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Sesión 17: El mercado de seguros en la España contemporánea

"Foreign insurance companies in Spain before 1914"*

Draft only

Robin Pearson, University of Hull, UK

Introduction:

Although the globalisation of insurance has increased greatly since the Second World War, the international insurance market was already well developed before 1914. The growth in the global insurance trade formed part of the great wave of capital and service exports emanating primarily out of Europe and circulating around the world during the course of the nineteenth century. Mira Wilkins has identified the insurance exporter as the 'classic' multinational enterprise (MNE) during this period.[1] Yet despite the extensive literature on multinationals, and a small number of histories of insurance companies working on a global scale, there are few studies that focus on the phenomenon of foreign insurers operating in national markets.[2]

This paper is the first to examine the long run entry of foreign insurers into a developing economy on the periphery of European industrialization. Nineteenth-century Spain offered a mixed bag of prospects for insurers. On the one hand the population was rising, there were a small number of rapidly growing cities and an expanding commercial middle class, and islands of industry in the Basque region and in Catalonia, with smaller centres elsewhere. On the other hand, the country was shackled by chronic political instability, a rising public debt that, it has been argued, crowded out much private investment, a growing dependency on foreign capital in many industries, and a large peasant agricultural sector with low income and consumption levels. This scenario immediately begs the question what did insurance companies from other countries hope to gain from going there? To answer this we begin with a brief overview of modern theories of MNEs. Section two below then outlines what we currently know about the extent of insurance cross-border trade before the First World War. Section three examines the rise of foreign insurers in Spain during the course of the nineteenth century, and discusses foreign market share, the institutional vehicles chosen for entry, the impact of regulation, and the long-run performance in Spain of some of the major insurance MNEs operating there. The conclusion summarises the experience of foreign insurers in Spain in the light of MNE theory and sets that experience in the context of global trends in the industry.

1. Why do firms cross borders?

The theoretical literature on multinationals focuses on the questions why and how do firms move services and production across borders?[3] Firms might adopt a client-following strategy by which a move abroad is regarded as necessary in order to maintain their existing customer network. Alternatively, a follow-the-leader strategy occurs when firm expand abroad to avoid losing market share to other domestic competitors expanding abroad. In both cases during the nineteenth and twentieth centuries imperialism and patterns of foreign trade may also have played a role. British overseas banking, for instance, and British foreign direct investment generally, were heavily skewed towards the Empire, while the lack of Swiss multinational banking has been associated with the absence of Swiss imperialism.[4] In other instances firms adopt a market-seeking strategy, establishing businesses in areas without any direct relation to existing customers or competitors.[5] This strategy became more attractive during the nineteenth century with transport and communications improvements providing greater access to new markets, while the telegraph enhanced managerial control over operations at a distance. The question of how to sustain growth in a domestic market which was nearly saturated or was growing very slowly also seems to have been a factor in determining decisions to move abroad.

Structural market failure has also been posited as an explanation for multinational enterprise. According to Geoffrey Jones the rise of trade protectionism was 'the single most important influence on the growth of manufacturing multinationals' in nineteenth-century Europe and the US.[6] Most manufacturing firms exported their products before they undertook direct investment abroad, and the latter was often the consequence of having to jump tariff barriers. To what extent this is also true of multinational service firms is less clear, although there is considerable evidence that reinsurance, which we examine below, was an important means by which some insurers freely operated in foreign markets before establishing a direct, and regulated, presence there. In banking, by contrast, prohibitive regulations on foreign ownership and the strength of indigenous banks hindered multinational banks from extensive branching in the US, Japan and much of nineteenth-century Europe.

The internalisation model of multinational enterprise has attracted considerable support. The model posits three basic ways of operating in foreign markets, by exporting, by using local agency agreements or correspondents, and by establishing branches or subsidiaries. The disadvantage of the first is distance and the lack of face-to-face contact with customers. The disadvantage of the second is the problem of quality control over correspondents or agency partners. When either of these approaches breaks down or reveals high costs and inefficiencies, direct investment in the establishment of branches becomes the obvious strategy. This process of internalising foreign transactions helps a firm tap – for services such as banking – monopoly rents based on personal contacts and information networks, and provides access to arbitrage or speculative opportunities.[7] Some writers interpret internalisation as the means by which firms select in a rational way the most efficient institutional forms for coordinating services and production across borders. As noted above, however, government regulation is also a determining factor. Arguably, not all of it is rational. The institutional forms of multinationals are the aggregate product of the actions of politicians and regulators, not the result of competition and companies' rational selection of the most efficient alternative institutional form.[8]

A popular variant of the internalisation model of multinational enterprise has been the 'Nordic' or 'Uppsala' sequential theory of internationalisation, which draws on the work of Penrose, Aharoni, and Cyert and March.[9] This suggests that the process of internationalisation is the consequence of the acquisition of experiential knowledge, in particular market-specific knowledge. Knowledge acquired from operating in a specific market enables a company to gradually increase its commitment to that market. The model suggests that firms go through a sequential expansion process, the so-called 'establishment chain'. Due to psychic distance and uncertainty, firms at the beginning of their foreign ventures will limit investment and stay relatively close to their domestic market.[10] The model predicts that firms, after gaining international experience, will gradually invest further away (and on an increasing scale) from the domestic market.

The literature about multinational business is thus extensive and several contending but mostly complementary theories co-exist. A problem with the models has been that *ex post* testing suggests that most have some explanatory power. Certainly the various models based upon transaction costs do help explain the great diversity of institutional forms adopted by multinationals before 1914. Mira Wilkins, for example, noted the diverse forms of British and European banking in the US before 1914.[11] As we shall see, international insurance was also developed through a wide range of institutional vehicles and insurance MNEs in Spain were no exception. The extent to which this supports the above models of multinational enterprise, together with other aspects of the cross border trade in insurance, are examined below.

2. Insurance MNEs before 1914

The data upon which to base any estimates of the extent of international insurance before 1914 is very fragmentary. This reflects the unevenness of financial reporting requirements across nations. **Table 1** presents figures for the foreign share of national insurance premiums in six countries between the 1870s and the First World War. It suggests how wide was the range of foreign market shares across the globe. In Germany and Austria-Hungary, and in Dutch life insurance, foreign insurers had only a modest share of total premiums.[12] In some places, foreign direct insurers were almost totally absent. There were no foreign companies at all operating directly in Russia before 1847, and hardly any in Austria before the liberal legislation of 1873. When insurance MNEs did arrive, they were sometimes driven out again by hostile legislation. An Imperial decree of 1871 effectively banned foreign insurers from underwriting directly in Russia and Russian Poland. As a result, foreign insurers operating entirely indirectly in the Russian reinsurance market from the 1870s, though they sometimes used general agents for this business. By contrast in Dutch fire insurance, and in Canada and Switzerland, levels of foreign share in direct insurance were high. Developing economies without local firms or state monopolies necessarily had to find all their insurance with foreign firms, for example Romania before 1872, Turkey and Egypt.

