I could identify just two weaknesses in this book. First, the book treats the topic of life insurance rather abruptly with a short chapter in the third section called liquidity planning. Perhaps the author assumes that a life insurance textbook will be used in combination with his book. Also, I would have liked to see the topics of obligations or responsibilities of the estate planner, both legal and presumed, addressed. It seems to me that individuals considering a career in estate planning should understand the ramifications of errors, omissions, or ethical breaches in this line of work. Perhaps a "risk management for estate planners" chapter could be included. All in all, this is an excellent textbook that I am happy to have on my bookshelf.

***Deregulation and Competition in the Insurance Industry***, by Banks McDowell (Quorum Books, NY, 1989).

Reviewer: William P. Jennings, Professor of Finance, California State University, Northridge.

In the introduction to *Deregulation and Competition in the Insurance Industry*, the author, a law professor at Washburn University, describes the book as an inquiry into the arguments favoring deregulation and those favoring retention of the present regulatory format. These arguments are examined from a combination of legal, philosophic, and economic perspectives with the objective of developing a framework for analyzing proposed regulatory changes. Unfortunately, the book falls short of accomplishing these worthy objectives.

The best portions of the book are those in which legal and philosophical issues are discussed. Chapter five, for example, contains a fine legal discussion of how the increasing ownership of liability insurance during the past century gradually led to judicial rejection of common law tort defenses and expansion of tort liability. Knowledge that most tort liability awards are paid by insurance companies, rather than individuals, facilitates judicial adoption of more expansive standards of liability without requiring careful consideration of policy issues, such as who should be liable and the limits of liability.

Similarly, when philosophically discussing the issues of fairness, availability, and nondiscrimination, the analysis and writing are clear and insightful. I think more books on business and economics would benefit from the philosophical perspectives of Rawls, Posner, and other scholars whom this book brings to the topic of deregulation.

The major weakness occurs when the discussion moves to economics and the economics of deregulation. All too often, distinctions are blurred or considerations of the relevant alternatives are missing. As a minor example of blurring, consider the discussion of risk aversion raised in chapter five, "The Nature of Insurance in Contemporary Society," and chapter eight, "Price Competition." In these chapters, the author questions whether people are risk-averse or risk-preferring (page 55), lists government regulators as risk-averse and business owners are as risk-preferring (page 55), and finds that business owners are so risk-averse that "only if the cost [of casualty and property insurance] becomes prohibitive does the individual or business take the risk of being ... uninsured" (page 96). Beyond the obvious inconsistency, these points illustrate an economic misunderstanding that the relevant issue is not whether people are risk-averse but simply that people who buy insurance are generally risk-averse and that different people may have differing degrees of risk aversion.

More significantly, the book analyzes the question of deregulation by treating deregulation largely as the equivalent of no regulation. Thus, when considering whether society might be better off without price regulation, the analysis concludes that this option should only be considered if we are also willing to forego solvency of the insurance companies. The analysis ties price regulation to safety regulation and precludes more complex regulatory changes permitting insurers to charge as little as they want for some classes of insurance and simultaneously increasing regulatory monitoring aimed at the safety of invested funds. Not surprisingly this "straw person" approach to the question of deregulation leads to a conclusion that a competitive market approach to the insurance industry is a poor idea.

In conclusion, *Deregulation and Competition in the Insurance Industry* is not a significant book on deregulation or competition. Its legal and philosophical aspects are quite interesting and well done but offer few practical and theoretical insights into the complex issues surrounding optimal regulation in the insurance industry. The author's lack of economic expertise is annoyingly prevalent and detracts from the worthwhile aspects (including some very fine footnotes). Readers are encouraged to look elsewhere for a book on this important and timely topic.

***Kincare and the American Corporation***, by Dayle M. Smith (Business One Irwin, 1991).

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

The number of books published in the last two years discussing the corporation's role in providing health and family-related benefits and services indicates the importance of this issue. Increasingly, the employer is expected to become involved in the overall care of the family. Dayle M. Smith's *Kincare and the American Corporation* approaches the dependent care issue from the standpoint that every business should take a proactive role in easing the burden placed on the employee by family care responsibilities. She feels that there are both moral and profit issues for businesses to consider.

Throughout her work, Smith presents the reader with statistics regarding availability and costs of quality kincare. These statistics indicate the damning effect on society as a whole when children are not provided with