BOOK REVIEWS

Principles of Insurance, by George E. Rejda, Third Edition, (Scott, Foresman and Company, 1989), 696 pages.

Reviewer: Gerald D. Cook, Associate Professor: Accounting, Risk and Insurance, University of New Brunswick, Canada.

The initial edition of *Principles of Insurance* by Dr. Rejda was published in 1982, followed by a second edition in 1986. This third edition, while building on the strengths of prior editions, encompasses substantive updating changes, typical of the dynamics of the insurance industry and its regulators. Reflecting changes from within the industry are such things as the inclusion of the capital retention approach for estimating the amount of life insurance to own. Also more emphasis has been focused on the 'new money', interest-sensitive investment products, such as universal and variable universal life insurance. Reflecting changes from external influences are revisions and updatings resulting from reform in the U.S. civil justice system, new programs and coverages resulting from initiatives of the Insurance Services Office, and a number of significant changes resulting from new and amended tax laws and other legislation and regulations affecting such areas as employee benefits, private pension and retirement plans, social insurance, unemployment insurance and workers compensation. As with previous editions, this text continues to provide a solid overview and comprehensive coverage of the major topics generally accepted as desirable for an introductory course in the discipline.

The text is organized in a way that makes it eminently suitable either for a full semester course or, by judicious selection, for a term course. This can be done with ease by virtue of the topical divisions of the text:

Part One: Basic Concepts in Risk and Insurance: 3 chapters, totaling 57 pages.

Part Two: Law and the Insurance Contract: 2 chapters, 33 pages.

Part Three: Property and Liability Insurance: 10 chapters, 205 pages.

Part Four: Life and Health Insurance: 9 chapters; 202 pages.

Part Five: The Insurance Industry: 4 chapters, 41 pages.

In addition, a sixteen page Glossary provides an extensive list of insurance terminology used throughout the text. A distinctive addition, the inside front cover and first page contain an index (by chapter and page number) of 87 boxed Insights, one or more of which appears within every chapter in the text.

The Preface succinctly states that these "Insights are an important pedagogical aid for students, helping them see the practical significance of concepts or ideas from a different perspective." Three of the chapters have an appendix for further in-depth instruction or reading. For example, Chapter 2 is followed by an Appendix: The Law of Large Numbers and Some Elementary Statistical Concepts in Risk and Insurance. Chapter 19 has an Appendix: Is Your Life Insurance Reasonably Priced? (How to Evaluate an Existing Life Insurance Policy). This is a question that is frequently posed by students and the reviewer welcomes this addition to the text.

There are two items absent that this reviewer likes to find in a basic insurance text. The first is an introduction to the significance of mortality tables and their relationship to the life insurance premium pricing mechanism and some elementary examples for the calculation of life insurance premiums based on the mortality tables. The second, notwithstanding the adequate selection of questions for review and discussion at the end of each chapter, is a number of comprehensive cases for use throughout the course. Perhaps these could be included as additional appendices.

Principles of Insurance is one of the finest introductory textbooks available. It's two column page format makes it easy to read. Bright, topical headings appear generously throughout the text. A list of students' learning objectives is clearly set out at the beginning of each chapter, while at the end of each chapter is a concise summary of the salient topics covered therein, questions for review, questions for discussion, and a list of suggested readings. The reading lists are a valuable source for students when undertaking written assignments, papers or article reviews.

The preface states that a new test bank of questions is available in an Instructor's Manual, although this was not made available to this reviewer. Nevertheless, based on experience with previous editions, these questions have proven to be very useful for testing purposes.

Principles of Insurance is a superior publication that would serve well as the major assigned student text for any introductory course in risk and insurance. Also, it would be a valuable addition to one's own insurance resources library.

In The Business of Child Care, Judith D. Auerbach (Praeger Publishers, 1988) 154 pages

Reviewer: Kathleen S. McNichol, MBA, CPCU, Risk Management and Insurance Program, La Salle University

Judith Auerbach's *In The Business of Child Care* explores the historical posture of society toward working women and the child care support extended to these families. She approaches the issue of child care availability, not from the nature and meaning of parent-child relationships, but from a sociological perspective. Auerbach explores the question, how do we as a society reconcile our traditional ideology of mothering with the fact that today a majority of women work outside the home? Auerbach provides a clear and accurate picture of the concerns faced by families with two working parents. These