Fragmentary data on foreign insurers operating in other countries where they were not excluded by law suggest that their numbers were rising during the second half of the nineteenth century. There were 15 British and American fire insurance companies operating in Canada in 1872, and 23 ten years later.[13] There were some 30 foreign insurers in Sweden in 1862 and about 20 in the UK by 1874, both countries with relatively unregulated markets.[14] Outside Europe, the few data we have indicates a growth in international insurance. In Chile, for example, there were 16 foreign companies underwriting in 1906. Eleven years later 39 of the 62 insurance companies there were foreign-owned.[15] In the United States the foreign share of the property (fire and marine) insurance market rose during the 1870s and the late 1890s, both periods when total premium volume was growing only slowly or shrinking. When the market grew quickly in the 1900s, the share accounted for by foreign insurers fell, although it rose again after 1910. Overall the size and growth of insurance MNEs in the US before 1914 was impressive. While US GDP grew by 57 per cent in real terms between 1899 and 1914, and long-term foreign direct investment in the US grew by 123 per cent, fire and marine insurance premiums earned by foreign companies grew even faster, from $51m to $121m, or by 137 per cent.[16]

Driving the international diffusion of insurance were those insurance companies from each nation whose business became increasingly dependent upon foreign markets. Leading the pack of were the great insurance exporters from Great Britain. By 1891 68 per cent of total premiums earned by the Phoenix, and 58 per cent of those earned by the Sun came from outside the UK. The world's largest insurance exporter, the Liverpool, London & Globe (LL&G), earned 86 per cent of its total premiums abroad in 1906.[17] We have less information for insurance companies from other European countries, though for some foreign business was important. Between the 1880s and the 1900s foreign risks generated between 60 and 70 per cent of total premiums earned by the three major Swedish property insurers. Not surprisingly given the size of their native market, Swiss companies also looked abroad for business. 78 per cent of the sums paid by the Basler Fire Insurance Company on claims in 1878, for instance, were on property insured outside Switzerland, mostly in France.[18]

3. The rise of foreign insurers in Spain

3.1 Numbers and market share

According to official figures, there were no foreign insurance companies in Spain between 1830 and 1847. By 1859 there were two foreign fire insurers out of a total of 30 such companies in the country. The figure was three out of 28 by 1871. [See **figure 1**] The number of foreign fire offices increased from the later 1870s with the sharpest rise occurring in the later 1890s, waves of entry which largely coincided with those in the American market. In 1880 there were nine foreign fire offices operating in Spain out of a total of 34 companies (27 per cent). By 1898 the ratio had risen to a peak of 24 foreign companies out of 54 (44 per cent). We have no national underwriting data for this period. *Faute de mieux* taking the number of fire insurance companies as a crude proxy for the size of the industry, it appears that fire insurance in Spain grew around 12 times as fast as the national economy between 1870 and 1908/10.[19] During this period the Spanish economy was relatively sluggish, expanding at only about one-third the rate of the US economy.[20] Thus fire insurance grew many times faster than GDP in one of the most slowly growing economies in the western world as well as in one of the most rapidly growing. And within each country foreign offices played an increasingly important role in expanding total insurance capacity.

In the 1900s more data became available, and this revealed major differences in the size of the foreign presence in different branches of insurance. Counting all branches there were 50 foreign companies and just 31 native offices in Spain by 1902. According to a contemporary report many of the foreign companies were marine insurers based in Barcelona who did not do much business. There was, however, a rapid increase in the number of foreign insurers in fire and life towards the end of the 1890s, and also in accident insurance after the Spanish accident and liability law of 1900.[21] By 1910 foreign MNEs accounted for 28 out of 43 fire insurance companies in Spain (65 per cent), but they took just 37 per cent of premiums. [see **table 2**] By contrast 12 out of 21 life insurance companies were foreign and they accounted for 60 per cent of life premiums earned in Spain.[22] Within the different emerging sub-branches of accident insurance the market share acquired by foreign firms varied greatly. In personal accident insurance seven French, Italian and Swiss firms together accounted for 62 per cent of total premiums in 1911 while four native companies earned the rest. In employers' liability insurance, however, Spanish companies accounted for 70 per cent of premiums, and there were no foreign companies at all in most of the minor lines, livestock, plate glass, military ballot insurance and farmers' insurance. Writing in 1911 one British observer thought that, with around 19m inhabitants in Spain, insurance was not as developed as might have been expected, though a 'gradual extension' was in progress.[23]

3.2 Points of entry

In general, therefore, Spaniards were quite heavily dependent upon foreign MNEs for their insurance cover on their lives, and to a lesser extent on their property, by the eve of the First World War. This dependency was built upon the long presence of foreign insurers in Spain, a history belied by the official data. The Phoenix Fire Office of London, the world's first insurance multinational, distributed its policy forms in Spanish as early as 1785. While the Phoenix did not establish any agencies in the kingdom until 1871 this did not preclude it from accepting insurances proposed on property in Spain and issued in London. In 1825 for example the Phoenix insured £120,000 on the woollen factories of the Spanish Crown at Brihuega and Guadalajara.[24] Another pioneering British insurance exporter, the Imperial, underwrote £3000 on goods in a store in Cadiz in 1809.[25] More British offices began to arrive in the 1820s and 1830s. The Alliance made enquiries in 1829 about opening an agency in Cadiz, and ten years later the company's agents in Gibraltar were asked to provide more information on possible fire insurances in Malaga. The Alliance did try to begin to sell life assurance in Madrid in 1833 under the agency of the mercantile house of Henry O'Shea, but, despite the references to Cadiz and Malaga, I can find no direct evidence, at least down to 1847, that fire insurance policies were ever issued by the Alliance in Spain, either directly through an agent, or even indirectly via the company's big reinsurance treaty with Compagnie Royale of Paris.[26] The Sun's first agent in Cadiz, J.M. Brackenbury, thought the prospects bleak, explaining that there were 'not six British [mercantile] houses in Cadiz, and that those at Xerez and St Mary do not insure their wine stores'. The appointment was cancelled soon after.[27] The Imperial's agency does seem to have secured some insurances, perhaps drawing on its longer experience there. When a new agent was appointed for Cadiz 'and neighbourhood' in 1842, it was noted that the appointment was made, 'the insurances proposed being previously submitted to the Court for acceptance'.[28]

New arrivals entered Spain in the 1860s and in the following decade, as can be seen from **table 3**, the agency networks of British insurers expanded rapidly, even though political violence, notably the revolution of 1868, forced some offices to postpone the start of new agency business.[29] Several points can be made from table 3. First, Andalusia was the preferred entry point for most early entrants among the British. Cadiz had been chosen by Imperial and Sun in the 1830s, while Malaga was the point of entry for the Royal, the LL&G and the North British & Mercantile (NBM) in the 1860s, and somewhat later also for Alliance. Why? One likely explanation is the historical ties of British insurance companies to the wine and spirit trade. British import houses such as Sandeman had provided the basis for sales of insurance on goods and warehouses in Portugal since the late eighteenth century. The same may have expected of Spain. From the 1860s wine, brandy and olive exports from southern Spain began to grow rapidly, in the former case assisted by the devastation of French vineyards through phylloxera. Jordi Nadal has described Malaga at this point as the second industrial centre in Spain, after Barcelona. Warehouses, counting houses and the residences of wealthy merchants would have provided a sufficient volume of insurable property to attract the most adventurous foreign insurers. And although the industrial development of Malaga eventually came to a standstill, the brief boom in sugar production towards the end of the century, based on the refining of beet sugar, may have been a reason why insurers continued to be drawn there.[30]

