

STATE INSURANCE AND WORKMEN'S COMPENSATION.

(By Mr. W. E. Gray, B.A., LL.B., General Manager and Secretary, Employers' Liability Assurance Corporation).

(Continued from last week.)

HEAVY DEFICITS.

In 1911, the last year for which I have figures, the wages covered by the German Industrial Association (I have translated them into £ sterling at 20 to the £) amounted to £496,625,000. The compensation actually paid was £5,866,125; of that £5,093,667 was in respect of accidents arising in previous years and £772,458 was in respect of accidents arising during the year; even if you add to this latter figure £1,057,774, which was paid into the reserve fund that year, the amount is not equal to the capitalised value of the accidents arising in 1911, so that a deficit of reserves is still increasing, and the association has to face a still rising cost. The deficit at the end of 1911 is estimated at over £50,000,000 sterling. Now that deficit will have to be faced in one of three ways, or perhaps by a combination of all; either the cost to employers must increase very considerably over a number of years, or the State will have to meet it out of general taxation, or the workman will have to have his pension reduced.

Having put this position roughly before you, I can confidently claim that no insurance company would ever have been permitted, or would even have attempted, to get into this position. The

business would have been carried on on the sound basis we are all familiar with, proper rates would have been charged—if not from the start, within a very short period of the start—and proper provision been made for these vast liabilities, and this serious situation, serious for the employer, serious for the workman and serious for the State, could never have arisen.

THE NEW YORK LAWS.

Now look at the New York laws. The New York Law came into operation 1st July, 1914, and by it a special State Workmen's Compensation Commission was established, to deal with the State's insurance of this branch; and although there was and is in existence a State Insurance Superintendent charged with the duty of supervising the operations of all insurance companies, the Workmen's Compensation Commission and all its doings were excluded from his—the trained man's—control.

To begin with, the law governing Workmen's Compensation provides that until 1st January, 1917, all expenses of the State Insurance Fund shall be borne by the State. An appropriation of \$500,000 was given to them at the start, in July, 1914, to meet preliminary expenses. This was all exhausted by 1st January, 1915. The Commission then asked for a further appropriation of \$60,000 per month, as it has a pay-roll exceeding \$20,000 per month, office rent of \$35,000 per annum and other expenses. While dispute as to the amount of appropriation was going on the Commission instructed nine deputy-commissioners to close their branch offices until the amount was settled and the

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STEADY AND SUBSTANTIAL PROGRESS IN ALL DEPARTMENTS.

YEAR	ASSETS	RESERVES	SURPLUS	BUSINESS IN FORCE
1895	\$ 206,474.29	\$ 126,102.07	\$ 76,419.42	\$ 2,054,514.00
1900	539,266.45	395,781.56	135,852.76	3,879,332.00
1905	1,070,327.17	869,226.58	179,382.81	6,285,289.00
1910	2,174,605.91	1,715,589.66	384,430.60	10,718,766.00
1915	4,026,655.07	2,918,390.00	954,948.63	17,561,706.00

Gain in Business Written 30 p.c. Magnificent Gain in Gross Surplus to Policyholders. INCREASED 23 p.c.

ACTUAL RESULTS TO POLICYHOLDERS THE TEST OF MERIT. "GOLDEN OPINIONS."

"It was always a pleasure to do business with your Company, and the profits far exceed my expectations." Policy No. 101.

"Not only did you carry my insurance during the twenty years, but you have increased the amount which you originally guaranteed to pay me by nearly 60 per cent."

"Very substantial interest on the money invested, and I must say the whole transaction is very satisfactory indeed to me." Policy No. 4836.

Highest Net Interest Rate of any Company in Canada.

Death Loss (including war claims) only 40 p.c. of actuarial expectations.