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ARTICLE

Strike Insurance: The Labor Question and the Limits of Insurance

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Turn-of-the-century America witnessed many forgotten risk-making experiments that probed the limits of insurability by stepping beyond the familiar fields of life, fire, and marine insurance. One attempted to underwrite firms' lost profits during strikes.

The ensuing debates on strike insurance's practicability revealed scientistic expectations of never-ending actuarial progress that united an otherwise-divided business community. Yet attempting to realize strike insurance quickly meant grappling with the limits of insurability. Labor strife's fuzzy causality involving human agency forestalled the homogenous classification that underlay actuaries' averaging. Thus, strike underwriters sidestepped actuarial ratemaking to offer uniform premiums to those deemed acceptable risks. This solution not only left them susceptible to adverse selection and moral hazard but also highlighted the limits of insurers' ability to transform uncertainty into commoditized risk, more broadly.

Recognizing these limits has important historiographical implications. Based largely on studies of life insurance—the gold standard of insurability—the rise of financial risk management has claimed a central place in the history of American capitalism. This literature thus threatens to obscure the ongoing significance of unclassifiable, unquantifiable uncertainty. Uncovering forgotten risk-making projects like attempts to establish strike insurance, where Americans grappled with the limits of insurability, is thus a crucial corrective.

Keywords: insurance; risk; labor relations; US 20th

Six years after transatlantic cables had carried news of Bismarck's welfare programs, word of a different German innovation in political economy reached American shores in February 1890. Now, readers of America's business-oriented publications learned of German businessmen's effort to secure themselves against labor activism. The Westphalian Mine Owners Association had voted unanimously to establish an antistrike insurance union. This scheme to compensate firms for lost production during work stoppages was a relatively minor affair in itself.

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Nevertheless, it sparked speculation on the practicability and value of strike insurance in anxious business circles across the Atlantic.[1] These discussions would soon smolder out. But a decade later, news from the German-speaking world would kindle efforts to underwrite strike risk on an actuarial basis—an instructive example of the many forgotten risk-making projects where turn-of-the-century Americans moved beyond the well-studied field of life insurance and probed the limits of insurability.[2]

When news of Viennese and Saxon strike insurance schemes arrived in late 1900, it found a receptive audience in the American business community. Reflecting decades of effort by life insurers, Americans had enthusiastically embraced insurance as a tool to meet capitalism's freaks of fortune and expected underwriters' risk-making project to conquer new fields of uncertainty. Labor conflict appeared one such area of growing uncertainty. Against a backdrop of strengthening labor activism, progressive reformers and liberal-individualist employers both turned to strike insurance as a potential panacea. Despite their differing ideologies and class interests, both initially built these hopes on a naive if understandable faith in actuarial science. Nevertheless, their attempts to realize strike insurance quickly meant replacing the actuary with the insurance agent as the pivotal risk-making figure. This realization has significant historiographical implications.

Both actuaries and insurance agents have claimed an increasingly central place in American history as scholars have examined how modern, expert-dominated risk management—headlined by life insurance—supplanted the nation's vernacular risk culture.[3] Though Hannah Farber has compellingly argued that marine underwriters played a key role shaping the early republic, historians have recognized Jacksonian Era advances in life insurance as a major break.[4] Marine underwriting depended on experienced merchants using customary knowledge while exercising individual judgment about the hazards of specific journeys. Life insurers, however, made an ideal of abstraction while helping individuals manage the risks that came with an increasingly anonymous, market-dependent society.[5] Although Sharon Murphy has stressed how antebellum life insurers' marketing overstated their progress, these firms nevertheless reflected broader trends of professionalization by embracing the era's vogue for numeracy and statistical thinking to develop techniques to calculate objective mortality risks.[6] Gilded

1. *Boston Globe*, Feb. 17, 1890, 1; *Chicago Tribune*, Feb. 17, 1890, 5. In the 1880s, American trade associations had quietly introduced mutual aid strike insurance schemes, which would have a substantial effect on labor struggles well into the twentieth century. Yet these small-scale nonactuarial efforts operated quietly and went largely unnoticed. *Railway Age*, July 3, 1903, 8; Bonnett, *Employers' Associations*; Bonnett, *History of Employers' Associations*; Wiebe, *Search for Order*, 78; Foster, "Employers' Strike Insurance." For the Westphalian strike insurance scheme, which ironically paralleled American mutual aid efforts more closely than commercial insurance: Przigoda, "Entwicklung."

2. Following Dan Bouk, this paper uses "risk-making" to refer to risk's commoditization by selling insurance policies—not making the world more dangerous. Bouk, *How Our Days*, xx.

3. Mohun, *Risk.* For the development of forecasting: Friedman, *Fortune Tellers*; Pietruska, *Looking Forward.*

4. Farber, *Underwriters.* Though some American life insurers had earlier origins, their growth began in earnest with the Jacksonian Era. Murphy, *Investing in Life*; Levy, *Freaks of Fortune*; Thornton, *Bowditch.*

5. Murphy, *Investing in Life*; Madison, "Evolution of Commercial Credit Reporting;" Olegario, *Culture of Credit*; Lipartito, "Mediating Reputation;" Lauer, *Creditworthy.*

6. Murphy, *Investing in Life.* For the rise of numeracy and statistical thinking: Cohen, *Calculating People*; Porter, *Rise of Statistical Thinking*; Daston, *Classical Probability*; Gigerenzer et al., *Empire of Chance*; Hacking, *Taming of Chance*; Porter, *Trust in Numbers*; Alborn and Murphy, *Anglo-American Life Insurance.*

Age life insurers could thus justifiably boast that their industry stood at the cutting edge of actuarial science—identifying individuals' mortality risks probabilistically based on a few key characteristics.[7] As Dan Bouk has shown, this process depended upon a productive tension between averaging away individual particularity to leverage the law of large numbers and classing individual risks into sufficiently homogenous groups to make these averages useful.[8] Stressing the judgments involved in the latter, Bouk and Caley Horan have denaturalized insurers' risk classifications to offer prehistories of big data and questions of algorithmic justice, underscoring the insurance industry's ongoing influence on the development of America's political economy.[9]

Yet after the Jacksonian Era, this literature has focused overwhelmingly on life insurance—the gold standard of insurability.[10] Doing so provides a distorted historical lens that magnifies the power of financial risk management. While largely critical of businessmen's, policymakers', and economists' attempts to reduce life to probabilistically predictable patterns, this literature thus ironically threatens to recreate Ken Arrow's and Armen Alchian's influential reduction of uncertainty to stochastic risk.[11] That is, to collapse unclassifiable, unquantifiable uncertainty into calculable, insurable risk by treating the clearest example of the latter—life insurance—as normative.

Emboldened by life insurers' success and the allure of big data's analog grandfather,[12] turn-of-the-century Americans faced a similar temptation. Amid accelerating scientific and industrial progress, they now routinely deferred to professional authority in fields from medicine to scientific management where practitioners—like insurers—promised to solve some of modern life's most vexing problems by combining practical empiricism with

7. Gilded Age life insurers faced criticism of their economic power and financial crises founded in bad investments, but these challenges belied the maturity of their risk-making project. Keller, *Life Insurance Enterprise*; Grant, *Insurance Reform*; Wright and Smith, *Mutually Beneficial*; Murphy, *Investing in Life*; Levy *Freaks of Fortune*; Bouk, *How Our Days.*

8. Wright and Smith, *Mutually Beneficial*; Murphy, *Investing in Life*; Bouk, *How Our Days.*

9. Bouk, *How Our Days*; Horan, *Insurance Era.* In this, they have built on Alborn, *Regulated Lives.*

10. While recent work has focused primarily on life insurance, business historians have occasionally addressed nineteenth-century fire insurance or health insurance's evolution since the Great Depression. Grant, *Insurance Reform*; Baranoff, "Principals, Agents, and Control;" Baranoff, "Shaped by Risk;" Baranoff, "Policy of Cooperation;" Chapin, *Ensuring America's Health.* Chapin's work joined that of legal and economic historians examining America's workmen's compensation and health insurance systems: Thomasson, "From Sickness to Health;" Fishback and Kantor, *Prelude to the Welfare State*; Witt, *Accidental Republic*; Murray, *Origins of American Health Insurance.* Another exception is work highlighting the reconsideration of risk's social character in early attempts at consumer-facing automobile liability insurance. Mohun, *Risk*; Horan, *Insurance Era*; Simon, "Driving Governmentality;" Kaminski, "Kaminski on Kinzler, *Highway Robbery.*" The historiography, however, has continued to treat life insurance as normative with these exceptions largely reinforcing narratives treating probabilistic quantification as a dominant theme in the development of modern capitalism.

11. Arrow, "Alternative Approaches," 417, 435; Alchian, "Uncertainty, Evolution, and Economic Theory;" Hodgson, "Eclipse of the Uncertainty Concept;" Schliesser, "What Happened to Knightian (and Keynesian) Uncertainty." Even practitioners of such stochastic models like Lars Peter Hansen have increasingly highlighted the dangers of collapsing uncertainty into risk. Hansen, "Challenges;" Hansen, "Uncertainty Outside and Inside Economic Models."

