

Workmen's Compensation, General Liability, and Disability Insurance

fairly accurate estimate must be made of the frequency and the severity of the losses that may be expected

Usually, the state agency administering the coverage requires proof of financial responsibility from the risk and other guarantees in the form of a bond or security if a company expects to self-insure

Administration

States vary widely on methods of administration, but workmen's compensation commissions or boards and the courts are commonly used. Administration by special commissions or boards may be more efficient than administration by the courts, primarily because the handling of compensation claims involves highly specialized procedures and needs the attention of specialists. Courts often are not able to spend the time necessary to handle the multitude of compensation cases which arise

In the handling of compensation claims, there are four methods in general use

- 1 A written agreement is made between the employee and the employer (or his carrier) setting forth the amount of benefits, weekly wage, and other pertinent facts. This agreement, with the report of accident and medical records, is filed with the board or commission administering the act for its approval
- 2 The carrier begins payments directly to the injured worker, following the specified waiting period. He files a statement with the board or commission that compensation is being paid and gives the date on which payment was first made. The board or commission then checks the accident report and medical records to see if payments are properly handled
- 3 In states having exclusive state funds, the injured worker must formally petition for benefits. His statements are examined by the administrative authority, and if his statements are in order, benefits are paid
- 4 In contested cases, a hearing or trial is held by the board or commission—the facts are reviewed, witnesses are heard, and the evidence concerning the case is revealed. The board or commission then

decides whether to grant or to disallow the benefits. The burden of proof is usually on the employee. Most states provide for an appeal by either party on questions of law, and about half the states allow an appeal on questions of both law and fact

Every state requires the employer to report injuries sustained by his employees in the course of their employment. The majority of states require only that injuries which cause disability of a stipulated duration, such as for one day, three days, seven days, or fourteen days, be reported. Failure to report can bring penalties: fines from \$25 to \$1,000, and in a few instances, imprisonment

The workmen's compensation laws usually state that the employer be given notice of an accident by the employee as soon as possible, at least within 30 days. Notice of the accident must give the approximate date and place of the accident, if known, and in most instances may be given either orally or in writing. Failure to comply with this requirement may be excused by the industrial commissioner under certain special conditions

Inaccuracy or delay in giving notice is no bar to recovery unless the employer was prejudiced thereby. Compensation may be reduced or denied to the extent of the justifiable prejudice of the employer or for his failure to report the injury within designated limits

The time limit for reporting occupational disease is usually longer than that required for injury. The day that disability from occupational disease begins is considered the day of injury for determining when compensation is to begin

The time limits within which compensation may be claimed in the various states range from six months to six years, but one or two years are most frequently specified. Some commissions permit tardy claims if justified by the merits of the case

Rehabilitation

The definition of rehabilitation, as given in a report published by the American College of Surgeons, is "the planned attempt through the use of all recognized measures, under skilled direction, to restore those persons who because of disabilities do not assume to the