satisfy any jovial reader's appetite for advanced mathematical demography. Finally, in my opinion, the book is well suited for a learning student as well as for a professional reference.

References

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Book Reviews

Fundamentals of Risk and Insurance, Sixth Edition, by E. J. Vaughan (John Wiley, 1992).

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Some time ago, I went to a formal dinner for the incoming students of the executive MBA program at our university. One student, who manages a travel agency, asked me what I teach. When I mentioned insurance, she looked surprised, "You mean insurance is something you have to teach at the university?" Risk management and insurance is not well perceived among the unconverted!

As educators of insurance, it is our job to put the word out to students. One outstanding educator, who has done precisely that for many years, is Emmett Vaughan, and his main tool has been his very successful book *Fundamentals of Risk and Insurance*. It is very difficult to write something new about the sixth edition of such a book. In this review, I will concentrate on some specifics of the book and compare and contrast these to educational devices used by other competing textbooks in the market.

The book is categorized into three sections: Ten chapters are devoted to general discussions of insurance-related topics, twelve chapters examine life and health insurance, and eleven chapters cover the risks associated with ownership of property and legal liability. Curiously, in the table of contents, only two sections are mentioned. In the body of the text, however, the third section is clearly spelled out.

Insurance is a truly interdisciplinary subject. At the very minimum, law, economics, statistics, accounting, and decision theory play useful roles in risk management and insurance. This book carries the range of flavors from different disciplines, and, consequently, it is more encyclopedic than many other competing textbooks. This feature has an advantage: instructors can pick and choose different topics to their taste. There is less need to rely on supplementary material. Perhaps its more complete treatment of most topics is one of the reasons for its popularity. This textbook is the standard text for the course leading to Certified Financial Planning.

Introductory comments about each chapter explain where the material fits into the overall scheme of the course of study. At the end of each chapter, the author provides a list of "Important Concepts to Remember."

In reviewing this book I was curious to know why Vaughan did not include popular features like "insights" or "interesting facts" in each chapter, so I took the liberty of asking him. His reply is worth quoting. He wrote, "My rationale is that if a subject deserves to be included in the text, I believe that I can explain it as well or better than the free-lance writers who write for the *Wall Street Journal* or *Money* magazine." I could not agree with him more. Indeed, insurance professionals will know more about the subject matter than journalists, whose depth of research understandably differs vastly from researchers in the field.

Vaughan also had something to say about not including the ever-popular "real life applications" or "vignettes." He wrote, "the personal experiences of my students provide ample opportunity to discuss the text material in its application to the real world. To the extent that articles from...business publications have relevance to the text material, it is with respect to current issues, rather than an article that appeared two or three years ago." This is a very interesting point. Do students really want to know about some issue that was a "hot topic" some years ago? Perhaps the instructor is the only one to remember such things (for example, I was discussing the role of "oil shock" in the 1973-1974 recession and oil rationing only to realize that most of the students were not even born in 1973).

In sum, Vaughan's book is really about continuation of a tradition that began with the first edition of the text rather than a radical departure from the past.