12. Chandler, *Visible Hand*; Levenstein, *Accounting for Growth*; Cook, *Pricing of Progress*; Zakim, *Accounting for Capitalism.*

technical expertise.[13] And, New York Life's John A. McCall could boast in 1898 of his industry's "uninterrupted progress" since the 1880s. Its three-fold expansion was marred by "but one failure of importance."[14] Likewise, the old—if historically unreliable—field of fire insurance had worked toward stability by diversifying their risk portfolios and embracing interfirm cooperation to develop an actuarial ratemaking system.[15] These successes inspired a raft of experimentation. By 1902, the many novel hazards insurers attempted to underwrite prompted the *Insurance Press*'s Franklin Webster to remark with some bewilderment that

> It is not too much to say that the insurance idea is all pervasive. Life insurance, fire insurance, accident insurance, health insurance, various kinds of liability insurance, marine insurance, burglary insurance, credit insurance, steam boiler insurance, plate glass insurance—all these are heard of every day. There is talk of strike insurance.[16]

Not just a reflection of the insurance idea's triumph across America's economic culture, attempts to underwrite new hazards like strike risk left turn-of-the-century businessmen probing the limits of actuarial science—and, with it, the boundary between insurable risk and uninsurable uncertainty. Uncovering these forgotten risk-making projects thus represents an important corrective for a historiography that has treated the rise of financial risk management founded on probabilistic risk calculation as a dominant theme in the development of modern American capitalism.

Arguments for strike insurance initially showed an outsized appreciation for the power of quantification and actuarial science. They did not, however, imply that strike insurance's manufacturing enthusiasts fully understood insurance. The handful of manufacturers who set out to realize it necessarily entered a crash course in underwriting that quickly disabused them of their actuarial dreams. Information problems founded in the limited quantifiability and complex causality of the human action behind labor conflict forestalled any attempt to generate actuarially scientific rates based on averages for sufficiently homogenous classes of hazards. Rather, they would rely entirely on insurance agents' and nonactuarial experts' risk assessments. Dan Bouk has compellingly noted that these judgments existed in productive tension with actuarial smoothing to underlay all successful risk-making projects, but strike insurers' efforts saw them set aside actuarial science and classing completely to establish a "preferred risk system," where all policyholders deemed acceptable risks paid a uniform premium rate—erasing both risks' particularities and the classing on which actuarial averaging depended.[17] But, beyond these interested few, manufacturers' arguments for strike insurance revealed a continuing ignorance of—and disinterest toward—how insurers underwrote the policies on which they increasingly relied. All that mattered to them was offloading their

13. Wilensky, "The Professionalization of Everyone;" Bledstein, *Culture of Professionalism*; Larson, *Rise of Professionalism*; Nelson, *Frederick W. Taylor*; Haskell, *Authority of Experts*; Abbott, *System of Professions*; Kimball, *Professional Ideal.*

14. McCall, *Review of Life Insurance*, 15, 36.

15. Baranoff, "Shaped by Risk," 208–212; Baranoff, "Policy of Cooperation."

16. National Association of Life Underwrites, *Proceedings*, 82–83.

17. Bouk, *How Our Days*; *American Industries*, Oct. 1, 1903, 13–14.

labor uncertainty. Making it work was the actuaries' job—or, as an interested few learned, the insurance agents' job.

Either way, this was an important job because "the labor question" preoccupied turn-of-the-century Americans of all stripes.[18] Of course, businessmen coveted the ability to hedge against uncertainties brought about by labor conflict. But arguments for strike insurance also revealed that progressive reformers and liberal-individualist businessmen held further ambitions for the project: viewing labor organization and corporate scale as *faits accomplis*, the former hoped strike insurance would align incentives to conciliate between capital and labor. Small- and medium-sized employers, however, were worried about their place in an economy increasingly dominated by the visible hands of large corporations and organized labor. They hoped strike insurance would restore liberal-individualist markets by checking not only unions' power but also corporate consolidations' competitive advantage managing labor uncertainties via scale.

This article joins turn-of-the-century Americans in moving beyond the familiar field of life underwriting to probe the limits of insurability. Examining manufacturers' forgotten experiment in strike insurance across four sections, it thus highlights the ongoing significance of unquantifiable, uninsurable uncertainty even after the arrival of modern financial risk management. First, it traces the idea's arrival in the context of rising economic uncertainty mitigated partially by businessmen's growing faith in the promise of commercial underwriting on an actuarial basis—a faith belied by the insurance press's initial skepticism rooted in problems classifying strike risk. Next, it explores the ambitions of strike insurance's loudest and most active advocates: small- and medium-sized manufacturers. They hoped it would counter unions' collective action and allow their establishments to compete with new corporate rivals that could manage labor uncertainties via scale, but these hopes rested on an actuarial scientism projecting insurers' risk-making successes across ever more fields. Analyzing two competing attempts to realize strike insurance, this paper's third section highlights their shared realization of the classification problems involved and their retreat from actuarial ambitions to rely instead on insurance agents' and nonactuarial experts' judgements about hazards. Finally, it concludes by showing how these challenges nevertheless overwhelmed the era's only American company to issue strike policies, highlighting the limits of insurers' risk-making project, even as America's experiment in strike insurance was quickly forgotten. Recognizing these limits represents a crucial corrective for a literature that has treated life insurers' exceptionally "close approximation to objective probability" as normative.[19]

Strike Insurance's Atlantic Crossing

In October 1900, America's consul in Trieste, Frederick Hossfeld, dispatched a missive from the then-Austrian port that would rekindle the American discourse on strike insurance.

18. Perlman and Taft, *History of Labor*; Wiebe, *Businessmen and Reform*, 157–178; Montgomery, *Fall*; Scranton, *Figured Tapestry*; Watts, *Order Against Chaos*; Ernst, *Lawyers Against Labor*; Andrews, *Killing for Coal*; Currarino, *Labor Question*; Pearson, *Reform or Repression*; Hulden, *The Bosses' Union*; Batzell, *Organizing Workers*.

19. Knight, *Risk, Uncertainty, and Profit*, 249–250.

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Hossfeld reported, "A number of Austrian manufacturers have recently formed an association for insurance against strikes." Outlining the Viennese plan, the consul noted similar developments in Leipzig.[20]

Hossfeld's cable arrived at a moment of heightened uncertainty for many American businessmen. The nation was midway through a rapid economic restructuring, a transformation in regulatory policy, and the flowering of a powerful labor movement. The swift growth of capital-intensive firms engaged in mass production combined with the deep, deflationary depression beginning in 1893 to set off a wave of horizontal integration unmatched before or since, climaxing with 63 mergers in 1899—the year before Hossfeld's report crossed the Atlantic. By then, policymakers and the public alike feared these newly consolidated firms' substantial market power. Together, they manifested their concerns in a new federal regulatory regime—which, ironically, fell harder on smaller firms in more competitive industries than the monopolies and oligopolies it ostensibly targeted.[21] Businessmen whose firms had not been transformed by the great merger movement or Chandlerian vertical integration were left uncertain of their position vis-à-vis both this new regulatory regime and the economic behemoths that inspired it.[22] At the same time, they faced spiking labor activism. Nationwide union membership nearly doubled from 614 thousand in 1896 to 1.17 million in 1900. Over the same period, the number of work stoppages climbed from 1,066 to 1,839. These trends would crescendo alongside calls for strike insurance in the years following Hossfeld's letter. The number of work stoppages would peak at 3,648 in 1903, while union membership would peak at 2.38 million in 1904—the years that American businessmen would organize their first strike insurance companies and issue their first policies, respectively.[23] In this environment, any plan promising to reduce uncertainties about labor activism to predictable, insurable risks had an understandable appeal.

The Austrian scheme, as Hossfeld explained it, formed the rough outline for most subsequent American strike insurance proposals. Under it, members of a mutual company would "pay a weekly premium equal to…3 to 4 per cent of…[their] payroll" with the proceeds furnishing the "indemnity to be paid to" the affected firm "in the case of a strike." Tentatively, this indemnity would equal "50 per cent of the wages paid…for the week…preceding the suspension of work." With slight modifications—like different premium rates and using fixed costs or profit as a basis for indemnification—these elements proved a common denominator between nearly all attempts to offer strike insurance commercially.[24]

A final aspect of the Viennese scheme the consul highlighted would prove equally central and controversial among its would-be American imitators. Its policy held that "no indemnity shall be paid if…the association shall…find the strike a justifiable one." This, Hossfeld noted, "recognize[d] in principle the justness of strikes, which is…an important concession to labor."[25] Hossfeld was not alone in commenting on this recognition. Though the *Arbeiter-Zeitung*—the party organ of Austria's Socialists—classified arguments for strike insurance as

20. Hossfeld, "Strike Insurance," 62.
21. Lamoreaux, *Great Merger Movement*, 188; McCraw, *Prophets of Regulation.*
22. Chandler, *Visible Hand*; Chandler, *Scale and Scope*; Sawyer, *American Fair Trade.*
23. Rosenbloom, "Tables Ba4783–4791 and Ba4954–4964."
24. Hossfeld, "Strike Insurance," 62.
25. Hossfeld, "Strike Insurance," 62.

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"childish lies about the workers' organizations," it opined "That the principle in the charter recognizing justifiable strikes is likely to spread shines a bright enough light on" the plan to welcome it. Indeed, the Viennese scheme's acolytes expressly conceded that, "In principle, the right to strike could not be disputed."[26]

Although Hossfeld's report rapidly received nationwide press,[27] insurance journals' coverage ranged from cursory to flippantly dismissive.[28] Insurance journals may have adopted this stance because the practical objections to strike insurance appeared too obvious to merit comment. Indeed, many objections had already been aired in 1890 following news of Westphalia's strike insurance scheme. Prospective insurers of strike risk faced particularly deep information asymmetries and quantification issues. Thus, adverse selection and moral hazard represented abnormally large challenges to them. Moreover, the subtle heterogeneity of employment conditions and impossibility of calculating lost profits with any certainty called into question strike hazard's quantifiability and, thus, insurability.

