BOOK REVIEWS

Readings in Accident Prevention, Second Edition. (Insurance Institute of America, 1991).

Reviewer: Drucilla K. Barker, Associate Professor of Economics, Hollins College.

This collection of thirty readings covers a variety of topics in loss control management. Most of the articles are reprints, and their original publications dates range from the mid-seventies to the late-eighties, so they are, for the most part, timely. The book is quite suitable for use as a supplementary readings text for courses in loss control management. Although the table of contents does not break the readings up into sections, they can be easily divided into seven major groups.

The first group, Readings 1 through 6, is concerned with developing the theoretical framework of loss control management. The first reading develops the fundamental concepts of hazards, exposures, loss control, safety, loss management, and risk management. The principle of efficient loss control management—that loss prevention measures are appropriate as long as their marginal benefits exceed their marginal costs—is presented in a systematic, concise, and clear fashion. The other readings in this group investigate further the principles of loss control management and survey several theories of accident causation and prevention.

Readings 7 and 8 are concerned with the quantitative evaluation of safety. They examine the strengths and weaknesses of using OSHA incidence rates and suggest some additional methodologies.

In order for loss control programs to work effectively, employees must be motivated to follow safety rules. The next section, Readings 9 through 13, deals with this problem. Contemporary theories of managerial motivation are based mainly on B. F. Skinner's theory of behavior modification. A stimulus is presented after a behavior has occurred. If that stimulus is reinforcing, then one can anticipate that the behavior will occur again. The interesting question is what constitutes reward, and the answer depends on a theory of human motivation. These readings present an understandable and interesting overview of this important topic.

The potential liability of business for harm to its customers and to the environment continues to be a very important and timely issue. Readings 14 and 15 deal with environmental law and products liability law, respectively. The laws covering these two areas are complex and have changed a great deal over the past twenty years. These two readings do a good job of summarizing those aspects of the law that would be of most concern to loss control managers.

As the modern workplace has become more and more technologically complex, the role of external loss control consultants has expanded. Readings 21 and 22 discuss the role of consultants in loss control management and suggest was to improve their performance. These readings are aimed primarily at people interested in being professional consultants.

Readings 24 and 25 deal with the potential liability insurers face as a result of conducting safety inspections. If an accident occurs subsequent to an inspection, the insurer can be found liable. Safety engineers and directors face similar potential liabilities. These two readings outline the salient points in the development of this type of professional malpractice law.

Readings 16 through 20 discuss issues relating to the health and safety of employees. Traditionally, risk and loss control management professionals have been concerned mainly with reducing workers' compensation exposures. However, contemporary thinking on this matter is much broader in scope. These readings represent a sample of these new approaches, ranging from an examination of the strategic management of employee health care and accident costs to the role of labor-management relations in safety control.

Finally, the last group, Readings 26 through 30, deals with how to design and manage safety programs. These articles translate general management and organizational principles into specific guidelines for loss control management. Of particular interest here is a reading that shows how to adapt the principles employed in the widely accepted management system, Management by Objectives, into a safety-specific program, Safety by Objectives.

For the most part the readings are clear and well written. However, a few of them tend to rely too heavily on management theory jargon. Nevertheless, they provide a good overview of their subjects and generally include quite adequate reference lists for the interested reader.

Essentials of Risk Management, Second Edition, by George L. Head and Stephen Horn II (Insurance Institute of America, 1991).

Reviewer: John W Reid, Assistant Head of Department of Risk and Financial Services, Glasgow Polytechnic, Scotland, UK

This book is designed to increase knowledge and develop skills that can improve job performance in risk management. Although not explicitly stated, it appears to have been produced primarily for students preparing for the Insurance Institute of America's Associate in Risk Management designation (ARM54).