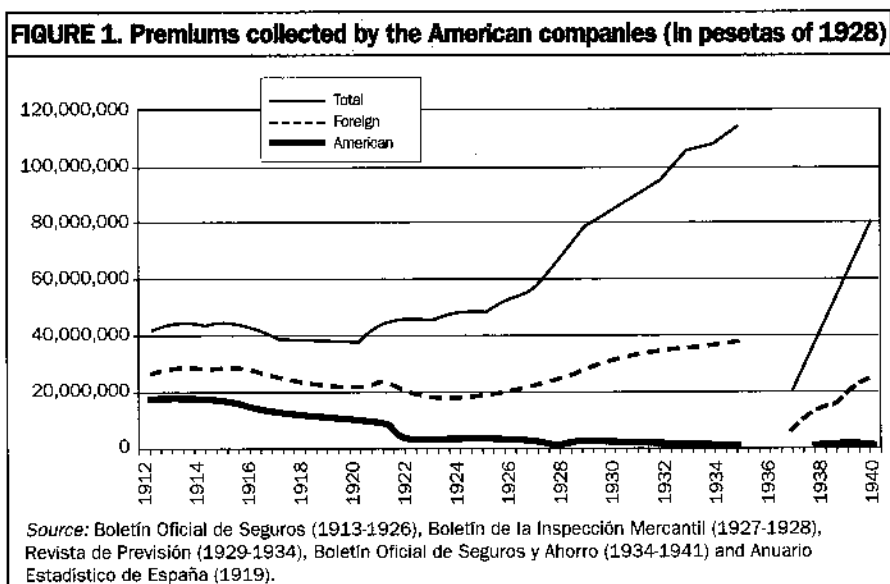
The companies, however, were slow to adapt their investment strategies to the new situation. In fact, an analysis of the reserves of *The Equitable Life Assurance Society of the United States* in 1911 shows that the way these reserves were invested was not unlike the investment policies of its fellow American company *The New York Life* in 1881. All

¹⁶ The effects of this early regulation in Jerònia Pons Pons 'Las entidades aseguradoras y la canalización del ahorro en España 1900-1940', *Revista Española de Seguros*, 115 (2003), pp. 337-358 and in Jerònia Pons Pons, *Las estrategias de crecimiento de las compañías de seguro en España 1900-1940*, (Madrid, Working Document, Fundación Empresa Pública, 2002/1).

¹⁷ Founded on 28 March 1860. In 1910 European insurance accounted for 45 percent of the company's total business. Anita Rapone, *The Guardian Life Insurance Company, 1860-1920: A History of a German-American Enterprise*, (New York 1987), pp. 5-62 and p. 97.

its reserves were held in the United States, divided between perpetual debt and the railroads, except for the company's premises in Madrid, which comprised 17.8 percent of total reserves¹⁸.

At the beginning of the twentieth century, the life insurance market in Spain had some of the characteristics of an oligopoly, with the foreign companies clearly dominant. In 1912, premiums for life insurance made up 37 percent of all insurance premiums collected in Spain¹⁹. Between 1912 and 1925 the same number of companies (fluctuating between 23 and 25) controlled the business with an average of about two million pesetas in premiums per company²⁰. In 1912, foreign companies accounted for 65



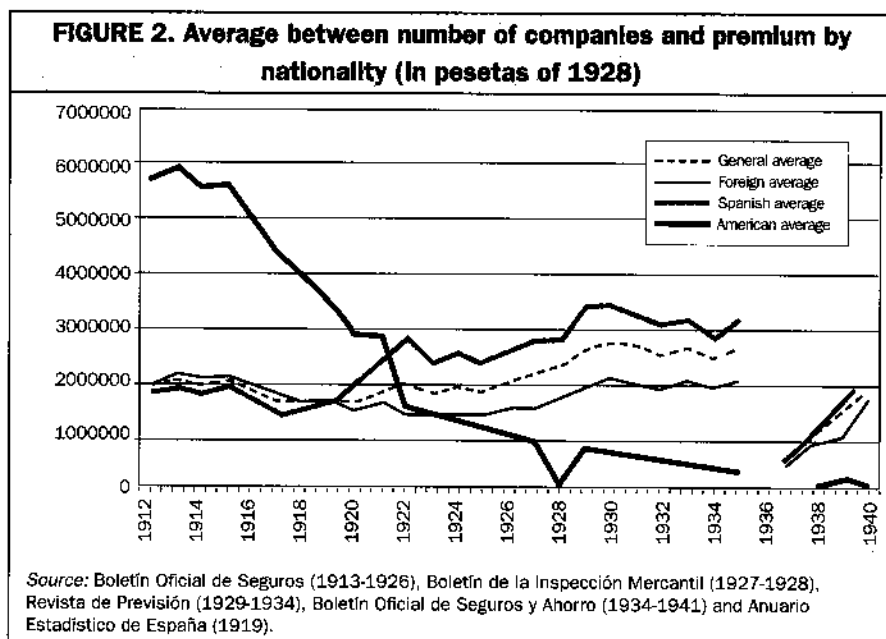
¹⁸ *The Equitable Life Assurance Society of the United States*, (Madrid 1911), p. 57.