In 1903, the *Commercial and Financial Chronicle* declared bluntly but with good reason that "The element of moral hazard is…insurmountable."[29] The same incentives that might drive holders of fire policies to negligence or arson applied to strike insurance. But, unlike fires, strikes left no permanent damage. And determining contributory negligence in provoking them was inherently fuzzy. Even some favorable assessments of strike insurance's prospects drew attention to these factors that made moral hazard especially challenging for its potential underwriters. In 1890 Britain's self-consciously bourgeois *Guardian* did just that when it declared that the Westphalian scheme's success would "doubtless[ly be] facilitated by the rapid rate at which the collieries of Western Germany [were] being concentrated in few hands." This market concentration lowered the cost of cooperation—among a group that already possessed deep associational bonds—and meant that proprietors faced relatively little incentive to "wantonly enter into conflict with their men" as they stood to internalize a large portion of any strike's cost.[30] Subsequent schemes did not boast similar advantages in overcoming moral hazard or its sister problem—adverse selection. Indeed, *the Insurance Times* could only respond with sarcasm at the thought of a member of the Viennese scheme finding itself the innocent victim of a strike.[31]

The same market concentration that recommended the Westphalian plan to the *Guardian* underlay an equally valid critique the *Chicago Tribune* levelled against it. The *Tribune* admitted that "the insurance plan might work well" but only "[i]n the case of a struggle at one or a few mines." It cautioned, however, that "organization…among the employés is not likely to limit its aggressiveness to a small area"—with the scheme's concentration in a single industry boasting few firms exacerbating the chance that a single strike might overpower the

26. *Arbeiter-Zeitung*, Nov. 30, 1900, 8; *Soziale Praxis*, Dec. 20, 1900, 287.

27. *Chicago Tribune*, Nov. 9, 1900, 6; *San Francisco Chronicle*, Nov. 24, 1900, 6; *Scientific American*, Dec. 22, 1900, 39; *Wall Street Journal*, Nov. 6, 1900, 5; *Washington Post*, Dec. 9, 1900, 24.

28. *Insurance Times*, Dec. 1900, 427; *Insurance Press*, June 5, 1901, 13.

29. *Commercial and Financial Chronicle*, July 4, 1903, 7.

30. *Manchester Guardian*, Feb. 24, 1890, 4.

31. *Insurance Times*, Dec. 1900, 427.

insurance plan.[32] A deeper point lies at the heart of this critique—there must be a sufficient quantity of comparable firms within a class for a risk to be reliably calculable and, therefore, insurable. Frank Knight would make this point in his canonical 1921 book, *Risk, Uncertainty, and Profit*, which established classification and, thus, calculability as the still-prevailing delineation between insurable risk and uninsurable uncertainty in economic theory.[33]

The *Commercial and Financial Chronicle* presaged Knight in perhaps the most incisive critique of the strike insurance project. It declared "we find ourselves quite at sea as to strike insurance…when we consider the problem of average—which means such a scattering of risks over a broad area, and such a recorded knowledge of the number and aggregate of losses, as will furnish a basis for premium rates." There was the "temporary difficulty" of sparse data. But classification problems were not going away. Establishments "in some kinds…are deficient in number" to generate meaningful averages, while some subtle yet crucial differences between firms remained immeasurable. These manifold dimensions of subtle interfirm heterogeneity would be a permanent challenge. More metaphysically, the question remained, "how could strike damage be determined after its occurrence?" The *Commercial and Financial Chronicle* concluded that there was no satisfactory answer to this question—unlike other subjects of insurance, it inherently attempted to "determine the amount of something which as yet is non-existent" as "Profit is constructive."[34]

With prospective purveyors of strike insurance facing these especially deep problems of quantification—involving both the probability and amount of damage—in addition to potentially insurmountable challenges of moral hazard and adverse selection, it is easy to see why insurance journals initially dismissed the practicability of strike insurance. They would only begin to take strike insurance proposals seriously as the Viennese plan seemed poised to begin operation and received significant favorable attention in the United States.

September 4, 1902, marked a major turning point. That day a leading American insurance journal reported, "The Vienna Manufacturers Strike Insurance Company is being organized and will begin operations."[35] The same day, one of America's leading reformist journals, *The Nation*, published an editorial drawing on a French article to laud the plan's ability to overcome the manifold obstacles to success in the field. Most notably, it would defray losses only partially, for a limited period to mitigate moral hazard. More interestingly, the editorial touted its potential to mediate labor strife: "the Austrian plan may have far-reaching social

32. *Chicago Tribune*, March 1, 1890, 4.

33. The ontological boundary between Knight's concepts of risk and uncertainty remains a subject of debate, but there is more consensus on insurability. Knight, *Risk, Uncertainty, and Profit*; LeRoy and Singell, "Knight on Risk and Uncertainty;" Boudreaux and Holcombe, "Coasian and Knightian Theories;" Langlois and Cosgel, "Frank Knight on Risk, Uncertainty, and the Firm."

34. *Commercial and Financial Chronicle*, July 4, 1903, 7. Analyzing the origins of entrepreneurial profit was a major fixation of turn-of-the-century American economists. Despite ongoing disputes, they typically agreed that profit represented a firm's "unpredetermined residue" after receiving variable revenues and paying fixed obligations. Kaminski, "Managers of Uncertainty," 66–121.

35. *The Spectator*, Sept. 4, 1902, 100. These reports proved premature. Three years later the Viennese scheme still awaited the 250 applicants needed to start operations—a goal it would never meet. *Wochenschrift des Centralvereines für Rübenzucker-Industrie*, Feb. 14, 1906, 79.

effects" because "the indemnity is paid only in cases the company judges the strike to be unjustifiable" and it "has every motive for impartiality." Specifically, "It can no more afford to deplete the company chest to support a stupid or stubborn member, than it can safely desert a member in…need." Though "the sympathies of the committee are sure to be with a fellow-manufacturer," *The Nation* reasoned, "its interests are very largely with the strikers" meaning it would "push employers to the limits of possible concession." Due to the committee's perceived impartiality, "The moral value of such a verdict…will be tremendous" and it would function as "a permanent arbitration board" between capital and labor.[36] Thus, *The Nation* presented an alluring and distinctly modern vision of interest-balanced-against-interest to mediate class conflict—reflecting insurers' growing ambition to not only predict the future but also change it.[37]

The Nation's vision of a strike insurance scheme that "would have straightened out the tangle into which the coal-strike negotiations immediately fell" proved seductive in fall 1902, as the United Mine Workers' famous Pennsylvania strike entered its fifth month.[38] Numerous publications endorsed this vision. "In this balance of interests," the *Chicago Tribune* found "some hope that the company will be not only an insurance enterprise but a kind of unofficial arbitrator and conciliator."[39] A St. Louis–based periodical for the iron and machine tools trade responded with optimistic incredulity, unconvinced by *The Nation*'s reasoning yet swept up with its promise all the same.[40] They agreed with the Viennese plan's most vocal Austrian advocate that "The best strike insurance is not that which compensates the economic damage of work stoppages, but that which works towards a reduction in the number of strikes."[41] Other trade and general interest publications paraphrased *The Nation* or reprinted its editorial in full.[42]

These arguments depended on an actuarial scientism *The Nation* joined with this new public attention to reconfigure the insurance trade press's attitude toward underwriting strike hazards. In addition to arguing that the Viennese scheme properly balanced interests to make strike insurance practicable, *The Nation* also drew on the insurance industry's impressive run of actuarial innovation to argue that the probability of strikes was calculable and, therefore, an insurable risk.[43]

This was a hubristically inflated faith in the power of "big data" and actuarial science. But, following the insurance industry's recent colonization of numerous new sectors of life and business, it was an understandably inflated faith. This faith reflected more than just actuarial progress. It required overcoming a challenge posed by mutual aid societies offering assessment-based benefits that mushroomed beginning in the 1870s. As fraternalist

36. *The Nation*, Sept. 4, 1902, 184.

37. Alborn, *Regulated Lives*; Bouk, *How Our Days.*

38. *The Nation.* Sept. 4, 1902, 184.

39. *Chicago Tribune*, Sept. 17, 1902, 12.

40. *Age of Steel*, Sept. 27, 1902, 14.

41. *Neues Wiener Tagblatt*, Jan. 25, 1902, 11.

42. For full reprints of the editorial: *Public Opinion*, Sept. 18, 1902, 366; *Bulletin of the National Metal Trades Association*, Dec. 1, 1902, 234–235. This article includes a small trade publication–skewed sample of press building on the *Nation*'s editorial.

43. *The Nation*, Sept. 4, 1902, 184.

