

THE GERMAN INSURANCE BUSINESS IN NATIONAL SOCIALIST GERMANY

*Second Lecture of the Friends of the German Historical Institute,
February 12, 2002*

Gerald D. Feldman

University of California at Berkeley

The purpose of this lecture is to discuss the German insurance business in Nazi Germany from the perspective of my recently published *Allianz and the German Insurance Business, 1933–1945*.¹ I do so with two purposes in mind. On the one hand, I would like to talk about what is in the book and what my findings and conclusions are. On the other hand, I want to treat the book as an example of the general problems of writing the business history of the National Socialist period. The two tasks are interconnected. There are a variety of ways to write business histories, and the most logical and normal one is to write such histories under the assumption that the business of business is to survive and profit, thereby serving its shareholders and stakeholders. If one were to write the business history of Allianz in the Weimar period, for example, one would talk about its efforts to rejuvenate its business after a lost war and inflation, talk about new insurance products and the rationale behind its expansion into Germany's largest insurance organization. Certainly politics would play a role in such a history and one would concentrate on such issues as the struggle with the publicly-chartered insurance companies, governmental regulation, and Allianz's domination and use of insurance trade associations and employer organizations. Nevertheless, the major concern of the historian would be to examine these questions in terms of company strategy and decision making, internal organization, premium rates, expectations, market conditions and, most importantly, profitability.

Similarly, a history of Allianz during the past decade would also explore the latter issues, although far more attention would be paid to globalization and diversification into various financial markets for obvious reasons. Even the most tenacious proponent of an "internalist" approach to business history, however, would not advocate leaving politics out. It is impossible to separate the corporate strategy of Allianz and other large German corporations from their advocacy of recent changes in German tax laws, for example. Certainly the role of Allianz with respect to the questions arising from the law suits directed against it charging alleged non-payment of insurance policies and the more general charges of the role which it and other German companies played in the "Third

Reich" would form a significant unanticipated consequence of the end of the Cold War and Allianz's globalization strategy and a challenge to its public relations efforts.² Allianz had prospered since 1950 without anyone saying much about the fact that its General Director from 1921 to 1933, Kurt Schmitt, was Hitler's second Reich Economics Minister in 1933–1934, that he regularly sported an honorary SS uniform, and that he was a member of the Himmler Circle of Friends, that is, businessmen who had been recruited to back the SS and who were ultimately subjected to a periodic diet of SS esoterica. Nor was anything made of the fact that Schmitt's right-hand man, Director Eduard Hilgard, was head of the Reich Group Insurance between 1933 and 1945 and thus the industry's leading representative in all dealings with the government. It was thus unpleasant suddenly to be reminded of these facts in legal briefs and even more unpleasant for new facts to be discovered such as, for example, the 1997 revelation in *Der Spiegel* that Allianz had insured SS factories in most of the major concentration camps.³

From a moral perspective, of course, these issues were a challenge to the sociopolitical and ethical commitments of Allianz's leadership, which to be sure, were either not born or in their childhood during the Nazi period, and while I think they met this challenge in an admirable as well as wise manner, one should not fool oneself about the visibility of virtue in balance sheets. A less open and proactive policy with respect to exploring Allianz's role in the Third Reich was a real alternative. One did not have to commission a history or send a group of historians to scour the archives of Europe to find materials which were unlikely to be edifying. Many other companies have chosen and continue to choose to "go easy" with respect to their histories, and while the policy of Allianz carried and carries certain risks, there is no reason to presume that the basic business history of Allianz in the long run, measured in terms of profit and loss and the trajectory of its corporate development, would have been significantly affected if it had not chosen the set of risks reflected in its asking me to write its history rather than simply leaving the problems to the auditors and lawyers it had to employ anyway. I think it important to note here that my condition for undertaking this task was total independence in my research and writing. I agreed to submit my work to a group of historians of my choosing for critical discussion, but the final decision as to what to say and publish was mine, as was the choice of publishers. While I have consulted persons at Allianz about technical questions, I have never requested permission to say what I wanted to say or approval of the book's contents. There will, of course, be no way to satisfy everyone that this is the way to deal with these issues. There are those who confuse the task of the historian with that of the state prosecutor and believe that efforts at contextualization do nothing but

serve the public relations efforts of the companies involved and that differentiation constitutes an ill-conceived politeness that veils or covers up fundamental issues of guilt. The essence of the historical enterprise, however, is contextualization and differentiation, and while every historian will write his or her history somewhat differently, all historical work must be documented and the sources used should be open to checking by other interested parties. Manifestly moral issues are involved in historical judgement, as the case of David Irving has reminded us so well, but the historical perspective is inevitably different from that of investigators, state prosecutors, and judges back in 1946.⁴

