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DOCUMENT DESCRIPTION: Article from The Eastern Underwriter - Vetoes Dust Disease Bill

Maryland Casualty Described In Brochure

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president of the company in 1920 and who was chairman of the board at the time of his death on March 30, 1935. Describing early difficulties the brochure reads:

"The organizers of the Maryland acted in the confidence that the trend of commerce, industry and concentration of population in growing cities created an immense and, as yet, unappreciated field for the application of casualty insurance.

"Already in the business there were nine other casualty companies, four plate glass, one boiler and six accident and health companies, writing annual premiums of about $11,500,000. Not by acquiring a big share of this business, but by promoting the principles of casualty insurance and its application, would the Maryland prosper.

"The advent of the Maryland was greeted with general skepticism, and with predictions of early failure. The casualty insurance business, at best, directed by experienced executives, was a hazardous avenue to profit. New companies sprang up to flounder for a short while and then collapse. What chance had the Maryland, with small capital resources, steered by men who were newcomers to the business?

"Said one of the leading insurance monthlies of the day:

'Mr. Stone's company does not start auspiciously.'

"Another widely-read publication commiserated with the Maryland stockholders, and suggested that they were hard-pushed for investment outlets to put up capital for new casualty company. Declared Mr. Stone, at the end of the first ten month of operation:

"'The Maryland is now ready to submit to any impartial insurance man or men a comparison of its assets, investments, liabilities, risks, adjusted claims, methods and all other details alongside of theirs. We believe the result will show that we will boil down the biggest chunk of clear assets and that we will show surest prospects of survival.'

"The Philadelphia Intelligencer, a leading publication of the day, retorted editorially, with blunt frankness typical of that day: 'This is presumptuous and ignorant'."

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HONORED AT FRENCH LICK

3-Day Testimonial Meeting Held by U.S.F.& G. There in Honor of Foster & Messick's 30th Anniversary

There was a fine U.S.F.& G. turnout at French Lick Springs for three days last week in honor of Foster & Messick's thirtieth anniversary as managers of that company in Indiana. Top-notch home office executives were present as well as some 250 Indiana agents.

The testimonial, conceived and achieved by the Indiana agents who produced, in three months, new business totaling $175,000 to make this event possible. This business was done in the months of February, March and April.

The notables to join in the anniversary celebration included E. Asbury Davis, president of the company; R. Howard Bland, chairman of the board; Vice-presidents Hugh D. Combs, Charles C. Conlon, Phil F. Lee, Joseph F. Matthai and S. Blount Mason. Frank A. Gantert, president, Fidelity & Guaranty Fire; Harry McClain, Indiana insurance commissioner, Ernest Palmer, Illinois insurance director, Lloyd Thomson, R. T. Nelson, Irving Williams, R. F. Davidson and Fred Cunningham were other prominent insurance men who were guests.

VETOES DUST DISEASE BILL

Gov. Lehman's Action on Canney Measure Follows Opposition to It Received from Insurance Companies

Yielding to the strong opposition on the part of industrialists and insurance companies to the Canney dust disease bill, Governor Lehman vetoed this measure late last week. The bill, adding new article 4-a to the New York compensation law, fixed compensation for certain injuries to lungs and respiratory tract resulting from inhalation of harmful dust. Its effective date would have been immediately upon approval. In his vetoing of the bill the Governor said in part:

"The provisions of this bill (when first introduced) were sponsored principally by representatives of industry and insurance companies.

"Upon further consideration of the bill they now believe it contains certain inadvisable features. Many industrialists and insurance companies have urged that the bill be vetoed.

"Even though this bill does not become law, workingmen who suffer injury from silicosis or other harmful dust diseases will, nevertheless, be protected and compensated under the workmen's compensation act because of the bill, recommended by me to the legislature this year, which will bring all occupational diseases within the scope of the workmen's compensation law."

EFFECTIVE SAFETY SLOGAN

"Triple your caution when you double your speed," is the effectively worded safety slogan which is being featured in New York's Subway Sun poster series.

N. Y. Legislative Group To Probe Automobile Rates

To correct a misunderstanding Leonard L. Saunders, executive secretary of the Insurance Federation of the State of New York, said this week that a legislative committee to investigate automobile insurance and rates in New York was authorized by resolution in the last hours of the recent state session which passed both houses and carried $25,000 appropriation. The original resolution carrying $75,000 did die in finance committee.

The investigating committee, personnel of which is now being selected, will hold hearings and report at the next session of the legislature.

NO COMPENSATION LAW IN SIGHT

In view of the fact that three candidates for Governor of Mississippi are actively opposing the enactment of a workmens' compensation law in that state, it is unlikely that there will be any legislation on the subject next January. Another candidate has had nothing to say about workmen's compensation, and the fifth is confining his canvas to the single tax issue.

Recent Court Decisions

Compiled by John Simpson

Author, "The Law Relating to Automobile Insurance"

Caddy's Injury Compensable

A caddy selected by a golf club and authorized by it to come upon the golf course for attendance upon players, although paid by the players and not by the club, is an employe of the club and entitled to compensation under the Workmen's Compensation Act, the New Jersey Supreme Court holds, Essex County Country Club v. Chapman, 173 Atl. 591. The caddy in this case had entered the club grounds and was on his way to the club house to await an assignment when he accepted a lift in an automobile supplied by the club to transport caddies to the first tee, and was injured when alighting from it. It was held the accident happened in the course of his employment.

* * *

Effect on Banker's Blanket Bond of Employe's Dishonest Acts

A surety company which issued a banker's blanket bond to a bank and accepted premiums thereon after the expiration of the time allowed by the state (Alabama) under whose laws the bank was organized, was held estopped to set up as a defense to an action on the bond for losses through the dishonest acts of an employe that the bond was void because incident to ultra vires business. The case was American Surety Co. v. Moran, 75 F. (2d) 646.

* * *

Streptococcus Germs Not "a Disease"

An insured against accident due solely to external, violent and involuntary causes, while diving in a lake, struck his head on the bottom of the lake and broke off part of one of his upper teeth. The injury produced a concussion of the brain, and the fracture of the tooth caused the dissemination of "streptoccic organisms" or germs, which were at the root of the tooth, through the body, which infected the brain, and this alone, in conjunction with the injury, caused his death. He died more than two months after, although he worked as best he could from the date of the accident until a few days before his death.

In an action on the policy the defense was that the death was not caused solely and independently of all other causes by accidental means, and because the injury was not "immediately disabling" within the policy provision. The policy did not insure against "death due to disease, whether accidental or otherwise." The defendant contended that it was not the trauma which produced death, but the dissemination of a pre-existing disease, preventing recovery under the policy."

The Third Circuit Court of Appeals, Massachusetts Protective Ass'n v. Lewis, 72 F. (2d) 952, said that in all the cases on which the defendant relied the court found that the insured was not in normal health, but was suffering from some well recognized, present, persistent disease at the time of the accident, which aggravated the effects of the accident or which itself was aggravated by the accident, and which disease was a factor in causing death.

In this case, the court said, the insured was in normal and good health. The presence of the streptococcic germs in an apparently normal and healthy body, it held, is not "a disease" within the meaning of this policy. The policy did not provide that a body must be perfectly sound, free from every germ and defect, but simply provided that it "does not cover death due to disease," such as those mentioned in the cases cited. Consequently the insured died as a result of bodily injuries directly and independently of all other causes by accidental means. It therefore affirmed judgment of the Federal District Court for Western Pennsylvania for plaintiff.

But on reargument it held that the record, as it stood, did not show continuous total disability of the deceased from the date of the accident, and for this reason it reversed the judgment and awarded a new trial.