

SLAVE INSURANCE AND PRICING IN NINETEENTH CENTURY BRAZILIAN SLAVE SOCIETY

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Abstract

Over time, various instruments of diverse backgrounds have been instituted in capitalism. Life insurance is one of those. The paper analyses the history of two insurance companies which operated slave life insurances in Brazil. The objective is demonstrating that nineteenth century slavery was a business subject to shortcomings such as premature demise of slaves, and that regarding those a solution specific to the time was created, i. e., the insurance on captives' natural demise.

Keywords

Life insurance – slavery in Brazil – nineteenth century history.

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SEGUROS E PREÇOS DE ESCRAVOS NA SOCIEDADE ESCRAVISTA BRASILEIRA DO SÉCULO XIX

Resumo

Ao longo do tempo, diferentes instituições de origens diversas foram agregadas ao capitalismo, sendo a de seguros uma delas. No presente artigo, analisa-se o caso de duas seguradoras que faziam seguros de vida para escravos no Brasil. Procura-se demonstrar que, no século XIX, apesar de a escravidão ser um negócio sujeito a riscos como a morte prematura dos escravos, foi criada uma solução própria à época: o seguro contra a morte natural dos cativos.

Palavras-chave

Seguros de vida – escravidão no Brasil – século XIX.

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1. Introduction³

The pioneer Brazilian insurance companies were created by the time of the trip of the Portuguese royal family to Brazil. As the Court arrived in Salvador in transit to Rio de Janeiro, permission was given to the first Brazilian insurance company to operate – dedicated to sea business: the Boa Fé Company⁴. No need to state that such is not a Brazilian invented business. Insurance companies had been existing for a long period of time and have adapted to capitalism⁵ in fundamental terms to the modernization of that system. Weather derivatives, e. g., were one of the business latest innovations.

In nineteenth century, in Brazil and in the United States of America, insurance companies fitting both slave societies' businesses were founded. The Brazilian law permitted the operation of two sorts of companies: the mutual benefit societies, which accounted the insureds as insurers, and the joint-stock companies, which held the stockholders accountable for the insurances to the extent of the companies' capital, ultimately.

This paper presents the reader some of the rationality behind the purchase of slave life insurances. It is subdivided as follows: the next section presents a few features of the slave life insurance demand. The third section conforms critics to the Weberian perception that owning slaves was subject to risks which might result in free workers' being preferable to business. The fourth section studies the scenario of two slave life insurance companies which operated in Rio de Janeiro and demonstrates the rationality of pricing and insuring slaves despite the possible inaccuracies of the business. The fifth section makes room for the context of foundation of slave life insurance companies in the nineteenth century. And the last section is dedicated to the conclusion, naturally.

2. "...It is serving both the rich and the poor"

The fifteenth of March, 1853. Due to the passing of Miguel José da Silva Fernandes, the assets of his marriage were evaluated. And evaluated they were in Serra Negra farm, district of Santa Quitéria, 230 then located in the municipality of Sabará, Minas Gerais, mounting up to the sum of 45:907\$580⁶.

The goods enrolled in inventory showed that Mr. and Mrs. Fernandes were the richest married couple out of a random sample of 73 inventories that were produced in county of Nossa Senhora da Conceição de Sabará in the 1850's⁷. Most of the couples, widows and widowers had properties whose values mounted up to less than 2:200\$000, and only four surpassed 22:000\$000. The distribution of wealth amongst the inventories subject to analysis is highly concentrated since the sum of the top five richest inventories results in 45% of the total wealth inventoried in the sample. The Fernandes's assets integrated 10,91% of the values thereto.

Those Fernandes's goods amassed lands; farms; a two-floor household in arrayal de Santa Quitéria⁸ evaluated at 1:100\$000; and one other household in Serra Negra farm evaluated at 6:000\$000.

³ The author is grateful to the several institutions promoting research which enabled the analysis whose partial result is this article: CNPq, Capes, FAP-DF and Propeq-UFRGS. A great debt of gratitude is owed to the commentaries of friends and colleagues as well as to Universidade Federal do Rio Grande do Sul, to Universidade de Brasília and to an anonymous referee whose critics were fundamental to this article.

⁴ SAES, A. M.; GAMBI, T. R. F. A formação das companhias de seguros na economia brasileira (1808-1864). *História Econômica & História de Empresa*, vol. 2, n. 12, 2009.

⁵ The word "capitalism" has a deep history by itself and depending on the dwelling and on the age has meant distinct and internally contradictory things. The conception used in this paper emphasizes the institutional features, i. e., the recurring creation of rules by different societies, especially in the last 250 years – which seeks to promote the growth of capital.

⁶ First Notary Office of Sabará. Casa Borba Gato. Museu do Ouro. Sabará, Minas Gerais, bundle 23. Inventory of Miguel José da Silva Fernandes. Written out in full, the sum corresponds to forty-five *contos* nine hundred and seven thousand five hundred and eighty *réis*.

⁷ In the nineteenth century, in Brazil, the normal was that the goods should belong to the couple. When one of the consorts died, the goods of the couple were inventoried and the share possessed, amongst other features, the following characteristics: a half of the evaluated goods belonged to the consort (husband or wife) and the other half was equally shared amongst the deceased's brood. An exception to the rule should be defined in will. In this case, the testator was able to bequeath up to one third of the goods to a third party. The remaining two thirds, however, should necessarily be shared equanimously amongst the brood. In case the deceased had been a widow(er) or single, there is no need to talk about the goods of the couple.

⁸ Translator's note (TN for now on): The Santa Quitéria village.

