cases, can be replicated using the public use version. This version does not contain variables that might jeopardize privacy. The linked social security and HRS data are scheduled to be released sometime in early 1996. Access the HRS's home page on the World Wide Web at *http://www.umich.edu/~hrswww*. The home page provides access to HRS news, publications, data access, and other information.

Health-Insurance Availability and the Retirement Decision, by Jonathan Gruber (Massachusetts Institute of Technology) and Brigitte C. Madrian (University of Chicago)

This article examines the effect of both state mandates of health insurance continuation and COBRA legislation upon the decision to retire. The older worker's cost for continued coverage is generally well below that for a comparable policy in the individual market. Variation in laws across states and over time allow the authors to assess the sensitivity of retirement behavior to this subsidy. The Census Bureau's Current Population Survey and the Survey of Income and Program Participation are the data sources. The results suggest that one year of continuation coverage increases the probability of retiring by 2.2 percentage points. The implied effect on the retirement hazard is that one year of continuation coverage increases the hazard by 32.4 percent. Using a dynamic stochastic programming model, the authors conclude that one year of continuation coverage is valued at $13,600—an amount substantially higher than the cost differential between the retiree's cost for continued coverage and the price to purchase individual coverage. *The American Economic Review*, September 1995, 85(4): 938–948.

INSURANCE AND SOCIAL ISSUES

The Paradox of Welfare and Insurance, by C. J. M. Schuyt (University of Amsterdam)

Insurances provide solidarity, and the premium is the price for avoiding risks. But with the passing of time, the insured has increasingly come to look on the premium as a payment that gives rights. People took less care and personal responsibility made way for the shifting of responsibility onto society as a whole. Higher claims led to higher premiums, thus reinforcing this behaviour. Changes are necessary in the way the system of insuring is organised, but these changes need to be in harmony with the sense of responsibility prevailing in a society. *The Geneva Papers on Risk and Insurance: Issues and Practice*, October 1995, 20(77): 430–438. (Reprinted with permission of *The Geneva Papers on Risk and Insurance*.)

From Insurance State to Welfare State, and Back Again? by Bert de Vries (Erasmus University)

In the Middle ages social security was largely a matter for the guilds. When the guilds were abolished, insurance companies partly assumed this responsibility. Later, the government demanded that it should take over. Now, the key question is