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Coping with Kismet: British and French Life Offices and the Genesis of a Turkish Market for Life Insurance, 1870–1920

This project investigates the activities of British and French life insurers in what constitutes today's Republic of Turkey between 1870 and 1920. Pioneering insurance internationally (Pearson 2012: 67), British composite offices appointed their first agents in Turkey in the early 1860s. Their French rivals arrived later but made, under the aegis of the Union of Paris, all the more significant inroads into this bridgehead market. At the onset of World War I, both countries accounted for more than half of all the life insurers operating in the heartland of the Ottoman Empire. Their influence greatly diminished after the Great War and by the mid-1940s most of the British and French insurance companies had ceased their underwriting activities in the nascent Republic.

With international insurance history still emerging as an independent field of research, it should hardly surprise that the activities of Western insurers in the Turkish market remain by and large unexplored. Both British and French writings are overwhelmingly conceived as general corporate histories and, as such, continue to be framed within a national perspective. Such a rendering has its justifications, but leaves little room for a more nuanced discussion of the complexities of venturing overseas. Not only are in-house accounts bound to remain largely silent on the idiosyncrasies of these markets (Pearson 2004 : 9), they also tend to gloss over the demand side. Within economic and business histories of the late Ottoman Empire and the nascent Republic, life insurance in general and the operations of foreign life insurers in particular have so far received a degree of attention at best congruent with their limited meso-economic importance, both past and present. When not relegated to the margins of more general economic histories (Geyikdağı 2011), life underwriting has been subject of a limited number of general studies, scholarly articles, and company histories (see, amongst others: Baskıcı 2002; Koraltürk & Kahya 2009; Kahya 2010; Toprak 2010; Akbulut 2014; Eldem 2015; Özger 2017).

Mobilising a mixed body of corporate and institutional sources as well as specialist literature, composed in English, French, German, Turkish, and Ottoman Turkish, the project pursues a twofold goal. Firstly, it seeks to shed light on the genesis of a Turkish market for life insurance through an analysis of the interplay between British and French insurers, on the one hand, and Ottoman as well as Turkish actors, both individual, institutional, and corporate, on the other. In so doing, it simultaneously aims at broadening our understanding of an industry precociously, albeit not without difficulty, expanding on a global scale.

A first host of questions primarily focuses on aspects relating to the operations of British and French companies from a corporate and technological perspective. Why and how did British and French insurers expand into the Ottoman market? What strategies did they pursue, individually or jointly, in order to retain market leadership in a market marked by a rising tide of economic nationalism? Last but not least, why did the French Union fare so much better than any of its British competitors? In addition to charting the commonalities and differences in the trajectories of British and French insurers, an exercise largely framed by a 'boardroom' perspective (Alborn 2009: 29), the proposed project will furthermore focus on the demand side. Indeed, with life insurance providing a unique window on Turkish society, a first set of questions concerns the local customer base. Can it be upheld that life insurance was and remained a preserve of wealthy city-dwellers and the country's minorities throughout the period of study? If not, which strata of society did life assurance appeal to? By the same token, a second array of questions is aimed at discerning cultural attitudes towards risk and insurers' ways of dealing with these. Which aspect of life insurance and what kind of insurance product enticed them into taking out insurance? To what degree and how did the firms – as 'creators of culture' – attempt to influence, foster, and change local notions of prudence and thrift, not least in an attempt to overcome socio-cultural dissonances (Baskıcı 2002; Kamilçelebi 2012; Eldem 2015: 130)?

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