insurance is especially good. Commencing with an overview of the legal environment and legal liability of the automobile, these chapters provide an integrated and topic oriented analyses of automobile insurance, risk management, high-risk drivers, insurance costs and tort reform.

Notwithstanding its many good points, the text is not without shortcomings. It largely ignores or gives only brief mention of the crucial role of law, regulation and taxation in shaping the nature and variety of insurance contracts and the public's demand for coverage. For example, a reader could fail to recognize the importance of favorable state and federal income tax treatment to the growth and demand for single premium deferred annuities (and other life insurance policies). Greater emphasis on real world importance of laws, regulations and taxation, even at the expense of a less detailed examination of available insurance contracts, would probably help students gain a better understanding of the factors influencing insurance products and insurance prices. Secondly, the text may not provide sufficient mathematical rigor for some instructors of basic insurance courses. Those instructors seeking a mathematical emphasis are advised to look elsewhere.

All in all, the text is more than satisfactory for beginning students of risk and insurance. It does a fine job of balancing a theoretical and conceptual framework with detailed descriptions of a remarkably wide variety of insurance coverages and policies. Most instructors should find this book adequate preparation for more advanced study of risk and insurance, and especially useful for courses with a consumer-oriented approach.

The Handbook of Employee Benefits, 2nd edition, by Jerry S. Rosenbloom (Dow Jones – Irwin, 1988), 1170 pages.

Reviewer: Mark L. Cross, Ph.D. Associate Professor of Finance and Insurance, Louisiana Tech University

The *Handbook of Employee Benefits* provides a current, comprehensive, practical guide to the objectives, design, cost, funding, implementation and administration of employee benefit plans. The *Handbook* contains 55 chapters written by distinguished experts including academics, actuaries, attorneys, consultants and other employee benefit specialists. The chapters are organized into 10 parts including: Environment of Employee Benefit Plans; Designing Employee Death Benefits; Designing Health-Related Benefits; Designing Additional Employee Benefits and Services; Funding Health and Welfare Benefits; Retirement and Capital Accumulation Plans, Accounting, Funding and Taxation of Retirement and Capital Accumulation Plans; Administration of Employee Benefit Plans; Employee Benefits for Small Business; and Issues of Special Interests in Employee Benefits.

The various chapters and parts of the book are self-contained units which can stand by themselves. Although this creates some overlap of materials in various chapters, it does allow the reader to pick and choose topics of specific interest and gain an understanding of the topic without reading through previous chapters. This particular structuring of chapters makes the book's primary use one of a reference guide for students and professionals in the employee benefits field. It can also be used as a textbook or as a supplement for college, professional education and in-house company training programs. The *Handbook* is similar in nature to an encyclopedia. It can be used by anyone with a general interest or a specific question in the field of employee benefits. The examples presented to explain the concepts and topics make the *Handbook* an excellent tool for practitioners.

The *Handbook* incorporates the recent employee benefit legislation including: the 1985 Consolidated Omnibus Budget Reconciliation Act, the 1986 Age Discrimination in Employment Amendments, the 1986 and 1987 Omnibus Budget Reconciliation Acts, the 1986 Tax Reform Act and the 1986 Single Employer Pension Plan Amendments Act. In addition, emphasis is placed on new and emerging employee benefit concepts such as the environment of employee benefit plans, group universal life insurance, and postretirement benefit issues.

Although it is difficult to find criticism with such a comprehensive encyclopedia of employee benefit topics, a few exist. The most serious flaw of the book deals with the exclusion of workers' compensation. Workers' compensation and social security are considered in many texts as a social insurance benefit or involuntary employee benefit. Whether involuntary or not, most companies consider workers' compensation an employee benefit and a very costly one at that. The tremendous cost and complexity of workers' compensation benefits and insurance should dictate its inclusion in any handbook of employee benefits. The *Handbook* should at least give workers' compensation equal coverage with social security which is discussed in Chapter 4.

The other major criticism deals with the book's organization. Part One should include several chapters that basically describe the various types of employee benefits with some basic definitions and concepts. This is what is done in Chapter 4 on social security. These basic descriptive chapters should be differentiated from the chapters dealing with designing the employee benefits. The remaining criticisms are minor in nature and include: increasing the discussion of disability income insurance, cafeteria plans and the communication of employee benefits to employees, especially in the areas of postretirement benefits and plan terminations.

In summary, the *Handbook* provides an excellent up-to-date practical reference guide to employee benefits for students, professionals and anyone with an interest or question in the employee benefits area.

Insurance in Socialist East Europe by Paul P. Rogers, with the assistance of Bruno Schönfelder and Ehrenfried Schütte, (Praeger Publishers, 1988), 195 pages.

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