course with the purpose of giving an indepth overview of the many integrated aspects of insurance and claims adjustment practice. However, the text leaves the student overwhelmed with concepts, forms and calculations of square footage using geometry and without providing the necessary preparation needed to tackle a real claim case. Even a professional adjuster cannot expect to become an expert in all contractual issues, insurance principles, loss adjustment practice, impact of building codes, and fraudulent claim investigation by reading this text, although the author makes a good attempt to convey all of these facts.

A more focused approach to specific claims adjustment tools, techniques, and examples, leaving the fundamentals to a prerequisite course would improve the practical impact of the text on its target audience.

The Economics of Pension Insurance by Richard A. Ippolito (Pension Research Council, 1989), 270 pages.

Reviewer: Helen M. Bowers, Ph.D., Assistant Professor of Finance, University of Notre Dame.

The intended audience of this book are public policy experts, those who operate insurance firms and pension plans and students of insurance. An understanding of the principles of insurance and defined benefit plans is needed to benefit from this book, however, the material presented is primarily descriptive and non-technical. The author uses the Pension Benefit Guarantee Association (PBGC) as a case study to illustrate the consequences of violations of basic principles of insurance.

The author, writing from his experience as chief economist for the PBGC, is highly critical (in the view of many in the profession. justifiably) of past and present pricing and benefits pledges by the PBGC. Analysis of the problem and suggested solutions are presented in a market-based framework. Dissenting statements by Howard Young and Michael S. Gordon are included in the appendices, but are not adequate to present a truly balanced treatment of the issues for a classroom setting. Nonetheless, this book contains a wealth of information and presents the history and current controversy regarding public pension policy in a clear and concise manner. In addition to being a good teaching tool for upper level undergraduate and graduate course work, this book is an excellent reference for practitioners and academics with interests in pension policy.

The book is divided into four sections: Part I, Description of the Problem; Part II, Efforts to Reform the Program; Part III, Toward Economical Rational Pension Insurance; and Part IV, Appendices. The first section contains chapters on the history of the PBGC, principles of defined benefit contracts, insurance policies of the PBGC, and claims experience of the PBGC. The extensive data included in this section, greatly strengthens the presentation. Any serious student of pension policy would want to become familiar with the data available in this book. The author artfully illustrates each point by providing the relevant data in abundant tables and figures.

The second section details legislative reform efforts and suggests solutions to the PBGC's pricing and exposure problems. The provisions and interactive effects of the Pension Protection Act (1987) and the Omnibus Budget Reconciliation Act (1987) are evaluated and critiqued. The author formulates separate solutions from the perspectives of risk-adjusted pricing and controlling exposure. Details of actual terminations are used as illustrative examples.

Part III consists of two chapters which explore the efficiency of pension insurance and recommend a fundamental change in philosophy for the PBGC. The author suggests that a market-based framework for providing pension insurance would eliminate inefficiencies and distortions inherent in the present system. Also, specific details such as an assigned risk pool and the transition to the market system are discussed. The appendices, including the dissenting statements, comprise the final section of the book. These provide invaluable reference material which, along with the breadth of other data contained in the book, give the reader an appreciation of the scope and subtleties of our pension system.

This is a very informative and provocative book, but when presenting his point of view, the author is sometimes redundant in his criticism of the present pension insurance program. This book is recommended reading for anyone desiring to grasp the pertinent issues concerning pension policy. However, for classroom use, this book is probably best utilized, not as a text, but as a basis of discussion.

Private Pensions and Employee Mobility by Izzet Sahin (Quorum Books, 1989)

Reviewer: Jihad S. Nader, Assistant Professor of Finance, Concordia University, Montreal.

This book is addressed to a very wide audience which includes employers, employees, government policymakers, actuaries, accountants, employee benefit specialists, and financial advisors. The book is written around one main theme: Despite the fact that it may have far-reaching effects on a host of pension issues and pension-related decisions, employee mobility has largely been overlooked in the pension literature, which for the most part has evolved within a single-employer, no-mobility framework. The author rightly points out the limitations of applying this conventional framework to a private pension system in which mobility acts, through vesting provisions, as a key determinant of benefit accruals over time. To redress the balance, the book offers an entirely new perspective on private pensions, where the main emphasis is placed on benefit accumulation by the individual worker, and not on the estimation of periodic pension costs and contributions by the firm.

The book is organized into three chapters. Chapter One provides a fairly complete historical overview of the major institutional and legislative