These considerations are highly relevant to the kind of book I have written as well as to the problems of writing the business history of the National Socialist period in general. Quite aside from the fact that I do not think it is morally possible to write a pure business history of the Third Reich in which the guiding principle is the exploration of economic logic, I do not think it possible to write even a sensible business history in this fashion. Indeed, it is not possible to write a sensible history of the sciences or professions along such lines, which is not to say that the 1933–1945 period was devoid of solid and even some brilliant scientific work that, like various advances in industrial technology and business practice, cannot be analyzed on their own terms. Whether pure “internalist” histories are sufficient or satisfactory for any period of history is a question worth discussing, but it certainly should be clear that National Socialism overwhelms such efforts because the mass of exogenous novelty it imposed on every form of human activity quite simply transformed the quality of those activities. That is, after all, what made it totalitarian.

But let me turn to the book and begin with a few words about sources. Everyone knows that you cannot write a history without sources, unless, of course, you make them up, as apparently has been the case from time to time. For a long time, it was the practice of some German companies to claim that their materials had been destroyed in wartime air raids, sometimes truthfully, sometimes not. Unfortunately, it was true in the case of Allianz, and the most serious research problem I had was created by the Allied air force, which bombed the Allianz headquarters in Berlin and destroyed a substantial portion of Allianz’s central files, above all the correspondence with the board of management, between the board of management and middle management, and between the central headquarters and its various branches as well between the company and its sales agents. This obviously was and is very frustrating, and it made it impossible to present as intimate, detailed, or nuanced a picture of the concern in its day-to-day operations and decision making processes as would have been desirable. This is not to say that there is nothing left of Allianz’s documents. We still have some important documents from the

supervisory board and board of management, a very full collection of company circulars and publications, and some volumes of correspondence dealing with important topics. These materials are of great value. These documents, however, were saved fortuitously, either because they were not at Allianz when it was bombed or because some directors or other employees of Allianz had materials in their personal possession. In short, there is an important residual concern archive.

Now, a wonderful way to block historical work is to have archival materials but no archive, and it is worth noting that Allianz had already set up an archive and began actively gathering materials in 1996 on the instructions of the Board of Management, so that work was being done on organizing these materials, locating other materials from various parts of the concern, and finding what is left in Stuttgart, Frankfurt, and other important branches of the company. It is always possible that new documentation will turn up from private persons or in cellars and attics of buildings. We ourselves had some good strokes of fortune in this respect. In 1999 I located the personal papers of Kurt Schmitt, and his family was willing to give this invaluable collection to the Allianz archive, and we have smaller collections of Director Eduard Hilgard, who played a key role during the war, and Hans Hess, who was Schmitt's successor as General Director. We were able to tap into the papers of other private companies, the most important of which was the Munich Reinsurance Company (hereafter: Munich Re), of which Schmitt became General Director after leaving the government in 1935. Munich Re is very important because it had a "friendship pact" with Allianz and worked very closely with it. These documents made up, to some extent, for the lack of managerial papers and correspondence in the Allianz files. So, too, did the papers of the General Association of German Insurers, which hold the protocols and circulars of the Reich Group Insurance. The book is called *Allianz and the German Insurance Business* for a reason—Allianz was the most important insurance concern in Germany and, indeed, in Europe, and it dominated the Reich Group, which was itself headed by one of the Allianz directors, Eduard Hilgard. Since the insurance industry was highly regulated by the Reich Supervisory Office for Insurance, which was under the Reich Economics Ministry, most of the negotiations between the insurance industry and the government were conducted through the leadership of the Reich Group and inevitably reflected the powerful position of Allianz in the insurance business. Most powerful, of course, was the Party and the government, and this made the materials in government archives essential to my book. While the materials in the German Federal Archives in Lichterfelde and Koblenz were important for a host of questions, especially with respect to the Reich Supervisory Board for Insurance and the Nazi Party's involvement in insurance mat-