Table 3 also shows that Bilbao provided an alternative entry point to Malaga. The Basque region offered the advantage that before 1874 Spanish law requiring foreign insurance companies to publish their accounts did not apply there. This was noted by both the Sun and the Phoenix when resolving to establish agencies in Bilbao in 1870-71. Concerns about revealing financial information to competitors and a long-harboured preference for secrecy in their business dealings were behind these decisions. When the Bourbon monarchy was restored after the bloody overthrow of the first republic in 1874, the Basque region was subjected to the laws of the rest of Spain. This caused several companies such as the NBM and the Royal to withdraw temporarily or, in the case of the Sun to consider withdrawing. But their anticipation of greater legislative interference did not materialise – at least not for another two decades.[31]

Table 3 suggests that Catalonia was not usually preferred as the point of first entry, despite being Spain's leading industrial region. The NBM only established an agency in Barcelona when it decided to decentralise its sales network in Spain in 1871, hitherto run via the general agency in Malaga. The Royal did not establish an agency in the Catalan capital until 1890, after nine other agencies had been opened elsewhere in Spain during the previous 20 years. The Phoenix contented itself with just a sub-agency in Barcelona from 1899, run by its general agent in Malaga. Why? Although Barcelona was the hub of the Spanish cotton industry, this grew relatively slowly until the boom in cotton exports of the late 1890s caused by the low value of the peseta. Nevertheless, the city was growing quickly, there was considerable foreign direct investment in its tramways and electricity production, and cotton did induce improvements in transport, and the iron, steel and chemical industries. It is difficult to see why it should have been less favoured with the general agencies of British insurance companies than Malaga or Bilbao. Perhaps the costs of dismantling existing agency structures outweighed the perceived benefits of relocating general agencies to Catalonia.

Table 3 omits the agencies established during the course of the nineteenth century in remaining outposts of the Spanish empire. These often preceded those in Spain itself, and were frequently bigger earners. Most of the biggest British exporters of fire insurance had representatives in Havana before 1870. In Manila the agency of the Royal was established in 1848, just three years after the company's foundation. The Sun had an agent in Manila from 1865, four years after the office entered Cuba and some five years before it re-established an agency in Spain. The Cuban agencies of the LL&G and the NBM also preceded the entry of these offices into Spain. The business in these places could be substantial. While Sun's business in Spain after 1870 grew larger than its insurances in Cuba or the Phillipines, the income from the latter was not insignificant. The Royal always earned much more from its Havana agency than it did from Spain, and the Royal's premium income from Manila also usually exceeded the combined total from all its agencies in Spain until the former agency began to decline from 1904.[32] (see Table 4).

The revolt against Spain and the subsequent war and US occupation between 1895 and 1898 had a negative impact on British property insurers in Cuba and the Phillipines, increasing losses and reducing income flows, but some remained fairly sanguine about the turn of events. The Sun's secretary, G.S.Manvell, wrote to the company's agents in Havana in July 1895 that 'whatever the ultimate result the effect on trade will undoubtedly be unfavourable. We note that practically we have no insurances in the disturbed districts'.[33] Six months later the insurrection was gathering pace, but business continued.

> "We follow with keen interest the reports in the newspapers, and see that the insurgents are getting very close to Havana. We do not, however, imagine that they will succeed in any attack on that place, as it is too strongly situated and defended. As the course of the insurgents seems to be marked by fire and destruction, we should think the effect would be to alienate the sympathy of all the property-owning classes".[34]

The results for 1895 proved 'very satisfactory under all [the] circumstances', and eighteenth months later it was noted that business had increased notwithstanding the difficult times.[35] In the summer of 1897 in a desperate attempt to clamp down on peasant unrest the military announced a ban on all field labour on estates, which resulted in the Sun to instructing its agent to decline all proposals for insurance on estates, and when war broke out with the United States the Sun cabled their man in Havana to refuse all war-related risks.[36] Throughout the Cuban conflict the Sun remained sanguine about the course of events, and although the British insurer had expressed a desire to see the rebellion defeated by the Spaniards and order restored to the island, it also took the long view. Writing to the Havana agent in August 1898, Manvell expressed no alarm that the business had been falling off:

> "…these are certainly times when insurance should be kept down to the very lowest amount. We expect every day to hear that peace is concluded and then we imagine your anxieties and troubles will be at an end, but it will take a long time for matters to settle down, and in the organisation of a new government very many difficulties will crop up. We think, however, that one result will be a great influx of American capital and business men, with a consequent great revival of trade in the island. Whether amongst the newcomers will be American Insurance Companies, we do not know but we think it extremely unlikely, and in that case we fear that the tariff will have some serious troubles to go through. It is, however, no use anticipating evil, we must only ask you to keep us advised closely of what transpires in connection with our business".[37]

And when the sun finally set on the Spanish administration in the island, Manvell was in reflective mood.

> "…no doubt you are all rejoicing at the termination of the struggle. Sad and bitter feelings must prevail for a while but we feel sure that in the end Cuba will become much more prosperous than it has ever been in the past; there will be an influx of capital and vigour and improved administration, and the result cannot be other than beneficial to the island…".[38]

3.3 Institutional vehicles for entry, markets and competition

The single most striking characteristic about foreign multinational enterprise in insurance is the wide range of institutional vehicles companies could select from when extending their operations across borders.[39] The extent and composition of the range varied from country to country. As elsewhere the earliest form of foreign insurance operations in Spain was to underwrite property there directly via the company's head office, without any commission agents on the ground. As noted above, this is how a few Spanish risks entered the portfolios of the Phoenix and the Imperial offices between 1785 and the 1820s. Unlike other regions of Europe, however, for much of the nineteenth century it seems to have been relatively unusual for foreign insurers in Spain to establish a network of self-standing agencies for direct underwriting. For most companies this was only the second or third form of sales organisation to be chosen, usually after a lengthy period of testing the market indirectly via reinsurance. With their fire insurance agencies in Cadiz in the 1830s, the Imperial and the Sun were exceptions to this general pattern, and both ventures appear to have had little success. As can be seen in table 3 from the 1860s some companies such as the Royal of Liverpool and the North British & Mercantile of Edinburgh did energetically construct sales networks of autonomous agencies, each with separate accounts and reporting directly to their head offices in Britain. This was the system that insurance MNEs adopted in much of the rest of Europe as well. An alternative, however, was to underwrite via a network of sub-agencies contracted and managed through one or two general commission agents, the system that prevailed in the United States. This was the system operated out of Malaga by the North British before 1870, and adopted by the Sun when it established general agency in Bilbao in 1871. Some companies also had hybrid arrangements before finally resolving on one form. Before 1887 the Phoenix received most of its Spanish risks as reinsurances from the North British company's general agency in Malaga, but it also retained an independent agency in Bilbao which covered the Basque provinces. In 1887 a direct agency was established in Malaga for Malaga and Andalusia under Prosper Lamothe, manager for Jimenez & Lamothe, wine, olive oil and brandy traders. Lamothe received 15 per cent basic commission and 20 per cent commission on insurances received from any sub-agents he appointed, out of which he had to pay the latter. These rates were increased in 1897 to 20 per cent on direct business, 25 per cent on sub-agency business other than from Catalonia, 27.5 per cent for Catalonian business, and 10 per cent of the annual profits of the general agency. Lamothe was also given a half share of the fees charged for policies and fireplates plus an allowance of 5000 pesetas. The Catalonian rate was also given for Madrid two years later.[40] The intricate juggling with commission rates suggests the relative difficulty of Phoenix's course into direct underwriting in Spain from the late 1880s. While Lamothe's agency at Malaga was acquiring more and more resources over a larger territory, the Phoenix were still uncertain about what shape their sales organisation should take in Spain. A new agency, for instance, was established at Santander in 1898, a place where some other British offices such as the Northern, refused to venture.[41] In the following year, however, the decision was finally taken to turn Lamothe's operation into a full general agency for the whole of the country. By 1902 13 sub-agencies were being run by the Malaga agent, at Alicante, Almeira, Barcelona, Bilbao, Cadiz, Cartagena, Corina, Madrid, Oreida, Santander, San Sebastien, Seville, Valencia. Some of these were established formally by letter – others simply by verbal agreement. By this date the flow of reinsurances from the treaty with the North British had dwindled to a trickle. The transformation of the Malaga operation into a general agency reversed this trend and reinsurances began to increase again as the surpluses of risks written directly were laid off.[42]