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challengers captured over half of the rapidly growing life-insurance market over the following three decades, commercial underwriters trained a well-funded counterattack on them, alleging that their benefits funded by postmortem assessments were actuarially unsound.[44] Though the fraternals' ideology mingling solidarity with self-help would leave legacies in America's welfare politics,[45] their histories seemed to confirm the commercial underwriters' claims. By the mid-1890s, a raft of fraudulent or failed fraternals helped inspire surviving societies' turn toward actuarial risk management strategies even as commercial life insurers began reclaiming market share.[46] In the process, life underwriters had increasingly sold the public and regulators on the power of actuarial science—helping inspire many new risk-making projects from plate glass insurance to credit insurance.[47] "At a time when we are adding to actuarial estimates of marine, fire, and death-risks reliable percentages for accident and sickness insurance," *The Nation* could thus confidently assure its readers, "it will not seem strange that the strike-risk should be very closely computed."[48]

Such appeals to actuarial progress particularly affected previously dismissive insurance-industry voices. Over a year after last offering half-hearted coverage to the plan, the *Insurance Press* responded to *The Nation* by declaring, "The Vienna experiment in 'strike insurance' will be worth watching" and sounded positive notes about its feasibility.[49] Another leading insurance periodical, *The Spectator*, was more sanguine. "The insurance system is extremely elastic, and has been made to cover most of the contingences that arise in the course of business," it explained. After all, "Valuable statistics have been gathered…during the past few years…upon which to construct a scientific basis for strike insurance."[50] It was far from alone in extrapolating "this constant extension of the principles of insurance to new business requirements" to strike insurance. In terms already familiar to readers of "The Central Organ of Austrian Employers," *The Insurance Monitor* effused, "another half century may see its application to fields which to-day seem wholly beyond its range."[51]

The growing confidence *The Nation, The Spectator*, and others expressed that actuarial science would conquer ever more fields of hazard reflected a triumph of actuarial insurance in the wider American culture that even leading insurance journalists found striking. The still-novel idea of strike insurance's sudden prominence prompted reflections on this development. Lecturing an underwriters' conference on "The Insurance Age" soon after *The Nation*'s editorial, the *Insurance Press*'s Franklin Webster saw "talk of strike insurance" denaturalizing "the insurance idea." Truly, Webster remarked, "the underwriting idea is everywhere."[52]

44. Zelizer, *Morals and Markets*, 131–135; Beito, *From Mutual Aid to the Welfare State*; Kaufman, *For the Common Good?*; Witt, *Accidental Republic*, 71–102; Levy, *Freaks of Fortune*, 191–230.

45. Glenn, "Fraternal Rhetoric;" Kaufman, *For the Common Good.*

46. Beito, *From Mutual Aid to the Welfare State*, 130–142; Kaufman, *For the Common Good*; Witt, *Accidental Republic*, 92–93; Levy, *Freaks of Fortune*, 224–230. Friendly societies' sickness and accident benefits proved comparatively more stable as their relatively homogenous risk pools, ritualized socialization, and bundled benefits helped avert adverse selection and moral hazard. Emery and Emery, *Young Man's Benefit.*

47. Kaminski, "Managers of Uncertainty," 16–65.

48. *The Nation*, Sept. 4, 1902, 184.

49. *Insurance Press*, Sept. 10, 1902, 6.

50. *The Spectator*, Oct. 9, 1902, 162.

51. *Die Arbeit*, Nov. 18, 1900, 2; *Insurance Monitor*, June 1903, 252.

52. National Association of Life Underwriters, *Proceedings*, 82–83.

Manufacturing a Case for Strike Insurance

Even with insurance journalists' newfound enthusiasm for the concept, the impetus behind strike insurance initiatives would come from manufacturers, who introduced a few related, well-publicized attempts to realize the concept in 1903.[53] That April the vehemently open shop and sometimes explicitly antiunion National Association of Manufacturers (NAM) passed a resolution at its annual convention calling its leadership "to formulate a plan for an organization…to insure…manufacturers against…losses resulting from strikes."[54]

In his study of strike insurance, Harold Foster characterized NAM's move as part of the "crusade against unionism in general" that Selig Perlman and Philip Taft depicted employers undertaking from 1903 to 1908.[55] This characterization has much truth to it. NAM president David Parry decried arbitration in near-apocalyptic terms at the same conference. It was "only putting off the day of reckoning" with labor unions that were antithetical to freedom and the natural law of the market—lessons he would soon dramatize across a 400-page dystopian novel. Yet, NAM members voted for a resolution endorsing a strike insurance appendage "formed in part…for the purpose of negotiation…with employes on the subject of wages." This reflected at least some faith in *The Nation*'s vision of strike insurance mediating shopfloor conflict. And that is how it was widely read. Fearing that such mediation would undermine managerial prerogatives, a consistent Parry promoted a peculiarly limited interpretation of his organization's strike insurance proposal excluding any mediation provisions.[56] By generally embracing these provisions, however, NAM's membership highlighted the tension between the liberal-individualist commitments Parry voiced and the methods they endorsed to mitigate the uncertainty labor activism brought.

After NAM's resolution, three strike insurance plans appeared in rapid succession across the East. There was the Mutual Security Company, chartered in May in Waterbury, Connecticut.[57] Another group of businessmen carried the idea back from NAM's New Orleans convention and rushed to establish a strike insurance concern in Louisville. Before NAM's strike insurance committee had the chance to consider different plans, these Louisville manufacturers had organized the Employers' Underwriters at Reciprocal Exchange. By November, one of the latter's leaders could lament that its "policies…have been available…for several months" without securing "applications in sufficient volume…to establish the business successfully."[58] Nevertheless, NAM's committee soon joined the action, mooting a scheme of trade association cooperation that made up for its deviation from strict insurance principles with its ambitious scale. Contemporary reports evinced a frustrating but understandable tendency to conflate the different strike insurance schemes. They all drew from similar constituencies and even shared some leaders.[59] And this

53. *The Underwriters Review*, June 12, 1903, 238.
54. NAM, *Proceedings of the Eighth Annual Convention*, 142.
55. Perlman and Taft, *History of Labor*, 129–137; Foster, "Employers' Strike Insurance," 483–490.
56. NAM, *Proceedings of the Eighth Annual Convention*, 15–62, 142; Parry, *Scarlet Empire.*
57. *New York Times*, May 13, 1903, 1.
58. *American Industries*, Nov. 2, 1903, 11.
59. *Commercial and Financial Chronicle*, July 4, 1903, 7; *Insurance Monitor*, July 1903, 300; Oct. 1903, 432.

conflation soon proved prophetic as the Louisville concern folded by mid-November, with its Waterbury counterpart absorbing the bulk of it and NAM's strike insurance energy.[60]

The managers of the 150 firms that rushed to sign strike insurance policies with Waterbury's Mutual Security Company and allowed it to commence operations in late 1903 shared a common background with the three schemes' leaders. They came from a world of independent proprietorship, of small- and medium-sized manufacturers who increasingly felt uncertain of their place in the economy.[61] They ran relatively small firms competing in sectors newly dominated by trusts or relatively large firms in sectors whose largest firms were dwarfed by these new corporate colossuses—a pattern that also prevailed in Austria and Germany.[62]

The Mutual Security Company's director and treasurer Robert Foote Griggs was typical of strike insurance's manufacturing backers. Just months before the Mutual received its charter in May 1903, he had cashed out from one of Waterbury's "smaller brass companies." There he had watched a streetcar strike plunge the city into chaos that not only created financial fears but also inspired anxiety about impending mob rule. Indeed, most journalists covering the event offered some variation on the *Springfield Republican*'s story that "the Mutual security company…grew out of the recent strike at Waterbury."[63] Griggs had also witnessed the great merger movement transform a rapidly growing brass industry. After nearly a decade of false starts, three of the sector's largest firms rung in the new century by forming a trust—the American Brass Company—that would soon employ half of the nation's 10,000 brass workers. And another of the city's largest brassware manufacturers bought out Griggs's old firm in May 1903—just three months after he had left it and the same month Connecticut chartered the Mutual Security Company.[64]

60. *Western Underwriter*, Nov. 19, 1903, 7.

61. The Mutual's founding leadership including three men with insurance experience might appear an exception. Yet manufacturer Robert Foote Griggs was its director and he—with other manufacturers—took an increasing share of its leadership over time. Moreover, its officials with insurance experience all acquired it as customer-facing insurance agents—not acturies or claims adjusters—and mingled this work with manufacturing and banking interests. For example, George Judd's "interests [were]…broad and varied." "Aside from his banking and real estate interests," he was "president and treasurer of the Mattatuck Manufacturing Company which he established…for the manufacture of upholstery hardware." Louis van Keuren—the Mutual's president and public voice in its early years—similarly mingled financial, industrial, and political pursuits. *The Successful American*, Nov. 1901, 627; *Special Acts and Resolutions*, 181–183; *Western Underwriter*, Nov. 26, 1903, 10; *New York Times*, May 13, 1903, 1; *Monthly Journal of Insurance Economics*, July 1903, 85; *Best's Insurance Reports, Eleventh Annual Edition*, 424; Pape, *History of Waterbury*, 3:86.

62. Strike insurance advocates like David Parry oft represented firms stretching the definition of SMEs yet embodied the ethos of small business proprietorship rather than large managerial capital. Parry's company built the "largest buggy works in the world" shortly before his 1902 election as NAM president—inaugurating his role as a liberal-individualist SME mouthpiece. *Farm Implements*, Dec. 28, 1901, 53; Wiebe, *Businessmen and Reform*; Delton, *Industrialists*; Hulden, *The Bosses' Union*. While the Westphalian Mine Owners Association represented a cartel of some of Germany's largest firms, the Viennese scheme sprung from the Federation of Austrian Industrialists—an association formed in 1896 to represent SMEs. Przigoda, "Entwicklung;" Bruckmüller and Meixner, "Wiener Wirtschaftsbürgertum," 361. Likewise, the SME-oriented Federation of German Employers' Associations—rather than the heavy industry–dominated Main Office of German Employers' Associations—took the lead reinforcing Germany's strike insurance infrastructure following the infamous 1903–1904 Crimmitschau strike. Germann, *Streik-Versicherung*, 17–21; Kuo, "Political Origins," 96–204.

63. *Springfield Republican*, April 30, 1903, 10; *The Standard*, June 12, 1903, 548; *Monthly Journal of Insurance Economics*, July 1903, 85.