ters, the records of the Section on Banking and Insurance of the Reich Economics Ministry in the so-called Special Archive in Moscow really justified the weeks spent there by the team and myself.⁵ Lastly, important sections of the book are based on the interrogations of leaders of Allianz to be found in the U.S. National Archives in Washington as well as the denazification and restitution and compensation records in various archives of the German Federal Republic. I and the team of bright young graduate students working with me gathered these materials and made them part of the Allianz archive. In short, Allianz not only gave me access to its materials but also gave me the resources to compensate as far as possible for what was missing.

So much for the sources. What is the history I present in the book, and what are my conclusions? The first portions of the study describe and analyze the relationship between the concern's leaders and the Nazi regime between 1933 and 1938. That relationship turned out to be surprisingly close in the early years. Schmitt and Hilgard had regular contacts with Göring between 1930 and 1933, that is, before Hitler came to power. Göring was viewed as a "moderate" Nazi who was friendly to business and a valuable contact. While there is no evidence that Allianz gave money to the Party, there is evidence that, at Schmitt's instructions, Allianz did give cash gifts to Göring to help him out of his financial difficulties. Soon all the leading corporations were to be giving gifts to Göring, but here Allianz seems to have pioneered. Schmitt was enthused about the National Socialists, if not necessarily about all their policies and tactics, and he believed one could defeat the radicals in the Party by pursuing a proactive policy. That was why he joined the Party and accepted the position of Reich Economics Minister. It was also why he urged the Allianz concern to take a positive attitude toward the regime after the March 1933 elections. These decisions had a powerful impact both nationally and internationally because Schmitt was a prominent and highly respected businessman. It is often overlooked that the business world of the Weimar Republic was scandal-ridden, and that the various business collapses that had taken place had done much to undermine faith in the capitalist system and respect for capitalists. In the insurance field, however, Schmitt had distinguished himself as an extremely solid concern builder and had done a splendid job of maintaining the good name of the insurance business by coming to the rescue and taking over the Frankfurt General Insurance Company (Favag) in 1930 and assuming its liabilities to its policyholders if not to its stockholders. The Favag, to be sure, had been Allianz's chief competitor, but the rescue operation and the solidarity it demonstrated was in sharp contrast to the way the bankers behaved in 1931 and did much to boost Schmitt's stature. Allianz directors and officials, but also executives and company officials through-

out the country took Schmitt's decisions in 1933 as a signal that the regime could be trusted. Similarly, foreign businessmen took Schmitt's decisions as a positive sign about the regime despite its bad reputation. Schmitt was not forced to make these decisions, anymore than he was forced to wear his SS uniform as an honorary Brigadeführer. His successor as General Director of Allianz and close friend, Hans Hess, never joined the Party and attended as few Nazi events as possible, and he urged Schmitt not to become Reich Economics Minister. Schmitt later regretted the decision himself, used his health problems to leave office in 1935 and became General Director of Munich Re but remained heavily involved in Allianz's affairs. His experiences left him quite ambivalent about the regime. He constantly oscillated between a willingness to work with the regime, especially when it came to promoting the interests of the enterprises with which he was associated, and scepticism and even outrage over its misdeeds.

Later, both he and Hilgard, who became head of the Reich Group at Schmitt's request, claimed that they engaged with the regime to "prevent the worst." The "worst" they were trying to prevent was the possible takeover of the insurance business by the Nazi economic radicals and proponents of the publicly-chartered insurance companies under the leadership of the vicious Gauleiter of Pommerania, Franz Schwede-Coburg and Joseph Goebbels's brother, Hans, who was the head of the publicly chartered Rhenish Fire Insurance companies. This battle with Schwede-Coburg and Goebbels and their supporters, of course, had nothing whatever to do with moral opposition to the regime itself, and Schmitt and Hilgard's efforts to defend the private insurance business drove them into becoming more and more implicated with the Nazis in order to demonstrate their loyalty and basic agreement with the Nazi regime and its goals. Not only did they accept the *Gleichschaltung* or coordination of the Allianz concern but they also made pro-regime speeches, and Hilgard regularly spoke favorably of the need for a guided economy even though he personally, like Schmitt and nearly all their colleagues, believed in liberal economic policies. This raises the question of how great a danger National Socialism posed to capitalism and the capitalist system. There is no simple answer to this question, however, because the National Socialist approach to the economy was purely opportunistic and instrumental. Nevertheless, important elements in the Party, Martin Bormann in particular, and ideologues in the SS, including Himmler, hated both the banks and the private insurance companies, and were constantly trying to find ways of infiltrating and attacking them. By 1939, Hilgard and Schmitt appeared to have won out in their war with Schwede-Coburg by using their close contacts with Göring and by persuading him that the private insurance industry, which constituted 80