Thus, reinsurance could prove an essential vehicle for insurance MNEs both before and after the establishment of an agency network for direct underwriting abroad. Bilateral and multilateral reinsurance and retrocession arrangements were the common methods of acquiring insurances without the costs of direct entry. Specialist reinsurers such as the Swiss Re of Zurich were taking risks as early as 1869 from Spanish fire offices and retroceding them with other foreign MNEs, so that they became dispersed around Europe. Spanish risks acquired by the Swiss Re were passed via a retrocession treaty with the Vienna agency of the Arcangelo, a Greek insurance office based in Athens, under which the Swiss company shared its English, Belgian, Spanish and Algerian risks with the Arcangelo, in return for which the latter was permitted to participate in all excess risks for which the Swiss Re required another retrocessionary other than its own retrocession subsidiary, the Prudentia.[43] By the 1900s the Swiss reinsurer had bilateral and multilateral treaties covering Spanish risks with a range of French, Spanish and English offices. Usually such treaties bundled Spain together with several other countries. For instance the treaty signed in Paris in 1903 with La Union and Phénix Espagnol covered Spanish, Portugese, French, Algerian, Tunisian and Egyptian risks, while in 1905 the Swiss took part in a quota treaty with La Réassurance Nouvelle of Paris and La Polar Insurance Company of Bilbao on risks in Spain, Portugal, the Balearics and Morocco.[44]

Most British direct insurers operating in Spain before 1914 came to have one or more such arrangements with other British, French, Spanish and European companies. The Phoenix treaty with the North British, signed in 1871, covered all of Spain except for the Basque provinces.[45] As soon as the Alliance opened for business at Malaga in 1887 it prepared to lay off risks accepted there. A treaty was signed with the Manchester Assurance Company under which the latter was to receive three-tenths of every insurance effected by the Alliance at all its agencies in Turkey and Spain.[46] From the same year the Sun and the Alliance also commenced what became a long standing arrangement in Spain under which the latter provided the Sun's primary source of reinsurance. Three decades earlier the Sun had also reinsured property in Barcelona via French companies. French fire insurances offices, though lacking the international experience of some of their British counterparts, followed them quickly into Spain and built up a powerful presence there. One British observer in 1910 thought that French fire offices had a 'firm hold in Spain and have implanted their methods'.[47] Anglo-French treaties consequently became a regular feature of the Spanish reinsurance market, although such treaties usually bundled Spanish risks together in a package with risks from other countries. In such treaties reinsurance could flow in both directions. In the 1880, for example, the Alliance concluded a treaty with the Phénix Fire Office of Paris whereby the latter agreed to reinsure a portion of their risks in France, Algeria, Alsace, Lorraine, the Grand Duchy of Baden and Spain with the Alliance, securing in return a share of the Alliance's surplus risks in Britain. Nine years later a treaty was concuded with La Paternelle of Paris under which the Alliance was to reinsure a share of the former's surplus fire risks in France and its dependencies, and in Italy, Spain and Portugal.[48] Less frequently reinsurance and coinsurance arrangements were made with Spanish insurers and companies from elsewhere in Europe. In 1893, for instance, the

Sun insured a paper mill at Valencia for 75,000 pesetas over the whole property in the same proportions as the amount insured in the La Union & Fenix company, Spain's largest native property insurer.[49] This company was the result of a merger in 1879 between two companies La Union and Fenix, apparently carried out at the instigation of the Spanish Credit Mobilier.[50] In 1886 London & Lancashire concluded a treaty with La Fondiaria of Turin for a half share of the latter's business in Italy, Spain and France. London & Lancashire was taking reinsurances from Spain as early as the 1860s but did not establish its own agency in the country (in Barcelona) until 1900.[51]

As historically all types of property – large and small, residential and non-residential – were coinsured and reinsured, it is unlikely that the profile of a carefully monitored reinsurance bordereau would have differed much from the portfolio of risks underwritten directly by the agencies of foreign MNEs.[52] Although local policy registers have not survived, we have a good idea of what was insured in Spain through the Sun's general agency in Bilbao from the company's extensive correspondence with its agent, Don Ramon de Basterra. Insurances underwritten alone or in conjunction with reinsurance included a candle factory, several breweries, petrol refineries, carpenters' shops, perfumeries, jute, cotton and silk mills, timber, wine, spirit and tobacco stores, theatres, hospitals, a cork warehouse at Almeria, 365,000 pesetas on the Lamiaco glassworks 'as we have secured sufficient reinsurance', a sugar beet factory insured for a total of 300,000 pesetas (£12,000) across five British offices, a tinplate factory at Basconia, insured on condition that no metal cases or boxes were made on the premises.[53] Proposals to insure briquette factories (*aglomerados de carbones*), rice grinding mills, and a soap factory and oil refinery were declined by the Sun, while the Phoenix refused to reinsure drapers' risks owing to the low rates, and several companies such as the Northern and the Commercial Union declined to reinsure any property at all in Santander.[54]

Where novel or unusually hazardous risks were proposed for insurance, foreign MNEs could enjoy some competitive advantage over local rivals in that they could draw upon their experience elsewhere. When, for example, the Sun agreed to insure a brewery at Gijon, it insisted that the policy must state that the office was only liable for damage to machinery in the event of it breaking down due to a fire. Manvell observed that 'breweries here [in the UK] are on a different system to the one in question, which is evidently on the German plan, and we have one or two cases in Germany of similar insurances to the present'.[55] Basterra was also able to draw upon the technical expertise of head office when faced with proposals to insure electricity works. It is difficult to quote rates for these, answered Manvell, but he suggested 1.5 per cent for low pressure and 'about double' for high pressure.[56]

> "These would be minimum rates, but really unless an electric light factory is built of entirely solid materials, we do not care much to insure it. In any case the danger of the destruction of the dynamos etc by over-running of the machinery would have to be excluded. In general we should say that works where power is generated for industrial risks etc would be low pressure works".

