

INSURING SECURITY

Biopolitics, security
and risk

LUIS LOBO-GUERRERO

INTERVENTIONS

ROUTLEDGE



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Preface and acknowledgements

Following a Foucauldian tradition, this book is intended as a contribution to the history of an emergent present. While offering some analytical and theoretical reflections on the ways in which security is insured, the book aims to further develop a way of thinking of security away from the history of the security of institutions. The security that insurance secures is the security of ways of being in the world, which, as emergent, can be analysed through the instruments that make it possible.

Insuring Security provides elements to understand what is so particular about the kind of security produced through insurance and consumed by the richest 14 per cent of the world's population. OECD countries buy 88 per cent of the world's insurance premium volume. The conclusion offered in this book is that insurance operates a security technology that, while ascribing value to life, capitalizes livelihoods and promotes lifestyles. This form of security is central to the development of a liberal way of life within and beyond advanced liberal economies.

This book is the beginning of a wider scholarly analysis on the relationship between security and risk. It arises out of curiosity to understand how technologies of risk are employed in securing ways of living. I have been particularly interested in exploring why there is such a significant difference in the ways risks are understood and dealt with in advanced liberal economies compared with emerging markets. With a life experience divided between South America and Europe, it became evident to me from an early age that security was more than the quest for the legitimate monopoly of violence by a state. It was also clear that cultural and socio-economic issues were as important as geopolitical ones for understanding how individuals and societies managed to negotiate difference and prevent violent conflict. However, it was not clear to me why security studies scholarship, within the wider discipline of international relations, had not developed elements from which to understand how risks became the objects of those representations of danger. During my masters and doctoral studies I began to engage with what I consider a fascinatingly promiscuous body of literature on risk, security and liberal governance, involving the philosophy of science, the social studies of finance, sociology and criminology, socio-legal studies, medieval economics, as

well as so-called post-structuralist approaches to international politics. The result of that experience was my doctoral thesis on which this book is based.

Although an individual enterprise, through writing this book I have had the pleasure of having established a deep intellectual and academic interaction with many colleagues in various parts of the world. Many of them have read various chapters in various stages. The end result is a significant revision to the original thesis based on the comments of two extraordinary anonymous reviewers and the editors of this series, to whom I am greatly indebted. All inaccuracies and shortcomings remain my own.

I also want to acknowledge the continuous enthusiasm and endless source of inspiration from my doctoral supervisor and friend, to whom I dedicate the book. Peter Burgess has also contributed a critical eye to various parts of this project, Pat O'Malley has gone through the pain of reading earlier versions of most of my work and has proved to be an inexhaustible source of useful ideas, and Marieke de Goede, Louise Amooore, David Campbell, Mark Lacy and Aaron Doyle have acted as discussants of many of the ideas included here. I am grateful to all of them.

At Lancaster I had the fortune of being able to debate early ideas of this project with Cindy Weber, Mark Duffield, Paolo Palladino, Paul Fletcher and Brian Wynne. Oliver Westall introduced me to the world of insurance in the UK and also shared with me part of his personal library. Funding for this project was provided by the Department of Politics and International Relations, the Peel Trust and County College at Lancaster University. Funding from the Wellcome Trust for the project 'Underwriting health and security: insurance as health-enabler in a molecular age', which arose out of my doctoral proposal and resulted in Chapter 3 of this book, was central to the completion of the thesis. Participants of two workshops organized through that grant provided me with an insight into the life and health insurance business in the UK. Alan Tyler has remained a constant source of information and advice. I also thank Ronnie Lippens, Tim Doyle, Peter Adey and Barry Godfrey at Keele University for their intellectual and institutional support. My loveliest thanks go to Nadine, who has endured the constant rewriting of this book.

Parts of this book have been presented at various International Studies Association (ISA) and British International Studies Association (BISA) conferences, as well as at conferences, seminars and keynotes at Carleton University, Newcastle University, Queen's University Belfast, Keele University, the London School of Economics, University of Amsterdam, the Norwegian School of Management, Sciences-Po, Universidad Javeriana (Bogotá) and Osmania University (Hyderabad). I am thankful to participants of those events for useful and constructive comments. Parts of Chapter 5 were first published by Sage as 'Biopolitics of Specialized Risk: An Analysis of Kidnap and Ransom Insurance', *Security Dialogue*, 38(3), 2007. Parts of Chapter 6 first appeared as "'Pirates", Stewards, and the Securitization of Global Circulation', *International Political Sociology*, 1(2), 2008, published by Wiley-Blackwell.

