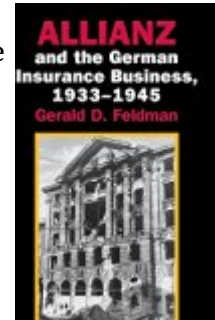


Gerald D. Feldman. *Allianz and the German Insurance Business, 1933-1945.* Cambridge and New York: Cambridge University Press, 2001. xxi + 568 pp. \$60.00, cloth, ISBN 978-0-521-80929-0.



Reviewed by Marc Engels

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Business history of the Third Reich is constantly attracting greater scholarly attention. The pressure of class actions filed by Nazi victims in the United States and of international public opinion forced German companies to put considerable amounts of money into historical research. The projects have grown notably in numbers and quality since 2000. Although, in the past, projects tended to be conducted by single researchers, more recently research teams have become larger and have been headed mostly by prominent, non-German historians: companies chose them to prevent any complaints of partisan historiography from the beginning.[1] Following this trend, the Allianz AG Insurance Group commissioned Gerald E. Feldman, professor at the University of California at Berkeley and a well-known expert on the Weimar Republic's economic history to present an account of the firm's activities from 1933 to 1945. [2] Thus, although the Nazi past of Allianz was not even mentioned in the firm's official anniversary celebrations of 1990 [3], eleven years later a voluminous study has been published simultaneously in English and German.[4]

The key problem of a company-sponsored business history is the degree of independence enjoyed by its author. Feldman's introduction deals at length with this issue, claiming the complete absence of any influence on design, scope, and results of his work. The plan of the research discussed by the author makes this statement convincing: the company is explicitly not studied from a purely "economic perspective." Feldman wants to examine the "political and moral economy of entrepreneurial behaviour ... for 'economic logic' does not exist independently of business ethics and basic moral standards" (p. x). Feldman seeks to find out whether, when and why these standards were kept or violated. The author rejects, therefore, any viewpoint that judges personal and company activities solely from the standpoint of their economic rationality, according to which any action is seen as acceptable as long as it enhances profits.

In the book, the company, its structure, economic performance and policy are explored chronologically. The book starts with the development of the Allianz concern and its leadership

from 1918-33, the period in which Allianz became Germany's largest insurance company. The young and energetic managers of this success, Kurt Schmitt, Eduard Hilgard and Hans Hess, are painted as self-conscious experts with conservative but not extreme right-wing backgrounds. Generally their political perspective was limited to pursuing the interests of the insurance industry; nonetheless, General Director Kurt Schmitt became a prominent business figure during the Great Depression. The Reich Chancellors Bruening and von Papen both offered him the position of Economics Minister. Schmitt, who had been building his Nazi connections since 1930-1931, turned down both offers.

Three chapters analyze how Allianz leaders and the firm made connections with the Nazi's new political and economic system from 1933 to 1939. From June 1933 to January 1935, Allianz AG General Director Kurt Schmitt joined the Hitler government as Economics Minister, which gave the revolutionary government the blessing of big business. After his resignation, he exploited his connection to Nazi and SS leaders like Hitler, Goering, and Himmler in favor of the insurance industry. Another Allianz Director, Eduard Hilgard, joined the Nazi system by acting as "Fuehrer" of the *Reichsgruppe Versicherung*, transmitting the demands of the Nazi economic administration to the private insurance industry and lobbying for the latter at the same time. Business went very well in this period, not at least thanks to political connections that helped Allianz AG to receive and maintain a group insurance contract with the Prussian police, for example. The interested historian will find much information here about the role and problems of the insurance industry in the Nazi economy and especially in financing rearmament. Moreover, the role of big business in bringing the new regime to power and stabilizing it is discussed thoroughly.

Allianz's involvement in the policy of exclusion, expulsion, expropriation and extermination

of Jews constitute the red line drawn in the book between acceptable and unacceptable business rationality. Feldman traces the steps over this line in a detailed manner, from the treatment of Jewish employees and agents over the acquisition of "Aryanized" property, the fate of Jewish life insurance policies, the firm's response to the events of the *Reichskristallnacht*, and the insurance policies of IG-Farben employees employed at Auschwitz. By the outbreak of war, business ethics had, in Feldman's eyes, "not only evaporated but given way to a goodly measure of cynical opportunism" (p. 147). Such cynicism becomes obvious in the firm's behavior during the aftermath of the *Reichskristallnacht*. The insurance industry faced a complicated situation because Jewish (and "Aryan") property destroyed by the mob was of course insured. Initially, Goering demanded that insurance companies assume complete liability. "Aryan" policyholders were to receive full reimbursement while payments for damages to Jewish property were to be made directly to the state. But German insurers refused to assume any liability. They simply did not want to pay either the state or their policyholders. It was the Allianz executive Hilgard, seconded by Schmitt, who took a firm stand in the ensuing debate. He did not hesitate to employ anti-Semitic arguments. Negotiations between the insurance companies and the government resulted in an enormous reduction of Jewish claims, which were then directly paid to the Reich. From an economic perspective this solution was a complete success because the insurers saved an immense sum. From a moral standpoint, however, Feldman judges this result as an example of business ethic's corruption, because it was reached at the "expense of the Jewish insured" (p. 229) and by participating actively in the "legal chicanery" against Jews (p. 231).

