Chapter 6 examines liability risks and offers a similar conundrum—that is, once a company produces a Web site, it is a publisher and faces the additional risks that publishers are subject to. Chapter 7 deals with e-commerce-specific liability risks. The authors discuss information and case law as they relate to e-commerce merchants on trademark disputes, advertising and consumer protection, fulfillment failures, privacy concerns, security issues, regulatory issues, interaction with other sites, sweepstakes, and loss of access. Throughout, they emphasize that this situation is unique in that an e-commerce business can be rolled out to all the states (or the world) with one keystroke, opening the merchant to a wide range (instantly) of state and local regulations.

Chapter 9 examines various Internet liabilities. It quickly examines traditional property programs and coverages and then moves into a detailed discussion of how a small number of insurers have developed coverage solutions for the new first-party exposures. The authors introduce the seven companies and their various policies and begin a point-by-point comparison of how each policy relates to a given area such as first-party triggers, contingent business income, and investigative expenses.

Part four of the text takes a look at dealing with e-coverages. Chapter 11 illustrates the role of the agent or broker in dealing with the unique aspects of e-coverages. Chapter 12 looks at the underwriting and application considerations of e-coverages, and Chapter 13 looks at the insurer's dilemma in deciding what to cover, how to price it, and how to develop strong client relations and a risk management package.

The authors sum nicely by saying that five years from now they envision that traditional insurers will continue to offer specialized policies for small players. They state that overall there will be a move to provide products that offer greater comprehensive coverage for intangible and e-commerce risks. They also say that a trend toward risk management products will bypass the insurance industry and deal directly with the capital markets.

The book concludes with three appendixes offering a look at the many companies that provide products that would appeal to the e-commerce market. This offers help to the reader who would like to pursue the topic at greater length.

Once Upon a Number, John Allen Paulos, 1998, New York: Basic Books

Reviewer: James Kallman, School of Risk Management, Insurance, and Actuarial Science, St. John's University

John Allen Paulos is a professor of mathematics who writes on mathematical logic, probability, and the philosophy of science. Fortunately for the reader, Paulos' style of writing creates a blend of entertainment with cold statistics. The reader learns how numbers and real life are juxtaposed; they interact in surprising and fascinating ways. The reader also learns how we force this interchange on situations to sometimes create erroneous conclusions and make defective policy.

Once Upon a Number is of interest to the professor and student of risk management because it reinforces the procedure of statistically analyzing life events (the author calls them "stories") and because it points out a serious flaw in our methodology (confusing correlation with causation). As scholars, we can define objective risk as the variation from the expected outcome over time. This definition implies an understanding of two statistical concepts: the mean value and the average deviation from that expected outcome. Thus, in studying risk we study statistics. We then impose our statistical methodology upon life events (risks and opportunities, or "stories") to better understand them and make informed decisions.

The author blends contemporary scientific analysis with amusing anecdotes to demonstrate the need for critical thinking when applying our venerated techniques. His book provides us with a mental check and balance on our exuberance for imposing patterns or causation where none may exist. For example, the author reports several cases of Equidistant Letter Sequencing (ELS). In this cryptic analysis, one can discover a myriad of patterns, infer hidden meanings, and make decisions based on random statistics. The author reveals that an ELS encoded within the U.S. Constitution is a prophecy of the Lewinsky sex scandal. The ten letters of *Bill* and *Monica* are repeated every 76 letters. *B* is followed 76 letters later by an *I*, which is followed 76 letters later by an *L*, and so on. Some might consider this a premonition; others consider it a coincidence.

What the above example shows us is that in analyzing numbers and narratives it is not an uncommon practice to confuse *chance* and *lady luck,* to confuse *coincidence* with *miracle.* As academics we are frequently exposed to research situations where if we crunch random data hard enough, we'll be able to "discover" patterns. So the author's anecdotes of stories and numbers are familiar to us all. What is new, and refreshing, is his brilliant technique of revealing the limitations and strengths of our science.

One of the author's writing goals is to bridge the gap between literature and science. He demonstrates that the drama and humanity of storytelling is enhanced by statistics, while the rigor of science keeps stories from being trivial puffery. In this 201-page treasure, he has constructed a solid foundation to help readers (about 63.2 percent of us) span that gulf. *Once Upon a Number* is an entertaining book that demonstrates the application of statistics in our lives. Students of risk management and insurance who read this book will be well rewarded.

Competitive Business Strategy for Teaching Hospitals, James R. Langabeer and John Napiewocki, 2000, Westport, Conn.: Quorum Books

Reviewer: Jason Hecht, Ramapo College of New Jersey

This text is "intended to be used as a reference guide for formulating and executing effective competitive strategies unique to major teaching hospitals." To that extent, the authors draw upon the strategic and management literature as well as industrial organization theory to support their contention that teaching hospitals must become financially viable institutions in an increasingly market-dominated competitive environment. In this new and evolving milieu, senior managers, planners, and academic leaders at teaching hospitals will have to emphasize and demonstrate financial and strategic acumen over their traditional strengths in human relations and facilitation skills. In general, the authors find that teaching hospitals should pursue strategies that increase market share, differentiate themselves from the competition, and, where feasible, substitute capital for labor inputs (p. 181).

The book is organized into five sections: Introduction, Competition and Turbulence, Competitive Business Strategy, Strategy Analysis and Formulation, and Implement-

Copyright © 2003 EBSCO Publishing