This is the first book of a trilogy I am writing on the relationship between insurance and security. The second volume will explore the relationship between

insurance and war in the modern period, and the third one will be dedicated to the analysis of life insurance in relation to the capitalization of life hypothesis introduced in this book. However, rather than anchoring these relationships within established disciplinary and interdisciplinary debates, I have wanted to explore them as *constituting problem spaces of their own*. In that respect no formal respects will be paid to established bodies of literature and particular frameworks for analysis. This book and the following volumes concentrate instead on opening up a field of study that can be problematized in multiple ways. In that spirit I hope the book will be enjoyed more through the thought it provokes than for the ideas it portrays.

Luis Lobo-Guerrero
Keele, Staffordshire

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Introduction

The importance of insurance as a global security technology cannot be overstated. In 2007, over \$US4 trillion was spent on insurance premiums worldwide.¹ That figure corresponded to 9 per cent of the gross domestic product (GDP) of industrialized countries and 7.5 per cent of the world's GDP. It was more than three times the global defence expenditure for the same year.² In the case of the European Union (EU) the insurance–defence expenditure ratio was 6.7. With \$US18.5 trillion of assets under management, or 11 per cent of global financial assets, the insurance industry is the world's largest economic industry.³

However, insurance is not a worldwide security technology. Of all policies sold in 2007, 88 per cent were sold in OECD countries, 70 per cent in the G7 countries and 38.5 per cent in the EU. These figures compare starkly with Africa's share of the world market of 1.3 per cent, 2.2 per cent for Latin America and the Caribbean and 4.4 per cent for South and East Asia.

Based on these figures, and on the importance of insurance in providing a technology for the management of uncertainty for individuals and collectivities, it is surprising that insurance has, as yet, not attracted the devoted attention of security studies scholarship. Moreover, insurance has scarcely figured in the analysis of international relations and international political economy.⁴ Regardless of the importance of insurance in shaping the behaviour of institutions and individuals, and of the myriad of power relations that take place within insurance operations, insurance has not been a concern for political theory either.

This book is intended as a critical introduction to the study of insurance as an empirical site from which to interrogate security as a problem space. The problem of security, as will be argued below, relates in this case not to referent objects such as the state, as the disciplined study of international relations has traditionally understood it, but to lives and forms of life in continuous need of promotion and protection. As such, the study of insurance as a problem demands moving away from the curious division of labour between security studies, political economy and political theory. It also entails taking a distance from traditional categories of thought such as the political, the social, the economical and the human. Taking life and forms of life as its referents, this book explores different forms in which insurance is employed in promoting and protecting livelihoods and lifestyles. In

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the process it characterizes ways of life in the form of specific populations that have historically demanded and consumed different types of insurance.

Insurance as a technology of risk

Insurance, as Ewald introduced it, is an application of a technology of risk.⁵ Risk, as a wider tradition of Foucauldian scholarship has noted, is a rationality of governance.⁶ It is 'a way of representing events in a certain form so they might be made governable in particular ways, with particular technologies and for particular goals'.⁷ In this respect, there is nothing natural about risk. As historians of ideas have documented, the modern concept of risk emerged in the late seventeenth century with the application of probabilities as a way of measuring uncertainty.⁸ Although aleatory contracts, as described by Daston, were already operating a form of risk since the medieval Renaissance (see Chapter 1), and such contracts worked on the premise of ensuring equality of terms between all parties, the problem of measuring uncertainty remained. 'How should the (certain) price of an uncertain gain be assessed in order to preserve the rule of equity?'⁹

The use of probabilities as an instrument for measuring risk, however, was not as objective as it might appear. Hacking documented, for example, how seventeenth-century probability had a dual character. On the one hand, it was statistical, 'concerning itself with stochastic laws of chance and processes'. On the other, it was epistemological, 'dedicated to assessing reasonable degrees of belief in propositions quite devoid of statistical background'.¹⁰ Probabilities therefore arose as a way of reckoning uncertainty, a problem that mattered greatly particularly in commercial relations where the possibility of establishing the price of an uncertain gain could determine the legality and morality of those practices. The modern concept of risk began to be developed when probabilities started to be employed for the measurement of uncertainty in late seventeenth-century Europe.