64. After leaving brass, Griggs embarked on a successful investment-brokerage career but remained director of several Waterbury manufacturers. Anderson, *Town and City of Waterbury*, 404; Sherrill, *Yale College*, 168–169; Pape, *History of Waterbury*, 213.

Strike insurance apologists' arguments would demonstrate just how telling their background as employers rather than insurers was. While founders of strike insurance schemes necessarily made quick studies of the insurance trade when forming their business plans, the bulk of manufacturers interested in these schemes wore their ignorance of insurance as a badge of honor—or, at least, self-deprecating humor.

As Louisville businessmen launched their strike insurance concern in June 1903, *Railway Age*, an eloquent mouthpiece of railroads and industrial employers generally, repeated *The Nation*'s case for strike insurance, adding that it would help "disunited, often rival, employers" overcome commitment problems to "get the benefit of co-operation." The strength of cooperating employers could overcome any strike, it reasoned. "The mere existence of such a company…would undoubtedly be a powerful preventive to hasty and unreasonable strike making." Thus, *Railway Age* placed an iron fist in *The Nation*'s velvet glove.[65]

Manufacturers—struck by the promise of actuarial insurance and wishing to unload their labor uncertainties—offered only a cursory case for its potential profitability. For example, one Chicago manufacturer endorsing the idea as "tend[ing] to produce industrial peace" admitted that "incorporating an insurance-against-strikes company…would have to be considered from the standpoint of an insurance company." Yet he offered no suggestion for its profitable management. And one of the leading forces behind the Louisville scheme essentially repeated *Railway Age*'s argument—merely adding an explicit reliance on "the competent insurance expert" as a *deus ex machina* who would ensure that "the technicalities now in the way are wiped out" and make "strike insurance…a most remunerative investment."[66]

In their remarks on strike insurance, manufacturers often paired this indifference to the practical business of insurance with an abject ignorance of it. In an indicative scene, one manufacturer drew sympathetic laughter at NAM's conference by prefacing his comments with the admission, "I do not understand anything about insurance except…what I have to pay."[67] While manufacturers' embrace of strike insurance proposals reflected the insurance idea's triumph in American business culture, their mingled indifference to and ignorance of how they might profitably be put into practice highlights the startling degree to which underwriting remained a black box beyond the understanding of even much of the business class.[68]

Chicago typewriter manufacturer C.N. Fay offered the most eloquent articulation of the logic behind liberal-individualist manufacturers' understanding of strike insurance at NAM's annual convention in 1904. Leading a company through a strike had led him to the realization

> that strike insurance, if it could become as universal as fire insurance, would go very far, very far, to strengthen the weak [employers] and remove from the strong and selfish [employers] the temptation to take advantage of their weakness; that it would equalize conditions and reduce desertions [from employers' stance against organized labor], and make each man independent alike of unions and competitors, to settle his own difficulties with his own employes without thereby complicating the settlements of others. As it would be national and

65. *Railway Age*, June 12, 1903, 980.
66. *Railway Age*, July 3, 1903, 7–8.
67. NAM, *Proceedings of the Ninth Annual Convention*, 148–149.
68. There were exceptions, such as a St.-Louis manufacturer who could "not see how an organization could be perfected or how calculations for revenue could be made." *Railway Age*, July 3, 1903, 7–8.

> common to all employers, it would be founded on the broadest financial basis and become adequate to the most widely extended strike…. Before very long the hopelessness of striking against an insured employer would become so evident that, unlike fire or death, which are not frightened away by policies, trades unionism would…shrink from its destruction of capital, of progress, and…of the welfare of its own devotees.[69]

Here, Fay argued that strike insurance would "protect the small man and the average manufacturer" by freeing firms from the various external pressures that led them to submit to labor's demands.[70] Namely, the compensation it promised would remove weak firms' compulsion to surrender to union demands to secure revenues needed to meet fixed costs and stronger firms' incentive to exploit rivals' incapacitation for a quick profit by cooperating with the union—empowering the union in its efforts against other firms.[71] As such, Fay concluded, strike insurance would check unions' coercive power, while freeing firms from the consequences of rival firms' decisions. This hope reflected a common sentiment, voiced by America's leading marginalist John Bates Clark, that insurance gave "independent business… a greatly improved chance of holding their own…against corporations" whose scale enabled them to self-insure against risks like strike hazard.[72] Thus, Fay embodied manufacturers' view that interfirm cooperation in the form of strike insurance could reinvigorate individual freedom that had been checked by the coercion of organized labor.

An idiosyncratic view of organized labor that suffused much of the writing on strike insurance stood at the heart of Fay's account. In it, unions represented a coercive, illiberal obstacle preventing the natural law of the market from functioning properly. Unions' power and illiberality both stemmed from the way they brought individual laborers into a collective that undertook unified action, including monetary support to striking workers. This prompted many to observe that "unions are essentially great insurance organizations" making "good the loss of work" for strikers.[73] This understanding had been current for decades and was pervasive enough that journalists had felt the need to specify that "The insurance proposed in Vienna is for the benefit of the employer, not the employed."[74] Thus, even before employers' strike insurance claimed a place in the public discourse, businessmen and workers alike framed unions' support for striking members as a form of insurance. Consequently, businessmen viewed strike insurance efforts as merely "a basis of resistance to the great national organizations of the unions."[75]

Oddly, the expansive application of the insurance terms to labor union efforts did not extend to trade associations. Occasionally during strike insurance discussions someone would "call…attention to the fact that there are practically such institutions in existence" with the National Founders' Association's former president writing that his group was

69. NAM, *Proceedings of the Ninth Annual Convention*, 124–128.

70. NAM, *Proceedings of the Ninth Annual Convention*, 146.

71. That is, Fay and his contemporaries expected strike insurance to counter unions' divide-and-conquer whipsaw strikes. Foster, "Employers' Strike Insurance." Austrian businessmen had articulated a similar understanding before proposing the Viennese scheme. *Die Arbeit*, July 8, 1900, 4029.

72. Clark, "Insurance and Business Profit," 51–52.

73. *Railway Age*, June 12, 1903, 980; *Insurance Monitor*, June 1903, 252.

74. *Chicago Inter-Ocean*, Nov. 23, 1887, 7; *Insurance Press*, Sept. 10, 1902, 6.

75. NAM, *Proceedings of the Ninth Annual Convention*, 127.

"practically an insurance organization." Its constitution mandated that members contribute to a reserve fund for members affected by strikes. So did the National Metal Trades Association, whose May 1901 declaration of principles marked the key turning point from the National Civic Federation's attempted accord between capital and labor toward 1903's open shop drive in David Montgomery's classic narrative.[76] NAM flirted with this strategy as well.[77] Nevertheless, experience from American trade associations' mutual strike aid remained marginal to the discourse. Rather, theoretical speculation and experiential evidence from the German-speaking world continued to dominate these discussions—despite their Teutonic tutors tracing a course far closer to trade association strike aid than Americans realized.

Aside from a strategic choice to keep their efforts quiet,[78] this reluctance to recognize trade associations' existing strike insurance provisions perhaps reflected SME proprietors' discomfort with scale. Explicit interfirm cooperation might undermine the ideological role liberal-individualist businessmen assigned to strike insurance: leveraging advances in actuarial science to counterbalance trade unionism and restore liberal-individualist labor relations. By functioning as a firm selling a service, commercially organized strike insurance allowed them to disguise their cooperation and hide the paradox of them attacking scale via scale.

Therein lay the main difference between their liberal-individualist understanding of strike insurance and *The Nation*'s progressive vision of impartial mediation. The former was ill at ease with scale generally and hoped that strike insurance would help them check it, cancelling out labor combination to restore individual contract's reign. The latter recognized the legitimacy of great combinations of capital and labor, seeking a model of collective bargaining that might alleviate labor uncertainty and class conflict. This recognition also led to tensions within the drive to establish strike insurance. The progressive vision of arbitration had little problem conceding the legitimacy of some strikes. The liberal-individualist manufacturers, however, did not like recognizing any strike as legitimate or natural. But even halfhearted attempts to grapple with the problems of insuring against them forced the Louisville and Waterbury schemes to admit that employers might provoke strikes—a concession that raised hackles amongst much of their potential constituency and, some argued, kept their membership unsustainably small.

Despite this concession, the greatest overlap between the two flavors of strike insurance advocacy may have been their general disregard for the economics of insurance. No less than *The Nation*, liberal-individualist manufacturers like the Louisville scheme's leaders simply turned to "the competent insurance expert" to ensure that "strike insurance will be a most

76. Chad Pearson has complicated this contrast but cautioned against understating tensions between NAM and NCF's labor relations strategies. *Bulletin of the National Metal Trades Association*, Dec. 1, 1902, 234–235; *Railway Age*, July 3, 1903, 8–9; Foster, "Employers' Strike Insurance;" Montgomery, *Fall*, 267–269; Pearson, *Reform or Repression*, 54–55, 243.

77. *Insurance Monitor*, July 1903, 300; Perlman and Taft, *History of Labor*, 129–137; Foster, "Employers' Strike Insurance," 483–490.

78. Foster suggested this as the reason behind trade associations' secrecy about their strike insurance efforts, but Parry and others' public stridency limits this argument's plausibility. Fay's celebration that commercial strike insurance carried "No taint of illegal combination," however, suggests that legal strategizing following the Sherman Antitrust Act may have played a role. NAM, *Proceedings of the Ninth Annual Convention*, 128; Foster, "Employers' Strike Insurance."

remunerative investment."[79] C.N. Fay spoke for them all when he bluntly intoned that he had "no intention of being, personally interested in any strike insurance company…except as one of the insured." Rather, Fay advocated strike insurance due to "the immediate importance of the thing itself" as a way to reestablish individual liberty that he believed labor organization had threatened. Another manufacturer announced his support with the non sequitur, "I say this Association needs to oppose the tyranny of organized labor, and therefore strike insurance is practicable."[80] All that mattered to them was offloading their labor uncertainty and restoring individualist labor markets. Making it work was the actuaries'—or, some would soon learn, insurance agents'—jobs.

