

## THE ONTARIO COMMISSIONERS' PROTEST.

The statement issued this week by the Commissioners administering the new Government scheme of workmen's compensation in Ontario is a decidedly interesting official document. The statement has been evoked it appears by the mass of criticism which has been directed against the Commissioners on account of the rates of assessment of the various industries which they have recently made. We have reason to believe that the protests against the rates imposed on many industries are well-founded. For instance, a case has come under our attention where a special arrangement has been in force for some years past between a leading insurance company and an Ontario firm whereby the company not only protected the firm against their legal liability for accidents, but also guaranteed to pay half wages to injured workmen—contracted, in fact, to pay practically the same indemnity as is secured to workmen under the present Act. For that protection against liability and guarantee of half wages to injured workmen, the Ontario firm paid a premium to the insurance company in an ordinarily active and prosperous year of between \$4,000 and \$5,000. Under similar circumstances, the firm are being compelled under the new Act to pay between \$20,000 and \$30,000 that their workmen may receive practically the same benefits as before. It can hardly be considered a matter for surprise that the Ontario firm are kicking vigorously, though in Ontario, at present, kicking in the matter of workmen's compensation merely means "kicking against the pricks." There is no escape.

### AN UNFAIR COMPARISON.

As a matter of fact, the rates which have been drawn up by the Workmen's Compensation Board show that the Board knows mighty little about the subject of workmen's compensation from the underwriting end, however profound its knowledge of other aspects of the subject. The rates appear to alternate between being too high and too low. Saw mills at 1.80 are pretty clearly too low. Biscuit manufacturing and printing are put on the same level at 0.50, though it is well known to every underwriter that the risks of the latter industry are considerably greater than those of the former. Examples of the same kind of thing could be multiplied indefinitely. The Board seek to defend their scale of rates by quoting rates charged under the new Workmen's Compensation Act in the State of New York. "Making due allowance for a comparatively slight difference in scale of compensation," they say, "it may, without unfairness, be presumed that the present New York insurance rates approximate very nearly the rates companies in Ontario would have charged had they been required to insure against claims for compensation under the present law." The rates quoted for New York are, of course, away higher than those

quoted for Ontario. But the comparison is not fair at all. It does not appear whether the New York rates quoted are those employed in the heart of New York City or in the country towns of the State. The Commissioners must know, or, if they don't know, they are ignorant of one of the most elementary facts of workmen's compensation underwriting, that rates are not the same for the great centres of population, for small towns and for country districts. The quotation of the New York figures by the Board proves nothing at all.

### IGNORING POPULATION.

But the quotation does serve to bring into prominence an aspect of the rating problem on which the new Ontario board appears to have fallen down very badly. Apparently they have entirely ignored the fundamental axiom of scientific underwriting that accidents increase proportionately to the density of population. Workmen's compensation business can be and constantly is being written in the country districts and in the smaller centres of population at markedly lower rates than in the large centres, when the same compensation law applies to both large and small centres alike. The lower rates are justified by the experience; manufacturers favorably located get the benefit of their favorable location in reduced rates. But apparently the new Ontario rates entirely ignore this. Manufacturers in the same classification wherever they may be located throughout the province are to be called upon for identical assessments. Such an arrangement is obviously grossly unfair to the manufacturers located in the smaller towns and in the country districts who will in effect be paying more than they should be called upon to pay on their own experience and will be paying for the higher accident ratio of their competitors located in the large centres. They are being compelled to do this; there is no alternative.

### CLAP-TRAP.

The Commissioners protest is not without some touches of sheer clap-trap. They state quite solemnly:—

"The board cannot, in consideration of the present financial stringency, levy a lighter assessment this year with the thought and intention of making up the deficiency by higher assessments in future and more prosperous years, as some evidently think they ought to have done."

It is really difficult of belief that such a childish suggestion was ever seriously put forward.

Again, the Commissioners say:

"The liability companies insured only against claims up to \$1,500, while protection now is practically unlimited. Besides with the defences provided them by the old law, the companies had, in the unwillingness or inability of workmen or their dependents to face the risk and undertake the expense of costly lawsuits, a pretty effectual guarantee against having to pay even the restricted claims of the injured, and the settlement of claims for trivial sums became an actual scandal."