However, and particularly relevant to the understanding of insurance, the concept of uncertainty is quite complex and relates to the problem of identifying a reference from which to make judgements or calculations. In 1921, Knight expressed this idea in the following way:

The practical difference between the two categories, risk and uncertainty, is that in the former the distribution of the outcome in a group of instances is known (either through calculation *a priori* or from statistics of past experience), while in the case of uncertainty this is not true, the reason being in general that it is impossible to form a group of instances, because the situation dealt with is in a high degree unique.¹¹

The instances which Knight referred to are the categories into which reality is classified according to *certain* criteria. The certainty of classification depends not on mathematical precision but rather on authoritative *decisions*. Whoever decides what is to be observed, in which way, and how those observations should be recorded, is already exercising a form of power that operates as a referent for

the reckoning of uncertainty. In this respect, uncertainty does not exist in the abstract, at least not when thinking about technologies of risk and insurance. Uncertainty matters in relation to ways of being in the world exercised through forms of power.

Making uncertainty matter, however, is already the manifestation of a particular way of thinking and of being in the world. When compared with alternative imaginaries, for example, in the world of divine providence promoted by the Church in thirteenth-century Europe, uncertainty did not make much sense. For a form of life characterized by an acquisitive spirit, in contrast, uncertainty mattered a great deal in so far as the livelihood and lifestyle of merchants depended to an extent on the mechanisms through which assets and merchandise could be protected from unwanted contingencies. Even when God wanted a storm to destroy a ship and its cargo, merchants still wanted to have some basic level of economic protection from such a catastrophe.

Histories of insurance, as the chapters of this book illustrate, indicate a constant tension between ways of imagining the world and ways of making uncertainty matter. These tensions do not result from preformed social categories such as social classes, as some Marxist readings would have it. They result instead from the continuous requirement to promote and protect ways of being in the world expressed as forms of life which are never a terminated project. Forms of life constantly adapt to the environments in which they operate and are simultaneously actors and subjects of power that seek to shape their conditions of existence. In this respect, forms of life cannot be objectified in so far as their determining features can be considered to be under constant emergence. However, they can be identified based on the instruments developed for the promotion and protection of livelihoods and lifestyles. For example, the development of the third-party form of insurance is explored in Chapter 1 in relation to the form of life of a thirteenth-century Italian merchant population, the emergence of actuarial life insurance is analysed in Chapter 2 in relation to the lifestyle of a landless gentlemen population in eighteenth-century England, debates around the use of predictive genetic testing for life and health insurance in twenty-first-century Britain are explored in Chapter 3 in relation to the lifestyle of a population genetically at risk, parametric environmental insurance schemes are analysed in Chapter 4 in relation to populations at risk of environmental hazard in emerging economies, kidnap and ransom insurance instruments are analysed in Chapter 5 in relation to a population of expatriate workers in countries of heightened kidnap risk, and the role of an insurance market institution is analysed in Chapter 6 in relation to a global capitalist population. A central claim of this book is that insurance products are 'emerging securities' developed to promote and protect the livelihood and lifestyles of populations.

As securities that promote and protect forms of life, insurance performs a technological role. This is not a new idea. It was introduced by Ewald in the late 1980s when he noted that insurance technology 'takes a certain form in certain institutions, thanks to the contribution of a certain imaginary'. This is not a natural process either. Instead, technologies of insurance

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were built up gradually out of multiple practices which they reflected and rationalized, practices of which they were more effects than causes, and it would be wrong to imagine that they have now assumed a definite shape. Existing in economic, moral and political conjunctures which continually alter, the practice of insurance is always reshaping its techniques.¹²

Rather than seeking to theorize the technological role of insurance, this book concentrates on exploring the technological effect of insurance.¹³ This effect consists in transforming uncertainty into something amenable to be exchanged, something tradable. Something amenable to trade is usually referred to as a commodity. The role of insurance, as we know it in its modern actuarial form, is to transform uncertainty into the commodity we call, after the seventeenth century, risk. This transformation of uncertainty into risk, however, is not a natural phenomenon and should not be taken for granted. It is the result, instead, of a complex process through which, as analysed in Chapter 1, *insurance renders uncertainty fungible*. The process involves continuous negotiation between political imaginaries and livelihoods, the development of metrics for calculation, the evolution of knowledge regimes, the production and use of actuarial tables and other instruments, as well as a permanent understanding of how livelihoods and lifestyles change as the referents of protection and promotion of insurance practices. As constantly evolving and adapting, the technological role of insurance resists a general theorization. Instead of seeking to theorize a general role of insurance as a security technology, the technological role of insurance is approached in this book, chapter by chapter, in relation to the form of life it is expected to protect.

