

~~SECRET~~

This document consists of 162 pages
Copy No 2 of 4 Series A

UNCLASSIFIED

MANHATTAN DISTRICT HISTORY
BOOK I - GENERAL
VOLUME 6 - INSURANCE PROGRAM
AND
SUPPLEMENT
FOR PERIOD
1 JANUARY 1946 TO 31 DECEMBER 1946

CLASSIFICATION CANCELLED
OR CHANGED TO UNCLASSIFIED
BY AUTHORITY OF 11-23-89
BY [Signature] DATE 11-23-89

WITH ATTACH(S)/ENCL(S)
CONFIRMED TO BE UNCLASSIFIED
DOE NSI DECLASSIFICATION REVIEW E.O. 12958
BY FBI K. Datt 9/21/85 DOE/DDD

~~SECRET~~

UNCLASSIFIED

~~SECRET~~

37
THIS DOCUMENT CONSISTS OF 68 PAGES
COPY NO. 2 OF 4 SERIES A

UNCLASSIFIED

MANHATTAN DISTRICT HISTORY
BOOK I - GENERAL
VOLUME 6 - INSURANCE PROGRAM
SUPPLEMENT
FOR PERIOD
1 JANUARY 1946 TO 31 DECEMBER 1946

June 27, 1947

~~SECRET~~

UNCLASSIFIED

FOREWORD

A Supplement to Book I, General, Volume 6 - Insurance Program of the Manhattan District History, and referring to the period from 1 January 1946 to 31 December 1946, has been included in front of the basic history in this volume. During this period ~~the atomic bomb was dropped, the war ended, and~~ the change into peace time operations brought about the termination of several of the contracts. This has permitted preliminary and in some cases final settlement of certain insurance programs and has permitted the cost of certain insurance programs to be accurately determined.

The numbering and subjects for Sections 1 to 7, inclusive, of this Supplement conform with those of the original history, with the words "Supplement To" preceding each of the section numbers. The main paragraph numbers are in accordance with those of the original history and the paragraph numbers are preceded by the letter "S". Subparagraphs, insofar as practicable, are designated and in the sequence presented by the original history.

The information covered by this Supplement has not been included in the Summary of the volume.

June 27, 1947

MANHATTAN DISTRICT HISTORY
BOOK I - GENERAL
VOLUME 6 - INSURANCE PROGRAM
SUPPLEMENT
TABLE OF CONTENTS

<u>Par. No.</u>		<u>Page No.</u>
	SUPPLEMENT TO SECTION 1 - INTRODUCTION	
S1-4	Organisation	"S"1.1
	SUPPLEMENT TO SECTION 2 - WAR DEPARTMENT INSURANCE RATING PLAN	
S2-4	Results	"S"2.1
	SUPPLEMENT TO SECTION 3 - MODIFIED INSURANCE RATING PLANS	
S3-3	Description of Individual Modified Insurance Rating Plans	"S"3.1
	a. Clinton Laboratories	"S"3.1
	(3) Results	"S"3.1
	b. Project "Y"	"S"3.1
	(3) Results	"S"3.1
	c. Tennessee Eastman Corporation	"S"3.1
	(3) Results	"S"3.1
	d. Carbide & Carbon Chemicals Corporation	"S"3.1
	(3) Results	"S"3.1
	e. Ferelevs Corporation	"S"3.2
	(3) Results	"S"3.2
	f. Ford, Bacon & Davis, Incorporated	"S"3.2
	(3) Results	"S"3.2
	h. Hanford Engineer Works	"S"3.2
	(a) Negotiations for Workmen's Compensation Coverage	"S"3.2
	(c) Results	"S"3.3
	(d) Negotiations for Liability Insurance Coverage	"S"3.3
	(e) Description of Liability Insurance Coverage	"S"3.3
	(f) Results	"S"3.4
S3-5	Examples of Claims	"S"3.4

~~SECRET~~

MANHATTAN DISTRICT HISTORY

BOOK I - GENERAL

VOLUME 6 - INSURANCE PROGRAM

SUPPLEMENT TO SECTION 1 - INTRODUCTION

S1-1. Objective - There was no change in status from that shown by basic history.

S1-2. Authorisations - There was no change in status from that shown by basic history.

S1-3. Effects of Security - There was no change in status from that shown by basic history.

S1-4. Organisation - The following changes in organisation occurred during the year 1946 because of the redesignation of the Insurance Section to Branch, and which established the Insurance Audit and Insurance Claim Sections:

a. On 4 March 1946 Major William J. Satterfield, Jr., Chief of the Insurance Section, separated from the Army and assumed the same position as a civilian.

b. On 1 May 1946 Miss M. Panzer became Chief, Insurance Audit Section.

c. On 1 May 1946 Mr. L. F. Spalding became Chief, Insurance Claim Section.

d. The Field Section of the Insurance Branch at Madison Square Area in New York City was discontinued on 21 June 1946, at which time Mr. H. N. Church, Insurance Examiner, in charge of this Field Section resigned. The functions of this Field Section were transferred to the Insurance Branch, Oak Ridge, Tennessee.

