There is a broad range of literature on the economics of insurance and risk management. This timely publication contains recent theoretical contributions to the economics of insurance and presents empirical tests and applications of the theory to many different insurance markets. It also offers important insights into the factors influencing corporate risk management decisions, and the theoretical underpinnings for why corporations with well-diversified shareholders would reduce risk. This two-volume set will be an essential resource to everyone with an interest in these important subjects.