

**THE ECONOMIC THEORY  
OF RISK AND  
INSURANCE, PP. 287-424**

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The Economic Theory of Risk and Insurance, pp. 287-424 by Allan H. Willett

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**ALLAN H. WILLET**

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INSURANCE, PP. 287-424**



THE  
ECONOMIC THEORY OF RISK AND  
INSURANCE

BY  
ALLAN H. WILLETTS, A.M.

SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS  
FOR THE DEGREE OF DOCTOR OF PHILOSOPHY  
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OF  
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## PREFACE

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THE following study deals almost exclusively with the idealized conditions of the static state. It only incidentally attempts to show the bearing of the static laws on the phenomena of the real world or the practices of existing insurance companies. It must consequently wear something of the air of unreality which attaches to all discussions that deal largely with abstractions. Its only purpose is to shed a little light on a rather neglected portion of pure economic theory.

A word of explanation may be in order with regard to my failure to give credit to others in all cases for ideas which have been published before. This has sometimes been due to the fact that the ideas were so much common property that it was impossible to assign them to any particular writer. In other instances the omission is to be explained on the ground that in the course of a considerable amount of reading on the subject of insurance, the significance of many statements was overlooked at the time when they were read. After their importance had come to be appreciated, it was not always possible to trace them to their sources.

It gives me pleasure to acknowledge my indebtedness to my friend, Professor James P. Kelley, for the valuable assistance which he has given me in preparing this book for the press. He kindly undertook to read it all in the proof, and I have been indebted to his suggestions for many improvements, both in substance and in form.

ALLAN H. WILLETT.

COLUMBIA UNIVERSITY, *May 20, 1901.*



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