Realizing Strike Insurance (and Its Limits)

Despite their shared constituency, press coverage, and fate, the rival strike insurance schemes' founders engaged in a bitter fall 1903 debate over how to realize their shared ambition. This debate came after the schemes' founders undertook crash courses in underwriting principles and arrived at different judgments about not only the prudent legal form for strike insurance but also the proper response to a shared acknowledgement of the impracticability of actuarial ratemaking in its early years.

It began when Louisville's William Nones published a front-page editorial in the September 1 edition of NAM's mouthpiece, *American Industries.* His argument for strike insurance's necessity was unremarkable.[81] Two weeks later, however, Nones sparked controversy when he explained his scheme's business model. He immediately discounted the stock company or Lloyds models. Premiums "must be placed quite high…to cover the contingencies of a new business" and any surplus, "after payment of losses and expenses, would go to the underwriters." Rather, Nones found himself weighing an incorporated mutual company against a reciprocal underwriting plan. Both shared two key benefits. "Neither…requires any capital stock." Thus, strike insurance promoters could sidestep still skeptical insurance men and financiers. And, "Under either…the premium fund left after…expenses and losses is returned to the policy holders, who thus obtain…insurance at its actual cost."[82]

The key differences between the two lay in their legal forms. Mutuals derived their existence from state charters. Reciprocals need not be incorporated, deriving their existence "from an agreement and power of attorney" executed by each policyholder. Nones saw two differences determining in the latter's favor. Unlike mutuals, reciprocals limited expenses to a fixed percentage of premiums. And they allowed flexibility "to make changes" "as experience is gained."[83]

Finally, Nones explained an innovation introduced to account for the limits of scientific ratemaking in experimental fields. Each policyholder would be assigned to a group of twenty-

79. *Railway Age*, July 3, 1903, 8.
80. NAM, *Proceedings of the Ninth Annual Convention*, 124–128, 161.
81. *American Industries*, Sept. 1, 1903, 1–2.
82. *American Industries*, Sept. 15, 1903, 3.
83. *American Industries*, Sept. 15, 1903, 3.

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six hazards of similar risk. Each group's members would reciprocally insure equal parts of each other's hazards. Though Nones placed great faith in actuaries' long-term ability to derive scientific rates for strike risk, this plan recognized that the dearth of experience in experimental fields made it "impossible to determine just how much more or less the premium rate ought to be for one…risk than another." Despite this skepticism about actuaries' short-run ability to generate meaningful averages for classes of hazards, Nones believed it was "not very difficult to determine that certain risks…are practically of the same degree."[84] Assuming he could, thus, class strike hazards, the Louisville scheme's group feature would alleviate the need to set rates for them. Casualty rates within each group would determine each group's net premiums.

Writing in the next issue of *American Industries*, Waterbury's Louis van Keuren agreed with Nones "that the necessity for such insurance exists, and that all the conditions which make…insurance…practicable are to be found." But he objected to the Louisville scheme's business model, including a blistering attack on "the most novel feature of [Nones's] plan:" its group feature.[85]

Van Keuren noted how reciprocals' legal informality posed dangers to policyholders who enjoyed none of the state regulations that "guarded…all reliable life and fire insurance companies." And reciprocal policyholders only shared connections with their hazard groups and the scheme's attorney-manager—depriving policyholders of legal recourse in the event of most foul play. Van Keuren also saw a flaw in the Louisville reciprocal's most inflexible feature. He could not agree with Nones's claim that it would "provide insurance at its actual cost." It would "take out of each premium a fixed…twenty per cent" for expenses and managerial compensation, though "Experience has proved" that incorporated mutuals "take… much less."[86]

But van Keuren's knockout blows targeted Nones's innovation "of dividing the applicants…into groups of twenty-six each." Van Keuren counseled that "It hardly seems prudent to adopt a novel and untried plan of insurance when…another…has been found safe and practicable." But his core objection to Nones's group feature was not this prudential conservatism. Instead, it lay in a recognition that "All insurance is based on average." Where an insurer underwriting 100,000 lives could "determine to a fraction of 1 per cent how many will die each year," the same would not be the case "if they should divide these lives into groups of twenty-five." The law of large numbers would not apply in these small samples. Instead, random variation would make "each group…show a different average, some being entirely exterminated and others not losing a single member." This made "the group plan…much like a wager policy."[87]

Then there was the question of group composition. The Connecticuter questioned whether the Kentucky carriage maker—or his advisory committee of fellow manufacturers—had any more ability to assign policyholders to hazard groups than actuaries had to assign them scientific rates. While many strike insurance advocates looked to fire insurance as a source of optimism, van Keuren found the comparison sobering. "In fire insurance, after years of

84. *American Industries*, Sept. 15, 1903, 3.
85. *American Industries*, Oct. 1, 1903, 13–14.
86. *American Industries*, Oct. 1, 1903, 13–14.
87. *American Industries*, Oct. 1, 1903, 13–14.

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experience, it has not been possible to establish a system of rates that are absolutely satisfactory," van Keuren wrote—before adding that fire underwriters "have only physical conditions to deal with." Strike underwriters would have no such luxury. Listing "some of the conditions that should influence a differential in rate," van Keuren enumerated "location, strength of the unions, kind of business, intelligence of the employes, their nationality, their wages as compared with those paid to others in a similar business, the character and popularity of the employer and each of his foremen, and many others, some of even a more trivial nature." Altogether, he joined Nones and many strike insurance critics in acknowledging that the ambiguous, often qualitative factors affecting hazard in the field rendered ratemaking a daunting—perhaps impossible—task.[88]

Admitting that actuarial ratemaking would "take years of experience, if it can ever be done," van Keuren—like Nones—thus turned to a strategy of screening hazards holistically. But, unlike the Louisvillian, the Connecticuter recognized that "the larger the number of risks, the more nearly to the correct average will be obtained." His Mutual Security Company thus did away with different classes and premium rates altogether. Instead, it drew on the model of New England's factory–mutual fire underwriters to establish a "preferred risk system," which offered a uniform premium rate to all would-be policyholders who passed its screening mechanism.[89]

While discounting some of the trade and financial press's strike insurance critiques, both schemes' promoters attempted to craft business models that accounted for these potential roadblocks. In both cases, this meant an extreme response to the limits on actuarial ratemaking in a new field hampered by a dearth of data and many ambiguous confounding variables. As Dan Bouk has highlighted, actuaries' celebrated alchemy depended upon the underappreciated efforts of insurance agents and other nonactuarial experts accounting for particularity even as actuaries' averages abstracted it.[90] After all, smoothing observations into meaningful averages required sufficiently homogenous classes. The Louisville and Waterbury schemes' business models both reflected a realization that this would be impossible. Strike risks' complex causality involving many questionably quantifiable variables would confound attempts to class them into groups homogenous enough for actuaries to calculate scientific premium rates. Ironically, Nones responded to this limitation by doubling down on classing—proposing a group insurance model where the schemes' agents assigned risks to groups whose realized losses would ultimately determine net premiums. This limitation also drove the Mutual Security Company to abandon actuarial ratemaking; however, van Keuren and his colleagues recognized that average remained the central feature of insurance and thus offered a single premium rate to a "preferred" class of policyholders.

The promoters of both strike insurance schemes thus probed the limits of actuarial ratemaking while attempting to realize their risk-making projects. Turning from the actuary to the insurance agent as the key risk-making figure, they nonetheless remained sanguine about strike hazard's insurability—an optimism that experience would soon test.

88. *American Industries*, Oct. 1, 1903, 13–14.
89. *American Industries*, Oct. 1, 1903, 13–14.
90. Bouk, *How Our Days.*

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Information Problems and the Failure of Strike Insurance

Though periodicals continued to publish on the topic and someone would occasionally propose a new strike insurance scheme, most novel points in America's strike insurance discourse had already been aired by the end of NAM's annual conference in 1904.[91] By the late aughts, little had changed. The Waterbury firm remained small, never insuring against more than $3,447,635 in strike losses at a time.[92] It also remained the only American concern offering strike insurance, despite continued calls for others to do so.[93] Even that would not last.

As the twentieth century's first decade drew to a close, so did the Mutual Security Company's life as a going concern. Its last policies expired in 1909 as the firm slowly wound down—a victim of the very challenges that early critics like the *Commercial and Financial Chronicle* had forecast would plague strike insurance.[94] The many questionably measurable inter-firm heterogeneities that made grouping firms' strike risks into sufficiently homogenous classes for actuarial ratemaking impossible also drove problems of adverse selection and moral hazard which led to predictably high loss ratios.

