EXH 1155 AEGS

The [illegible] of interest in connection with the [illegible] compensation for occupational diseases are the following:

"Dangerous Tendencies in the Workmen's Compensation Laws" by F. Robertson Jones

"Ominous Abuses Threatening the Insurability of Workmen's Compensation" by F. Robertson Jones.

"Workmen's Compensation — A Growing Burden on Industry" by F. Robertson Jones.

"Problems in Compensation for Occupational Diseases" by F. Robertson Jones

Additional copies of this leaflet and copies of the pamphlets listed above may be obtained by application to the Association of Casualty and Surety Executives, One Park Avenue, New York City

1100-5307

Perils in Measures for Compensation for Occupational Diseases

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February 28, 1935

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Association of
Casualty and Surety Executives
One Park Avenue
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Discussion

A studied effort is now being made on a wide front in legislative sessions to bring about the enactment of measures to extend the workmen's compensation laws to cover so-called occupational diseases. In many instances these measures take the form of an all-inclusive provision that really amounts to indefinite health and life insurance for all workers at the expense of their employers.

Some of these measures would make compensable, regardless of fault on the part of the employers, either all diseases arising out of the employment, or all occupational diseases so arising without definition of the meaning of the term "occupational disease". Such measures, lacking absolutely in definition of the diseases meant to be covered, would, in effect, under the false guise of compensation for occupational injuries, impose upon employers an obligation to insure their employees against approximately all the ordinary illnesses of life, even though merely contributed to by usual and common incidents of work or resulting from causes over which the employer can have no control. The burden thereby entailed upon industry would be incalculable and unendurable. It would eventually amount, in all employments, to many times the present cost of compensating for injuries "by accident."

Not so objectionable as the measures for all-inclusive coverage of occupational diseases" above referred to, but dangerous nevertheless, are measures to extend the compensation law to cover "occupational diseases" in general terms. The objection to such measures is that no general definition yet proposed logically limits the field of diseases to be covered but all of them leave the term "occupational diseases" open to constructions that would burden industry with the cost of multitudes of cases of disability and death from disease for which industry is in nowise truly responsible. Uncertainty, with multiplicity of definitions, is one base of attempts at such blanket definitions. Throughout the civilized world, outside the United States, the practice is established of defining occupational diseases by causes or specifically describing them, the diseases to be so defined being determined by medical action. That method of definition, called the "schedule plan", has, to date, been followed also in [illegible] States in this country.

In the meantime there is [illegible] no other better considered which would extend the compensation law to cover many hitherto unrecognized occupational diseases, duly scheduled or described, with the addition of the more newly recognized diseases of silicosis and asbestosis.

Compensation for silicosis, regardless of fault (and asbestosis, where found, belongs in the same category) will entail a heavy increase in compensation cost, in many industries, and in their insurance rates. Experience in Wisconsin indicates that in some occupations, in which the hazards of silicosis are exceptionally high, the cost of compensation for silicosis alone may amount to nine times the cost of compensation for accidents. Provisions in the law specially to safeguard compensation for silicosis against impositions and abuses may avoid such an overwhelming cost. But, under any circumstance, the burden imposed upon industry will be heavy, and, in many industries, will be unendurable unless they resort promptly to the most thorough means for prevention. And even then there will remain a serious difficulty:—

Such diseases as silicosis often do not manifest themselves until after many years of exposure. Consequently, during the early years only, compensation for such diseases a large proportion of disabilities and deaths resulting therefrom will be due principally to exposures prior to the date when the compensation coverage became effective. In other words, at the start under such a law, industry will have imposed upon it a large volume of "incurred liabilities" for disabilities and deaths to result in the future from diseases contracted in the past.

To insure against future contraction of such diseases is one thing. To insure against such future contractions plus assumption of liability for the future results of past contractions is another. Obviously industry has neither accumulated funds nor paid premiums to meet the future losses from the already incurred or potential liabilities mentioned.

Industry should awake to the gravity of this problem (which is incidental to the institution of any plans of compensation for progressive diseases of gradual contraction) and should avoid the delusion that it can be solved, by insurance or otherwise, except at a very heavy cost.