Insurance and the capitalization of life

It is possible to make, however, a general observation on the technological role of insurance as a security technology. In the cases dealt with in the book an outcome of insurance practices is, in one way or another, the capitalization of life. This claim involves three central elements that help constitute a political economy of security out of the capitalization of lives.

First, insurance, through underwriting practices, engages in processes of valuation. The life and lifestyle of the individual to be insured, or the lives and lifestyles of collectivities for which protection is sought, are assessed in relation to their future capacity to generate revenue. This is a particular characteristic of life insurance ever since the assurance of lives became an actuarial practice in eighteenth-century Britain, as shown in Chapter 2. In today's terms, and based on actuarial tables, the life of a man aged 65 will differ in value from that of a man in his mid-30s in relation to this individual's projected economic capacity. It is more likely that the 30-year-old client will be in a better position to use his life as collateral for a mortgage through the agency of a life insurance policy. What insurance does in this case is to value the lives of clients in relation to their capacity to obtain credit for capital investment. This technological role of insurance supports today the observation made by Dodson in 1753 when he noted that '[t]he values of the

possessions, and the reversions, of much of the greatest part of the real estates of this kingdoms, will, one way or another, depend on the value of lives'.¹⁴

A second element that characterizes the insurantal function of capitalizing life is the idea of providing a financial resource to protect against the loss of capital. As explored in Chapter 4 through cases in which parametric insurance has been used to protect populations from environmental hazard, pushing the limits of insurability to encompass otherwise catastrophic risks, such as earthquakes, hurricanes and drought, provides a form of financial protection for property and infrastructure required to support livelihoods and lifestyles affected by these events. In the absence of these mechanisms, or when they provide very limited financial cover, as was the case of the Haitian earthquake of January 2010, populations lose all material investment in the form of assets and infrastructure that would facilitate their prompt material recovery after catastrophic events. Whereas insurance against natural or man-made catastrophic events is usually presented as a form of reparation of damage on buildings and infrastructure, its real effect is on the protection and promotion of forms of life.

The capitalization of life through insurance implies also an understanding of capital, not solely in the form of assets, lives and infrastructure, but also in the conditions of possibility of ways of life. In the case of capitalist forms of life, these conditions of possibility are the ones that make trade and exchange possible. In particular, these conditions relate to *circulation* and *connectivity* as essential features for *being* commercial.¹⁵ The value of lives, goods, ideas and services depends on their continuous capacity to connect and circulate. This capacity depends on the existence of material enablers such as physical infrastructure whose function is to enable the connection of flows. It also depends in a crucial way on the contingent capacity of entrepreneurial leaders to creatively employ forms of power to mobilize circulation where the connectivity of flows has been interrupted. This is clearly shown in Chapter 6 through the analysis of the agency of the Joint War Committee (JWC) of the Lloyd's Market Association in re-establishing maritime circulation through the Strait of Malacca in 2005, at a time of heightened maritime piracy in the region. By means of suggesting a higher price on marine insurance for vessels sailing those waters, the JWC influenced the decision of regional governments to coordinate naval operations to patrol the waters of the Strait. The result was a reduction in the negative effects of piracy on the safe circulation of vessels.

The capitalization of lives is also manifest in a third example analysed in Chapter 5 through the role of kidnap and ransom insurance. In this case, life is capitalized as a productive asset by insuring it against the risk of abduction when operating in countries and regions of high personal and corporate security risk. What is being protected here is the circulation of an asset that is required for a particular economic activity. In this respect, kidnap risk is analysed as an operational risk against which an insurance product can be used to provide the financial means to recover the life, if and when it is taken out of circulation. The life of the individual, as a productive asset, matters for the employer in as much as the individual is capable of performing the activities for which he or she was hired.

