

8—Workmen's Compensation Insurance

of efforts at reform. This interest was further stimulated by the passage of the British Compensation Act of 1897.

Early laws

In 1902 Maryland passed an act providing for a cooperative accident insurance fund, this represented the first legislation embodying to any degree the compensation principle. The scope of the act was restricted. Benefits, which were quite meager, were provided only for fatal accidents. Within three years, the courts declared the act unconstitutional. In 1908, a Massachusetts act authorized establishment of private plans of compensation upon approval of the state board of conciliation and arbitration. This law had no practical significance, it was a dead letter from the start.

By 1908, there was still no workmen's compensation act in the United States. President Theodore Roosevelt, realizing the injustice, urged the passage of an act for federal employees in a message to Congress in January. He pointed out that the burden of an accident fell upon the helpless man, his wife, and children. The President declared that this was "an outrage." Later in 1908, Congress passed a compensation act covering certain federal employees. Though utterly inadequate, it was the first real compensation act passed in the United States.

During the next few years, agitation continued for state laws. A law passed in Montana in 1909, applying to miners and laborers in coal mines, was declared unconstitutional. Nevertheless, many states appointed commissions to investigate the feasibility of compensation acts and to propose specific legislation. The greater number of compensation acts were the result of these commissions' reports, all of which favored some form of compensation legislation, combined with recommendations from various private organizations. Widespread agreement on the need for compensation legislation unfortunately did not end all conflict over reform. Interest groups clashed over specific bills and over questions of coverage, waiting periods, and state versus commercial insurance.

In 1910, New York became the first state to adopt a workmen's compensation act of general application which was compulsory for

certain especially hazardous jobs, and optional for others. None of the early state compensation acts expressly covered occupational diseases. Statutes which provided compensation for "injury" were frequently interpreted to include disability from disease, but those acts which limited compensability to "injury by accident" excluded occupational disease. All except Oregon's act required uncompensated waiting periods of one to two weeks, several states provided retroactive payments after a prescribed period.

The 1911 Wisconsin workmen's compensation act was the first law to become and remain effective. The laws of four other states (Nevada, New Jersey, California, and Washington) also became effective that year. Although 24 jurisdictions had enacted such legislation by 1925, workmen's compensation was not provided in every state until Mississippi enacted its law in 1948.

Current acts

Today there are compensation acts in the 50 states, the District of Columbia, and Puerto Rico. In addition, the Federal Employees' Compensation Act covers the employees of the U.S. Government, and the Longshoremen's and Harbor Workers' Compensation Act covers maritime workers, other than seamen, and workers in certain other groups. This latter act provided compensation for workers in the "twilight zone" between ship and shore, since they were not covered under existing state compensation laws.

While economic changes and public policy have prompted increases in benefits and scope of the laws, the basic concepts have not undergone any radical changes. Employers and labor are both dissatisfied with certain aspects of workmen's compensation. Labor attacks the system for inadequate benefits, coverage limitations, and exclusion of many injuries, illnesses, and disabilities that they consider job-related. Employers are critical because the system covers some injuries and diseases they do not consider job-related and is costly relative to its apparent benefits. Thus, while the early advocates of workmen's compensation conceived it as a simple, speedy, efficient, equitable remedy that would reduce litigation over industrial injuries, many doubt their hopes have been realized.