new rationale. Discussion of the new rationale identifies an instructive analogy between the conventional actuarial estimator and a money-weighted rate of return in a financial transaction, and between the product limit estimator and a time-weighted rate of return. *Insurance: Mathematics and Economics*, October 1995, 17(2): 125–132. (Reprinted with permission of North-Holland Publishing Company.)

INSURANCE RATEMAKING

Community Rating and Equalisation, by Walther Neuhaus (University of Copenhagen and MIRA Consultants, Ltd., Sydney)

Several countries have made community rating mandatory for certain lines of insurance, particularly health insurance. This paper offers a theoretical solution to the problem of designing equalisation schemes to support community rating in a market where different insurers are selling different benefit plans. The criterion chosen is that an equalisation scheme should minimise the opportunities for arbitrage between insurers, which community rating otherwise would generate. Several possible measures of arbitrage are presented, and the optimal schemes are compared against data from Australian health insurers. Finally, the approach is extended to partial community rating, for example unisex rating. *Astin Bulletin*, November 1995, 25(2): 95–118. (Reprinted with permission of the *Astin Bulletin*.)

HEALTH AND RETIREMENT

The Task Force on Aging Research, established by Congress in 1990, has developed a comprehensive retirement data base known as the Health and Retirement Study (HRS.) In 1992, the HRS began to follow a cohort of men and women aged 51 to 61. This longitudinal study will interview respondents every other year for the rest of the decade and beyond. This first wave of data, which has just been released for public use, contains 12,564 respondents from 7,703 households. It contains an oversample of blacks, Hispanics, and residents of the State of Florida. Readers interested in the scope of the HRS are directed to a thorough analysis of its content and potential for research contained in *The Journal of Human Resources*, 1995, Vol. 30 (Supplement). This special issue provides a historical development of the project and a description of the data and each major section of the study (labor force participation and pensions, health conditions and health status, family structure of transfers, and economic status). Several papers give examples of uses of the HRS. Still other articles review the survey and assess the quality of the data.

The authors were privy to two preliminary versions of the data. Restrictions were placed on their ability to share the data to meet confidentiality guidelines because the HRS data will eventually be linked to the Social Security Administration master earnings file and master beneficiary records. The authors, however, are willing to send researchers the programs used in their analysis which, in most