

Before the companies: mutual aid and public fire insurance

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Before the foundation of insurance companies in the nineteenth century, the people of Basel protected themselves against risk in other ways. The guilds provided mutual assistance to members who fell ill, were injured or died, supporting their widows and orphans from common funds. The hospital and the alms office cared for those who had no other support. Families supported their members. Merchants shared the risks of their trading ventures through partnerships and distributed their goods among several ships or carriers. And marine insurance, developed in the Italian cities in the fourteenth century, was available to merchants who shipped goods by sea through the insurance markets of Genoa, Venice, Antwerp, Amsterdam and London.¹

Fire was the most feared risk of the pre-industrial city. Houses were built partly of wood, heated by open fires and lit by candles and oil lamps. In the narrow streets, a fire could spread quickly from one house to the next. The great fires of London in 1666 and of many continental cities led to the creation of fire insurance institutions. In the German states and the Swiss cantons, fire insurance was organised from the eighteenth century onwards by public institutions, the fire insurance funds of the territories, which insured all buildings compulsorily against fire and collected contributions from all owners.²

The Swiss cantonal building insurers, which exist today in most cantons, are the heirs of these institutions. They insure all buildings in their cantons against fire and natural hazards, as a public monopoly, with compulsory insurance for all building owners. They also finance fire prevention and fire brigades. The system has been praised for its efficiency and its low premiums and criticised as a monopoly that excludes private competition. Several cantons, among them Geneva, Ticino, Valais and others, have no public monopoly and leave building insurance to private insurers.³ The

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question of whether natural hazards such as earthquakes should be insured compulsorily at federal level, which Part A mentioned in connection with the Basel earthquake of 1356, has been debated repeatedly without a federal solution.

1 Notes

1. On pre-modern forms of risk protection (guild mutual aid, marine insurance in the Italian cities from the fourteenth century), see the standard literature on the history of insurance. To be verified. ↩
2. On the public fire insurance institutions (Brandversicherungsanstalten, Gebäudeversicherungen) in the German states and the Swiss cantons from the eighteenth and nineteenth centuries, see HLS, article "Gebäudeversicherung". To be verified. ↩
3. On the cantonal building insurers in Switzerland, which operate as public monopolies in a majority of the cantons, and the cantons without a monopoly (the so-called GUSTAVO cantons: Geneva, Uri, Schwyz, Ticino, Appenzell Innerrhoden, Valais, Obwalden), see the publications of the Association of Cantonal Fire Insurers. To be verified; the position of Basel-Stadt to be verified. ↩

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