As the number of companies grew and the Spanish market became increasingly competitive, however, some companies took chances with familiar hazards and prices driven down. Rejecting a proposal on a rice mill, Manvell wrote that

> "As the mills at Valentia also grind, I regret that we must decline them. This is again one of the mysteries of Spanish insurance business – Everywhere else

> these risks are found absolutely bad, and yet in Spain apparently they do not burn. We cannot, however, neglect the lessons we have paid for them elsewhere. The same remarks apply to jute mills. The early processes with the jute are very hazardous, and yet we find them taken in Spain at ridiculous rates by English companies, who ought to know better."[57]

A major concern for foreign insurers in Spain by the end of the nineteenth century was the constant search for reinsurance capacity. Established treaties and facultative arrangements often did not suffice. Typical was the exchange between Manvell and Basterra about a draper's property in Oviedo, on which the Sun was willing to insure 140,000 pesetas, with the Alliance taking the same amount. The Sun, however, could not find reinsurance in London for the remaining sum, as there was a 'great prejudice agasint drapers' risks at low rates. Here, as on several other occasions, Basterra was told that unless he could reinsure the rest of the risk locally, he was going to have to tell the property owner that the office could not insure to the value requested, which was obviously not the answer the customer wished to hear nor one which the agent on the ground wished to give.[58] Relations between insurance companies - both between local agents and between head offices - had also to be carefully managed if access to valuable reinsurance capacity was to be preserved. The Commercial Union, for example, cancelled an arrangement to act as a second reinsurer (after the Alliance) for surplus risks emanating from the Sun's Bilbao agency because, it claimed, it had received from there 'next to nothing…but special or hazardous risks'. Manvell pleaded with Basterra to feed the Commercial Union 'a fair share of non-hazardous business' in order to maintain the connection, but for some reason this seems to have proved difficult.[59]

Apart from price-cutting and the increasing struggle to find a reliable stream of quality reinsurance, competition in the Spanish insurance market also took other forms, for instance over the maximum amount that insurers were prepared to insure on single risks. During the troubled 1890s in particular, foreign companies had to watch the exchange rate of the peseta carefully and adjust their limits accordingly. When in the autumn of 1894 the sterling/peseta rate fell to 30 (from its usual level of 25), the Sun raised its limit in Bilbao from 125,000 to 150,000 pesetas. By January 1895 the peseta had recovered a little but the uncertainty remained a problem. Manvell sent a reinsurance slip to Basterra for three risks, and informed him that

> "We are keeping £7500 on each which at 28 = Pts 210,000, as, seeing how the exchange is fluctuating just now, we think it will be safer to take our limits for the future in £ sterling converting them into pesetas at about the rate of exchange of the day".[60]

To gain a competitive edge some foreign insurers also proved to be flexible with their product design and policy conditions, notwithstanding the discipline which the London-based Fire Offices Committee, which set tariffs worldwide, was supposed to induce in its members. The Northern, for example, offered to sell very short-term (monthly) policies on the storage of petroleum, which Sun felt obliged to match as the practice had lost them some business.[61] The Sun insured a steam powered cooperage in Malaga against its better judgement because of this type of pressure from other foreign insurers.

> "We are not very fond of these risks when woodworking by steam power is carried on. The risk however seems a very fair one of its class and we decided to accept a share in order to help the Malaga agency. The agency there is in competition with a good many other English companies, and the acceptance of

> the risk may help our agent in other business, otherwise we should not have taken it".[62]

Spain itself had no tariff organisation before the First World War which, some believed, explained the low premium rates prevailing there. Moreover native stock companies and the many local mutual offices provided increasing competition for the foreign MNEs during the 1890s and 1900s, particularly in the countryside and in the towns of southern Spain. Mutual offices, it was said,

> "insuring building for the most part, [are] of comparative unimportance individually, but in the aggregate covering a large amount of property, and while in the past there have been failures amongst them, the survivors are, generally speaking, successful, this being due in large measure to the excellence of the construction of buildings – a large number of which, especially in those parts in which the Moorish influence remains, are of fireproof construction, and throughout the country there is a comparative scarcity of those internal trimmings, such as curtains, carpets, and the like, which…add appreciably to the fire hazard".[63]

The impression of rising, largely unregulated competition, increasing market entry, falling premium rates, but relatively attractive average levels of profitability is confirmed by the underwriting data which have survived for two major British insurers in Spain. Over the 25 years from 1870 to 1895 the Sun made a cumulative net profit of over £11,600 from its general agency in Bilbao, and saw its premium income grow from £135 to £9051. After a quiet first decade, the agency suffered heavy losses in the late 1870s and early 1880s, but, as the net profit figures in **figure 2** show, with the exception of 1881, these appear to have been largely offset by reinsurance so that the agency returned modest net profits. Losses were minimal and net profits rose during the rest of the 1880s, but heavy losses followed in 1889-91 and in 1893, the latter the result of a major explosion in Santander. In the 33 years from 1887 to 1920 the Royal made a net profit of over £14,000 from its 15 agencies in Spain, a similar annual yield to that of the Sun in the earlier period. (See **figure 3**). During this period the Royal's premium income mushroomed from less than £900 in 1887 to nearly £38,000 by 1920. Thus Spain held out the opportunity for rapid growth in premium volume for both these British companies and doubtless for other MNEs too. The Royal enjoyed good results from 1887, when the data series began, until the colossal loss at Santander in 1893, with further heavy losses that year at Cadiz and Seville. There were further poor years in 1896 and 1899-1900, though losses were considerably offset by reinsurance. The first decade of the twentieth century posted good underwriting results in most years and net gains every year. The following decade, however, witnessed the return of heavy losses in 1911-12, 1914 and 1916. The biggest net earners for the Royal were the agencies at Barcelona, Alicante, San Sebastien and Seville. Alicante was a small agency compared to the other three, but like several other small agencies on the Royal's books, such as Murcia and Valencia, it returned net gains consistently over the period. The biggest net loss over the period was made at Jerez (£6,454), but this was entirely due to one horrendous year, 1912, when £25,000 was paid out in claims. Otherwise Jerez had an almost impeccable underwriting record. Probably the worst performer on average was Santander, which made money in only four out of nine years from 1887 to 1895. On the face of it the place seems to have deserved the hazardous reputation that other foreign insurers accorded it.[64]

