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Underwriters Expect Increased Burglary Losses in Some Lines

Scarcity and Rationing of Many Commodities Having Adverse Effects

NEW YORK—Theft of 22,000 pounds of butter, valued at $10,000 to $12,000, from a cold storage warehouse here, is apparently the forerunner of large scale burglaries which burglary underwriters for some months have been predicting would result from commodity shortages. As a result, every food warehouse in the city was placed under police guard. When they are not open for business a patrolman is stationed on the premises and during working hours radio patrols and the policeman on the post give special attention to every food storage establishment. Guards are being supplied for all food trucks entering or leaving the city.

Jewelry, cigarettes and liquor are also a source of losses. While there are instances of sugar and coffee trucks being hijacked, it does not appear that there have been substantial losses from warehouses. Apparently the close control exercised by the government over tires and the stiff penalties imposed on tire thieves who have been caught are discouraging this type of theft.

Work of Experienced Thieves

Most thefts occurring now are the work of experienced thieves. The casual or amateur burglar has practically disappeared because honest work is plentiful and wages are good. The fact that many younger men who might become burglars are serving in the armed forces is a factor.

The food field is attractive to the experienced thief because of the difficulty in tracing down an article such as butter after it has been stolen. It is difficult to identify and it is apt to be in the consumer's hands before it can be traced to the numerous channels through which it may be distributed. Since the experienced thief almost always finds a market or fence before the crime is committed, the difficulty of detection is further aggravated.

In the case of the 22,000-pound butter theft, detectives immediately established the fact that the thieves had been experts and probably included a locksmith, as the front door lock had been cleverly restored after it had been forced.

Companies writing a large volume of burglary business on creameries receive an increase in claims from that source even in normal times whenever the price of butter is high, its burglary underwriter stated, and this, with the present scarcity, may push losses higher than ever.

Jewelry Thieves Are Active

A gang of jewelry thieves is very active in the middle west. The procedure is to have one of the gang engage the attention of the clerk as a prospective buyer while another expertly removes the screws from a door jamb. The work is so well done that nothing unusual is detected, but the next morning the thieves have entered the building and made away with their loot.

There are always a certain number of clever crooks who are carefully studying current conditions to determine the most profitable field for their activities. With a general commodity rationing program due very shortly, their attitude will undoubtedly be largely influenced by the attitude of the government and the severity of the penalty imposed on culprits who are convicted of stealing rationed articles.

Demand Is Reputed Brisk

Experienced thieves will concentrate in one particular area for a time and when it gets too hot for them they move on to greener fields.

Demand for burglary coverage is reported brisk. This is said to be due to two reasons. Merchants, through no action of their own, may have an increase in the value of their stocks from $10,000 to $15,000, with replacement very difficult. The larger amount of money in circulation and good business is causing many to give more attention to their insurance coverage and they do not hesitate to lay down the money for the necessary premiums.

Occupational Disease Is Main Problem of Future

The next 25 years must see a great awakening to the importance of controlling the elements that cause occupational disease, Henry D. Sayer, general manager Compensation Rating Board, New York, declared before the Congress on Industrial Health in Chicago. Although great strides have been made in the prevention of industrial accidents, the surface has only been scratched in the field of industrial health. The dangers and hazards of industrial processes must be continuously studied in order to establish measures for their control and cure.

Compensation rates are probably the most scientifically established of any form of insurance, Mr. Sayer stated in explaining the need for doctors making complete reports. On these reports depend in a large measure the position of the insurer in accepting liability and in determining its preliminary reserve. Medical reports are a prime necessity if the compensation law is to be fairly and adequately administered.

Difficult to Define Coverage

Although compensation for specific occupational disease is the natural corollary of compensation for accident without fault, almost insuperable difficulties in defining the coverage have been encountered due to the impossibility of exactly defining the term "occupational disease."

"Not all diseases affecting or acquired by workers are occupational diseases; not even all diseases that occur in the course of employment. That cannot be too strongly emphasized. Nor is an occupational disease law to be regarded as the employer's contribution to a general health law for workers. In an effort to define and delimit properly the occupational disease coverage, there have developed two general methods, one the so-called schedule law, and the other, the open or all-inclusive law. The schedule law sets forth in a list embodied in the law all the diseases or disease conditions for which liability is sought to be established under the law. These diseases are frequently related in the law to specific working conditions or processes in which there is a characteristic hazard of the specific disease. Thus, for example, lead poisoning is a disease occurring among men who work with or handle or are exposed to lead in some form. If a man who works with lead develops lead poisoning, it will be conclusively presumed that he got the poisoning in his employment. If a person, however, develops lead poisoning and it is conclusively shown that he does not handle lead or work with it, and is in no way exposed to lead or lead fumes, it cannot be said that his lead poisoning is an occupational disease, and it must be caused by some exposure outside his employment.

Definite Diagnosis Needed

"What has been said of lead may be said equally of arsenic, mercury, benzol and any of the other toxic or harmful substances enumerated in the law. Given exposure, if sufficiently prolonged and intense, the disease is presumed to be characteristic of and peculiar to the employment; without exposure, the disease cannot be considered to be occupational. Nor can an exposure to a toxic substance in itself be deemed sufficient to make a diagnosis. The diagnosis must be definite and determined by medical observations and procedures, including necessary laboratory and pathological findings. And when diagnosis is made, the condition may then be considered as to the degree and extent of exposure and the relationship of one to the other as a cause.

"The other common method of providing coverage for occupational diseases set forth in some laws is the general or all-inclusive coverage, under which method specific diseases or disease conditions are not named in the law, but the law provisions include occupational disease by vague, general language or by attempted definition.