percent of the industry, was a better instrument for meeting the demands of the Four Year Plan than the publicly chartered companies. Göring was not going to disrupt an important sector of the economy in the mobilization for war and in wartime to please the Party radicals, and he was certainly aware that the private insurance industry was contributing heavily through the purchase, usually by command of the Reich Supervisory Office for Insurance and Reich Economics Ministry, of huge amounts of Reich bonds. Indeed, the fate of Allianz became by and large financially mortgaged to the fate of the regime.

All this did not mean, however, that the radicals stopped trying to promote a future nationalization of the industry despite a Hitler order that the discussion be put off until at least the end of the war. In practical terms, the real immediate danger was the "Partification" of the insurance business, a danger Schmitt and Hilgard managed to ward off more successfully than some other enterprises. It is important to recognize, however, that the radicals in the Party and SS were never fooled by Hilgard's speeches or Schmitt's appearances in SS Uniform or membership in Himmler's Circle of Friends. SS-Oberführer Fritz Kranefuss, who headed the Circle, no more thought Schmitt a true National Socialist than he did many other business leaders who tried to cultivate the Party leadership: "When one as a National Socialist and an SS-man discusses economic and political questions, then one has the feeling that one is living on two separate planets. In human terms, such conversations are always very nice and polite but in the last analysis they are completely unsatisfying with respect to world view. He (Schmitt) has often demonstrated how he thinks and feels He will probably never understand why we have such a basic difference of opinion from him, and one actually cannot hold it against him that he does not understand us."⁶ If Schmitt was granted a certain fool's license (*Narrenfreiheit*) by the regime and allowed to plead for the release of Pastor Martin Niemöller, to protect some Jews and to escape the plots of Schwede-Coburg, it was in large part because he had supported the regime early on and above all because his son Günther had fallen on the Polish front in 1939 as a member of the SS Leibstandarte Adolf Hitler. This brought him protection, but not the promotion to a higher SS rank he sought even as his personal distaste for the regime grew.

Schmitt, Hilgard, and those running Allianz and Munich Re knew that cultivating the regime was good for business. Allianz profited from Schmitt's early support for the Nazi-regime and his contacts with Göring and Hitler in very substantial ways, among other things by getting important group insurance contracts from Nazi organizations, for example, the National Socialist Women's Organization, the National Socialist Teacher's Organization, and the National Socialist Lawyer's League. The close connection with the Reich Master of the Hunt, Hermann Göring,

helped Schmitt, a passionate hunter himself, to take the leadership in the obligatory hunting insurance, while the contact with Himmler was useful in Allianz's successful effort not only to maintain its group insurance policy with the Fraternal League of German Police Officials but eventually to increase the number of police insured by Allianz.