The fate of Jewish life insurance policies in this atmosphere of chicanery is the topic of Feldman's sixth chapter. The claim that Jewish clients did not receive appropriate compensation for life insurance policies which they were forced to cash

out from Allianz to cover the costs of emigration, as well as the presumption that many death benefits from deceased Jewish policy holders were not paid to their relatives, was one of the charges against Allianz in the U.S. class actions. It therefore receives the author's special attention. Analyzing a number of cases, Feldman concludes that the company at least attempted to treat its Jewish customers fairly and that it did not directly profit from policies cashed out before maturity. Though this may be true, like all German insurers Allianz did work closely with the government's financial administration and the Gestapo to identify policies of Jews that were deported to extermination camps.[5]

During World War II Allianz became even more involved in the dictatorship's atrocities. Feldman's study shows that German authorities insured valuables of deported Jews with Allianz. An Allianz subsidiary insured the construction of the Lodz ghetto against fire and theft; a consortium headed by the same firm provided insurance coverage of material and facilities in a Jewish slave labor camp in Crakow; another consortium, also led by Allianz, insured facilities in Dachau and Auschwitz; Allianz also insured IG-Farben engineers working at Auschwitz. Feldman characterizes the probability that company inspectors had direct contact with all stages of the extermination process as extremely high: risks had to be estimated, fire safety regulations had to be met and controlled. This activity was considered as "business as usual," and demonstrates how moral standards decayed completely.

In the areas under German occupation, Allianz pursued a strategy of expansion and domination that ran parallel to the general German policy. In the West a "soft" method was applied: with the help of collaborators and occupation authorities, English competitors were driven out. Markets were to be dominated by Allianz (and its closely connected re-insurer Muenchener Rueck) without destroying the French, Belgian, or Dutch

insurance industry. In the East a different strategy was followed: Polish companies, for example, were eliminated or taken over. All the time, Allianz maintained close connections with Swiss insurers. Unfortunately, comparatively little room is dedicated to the Second World War and the company's business in the East. The occupied territories in the Soviet Union are completely left out. Nonetheless the chapter may stimulate historians to (re-)focus on the wide spectrum of business and insurance involvement into exploiting countries under German rule.

The study ends with observations on denazification and restitution, thus providing valuable information about continuity in the German business elite. It is not very surprising to discover that company leaders avoided confrontation with the past. Reflections on the ethical responsibility of a company and its leaders were omitted in favor of an exaggeration of contacts to German resistance circles and the insistence on acts of actual or imaginary personal courage. Standard excuses relating to economic necessity or "preventing the worst" prevailed. What should one think of a denazification process according to which Hilgard was classified as a *Mitlaeuffer* and even Kurt Schmitt, a former Minister of Hitler's government, was categorized as "exonerated"?

Even though Allianz's archive did not survive the war, Feldman and his research team pieced together a comprehensive company history from over sixty international archives that goes far beyond the centennial anniversary company history of 1990.[6] Presumably due to the lack of sources, the book displays certain gaps with regard to the company's agents and employees, as well as the World War II era. Especially the latter occupies a relative small portion of the book. Some chapters, on the other hand, seemed somewhat voluminous to this reviewer. Packed with detailed legalities relating to insurance matters, such sections were sometimes hard to read.

Feldman offers an interesting and thorough study about an important German company of the tertiary sector in the Third Reich. Allianz AG's history provides an example of how big business grew into the political system, and how the dictatorship changed business behavior. By insisting on a moral perspective, Feldman explores the limits and possibilities of entrepreneurial activity in a dictatorship. He is not interested in common place counterfactual questions like "should they have stopped doing business at all" but asks at each individual moment whether a specific action was necessary. On the other hand, this strength constitutes the book's weak point. By renouncing a theoretical framework, the author sometimes runs the risk of operating on a descriptive and even personalized basis.

This pilot study sets standards in the field and has already inspired new research. Insurance history in the Third Reich has become—thanks to the compensation discussion and Feldman—an expanding field of study for business historians.[7] Due to the immense role the tertiary sector played and continues to play in daily life, this emphasis must be welcomed.

Notes

[1]. Mark Spoerer's website lists up to twenty-two research projects from 1995 to the present. Cf. http://www.uni-hohenheim.de/~www570a/spoerer/biz_hist.htm. Feldman forms, together with Harold James, Avraham Barkai, Lothar Gall and Jonathan Steinberg, the Deutsche Bank's Commission of Historians for Research on the Bank's History during National Socialism (cf. <http://www.deutsche-bank.de/geschichte/>). He participated as an expert in the London Gold Conference in 1997 and the US Conference on Holocaust assets in 1998, and served as an advisor to the Presidential Commission on Holocaust Assets.

[2]. Gerald D. Feldman, *The Great Disorder: Politics, Economics and Society in the German Inflation, 1914-1924* (New York: Oxford University Press, 1993).

[3]. *100 Jahre Allianz. Festansprachen 9. Maerz 1990* (Munich 1990).

[4]. Published in German as: Gerald D. Feldman, *Die Allianz und die deutsche Versicherungswirtschaft 1933-1945* (Munich: C.H. Beck Verlag, 2001).

[5]. Stefan Laube, "'Nach einer Mitteilung unserer Geschäftsstelle vom 20. Mai soll Herr Oppenheimer Jude sein'. Ueber den Umgang mit Lebensversicherungspolice im Dritten Reich," *Vierteljahrshefte fuer Zeitgeschichte* 51 (2003), pp. 339-361.

[6]. Peter Borscheid, *100 Jahre Allianz* (Munich 1990).

[7]. See for example: Laube; Arno Surminski, *Versicherungen unter dem Hakenkreuz* (Berlin 1999); and Ingo Boehle, "Die Judenfrage in der Privaten Krankenversicherung (PKV) im Nationalsozialismus," *Zeitschrift fuer Unternehmensgeschichte* 48 (2003), pp. 164-195.

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