Conclusion

A satisfactory law for the compensation of occupational diseases should contain the following features:

1. A schedule of the diseases to be deemed "occupational diseases". Such schedule should include all those diseases but only those diseases, to be found in the State, which, according to prevailing medical opinion, can be traced to origins in "trade risks", i.e., risks, not of ordinary life, but created by special practices or processes in industrial occupations.

2. A special regime for the expert adjudication of medical questions and for medical and engineering control for purposes of prevention.

3. Special provisions to require a definite period of exposure as a condition to the right to compensation for an occupational disease, to limit the time within which disability or death must follow exposure; and to exclude application to cases resulting from exposures entirely prior to the effective date of the compensation coverage.

4. Specification of an event from the date of which shall run the time limit for notice of injury and claim for compensation, in lieu of the "date of the accident", as under the typical compensation laws.

5. Provision for reduced compensation in cases of mere aggravation or acceleration of the consequences of other diseases or infirmities.

6. Provision for special compensation to workmen laid off before actual disablement because of manifestation of first symptoms of an occupational disease, such a provision being especially essential in application to silicosis.

7. Provision for waivers of full compensation in special cases of silicosis and other diseases of like character, where disablement has not resulted.

8. Special limitations on the obligatory medical benefits in cases of silicosis and other diseases of like character.

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Duxth Legislation

Critical Occupational Disease Situation in New York

Industrial Life and Health Insurance Under the Guise of Compensation for Occupational Diseases

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Association of Casualty and Surety Executives
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Industrial Life and Health Insurance Under the Guise of Compensation for Occupational Diseases

There are pending in the New York Legislature, with prospects of enactment, Senate Bill Introductory No. 20 (Coughlin) and Assembly Bill Introductory No. 20 (McCaffrey), to amend the Workmen's Compensation Law to make all "occupational diseases" compensable, without specification or definition of the diseases deemed to be "occupational". These identical bills for "all inclusive coverage of occupational diseases" are contrary to the practice under all the well-established compensation laws and would admit of a construction whereunder all the diseases of ordinary life, merely contributed to by usual incidents and exposures of work, would give rise to the right to compensation. Such a liability is neither equitable nor endurable. It would, in effect, extend the compensation law, beyond its true purpose of providing reparation for injuries for which "trade risks" are responsible, far into the fields of general health and life insurance.

The Associated Industries of New York State has estimated the additional cost that would be imposed upon industry by the enactment of this measure at over $12,000,000 per year. In all probability, however, the additional cost would far exceed that figure. Foreign experience indicates that social health insurance, with benefits at the levels provided under the New York Workmen's Compensation Law, would cost many times the present cost of accident compensation in New York. It is toward such a peak that the cost of compensating for occupational diseases in New York, if these bills should be enacted, would progressively rise.

There is also in preparation another bill which would add to the present schedule of occupational diseases under the New York law those diseases of the lungs and respiratory passages which are caused by the inhalation of inorganic dusts in certain occupations specified, such diseases to be compensable under [illegible] terms and conditions.

The principal of such diseases would be silicosis; and compensation for silicosis, regardless of fault, would entail a heavy increase in compensation cost, in many industries, and in their insurance rates. Such increased cost would be unendurable for many industries unless they resort promptly to most thorough means for prevention, and even then there will remain a further difficulty:—

Such diseases as silicosis often do not manifest themselves until after many years of exposure. Consequently, during the early years under compensation for such diseases a large proportion of disabilities and deaths resulting therefrom will be due principally to exposures prior to the date when the compensation coverage became effective. In other words, at the start under such a law, industry would have imposed upon it a large volume of "incurred liabilities" for disabilities and deaths resulting in the future but contracted in the past.

To insure against future contraction of these diseases is one thing. To insure against such future contractions plus assumption of liability for the future results of past contractions is another. Obviously industry has not been building up funds nor has it paid premiums with which to meet the future losses of the already incurred or potential liabilities mentioned.

Industry should awake to the gravity of this problem, incident to the initiation of any plan of compensation for progressive diseases of gradual contraction, and avoid the delusion that it can be solved, by insurance or otherwise, except at a very heavy cost.

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