¹⁹ Apart from life insurance, Tontine insurance was also to be found. This sector was significant until 1920, and in this year it made up 12 percent of total premiums in Spain. Nevertheless, the approval of a workers' pension, along with other forms of provision for the future, produced a decline in this form of insurance until it was down to only 2 percent of all premiums in 1935. See Jerònia Pons, *Las estrategias de crecimiento de las compañías de seguro en España, 1900-1940*, (Madrid, Working Document of the Fundación Empresa Pública, 2002), p. 41.

²⁰ If we compare this with fire insurance, we can see that the number of companies is much greater. In 1912 there were 46 companies operating with an average of premiums per company of 715,000 pesetas. By 1924 the number of companies had grown to 59 with an average of 880,000 pesetas. The differences are due to the greater technical difficulties and in the demands for deposits and reserves for the life insurance companies.

percent of all companies operating in this branch of insurance, and they were collecting 65 percent of the premiums. From this time on, a regressive tendency began, above all with respect to the percentage of premiums collected by foreign companies. In 1922, although the number of foreign companies comprised 60 percent of the companies in this sector, they now only controlled 43 percent of the premiums collected. Until 1930, foreign companies comprised more than 50 percent of the number of companies that dealt in life insurance, but the percentage of premiums collected had fallen until it was only 37 percent. This process became more pronounced in the decade of the thirties. By 1940, foreign companies comprised 40 percent of the companies but now received only 31 percent of the premiums.

American companies had a fundamental role in this decline. The first official statistics reflect the strong position which the American companies had attained in the Spanish market since they had established themselves in Spain, especially *The Equitable Life* and *The New York Life*. In 1912 the three American companies collected 40 percent of all the premiums of that branch (Figure 1). This position of leadership was to be maintained until the First World War, after which, due to various factors which will be analysed



later, premiums declined until the Spanish market was practically abandoned. In 1921 they only held a 19 percent share of the market, which dropped to 6.6 percent the following year and was down to a mere 0.17 percent in 1940.

In terms of individual companies, *The Equitable Life* had a market share of 21 percent in 1912 and *The New York Life* had 17 percent. They occupied second and third place in the ranking of companies dealing in life insurance, behind the Spanish company *Banco Vitalicio de España*, which was to lead the business between 1912 and 1940. These positions remained unchanged until 1919. However, the change in the economic climate at an international level, along with aspects of Spanish economic policy and changes in the management of these companies themselves, were to change this situation. The calculation of the ratio (*Figure 2*) between the premiums collected in this sector and the number of companies operating show that in 1912 the business of American companies was still worth an average of around 6 million pesetas per company, well above the rest of the foreign companies which enjoyed an average of 2 million, a ratio similar to that of Spanish companies which was around 1.9 million. The withdrawal of American insurance companies from the Spanish market was to change this ratio, with Spanish companies increasing their average over foreign companies.

J. Butt explains the difficulties that some companies had in the twenties, and the withdrawal from markets which took place, due to the collapse of the international system of payments and the growing economic nationalism that prevailed in the world economy after the Great War²¹. And this happened despite the growth of the life insurance market. Many governments favoured

²¹ "Life assurance in war and depression: the Standard Life Assurance Company and its environment", in Oliver M. Westall, (ed.), *The Historian and the Business of Insurance* (Manchester 1984), pp. 155-172. Anita Rapone, *The Guardian Life Insurance Company, 1860-1920: A History of a German-American Enterprise*, (New York 1987), pp. 102-105, also mentions the increase in regulations that appeared at the end of the nineteenth century and the beginning of the twentieth century in European countries as a brake on the expansion of the American companies. For the case of France see M. Ruffat, "L'assurance française et sa tutelle. Structures administratives et modes de régulation de l'Ancien Régime à la Seconde guerre mondiale", in Clara E. Nuñez (ed.), *Insurance in Industrial Societies: Economic Role, Agents and Market from the 18th Century to Today*, (Seville 1998), pp. 57-76, and for Italy Tommaso Fanfani, "L'assurance-vie en Italie entre initiative privée et monopole (XIX siècle-début XX siècle)", in Clara E. Nuñez (ed.), *Insurance in Industrial Societies: Economic Role, Agents and Market from the 18th Century to Today*, (Seville 1998) pp. 31-55.

