on those aspects of policy coverage that are of greatest interest to underwriters and those that cause the most confusion among both insurers and insureds.

The impact of the legal form of the business ownership on underwriting is examined. In addition, the management competence, employee-employer relations and the financial condition of the company are considered in light of their impact on underwriting. The legal foundations of tort liability along with the sources and uses of underwriting information are looked at.

This text focuses on the three major commercial liability coverages — auto, general liability, and workers' compensation. The emphasis is on the principles involved in underwriting these particular types of risks. A brief discussion of surety bonds and professional liability coverages is found in the last chapter.

Commercial automobile insurance is broken down into commercial automobiles, public autos and trucks, and garage risks. Garage insurance includes coverage for auto dealers, auto servicing, and parking garages.

The coverages under the CGL policy are examined with special emphasis on the claims-made form. Workers' compensation laws and benefits along with the employers' liability are considered. Compensation under federal laws such as the Jones Act and the Longshoremen's and Harbor Workers' Compensation Act are looked at. Special emphasis is placed on workers' compensation risk classification and premium determination.

The second major change in this edition is an increased emphasis on risk classification and the factors that affect the premium for each of the coverages. Improper classification of risk is a major problem many underwriters face. This text emphasizes the factors an underwriter should use to properly classify and rate a commercial liability risk.

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An International Comparison of Workers' Compensation, C. Arthur Williams, Jr., Kluwer Academic Publishers, 1991.

Reviewed by Mark R. Greene. Professor Emeritus of Risk Management and Insurance, University of Georgia.

This book undertakes an ambitious task, describing workers' compensation (WC) programs of 136 nations as to basic structure, design elements, history, and basic characteristics. For example, we learn immediately that the systems in the U.S., Canada, and Australia have a common element not existing elsewhere in the world, namely that their programs are decentralized and operated by states or provinces, rather than being controlled at a central government level. Whether this is good or bad is not addressed, at least directly. The author describes the standards by which WC programs may be judged, but does not attempt the task of evaluating the success of various approaches.

Dr. Williams' analysis is based largely on data gathered by the U.S. Social Security Administration in the study, *Social Security Programs*

Throughout the World—1987. However, the treatment is enriched greatly by material obtained from the author's first hand study of the workers' compensation system in Japan, and by his own extensive background in the study of social insurance problems both nationally and internationally.

Anyone who has seen the Social Security study and has attempted to make sense out of endless tables will appreciate greatly the contribution Dr. Williams makes in enabling the reader to gain an appreciation of international WC systems. The writing is succinct, and yet sufficiently detailed to reveal essential elements in an easy-to-understand framework.

After introducing the reader to the main features of workers' compensation programs (benefits, covered conditions and employment, funding, etc.) the author analyzes the standards by which workers' compensation systems may be evaluated. He relies mainly on the standards developed by the International Labor Conference in Convention 121, ratified by 18 nations. He compares these to recommendations endorsed in the U.S. by the U.S. National Commission on State Workmen's Compensation Laws. The main criticisms of WC systems by these groups are described.

Chapter 3 compares details of world-wide WC systems. It is interesting to discover that about two-thirds of the nations in the world have made WC a part of a general social insurance system, rather than having it operate separately. Only five countries in the 141 nation survey do not have WC systems in place. Not all counties cover all occupational accident victims' medical expenses. Only 38 percent of the countries offer inflation protection form permanent total disability income benefits. Most countries finance benefits by a flat rate ranging from .25 to 3.0 percent of wages.

Chapter 4 breaks the analysis down by continent, wealth level, and financing systems for WC. Not surprisingly, it is found that wealthier nations tend to have more liberal programs and cover more workers.

A very interesting, and perhaps one of the most valuable, contributions is found in Chapter 5, where special attention is paid to WC programs in 13 countries: Germany, UK, Netherlands, New Zealand, Switzerland, Korea, Japan, Sweden, Malaysia, Austria, Hungary, the USSR, and the USA. For example, the way in which the UK changed its WC system in 1946, when national health insurance was adopted, is analyzed. The description of the Japanese WC system is an original contribution to social insurance literature.

Dr. Williams has made a substantial contribution to social insurance literature in this volume. The work is especially noteworthy in that it fills a deep need for more internationally oriented studies in insurance. Students of risk management, insurance, economics, and business administration will find this volume a valuable reference. The work is indexed and thoroughly documented. It should be required reading not only for students but also those in government whose responsibility it is to amend and improve WC systems in the world.

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