Besides, the farm had several facilities, such as a smithing house and a sugar mill. The Fernandes' major investment however was the contingent of 42 slaves evaluated by the *louvados*⁹ at the sum of 17:530\$000, i. e., 38% of their total property.

Slavery was, at that time, an institution deeply enrooted in Brazilian society. Making use of Finley's vocabulary¹⁰, ours was a slave society, namely, a society whose dominant class depended on enslaved working force. Coherently, slaves in Brazil were not only priced when their masters or one of their masters died, but they were also rented; taken as collateral; freed in exchange for money or even for free etc. In other words, multiple businesses involved slaves in nineteenth century Brazil. Contrariwise to the sheer passivity that the aforementioned businesses may suggest, the captives rebelled collectively and threatened their masters position – as well as individually threatening their masters themselves, in specific circumstances¹¹.

Once the slaves of José Miguel da Silva Fernandes had been evaluated, their names as well as their ages, origin – sometimes – and prices were enrolled. Thus, it was registered that Firmo was a *crioulo* slave – that is, Brazilian born – and that he was 30 years old and costed 380\$000. Though 15 years older, Domingos was evaluated at 620\$000. André, however, was qualified as an idiot and, although he was 19 years old, he was evaluated worthless by the *louvados*.

The pricing of slaves, in Brazil and in the Americas, in the eighteenth and nineteenth centuries, dealt with a few patterns easily recognized by several studies¹² and those patterns were also present in Sabará, as shown in graph I. In this graph, each lozenge equals one person. It conforms 1,250 enslaved men evaluated in Sabará during the first half of the nineteenth century, following a random sample of 238 masters inventories. It is evident that the prices range according to age. Therefrom, a newborn slave is not of much worth in comparison to a 20-year old, for example. Nonetheless, the older the captive after he/she is 30 years old, the cheaper he/she is.

Naturally, age was not the only variable that defined pricing. Gender, individual abilities and strength were also considered¹³; therefore, several illnesses are registered in inventories related to cheaper slaves or to null prices – as in André's situation, the aforementioned 19-years old *crioulo* captive. The following phenomenon is also evident in graph I: the round ages of the adults (25; 30; 35; 40 etc.) are overrepresented if compared to the precise ages of those (26; 31; 36; 42 etc.), thus indicating a quite inaccurate register by the *louvados* – that shall be treated forwardly in more detail.

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⁹ A nineteenth century Brazilian word to designate those persons – usually two – responsible by the Justice for evaluating the goods remaining from one's demise.

¹⁰ The British historian created the following two terms: slave societies, as defined above, and societies with slaves, which conformed slavery, although the dominant classes did not predominantly depend on slave labor.

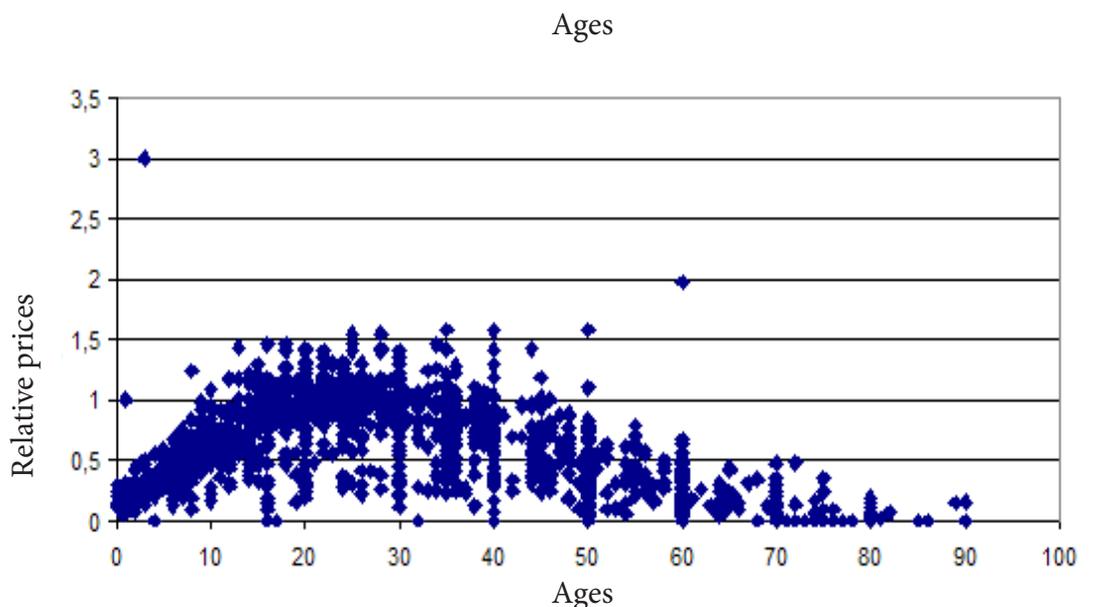
¹¹ A few examples of individual or collective rebellion are presented by PIROLA, R. *Escravos e senhores no tribunal do Império: assassinatos de senhores em Campos dos Goytacazes (1873)*. In: ENCONTRO DE ESCRAVIDÃO E LIBERDADE NO BRASIL MERIDIONAL, 2013, Florianópolis. *Anais do Sexto Encontro de Escravidão e Liberdade no Brasil Meridional*. Florianópolis, 2013.