native insurance companies, increasing domestic deposits and reserves and, therefore, limiting the outflow of capital. This phenomenon was to show itself very clearly in the case of Spain. The first regulations establishing controls over the maximum amount of reserves that could be invested abroad appeared after the First World War. These first controls were to be reinforced later with the Royal Order of 6 April 1925 which prohibited foreign insurance companies from investing more than 50 percent of their mathematical reserves outside Spain, and up to 60 percent of the risk reserves in operation. Government interventionism in this sense continued during the following years and on 18 February 1927 a controversial decree was passed which stipulated that the foreign companies which wanted to operate in Spain had to make additional deposits when they had not disbursed 25 percent of the subscribed capital, regardless of their statutory reserves which were not taken into account in this case.

The foreign companies saw each new step in this direction as an attack on their interests and from 1926 they joined forces creating the *Agrupación Española de Compañías Extranjeras de Seguros*. This association was extremely active during this decade, especially in 1928, after a controversial speech by the Finance Minister which made it appear as if the government was intending to nationalise insurance in imitation of other countries²².

The withdrawal had actually begun much earlier in the case of American companies, during the First World War, when they perceived an increase of nationalism in European economic policy²³. In 1911, after much doubting,

²² For Italy see Tomaso Fanfani, "L'assurance-vie en Italie entre initiative privée et monopole (XIX siècle-début xxe siècle)", in Clara E. Nuñez (ed.), *Insurance in Industrial Societies: Economic Role, Agents and Market from the 18th Century to Today*, (Seville, University of Seville, 1998), pp. 31-55 and for Portugal J. Romero Magalhaes, "Les premiers projets de municipalisation et nationalisation des assurances au Portugal au début du XX^e siècle" in Clara E. Nuñez (ed.), *Insurance in Industrial Societies: Economic Role, Agents and Market from the 18th Century to Today*, (Seville, University of Seville, 1998), pp. 45-55.

²³ See the impact of inflation and monetary problems on the investments of French insurance companies in Hautcoeur and Verley "Les placements des compagnies françaises d'assurances sur la vie (1860-1939)", in Clara E. Nuñez (ed.) *Insurance in Industrial Societies: Economic Role, Agents and Market from the 18th Century to Today*, (Seville 1998), pp. 167-175, and the British case through the example of the *Standard Life* in J. Butt "Life assurance in war and depression: the Standard Life Assurance Company and its environment, 1914-1939", in Oliver M. Westall, (ed.), *The Historian and the Business of Insurance*, (Manchester 1984), pp. 155- 161.

The Equitable made the deposits demanded by the new Spanish law: some in the bank of Spain and the rest in the bank *Crédit Lyonnais*. However, the outbreak of the Great War, and the new demands of the Spanish government and of the managers themselves in Madrid, explain why a drastic decision was taken. In December 1916 the board of directors of *The Equitable Life* decided to stop issuing new policies in Russia, France and Spain. The withdrawal from foreign markets was justified in the following way: a) the high mortality rate and the elevated costs of foreign business; b) the restrictive legislation; c) the high taxation; d) the difficulties in administration; e) the effect of the war and the suspension of economic and monetary activity in European countries²⁴. In Spain, a month before this decision, the Rosillo family had set up a life insurance company and given it the trade name *La Equitativa (Fundación Rosillo)* and with the same registered office as *The Equitable Life*. When the latter company decided to abandon the Spanish market, the Rosillo family's new company acquired a large part of the of the American company's client portfolio .

For the same reasons as the companies mentioned above, as well as due to the impact of the war on their main European markets (Germany and Austria-Hungary), *The Germania Life - The Guardian* from this time on – also decided to liquidate its businesses in Europe²⁵. Although its business in Spain was very small (about 500,000 pesetas in premiums collected, just 1 percent of the share of the market), its lack of interest in the life insurance market in Spain became evident from 1918 onwards. In the following decade the British companies *The Consolidated Assurance Company Limited* and *The Standard Life Assurance Company* were to join this current and pulled out of the Spanish market in 1926 and 1928 respectively.

The new Spanish company, however, was going to become a symbol of economic nationalism in the sector. It was acclaimed by the government and by the insurance sector itself as a patriotic company due to its policy

²⁴ R. Carlyle Buley, *The Equitable Life Assurance Society of the United States, 1859-1964*, (New York 1967), vol. II, pp. 865-866.