3.4 Regulation and response

The grain tariff of 1891 is commonly taken to mark the beginning of Spain's transition to a protectionist economic policy, and the 1890s also saw a shift to greater regulatory burdens on the insurance industry, which hitherto had operated relatively freely, certainly compared to elsewhere in Europe. The budget law of August 1893 required that all companies invest in the public funds of Spain 20 per cent of the amount of net fire premium income derived from underwriting in Spain, and it listed Spanish state securities, bank mortgage bonds or railway bonds as appropriate for this purpose.[65] Such deposits had long been required in other European countries and the United States and they were not viewed as particularly onerous. More irritating were the new taxes of two per cent on annual premiums and two per cent on agents' commissions, and the new requirements to disclose annual accounts to the state regulator. Foreign insurance companies protested in vain against the tax, and British insurers resolved to pass on the cost of the tax to Spanish policyholders. By contrast the Spanish and French offices decided to absorb the tax themselves, which helped to make their policies more price competitive in the short run at least.[66] The Sun expressed irritation at the trouble this 'vexatious legislation' would cause its agent in Bilbao, and hoped that other companies 'will feel the pinch as much that some relief will be secured from government. The feeling on this side is that the business is not worth the trouble it causes.'[67] For the British offices, with their culture of privacy, the disclosure requirements were of greater concern than the taxes. As Manvell of the Sun explained to Basterra in Bilbao:

> "With reference to the particulars to be given, quite apart form the enormous work thrown upon the agents it would involve such a disclosure of our business as would be most injurious to us, for I feel sure that such lists wd not be kept absolutely private and if they got into the hands of competitors nothing would be easier than for them to practically remove our business from us by seeing who held our policies and by offering them slightly better terms. We do not see what good these returns would be to the government, unless it were to give them a sort of guide to the financial position of persons insured, and so enable the government to tax them closer. Some examination of agency cash books might perhaps be necessary to make sure that we paid the proper amount of tax, and we should think that a sworn declaration at the end of the year as to the amount of business would be a sufficient proof of income on which to base the calculation of technical reserves".[68]

In keeping with the looming spirit of rebellion on the island, insurance agents in Cuba went 'on strike' in 1894 and refused to give the Spanish administration the details asked of them.[69] The response of foreign insurers in Spain varied. Some French and British fire and life companies began to reduce the scope of their operations there in the wake of the new regulations, others such as the Gresham and the Norwich Union Life expanded their business.[70] The Sun's premium income from Spain grew strongly through 1894-5, and while the Royal's dipped slightly in 1894, the upward movement of its income soon recovered. The income tax law of 1900, coming as it did on the eve of a financial crisis, raised the cost of employment for insurance companies and caused some to scale back. The Royal's aggregate premiums from all its Spanish agencies stagnated in 1900-01. The Spanish accident and liability law of the same year, however, encouraged entry into this emerging branch of insurance, and foreign insurers continued to be free of any particular licensing authority in Spain, unlike elsewhere, only having to entered their corporate names in the commercial register.[71] The trend to greater state intervention, nevertheless, was irresistible. In May 1908 Spain passed its first general insurance law, which placed insurance under the authority of the Ministry of Public

Works. Each company was required to submit to the supervision of a body of inspectors established by Royal decree. All companies were required to show a minimum paid-up capital of 25 percent, to send the Inspectorate copies of their constitutions, regulations and policy templates, and to certify that the correct deposits had been made in public, industrial or commercial securities. For life offices the deposit was fixed at 200,000 pesetas, and in other lines 50,000 pesetas. Life insurers also had to present a copy of the mortality tables they used to the Inspectors.[72] Share capital stipulations were also a feature of insurance regulation elsewhere, but in Spain they did not become the prohibitive device which some regulators in the United States, for example, sought. A new tax was also levied of one peseta per 1000 pesetas of premiums received each year, though foreign companies paid the tax only in respect of their Spanish business.[73] Such taxation probably reinforced the existing trend towards the more extensive use of reinsurance.

Conclusion

Spain was relatively late to regulate its insurance industry. The tax and deposit requirements of 1893 were irksome to foreign MNEs but they were not a major burden by comparison with regulatory regimes in other markets. By the time of the general insurance law of 1908 the major foreign insurers in Spain had a far larger business there than 15 years earlier, and reinsurance capacity had also grown enormously. Exit was consequently less attractive as a response to state interference than it might have been previously. For several decades before 1908 large foreign insurance companies, principally from France and Great Britain, had experienced a market with limited regulation, limited competition from native offices, and surprisingly profitable margins on moderately sized portfolios that contained plenty of hazardous risks. If Spain's aggregate industrial development remained slow, the evidence from the Sun's underwriting there is that there was a considerable range of industrial and commercial property in the northern and southern coastal towns already seeking insurance during the last quarter of the nineteenth century. The law of 1908 was followed by much tougher years for underwriters there, which presaged the colder political and economic climate experienced by foreign insurers after the First World War.

For most of the period then regulators had little impact on the organisational choice of foreign insurers entering Spain. There were no tariff-jumping effects at work. Political instability and the recurring fragility of fiscal and monetary regimes were of greater consequence, and certainly made some MNEs delay their decision to establish sales networks in the country. With regard to other explanatory models of multinational enterprise, however, there are few signs of client-following by insurers, although it is possible that French insurance offices may have followed French banking and railway capital into Spain – we have not the data in this paper to judge this either way.

Similarly the presence of the French in Spanish life, accident and fire insurance markets may lend some support to the chain-theory of MNEs, in that underwriting practices between the two countries developed along similar lines, and of course they shared a border. Among the British offices there was almost certainly a follow-my-leader effect at work as the Sun followed the Imperial into Cadiz in the 1830s, and as Liverpool and Scottish offices established themselves at Malaga in the 1860s. However, the above theories, and the internalisation model, by which the costs of foreign transactions are cut by establishing agency or branch networks abroad, alone do not suffice to explain the rapid expansion of foreign insurers in Spain during the second half of the nineteenth century. The evidence presented in this paper suggests that the most important single factor behind the entry and retention of foreign insurance MNEs in Spain was the increasing availability and quality of reinsurance. By 1870 at the latest, reinsurance had emerged as the most important among a range of institutional vehicles for diversifying the risks of entry. In this respect Spain was typical of many other less developed economies in which the world's great insurance exporters drew heavily on reinsurance facilities provided by each other, and increasingly by specialists such as Swiss Re, in order to cultivate a new and still relatively unknown market.

Table 1: Foreign company share of national insurance markets
(% of premiums earned, gross of reinsurance)

Austria-Hungary	1878	5	% of fire insurance premiums
Canada	1878	66	% of fire insurance premiums
	1881	69	% of fire insurance premiums
	1882	76	% of fire insurance premiums
Switzerland	1886	43	% of all premiums
		57	% of life insurance premiums
	1904	37	% of all premiums
		50	% of life insurance premiums
	1912	33	% of all premiums
		45	% of life insurance premiums
Germany	1902-13	14	% of all premiums
Netherlands	1910	50	% of fire insurance premiums
		14	% of life insurance premiums
USA	1875	22	% of fire insurance premiums
	1880	35	% of fire insurance premiums
	1891	27	% of fire and marine premiums
	1895	29	% of fire and marine premiums
	1900	31	% of fire and marine premiums
	1905	24	% of fire and marine premiums
	1910	24	% of fire and marine premiums
	1915	29	% of fire and marine premiums

Sources: Austria: *Assecuranz Jahrbuch* 1 (1880), 18-23. Canada: *Insurance Times*, May 1883, p.285, Oct.1883, p.608. Germany: Thorsten C. Kölmel, *Das Auslandsgeschäft deutscher Versicherungs-unternehmen in den USA* (Frankfurt/Main, 2000), 132-3. Netherlands: Ben P.A. Gales and Keetie Sluyterman, "Outward Bound. The Rise of Dutch Multinationals," in Geoffrey Jones and Harm G.Schröter, eds. *The Rise of Multinationals in Continental Europe* (Aldershot, 1993), 65-98. Switzerland: Borscheid, "Vertrauensgewinn und Vertrauensverlust", figures 5 and 6. USA: *Insurance and Commercial Magazine*, 11 (1881), 118; *The Insurance Yearbook* (New York, 1896-1916).