¹² Cf. for USA: FOGEL, Robert W; ENGERMAN, Stanley L. *Time on the cross – the economics of American Negro slavery*. New York: W. W. Norton & Company, 1989; for Cuba: ENGERMAN, Stanley L.; FRAGINALS, R. Moreno; KLEIN, Herbert S. The level and structure of slave prices on Cuban plantation: some comparative perspectives. *The American Historical Review*, vol. 88, n. 5, p. 1201-1218, 1988; for Rio de Janeiro: MELLO, Pedro Carvalho de. Aspectos econômicos da organização do trabalho da economia cafeeira do Rio de Janeiro, 1850-88. *Revista Brasileira de Economia*, vol. 2, n. 1, p. 19-67, 1978; for São Paulo: MELLO, Zélia Maria Cardoso de. Os escravos nos inventários paulistanos na segunda metade do século XIX. *Ensaio Econômico*, São Paulo: IPE-USP, 1983; and for Hispanic America in nineteenth century: NEWLAND, C.; SAN SEGUNDO, M. J. Un análisis de los determinantes del precio de los esclavos hispanoamericanos en el siglo XVIII. *Revista de Historia Económica*, vol. 12, n. 3, p. 694-701, 1994.

¹³ Cf. NOGUERÓL, L. P. F.; MIGÓWSKI, V.; GIACOMOLLI, E.; DIAS, M. S.; RODRIGUES, D.; PINTO, M. S. Elementos da escravidão no Rio Grande do Sul: a lida com o gado e o “seguro” contra a fuga na fronteira com o Uruguai. In: ENCONTRO NACIONAL DE ECONOMIA, 2007, Recife. *Anais do XXXV Encontro Nacional de Economia*. Recife, 2007.

Graph I

Age scaled relative prices¹⁴ of men slaves evaluated in Sabará from 1800 to 1887



Source: Inventories registered on the Notary Office of Sabará. Casa Borba Gato. Museu do Ouro.

Now, retaking Fernandes' inventory, besides wealthiness, there is still a relatively uncommon remarkable fact: the heirs had a disagreement regarding their share and, thus, required another evaluation of the slaves. Such was quite reasonable, once considered that not only had the prices of the captives increased during the first half of nineteenth century in Brazil – a fact that might have confused the *louvados* – but also that the misevaluation of the slaves prices might have compromised the principle of egalitarian partition of the wealth amongst the heirs.

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Another evaluation took place in July the 7th of 1856, three and a half years after the first one, roughly. The analysis results quite unexpectedly: 35 of the 42 slaves enrolled in the previous evaluation were evaluated again. 16 aged two years; one aged one year; six children aged three years; one captive was declared disabled and one other got 12 years older. Besides, one recovered from a disease perceived in the previous evaluation, but aged 19 years; two aged four years and one did not age at all! And at the same time: one got four years younger; other two, two years; and another two rejuvenated three years. Thomázia, who had been evaluated at 50\$000 at the first opportunity and who was one month old, was declared deceased by Mrs. Fernandes on April the 10th of 1856. There are no reports regarding the other captives.

In another formulation, the former evaluation of the Fernandes's slaves might have been as good or as worthless as the previous one, and the inaccurate relation of the age of the captives reveals the imprecision of the evaluation, although it was paramount to the formation of the masters' legacy. Hypothetically, one may say that the *louvados* based their evaluation of the ages on the complexion of the captives; and that is reasonable if considered the African origin of the slaves, for it is not necessarily true that, in the African continent, such thorough register of the age was proceeded to¹⁵.

In both evaluations, however, what is perceived is the importance of slavery to the wealthiest inventory of the sample, taken in nineteenth century Sabará, as well as the relation of pricing and

¹⁴ The relative prices were opted by instead of the literal prices registered in the inventories due to the rapid decrease of prices in the 1880's and the increase in prices from 1800 to 1860. The prices are defined in a 1-1,000 vertical scale and are also divided by the average price of slaves from 20-29 years old regarding the year of evaluation, the previous year and the former.

¹⁵ In the nineteenth century, the author has met, in Goiás and in Piauí provinces, persons who did not exactly knew their age. In the West – according to ARIÉS, P. *História social da criança e da família*. Rio de Janeiro: Guanabara, 1978 –, the habit of precisely registering age relates to the creation of the concept of childhood, in the Early Middle Ages. There is no reason to believe that in all ages and places has the perception of aging been the same.

gender; age; ability; and possible illnesses.

The goods enrolled in the inventory of Maria Antônia de Souza¹⁶, evaluated on the 20th of November of 1817, happened to be in quite opposite terms to Fernandes's. She possessed two spinning wheels, a cow, its calf and one slave. The *curador geral e fiscal* of Juízo de Órfãos of Nossa Senhora da Conceição de Sabará¹⁷ considered all that situation odd and, therefore, issued the *juiz de órfãos*¹⁸ a petition in order to notify the person responsible for the inventory – brother of the deceased – in the following terms:

There is no description of the movables; dishes; cutlery; chests; tables; garments; beds and goods else which should integrate any household, though poorer it may be; and, therefore, it is necessary that the tutor-administrator proceed to this Court in order to declare by oath the existence of those goods and other goods else which must be described so that the orphans' harm is healed; if thy Honor willesth, therefrom, send what is served¹⁹.

To such petition, Manuel Antônio de Souza, brother of Ms. de Souza, answered the judge requesting the fulfillment of the procedure of sharing, for the goods that had been inventoried were those which should be inventoried, "for the deceased was a poor woman who lived with the petitioner"²⁰. That objection sufficed and, therefore, the share was proceeded to on March the 3rd of 1818 amassing 115\$400. This sum is the third less valuable of the 238 sampled inventories which were elaborated in the first half of the nineteenth century and that were analyzed in Sabará. Inácio, who was 25 years old at that time and Ms. da Silva's slave as well, was himself worth 110\$000.

