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The NATIONAL UNDERWRITER

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CASUALTY AND SURETY SECTION

…e O. D. Setup State-by-State

…Hygiene Foundation Completes Survey of Laws in Various Jurisdictions

…IFORMITY IS LACKING

…ation for Disease Is Granted …Law in 17 States and District of Columbia

… conflicts among the laws of the … states governing compensation … workmen injured in industrial acci… compensation for workmen con… occupational diseases, and phy… examination requirements for em…ent, are disclosed in the findings …ation-wide legal survey made pub… the Air Hygiene Foundation, the …arters of which are at Mellon …, Pittsburgh. This study notes … trend in some states to award …sation to sufferers of occupa… diseases.

… survey involved the examination … legal literature for "statutes and decisions respecting occupational … from air pollution." It was di… by Attorney H. A. Middleton of …

"Gradual" Injuries Recognized

… guiding principle in the early … the review continues, "was the …g of compensation for accidental … meaning thereby traumatic in… In those years the importance of … due to occupational disease … greatly recognized.

…however, became increasingly ap… that 'injury' might be suffered … and that the result of such … breakdown of the strength and …ce of the employe was more … in many instances than trauma…ury.

…, therefore, in some states, … with the problem of construing … so as to include disease, and … disease within the compensation …

Situation in Maryland

…yland is cited as one of these … There, it appears from court de… a diseased condition contracted …ployment is compensable if caused … negligence of the employer.

… discussing the confusion existing … of the differences in the laws, … report explains:

"Each state is a unit, a sovereign, and …dles its problems in its own way. …ity is lacking, although, of … the statutes of many states are … The courts of the various states' … such precedents as appeal to … consequently, on many important …us, there is likely to be a diver… of opinion among the courts, and … the courts fall into two or more

(CONTINUED ON PAGE 47)

Recast Setup, Management of Two Big Organizations

LESLIE IS BUREAU MANAGER

Beha General Counsel for Executives Body and Bureau—Modify F. Robertson Jones Duties

NEW YORK, Oct. 21.—The long anticipated changes in setup and reassignment of management personnel of National Bureau of Casualty & Surety Underwriters and Association of Casualty & Surety Executives were finally decided upon at a meeting of the executives body yesterday afternoon and of the bureau this morning.

WILLIAM LESLIE

J. Arthur Nelson, president New Amsterdam Casualty, was elected president Executives association, and J. M. Haines, U. S. manager London Guarantee, vice-president. F. Robertson Jones, formerly manager, will hereafter function as secretary, while Claude W. Fairchild, was reelected assistant manager, and named acting manager pending the selection of a permanent appointee.

The announcement of these important changes was made in a joint statement of the executives association and National Bureau.

Beha's New Duties

J. A. Beha, formerly general manager of the bureau, will now serve as general counsel of both the executives association and bureau.

William Leslie, formerly associate general manager, becomes the general manager of the bureau. E. E. Robinson was reelected secretary.

The National Bureau henceforward will be strictly a rate-making organization. Its accident prevention and fraudulent claim detection work is being turned over to the executives association.

Tribute was paid F. Robertson Jones for his 24 years' service as general manager of the executives' association and its predecessor, the Workmen's Compensation Publicity Bureau.

Chicago Group Discusses Disability Claim Problems

REHABILITATION METHODS UP

Addresses Given at Sessions of International Claim Association Reviewed at First Fall Meeting

The first fall meeting of the Chicago Claim Association, following a dinner on dining cars of the Milwaukee railroad at the Union Station, was devoted to a review and discussion of addresses given at the annual meeting of the International Claim Association.

A. G. Fankhauser, Continental Casualty, who was chairman at a round table session at that meeting devoted to discussion of some special aspects of claim problems, and a member of the program committee of the International association, told some of the points that especially appealed to him in the various addresses. He said the talk by Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, on

(CONTINUED ON PAGE 47)

Futz Is Peeved Because He Was Not Recognized

EIGHTY-FOUR, PA., Oct. 21.—There was considerable gloom in this community when the National Association of Insurance Agents announced the membership of its executive committee and it was found that our energetic, very useful insurance man, Joseph Futz, was not given an appointment. Mr. Futz attended the momentous convention of that organization at Pittsburgh and was instrumental in bringing about a number of reforms. He also initiated the candidacy of the new president, W. Owen Wilson of Richmond, Va. Owing to Mr. Futz' activities and high reputation as an expert in insurance in this locality, it seemed to be a foregone conclusion that he would be honored by becoming a member of the committee.