"S"1.1
SECRET

~~SECRET~~

e. Mr. E. DeRenzis was assigned to the Insurance Branch on 2 May 1946 as Special Assistant to the Chief of the Branch to assist in underwriting, and to serve as liaison between the Insurance Branch at Oak Ridge, Tennessee, and various areas when the establishment or change of insurance programs required his presence.

f. 1st Lieutenant B. K. Phillips, CMP., was separated from the service on or about 1 August 1946, and because of the inability of the Insurance Branch to find a proper replacement for Lt. Phillips at Hanford Engineer Works, the functions of this Field Section were transferred to the Insurance Branch at Oak Ridge, Tennessee. Attached hereto is an Organization Chart of the Insurance Branch dated 1 October 1946. (See Appendix A-83)

S1-5. Acknowledgements - There was no change in status from that shown by basic history.

"S"1.2

~~SECRET~~

~~SECRET~~

SUPPLEMENT TO SECTION 2 - WAR DEPARTMENT INSURANCE RATING PLAN

S2-1. Adoption - There was no change in status from that shown by basic history.

S2-2. General Description - There was no change in status from that shown by basic history.

S2-3. Application to District Projects - There was no change in status from that shown by basic history.

S2-4. Results - Periodic settlements, which have been computed for certain contracts in accordance with procedure for settlements of War Department Insurance Rating Plan, are indicated as follows:

a. E. I. duPont de Nemours and Company, Inc., Supplement 13, to Contract No. W-ORD-526, DA-W-ORD-1, final settlement, Appendix C-S1.

b. Stone and Webster Engineering Corporation, Contract No. W-7401-eng-13, (including Roane-Anderson Company, Contract No. W-7401-eng-115; and Skidmore, Owings and Merrill, Contract No. W-7401-eng-69), final settlement, Appendix C-S2.

c. J. A. Jones Construction Company, Contract No. W-7412-eng-11, (including Ford, Bacon & Davis, Inc., Contract No. W-7407-eng-19; A. S. Schulman Electric Company, Contract No. W-7405-eng-101; and William A. Pope Company, Contract No. W-7405-eng-100), second interim settlement, Appendix C-S3.

d. E. I. duPont de Nemours and Company, Inc., Contract No. W-7412-eng-23, final settlement, Appendix C-S4.

e. Houdaille-Hershey Corporation, Contract No. W-7405-eng-149, preliminary settlement, Appendix C-S13.

"S"2.1
~~SECRET~~

~~SECRET~~

f. E. I. duPont de Nemours and Company, Inc., Contracts Nos. W-7412-eng-2, 3, 5, 6, 8, 9, 10, 22, 47, 151, second interim settlement, Appendix C-S6.

g. E. I. duPont de Nemours and Company, Inc., Supplement 7 to Contract No. W-ORD-490, final settlement, Appendix C-S7.

h. E. I. duPont de Nemours and Company, Inc., Supplement 6 to Contract No. W-ORD-556, DA-W-ORD-38, final settlement, Appendix C-S8.

i. E. B. Badger and Sons Company, Contract W-44-153-eng-7, preliminary settlement, Appendix C-S14.

j. Allis-Chalmers Manufacturing Company, Contract No. W-7405-eng-34, third year interim settlement, Appendix C-S15.

k. Trustees of Columbia University, Contract No. W-7405-eng-50, first interim settlement, Appendix C-S16.

l. Linde Air Products Company, Contracts No. W-7401-eng-14 and No. W-26-021-eng-46, first interim settlement, Appendix C-S17.

m. United States Vanadium Corporation, Contract No. W-7405-eng-32, third year interim settlement, Appendix C-S18.

n. The Kellex Corporation, Contract No. W-7405-eng-23, preliminary settlement, Appendix C-S19.

o. Roane-Anderson Company, Contract No. W-7401-eng-115; American Industrial Transit, Contract No. W-14-108-eng-53; Stone and Webster Engineering Corporation, Contracts No. W-14-108-eng-49 and No. W-14-108-eng-60, first interim settlement, Appendix C-S20.

"S"2.2

~~SECRET~~



SUPPLEMENT TO SECTION 3 - MODIFIED INSURANCE RATING PLANS

SS-1. Need for Such Plans - There was no change in status from that shown by basic history.

SS-2. General Description - There was no change in status from that shown by basic history.