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The life of the individual, in the case of the kidnapper, matters as an asset which has been taken out of circulation. The human dimension to this atrocious practice is exploited as a means to challenge the economy of exchange instituted between kidnapper and ransom. The ethical analysis of the use of kidnap and ransom insurance, however, is used to highlight a controversial, if common, practice on the insurantal capitalization of life that enables commercial and productive operations in areas of high security risk.

The third element of the technological agency of insurance in capitalizing life is the dimension of life as investment. A commercial form of life and its liberal derivatives in the modern period is premised on the idea of capital accumulation. When lifestyles develop they demand the generation of higher incomes which in turn sponsor the continuous development of lifestyles. Higher incomes and higher lifestyles demand higher forms of financial protection. Failing to protect incomes and lifestyles opens up the possibility for partial or complete capital loss, which would impact on the capacity of the individual and his or her dependants to recover after negative events. Lifestyles develop as an effect of education, experience, training, tradition, social recognition, prestige and reputation, all immaterial values that perform a role in qualifying the standing of lives. As values, they are invested in progressing social, cultural, material and political conditions. Damage to these intangible values represents a loss of investment in life with repercussions on livelihoods and lifestyles. Insurance practices perform a technological role that provides a form of security that protects life, as invested capital, and presents it in a form amenable for further investment: insurable life. In this respect, insurance protects lifestyles by promoting livelihoods. The reparational form of security that results from this process has clear implications in the ways security is to be understood and theorized in relation to life. In short, and as elaborated in Chapter 7, the form of power exercised by insurance performs a biopolitical security effect.

Securing life by embracing risk

Baker and Simon have coined the term risk-embracing to 'evoke and distinguish the idea of "spreading risk" that has been so influential over the last century'.¹⁶ For them, the term encompasses two related cultural trends, one that involves understanding social problems in terms of risk and the other which moves away from risk-spreading strategies and practices and holds the individual accountable for risk itself. Taking risks, then, 'increasingly becomes what one does with risk'.¹⁷ The idea of risk-embracing highlights a distinction between forms of spreading risks which is usually ascribed to the public-private divide. However, this idea transcends this situation, as will be shown below.

The practice of risk-spreading, as the work of Baker and Simon and that of Ewald analysed, has been generally understood as the practice of distributing risks over populations.¹⁸ These practices can be premised on two different principles which are not necessarily mutually exclusive but have in reality been combined to provide an instrument for social cohesion in liberal societies. On the one hand, risk-spreading has operated a principle of solidarity whereby stakeholders of

society contribute and benefit from constituting a universal risk pool used to provide the means to repair lives and livelihoods under adverse circumstances. This is the world of social insurance as the technology to operate welfare state systems. On the other hand, risk-spreading has operated under a principle of mutuality whereby only a selected membership contributes towards the constitution of an insurantal pool used to promote and protect livelihoods and lifestyles of those assured. Whereas the former operates a public rationality of insurance, the latter operates an actuarial private form of insurance.

In a subsequent article, Baker revised the embracing risk claim in light of phenomena such as ‘destructive competition’ and catastrophic risks. ‘[W]hen insurance companies compete by “cream-skimming” the good risks and shutting out the bad risks’ destroying ‘the safety net that insurance is supposed to provide’, and in a context in which societies must cope with catastrophic risks such as those dealt with during 9/11 and Hurricane Katrina, the risk-embracing position had to be qualified.¹⁹ His suggestion was then to understand the risk-embracing claim in relation to the sharing of responsibility. Moving away from a principle of solidarity and universally engaging a principle of mutuality when employing technologies of risk to cope with uncertainty would not allow for risk-taking in light of these phenomena. The revised approach was one in which individuals embrace risk but share the responsibility of universal hazards through the agency of governments,²⁰ state insurance pools or some other mechanisms. ‘Embrace risks when it is socially responsible to do so. Spread risks over to areas in which people do not have control, and do not leave it only to the market to sort that out’.²¹