Mr. Futz in commenting on the situation said: "I was assured by Owen Wilson and Walter Bennett that I would be appointed on the executive committee because in their opinion there was needed in this organization one close to the people and an insurance man who knew how to dig up grass from the very roots. The reason that I was sidetracked is entirely due to jealousy on part of a few insurance companies that desired to come into my agency. Some of the Pennsylvania field men who were not invited to my policyholders' watermelon picnic began a campaign of vilification and the minds of the officials were poisoned. I am a broad-minded man and will work in the private ranks and show these fellows up in due season."

High-Low F… Real Li…

Kept Travelers From … Compensation L… Years A…

S. B. PERKINS …

Addresses Chicago In… Association on Retros… Plan, Which Brought …

Sanford B. Perkins, a… of the Travelers at the … remarkably good job of … behalf of the retrospe… compensation rating pl… of an address at the a… the Chicago Insurance … tion this week. Mr. Pe… man who has a pleasing … He knows the subject c… timately. He is a whol… of it and he marshal… arguments in lucid fash…

Even those in the a… been following the ret… developments closely g… the presentation in the … ton and enthusiasm.

Saved Travelers

Mr. Perkins started … tional statement that re… had saved the life of … business for the Trave… ago, he declared, the … Travelers decreed that … continue writing comp… nation-wide. That thr… ficials into consternati… him on what basis the … continue in the field.

"By making a pro… swer.

The Travelers, acco… kins, had lost betwe… $4,000,000 of compensa… a 48 percent loss ratio. … the character of the … and the company, he s… to retrospective rating … ness back into the real…

Big Improvemen…

The Travelers used … ing on big risks expe… next two years. Th… retrospective rating wa… producing a loss rat… During the first year … tive rating, the loss r… of business was 41.4 … That emphasized, … that retrospective rat… effective accident prev… devised. Phenomenal … curred in practically e… placed on the retrosp… after year the experi… all of the risks has b… at the point that en… minimum premium. F…

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The O. D. Setup State-by-State

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each group following a different ... with respect to the same problem."

The survey shows that compensation laws have been passed in 46 states (Arkansas and Mississippi are without this type of legislation), while only 17 states and the District of Columbia provide compensation for occupational diseases. In five of the latter, however, silicosis is not included in the list of compensable diseases.

There is a legal obligation on the part of the employer to provide a safe place to work, and usually the matter of ventilation is covered. The mining laws apply uniformly as to air quantity and mechanical ventilating equipment. Concerning the controversial point of requiring medical examinations for workmen, the report comments:

New Medical Problems

"With the adoption of occupational disease acts, new medical problems arise and more adequate provision is required for medical examination and treatment. This is especially true with respect to ... disease, which calls for diagnosis by qualified specialists experienced in that field.

"In New Mexico the compensation act says 'it shall be the duty of the workman to submit to physical examination.' ... in New York, the act of 1936 covering silicosis and other dust diseases, states:

"'It is hereby declared to be the policy of the legislature of this state to prohibit through every lawful means available any requirement as a prerequisite to employment which compels an applicant for employment in any occupation coming within the purview of this article to undergo a medical examination.'

"Missouri provides for examination as often as once a month, by a competent, licensed and reputable physician, of all employees who come into direct contact with certain poisonous agencies or injurious processes. New Jersey, Ohio, and Pennsylvania require employers to have examined, at least once a month, employees engaged in any work or process exposing them to lead dust, lead fumes or lead solutions.

"North Carolina requires examination both prior to employment and from time to time during employment.

"In Kentucky, Massachusetts, New York, North Carolina and West Virginia definite recognition has been given to some type of medical board composed of specially qualified physicians or surgeons, and charged with the duty of diagnosing occupational disease and of advising the administrative board or commission with respect thereto.

"The right of a workman who has suffered an occupational disease due to the negligence of the employer, to recover damages at common law, is another point on which the courts hold contrasting views. In many states there appears to have been no occasion for the courts to rule on the subject. In other states where the right existed, it has been modified by the passage of workmen's compensation acts. In Illinois, Michigan, and Ohio it has been held that such common law right to recover damages for occupational disease never did exist. North Dakota may also be included here.

Negligence of Employer

After emphasizing that "lawyers might well differ as to where any particular state belong," the survey adds:

"In Connecticut, Georgia, and Texas, we would say that recovery is extremely doubtful.

"The common law right to recover for occupational disease caused by negligence of the employer probably exists, although there is some doubt, in the following states: Delaware, Iowa, Maine, Maryland, Massachusetts, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Virginia, and Washington.

"That such right does exist seems well settled with respect to another group of 12 states: California, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, and West Virginia.

"It should be noted, however, that occupational disease is compensable, to some extent, under the compensation acts, in all of this group except four states: Kansas, Louisiana, Mississippi, and New Hampshire. Hence the common law right to recover in eight of the 12 states is very much limited."

No Court Decisions

In the remaining 17 states and the District of Columbia no court decisions deciding the question of common law right could be found.