Collaborating with and doing business with the Nazis also inevitably influenced concern policies toward their Jewish employees and their engagement in "Aryanization," that is the expulsion of Jews from employment and the professions and the transfer of Jewish property into non-Jewish hands. Initially, Allianz sought to retain and protect their Jewish employees, especially those in high positions, but they gradually gave way to demands that they let their Jewish employees go. In some cases they found positions for them abroad and sought to protect their pensions or come to a fair settlement. Step-by-step, however, they increasingly yielded to the pressures of the regime. By 1937-1938, they were much more ruthless in firing Jews and in some cases paid or pensioned off Jewish sales agents and gained control of valuable portfolios at well below their worth. A similar development took place with regard to the "Aryanization" of Jewish-owned properties. This is not to say that Allianz intended to cheat its Jewish sales agents but rather that the pressures emanating from the regime worked in such a way as to produce this effect in any case. Take, for example, the case of Martin Lachmann, a sub-director for Allianz in Berlin, who wrote to his daughter on October 20, 1938: "My future is now completely unclear. I do not, to be sure, think that Allianz will leave me in the lurch; that would certainly be the absolute worst. After 31 years of strenuous work in building up a portfolio, the likes of which almost no one else has, being dropped would be a catastrophe for me. I have regarded my portfolio as a security for my old age and, to be sure, with full justification, for the contract with guaranteed portfolio was made with me for life, so that a breach of faith to me in this respect will be almost like suicide. But I cannot and will not believe it, since only a short time ago I have received assurances on their word of honor from my highest superiors."⁷ Nevertheless, General Director Hess had to let him go, but promised to try to find a position in Switzerland. Hess, apparently, continued to try in 1939, as Lachmann acknowledged in personal letters, but Hess was unable to secure Lachmann a position or give him full value for his portfolio because it contained "Aryan" policies. As he despairingly wrote, "I could not get my pension from this portfolio because, from a portfolio whose largest portion has to be termed Aryan, a non-Aryan cannot derive income. This is completely mysterious to me since this business was made at a time when such laws did not exist and, as my contract expressly states, constitutes a specific portion of my honorably earned commission."⁸ Apparently, his prospects in Switzerland

did not work out, and his efforts to get out of Germany were not successful either. Allianz gave him a pension of 12,000 RM a year as well as 4,800 RM a year for his wife in return for his portfolio. He remained in Germany until November 1941, when was deported and murdered in Minsk shortly afterwards.

As in the case of its treatment of its Jewish employees, so in the so-called "Aryanization" of Jewish properties, the behavior of Allianz managers became harsher with the passage of time. Insurance companies frequently invest in real estate, which is one of the important forms of capital coverage for their policies, and Allianz acquired a considerable number of such properties in the 1930s as Jews sold off their assets. In the early years, it appears to have paid a relatively fair price for some of the properties it picked up. Later, as the regime became watchful to make sure that a fair price was not paid, it sometimes justified prices it paid by arguing that it needed the properties and that the Jews would end up paying almost everything in taxes anyway. What is clear, however, is that Allianz was extremely well aware of the situation of the Jews from whom it was acquiring property and that there were very identifiable and documentable cases where it took advantage of the situation to acquire such assets at well below value.

A pair of central chapters of my book deal in great detail with two of the major issues involving the insurance companies and the Jews: the Pogrom of November 9–11, 1938 and the confiscation of Jewish insurance assets.⁹ Allianz directors, especially Hilgard, as head of the Reich Group, and Hans Goudefroy, his legal adviser and a postwar General Director of Allianz, played a particularly unhappy role in the Pogrom, which I found quite surprising since both men disapproved of the Pogrom personally and were not at all Nazi-style anti-Semites. What the documents do show, however, is that they were quite prepared to use anti-Semitic argumentation and collude with the regime in an effort to spare the insurance companies any expense in connection with the Pogrom. In reality, the insurance companies had no or little liability because of the abolition of policies providing coverage in cases of civil disturbance. The Third Reich, after all was allegedly an "orderly state" and the supervisory board had insisted on the elimination of such clauses. Hilgard and his colleagues, however, were anxious to avoid court cases involving foreign companies, and they obviously could not take the regime to court. Göring did not understand much about insurance, but he came to the conclusion that the insurance companies had at least some liability and thought he might pick up another 20 million Reichsmark for the Pogrom. The money, of course, would only fictitiously be paid to the Jews, who had to pay the costs of the Pogrom and a huge fine in addition, and would actually be paid to the Finance Ministry. The achievement of Hilgard, if it can be so

termed, was to whittle the sum down to 1.3 million RM, not only by using his very good contacts in the Reich Economics and Justice Ministries, but also by arguing that it was improper, for the Aryan "risk community," to pay the costs of damages brought on as a result of the justified rage of the people against the Jewish conspiracy to which the Pogrom was an allegedly legitimate reaction. The Pogrom was legitimized in the language of Goebbels in one document after another in the successful effort to limit insurance company payments: "Through the decrees of November 12, 1938, the entire Jewry, therefore also the German and the stateless Jewry has been pronounced guilty of the Paris murder and thereby of a provocation against the German people. When the provocateur brings about the event provoked, then he must accept being treated like the perpetrator himself. It will not do to treat the politically condemned Jews as being legally guiltless with respect to insurance. As a consequence, it is justifiable to raise the objection that the German and stateless Jews were responsible for being intentionally, or at the very least being grossly negligent in bringing about the insurance case. Thereby, however, all insurance claims are rendered inapplicable."¹⁰