Broader Law Has Drawbacks

Seemingly, this type of law would be more easily administered, for the administrative authority would not seem to be bound by the rigid restrictions and limitations of the schedule form of law. But that is not necessarily the case as there are other tests that must be applied when diseases do not fall within the common category of 'occupational.' Such common and deadly diseases as pneumonia, tuberculosis and heart disease occur among workers, just as they do among the non-industrial people. When then, if ever, may such diseases be regarded as occupational? The questions that may arise in connection with such diseases are very difficult and may lead to long, expensive and discouraging litigation.

"In the one case, both employers and workers are fully informed of the disease conditions for which the one is permitted to claim and for which the other is liable. The coverage is not so broad, because of its certainty and definite nature. In the other case, the coverage may be theoretically more broad, but it is shrouded in such vagueness and uncertainty that the right to compensation may not be determined until after lengthy hearings and protracted legal process.

All Are Concerned

"These seem to be the alternatives that present themselves in the development of occupational disease legislation, up to the present time. The medical profession can contribute to the study of the fairest and most satisfactory method of providing coverage for occupational diseases in the shape of things to come. It is a question that should not be left wholly to the lawyers or to the industrialists or to labor, although the views of all these parties must be taken into account. Those views should be based upon informed opinion, and the information to be supplied by the doctors could be most impressive.

"In one jurisdiction, the state law has provided for a medical board of three physicians having special qualifications, and this board makes its findings of fact and conclusions upon all medical questions arising out of claims for occupational disease compensation. That board has performed a notable service. Perhaps in the shape of things to come, such medical boards shall have a most responsible part.

"Industry, and insurance serving industry, do not fear the granting of compensation to workers who fall victims to real occupational diseases such as I have tried to describe. But it seems to me that industry cannot be made to carry the financial burden of compensation for

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Occupational Disease Is Main Problem of Future

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all kinds of illness and disease, which are the common lot of all and which are traceable to employment only in the matter of time, and not in the matter of causal relation to conditions fairly incident to and characteristic of the employment."

Mr. Sayer also covered the difficulties in handling occupational diseases, such as silicosis, due to the inhalation of harmful dusts. As it requires years of exposure before there is disability, it is difficult to devise a practical plan for determining legal responsibility where the worker contracting the disease has worked for several employers.

Discuss O. D. Laws

There was a discussion of occupational disease laws following Mr. Sawyer's paper which brought out much the same points that were enumerated by Mr. Sawyer. Those present concurred with Mr. Sawyer on the need for studying prevention measures and the difficulties of defining and determining the responsibility of the employer.

In discussing the employment of women in industry, Dr. H. C. Hesseltine, Chicago, reported that women are absent from work more frequently and for longer periods than men. It is necessary to provide for competent medical supervision for women workers. A fatigue problem is created by the fact that women usually do housework in addition to their work in plants. He recommended that women not be allowed to lift and handle weights exceeding 35 pounds.

Zurich had an exhibit of its safety zone program and Employers Mutual Liability a display on prevention of occupational disease.

WDC Cover Sales Are Lagging

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One question that some of the bankers have in mind is whether as a matter of fact a bank would be held responsible as bailee for hire in the event of war caused damage.

Urge Aggressive Selling

Some surety executives feel that agents have not been aggressive enough in actively soliciting the coverage.

It is pointed out that every owner of securities, even the individual who may own $5,000 to $10,000 worth, is a prospect for coverage, including such risks as banks, public utilities, insurance companies, department stores, manufacturing firms, liquor concerns which have revenue stamps on hand and trustees and others acting in fiduciary capacities. A number of firms which have large payrolls have inquired about payroll coverage. As was the case with war risk insurance, agents find that in servicing prospects for money and securities coverage, they obtain valuable leads to other business. The agent is given an opportunity to earn new commissions with the number of prospects limited only by the number of businesses in his vicinity.

The commission paid producers is the same as that paid for war risk insurance, 5 percent, and there is a $3 minimum premium requirement similarly. The agent has an obligation to talk to prospects and insured about the money and securities coverage because the government doesn't want people to say after a bombing occurs that they have never heard of the coverage.

Distribution of applications and other material to producers of fiduciary agents has been comprehensive and complete. Each of the 87 member companies designated the central office as its branch office for the issuance of all money and securities policies issued in its behalf. The name of the company represented by the producer appears as the fiduciary agent in the policy. Money orders or checks in payment of premium are drawn to the order of War Damage Corporation, and both application and payment should be forwarded directly to the central office. All policies are issued by the central office and sent to the producer for delivery to the insured.

Avoid Geographical Discrimination

In order not to discriminate against any applicant, by reason of geographical location, with respect to the effective date of the insurance available, in any case in which the application and premium remittance are received at the home office of the fiduciary agent or the central office by mail, the effective date is the post office cancellation date on the envelope enclosing the application or the latest possible date of mailing computed from time of arrival if the cancellation is illegible. In case the application and premium remittance are received at the home office of the fiduciary agent or at the central office by personal delivery, the effective date is the date such application is received. This provision is intended to give insured in California and New York, for example, equal benefit of the coverage if the application is acceptable.

The first policy was written Dec. 21. W. J. Kent is manager of the central office of the Money and Securities War Damage Group. Policies have been issued on risks located in Pacific Coast cities, Texas, Chicago, Detroit, New York, and other representative places.

Lloyd Named for Third Term

COLUMBUS—Superintendent Lloyd of Ohio, appointed to his third consecutive term, by Governor Bricker, has taken the oath of office and qualified for his new term. He immediately reappointed J. Roth Crabbe, deputy superintendent and announced that there would be no changes in his staff. He is the first superintendent in Ohio to be appointed for three consecutive terms. He is now chairman of the executive committee of the National Association of Insurance Commissioners.