Therefrom, if in Mr. Fernandes's case slaves counted as 38% of his wealth – which would be transferred to his heirs – in Ms. de Souza's scenario, the value Inácio was deemed worth of summed up to 95% of her wealth. If, following Finley, a slave society is that which the rich depend on slaves, it is perceivable not only that in nineteenth century Brazil the rich had slave-chattel as property, but also did some the poor – as was Ms. de Souza qualified by her brother – and so was deemed reasonable by *juiz de órfãos* of Sabará. It is known that nineteenth century Brazilian inventories were documented to serve the richest portion of the population. Slaves themselves – which were a legion – did not have their goods documented in inventories. And, by hypothesis, so was treated the vast majority of free and poor people – be it due to emoluments and costs' surpassing the total amount of wealth to be inherited; be it due to the absence of wealth to be inherited. 233

A risk that may have troubled several masters' minds – rich and poor – was the possibility of slaves' prematurely dying, for those slaves were quite relevant to their masters' patrimony. Death was more usual an event at that time²¹, and there were those who benefited from selling one's slaves before they fell ill or dead. Such is the case of lieutenant-colonel Francisco Ramirez de Souza Feijó²² – the third husband of Mrs. Feliciano de Souza Feijó. She was issued to inventory the goods that should have been inventoried when José Inácio Ribeiro – her first husband – died and also when Desidério de Souza Feijó died – her second husband and also brother of the third husband. On the last of August of 1858 in Porto Alegre, Rio Grande do Sul, the lieutenant-colonel, in behalf of his wife, deemed necessary to explain the existence of debts ensuing interest from both the first and the second marriages of his wife. Thence, he informed that without the due acquiescence of the *Juízo de Órfãos* had Mrs. Feijó sold

¹⁶ First Notary Office of Sabará. Casa Borba Gato. Museu do Ouro. Sabará, Minas Gerais. Inventories 443-449. Inventory of Maria Antônia de Souza.

¹⁷ TN: A public curator whose function consisted in defending the interests of orphan's; however, that means both dealing with tutorship and testament Law.

¹⁸ TN: The judge who enforces the Law concerning inheritance and bequeathing, as well as tutorship.

¹⁹ TN: This text has been adapted and translated into the English language to best fit the purposes of this article. From now on, every quoted text which relates to primary sources should also be considered an adaptation.

²⁰ First Notary Office of Sabará. Casa Borba Gato. Museu do Ouro. Sabará, Minas Gerais. Inventories 443-449. Casa Borba Gato. Inventory of Maria Antônia de Souza.

²¹ The distribution of events of death over age was distinct. If compared to Brazilian present reality, child mortality rate was much higher and few individuals were older than 60.

²² CSOO. Public Archive of the Province of Rio Grande do Sul. Proc. 50, bundle 5. Inventory of José Inácio Ribeiro and of Desidério de Sousa Feijó.

all the slaves so that her debts would be paid. He also informed in the opportunity of the audience, that “everyone died in account of their respective buyers and had she not proceeded so, would the inherited goods be subject to those debts and interest, and so would be these same slaves which she made use of without the acquiescence of this Court”²³. In another formulation, Mrs. Feijó did act on the margin of the law for she used the goods provenient from her first and second marriages to pay the debts which were subject to interest. By selling the slaves, however, she did manage to make a good business, for, by means of the selling, she satisfied the debts, and right after so, and randomly, all the captives but one died, thus absorbing the damage only those who bought the slaves. It is not possible to know which illnesses took Mrs. Feijó ex-slaves, although it is registered that the capital of the Province São Pedro do Rio Grande do Sul was haunted by an epidemic cholera – particularly virulent – in 1854. Had they been victims of that disease?

Brazilian nineteenth century society, and perhaps even previously, depended on slave labor, which was dedicated to producing several good in benefit of rich masters as well as of poor masters, such as Mrs. de Souza. The importance of the captives to their masters’ patrimony should not be disregarded, and the death of captives – expected and unexpected, both due to epidemics or aging and premature diseases – was a constant hazard. Therefore, and in the judgement of the sociological theory posterior to the abolishment of slavery in the Americas, the risk of premature death of slaves favored the free labor regimen to the enslaved labor.

3. Enslaved labor, free labor and risk

As remarkably reasoned Max Weber: in case one’s buying slaves, invested capital would be subject to the following risks: 1) the captive’s disablement or demise; 2) abrupt variations in property value due to uncertainty of the slaves market, related to political instability – which might ensue offer cutdown or the abolishment of slavery²⁴.

A great share of Brazilian slave-chattel was purchased in some opportunity²⁵, and the prices practised relate to the virtual gains the slaves might produce. As indicated in graph I, prices ranged in function of age, and this, by its turn, was an extremely important variable regarding the virtual rentability of investment: the older the captive – from a specific age onward – the smaller the perspective of gains as death or invalidity neared; the younger, and if new born, the equally higher the chances the slave might die, for, if U. S. reality was somehow relatable to nineteenth century Brazil, the possibility of dying between the period of birth to 5-years old was more certain than in the period of 20-25 years old, e. g., in the U. S., half of the children died before the age of 5²⁶. 234

Therefrom, the Weberian conception is reasonable, for investing in slaves was risky due to the possibility of the slaves prematurely dying – an argument that may be sustained by lieutenant-colonel Feijó’s case, for Mrs. Feijó captives did die on account of those who formerly purchased them. Thence, the capital of the first two marriage heirs has been safeguarded and has been used to pay those debts which were subject to interest on the heritage. Since acquiring slaves was a risky business, due to the reason, amongst other reasons, that they might die and harm their masters’ wealth to the extent of the money invested in them, Weber argued that, if free and enslaved labor are subject to the same conditions, it would serve capital the best to make use of the former.