SS-3. Description of Individual Modified Insurance Rating Plans -

a. Clinton Laboratories

(S) Results - The number, type, and cost of claims including actual payments as well as reserves for the operations of Clinton Laboratories by Monsanto Chemical Company from 31 December 1945 to 1 December 1946 are as follows:

Compensation	11 Claims	\$1070.00
General Liability	No Claims	.00
Automobile	4 Claims	290.00

How about period from 1 Dec. to 31 Dec. 1946

b. Project "Y"

(S) Results - Periodic computation of earned premium statement covering the entire period of operations at this project, computed on 12 September 1946, is attached as Appendix G-310.

c. Tennessee Eastman Corporation

(S) Results - Second interim settlement covering the first three years of operations is included as Appendix G-311.

d. Carbide & Carbon Chemicals Corporation

(S) Results - First interim settlement covering two years of operations under this contract is included as Appendix G-321.

e. Fercleve Corporation

(3) Results - Preliminary settlement covering the period 11 September 1944 to 17 March 1946, the date of cancellation of these insurance policies, is included as Appendix C-822.

f. Ford, Bacon & Davis, Incorporated

(3) Results - Preliminary settlement covering the period 25 October 1945 to 14 January 1946, the latter date being the date of cancellation of these policies, is included as Appendix C-823.

h. Hanford Engineer Works

(a) Negotiations for Workmen's Compensation Coverage -

The operation of the Hanford Engineer Works by E. I. duPont de Nemours & Company under Contract No. W-7412-eng-1 was terminated on 1 September 1946 and was undertaken on that date by General Electric Company under Contract No. W-31-109-eng-52. This necessitated negotiations with the Department of Labor and Industries of the State of Washington to ascertain its acceptability of substituting General Electric Company for E. I. duPont de Nemours & Company in the agreement identified as Contract No. W-7412-eng-25, which was the arrangement for the handling of compensation claims in connection with Hanford Engineer Works operations by the Department of Labor and Industries of Washington. Such an arrangement was satisfactory to the State of Washington, the two contractors concerned, and the Manhattan Engineer District. As a result Supplement No. 1 to Contract No. W-7412-eng-25 establishes General Electric Company as a party to the original contract in such a manner that it assumes liability to the State of Washington for payment of compensation arising under its operations, and also for any claims which actually arose during

the operations of this project by duPont, but which were as of 1 September 1946 unreported.

(c) Results - Payments out of the three funds from the inception of the agreement to 31 March 1946 are:

Industrial Insurance Law Account	
Claim payments	\$207,137.89
Administrative expense	25,486.85
Medical Aid Account	42,332.92
Pension Reserve Fund Account	<u>40,794.17</u>
Total	\$315,751.83

(d) Negotiations for Liability Insurance Coverage - On 19 August 1946 a conference was held at Oak Ridge, Tennessee, attended by Messrs. Moser, Huck, and Phillips, representing General Electric Company; Mr. George Peterson, representing Travelers Insurance Company; and Messrs. C. Vanden Bulek, Satterfield, DeRenzi and Spalding, representing the Manhattan District. At this conference it was decided to furnish liability insurance coverage for General Electric's operations at Hanford exactly the same as that which had been provided by the Travelers Insurance Company to duPont. This required the posting of a collateral fund of \$10,500,000.00, which was advanced by the Manhattan District to General Electric Company, who in turn advanced it to Travelers Insurance Company to be handled and administered exactly as had been the fund in connection with duPont's contract. The result of this conference and further conferences resulted in the execution of Travelers Insurance Company's Policy SL-1929374 as a temporary policy, effective 1 September 1946.

(e) Description of Liability Insurance Coverage - As

~~SECRET~~

indicated in the foregoing paragraph, Policy No. SL-1929374 is identical in its terms, conditions, and coverages to Policy No. SL-1211272, which had been issued effective 3 October 1942 for E. I. duPont de Nemours & Company. As a result of the execution of the General Electric policy by the Travelers Insurance Company, the annual premium of \$12,000, payable under the duPont policy for a period of ten years after completion of duPont operations, was eliminated. Since the General Electric Company's contract also contemplates operations at Schenectady, New York, it was agreed that the temporary Policy SL-1929374 would be replaced at some future date by a permanent policy which, when drafted, would include compensation coverage as well as liability and property damage coverages for the operations performed at Schenectady, in addition to providing liability and property damage coverages for the Hanford operations.

(f) Results - For the period 3 October 1942 to 1 October 1946 the number and cost of liability cases under Travelers' Policy SL-1211272, E. I. duPont de Nemours & Company are:

General Liability	180 Claims	\$42,915.33
Automobile	538 Claims	32,142.78

S3-4. There was no change in status from that shown by basic history.