The Mutual had begun life confident that it could keep loss ratios manageable. Its policyholders paid 1-percent premiums with "liability to assessments up to five times the premium;" but they expected dividends not assessments.[95] They had heard its secretary's regular boasts that "all statistics indicate that we will be able to return…at least eighty-five percent of this premium."[96] A December 1904 report by NAM's Strike Insurance Committee captured the logic behind these optimistic declarations. With minor adjustments committee-chairman C.N. Fay recreated the Mutual's calculations, which reflected the information problems plaguing strike insurance efforts generally. Eschewing any further explanatory variables, they simply calculated a loss ratio from lightly adjusted strike and employment aggregates as in Equation (1):

$$Loss\ ratio = \frac{Mean\ establishments\ struck, 1881\,\mathrm{to}\,1900}{Mean\ establishments, 1881\,\mathrm{to}\,1900} \times \frac{Mean\ strike\ duration, 1881\,\mathrm{to}\,1900}{300\ Working\ days} \quad (1)$$

$$Loss\ ratio = \frac{4{,}980}{286{,}983} \times \frac{23.8}{300} = 0.00137$$

Given this calculated loss ratio of 0.137 percent, NAM's committee concluded, "it should be…possible…to do business at an actual cost of one-fourth of one percent for losses and expenses and to return to policyholders three-fourths of the premium paid."[97]

91. NAM, *Proceedings of the Tenth Annual Convention*, 190–194; *Wall Street Journal*, June 15, 1905, 1; *Morning Olympian*, June 26, 1906, 1.
92. *The Spectator*, Jan. 19, 1905, 34–35; State of Connecticut, *Forty-Second Annual Report*, 526–528.
93. *Surety, Plate Glass and Miscellaneous Insurance*, 59; *Eastern Underwriter*, Oct. 31, 1907, 15.
94. *Commercial and Financial Chronicle*, July 4, 1903, 7.
95. *American Exchange and Review*, Sept. 1905, 380.
96. "Assurance Mutuelle Contre la Grève," 43–46; *The Spectator*, Jan. 19, 1905, 34–35; *American Exchange and Review*, Sept. 1905, 380.
97. *The Chronicle*, July 6, 1905, 9–10.

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At first, this optimism seemed justified. Through 1906, the Mutual had paid only $3,685 in losses while receiving $95,532 in premiums (see Table 1), allowing it to return 35.4 percent of the latter to policyholders—a ratio that improves to 50.8 percent if excluding the first year's data, which included startup costs but no time to refund end-of-year surpluses to policyholders. Though it had not returned Secretary Brown's predicted 85 percent of premiums, these numbers seemed to confirm that the Mutual had guarded successful against adverse selection and moral hazard—especially given predictions "that…there would be…a higher loss ratio" since "policies would probably be taken out by firms…of high strike hazard."[98] But this sanguine outlook would not last.

In July 1908, Massachusetts's *Fitchburg Sentinel* carried a story about the Simonds Manufacturing Company receiving "full settlement…for…the strike in their…shops." Though this press coverage was exceptional, the machine shop's "very substantial" settlement was not.[99] In 1907 the Mutual ran an $18,735 deficit as the company paid $14,754 in excess premium dividends before loss payments jumped to $23,623 from $1,813 the previous year. This deficit would shrink in 1908—but only as the Mutual's policyholders experienced their first excess loss assessments. Faced with higher payments—and questions about the Mutual's stability—policyholders fled, sending the company into a death spiral.

A large legal judgment provided a telling coup de grâce in 1910. Four years earlier, a Mutual Security Company agent had called on the Buffalo Forge Company. There, he found a willing customer and "the application for the policy…was executed April 9th, 1906." This application included a "schedule of warranties" about potential risk factors—the sole basis of the Waterbury company's underwriting decisions. It understandably asked, "Are you a union shop and, if so, how many unions do you recognize?" The ungrammatical applicant answered, "Only so far as the National Foundrymen's Association and National Metal Trades Association." These "were not 'unions' of workingmen," Connecticut's Justice Silas Robinson would later explain, "but organizations of manufacturers created for the purpose…of dealing with trade unions."[100] The Mutual knew this. Its secretary Frederick Brown had represented it at the

Table 1. The Mutual Security Company's balance sheet, 1904-1917

	1904	1905	1906	1907	1908	1909	1910–1917
Premiums	28,689	32,351	34,491	29,514	11,260	2,420	
Assessments					13,392	4,389	51,887
Losses paid	1,033	838	1,814	23,623	20,990	3,000	37,260
Dividends		14,640	19,204	14,754			
Salaries and other expenses	16,165	10,168	10,026	10,183	6,428	2,633	15,991
Net balance	11,491	6,705	3,915	18,735	2,704	1,185	1,163

Note: The above-listed net balances are not always equal to the income items net expenses, due to interest on the company's deposits.
Source: Adapted from the various reports of Connecticut's state insurance commissioner: Connecticut, *Fortieth Annual Report*, Part II, through Connecticut, *Fifty-Third Annual Report*, Part II.

98. NAM, *Proceedings of the Tenth Annual Convention*, 190–194.
99. *Fitchburg Sentinel*, July 13, 1908, 2.
100. *Buffalo Forge Company v. Mutual Security Company*, 396–398.

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NMTA's 1905 convention.[101] If its officials had consulted publications like *Railway Age* or the *Bulletin of the Bureau of Labor*, they would have also learned that the National Founders' Association maintained a reserve fund for strike losses and that its Buffalo affiliate had entered a formal agreement with the city's molders union in 1902.[102] This agreement covered the Buffalo Forge Company—and the manufacturer's answer to another of the schedule's questions implied as much.[103]

Yet the Mutual issued it a policy, effective May 1. Perhaps the Buffalo company's answer to another question had been reassuring. It did not have "any existing dispute with or demand made by employees." By the time the Mutual issued its policy, this was no longer true. On April 21, Buffalo's molders and coremakers issued demands for a modest wage increase effective May 1—a demand thirty-six employers including the Buffalo Forge Company's Henry Wendt refused, denouncing uniform wage rates in principle. Wendt's company would receive its strike insurance policy the following day—"shortly after the moulders…had gone on strike." It immediately "mailed its check for $500…as the premium…, with a letter acknowledging the receipt of the policy and…that the moulders had just gone…on a strike." It would be June 29 before the Buffalo company's "molders returned to work…without asking or receiving any agreement of any kind." Wendt and the National Founders' Association would trumpet this as an open shop victory.[104]

Wendt must have further celebrated that this victory would come at no cost: his company's strike losses had been insured. It filed a claim for $26,000 in fixed costs and lost profits, but the Mutual refused payment—contending the Buffalo company's application had concealed union activity at its shop. In 1908, the erstwhile policyholder sued for reimbursement, contending that it had answered accurately and, anyway, it was underwriters' duty to verify their interpretation of any ambiguities before cashing any premiums. Eventually, the Connecticut Supreme Court agreed and approved a judgment of $29,499.49 in July 1910. By then, the Mutual's last policies had lapsed and it "sent out a call to its members for an assessment."[105]

This judgment also effectively ruled against the practicability of commercial strike insurance. It—not unreasonably—deemed the insurer responsible for clearing up any ambiguities about prospective policyholders' risk factors before accepting any premiums. This was not a new precedent, and it meant the Mutual's eagerness to deposit the Buffalo company's check "must be treated as a waiver" rendering any disputes "quite immaterial."[106] Yet this court defeat reflected more than one clerical blunder—however colossal.

It also exposed the Waterbury company's complete dependence on policy applicants' answers to its schedule of warranties when assessing risks. The Mutual might have eliminated any ambiguities in the Buffalo company's application had it combed newspapers, the trade press, and Bureau of Labor reports for answers. This independent perspective might also have

101. *The Iron Trade Review*, March 30, 1905, 56.

102. *Railway Age*, July 3, 1903, 8–9; *Bulletin of the Bureau of Labor*, March 1904, 428–429.

103. *Buffalo Forge Company v. Mutual Security Company*, 397–398.

104. *Buffalo Forge Company v. Mutual Security Company*, 393–407; *The Review*, July 1906, 8–10; Pearson, *Reform or Repression*, 126–152.

105. *Waterbury Evening Democrat*, Feb. 5, 1908, 5; *National Labor Tribune*, Oct. 28, 1909, 4; *Buffalo Forge Company v. Mutual Security Company*, 393–407.

106. *Buffalo Forge Company v. Mutual Security Company*, 398, 406–407.

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taught them that Wendt had already provoked a strike in 1898 by demanding employees work longer hours for the same pay—all while operating three machines rather than one.[107] But it was not mere underwriting negligence that left the Mutual dependent upon policy applicants' word. It had no other practical option. Its model of commercial strike insurance distinguished itself from trade association strike aid largely by underwriting hazards across industry and locality. This universality recommended it to strike insurance advocates from NAM to *The Nation*, who hoped it could answer the labor question generally, but it came with a cost. It meant companies like the Mutual—facing information problems that prompted them to eschew grouping risks into classes paying actuarial premiums—needed, nevertheless, to screen whether applicants of any industry or locality fit within their "preferred" class of policyholders. The same information problems applied to this question, and there was a reason the preceding six decades had witnessed the rise of credit-reporting agencies. Obtaining local information about far-flung potential counterparties was costly.[108] Independently investigating each applicant would be prohibitively expensive without the economies of scale attending an organization befitting strike insurance advocates' grandest ambitions. Depending on policy applicants' answers to its schedule of warranties freed it of this burden—giving the strategy an appeal despite depriving the Mutual of local knowledge.[109]

This strategy, however, left it prone to adverse selection and moral hazard, as it offered no insight about firms' labor relations reputations. The Buffalo Forge Company was hardly the only firm with a history of labor fights labelled "matters of principle" to pass screening based on the Mutual's schedule of warranties. After all, C.N. Fay had lauded Simonds Manufacturing as a principled compatriot making "headway against the unions" in his call to arms for strike insurance at NAM's 1904 convention, and other policyholders regularly declared their labor fights matters of principle.[110] All told, it is less surprising that adverse selection and moral hazard contributed to the Mutual's collapse than that it took so long.