²⁵ In 1924 other important changes took place in the company such as its conversion into a mutual company. Anita Rapone, *The Guardian Life Insurance Company, 1860-1920: A History of a German-American Enterprise*, (New York 1987), pp. 156-162 and pp. 162-163.

of acquiring the client portfolios of foreign companies²⁶. In 1920 *La Equitativa (Fundación Rosillo)* moved its registered office near to the agency of *The New York Life*. In 1922 *The New York Life* sold its consolidated client portfolio, built up over forty years, to the Rosillos and withdrew from the Spanish market. In this way *La Equitativa (Fundación Rosillo)* acquired a 12 percent share of the market, as well as benefiting from a large number of *The Equitable Life's* clients. The withdrawal of American companies catapulted the Rosillos' company to second place in the ranking. In 1921 it had only been in sixth place with a market share of 8 percent of the premiums. In 1922, thanks to the purchase of *The New York's* client portfolio, it now controlled 20 percent. From this time on it occupied second place in the market, behind the *Banco Vitalicio de España*, and still held this position at the start of the forties.

In 1929, *La Equitativa (Fundación Rosillo)* acquired the client portfolio of the English company *Standard Life Assurance*²⁷, which decided to abandon the Spanish market after a decade full of difficulties, and so consolidated its position in the ranking of life insurance. In the 1930s, however, its share of the market was to be reduced due to an increase in the competition in this sector. Between 1925 and 1940 its market share was to fall by 10 percentage points. This phenomenon was part of the process of diversification carried out by the companies in the Spanish market from 1920 onwards²⁸. Before this date companies were specialised in a single branch. However, the increase in competition stimulated a process of diversification with companies starting to operate in new branches. The

²⁶ The Spanish government recognised this role in 1930 by awarding the Rosillo brothers the "Merit at Work" medal ("medalla de Mérito en el Trabajo").

²⁷ Founded as the *Life Assurance Company of Scotland* in 1825, and with this name from 1832 onwards (H. A. L. Cockerell and E. Green, *The British Insurance Business. A Guide to its History & Records*, (London 1994) p. 179. During the 1920s this company abandoned certain international markets and transferred its clients to other companies or to its agents, and limited its activities to the renewal of policies. In the case of Spain, it decided to withdraw when its agent in Barcelona, Ernest Noble, died in 1920. Nevertheless, we have evidence of operations in Spain until 1930. J. Butt "Life assurance in war and depression: the Standard Life Assurance Company and its environment, 1914-1939", in Oliver M. Westall, (ed.), *The Historian and the Business of Insurance*, (Manchester 1984), pp. 168-169

²⁸ This phenomenon is analysed in J. Pons, 'Diversificación y cartelización en el seguro español', *Revista de Historia Económica*, XXI, 3 (2003), pp. 567-592.

Equitativa itself promoted the creation of another two companies in 1928, one specialised in reinsurance and the other in diverse risks. The case of *La Equitativa (Fundación Rosillo)* clearly illustrates the change produced in Spanish life insurance after the First World War, when national companies took advantage of the departure of foreign companies to start operating in this complicated branch.

4. Conclusions

First of all, we can see the withdrawal of major companies, mainly American and British, which had kept up an expansionist policy in the international life insurance market until 1914. These corporations were affected by the fluctuations suffered by the reserves invested in national debt and exchange rate problems during the war and the postwar period, which added to the restrictions on their investments from their countries of origin.

Added to this, and as a second factor, was the growth in national regulations in the wake of economic nationalism which affected European legislation on insurance. Countries, including Spain, increased the size of foreign companies' deposits and reserves, thereby favouring national insurance companies. The obligation to invest in national territory and in certain bonds reduced the foreign companies' interest in these markets. Consequently, national companies in the Spanish market, in particular *La Equitativa (Fundación Rosillo)*, took advantage of the withdrawal of the foreign leaders, American and British companies, and began to deal in this complex form of insurance.

Overall, it can be concluded that national companies benefited from the actuarial techniques, the different types of insurance, the mortality tables and the new management techniques they copied from American life insurance companies, who introduced a new form of insurance in nineteenth-century Spain, consolidating it during the first decades of the twentieth century. The gradual disappearance of these companies at this time coincided in Spain with a process of diversification through which the insurance companies who specialised in a single branch were transformed into general insurance companies. Many Spanish companies participated in this process, starting off in the life insurance business. The percentage

of premiums collected by foreign insurance companies in this sector had dropped to 34 percent before the civil war. However, even before this phenomenon became generalised, the Spanish market in the 1920s and 30s, governed by a policy of economic nationalism, had ceased to interest the American companies.

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