S3-5. Examples of Claims - In connection with operating contractors in the State of Tennessee, there has arisen a claims situation which can seriously effect the security of the District. The provisions of the Workmen's Compensation Law of Tennessee do not include occupational diseases which are the result of a continued exposure. For this reason any claimant alleging occupational disease must attempt recovery by means

"S"3.4

~~SECRET~~

of a common law action through the courts of the State. Since trials in such matters are by jury and are open to the public, classified project information may become a matter of public record. Any testimony therefore in such a trial, which would involve classified information, might very easily compromise the security of the District. At the present time there are approximately twenty suits filed against contractors of the District in Tennessee courts, alleging disabilities from occupational diseases and seeking to recover damages.

This condition brought about the establishment of an Occupational Disease Claims Advisory Board on 15 July 1946 by directive of Colonel E. E. Kirkpatrick, Deputy District Engineer, subject "Establishment of Occupational Disease Claims Advisory Board". This Board originally consisted of four members: Captain Charles D. Salyers, Chairman and Intelligence Member; Captain William R. Clarkson, Medical Member; Mr. C. H. Sullivan, Legal Member; and Mr. Leslie F. Spalding, Compensation and Claims Member. This Board was established as a fact finding and recommendation board, the purpose of which was to investigate the complete facts involved in each case in litigation, to determine what classified information might possibly be released in the public trial, and to recommend to higher authority what action should be taken to dispose of the case. The courses of action that may be recommended by the Board are several: (1) To settle the case out of court, if deemed advisable because of security; (2) to defend the case, if such could be done without violating security; (3) or, to permit the case to go to trial under such conditions that the court would permit no classified

information to be divulged. To date no cases have gone to trial, but the problem posed by such suits is one of extreme importance to the District in its attempt to maintain security and yet at the same time to assure injured parties of their constitutional rights to seek recovery of damages.

a. Douglas P. Meigs - There was no change in status from that shown by basic history.

b. Frances L. Creech - There was no change in status from that shown by basic history.

SUPPLEMENT TO SECTION 4 - GUARANTEED COST INSURANCE

There was no change in status from that shown by basic history.

SUPPLEMENT TO SECTION 5 - INDUSTRIAL ACCIDENT AND HEALTH INSURANCE

There was no change in status from that shown by basic history.

SUPPLEMENT TO SECTION 6 - EMPLOYERS' BENEFIT PLAN

There was no change in status from that shown by basic history.

SUPPLEMENT TO SECTION 7 - GROUP INSURANCE

There was no change in status from that shown by basic history.

MANHATTAN DISTRICT HISTORY

BOOK I - GENERAL

VOLUME 6 - INSURANCE PROGRAM

SUPPLEMENT TO

APPENDIX "A"

CHARTS AND DOCUMENTS

No.

Title

A-83

Organization Chart - Insurance Branch - Dated
1 October 1946.

PERSONNEL	
Grade	Service
COL	None
MAJ	None
CPT	None
CAP	11
CPO	None
MSGT	None
PLC	1
TOTAL	12

WILLIAM J. BENTLEY, Jr., Admin. Asst. (Chief)
(CAP-12)

Leslie F. Spalding, Admin. Asst. (Asst. Chief)
(CAP-11)

Elaine S. Ingram - Clerk Room
(CAP-4)

Duties of Branch: Administration, inspection, audit and final settlement of required and additional insurance coverage for Contractors with the District, the cost of which insurance is reimbursable. Acts as Insurance Counselor on insurance problems for entire District.

SPECIAL ASSISTANT TO CHIEF

Earl Dehannis - Admin. Asst.
(CAP-4)

Responsible for office administration of Insurance Branch throughout the District. Assists Chief in proper underwriting and rating of applicable insurance coverage.

INSURANCE CLAIMS SECTION

Leslie F. Spalding - Admin. Asst. (Chief)
(CAP-11)

VACANT - Asst. to Chief

Clyde E. Wilson - Claims Investigator
(CAP-7)

Earl E. Loring - Claims Investigator
(CAP-7)

Violet J. Knight - Clerk Typist
(CAP-3)

Keith S. Jett - Clerk Typist
(CAP-2)

Supervises District wide all claim work in connection with Insurance Program now in force with Cost-Plus-a-Fixed-Fee Contractors under this District. Checks claim expenditures of Carriers and makes investigations as to extent and nature of all claims. Sets up necessary claim records so that proper adjustment and settlement can be effected at the termination of policy contracts. Negotiates final settlement with Carriers.

INSURANCE AUDIT SECTION

Raybelle Penner - Insurance Auditor (Chief)
(CAP-7)

Juanita E. Ray - Clerk
(CAP-3)

Ann Hall - Clerk
(CAP-3)

Is responsible for the audit of all insurance reimbursed to Contractors by the U. S. Government. Establishes necessary records in connection with all insurance expenditures for the District; makes audits for the files of the District Office and sets up supporting documents necessary for the final approval of insurance expenditures. Checks and distributes Payroll Reports.

