

reviewer's competence in APL is fairly vague, and he will therefore abstain from comments on the programs.

The reviewer has enjoyed reading earlier Surveys of Actuarial Studies, and he was very much looking forward to the present one as credibility theory is one of his favourite topics. However, this time he was disappointed. He has chosen to go so much in detail in this review as he finds that some of his comments might be of interest beyond the evaluation of the book. Several other questions of principal nature could be discussed on the basis of it, but that would be beyond the scope of a review. In this respect the reviewer has benefited from reading the book. However he would not recommend it as an introduction for a novice to the subject.

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REFERENCES

- HACHEMEISTER, C. A. (1975). Credibility for the regression model with application to trend. In *Credibility: Theory and Applications* (ed. P. M. Kahn), pp. 129–163. Academic Press, New York.
- ZEHNWIRTH, B. (1981). The Esscher premium principle: A criticism. *ASTIN Bulletin*, 12, 77–78.

S. T. PRITCHETT and R. P. WILDER (1986). *Stock Life Insurance Company Profitability and Workable Competition*. Huebner Foundation Monograph No. 14, IX. S. S. Huebner Foundation for Insurance Education, University of Pennsylvania. 77 pages, \$17.95.

The central theme of this monograph is the workability of competition in the U.S. life insurance industry. In order to clarify this issue S. T. Pritchett and R. P. Wilder analyze the market structure, industry conduct and industry performance. They argue that barriers to entry are relatively low and that the degree of concentration has decreased continuously during the last thirty years. On the other hand, the authors point out that price competition may be hampered by the fact that individuals are hardly able to compare complex policies. Finally, the profitability of the U.S. life insurance industry is analyzed in detail. S. T. Pritchett and R. P. Wilder conclude that the profitability of stock life insurers is similar to the level of profits in other industries. According to the authors there is strong evidence of workable competition but no conclusion is possible with respect to production efficiency.

This study can be recommended to everybody who is interested in a financial analysis of the U.S. life insurance industry. In addition, profitability data, institutional facts and a detailed list of references are highly informative.

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