

The Political Economy of Marine Insurance and the Making of the United States

By Hannah Farber

Political economy is generally understood to be a practice of statesmen. But can a nonstate institution have a political economy of its own? This article examines the case of marine insurance, a diffuse but powerful institution for merchant governance that installed itself at the heart of the eighteenth-century British Empire. Though often supportive of imperial aims, insurers nevertheless insisted on their authority over merchant affairs, pointing to some transnational aspects of their lucrative business as well as to a dubious historical narrative about unchanging “laws of merchants.” With the American Revolution, American merchant-insurers reshaped their relationships with their new host state(s) and the merchants. Merchant-insurers aimed to keep one foot in the state and one outside of it. When they needed things from their host states, such as the corporate charters that enhanced security, they argued that their corporations were quintessentially American entities. When they wanted to act independently, insurers argued that their business necessarily governed commerce according to objective and enduring principles and that it could only be harmed by state interference. Ultimately, American insurers’ claims to self-governance shaped a real future in alignment with a partly imagined past.