ORGANIZATION CHART
MANHATTAN DISTRICT

UNIT *Manhattan District*

SUBMITTED *10/16/46* DATE *1 Oct 46*

RECOMMENDED *J. A. [Signature]* DATE *10/16/46*

APPROVED *[Signature]* DATE *10/21/46*

MANHATTAN DISTRICT HISTORY

BOOK I - GENERAL

VOLUME 6 - INSURANCE PROGRAM

SUPPLEMENT TO

APPENDIX "C"

PREMIUM ANALYSES

<u>No.</u>	<u>Title</u>
C-81	Final Settlement, E. I. duPont de Nemours & Company, Inc., Contract W-ORD-526 DA-W-ORD-1, Supplement 13, Travelers Insurance Company.
C-82	Final Settlement, Stone & Webster Engineering Corporation, Contract W-7401-eng-13, Royal Indemnity Company.
C-83	Second Interim Settlement, J. A. Jones Construction Company, Contract W-7412-eng-11, Aetna Casualty and Surety Company.
C-84	Final Settlement, E. I. duPont de Nemours & Company, Inc., Contract W-7412-eng-23, Royal Indemnity Company.
C-86	Second Interim Settlement, E. I. duPont de Nemours & Company, Inc., Contracts W-7412-eng-2,3,5,6,8,9,10,22, 47, and 151, Travelers Insurance Company.
C-87	Final Settlement, E. I. duPont de Nemours & Company, Inc., Contract W-ORD-490, Supplement 7, Travelers Insurance Company.
C-88	Final Settlement, E. I. duPont de Nemours & Company, Inc., Contract W-ORD-556, DA-W-ORD-38, Supplement 6, Travelers Insurance Company.
C-810	Periodical Computation of Earned Premium, Regents of the University of California, Contract W-7405-eng-36, Globe Indemnity Company.
C-811	Second Interim Settlement, Tennessee Eastman Corporation, Contract W-7401-eng-23, United States Fidelity & Guaranty Company.

<u>No.</u>	<u>Title</u>
C-S13	Preliminary Settlement, Houdaille-Hershey Corporation, Contract W-7405-eng-149, The Aetna Casualty & Surety Company.
C-S14	Preliminary Settlement, E. B. Badger & Sons Company, Contract W-44-153-eng-7, American Motorists Insurance Company.
C-S15	Third Year Interim Settlement, Allis-Chalmers Mfg. Company, Contract W-7405-eng-34, Employers Mutual Liability Insurance Company of Wisconsin.
C-S16	First Interim Settlement, Trustees of Columbia University, Contract W-7405-eng-50, The Employers' Liability Assurance Corporation, Ltd.
C-S17	First Interim Settlement, Linde Air Products Company, Contracts W-7401-eng-14 and W-26-021-eng-46, London Guarantee & Accident Company.
C-S18	Third Year Interim Settlement, United States Vanadium Corporation, Contract W-7405-eng-32, The Aetna Casualty & Surety Company.
C-S19	Preliminary Settlement, The Kellogg Corporation, Contract W-7405-eng-23, The Travelers Insurance Company.
C-S20	First Interim Settlement, Roane-Anderson Company, Contract W-7401-eng-115, Royal Indemnity Company.
C-S21	First Interim Settlement, Carbide & Carbon Chemicals Corporation, Contract W-7405-eng-28, The Aetna Casualty and Surety Company.
C-S22	Preliminary Settlement, Fereleve Corporation, Contract W-6409-eng-100, The Aetna Casualty and Surety Company.
C-S23	Preliminary Settlement, Ford, Bacon & Davis, Inc., Contract W-7407-eng-34, The Aetna Casualty and Surety Company.

COMPREHENSIVE INSURANCE RATING PLAN

The Travelers Insurance Company

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers
 WUB-1211071
 WSLG-1211072
 WSLA-1211073

Policy Period: from 11-16-42 to 9-1-45 (Canc.)
 Valuation Date 10-23-46

Name of Risk E. I. duPont de Nemours & Company

Location of Operations Childersburg, Alabama

Government Agency War Department

Government Contract Number W-ORD-526DA-W-ORD-1 Supplement 13

Item	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a) + (b) + (c)
1 Standard Premium	24,644.78	133.30	3,799.88	28,577.96
2 Premium Base for Determination of Fixed Charges	(1) X .90	(1)	(1)	
3 Fixed Charge Percentage	23.8	23.8	23.8	xxxx
4 Fixed Charge Amount (2) X (3)	5,278.91	31.72	904.37	6,215.00
5 Incurred Losses	16,380.19	-	-	16,380.19
6 Modified Losses (5) X 1.12	18,345.81	-	-	18,345.81
7 Allocated Claims Expense	76.00	-	-	76.00
8 Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	-	-	-	-
9 Indicated Premium (4) + (6) + (7) + (8) Excluding Tax Multiplier	23,700.72	31.72	904.37	24,636.81
10 Maximum Premium Excluding Tax Multiplier	22,180.30	119.97	3,419.89	25,720.16
11 Tax Multiplier	1.034	1.029	1.029	xxxx
12 Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total [Col. (d)]	24,506.54	32.64	930.60	25,469.78
13 Premium Previously Billed	5,869.51	33.78	930.60	6,833.89
14 Additional Premium due and now Payable $\frac{(12)-(13)}{(11)-(12)}$	+18,637.03	-1.14	-	+18,635.89