The costs of free labor relates only to salary – which is paid after the work the labor is hired for. In case of enslaved labor, this sum is paid in advance to the slave trader and the work is executed during the period the slave may live; thus recovering the invested capital and gaining value²⁷. Therefore, the capital prefers free labor, for the cost of the free worker’s dying is only the cost of hiring another worker. In case of enslaved labor, to the slaves’ premature demise relates the loss of capital invested

²³ Idem.

²⁴ WEBER, Max. *Economia y sociedad*: esbozo de una sociología comprensiva. México: Fondo de Cultura Económica, 1944. p. 132-133.

²⁵ Many slaves had been born in Brazil, and the masters of their mothers had ownership on them even though they had not bought those slaves.

²⁶ ENGERMAN, S. L. A population history of the Caribbean. In: HAINES, M. R.; STECKEL, R. H. (comp.). *A population history of North America*. Cambridge: Cambridge University Press, 2000.

²⁷ PIRES, J. M.; COSTA, I. D. N. da. O capital escravista-mercantil: caracterização teórica e causas históricas de sua superação. *Estudos Avançados*, São Paulo, vol. 14, n. 38, p. 87-120, 2000.

in the purchase of them. Thus, in case of free workers' being eligible to replace slaves, it is a rational attitude to transition from enslaved labor – avoiding an unnecessary risk. However, it is not true that either Brazilian and several other American societies could, in favorable terms to the masters, replace enslaved labor by free labor.

By means of the analysis of a few cases of the transition from enslaved to free labor, historiography has found all sorts of hindrances. In Martinique, e. g., the labor supply has considerably diminished after the abolishment of slavery, for former slaves would only work at the plantations in order to supplement the gains they might amass practising other activities²⁸. In the province of Rio de Janeiro, mostly all the exportations of grains of coffee reduced from 1889 to 1892 if compared to the previous period of 1885-1888²⁹, following the same tracks of Haiti and Jamaica – sugar – and of the Southern U. S. – cotton³⁰. In São Paulo, however the major immigration favored the reduction of salaries as well as an abundant supply of labor³¹ which allowed coffee companies to operate. São Paulo and Cuba, however, seem to be sidelines to the general post-abolishment economic depression.

Therefore, even if Max Weber is correct in perceiving the risks of investing in enslaved labor, such feature should not be confused with the situation historically lived by masters and slaves. The captives were compelled to work following the rhythm and intensity forced by the master; and such is not usually accepted by free-workers. Thence, even if Weber is correct in abstract terms, the free labor advantage when compared to enslaved labor was rarely useful to American slave scenarios, which created – though not that timely – instruments such as life insurance to deal with the captives' risk of prematurely dying.

4. Slave life insurance companies

The analysis of the Almanak Administrativo, Mercantil e Industrial da Corte e da Provincia do Rio de Janeiro³², published in 1859, show us some insurance companies, amongst Brazilian and foreign associations. Three of those operated with slave life insurance. Feliz Lembrança, Companhia de Seguros contra a Mortalidade dos Escravos **Previdência** and **Mútua** de Seguro de Vida dos Escravos. 235
It was possible to extract information in more detail only from the last two: Mútua and Previdência. It is registered, nonetheless, that eight companies dedicated to insurance operated in nineteenth century Rio de Janeiro³³. A first similarity between those two is that both dedicated only to slave life insurance, but Feliz Lembrança operated with free persons' lives³⁴ insurance as well and with house insurance.

It was not possible to analyze the statute of Feliz Lembrança, although the Almanak informed – likewise the other two – that its office was located in the Metropolitan Center of Rio de Janeiro – rua Direita, 48 – and also exposed the names and addresses of the employees – from the president, counselor Francisco Borges Xavier de Lima – praia da Gamboa, 24 – to the office-boy – Germano Pereira da Rocha, who lived in Niterói.

The oldest of those two dedicated exclusively to slave life insurance was Previdência: a stock corporation founded in 1854, it engaged in business with a joint capital of 2:000:000\$000. To those contributed the most baron of Mauá (100 shares = 100:000\$000); counselor Ângelo Moniz da Silva Ferraz (100 shares); the Gomes and Moraes Co. (200 slaves); and commander Manoel Maria Bregaro (200 shares). Besides, other 61 shareholders were enrolled in the statutes of Previdência. The minor

²⁸ Cf. TOMICH, D. W. *Pelo prisma da escravidão*. Trabalho, capital e economia mundial. São Paulo: Edusp, 2011. chapters 6, 7, 8.

²⁹ Cf. LAGO, L. A. C. do. *Da escravidão ao trabalho livre*. Brasil, 1550-1900. São Paulo: Companhia das Letras [kindle edition], 2015. position 2894 de 23810.

³⁰ Regarding dialogues between the history of Jamaica, Haiti and the U. S. cf. DE CASTRO, S. La gran divergencia: dependencia histórica o dependencia del camino? Resultados de las Américas. *Diplomacia, Estrategia y Política*. Brasília, n. 9, jan./mar. 2009.

³¹ On São Paulo cf. LAGO, L. A. C. do. Op. Cit.

³² Cf. Almanak Administrativo, Mercantil e Industrial da Corte e da Provincia do Rio de Janeiro para o anno de 1859. Rio de Janeiro: Eduardo e Henrique Laemmert, 1859. p. 447-450. From now on, it shall be mentioned simply as Almanak.

