RUIN THEORY

Recursive Calculation of Survival Probabilities, by David C.M. Dickson and Howard R. Waters (Heriot-Watt University, Edinburgh, United Kingdom)

In this paper we present an algorithm for the approximate calculation of finite time survival probabilities for the classical model. We also show how this algorithm can be applied to the calculation of infinite time survival probabilities. Numerical examples are given and the stability of the algorithms is discussed. *Astin Bulletin*, Vol. 21, No. 2 (November 1991), pp. 199-21. (Reprinted with permission of the *Astin Bulletin*).

HEALTH CARE AND INSURANCE

Health Sector Reforms in Central and Eastern Europe: Paradigm Reversed?, by Michael Cichon (International Labour Office)

The transition from centrally planned to market-oriented economies necessitates changes both in economic organization and in social security. Though the existing health care delivery and financing systems in Central and Eastern Europe are not incompatible with the new economic order *per se*, they are viewed by the public and the medical professions as an integral part of the old order. Hence there is great political pressure to replace them with a social insurance system (as operated till the late 1940s), but this involves considerable economic, financial and logistical dangers. The case is made here for a step-by-step transition towards a new paradigm for health care delivery and financing. *International Labour Review*, Vol. 130, No. 3 (1991), pp. 311-27. (Reprinted with permission of the *International Labour Review*).

GOVERNMENT INSURANCE PROGRAMS

Area-Yield Crop Insurance Reconsidered, by M. J. Miranda

One of the more promising proposals for reforming the federal crop insurance program calls for both premium rates and indemnities to be based not on the producer's individual yield but rather on the aggregate yield of a surrounding area. Area-yield crop insurance can provide more effective yield-loss coverage than individually tailored insurance, without most of the adverse selection and moral hazard problems that have historically undermined the actuarial performance of the federal crop insurance program. *American Journal of Agricultural Economics*, Vol. 73, No. 2 (May 1991), pp. 233-242. (Reprinted with permission of the *Journal of Economic Literature*).