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the War Department Insurance Rating Plan attached to and made a part of the policy described therein; that Eighteen thousand Six hundred thirty Five and Eighty Nine/one hundredths ^{additional} dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the War Department Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. W-ORD-526 Da-W-ORD-1 Supplement 13

The Travelers Insurance Company

(Name of Insurance Company)

L. K. ...

COMPREHENSIVE INSURANCE RATING PLAN

Royal Indemnity Company
(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers
C 746001 C 746002
RX 1401 RX 1402

Policy Period: from 8-1-42 to 4-1-45
Valuation Date 11-1-45

Name of Risk Stone & Webster Engineering Co.
Location C.P.F.F.-A.E.E. CORP.
Roane-Anderson Co. and Skidmore Owin
Location of Operations Merrill
Spring Ridge, Tennessee
Government Agency Corps. of Engineers
Government Contract Number W-7401-Eng. 13,115 and

Item	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
1 Standard Premium	5000266.14	456831.24	269108.62	5726206.00
2 Premium Base for Determination of Fixed Charges	(1)X.90 4500239.53	(1) 456831.24	(1) 269108.62	5226179.40
3 Fixed Charge Percentage	6.3	6.3	6.3	XXXX
4 Fixed Charge Amount (2)X(3)	283515.09	28780.37	16953.84	329249.30
5 Incurred Losses	521933.31	89151.12	11567.98	722652.41
6 Modified Losses (5)X1.12	676621.31	99849.25	12956.14	809426.70
7 Allocated Claims Expense	15312.85	7681.01	3551.77	26545.63
8 Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	-	-	-	-
9 Indicated Premium (4)+(6)+(7)+(8) Excluding Tax Multiplier	995449.25	136310.63	33461.75	1165221.63
10 Maximum Premium Excluding Tax Multiplier	4500239.53	411148.12	242197.76	5133585.41
11 Tax Multiplier	1.050	1.027 *	1.028 *	XXXX
12 Gross Adjusted Premium (9)X(11) or (10)X(11) whichever is the less in total [Col. (d)]	1045221.71	139991.02	34398.68	1219611.41
13 Premium Previously Billed	1184838.30	167895.37	2061.30	1352795.00
14 Additional Premium due and now Payable (12)-(13) or (13)-(12)	139610.41	23095.65	2737.38	165403.44

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

(Name of Insurance Company)

COMPREHENSIVE INSURANCE RATING PLAN

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers _____

Name of Risk _____

Location of Operations _____

Policy Period: from _____ to _____
Valuation Date _____

Government Agency _____
Government Contract Number _____

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a) + (b) + (c)
1	Standard Premium	1,732.81	1,732.81		
		(1) X .90	(1)	(1)	
2	Premium Base for Determination of Fixed Charges	1,860.74	1,732.82	1,732.82	
3	Fixed Charge Percentage	10.3	10.3	10.3	XXXX
4	Fixed Charge Amount (2) X (3)	1,916.74	1,620.48	1,620.48	
5	Incurring Losses	1801.92	196.79	nil	1998.71
6	Modified Losses (5) X 1.12	2084.15	220.40	nil	2304.55
7	Allocated Claims Expense	409.00	nil	nil	409.00
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	X	X	X	X
9	Indicated Premium (4) + (6) + (7) + (8) Excluding Tax Multiplier	40423.57	1840.88	1080.32	43344.77
10	Maximum Premium Excluding Tax Multiplier	18606.48	14159.54	3439.79	20960.01
11	Tax Multiplier	1.050	1.025	1.025	XXXX
12	Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total [Col. (d)]	42444.75	1894.27	1111.65	45450.67
13	Premium Previously Billed	42297.11	1877.95	1100.77	45275.83
14	Additional Premium due and now Payable $\frac{(12)-(13)}{(13)-(12)}$	147.64	16.32	10.88	174.84

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

_____ by _____

(Name of Insurance Company)

Mrs. [Signature]

