

WORKMEN'S COMPENSATION AND INSURANCE

cide whether or not each wished to come under the act

In some states, another type of statute called an elective presumptive act was passed. Under such an act, the employer or employee is presumed to come under the act unless he files to the contrary prior to the occurrence of an injury

In 1917, the United States Supreme Court finally declared that a state may enact and enforce a workmen's compensation law under its power (to provide for the public health, safety, and welfare) without violating the 14th Amendment to the Constitution of the United States. Many states then passed compulsory laws, compliance with which was mandatory for certain employments, with penalties imposed for non-compliance

At the present time, compensation acts of one type or another are in effect in the fifty states and four territories *

Purpose of laws

One of the main purposes of workmen's compensation laws was to eliminate the liability based solely on proof of the employer's negligence and to substitute for it a system of liability for accidents regardless of the employer's fault. This change was intended to prevent the injured worker from becoming a public charge who would have to be supported either by the taxpayers or by charitable organizations

The principle underlying these laws was that liability for industrial accidents should be regarded as part of the cost of operating a business so that the cost of such accidents would be transferred from the worker and the employer to the consumer

Under the compensation system, the employer surrendered his right to insist on proof of negligence and his right to interpose the common law defenses and accepted a certain but limited liability without fault. At the same time, labor surrendered its right to sue for unlimited damages and accepted a certain but limited liability of the employer. This system eliminated speculation bargaining on damages

*Discussion in this paragraph and in several preceding paragraphs adapted in part from Noel S. Symons "Trends in Compensation Attitudes" *The Monitor* (April 1952).

Elements of Workmen's Compensation Laws

State workmen's compensation acts generally cover accidental injuries arising out of and in the course of employment. Since state acts vary, it is important to distinguish between accidental injury and disease

In general, an accident may be defined as a sudden and unexpected event, occurring at a definite time and place

In most laws, the term also includes any disease directly the result of, or a pre-existing condition aggravated by, an accidental injury. An industrial disease contracted independently of an accidental injury is another consideration and usually is treated separately under the heading "occupational disease"

The requirement in most laws that the injury "arise out of and in the course of employment" is interpreted differently in various jurisdictions. The trend, however, has been to award benefits where there is a causal relationship between the injury and the employment, no matter how slight

In some jurisdictions, an employee may forfeit his right to compensation or have his benefits for a compensable injury reduced by intoxication, deliberate infliction of injury upon himself, violation of safety rules, violation of a law or an order, deviation from his work to attend to personal affairs, or other actions that can be described as intentional or wilful misconduct

Compulsory and elective laws

Compensation laws are either compulsory or elective. A compulsory statute requires every employer within its scope to pay the compensation specified. Under an elective act, the employer may either accept or reject the act, but if he rejects it, he loses the customary common law defenses—assumed risk of employment, negligence of fellow servants, and contributory negligence

This loss of defenses and the limitation of liability are great incentives to employers to accept the act with its benefits as well as its burdens. If the employee rejects the act, his employer retains his defenses if he himself has accepted the act

Usually, agriculture, domestic service, casual employment, and (in some laws)