one-day continuing education course for such practitioners. In addition to including excerpts from specific cases, it comprises at least two specifically written chapters on each of the following topics: the duty to defend under Comprehensive General Liability policies, the impact of "choice of law" on coverage disputes; trigger-of-coverage for latent injuries and diseases, asbestos property damage valuation and coverage; hazardous waste litigation; and defining the number of occurrences (single vs. multiple) in a case of mass claims.

The papers were written by the instructors, all of whom are practising attorneys. While the volume may have served the purposes of the course, it poses several difficulties as a scholarly reference work. Visually, the collection appears as a hodgepodge of different manuscript preparation styles, fonts, line spacing, and margins. In an era of word processing, such craftsmanship is inexcusable if a volume is intended for general distribution.

Second, and most important, the book deals with recent changes in insurance law rather than an overview of the field. While economists generally appreciate marginal analysis, a general reader who wants to learn about the insurability of toxic torts would find this volume difficult. With its emphasis on the most recent changes, the volume may have a short half life, to borrow a phrase from our physicist colleagues. Indeed as indicated by the letter of transmittal from the publisher to the editor of this journal, law books like this go out of date quickly. By the time this review appears, perhaps a majority of the innovations considered will have been obsolete. As such this work is not appropriate for the general scholar of insurance and risk management.

Marketing Life Insurance in a Bank or Thrift by Jerome R. Corsi (Westview Press, 1986), 223 pages.

Reviewer: Richard PonArul, Professor of Finance, California State University, Chico, California.

In the last two decades the once-distinct activities of insurance, investment, and banking have been losing their identities and merging into one rubric. The emerging trend of depository institutions becoming retail outlets for insurance related products is the focus of this book. Billed as a professional handbook in New Banking, the book is designed to be a source book for bankers and thrift managers who intend to enhance their product line with insurance products. The book is a collection of articles written by practitioners in the insurance and banking areas and could serve as a reference book on the various insurance products.

The articles, arranged into six sections, cover three major aspects of insurance marketing by depository institutions: a) the types of products, b) the legal and regulatory details, and c) the strategies for entering into the insurance area. The strategy part is embellished with case studies and survey results about successful implementation.

The first three chapters describe the annuities and life insurance products. The discussion is self-contained and exhaustive. Chapter 2 by Pat McDonnel provides the best exposition of the Universal Life Concept I have come across. Chapter 4 deals with the Credit and Mortgage Insurance products which are closely related to the traditional lending activities of the depository institutions.

The regulatory and tax related issues are discussed in chapters 5 and 6. Unfortunately the book predates the 1986 Tax Reform Act. The tax treatment of insurance products and annuities has been substantially changed by this Act and there are continual innovations. For example, in 1988 Congress tightened the rules regarding the treatment of loans from Single Premium policies.

Chapters 7 through 11 focus on strategies that banks and thrifts can use for breaking ground in insurance. The chapters use a "how to" approach. The chapter on segmentation should be especially useful to the marketing strategists. But there are two glaring omissions. ONe, there is no discussion of the possible initiatives insurance companies may undertake to establish links with banks and thrifts. If banks and thrifts can provide cost-effective outlets for insurance products, the insurance companies cannot be expected to be passive players in this game. Second, buying insurance is an information intensive activity and banks will have to compete with the traditional retail outlets for insurance by being better at dissemination of information. This aspect of competition is not adequately addressed.

There are two case studies, both of them success stories, and a survey of 18 case studies by Ken Kehrer that corroborate the effectiveness of some of the strategy suggestions. The survey establishes that there is no one way to "skin the cat", and the disintermediation fears expressed in some earlier chapters are, predictably, allayed by the case studies.

The section on Training the Sales Personnel (Chapters 16 through 18) reverts to the "how to" mode of exposition. The material is part case study and part personal testimony. An important concern in selling products that do not carry FDIC/FSLIC insurance in a bank environment is the need to adequately inform the customer about the distinction between traditional insured deposits and deposit-like insurance products. The importance stems from both a compliance and an ethical perspective. Yet all three chapters on training the sales personnel treat this concern in a rather circumspect manner.

The last two chapters are meant to address long-range consequences to banks and thrifts of selling insurance products, but do not. The chapter by Jerome Corsi is essentially a case study of the experience at Far West Federal Bank that shows that disintermediation fears are unfounded. The chapter by O'Connor and Shook is about reinsurance, but with no reference to Saving and Loan Associations as the title of the chapter would claim, and thus with no obvious connection to the rest of the book.

Throughout the book the marketing strategy is discussed with the current mode of banking in the back drop. Effective long range planning will have to take into account the new trends in banking. For instance, the introduction of ATMs has largely reduced the lobby traffic. More innovations like home banking are in the offing. Such changes may open up new opportunities as well as render obsolete some of the successful strategies of today.

In summary, this is a useful book on a new topic. The continual changes in this area make the book somewhat dated. Considering that the target audience is CEOs and top management teams of banks and thrifts, the material is rather elementary. I am certain that the book will serve as a useful reference book on insurance products and annuities.

Fundamentals of Risk and Insurance by Emmett J. Vaughan, Fifth Edition, (John Wiley & Sons, 1989), 781 pages.

Reviewer: William P. Jennings, Professor of Economics, California State University, Northridge.

Fundamentals of Risk and Insurance is a well-written, consumer-oriented book on risk and insurance designed as a basic, one-semester or two-quarter text for the beginning student. It utilizes detailed analyses of specific insurance contracts to introduce the principle theories and concepts surrounding risk and insurance and to familiarize the reader with many of the common types of insurance coverages. This fifth edition also includes the most recent changes in the Risk Retention Act of 1986, Tax Reform Act of 1986, Revenue Act of 1987 and Medicare Expansion Act of 1988. The text's thirty-six chapters are divided into three broad sections: risk and insurance; life and health insurance; and property and liability insurance.

The eleven chapters comprising section one focus mainly on definitions and issues. While definitions are often viewed by students as dull or confusing, the text's clear and concise presentation should contribute to good basic understanding of the subject manner. The section commences with the concept of risk and alternative definitions of risk, then proceeds to a thorough discussion of basic issues, including risk management; insurance fields, functions and finances; industry structure; government as an insurer; and legal and regulatory aspects of insurance.

Section two applies the concepts presented in section one to a detailed analysis of life and health insurance coverage. Chapters twelve and thirteen explore the functions, characteristics and issues surrounding life insurance including a non-technical explanation of reserves and the actuarial basis of life insurance. This section also includes some discussion of special tax advantages, actuarial problems, and pricing aspects of life insurance. The remaining ten chapters of the section are an encyclopedic review of the full range of health and life policies, including everything from disability, workers' compensation and HMO's to profit sharing, pension plans and estate planning.

The final section deals primarily with insurance of real and personal property. Here too, the text moves smoothly and logically from consideration of fundamental legal and insurance issues to detailed examination of everything from fire, earthquake, flood and title insurance to automobile, aviation and credit insurance. The three-chapter coverage of automobile