COMPREHENSIVE INSURANCE RATING PLAN

The Travelers Insurance Company

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

file

Policy Numbers
WJUB-1012127

WLA-1012129

WLG-1012128

Policy Period: from **12-28-42** to **12-28-45**
Valuation Date **1-10-46**

Name of Risk **E. I. du Pont de Nemours and Company**

Location of Operations **Deepwater, N. J.**

Government Agency **War Department**

Government Contract Number **W-7412 eng 2-3-6-8-9-10-22**
47-151

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
1	Standard Premium	615,879.58	2,903.46	19,246.66	638,029.70
2	Premium Base for Determination of Fixed Charges	(1) X .90 554,291.62	(1) 2,903.46	(1) 19,246.66	576,441.74
3	Fixed Charge Percentage	6.5	6.5	6.5	XXXX
4	Fixed Charge Amount (2) X (3)	36,028.95	188.72	1,251.03	37,468.70
5	Incurred Losses	42,360.55	-	7,204.08	49,564.63
6	Modified Losses (5) X 1.12	47,443.82	-	8,068.57	55,512.39
7	Allocated Claims Expense	1,492.50	-	1,085.65	2,588.15
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	-	-	-	-
9	Indicated Premium (4) + (6) + (7) + (8) Excluding Tax Multiplier	84,965.27	188.72	10,415.25	95,569.24
10	Maximum Premium Excluding Tax Multiplier	554,291.62	2,613.11	17,321.99	574,226.72
11	Tax Multiplier	1.039	1.024	1.024	XXXX
12	Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total [Col. (d)]	88,278.91	193.25	10,665.22	99,137.38
13	Premium Previously Billed	114,533.87	397.99	1,689.10	116,620.96
14	Additional Premium due and now Payable Return (13) - (13) (13) - (12)	-26,254.96	-204.74	+8,976.12	-17,483.58

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the Insurance Rating Plan attached to and made a part of the policy described therein; that

_____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

(Name of Insurance Company)

COMPREHENSIVE INSURANCE RATING PLAN

The Travelers Insurance Company
(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers
UB-1194398
SLA-1194400
WSIC-1194399
 Policy Period: from 1-21-43 to 1-15-46 Canc.
 Valuation Date 7-12-46

Name of Risk E. I. DuPont de Nemours & Company
 Location of Operations Morristown, N. J.
 Government Agency War Department
 Government Contract Number WORD-490 Supplement 7

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a) + (b) + (c)
1	Standard Premium	37,117.14	205.94	2,704.06	40,027.14
2	Premium Base for Determination of Fixed Charges	(1) x .90 33,405.43	(1) 205.94	(1) 2,704.06	36,315.43
3	Fixed Charge Percentage	21.5	21.5	21.5	XXXX
4	Fixed Charge Amount (2) x (3)	7,182.17	44.28	581.37	7,807.82
5	Incurred Losses	70.00	-	-	70.00
6	Modified Losses (5) x 1.12	78.40	-	-	78.40
7	Allocated Claims Expense	-	-	-	-
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	-	-	-	-
9	Indicated Premium (4) + (6) + (7) + (8) Excluding Tax Multiplier	7,260.57	44.28	581.37	7,886.22
10	Maximum Premium Excluding Tax Multiplier	33,405.43	185.35	2,433.65	36,024.43
11	Tax Multiplier	1.029	1.024	1.024	XXXX
12	Gross Adjusted Premium (9) x (11) or (10) x (11) whichever is the less in total [Col. (d)]	7,471.13	45.34	595.32	8,111.79
13	Premium Previously Billed	7,471.13	45.31	595.32	8,111.76
14	Additional Premium due and now Payable Return $\frac{(12) - (13)}{(11) - (12)}$	None	+.03	None	+ .03

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the War Department Insurance Rating Plan attached to and made a part of the policy described therein; that Three / One Hundredths (.03) dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the War Department Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. WORD-490

The Travelers Insurance Company
 (Name of Insurance Company)
 By A Kern MR C-87

The Travelers Insurance Company
(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers

Name of Risk E. I. duPont de Nemours & Co.