H. B. Meller, managing director of Air Hygiene Foundation, points out that the problems of industrial air pollution have their legal as well as medical and engineering aspects and added:

"No solution which will benefit society as a whole can be reached without intensive study of the manner in which the problem is affected by law."

He said the lack of uniformity in the laws, as well as the resulting confusion, are attributable to the present lack of sufficient definite knowledge and to the paucity of standards on the subject in medicine and engineering. Mr. Meller predicted that these shortcomings will be remedied by diligent study and scientific research now in progress.

Chicago Group Discusses Disability Claim Problems

(CONTINUED FROM PAGE 35)

claim correspondence brought out the fact that claim men often do not think about the reaction of the men who get the letters that they are writing. The address by Dr. Birchard of the Sun Life of Canada on coronary thrombosis, he said, brought out the point that the victims of that disease are not necessarily totally disabled.

In the discussion of releases, the point which interested him especially was that the companies are not greatly concerned about the words used in the release, but rather about the circumstances under which it is secured. Mr. Fankhauser said that if there is a definite understanding with the claimant, the release itself is of little importance. He said he had had several cases in which such an understanding had been reached, under circumstances where it was not feasible to get a signed release at once, and that in none of those cases had the claimant gone back on his agreement.

C. O. Pauley, Great Northern Life, told of the prominent part that Chicago men had had in the International Association meeting, especially in the symposium which Mr. Fankhauser had arranged and at which he presided, and stated that the good impression which he made in that connection was an important factor in his selection as chairman of the executive committee.

Question of Clinical Examination

Mr. Gordon was asked to comment on his address. Referring to his suggestion that the claim man build up a file of form letters applicable to different circumstances, he said that while he was in Detroit on his way back from the convention he ran into a system which was a decided improvement over the one he had suggested. A general agent there, who handles his own claims, has a card file of 300 to 400 cards containing paragraphs to be used in claim letters, indexed by topics. They include opening paragraphs applicable to different situations, and paragraphs explaining the reasons for the various policy provisions which may be involved in a claim case. The same man also has a similar file on agency correspondence, including collection, inquiries from policyholders, etc.

C. B. Hirons, Pacific Mutual Life, read his paper on termination of disabilities and claims, with particular reference to cases requiring rehabilitation of claimants, which brought out considerable discussion. Most of it was on his recommendation that cases involving extended disability, where there is a question as to the extent of disability, be referred to diagnostic clinics, where the claimant can be examined by specialists of the highest standing in their respective fields. One point brought up was as to whether the company should submit to the doctors making examinations under these circumstances all of its records on the case. It was stated that some claim men feel that the examiner should go into the matter with an open mind, but the consensus was that the examiner should be given all possible information, as diagnosis in any event is not an exact science and such information may often be of great value in evaluating the importance of certain conditions. The question of expense was also brought up, but the opinion was expressed that an examination that can be secured for $5 or $10 is virtually worthless in such cases and it is well worth while to spend $25 to $50, $75 or even $100 in order to secure real expert opinion.

The moral effect on the claimant of having the examination made by a number of specialists of recognized reputation was also emphasized. He is much more likely to accept their verdict than that of one physician. It has been found that there are decidedly fewer litigated cases when such examinations are made.

The question was asked as to whether steps are taken to assist the claimant in getting back into some sort of work, if the doctors say he is able to do it. Mr. Hirons said that he usually gets the doctors to talk to the claimant about that matter, and follows their advice.

Others present told of their experience with cases of this sort, including one where a dentist, who had been disabled for three years and had sold all of his equipment, was willing to try to resume practice if the company would continue to pay him for six months in order to finance him while he was getting started again. The proposal was accepted and worked out satisfactorily.

Interest in the Federal Study of Consumer Cooperatives

PHILADELPHIA, Oct. 21.—Newspaper men covering the convention of the National Association of Mutual Insurance Companies were interested in any discussion or reference to the action of the government in having a commission go abroad to study the consumer cooperative buying movement and its possible application to this country. There were rumors to the effect that the government is seeking to apply the principle of cooperative buying to insurance. The general opinion seems to be that the government in making a general study of the cooperatives is seeking any information it can so far as the application of the mutual plan is concerned. Some, however, were fearful that this cooperative movement carried to extreme would not merely mean the termination of stock insurance but the general writing mutuals.

It seemed hardly likely from the report that the government would favor mutual over stock insurance. In the conversations on crop insurance the government officials emphasized that the cooperation of both classes would be asked. All hands, however, were greatly interested in what report this federal commission will make from its study of the cooperative movement on the other side.

Eschew Group Coverage

The Commercial Casualty and Metropolitan Casualty bring up an interesting point in connection with professional liability policies in the "Question Box