The different chapters of this book, however, illustrate ways in which life is secured by embracing risks without always making a clear distinction between a mutual or a solidarity approach. Chapters 1 and 2 indicate an evolution of the necessary conditions for the development of the role of insurance in both mutual and solidarity forms (the emergence of the third-party form of insurance and the development of the principle of insurable interest). Chapter 3 presents a case in which the principle of mutuality operating under market conditions clashes with the state’s responsibility to protect the life of individuals. The case highlights the difficulty in separating a principle of mutuality from one of solidarity when the protection of life itself is at stake. Whereas the role of insurance when dealing with lives adopts a form of capitalization as a strategy for protecting livelihoods and promoting lifestyles, the role of the state in its sovereign function adopts a form of regulation within the context of a neoliberal form of governance. The governmental pressure over individuals for taking responsibility in managing their own risks clashes with the sovereign responsibility to protect when deterministic readings of science are dramatized in the form of necessary biological exclusions. The chapter shows, however, that the use of insurance to secure life requires not necessarily the regulation of the state but the implementation of a principle of transparency and accountability in evidence-based underwriting. The use of private life insurance in the securing of liberal life remains an instrument for the embracing of risk as a way of promoting capitalist lifestyles.

Chapter 4 brings the two principles of mutuality and solidarity together to

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transfer risk as a private–public risk-embracing strategy. The chapter illustrates how uncertainty in relation to environmental hazard is translated as risk through public/private insurance schemes supported by financial securitization instruments. By blending the two principles in one, the emerging form of security that results from the process is one which combines the entrepreneurial agency of commercial insurers, and the sovereign state responsibility to protect. The effect of these schemes is a curious ensemble of security where the livelihoods to be protected and the lifestyles to be promoted become the referent of financial derivatives. The biopolitical security economy resulting from the process is one where the capacity of individuals to recover from environmental catastrophic events depends on the performance of a global financial market.

It is worth noting in passing that the biopolitical security economy analysed in Chapter 4 provides elements to engage in dialogue with Duffield's claim that development is 'a regime of biopolitics that generically divides humankind into developed and underdeveloped species-life'.²² In his work, the 'distinction between life that is "insured" as opposed to "non-insured" provides a fertile metaphor for distinguishing the different but connected biopolitical strategies that constitute "developed" and "underdeveloped" populations respectively.'²³ The strategies described and analysed in the chapter openly challenge Duffield's distinction by illustrating how, in a global economy of insurance and risk management, uninsured populations are always the condition of possibility for insurance growth. Analysing this phenomenon away from an Agambean position that takes biopolitics as a function of sovereign power (discussed in Chapter 7),²⁴ it is possible to observe instead a productive element of parametric environmental insurance schemes that makes lives live in a globalized market environment.

Chapter 5 offers an illustration of how the use of kidnap and ransom insurance, as a commercial instrument for embracing risk, contributes to the constitution of an economy of security that in fact erodes the idea of social cohesion in the societies where it is employed. Based on a principle of mutuality, the use of this form of insurance would barely stand public scrutiny in advanced liberal economies. However, its wide use is tolerated by states and societies of regions of heightened security risks. Seen as an instrument that enables foreign investment and commercial enterprise, it is commonly presented in debates as countering the principle of solidarity that supports the existence and operation of state armed forces charged with responsibility for promoting law and order within a constitutional territory. By operating a market economy of risk management, the use of kidnap and ransom insurance has been presented as stimulating kidnapping practice and contributing towards the privatization of security in emerging and developing economies. This chapter illustrates a case in which insurantal technology is employed to commercially embrace risk outside the borders of what could be understood as a western liberal security community.

Chapter 6 deals with a case in which risk-embracing is exercised to stimulate the management of piracy risk in the Strait of Malacca by sovereign means. The use of maritime insurance to compensate against losses incurred as a result of acts of piracy is restricted by the charging of higher premiums as a means to

stimulate a reaction from the littoral governments. The result, as noted before, and as elaborated in the chapter, was a combined naval effort to patrol and guard the Strait. In this case, and for the interest of the debate between risk-embracing and risk-spreading, the role of the JWC was to act as an agent in spreading the risk of piracy through non-insurantal means, in this case through naval force. This mutually beneficial relationship between a form of security provided through insurance and a form of security provided through the sovereign use of force is part of a wider symbiotic relationship which is not explored in this book in great detail but will constitute the subject of subsequent work.