Insofar as the question of the confiscation of Jewish insurance assets is concerned, here the behavior of Allianz is much less to be criticized, although their liability for any unpaid policies is obvious. Initially, I thought this was a very major issue, and it certainly is the issue that interests lawyers acting on behalf of Jewish claimants the most. Actually, most Jewish insurance assets were confiscated indirectly through the monetization of Jewish insurance assets under duress. It is important to note here that insurance policies themselves are not negotiable, in contrast for example to securities. They only have worth if the owner collects on them. The problem for Jews in Nazi Germany during the 1930s was that they found it harder and harder to hold on to their insurance investments because of loss of income, the costs of emigrating, and the various taxes and impositions they confronted. The problem became extreme after the November 1938 Pogrom against the Jews, when huge tax burdens were placed upon them and the combination of increased disabilities and terror made them seek to leave Germany as soon as they could. As a result, there was a huge effort to monetize their insurance assets. Insurance companies had no choice but to pay out, which was precisely what the regime wanted them to do so that the authorities could expropriate the money by one means or another. What this meant, in effect, was that the insurance companies had discharged their obligation to their Jewish customers. What was subsequently done with the money was of no account to the insurers. In short, under this scheme, the confiscation of insurance assets, insofar as it occurred, was indirect. The insured person received his money, and the state then robbed him of his money from this

and any other source it could. The record shows that most Jewish insurance assets were lost in this manner, especially between 1937 and 1939.

In addition to the indirect confiscation of insurance assets just described, there was also a direct confiscation under the Reich Citizenship Laws, which permitted the government to declare citizens enemies of the Reich, denaturalize them and hold their assets forfeit to the Reich. Under such circumstances, the Gestapo or financial authorities could confiscate bank accounts or require insurance companies, assuming they knew of the existence of such policies, to pay the repurchase value of the policies to the Reich. Under the 11th decree of the Reich Citizenship Law of November 25, 1941, all German citizens living abroad—Auschwitz was included in “living abroad”—automatically lost their German citizenship and their assets were forfeit to the Reich. Unlike as in the past, however, where the government published the names of persons who had been denaturalized, now the Gestapo and Finance Ministry required the insurance companies to search out the Jewish policies in their portfolios and report them to the Gestapo. This regulation presented a number of difficulties. First, and ironically this remains the problem to this day, insurance policies provided no information as to religion, let alone “race” so that Jewish policies could not be identified unless the name was blatantly Jewish, and this was not as common in Germany as it was in Eastern Europe or the United States, or if they contained telltale correspondence, in which case they had probably been repurchased already. As the Nazi ideologist Alfred Rosenberg and Gauleiter Gustav Simon demonstrate, these names are not necessarily Jewish! Under wartime conditions, assuming the will was there, the manpower was not, and the insurance companies were constantly asking for extensions on the deadlines set for turning in the policies. The problem was particularly difficult with respect to premium-free policies since they were basically inactive and buried in the files. Finally, companies were concerned that they not be held liable in foreign courts for turning over policies of persons who had acquired foreign citizenship and were thus no longer German or stateless citizens residing abroad. My research in this area suggests that the insurance companies certainly turned over policies under the 11th decree but that the initiative more frequently came from the Gestapo, itself understaffed.

In the last analysis, however, I think the more serious matters connected with Allianz and other German enterprises are those dealt with in chapters 7 and 8 of the book, especially the latter, which deals with the Second World War. A substantial portion of these chapters deals with the expansion of Allianz and Munich Re as Germany expanded, first into Austria and Czechoslovakia and then into the rest of Europe. They were willing and active participants in Germany’s imperialist drive, as is dem-

