

"A PAPER FOR ALL WHO TOIL"

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W. S. Diggs, Pres. of the Insurance Federation of Ohio Declares "Mystery" of Insurance Writing Beyond All Human Comprehension---Admits Complications

In Long Winded Newspaper Statement He Attempts to Discredit the State Industrial Commission, but Acknowledges Contention that the Wiseacres in the Insurance Field Know but Little About Compensation Insurance.

(By THOS. J. DONNELLY, Sec.-Treas. G. S. F. of L.)

The issue of the Cincinnati Enquirer, of August 2, contained a statement by Mr. W. S. Diggs, President of the Insurance Federation of Ohio, on the subject of workmen's compensation. I quote from him, in part, as follows:

"As the guardians of the Ohio State Insurance Fund guess their way deeper into the mysteries of underwriting the difficulties increase. So many Ohio employers, perhaps 33 1/3 per cent, have applied under Section 22 of the Act for the privilege of carrying their own insurance, thereafter insuring the indemnities in some one of the stock casualty companies, that the Industrial Commission has become alarmed. To head off the stampede from the fund new rules were recently promulgated which rendered it still more difficult for companies to solicit employers or make much progress in taking over the business of those who desire to deal with companies rather than the Industrial Commission. * * *

"The Ohio Federation of Labor seems to be very much exercised for fear workmen's compensation will be disturbed. * * * Labor proceeds on the theory that the State is guaranteeing the benefits under the law. The State does not guarantee a cent. * * * The companies simply desire the privilege of guaranteeing the indemnities for self-insurers. * * *

"The methods of handling the correspondence when claims arise after the employer has become a self-insurer is very much criticized by many employers and the companies. * * *

Referring to Superintendent of Insurance Taggart's decision, Mr. Diggs says: "The provisions now in the licenses of all casualty companies of Ohio, 'except employers' liability,' is to be eliminated."

The statement of Mr. Diggs occupied a full column of the Enquirer, and was such a one as could be expected from a gentleman holding the Presidency of the Insurance Federation of Ohio. It is replete with innuendoes, misstatements, a patronizing air toward Labor, and displays the finesse of the practised insurance company representative in pleading for sympathy for the alleged mistreated liability insurance companies. But the dulcet tones of the Insurance Federation President do not beguile, nor do they change the facts or the law.

This gentleman starts out by attempting to deceive and deprecate, making the writing of insurance something beyond human comprehension, taking Webster's specific definition of the word "mystery," and tries to discredit the State Industrial Commission. But Mr. Diggs has unwittingly admitted what labor has contended—that these wiseacres in the insurance field know no more about workmen's compensation insurance than do those administering the State insurance fund, and if results count for anything, it is pretty clearly proven that they do not know as much. How lovely it would be for the insurance interests if every one would acknowledge their representatives as oracles and blindly accept their dictums.

Labor, early in the contest for workmen's compensation uncovered the insurance representatives and exposed their ignorance of the subject or the business by having the State write compensation insurance and do it cheaper than they could do it. This was accomplished by the elimination of profit.

It would be very difficult for Mr. Diggs to prove that 33 1/3 per cent of the employers of Ohio applied, under the old rules of the Industrial Commission, for the privilege to self-insure. And observe the definition given the words "self-insure." To Mr. Diggs' mind the words "self-insure" means to insure with the liability insurance companies. Let us see what the law says. Section 22, referred to in the statement quoted, reads:

"And provided further, that such employers who will abide by the rules of the Industrial Commission and as may be of sufficient financial ability or credit to render certain the payment of compensation to injured employees or the dependents of killed employees, and the furnishing of medical, surgical, nursing and



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hospital attention and services and medicines, and funeral expenses equal to or greater than is provided for in this act, or such employers as maintain benefit funds or departments or jointly with other employers maintain mutual associations of such said financial ability or credit, to which their employees are not required or permitted directly or indirectly to contribute, providing for the payment of such compensation and the furnishing of such medical, surgical, nursing and hospital services and attention and funeral expenses, may, upon a finding of such facts by the Industrial Commission elect to pay individually or from such benefit fund department or association such compensation, and furnish such medical, surgical, nursing and hospital services and attention and funeral expenses directly to such injured employees; and the Industrial Commission may require such security or bond from said employers as it may deem proper, adequate and sufficient to compel, or secure to such injured employees, or to the dependents of such employees as may be killed, the payment of the compensation and expenses herein provided for, which shall in no event be less than that paid or furnished out of the State insurance fund, in similar cases, to injured employees or to the dependents of killed employees, whose employers contribute to said fund; and said Commission shall make and publish rules and regulations governing the mode and manner of making application and the nature and extent of the proof required to justify such finding of facts by the Commission as to permit such election by such employers, which rules and regulations shall be general in their applications. * * *

Where, in this section, do the insurance companies find any authority given the employers to insure with liability insurance companies?