Sovereign power, ‘entrepreneurial power’ and biopower

Adapting a concept from the history and philosophy of science, insurance instruments in this book are researched as ‘epistemic objects’. Epistemic objects are here understood as instruments constituted through practices of power. As noted by Knorr-Cetina, these objects are open-ended projections lacking fixed qualities.²⁵ As open projections, they open up the possibility for novel and critical responses to specific problematizations. The concept was coined by Rheinberger in 1997 to refer to research objects, or scientific objects.²⁶ He defined them, while studying the notion of ‘experimental system’, as ‘material entities or processes – physical structures, chemical reactions, biological functions – that constitute the object of enquiry. One of their features is that ‘they present themselves in a characteristic irreducible vagueness’.²⁷ This vagueness is inevitable because, paradoxically, epistemic things embody what one does not yet know.²⁸ As he noted:

[s]cientific objects have the precarious status of being absent in their experimental presence; they are not simply hidden things to be brought to light through sophisticated manipulations. A mixture of hard and soft, like Serres’s veils, they are ‘object, still, sign, already; sign, still, object, already’.²⁹

Insurance instruments, approached as ‘object, still, sign, already; sign, still, object, already’, open up the possibility of observing novelties in the power interactions that generate these epistemic objects. In such spirit, it is possible to think insurance *politically*, as a security problem that brings together the sovereign, the juridical, the economical and the social. Although insurance is studied in this book in relation to forms of life, the question for insurance as an epistemic object is not what forms of life it promotes and protects, but what happens in the process of doing so. This is the guiding question that underlies the different chapters of the book. Insurance instruments are therefore analysed as having biopolitical effects. These biopolitical effects materialize in forms of capitalizing lives as a strategy to protect livelihoods and promote lifestyles. As described in later chapters, these biopolitical security effects result from a mutual interaction between what is here referred to as ‘entrepreneurial power’ and well-known practices of sovereign power.

The concept of entrepreneurial power is introduced in this book to understand

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how practices of insurance are made possible. It refers, specifically, to the effects of the agency of entrepreneurial people concerned with extracting revenue from insurantal technologies employed in protecting populations against undesired events. Inventors and developers of novel insurance products and practices have historically characterized themselves by operating at, and beyond, the margins of tolerated normality. Seeking to secure against the uncertain, they venture into areas for which knowledge is patchy, at best, and chart the spaces that were until then considered uninsurable or catastrophic. By means of exploring and adopting novel forms of knowledge, speculating about possible and imagined futures, engineering financial manoeuvres, shaping the behaviour of individuals and collectivities (instantiating moral economies) and exploiting the legal opportunities arising from existing orders of governance, insurers always seek to insure the uninsurable and generate a profit from doing so.

As entrepreneurs, insurers do not assume insurance as a ready-made security. They instead develop and operate technologies of insurance to generate insurance products as securities aimed at specific markets with expected economic returns. When doing so insurers exercise a form of power that differs from the sovereign power of sovereign monarchs and states. It is a form of power that seeks to secure forms of life through the material incentive of making a profit. It seeks 'to make live' whilst capitalizing lives as subjects of wealth. It is a form of power exercised to promote livelihoods and protect lifestyles by generating products whose profitability depends on their success in securing. In this respect, it is a form of power supported not by tradition and right, but by security effects. Insurers are so, in so far as they manage to insure.

Because of the precarious base that supports insurance, namely the necessity to generate profit, insurers are required to constantly employ their entrepreneurial power to shape and profit from markets of security. This entrepreneurial activity has historically operated, in various ways, in interaction with the sovereign forms of power of monarchs and states. As noted in the various chapters, insurers have constantly negotiated with orders of governance resulting from Church institutions, governments and states. They have always required, for example, the rule of law provided through sovereign institutions in order to legitimize their practice and enforce insurance contracts. Other forms of interaction are described throughout the book and analysed in some detail in Chapter 7.

Although interaction between the entrepreneurial form of power of insurers and the sovereign power of states is usually productive, it is also haunted by governmentalizing attempts to bring insurance and insurers under the regulation of states. Insurers have historically resisted these processes and fought for the right to underwrite. The narratives of the following chapters illustrate such cases. However, this productive tension and the products that result from them highlight a form of biopolitics that has, as yet, escaped the analysis of what can now be referred to as established biopolitical traditions based on the work of Foucault, Agamben, Hardt and Negri, Virno and Esposito.³⁰

The biopolitical effect of insurance, analysed in this book as the capitalization of lives, opens up the analysis of biopolitics at the intersection between security