onstrated by the manner in which Schmitt, Hilgard, and the other leaders of the industry sought to achieve German domination over the European insurance industry. One of their most important goals was to drive out the British. Schmitt, for example, concocted a scheme to create an Association for the Coverage of Large Risks led by Germany that would bring together the large European insurers and reinsurers to handle large risks once insured by Lloyd's of London. In western, central, and southeastern Europe the German insurers strove to take over the British portfolios and to acquire a controlling interest in key companies. It is important to note here, however, that French and Belgian companies were quite willing to collaborate with the Germans, at least in the taking over of British portfolios, and that the Swiss insurers cooperated very closely with their German counterparts in a host of ways. The Swiss Reinsurance Corporation, for example, was a leading participant in the Association for the Coverage of Large Risks. There was nothing unique about German businessmen, and while the policy of collaboration with the National Socialist regime may have started with them, it did not end with them. It was easier, of course, to advance through Europe as it was being occupied than to retreat, and one can clearly detect from the available documents an effort to save what could be saved and come to terms with reality in western Europe as one began to recognize that the war was lost.

It was during this wartime period, however, that Allianz became involved in various activities that brought it into proximity with the Holocaust and with the criminality of the German war effort: insuring the production and productive facilities of the Ghetto of Lodz, insuring the facilities of SS factories in a host of concentration camps, insuring the shipment of confiscated Jewish goods to Berlin, acquiring securities stolen from Jews in the Netherlands in the course of their efforts to gain control of a Dutch insurance company. Some of these activities were due to the initiative of Nazis in the company, like the subdirector Max Beier of the Allianz branch in Berlin, who organized the consortium of insurance companies for the SS concentration camp factories. There is no evidence that the other activities described were organized by ideologically committed persons. The insuring of the facilities of the Ghetto of Lodz, for example, was a major piece of business for which Allianz was prepared to make concessions and which it hoped to keep. Insurers normally had the right to inspect the facilities they insured to make sure they met its standards, and Allianz requested permission to do so in Lodz. When this was denied by the authorities governing Lodz, however, Allianz maintained the contract and was sorely disappointed when the contract was lost to a publicly chartered company for ideological reasons. Indeed, as in Germany, so in the occupied territories, the war between the private insurers and the publicly chartered companies continued on for every

type of business. Life was made easier for Allianz and the consortium it led that insured the SS concentration camp factories since the SS was much less shy about letting insurance inspectors examine the facilities and duly report on what they found. These reports obviously did not detail the situation of the prisoners in these plants other than to note that security was not a problem, but it does mean that the insurance inspectors were able to observe the situation first-hand. Needless to say, there is no reason to think that it would have made a whit of difference if insurance inspectors had been allowed to enter the Lodz Ghetto. Difficult as it is to imagine, a consortium headed by the Aggripina Insurance Company actually competed with the Allianz for the SS factory contracts in the spring of 1945! The economic rationale, let alone the rationality, of competing for this business in the spring of 1945 is hard to discover, but it illustrates the problem of treating the business history of the “Third Reich” as normal business history. The distinction between normal and abnormal business had evaporated along with elementary business ethics and the capacity to deal with political risk effectively.

Certainly neither the Allies nor the victims were prepared to consider all that had gone on normal business behavior. The last chapter of the book deals with the problems of postwar denazification and restitution and compensation, a field that needs a great deal more scholarly work and investigation. In it I describe how the leaders in the field considered themselves to be victims of National Socialism and praised themselves for having saved the private insurance industry from Schwede Coburg and other “real” Nazis as well as how they were forced to do all kinds of things of which they really disapproved. In the end, most of them were classified as followers (*Mitläufer*)—Schmitt and Hilgard included—and continued their careers or retired. Were there any “heroes?” Only two emerge: Hans Hess, who never needed to be denazified in the first place, and Wilhelm Arendts, the General Director of the Allianz-owned Bayerische Versicherungsbank, a Catholic conservative who actively engaged in the Resistance movement as a military officer in the army.

The notion that Allianz was a “victim” of National Socialism also influenced its attitude toward restitution questions, and its record in handling some of the “aryanization” cases discussed earlier in the book is, to say the least, a mixed one. There was a persistent claim, for example, that a fair price had been paid for Jewish properties, a claim that was happily rejected by the authorities for purchases made after 1935. I conclude with a description of the compensation procedures employed in connection with confiscated insurance assets, a procedure which the insurance industry played some role in devising and from whose costs it was well protected because it was technically bankrupt thanks to its investments in German government bonds (*Reichsanleihe*). It was the

German Federal Republic that provided the compensation under the restitution and compensation laws of 1956–1957, and these payments were very small indeed because the value of all Reichsmark assets was reduced by 90% under the currency reform of 1948. Jews continued to pay for Hitler's war in more ways than one.

