

SAY PROMISES NOT ENOUGH TO DELAY ACTION

State Commissioners Look Into Scaling Down or Rejection of Just Insurance Claims.

FIND PERCENTAGE
IS MUCH TOO HIGH

Legislation Recommended to
Cure Some of the Evils
Practiced Upon Policy-
Holding Public.

H. WAIKKEE, Wis., Aug. 23.—Important legislation for the control of insurance companies doing an industrial, health and accident business is proposed in the report of the committee on the state insurance commissioners of the United States, made public today. The basis for the legislation is set forth in reports on the examination of fourteen companies in which nearly 2000 settlements are discussed and criticized. In discussing the settlement of these claims, the report says:

"Of the specific claims examined, where the amount involved is considerable, the percentage of scaled or restricted claims is high. The percentage is too high to be explained by error of judgment or carelessness.

"The public has a right to feel warranted in concluding that when dealing with companies doing an industrial, health and accident business, the policyholder and the public of the country has too frequently been the victim of unreasonable practices and the responsibility of the companies criticized in this report."

Promises Not Enough.

"Promises of reformation made at the head of the parade, therefore, not enough. The convention should take action which will guarantee just treatment of policyholders in the future."

The companies under examination are: Standard Accident Insurance company, Detroit.

United States Health and Accident Insurance company, Saginaw, Mich.

Massachusetts Accident company, Boston.

Great Eastern Casualty company, New York.

Federal Casualty company, Detroit.

Equitable Accident company, Boston.

Continental Casualty company, Flammington, N. J.

North American Accident Insurance company, Chicago.

National Casualty company, Detroit.

Phenix Accident company, Saginaw.

General Accident F. and L. Insurance corporation, Philadelphia.

Phenix Assurance company, Philadelphia.

Phoenix Preferred Accident company, Detroit.

German Commercial Accident company, New York.

The report says of one company: "It is impossible in language fitted to an official document apply to characterize what seems to have been the practices and methods of the industrial department of a child corporation in setting with its policy before the public a device resorted to every possible means, not merely to protect itself against imposition, for which it could not be criticized, but also, and more particularly, to cure and shelve the child's ailments without conscience and certainly without right."

The report further says that only two or three of the companies examined have been found to be substantially unscrupulous.

"Three or four others merely show in reasonably isolated cases, either errors in adjustment, or that the bad practices of competitors were sometimes followed. About half the companies examined show serious conditions in their claim departments particularly in the adjustment of specific claims of considerable amounts; while, in at least two of such companies, these conditions are so shocking as to call for immediate and emphatic reforms."

The report concludes with twenty-four recommendations, the most important of which are:

Some Recommendations.

That a standard of health and accident provision law be enacted; that pro-rating for change of occupation should be permitted only when the insured has actually changed his occupation; that the policy fee be abolished; that all industrial agents and collectors be licensed by the State; that frequent examinations for the covering not only of financial conditions, but also treatment of policy holders, be conducted either by the individual States or by a committee of the convention, and that publicity be given to the results of

The report also recommended that the present investigation be continued to the end that all companies doing an industrial health and accident business may be examined. The commission asks that the Continental Casualty company, National Casualty company and Phoenix Preferred Accident company make changes of employees connected with adjustments.

The General Accident, Fire and Life Insurance company is asked to remove the heads of several departments. In this connection the committee says the company had agreed to comply.

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WRITTEN BY
WILLIAM C. FREEMAN

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