

Call for Sessions - WEHC 2015 [S20157]

Proposed title of the session

reinsurance history from the middle XIXth to today

Abstract

Organizing the session is André Straus (Sorbonne University), Peter Borscheid (Marburg University) and Leonardo Caruana (Granada University). The reinsurance industry as a very special branch of insurance has long been ignored by economic historians in spite it has rapidly gained its independence from almost a century and a half and with very dynamic changes.

The idea among insurers to protect themselves against the consequences of their possible problems of solvency is not new. And took different forms. Economic development and industrialization led to the proliferation of big risks and new risks. The insurance of large vessels, big factories, shops and warehouses increasingly large were a major problem for the insurance companies. The situation of many of them became unwarrantable.

In Anglo-Saxon countries, like England, coinsurance prevailed. Lloyds was the prototype of a market in coinsurance where each participating insurer is in direct contact with the insured they cover part of the risk. In continental Europe reinsurance grew in the modern way. With the development of the manufacturing system, fire hazards demanded in the last third of the nineteenth century an unprecedented development of the insurance business. Nonetheless, reinsurance developed with poor financial capability so it was slow its improvement. In a first stage insurers simply adopted different premiums according to specific risk and limit their commitments to well-defined areas. Nevertheless, unlike mutual, very active in the fire risk, insurance

Insurance companies then had the idea of creating companies specializing in reinsurance, whose role would be to take big risks. Developing far more ceding and spread worldwide between many correspondents able to absorb a certain amount of risk, what is name retrocession.

The first major reinsurance companies appeared after large losses. "Re Kolnische", was founded in 1842, after the fire that destroyed Hamburg. Following the fire that destroyed Glarus in Switzerland, "Swiss Company reinsurance" in was founded in Zurich (1863). Meanwhile, Carl von Thieme created in Germany Münchener Rückversicherungs-Gesellschaft (1880) whose principles (internationalization needed for atomization and dispersion of risk, diversify of the business in order to smooth local or specific losses) were more or less those that most reinsurers followed.

Since the First World War to the present day, reinsurance has experienced many vicissitudes, partly related to the conflicts that tore the world, (fall of empires, rise of new powers, appearance of new countries), nevertheless also changes in the global economy with new technologies. Without speaking of climatic change and his consequences.

In this area of reinsurance a number of issues, need addressing. Here are some suggestions concerning agents, markets and institutions.

Reinsurance practiced by insurers

The role of reinsurance in developing countries

The increased of Non-life reinsurance in relation with the climate modifications .

Economic cycles in the insurance and reinsurance

The recent growth of life reinsurance.

The concentration of reinsurance

Risks spirals on the market.

Non-traditional reinsurance and new reinsurance techniques and new actors (Bermudians)

The role of financial markets

Tax and legislation

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