

WORKMEN'S COMPENSATION AND INSURANCE

ment The change from hand tools to power-driven machinery and the movement of workers from the home workshop to the modern factory brought a tremendous increase in the number of industrial injuries

The employer now delegated supervision to others If a worker suffered an injury, he received little personal attention and was forced to seek a legal remedy for his loss

The use of new and complicated machinery, lack of skill on the part of the worker, little or no instruction, and poor supervision brought up the question "who is to blame" when an injury occurred Employers many times denied liability unless it was imposed by law The right of an employee to be compensated in the event of injury incurred on the job was based on the same common law obligations that an employer owed to any member of the public Courts interpreted the rules strictly, and the employee rarely recovered damages for his injuries

Under the common law, an employer has five responsibilities

1. To provide a reasonably safe work place
2. To provide reasonably safe tools and equipment
3. To use reasonable care in selecting employees
4. To enforce reasonable safety rules
5. To provide reasonable instruction regarding the dangers of the employment

Although these restrictions might seem to place an urgent responsibility upon the employer, in practice the injured worker had few rights If the employee felt that the employer was lax in complying with these rules, and if such laxity caused him physical injury on the job, he could sue his employer for damages However, the employer had three important defenses

- 1 *Fellow servant rule* An employer could not be held liable for injury caused by the negligence or carelessness of fellow employees
- 2 *Contributory negligence* The employer was not responsible if negligence of the employee contributed to the cause of the injury.
- 3 *Assumption of risk* The employee, when he accepted the job, assumed all the obvious and customarily associated risks.

Statistics indicated that in approximately

40 per cent of the industrial accidents which caused disability to workers both the employer and the employee were at fault An additional 30 per cent were due principally, though not entirely, to the fault of the employee Thus, because of the three defenses of the employer, approximately 70 per cent of all disabilities to employees were not compensated under the precompensation statutory and common law system

Completely discouraged, workers tended to settle their cases quickly out of court for much-needed cash, often in grossly inadequate amounts Long-drawn-out legal cases did not make for good feeling between employer and employee, and often an employee who used his right to sue for damages lost his job Lawyers' fees took a substantial part of the amounts recovered, and, in many cases, final decisions were delayed for long periods, during which injured employees often were in serious need of financial assistance

Early laws

The first workmen's compensation act was a German law enacted in 1884 In the main, it was an administrative law setting up a self-supporting and self-directing insurance plan under government supervision

In 1880, the Employers Liability Act, which merely limited the use of the fellow servant rule, was passed in England The first compensation act in Austria was passed about 1887, and the first one in England about 1897

In this country, as early as 1897, labor began advocating workmen's compensation legislation to replace the common law approach to liability The first compensation law in the United States was passed by the Federal Government in 1908 for its own employees The first state laws were approved a few years later

The first laws ran into difficulty The courts held that neither the employer nor the employee had an option regarding coverage and that compelling an employer to pay without fault on his part violated the 14th Amendment to the Constitution of the United States, which prohibits taking a person's property without due process of law.

To overcome this difficulty, some states passed elective laws that granted both the employer and the employee the right to de-