What are my conclusions? On the surface of it, Allianz would not appear to be an especially outstanding example of the problems of doing business in the Third Reich. Insurance companies do not employ forced labor, in any numbers at least, and the insurance business itself is somewhat intransparent to most people, very technical in character, and matter-of-fact. As it turns out, however, Allianz is a good illustration of practically all the problems faced by historians in considering the implication of business in the regime. Quite aside from the special fact that Schmitt was one of the few big businessmen to have been directly engaged with the Nazis even before 1933 and was especially proactive afterward, there is the fact that nearly everything in modern industrial societies is insured. I do argue and would argue that the degree of engagement with the regime was at least to some extent a matter of choice, and the choices made by some members of Allianz's leadership were most unfortunate. Ironically, they were probably least culpable in the area in which they have been subject to the most criticism, namely, the expropriation of Jewish insurance assets. This was not because of any special virtue, but rather because of the manner in which the Nazis confiscated those assets and the nature of the life insurance business. All the evidence suggests, however, that they accepted and sought after the business offered by the regime and that it has taken a long time for them and the rest of the German and indeed European and even portions of the American business community to confront what happened. I do think it is to Allianz's credit that they have done so, and the spirit in which they have done so is also to their credit.

Notes

¹ Gerald D. Feldman, *Allianz and the German Insurance Business, 1933–1945* (New York and Cambridge, England, 2001). The book appeared in German as *Die Allianz und die deutsche Versicherungswirtschaft 1933–1945* (Munich, 2001). Since this paper is based largely on my book, references here will be kept to a minimum.

² For general discussions of these issues, see Gerald D. Feldman, "Unternehmensgeschichte des Dritten Reichs und Verantwortung der Historiker. Raubgold und Versicherungen, Arisierung und Zwangsarbeit," in Norbert Frei, Dirk van Laak, Michael Stolleis, eds., *Geschichte vor Gericht. Historiker, Richter und die Suche nach Gerechtigkeit* (Munich, 2000), 103–129, and "Holocaust Assets and German Business History: Beginning or End?" *German Studies Review* 25, no. 1 (February 2002): 23–34.

³ See the extraordinary neglect of the National Socialist period and the roles of Schmitt and Hilgard in *100 Jahre Allianz. Festansprachen 9. März 1990* (Munich, 1990), esp. pp. 28f. and 59–95; "Das 'Wagnis Auschwitz'," *Der Spiegel*, no. 23 (2 June 1997): 50–63.

⁴ See Christopher Simpson's bizarre and ill-informed introduction to his edition of *War Crimes of the Deutsche Bank and the Dresdner Bank. Office of Military Government (U.S.) Reports* (New York and London, 2002). Franziska Augstein is certainly more sober and informed in her review of my Allianz study, but she also seems to feel that the historian should act as prosecutor, judge, and executioner in dealing with businessmen in the National Socialist period. See "Auschwitz Versichern," *Süddeutsche Zeitung*, no. 233 (10 Oct. 2001): 35.

⁵ See Barbara Eggenkämper, Marian Rappl, Anna Reichel, "Der Bestand Reichswirtschaftsministerium im 'Zentrum für die Aufbewahrung historisch-dokumentarischer Sammlungen' ('Sonderarchiv') in Moskau," *Zeitschrift für Unternehmensgeschichte* 43 (1998): 227–236.

⁶ Kranefuss to Brandt, March 18, 1943, Bundesarchiv Berlin, formerly BDC, SL 62.

⁷ Letter of October 20, 1938, *ibid.*, and information generously provided by Martin Lachmann's grandson, Peter Haas.

⁸ Letter of October 26, 1938, *ibid.*

⁹ Feldman, *Allianz*, chapters 5–6.

¹⁰ Hilgard to Ministerial Director Lange, Dec. 5, 1938, "Bestehen Versicherungsansprüche deutscher oder staatenloser Juden auf Grund der Vorgänge vom 8.–10. November 1938?" Sonderarchiv Moskau, 1458/1/98, Bl. 147–153.