³³ PAYAR, A. J. F. *A escravidão entre os seguros: as seguradoras de escravos na província do Rio de Janeiro (1831-1888)*. 250 f. Dissertação (Mestrado em Direito), Faculdade de Direito, Universidade de São Paulo, São Paulo, 2012. p. 132.

³⁴ Insurance on free people's lives was insurance for freemen. Curiously, the company suggested, amongst other contracts, what follows: "A payee who has no other collateral but the drawee's life, by means of temporarily insuring the former, may avoid the probable damage". Cf. Almanak, Op. Cit. Twenty-first century Brazilian Law does not admit a creditor's insuring the debtor's life.
artigos

shareholders purchased shares which capitalized 5:000\$000³⁵.

Providência insured slaves from 12 to 35 years old (art. 1.). To proceed with the insurance, the slaves were subject to examination by specialists and physicians of the company (art. 5)³⁶ in the respective addresses of their masters. The company's mission was to insure slaves all over the Brazilian Empire. Likewise, in order to verify the insured incident circumstances, the physicians would proceed to the *postmortem* examination so that the insured could be identified and also with the purpose of defining *causa mortis*, for "the company does not responsabilize for the demise's resulting from maltreatment; suicide; murder; poisoning; fire; disaster or any other circumstance that is not the natural death" (art. 4).

Both Providência's and Mútua's statutes are quite similar, though there is a sensible difference between those, related to the purposes of the companies and to their *modus operandi*. Providência was a capitalist stock company that aimed profit by selling slave life insurances, i. e., they sought profit by means of the positive difference between the gains with the selling of insurance, on the one hand, and the management costs and expenses with the insured incidents, on the other hand. If the operation was successful, the gains would be shared amongst the shareholders and 5% of those gains would be due to the founding-managers – Carlos LeBlon and Estevão Bernard – and to the directive-managers elected by the shareholders in equanimous shares (art. 19)³⁷. Mútua was a slave owners' association (art. 1)³⁸ whose purpose was not profit by itself, but the mutual safeguard of slave-chattel; therefore, each associate was in condition of insurer as well as of insured (art. 18).

Those differences between the companies resulted the following features: regarding Providência, the company's possible deficits were not on the insureds' account, but on the shareholders' to the extent of the invested capital and regarding Mútua, the deficit – due to the summed expenses' being higher than the gross income of payments, e. g., in case of epidemics – was to be remedied by the insureds, for they were necessarily insurers as well (art. 30 and art. 37)³⁹. Besides, in case of profit, the insureds of the Companhia Mútua would receive the gains.

In the companies' advertisements in Almanak, such differences were used to gather clients as well as to discourage them from signing with the competitor. So said the Mútua's advertisement:

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The advantages of the insurance performed according to the system of mutuality are so perceivable that even the single-payment companies already are accompanying that system in order not to lose their clients. The risks on account of the quatae that those contrary to this system shall seek to incept into the illiterate – in order to deter them from our system – is only a ghost that disappears before unaware eyes after the simplest meditation. Besides, the Administrative Council of the Company of Mutual Benefit [Mútua], in pursuit of the purpose that the insureds might not be even slightly afraid of levying, is now studying means of preventing such and hopes that it shall be given this additional guarantee soon to those insured by the Mútua de Escravos⁴⁰.

Providência, by its turn, answered in the same and in the following pages:

(...) the uttermost advantage of this institution is permitting that all classes may benefit from it, **it is serving both**

³⁵ Estatutos da Companhia de Seguros contra a mortalidade dos escravos. Providência, Rio de Janeiro, 1854. From now on, the references to the statutes will be indicated simply with the corresponding article.

³⁶ Such examination, previous to the signing of the contract, sought to diminish the probability of the company's insuring an ill slave, whose chance of dying during the period stipulated in contract might be higher than usual. Besides, through such procedure, the insurance company sought to avoid the cunning masters who might pass on the damage they surely would have – moral hazard and asymmetry of information. In the U. S., the insurance companies also proceeded to medical examinations of the insured slaves. Cf. SAVITT, T. L. Slave life insurance in Virginia and North Carolina. *The Journal of Southern History*, vol. 43, n. 4, p. 583-600, 1977.

³⁷ To the aforementioned rate may be added a 3% fee to the founders: C. de LeBlon, G. Oelsner de Monmerqué and Estevão Bernard (art. 32). Cf. Estatutos da Companhia Mútua de Seguro de Vida de Escravos. Rio de Janeiro: Vianna e Filhos, 1858.

³⁸ As in Providência's case, in order to provide a more comfortable reading, there shall be indicated only the article. Cf. Estatutos da Companhia Mútua de Seguro de Vida de Escravos. Rio de Janeiro: Vianna e Filhos, 1858.

³⁹ Cf. Estatutos da Companhia Mútua de Seguro de Vida de Escravos. Rio de Janeiro: Vianna e Filhos, 1858. Cf. Novos Estatutos da Companhia Mútua de Seguro de Vida de Escravos. Rio de Janeiro, 1861.

⁴⁰ Nowadays, perhaps, it is not a successful technique to qualify as ignorant (illiterate) those who fear making business with a company. The in-brackets were added by the author lest the text might be incomprehensible.

the rich and the poor, the owners of many and of few slaves, since the former are granted their wealth and the latter are safeguarded from the seldom damages that may entail the misery of a whole family.

No one shall disagree of the advantage of taking from the gains of a property A SMALL share that shall insure its total worth – insuring, e. g., one slave at the sum of... 1\$000 – there shall be paid such a small price that not even in 30 YEARS shall that sum be in even terms [with the total worth] despite the owner has the right of receiving the whole sum in case of death of the insured slave.