Table 2: Insurance in Spain in 1910

Life (no of companies)	**Premiums** (pesetas)
4 British	2,823,828
3 American	9,116,969
1 Austrian	545,241
1 Brazilian	329,098
2 French	1,168,845
1 Italian	119,102
7 Spanish	9,448,281
	23,551,364
Fire	
15 British	2,372,823
10 French	3,890,320
1 German	93,185
15 Spanish	10,982,207
	17,338,535
Employers' Liability	
2 French	624,448
1 Italian	169,962
2 Swiss	352,724
7 Spanish	3,014,000
	4,161,134
Personal Accident	
3 French	549,281
1 Italian	249,304
2 Swiss	182,789
4 Spanish	476,844
	1,458,218

Source: A.J. Cook, 'Insurance in Spain', *Post Magazine and Insurance Monitor*, 25 Oct.1913.

Table 3: Early agencies established in Spain by some leading UK fire insurers

	Royal	Alliance	Imperial	LL&G	L&L	NBM	Phoenix	Sun
1832			Cadiz					
1833		Madrid (life)						
1836								Cadiz
1848	Manila							
1863	Havana							
1864	Malaga							
1866	Cadiz							
1869	Valencia			Malaga				
1870	Jerez					Malaga*		Bilbao
1871	Carthagena					Barcelona	Bilbao	
1872						Granada; Santander; Madrid		
1876				Santander				
1878	Alicante							
1879	Seville							
1882	Majorca							
1887		Malaga					Malaga	
1890	Murcia; Barcelona							
1891	San Sebastian							
1892	Granada; Bilbao							
1898				Canaries			Santander	
1900					Barcelona			
1903		Las Palmas; Grand Canary						

* NBM's Malaga agency was established sometime before the date shown

Table 4: Insurances in Spain and its Empire – two UK companies 1861-1905

(a) Average sums insured by the Sun Fire Office (£)

	Bilbao	**Havana**	**Manila**
1861-5		139,118	
1866-70			69,054
1871-5	412,263		91,251
1876-80	595,819	254,302	81,352
1881-5	1,516,869	452,195	136,012
1886-90	2,789,426	687,725	116,237
1891-5	4,417,397	1,122,555	92,688

(b) Average premiums – Royal Insurance (£)

	Spain	**Havana**	**Manila**
1887-90	1,095	2,706	2,057
1891-5	2,169	10,448	2,906
1896-1900	3,257	8,091	3,529
1901-5	4,743	13,695	4,674

Sources: Guildhall Library London, Ms 11935K, Sun Insurance, Foreign Premiums 1836-93; Liverpool Record Office, Royal Insurance, Results of Foreign Business, vols.1-2, 1887-1923

Figure 1: Insurance companies in Spain 1830-1908
(Source: Rosales and Quiza, table 1)

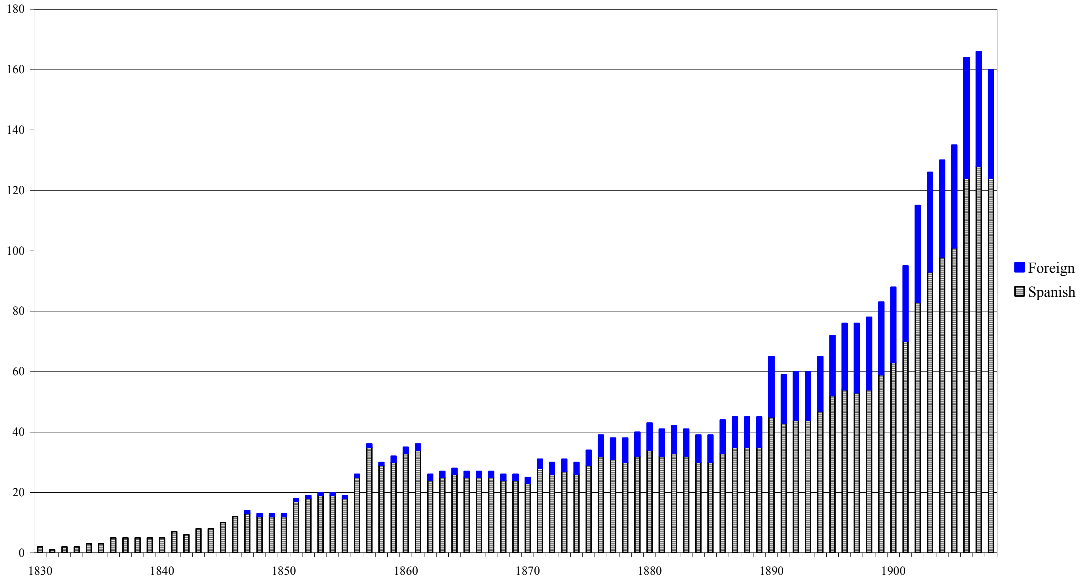


Figure 2: Sun Fire Office - Bilbao Agency 1870-95

Loss ratios (right axis), net profits (left axis). Source: GL, Ms 11935K, Sun Insurance, Foreign premiums, 1836-93.

