

The securitization of life and the biovalue of life insurance

Monday 14 November 2011

5.00pm - 6.00pm

Theatre 1, Building Y3A

Free entry (sponsored by the Dept of Media, Music, Communication & Cultural Studies)

The last decade has witnessed a period of extraordinary dynamism in the securitization of 'life'. In 2002 Swiss Re launched the world's first 'mortality bond', an instrument through which the 'excess mortality' derived from the impact of shocks such as pandemics (e.g. bird flu) was securitized in the capital markets. In 2010 Swiss Re innovated again in the realm of 'insurance-linked-securities' (ILS) by introducing the first ever 'longevity trend bond' an instrument designed to protect pensions and annuities against 'excess vitality'; that is, longer lives. Deriving its value from the 'lives' of policyholders and annuitants in developed markets, mortality and longevity bonds promise to take stock of medical advances and evolving knowledge on infectious diseases to instil resilience into a global bio-political economy. They are modelled through a novel technique of 'stochastic model of peril process' through which modellers claim to have found the way to create an 'event tree of all possible pandemics'. The claim, which is curiously—if not innocently—underwritten by a positive Standard & Poor's risk rating, offers a space from which to explore some of the epistemological underpinnings of these modelling practices. This presentation asks, what is the 'life' that is used as the basis for modelling risk and securitizing capital in the financial markets? What do these strategies have to say about the ways in which 'life' is valued as capital? And, what is the 'bond' that results from securitizing life with the life in need of security?

About the speaker

Luis Lobo-Guerrero is Senior Lecturer at the School of Politics, International Relations and Philosophy, Keele University, UK where he is also the director of the Emerging Securities Research Unit. His main research interests are 'insurance', 'the biopolitics of security', and 'epistemologies of risk'. He has published in numerous journals, including *Security Dialogue*, *Review of International Studies*, *International Political Sociology*, and *Theory, Culture & Society*. He is currently completing a book trilogy devoted to the analysis of the relationship between insurance and security in the modern period. The first two volumes are *Insuring Security: Biopolitics, Security and Risk* (Routledge, 2011), and *Insuring War: Sovereignty, Security and Risk* (Routledge, forthcoming 2012). He is now writing the third volume on life insurance, security and the theory of value. He is currently Visiting Research Fellow at the Department of War Studies, King's College London, and will be Visiting Professor at the Institute for Sociology, University of Hamburg in the Spring of 2012.