(...)

In prosperous years, the insureds shall have a share of the gains that may have been amassed⁴¹, and such sum shall be deducted from the payments to be made at the act of renewance of the insurance, thus constituting

A MUTUAL INSURANCE

that does not hold the insured accountable for the damage.

A priori, those differences should force Mútua to practice lower prices than Previdência's, for Mútua's insured clients were both insurers and associates, thus, they were both proprietors and clients of the company. Therefore, they were able to integrate the management and to study the business in the sense of practising the smallest prices possible – subject to the risks of damage. Previdência, however, pursued the highest possible prices in order to maximize the profit of the shareholders, for the company was subject to the masters' demand and to competition. However, it was not possible to verify which was the most profitable neither was it possible to know which practised the lowest prices because, regarding those, it was only possible to have information of Mútua – as follows:

List of rates - conformed to the age of the slaves, settled in 7 groups

The first rate comprehends the ages from 10 to 40 years old. 3%/ year
The second rate comprehends the ages from 40 to 35 years old. 3,5%/ year
The third rate comprehends the ages from 45 to 50 years old. 4%/ year
The fourth rate comprehends the ages from 50 to 55 years old. 6%/ year
The fifth rate comprehends the ages from 55 to 60 years old. 8%/ year
The sixth rate comprehends the ages from 60 to 65 years old. 10%/ year
The seventh rate comprehends the ages from 65 to 70 years old. 20%/ year ⁴²

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(Statute of the Companhia Mútua de Seguro de Vida de Escravos)

The Company of Mutual benefit ranged the prices – related to risk – according to the age the slaves were when they were insured – and so did Previdência: the elder, the higher the rate – related to the price of the slave – to be paid. It is perceivable that there is no insurance for captives younger than 10 years old and for older than 70 years old⁴², perhaps because the chance of them dying was higher. What is revealed by the detailed features of the company's statutes – and by the advertisements as well – is that Brazilian nineteenth century slave society was able to recognize the risks related to possessing slave-chattel and was able to create mechanisms due to balance one of the Weberian advantages of free labor to enslaved labor: the loss of capital invested in slaves due to their premature demise.

⁴¹ In between the publication of the company's statutes (1854) and the advertisement (1859), the statutes may have been modified, for the announcement of partial distribution of gains amongst the insureds did not appear nor has it appeared when the statutes were reformed – giving birth to Companhia Útil-Previdência, dedicated to the same previous operations: slave life insurance.

⁴² Companhia Feliz Lembrança operated with life insurance for slaves from 4 to 70 years old (Almanak, Op. Cit., p. 450) and Previdência operated with insurance for slaves from 12 to 45 years old (art. 1).

5. Slave life insurance during second slavery

The concept of second slavery is presented by Dale Tomich with the purpose of emphasizing the possible relations between slavery and the development of industrial capital during the First Industrial Revolution⁴³. Contrariwise to what is common sense, the development of capitalism did not assume the weakening of the slave system; but the numbers on slave trade and on the prices of slaves in Brazil, in Cuba and in the U. S., during the nineteenth century, do reveal a pattern of increasing expectation of profit with enslaved labor⁴⁴.

The increase in prices and trade may be related to that period of industrial development in the following terms: during the first half of the nineteenth century, Industrial Revolution was based on three pioneer sectors: textile; coal; and iron mining and metalwork. Even though the former two were related to marginal importations, for British soil had plenty of those and because British institutional abilities enabled the mastering of steam, the farming of cotton – a source material to British textile industry – was impossible in British lands due to climate and soil characteristics.

U. S. cotton was used during the First Industrial Revolution – sowed, reaped, pitted and packed by slaves that lived in the South. An increasingly larger scale of exportations and the demographic growth of enslaved population – that created the most numerous population of slaves that there has ever been – indicate the successful adaptation of slavery in the U. S. to the nineteenth century industrial capitalism. Besides exportation to England, cotton based U. S. industrial revolution in the period previous to the U. S. Civil War. Thus, we come to a remarkable segregation: the Northeast was the finances and industry center – also producing several edibles due to local commerce. Enabling the construction of channels linking the Great Lakes to the Hudson river and financing the farming expansion to the Middle-West integrated economically that region and kept the financing on slave properties in the South. Thus, New York became a warehouse interlinking cotton exportations and the selling of fibre at the dawn of the U. S. textile industry⁴⁵.

In a similar situation to U. S. cotton farming, the farming of coffee and sugar in Brazil and Cuba went through a huge expansion that concurred with the growth of slave trade – until the moment the former was interrupted due to the influence of British imperialism. Such happened despite the fact none of those merchandise were source material to the industrial sector, for they partly integrated the basket of consumer goods of the proletariat that was being formed at the time. It was not before the Brazilian pro-abolishment movement – in the beginning of the 1880's – that the slave-chattel prices went down. So was the case of the United States of America on the eve of the Civil War, thus suggesting a certain notion on the maintenance of ownership rights on human beings.

Hence, albeit the development of industry did take place, the economic depression of slave societies in America did not follow, rather, it entailed a strengthening of the system. During such expansion, the enslaved labor became labor socially necessary to the production of merchandise, thus relating directly to the prices of these merchandise in international market and, therefore, also conditioning other relations of production to the manufacture of competing goods. Likewise, once added cotton, coffee and sugar to the basket of proletariat goods in some of the most important industrial centers of the world, enslaved labor conditioned free labor, for it partially defined salaries and, hence, the profit rates of industry. Also likewise, the production of machines and equipments – such as those used in sugar factories in Cuba and in Cuban and Brazilian railroads – also conditioned the profitability of slave companies.