Then, behold, the companies only want the privilege of guaranteeing the payment of compensation. One is constrained to ask, "Upon what meat doth this, our Caesar, feed that he hath grown so great?" How comes it that these companies, doing business for profit, can assure compensation as against the State. This argument is for the purpose of deceiving. The State does not need to specifically guarantee payments because the fund created is its own guarantee.

The complaint as to the method of handling correspondence by the Industrial Commission is based on the fact that the Commission believes Section 22 of the Act means what it says, and therefore the insurance companies are not recognized in the settlement of claims, all correspondence being had with the self-insurer.

Finally, the licenses granted previously to liability insurance companies did not say "except employers' liability," but "except workmen's compensation." Quite a difference, with all due respect to Mr. Diggs' and his Insurance Federation.

Chairman Wallace D. Yagle, of the Industrial Commission, replying recently to the attacks of the insurance companies' representatives upon the State Fund, exposed the animus of these attacks when he said:

"Wisconsin employers are beginning to annoy the liability insurance companies by insisting on having a true explanation as to why their competitive employers in Ohio are able to purchase their compensation insurance from the State of Ohio at less than one-half of what it is costing the Wisconsin employers to purchase their compensation insurance from the liability insurance companies.

"Illinois and Michigan employers are also insisting upon a true explanation as to why their direct competitors in Ohio are securing compensation insurance from the State of Ohio at so much less than what it is costing them to purchase their compensation insurance from the insurance companies.

"The liability insurance companies know it would be disastrous for them to tell the Wisconsin, Illinois and Michigan employers that the liability insurance companies found it necessary to take \$40 out of every \$100 of the employers' premium to pay agents' commissions, rents, adjustment expenses and high salaries to home officials, and that over and above this the stockholders of the insurance companies expect to receive liberal dividends."



FRANK L. RIST
Editor The Chronicle, Grand Marshal Labor Day Parade

Regular Weekly Meeting of Building Trades Council Appoints Committee To Settle Trouble With Sign Companies

Banner of Council Will be Carried in Labor Day Parade by Special Committee Who Ride the Route in Gaily Bedecked Automobile.

President Jos. A. Cullen presided at the regular meeting of the Building Trades Council, at which the minutes of the last meeting were read and adopted. All trades reported business fair and the report of Business Agent Fred Hoek was read and adopted.

Messrs. Hoek, Cullen, and Gasdorf were appointed a committee to call upon the Queen City, Quehl and Novelty Sign Companies in an effort to organize and unionize their shops in relation to the electrical workers.

Street and Electric Railway Employees Hold Regular Semi-Monthly Meeting Thursday Night

All Arrangements for Labor Day Parade Completed. Elaborate Preparations Made for Splendid Showing In the Labor Day Celebration.

First regular meeting in September was called to order by President Jones at 9:30 a. m.

Roll call showed all officers present. Minutes of previous meeting read and stood approved as read.

One application received and acted favorably upon.

Nine candidates were obligated. Bills were read and ordered paid. Communications read and accordingly disposed of.

Reports of delegates, Brothers Smith, Ross, Hanbrock, Boyden and Jones, delegates to Central Labor Council, reported upon labor conditions existing in Cincinnati and vicinity, as brought to the attention of the Council.

Under head of reports of officers, the business agent, Brother Jones, submitted his report of the grievances handled. The report was ordered received.

Under the head of unfinished business, final preparations were discussed for the Labor Day parade.

The union street car men of Cincinnati are to occupy a position in the first division. The uniform to be worn is to



CHARLES H. SAMPSON
Financial Secretary Street and Electric Railway Employees' Division No. 627.

consist of regulation cap and trousers, blue chambray shirts, white collar and necktie. We are strong for patronizing home industry that employs union labor. A neat little Labor Day badge will be worn by all members of Division 627.

Under the head of new business, Safety First measures were discussed. Talks were made upon the strengthening and betterment of organization. Brother John Wright made an intelligent address upon the question of finance. Brother Wright has given a great deal of his time to the studying of this paramount question; therefore he has acquired a great deal of knowledge on this subject, and is capable of placing the matter before a body in such a simple manner that none could help but see and understand.

Brother Julius Luchsinger, secretary of the 627 Base Ball League, announced that an all-star team from the league was to play the police team a series of two games at Redland Field. The executive board challenged a team composed of the managers of the league. The board is waiting patiently to receive a definite reply as they have promised to give the managers the trimming of their lives. Some members of the board openly declare that the managers' team is deliberately sidestepping them and fear to meet them upon the ball field.

Brother E. L. Hitchens, of the Typographical Union, appeared before the Division and made an address relative to celebrating Heberle Day on September 12. Brother Hitchens' talk was well received by the membership.

Brother James Wilson, International President of the Pattern Makers' League of North America, addressed the body in his own pleasing way and received a great deal of applause. "Himmie" is always welcome at our meetings and his talks are always well received.

(Continued on page 4.)



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