Workingmen's insurance in Europe

Frankel Lee K


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105 EAST 22d STREET, NEW YORK
WORKINGMEN'S INSURANCE IN EUROPE

By
LEE K. FRANKEL
AND
MILES M. DAWSON

WITH THE CO-OPERATION OF
LOUIS I. DUBLIN

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FOREWORD

REALIZING that the subject of insurance for workingmen was one of great importance and that it was a pressing one in the United States, the Russell Sage Foundation early in 1908 secured the services of Mr. Lee K. Frankel to make a study of insurance in Europe. Mr. Frankel was specially qualified for the work by his wide experience in social work and a knowledge of the problems involved gained by acquaintance with families of working people. Soon after he began to plan the study he associated with him Mr. Miles M. Dawson, who was thoroughly expert on the technical side of insurance and well informed as to its social bearings.

Information about workingmen's insurance is specially needed at this time. Eight states have appointed official commissions to study the subject and report plans for adoption. These commissions include employers, members of trade unions and social workers. A committee of the National Manufacturers' Association, after much study, submitted an interesting report at the recent annual meeting of the Association. The committee's resolution adopting the principle of compensation, in preference to the system of employers' liability now prevalent, was passed unanimously, as well as a resolution urging a wider use of preventive machinery. Two conferences of members of state commissions and others interested have been held. The interest in insurance is evidently widespread and steadily growing. Yet there has been little experience in the United States on which to base positive recommendations; nor have we sufficient information, in easily accessible form, to enable us to decide how European precedents may be wisely followed under American conditions.

This volume presents the results of a careful investigation, covering about six months, of the systems of insuring workingmen in operation in European countries. It gives in fuller detail than has been done heretofore in this country the various kinds of
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European insurance, their methods of operation, their finances and their relations with governments. Unfortunately it was not possible to study the general social effects of the policies adopted in Europe nor their effect on the various manufacturing and other enterprises upon which they operated. Shortly after his return from Europe Mr. Frankel accepted an invitation to take charge of the industrial department of the Metropolitan Life Insurance Company. This prevented his pursuing the study, so it seemed best to do nothing more until this volume was issued.

The compilation of the information gathered and its presentation in proper form have taken much time. The consequent postponement of the date of issue has seemed amply justified.

New York, August, 1910

John M. Glenn
PREFACE

The studies on which this volume is based were made for the purpose of obtaining accurate and recent information concerning the methods in operation in certain European countries for the protection of workingmen and their dependents from the financial consequences of the following misfortunes:

I. Death from industrial accidents or from other causes, such as sickness or accidents not industrial.

II. Disablement; temporary or permanent, total or partial; from industrial accidents or from other causes, such as sickness, old age, or accidents not industrial.

III. Involuntary unemployment.

Prior to 1908 the only important works on workingmen’s insurance that had been published in the United States were John Graham Brooks’ Compulsory Insurance in Germany, published in 1893 as a special report of the United States Bureau of Labor, the comprehensive work of W. F. Willoughby, Workingmen’s Insurance, which appeared in 1898, and a report on Industrial Accidents by A. F. Weber, of the New York State Bureau of Labor, in 1899. The progress made in Europe since these reports appeared has been extraordinary; for this reason and in view of the agitation and interest in the subject of workingmen’s insurance in the United States, it is believed that the present report is timely.

Since the investigation was originally undertaken, in 1908, an interesting work by F. W. Lewis, on the obligatory systems of insurance in Europe, entitled State Insurance, and several valuable publications treating of workingmen’s insurance in the United States have appeared. Among these may be mentioned: Industrial Insurance in the United States by Charles R. Henderson (The University of Chicago Press, 1909); The Beneficiary Features of American Trades Unions by James B. Kennedy (Johns Hopkins University Press, 1909); and the Twenty-third
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Annual Report of the United States Commissioner of Labor, entitled, Workmen's Insurance and Benefit Funds in the United States. In the Bibliography at the end of this volume will be found the titles of the more important publications, American and foreign, that deal with our subject.

This present report has been confined to a study of the systems in force in Great Britain, Norway, Sweden, Denmark, Holland, Belgium, France, Switzerland, Italy, Germany and Austria. These countries were visited by the investigators, as they were the only ones in Europe having systems of workingmen's insurance which especially warranted study at close range. Special attention is called to Appendix I, which contains a summary of insurance systems now in operation in the various countries.

In the preparation of the report, a large amount of original literature, collected at the time of the investigation, has been made use of. This includes reports of bureaus of labor, insurance departments, and individual societies and associations. In all cases the statistics employed have been taken from the latest published statements obtainable. Due credit should be given to the articles on workingmen's insurance in the Handwörterbuch der Staatswissenschaften, of which liberal use has been made with the consent of their authors. The material collected was studied by Dr. Louis I. Dublin, who prepared the detailed descriptions and the statistics of the phases of workingmen's insurance in the various countries, the tables in the appendices and the Bibliography.

The authors desire to express their appreciation for the unfailing courtesy shown to them while in Europe by officials of various insurance departments, insurance companies, labor, statistical and other governmental bureaus, actuaries and others interested in workingmen's insurance. They wish, also, to acknowledge valuable suggestions from Mr. William F. Willoughby and officials of the United States Bureau of Labor.