For nearly a decade, unfinished legal business and unpaid debts kept the Mutual Security Company's ghost haunting former policyholders with assessments to meet its outstanding liabilities—a nagging reminder of the challenges standing in the way of attempts to insure strike hazards.[111] Others, however, found the Mutual's experiences easier to forget.

For them, another consular report rung in a third decade with German-accented strike insurance discourse. The *New Orleans Picayune* was typical. It highlighted the American consul at Brunswick's "report on this form of insurance which…sooner or later…will be adopted in the United States." The *Picayune* explained that strike insurance "has not yet been adopted in the United States" before reciting the same arguments it had while covering the Employers' Underwriters at Reciprocal Exchange's rise and fall.[112] Other American

107. Pearson, *Reform or Repression*, 136.

108. Olegario, *Culture of Credit*; Lipartito, "Mediating Reputation;" Lauer, *Creditworthy.*

109. Life insurers followed a similar strategy until the 1880s rise of "incontestability" clauses guaranteeing claim payments—even in cases of suspected error or fraud. Thereafter, they relied on a specialized industry akin to credit reporters. Bouk, *How Our Days*, 64–68.

110. NAM, *Proceedings of the Ninth Annual Convention*, 126; *Washington Times*, Feb. 25, 1903, 2; *Bridgeport Evening Farmer*, Jan. 8, 1914, 1.

111. *Mutual Security Company v. Sidney Blumenthal & Company.*

112. *New Orleans Picayune*, June 4, 1903, 2; July 15, 1903, 2; May 19, 1904, 9; Dec. 1, 1905, 16; Jan. 25, 1910, 8.

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commentators displayed better institutional memory but still discussed strike insurance with eyes trained attentively on Germany.[113]

One need not have focused on the American experience to see cracks appearing in the case for strike insurance. More attentive observers may have encountered hints that the German experience had failed to dissolve class conflict. In 1907, the *Eastern Underwriter* relayed statistics of "peculiar interest" to strike insurance advocates—American's consul in Chemnitz had shared data on a flurry of strikes and lockouts in Germany that year.[114] And, strike insurance was stoking class conflict rather than dissolving it. Confirming the worries of NAM's Committee on Resolutions chair, the Socialist Labor Party of America used a 1910 consular report's account of German strike insurance to stoke class consciousness.[115]

Nevertheless, there was a reason many American journalists and businessmen drew optimism from Germany's experience. There, strike insurers had overcome manifold obstacles to become a notable presence in their nation's economy. By 1908, German trade journals could report that "Thirteen strike-insurance organizations have become known…. Among them stand two reinsurance institutions," the members of which "together employ 775,825 workers." At the time, firms employing hundreds of thousands of additional German workers insured themselves against strike damage through other channels.[116] These numbers continued their steady growth. By the World War I, 72,121 German employers had purchased insurance against strikes by 3,081,551 workers—63.7 percent of those employed in their sectors.[117] Unsurprisingly, American manufacturers were not the only businessmen inspired by this. Throughout the decade, commentary from all corners of Europe invoked German experiences with hope that strike insurance might restore liberal-individualist labor markets.[118]

Ironically, Germany's much-touted strike insurers actually followed a business model much closer to American trade associations' under-the-radar strike aid than to the Mutual Security Company's ambitious attempt to offer commercial strike insurance across industry and locality. They bore names like "Corporation of the Westphalian Cigar Manufacturers' Association for Compensation in the Event of Work Stoppages." These names reflected close connections to trade associations or local employers' groups—connections that contemporary commentators contended gave them a "firm backbone," avoided "the diversity of risks [that] lead to [underwriting] difficulties," and ensured decisions reflected "sufficient expertise." One even declared strike insurance "can only emerge from the womb of an employers' association."[119] Underwriting on this limited scale, however, came with constraints. A strike in Crimmitschau lasting from August 1903 to January 1904 saddled the Association of Employers in the Saxon Textile Industry with 1,250,000ℳ in strike insurance payments,

113. *Daily People*, Jan. 27, 1910, 4; *Philadelphia Inquirer*, March 13, 1910, 7; May 26, 1910, 6; *The Spectator: Monthly Casualty and Survey Supplement*, April 28, 1910, 15; *Chicago Tribune*, May 21, 1911, E4.

114. *Eastern Underwriter*, Oct. 31, 1907, 15.

115. *Daily People*, May 20, 1904, 1; *New Orleans Picayune*, May 20, 1904, 11; *Daily People*, Jan. 27, 1910, 4.

116. *Tonindustrie-Zeitung*, Nov. 27, 1909, 1575.

117. *Monthly Review of the U.S. Bureau of Labor Statistics*, Oct. 1915, 82.

118. *Wirtschaftspolitische Annalen*, 1907, 408; Lefort, *L'Assurance*; *Rivista di Politica Economica*, Nov. 1913, 365–368; Feb. 1914, 155–161.

119. Kulemann, *Die Berufsvereine*, 186; Germann, *Streik-Versicherung*, 16, 20.

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dramatizing the possibility that a strike could overwhelm industry- and locality-specific underwriters like an inferno overwhelming a fire underwriter with policyholders concentrated in one city. Within months, this experience had prompted German employers to establish two nationwide organizations that reinsured strike hazard—strengthening the system that sparked American entrepreneurs' imaginations until the Nazi regime dissolved the nation's labor unions and trade associations in 1933.[120]

Though two companies would repeat the Mutual Security Company's failure on a far grander scale around World War I, Germans' actual experience proved indicative of the direction America's enduring strike insurance efforts would take.[121] They quietly offered mutual aid within a single industry. For example, union allegations that the American Newspaper Publishers Association offered strike insurance only received confirmation during an eighty-day strike against the *Seattle Times* in 1953. The Association, another newspaperman would explain, maintained "a fund…from which each subscriber is entitled to draw benefits" during labor disputes. It held "three different layers" of excess loss reinsurance. Similar schemes operated among California farmers, Hawaiian sugar-planters, and the oligopolistic rubber industry, while heavily regulated transportation industries pursued strike insurance more openly.[122] Some would take legal forms, involve Bahamian insurance companies, or reinsure through Lloyds, but each represented a trade association's attempt to provide mutual aid during labor disputes in which actuarial ideals remained secondary concerns. In short, the National Founders' Association and other trade groups quietly offering mutual strike aid—not the Mutual Security Company—pioneered the path taken by America's enduring strike insurance projects.

Though America's early twentieth-century strike insurance discourse yielded few tangible results, it offers a key window into the anxieties of the era's business community and the toolbox with which it sought to mitigate them. Although surely at least partially self-serving, the argument that strike insurance would merely check organized labor's growing power reflected unions' growing role in the labor market. Small- and medium-sized manufacturers, committed by both ideology and self-interest to the idealized natural law of the market, viewed this as a pernicious and coercive encroachment on that ideal. Worse still, they believed this encroachment would benefit the new corporate behemoths whose scale self-insured against labor activism. Commercial strike insurance's prominence among their proposed solutions—even as they quietly organized trade association mutual aid—is notable. Unlike mutual aid, it framed cooperation as commercial exchange, carrying "No taint of illegal combination" and allowing liberal-individualist employers to escape the paradox of attacking scale via scale.[123]

More fundamentally, calls for strike insurance reflected underwriters' cultural triumph, placing "Insurance terms…on the lips of men [even] when they are not thinking of the organized business insurance."[124] Following decades of effort by life insurers, Americans

120. St. Girons, *L'Assurance Patronale*, 149–150; Kulemann, *Die Berufsvereine*, 180–220; Germann, *Streik-Versicherung*; Sommer, *Risiken des Arbeitskampfes*, 252–271.

121. *Standard Printing & Publishing v. Bothwell et al*; Foster, "Employers' Strike Insurance," 492–496.

122. Foster, "Employers' Strike Insurance," 500, 512; Hirsch, "Strike Insurance and Collective Bargaining;" Unterberger and Koziara, "Airline Strike Insurance;" Unterberger and Koziara, "Demise of Airline Strike Insurance."

123. NAM, *Proceedings of the Ninth Annual Convention*, 128.

124. National Association of Life Underwrites, *Proceedings*, 82–83.

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attributed extraordinary power to quantification and actuarial science—prompting experimental risk-making projects from plate glass insurance to credit insurance. Yet, in the case of strike insurance, this faith stood on shaky ground—leaving interested businessmen grappling with its limits. Though strike insurance's manufacturer adherents displayed little understanding of the underwriting on which they increasingly depended, those who attempted to realize it necessarily entered crash courses in the field. They quickly discovered that information problems would complicate their efforts—the human action and fuzzy causality behind labor strife would limit their ability to classify strike hazards and quantify risks actuarially. Faced with this classification problem, the Mutual Security Company embraced a "preferred risk system" that set aside actuarial ratemaking to charge all policyholders deemed acceptable risks a uniform premium rate determined by the loss ratio.[125] Though it sidestepped the ratemaking problem, this solution paradoxically erased the particularities that prompted it, contributing to the Mutual's collapse under the weight of adverse selection and moral hazard.

This collapse holds wider historiographical significance. It highlights the limits of quantification and actuarial science that dogged would-be underwriters who stepped beyond the well-trod ground of life and fire insurance. Recognizing these limits matters as scholars have increasingly made the rise of financial risk management a major theme in the history of American capitalism—based largely on studies of life insurance, the gold standard of insurability. This emphasis threatens to overstate the power of insurers' probabilistic risk calculation. Uncovering the forgotten risk-making projects like strike insurance, where Americans grappled with the limits of insurability, thus represents a crucial corrective—recovering the ongoing significance of unclassifiable, unquantifiable uncertainty.

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125. *American Industries*, Oct. 1, 1903, 13–14.

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