

Allianz and the German Insurance Business, 1933–1945. *By Gerald D. Feldman.* Cambridge: Cambridge University Press, 2001. xxii + 568 pp. Illustrations, bibliography, index. Cloth, \$60.00. ISBN 0-521-80929-0.

Reviewed by Richard Deeg

In this book, Gerald D. Feldman seeks, first, to illuminate the relation between Allianz (and by extension the private insurance industry) and the National Socialist regime: in what ways did it support the regime? in what ways did it profit from the regime? Second, he seeks to uncover and evaluate the actions, beliefs, motives, and “cognitive catastrophes” of key leaders of Allianz and the industry. It should be noted that this study was commissioned by Allianz in the context of lawsuits during the 1990s over insurance claims by victims of Nazism. This notwithstanding, Feldman asserts he was charged with producing a complete and unbiased account of the firm during this era. A careful reading of the book gives no reason to question his scholarly independence. Moreover, as Feldman notes, the subject has tremendous scholarly merit in its own right, and the recent availability of new archival material—which he fully exploits—further warrants taking up this topic (pp. viii–xi).

Feldman begins his study with a brief history of Allianz’s transformation into Germany’s leading insurance firm during the interwar period. He then dives into the heart of the matter by investigating the extent to which Allianz may have supported the Nazi rise to power. Feldman finds little to suggest the firm played an important role in this respect. But he quickly zeros in on two fascinating figures from Allianz who played a central role in this history, as they do in his book. The first is Kurt Schmitt, a general director of Allianz from 1921 to 1933, Reich economics minister from June 1933 to January 1935, and subsequently a general director of Germany’s leading reinsurer, Munich Re (which was tightly connected to Allianz). The second is Eduard Hilgard, a general director of Allianz and head of the Reich Association for Private Insurance during the entire National Socialist regime. While Schmitt was more of a Nazi enthusiast than Hilgard, Feldman portrays both men as emblematic of the many German business elites who saw in the Nazis a chance for political stability but whose political naiveté

prevented them from seeing the dangers of Nazism (p. 58). Thus Schmitt and Hilgard decided to participate in the regime in order to prevent the worst and “tame it” (pp. 76–7).

In the early years of the regime, the belief that engagement rather than resistance would enable Allianz to protect its interests found some validation. This can be seen, for example, in the efforts of Allianz to protect Jewish employees from Aryanzation measures, and, when this was no longer possible, to assist them in leaving Germany under the best possible circumstances (though Allianz also exploited opportunities to profit from Aryanzation).

But as the regime was radicalized during the late 1930s, the perilous nature and insidious effects of this accommodative strategy became manifest. Two episodes explored in detail by Feldman capture the situation well: The first is *Kristallnacht*, the “night of broken glass,” in which the insurance industry—with Hilgard as its representative—sought to minimize its financial obligations to both Jews and non-Jews without damage to its reputation. The anti-Semitic laws of the regime ultimately aided them in doing so. Yet, on the other side, Hilgard had to fight against insurance payments to the regime itself. The second episode is the expropriation (mostly indirectly) of Jewish life-insurance policies. Here the firms tried as best they could to honor their obligations to their policyholders—Jewish or not—as a sacrosanct principle of their business, and, in a strict sense, they generally did (pp. 237–8). What both episodes reveal is that Allianz and the industry were overwhelmingly driven by the pursuit of their material interests; at times this meant supporting the regime’s actions, at other times it meant resisting them (e.g., nationalization of the industry or investment in Reich bonds). But this also meant that, on those occasions when the industry “defended” Jews, it typically did so not out of moral concerns but rather for business interests.

Feldman next takes us through the war years and Allianz’s efforts to sustain business in Germany and to take advantage of German victories by expanding in occupied territories. Here it is interesting that German firms felt bound to uphold the international obligations, relations, and norms of the international insurance industry. Thus, within Western Europe, the firms acted in a surprisingly “civilized” manner. In Eastern Europe, however, the firms were far more aggressive, if not ruthless. Allianz in particular benefited from its close relations to the regime: It insured much of the SS’s

economic enterprises, including machinery used in and near concentration camps employing forced labor (pp. 401–15).

Feldman's final and most fascinating chapter deals with the denazification and restitution questions. Here he explores the complexities of the characters and motives of Schmitt, Hilgard, and others. Feldman does not whitewash their deeds; he presents a balanced portraiture and does not shy from passing moral judgment on them. For while there is no evidence that they were rabid anti-Semites or regime supporters, their guilt is substantial, not least because their strategy of engaging in the regime contributed to its early consolidation by helping to legitimate it within the business community—a community “that not only failed to defend civilized values but all too often actively engaged in their destruction” (p. 536).

In the end, Feldman has made several accomplishments. First, he has provided us with a uniquely detailed and systematic historical review of the relation between one of Germany's leading firms (and industries) and the Nazi regime. Unfortunately, there are still important gaps in the available historical evidence. For example, in attempting to assess Allianz's treatment of its Jewish employees (pp. 500–7), Feldman can only draw on a few cases for which there are records, thus making more general conclusions impossible.

Second, Feldman's book provides us with a powerful and detailed study of the psychology of survival (through opportunism) and self-absolution. He achieves this by skillfully juxtaposing the actions of key figures, the self-interpretations of those actions (and the changes in those interpretations), and third-party accounts of those same actions.

Finally, the study of Allianz affirms a more general political thesis that group behavior—including business behavior—is heavily affected by the external institutional incentives in which groups operate, and that these incentives are to a great degree the product of political processes. Thus, whether the narrowly rational pursuit by business of its material interests leads to a socially beneficial or destructive outcome is contingent on the environment in which it operates. And this should serve as an eternal lesson of business history.

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