A tontine may be described as a pooled life annuity. Investors buy shares, and the issuer promises to pay interest on the raised capital. The characteristic feature of tontines is that the annuities of deceased investors are shared by surviving investors. With the death of the last survivor, the issuer’s obligation to pay annuities terminates and the issuer has no obligation to pay the raised capital back. Investors may use a tontine as a pension product and the issuer may use it as a means to raise capital. It is generally believed that the Italian Lorenzo Tonti (1602–1684) invented tontines and that he proposed them to Cardinal Mazarin (1602–1661) in 1653.

Phillip Hellwege analyses the origins of tontines, their occurrence and their diverse designs in German-speaking territories from the middle of the 17th century to their decline in the late 19th century and early 20th century. Furthermore, he assesses their importance for the development of insurance (law) in Germany.

Contents

A. Introduction
A modern definition of tontines — The occurrence of tontines in German-speaking territories — Tontines and the history of life insurance — Lorenzo Tonti and the origins of tontines — The objectives of the present volume

B. The occurrence of tontines in German-speaking territories
Tontines mentioned in the modern literature — The origins of tontines in German-speaking territories — The three phases of the development of tontines — Comparative observations — Conclusion

C. Tontine designs in German-speaking territories
Basic tontine designs — The first phase: self contained tontines in the 17th and 18th centuries — The second phase: tontines issued by pension funds in the 19th century — The third phase: tontine life insurance products in the late 19th century — Conclusion and comparative observations

D. From a multi-purpose to a single-purpose financial product
The first phase: self-contained tontines in the 17th and 18th centuries — The second phase: tontines issued by pension funds in the 19th century — The third phase: tontine life insurance products in the late 19th century

E. Tontines and the development life insurance
Tontines and the development of actuarial science — Spreading the idea of life insurance — The legal aspects of tontines and the development of life insurance law — Conclusion and comparative observations

F. Conclusion
Archival Sources, Other Sources, Bibliography, Index