

History of Life Insurance

Detailed Notes on Points 1–3:

1. Ancient Roots (≈1750 BCE – 200 CE)

- Babylonian Code of Hammurabi contained clauses allowing debt cancellation or payment upon death, an early form of risk sharing.
- In ancient Rome, collegia (burial clubs) pooled member contributions to fund funeral expenses and provide for survivors, resembling basic life cover.

2. Medieval Guilds (5th–14th century)

- In medieval Europe, craft guilds and religious confraternities collected dues to support members' families in cases of death.
- These mutual-aid systems provided a social safety net, functioning as precursors to modern life insurance principles.

3. Renaissance Marine & Life Wagers (14th–16th century)

- Italian city-states like Genoa and Florence saw merchants using marine insurance contracts that evolved to include human lives.
- In England, by the 16th century, life wagers—essentially betting on someone's survival—were common among traders, blending gambling with risk transfer.
- These practices laid groundwork for structured life assurance in the early modern period.

Chronological Summary of Life Insurance History:

- Ancient Roots (≈1750 BCE – 200 CE) – Early risk-sharing in Babylonian Code of Hammurabi and Roman burial societies.
- Medieval Guilds (5th–14th c.) – Guilds and confraternities provided mutual aid for members' families.
- Renaissance Marine & Life Wagers (14th–16th c.) – Merchants experimented with contracts on lives and voyages.
- First Recognized Life Policy (1583) – First modern-style life insurance contract in London on William Gibbons' life.
- Early Life Assurance Societies (17th c.) – Formal pooled cover like Amicable Society (1706).
- Actuarial Science Emerges (1693–1750s) – Halley's mortality table and Dodson's premium calculations.
- Equitable Life Assurance Society (1762) – First to use age-based premiums and reserves.
- 19th-Century Expansion – Industrialization spurred growth in Britain, Europe, and the U.S.
- 20th-Century Regulation & Innovation – Solvency rules, government oversight, and new product types.
- 21st-Century Trends – Digital underwriting, insurtech, and demographic shifts.