

History of Insurance in Spain. Fundación Mapfre

Historical study on the whole Spanish insurance sector from a national perspective

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Fundación MAPFRE has just published *History of Insurance in Spain*. This is an important book because, as it says in the Introduction entrusted to its Chairman, Antonio Huertas, it fills a gap in this country's historical bibliography. I concur with this statement in that it is possible to find monographs in Spain on companies or sub-sectors within the insurance market, but on the other hand historical studies on the industry as a whole from a nationwide standpoint are hard to come by, and this is exactly what this book deals with that is being discussed here.

And to put together such an ambitious book a team has been assembled which is equal to the task at hand and headed up by Professor Emeritus of Economic History, **Gabriel Tortella Casares**. Moreover impeccable sources have been used, both in terms of documentation and people, as access has been obtained to archives and personalities of major importance. In my view the book is very complete, not just because of the host of topics it deals with, but also the variety of sources used.

Consultation of the in-house official records and documents of companies and institutions, and interviewing people of some standing, imbues the work with an interesting historical insight which means that we do not get that feeling which comes over us so often with certain books on history which tend to be very long-winded in telling us about the *what* but leave us short-changed when it comes to letting us know the *why*.

Chapter five examines the Franco era before the Social Security system, the major milestones of this particularly concerning the origin of the **Consorcio de Compensación de Seguros** from several compensation schemes that had been created for specific purposes.

Another noteworthy detail from this juncture is the **1954 Insurance Regulation Act** and several measures to administer the Social Security system, the employers' mutual companies acting as partners.

The book is structured into eight chapters that take us from the first, reserved for the introduction, through to the eighth, which features conclusions. The content takes a diachronic approach, beginning with certain concepts of insurance theory and a review of the background of insurance in antiquity and ending with developments in private insurance in the 21st century. In fact the most recent information is from 2012, which is, so to speak, really only yesterday. This chronological path is schematized via the elements defining each period.

Thus chapter two, entitled “From the individual insurers to the insurance companies”, explains the changes in the insurance market, from marine insurance in the modern era to the presence of various stock insurance companies in several Spanish cities, the transformation of which was greatly influenced by trade with the colonies in the Americas.

Chapter three looks at developments in insurance in the 19th century. It offers a clear presentation of the influence which the governmental alternatives and their respective options as regards political economy — liberalism versus protectionism — had in that century on the shaping of an insurance market in which, towards the end of this period, the first multinational companies emerged.

Chapter four explains the vicissitudes in Spanish insurance in the turbulent times between 1908 and 1939. That is to say between the year in which the first Insurance Regulations were passed within the Spanish legal system and the National Provident Institute was also created, and the year marking the end of the Civil War. The dictatorship of Primo de Rivera, the Second Republic and the War brought about drastic changes in institutional and professional aspects — for example with the appearance of insurance actuaries — and also in areas of protection. In this way, along with the first social insurance policies, there were various life insurance products based more on chance than scientific principles, such as in the case of the Tontines (named after their creator, Tonti) and the Chatelusian schemes, which were later on to succumb to the advent of life insurance based on actuarial methods. Of particular interest in my view is the debate surrounding the proposal to set up an insurance monopoly, which took place within the republican administration during the Civil War and is taken from the minutes of the Banking and Insurance Commission in 1937.

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Chapter six analyses the trends in private insurance between 1966 and 2000, a period in which the current insurance market took shape. Here there are numerous items of notable significance, both on the regulatory and institutional side and in economic terms. Among other aspects examined here are the change in representative bodies, the progress of the Social Security system, and the development of the Consorcio and the CLEA (Insurance Companies Winding-up Commission). The chapter also traces the progress of the main lines of insurance (life, auto insurance, agricultural, corporate, etc., as well as reinsurance) and the changes in corporate rankings, with the fall of the insurer which had led them, La Unión y el Fénix, and the rise to prominence of MAPFRE. Another essential feature of this period was Spain's entry into the European Community, which would entail a crucial change in all aspects of the insurance market.

The seventh chapter is devoted to how insurance has progressed in the 21st century. The twelve years it takes in are characterized by the shift from economic euphoria to recession and the increasingly greater influence of European provisions in regulating the Spanish market via the Directives known as Solvency I and II. But also by other means, such as the various rules on auto insurance, which have prompted changes in Spanish regulations, and even through the influence of equality policy stemming from the jurisprudence of the Court of Justice of the European Union and the national provisions themselves. Certain trends which had already begun in the previous period have become more pronounced in the 21st century to date, such as internationalization and greater corporate concentration, which bancassurance-type alliances between the banking and insurance industry and the winding-up of loss-makers have had a hand in. The CLEA has played a major role in the latter, this having been merged into the *Consorcio de Compensación de Seguros* since 2002.

Since this is a (good) Economic History book, there is also a substantial role in it for statistics and even the collection of facsimiles which appear throughout it by way of illustration. As for the statistics, there is a good selection in the final chapters and the annexes, where all sorts of figures and rankings complement the text.

The preface states that the printed edition does not contain an alphabetical index of subjects, companies and individuals as this is available on the Fundación Mapfre website. There is nonetheless a comprehensive list of sources and a bibliography, as well as a glossary of abbreviations and acronyms, which facilitate reading, and fuller information for those who are interested in going into further detail about the topics discussed.

I recommend reading this History of Insurance in Spain to any professionals working in the industry who wish to become more familiar with it and, of course, all students and researchers. It is an important book. And useful too.

"History of Insurance in Spain. Fundación Mapfre"

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