

**Unbalanced Discussion**

Terry Ward's article, "The Evolution of Voluntary Choice Cooperatives" (March/April 2001), presented an interesting but unbalanced discussion of the advantages of giving employees a maximum range of choices of health plans in which they might enroll, in a model similar to what is available to federal employees. Employees, in effect, would be thrust into the individual health insurance market.

The disadvantages of seeking health insurance in that market include either having to show insurability or, if guaranteed issue is provided, the problem of antiselection resulting in exorbitant premium rates. Witness the failure of guaranteed issue mandates in states that have taken that step.

Also, the higher expense margins typical in individual policies result in higher rates than those for comparable benefits in group policies. This in

part results from the higher acquisition costs incurred by insurers for individual policies.

These problems are described in depth in a report of the U.S. General Accounting Office, "Private Health Insurance, Millions Relying on Individual Market Face Cost and Coverage Tradeoffs," November 1996.

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**Remembering Alan**

I was saddened by the news of Alan Goldberg's death. Over the years, I have been submitting puzzle solutions, and I found him a very kind and supportive person. I remember one occasion when I was uncertain about specifications of a puzzle and he called me to clarify it. As a result, I was able to solve it. Another time he alerted me to the fact that I had misunderstood certain aspects of a

puzzle, and I was able to send in a satisfactory amended solution.

I want to commend you for reviewing the solution submissions and getting the correct solutions and the names of solvers printed, just as he would have done.

**Editor's note:** *Contingencies wishes to thank Mark Evans of Louisville, Ky., for helping to compile and review the solutions to Alan's last puzzles. Here are the names of a few solvers who did not make it into the last issue: F. Karlinski, A. Erman, J Rykhus.*

Many years ago, my father (also an actuary) gave me a *Contingencies* T-shirt with the slogan, "I read *Contingencies* for the articles." Truth be told, I read *Contingencies* for the puzzles. But I read the articles first and turn to the puzzles when through.

As with other issues, I read the March/April 2001 issue only to find no puzzles in the back. I then noticed the editorial about puzzles editor Alan Goldberg and was saddened to hear of his passing. I do hope, though, that another will continue this tradition.

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**Corrections for the March/April 2001 issue of *Contingencies***

On Page 84, Aimee Kaye's name was misspelled in the bio. Her correct e-mail address is aimeekaye@actuarialcareers.com.

On Page 30, the following table was left out of Charles White's and Paul Budde's story, "Perfecting the Storm: The Evolution of Hurricane Models." It concerns the differences among various hurricane models.

Modeler	100-Year Storm	250-Year Storm	Average Annual Loss
AIR	\$30.9 Mil	\$ 42.3 Mil	\$2.4 Mil
ARA	83.6 Mil	119.0 Mil	4.7 Mil
EQE	45.5 Mil	61.2 Mil	3.3 Mil
EWB/K2	23.2 Mil	30.1 Mil	2.0 Mil
RMS	25.9 Mil	35.0 Mil	2.0 Mil