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## WORKMEN'S COMPENSATION: ITS INCREASING COST.

In the administration of schemes of workmen's compensation, it has been the general experience, whether those schemes have been administered through the operations of approved stock companies or directly by Government authorities, that with the flux of time, the cost of claims has increased, not only considerably, but in many cases in a manner which to the onlooker is altogether astonishing. With good reason, it is believed that this phenomenon is generally due to the following course of events:—At the first passing of a new scheme of workmen's compensation, the majority of workmen are unaware of its exact provisions and of what benefits are secured to them by it. In due course of time, however, these things are explained to the men by their leaders; the men gradually become familiar not only with the scheme's provisions, but also with its possibilities. They begin to avail themselves of those possibilities; claims under the act multiply; the cost of claims begins to rise. As a result of this rise in the cost of claims, the calls upon the employers also rise, whether in the shape of company premiums or of assessments made by a government commission.

This general trend in the direction of increasing cost of claims is of great interest and importance to the employers of Ontario who, willy-nilly, are to be brought into the operations of the Government scheme of workmen's compensation insurance which is now before the provincial legislature. And particularly so for this reason, that the provisions of the Act are such as to leave the way wide open for insidious means to be employed by those who are not too scrupulous, in the way of increasing the cost of compensation. It is fairly certain, as has been shown in a previous article, that the rank-and-file administrators of this Act will be of a very moderate type in both ability and energy, if indeed they are not rank political partizans. While the Ontario Government may be given credit for desiring to deal fairly in this matter, in view of conditions elsewhere in both the Dominion and the Provincial Governments' services, the critic may be excused for anticipating that to some extent the wretched patronage system and political influence will make their way into this service as they do into practically every other Government service in Can-

ada. It is, therefore, almost certain that in due course there will arise in the administration of this new legislation cases where claims for excessive compensation are made for (1) political reasons, (2) personal reasons, (3) because of outside influence being brought to bear on behalf of the employee.

Beyond these powerful political causes which will operate to increase the cost of claims, the facts of the general experience must be taken into consideration. As the benefits and possibilities of a workmen's compensation scheme become known among the workmen, what happens? The workman takes every possible advantage that he can. The idle and dishonest workman is not above tricks which practically mean fake injuries. The man who is really injured doesn't see why he shouldn't have ten days off instead of the necessary week, or a month instead of three weeks. Every insurance man knows that malingering on the part of injured or alleged to be injured workman is the worst evil that has developed out of workmen's compensation legislation and this Ontario legislation means a direct encouragement of malingering, since apparently it will be only the Government that is being cheated, and nobody considers it a sin to cheat the Government. Injuries, or alleged injuries, which without workmen's compensation legislation a man takes no notice of, under workmen's compensation will necessitate a prolonged lay-off—with compensation coming in regularly.

An experiment is now being made with State workmen's compensation insurance in the State of Washington. It is already evident there that payment of claims must be made on a very liberal basis compared with the past. *Inter alia*, it has been placed on record by one employer in that state, that within the last year he has had five claims from rupture, although in thirty years previously to the inauguration of the State insurance system, he had not a single case recorded, and it was only recently that he had installed efficient modern devices for lifting heavy materials. Incidentally, it is well known to the insurance companies that this common disease is usually the result of physical weakness in the workman, and is not due to an "accident." In Germany, the experience has been the same. There it has been found that men who at one time would

(Continued on page 541.)