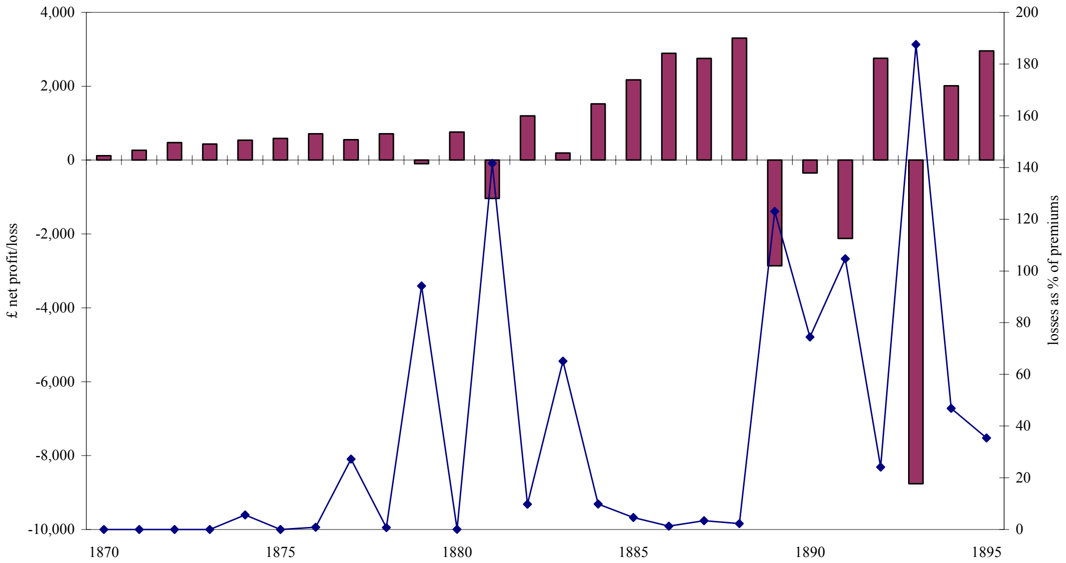
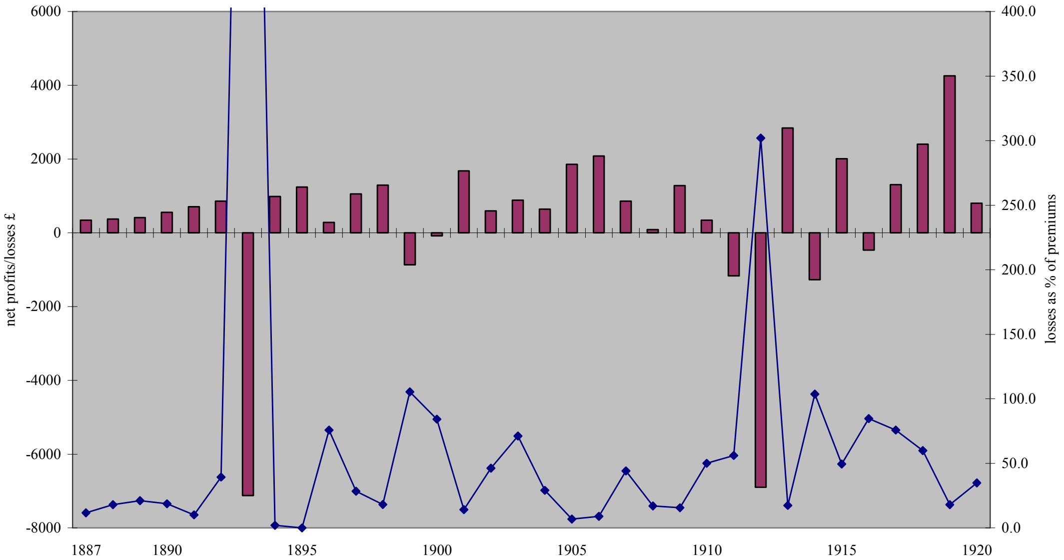


Figure 3: Royal Insurance - Results from Spain 1887-1920

Loss ratios (right axis), net profits (left axis). Source: Liverpool R.O., Royal Insurance, Results of Foreign Business, vols.1-2, 1887-1923



Notes

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[19] From 23 companies in 1870 to 124 in 1908 (439 per cent increase). Spanish GDP rose from US(1960)$ 5300m in 1870 to $ 7333m in 1910 (38 per cent increase). E.F. Rosales and J.M. Quiza, 'Los Seguros en España: 1830-1934,' *Revista de Historia Económica*, 14 (Winter 1996): 183-203; P. Bairoch, 'Europe's Gross national product: 1800-1975', *Journal of European Economic History* 5 (1976): 273-340.
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[24] Trebilcock, *Phoenix Assurance* vol.1, p.229.
[25] Guildhall Library London (hereafter GL), Ms12160A/4, Imperial Insurance, Directors' Minutes, 14 June 1809.
[26] GL, Ms14078/1, Alliance Assurance, Foreign Committee Minutes, 11 Sept.1839; GL, Ms12162A/2, Alliance Assurance, Directors' Minutes, 30 Sept.1829,15 May 1833.
[27] Dickson, *Sun Insurance*, p.177.
[28] GL, Ms12160A/15, Imperial Insurance, Directors' Minutes, 27 July 1842.
[29] For example, the LL&G delayed the commencement of operations at its new agency in Malaga in 1869 'due to the unsettled political state of Spain', Liverpool Record Office, LL&G, Fire Foreign Committee Minutes, vol.2, 24 May 1869.
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[32] This was probably also true of Imperial which earned about £10,000 in premiums from Cuba in 1894, but which apparently had no direct agency representation in Spain. Estimated from the deposit of £2000 which Imperial was required to make under the law of 1894 which demanded deposits of 20 per cent of premiums. By contrast the Alliance only needed to deposit £130 for its agency at Malaga at the time, suggesting an annual premium income there of £650, just 0.4 per cent of its total foreign income. GL, Ms12160A/27, Imperial Insurance, Directors' Minutes, 14 Mar.1894; GL, Ms12162A/15, Alliance Assurance, Directors' Minutes, 21 Mar.1894.
[33] GL, Ms 18249/132, Sun Insurance, Foreign Letter Books, letter of 6 July 1895.
[34] GL, Ms 18249/134, Sun Insurance, Foreign Letter Books, letter of 11 Jan.1896.

[35] GL, Ms 18249/134, 143, Sun Insurance, Foreign Letter Books, letters of 8 Feb.1896, 16 July 1897.
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[53] GL, Ms 18249/128, 130-2, Sun Insurance, Foreign Letter Books, letters of 11 July, 7 Aug., 22 Aug., 19 Sept.1894, 5 Jan., 11 Apr., 14 May, 11 June, 4 July, 24 Sept. 1895.
[54] GL, Ms 18249/130-31, Sun Insurance, Foreign Letter Books, letters of 5 Feb., 7 Mar., 21 Mar., 24 May 1895.
[55] GL, Ms 18249/131, Sun Insurance, Foreign Letter Books, letter of 30 May 1895.
[56] Low pressure was defined as less than 200 volts, and high pressure as over 1000 volts. GL, Ms 18249/130, Sun Insurance, Foreign Letter Books, letter of 5 Jan.1895.
[57] GL, Ms 18249/133, Sun Insurance, Foreign Letter Books, letter of 5 Nov. 1895.
[58] GL, Ms 18249/130, Sun Insurance, Foreign Letter Books, letters of 1 Feb., 5 Feb.1895.
[59] GL, Ms 18249/130, Sun Insurance, Foreign Letter Books, letter of 1 Feb.1895.
[60] GL, Ms 18249/128, 130, Sun Insurance, Foreign Letter Books, letters of 19 Sept.1894, 8 Jan.1895.
[61] GL, Ms 18249/130, Sun Insurance, Foreign Letter Books, letter of 17 Jan.1895.
[62] GL Ms 18249/128, Sun Insurance, Foreign Letter Books, letter of 7 Aug.1894.
[63] Robertson, 'Fire Insurance on the Continent of Europe', 276-7.
[64] The average annual net yield from Santander was a loss of £544, by far the worst of all the 15 agencies operated by the Royal in Spain during this period.

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[66] *Assecuranz Jahrbuch*, 16 (1895): 422; GL, Ms 18249/128, Sun Insurance, Foreign Letter Books, letter of 18 July 1894.
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[69] GL, Ms 18249/128, Sun Insurance, Foreign Letter Books, letter of 20 July 1894.
[70] *Assecuranz Jahrbuch*, 18 (1897): 433.
[71] *Assecuranz Jahrbuch*, 23 (1902): 382.
[72] Rosales and Quiza, 'Los Seguros en España, 188-9.
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