Capitalism developed – from late eighteenth century to late nineteenth century – as a network: the multiple intercommunications between the most various locations that produced the most various merchandise resulted in those areas' becoming mutually dependant. Therefore, the profitability of the

⁴³ Cf. TOMICH, D. W. *Pelo prisma da escravidão*. Trabalho, capital e economia mundial. São Paulo: Edusp, 2011. chapter 3.

⁴⁴ On the numbers on slave trade during the nineteenth century cf. VERSIANI, F. R.; NOGUERÓL, L. P. F. *Muitos escravos, muitos senhores – escravidão nordestina e gaúcha no século XIX*. Brasília and Aracaju: EdUnB e EdUFS, 2017. chapters 9 e 10. On the price of slaves in U. S. cf. FOGEL, R. W.; ENGERMAN, S. L. *Time on the cross – the economics of American Negro slavery*. New York: W. W. Norton & Company, 1989. chapter 5. On the price of slaves in Cuba cf. ENGERMAN, Stanley L.; FRAGINALS, R. Moreno; KLEIN, Herbert S. The level and structure of slave prices on Cuban plantation: some comparative perspectives. *The American Historical Review*, vol. 88, n. 5, p. 1201-1218, 1988.

⁴⁵ Cf. NORTH, D. C. *The economic growth of the United States*. Englewood Cliffs: Prentice Hall, 1961. chapters 3 & 4.

companies involved with the production of merchandise became the pattern which defined both their creation and their extinction. Such also may have affected specific groups of enterprises dwelling in different regions of the globe – such as cotton, sugar and coffee in the U. S., Cuba and Brazil.

In that scope, slave life insurance is only one of the various institutional innovations of slave economies. As emphasized by Tomich in his critic to the *New economic history*⁴⁶: capital, labor and land are a product of social relations as historical subjects. Those cannot be either timeless or ahistorical. As well as in a given time diverse societies started to consider land as merchandise and means of production by ascribing them prices and ownership rights, in a given time were assigned prices to slave-chattel; and such prices have the features described in graph 1.

Likewise, despite slaves premature death losses during eighteenth and nineteenth centuries, it was not before late nineteenth century that was created a solution, though not perfect, to the problem: slave life insurance. Hypothetically, it is a reasonable conjecture that an increased demand on insuring slaves followed the increasingly growing prices of slaves facilitated by the development of capitalism.

6. Conclusion

Indeed, Brazilian slave society may have been subject to abrupt increase or decrease on slaves prices, as indicated by Weber, due to supply restrictions and to the political risk of abolishment, i. e., the suppression of a ownership right, respectively. Once extinct the slave trading in 1850, the captives prices in Brazil increased highly, although they had been increasing since, at least, 1795⁴⁷. However, once the pro-abolishment movement gained even more strength, in the 1880's, the prices started to decrease, thus revealing the perception of political risks related to slave ownership, i. e., the risk that the masters' property might not be repaired in case of abolishment⁴⁸ – as finally happened in the 13th of May of 1888.

Providência was a profit-oriented stock company that had even baron of Mauá as shareholder. Mútua – a Mutual Benefit Association of slaves' masters – was not a profit-oriented association that sought profit by partially insuring the risks inherent to slave ownership, it rather sought to avoid those risks.

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Besides those companies, Brazilian society – following the fate of other American societies – developed a slave trading market which ascribed the slaves' prices by considering age, gender, abilities and possible diseases. Any person's demise at any age is an event relatable to probability that may be sufficiently strict and frequently recognized once enough data is collected. Due to the huge database available by different statistic institutes of the modern States, death became a situation subject to analysis similar to those the insurance companies practised when defining rates. Roughly, the risk of death is higher the older the person is – a variable that defines life insurance fees nowadays as previously practised by slave life insurance companies.

Those companies went through modifications frequently, thus indicating, perhaps, the hindrances of operating such business. The probability of death of the insured captives may have been miscalculated, thus explaining the several interruptions of the operation of those companies. Besides, they may have acted dishonestly⁴⁹.

Anyways, by means of the analysis of the aforementioned inventories, it is possible to identify some sort of rationality that linked the prices of slaves to the expectation of virtual gains and also to some sort of lifespan expectation regarding the captives: variables that explain the demand for slave life insurance. The advertisement published in Almanak and the companies' statutes as well reveal the insurance supply strategy as well as the masters and shareholders' intentions, for those created an Association of Mutual Benefit able to cope with the risks inherent to Brazilian slave ownership in the nineteenth century – a period which entailed a huge increase on slaves prices due to the global

⁴⁶ TOMICH, D. W. *Pelo prisma da escravidão*. Trabalho, capital e economia mundial. São Paulo: Edusp, 2011, p. 23-28.

⁴⁷ BERGAD, Laird W. *Slave and the demography and economic history of Minas Gerais, Brazil, 1720-1888*. Cambridge: Cambridge University Press, 1999. p. 262-265.

⁴⁸ MELLO, Pedro Carvalho de. Aspectos econômicos da organização do trabalho da economia cafeeira do Rio de Janeiro, 1850-88. *Revista Brasileira de Economia*, vol. 32, n. 1, p. 19-67, 1978.

⁴⁹ Cf. MOURA FILHO, H. Seguro de vida de escravos e sua probabilidade. In: ENCONTRO DE ESCRAVIDÃO E LIBERDADE NO BRASIL MERIDIONAL, 2015, Curitiba. *Anais do Sétimo Encontro de Escravidão e Liberdade no Brasil Meridional*. Curitiba, 2015. artigos

economic scenario then.

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