WXUB-1211074

WSLG-1211075

WSLA-1211076

Location of Operations Wabash River, Ordnance Works,
Newport, Indiana

Government Agency War Department

Government Contract Number W-ORD-556-DA-W-ORD-38

Policy Period: from 11-16-42 to 11-16-45 conc.
Valuation Date 7-3-46

Supplement 6

Item	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)-(b)-(c)
1 Standard Premium	68,660.86	462.58	5,388.70	74,512.14
2 Premium Basis for Fixed Charges	(1) x .90 61,794.77	(1) 462.58	(1) 5,388.70	67,646.05
3 Fixed Charge Percentage	16.3	16.3	16.3	xxx
4 Fixed Charge Amount(2)x(3)	10,072.55	75.40	878.36	11,026.31
5 Incurred Losses	798.51	-	-	798.51
6 Maintenance of Boards & Bureaus	1.008			xxx
7 Losses Loaded for (6)	804.90	-	-	804.90
8 Adjusting Expense (5) x .12	95.82	-	-	95.82
9 Allocated Claim Expense	15.00	-	-	15.00
10 Expense Portion of Premium (4) + (8) + (9)	10,183.37	75.40	878.36	11,137.13
11 Tax Multiplier	1.040	1.034	1.034	
12 Expense Portion Loaded for Taxes (10) x (11)	10,590.70	77.96	908.22	11,576.90
13 Gross adjusted Premium (7) + (12)	11,395.60	77.96	908.22	12,381.78
14 Max. Prem. excl. Tax Multiplier	61,794.77	426.32	4,849.83	67,060.92
15 Max. Prem. incl. Tax (If 14d is greater than 13d, this line need not be cal- culated)	-	-	-	-
16 Premium Previously Billed	11,397.00	77.96	908.22	12,383.18
17 Return Premium (16)-(13)	1.40	None	None	- 1.40

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the War Department Insurance Rating Plan attached to and made a part of the policy described therein; that One and Forty Hundredths dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the War Department Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No.

WORD-556-DA-WORD-38

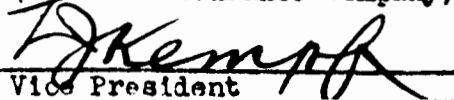
Supplement 6

The Travelers Insurance

C-58

(Name of Insurance Company)

By


Vice President

COMPREHENSIVE INSURANCE RATING PLAN

Globe Indemnity Company

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers
UC 783627
GX 500350

Name of Risk Regents of the University of
California

Location of Operations Santa Fe, New Mexico

Policy Period: from 3/12/43 to 3/12/47
Valuation Date 9/12/46

Government Agency _____
Government Contract Number W-7405-eng-36

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
1	Standard Premium				
2	Premium Base for Determination of Flood Charges	117,000 479,857.59	(1) included	(1) 55,855.78	535,713.37
3	Flood Charge Percentage				XXXX
4	Flood Charge Amount (2)X(3)	29,568.00	in	3,432.00	33,000.00
5	Insured Losses	25,418.25	general	369.61	25,787.86
6	Modified Losses (5)X(4)	29,230.99	liability	413.96	29,644.95
7	Allocated Claims Expense	809.25		nil	809.25
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	x	x	x	x
9	Indicated Premium (4)+(6)+(7)+(8) Excluding Tax Multiplier	59,608.24		3,845.96	63,454.20
10	Maximum Premium Including Tax Multiplier				
11	Tax Multiplier	1.029		1.024	XXXX
12	Gross Adjusted Premium (9)X(11) or (10)X(11) whichever is the less in total [Col. (d)]	61,336.88		3,938.26	65,275.14
13	Premium Previously Billed	498,607.59		57,730.78	556,338.37
14	Additional Premium due and now Payable $\frac{(12)-(13)}{(13)-(12)}$ Return	nil		nil	nil

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____

_____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the flood charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

(Name of Insurance Company)

By _____

COMPREHENSIVE INSURANCE RATING PLAN

United States Fidelity & Guaranty Co.
(Name of Carrier)

Second Interim

COMPUTATION OF EARNED PREMIUM (Three years combined)

Policy Number
2-52154
GA-4090

Name of Risk Tennessee Eastman Corporation

Location of Operations Kingsport, Tennessee

from 1-6-43 to 1-6-46
Expiration Date May 24, 1946

Government Agency War Department

Government Contract Number W-7401-ENG-23

	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
Standard Premium	3,157,750.73	197,359.64	197,359.76	3,552,470.13
Premium Base for Determination of Fixed Charges	100% Comp 1st 2 yrs. 90% 3rd yr.	(i) (i)	(i) (i)	(i)+(ii)+(iii)
Fixed Charge Percentage				
Fixed Charge Amount (2)X(3)	132,821.84	8,810.73	8,810.73	150,443.30
Incurred Losses	710,914.20	7,486.28	--	718,400.48
Modified Losses (8)X(1)2	Comp. 1.15 1st 2 yrs. 1.13 3rd yr.	805,227.01	8,384.63	813,611.64
Allocated Claims Expense	44,494.53	128.00	--	44,622.53
Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	--	--	--	--
Indicated Premium (4)+(6)+(7)+(8) Excluding Tax Multiplier	982,543.58	17,320.36	8,810.73	1,008,674.67
Maximum Premium Excluding Tax Multiplier	2,841,021.01	177,023.68	177,603.78	3,195,648.47
Tax Multiplier	1.053	1.024	1.024	1.001
Gross Adjusted Premium (9)X(11) or (10)X(11) whichever is the less in total [Col. (d)]	1,037,610.54	17,736.05	9,022.19	1,064,368.78
Premium Previously Billed	2,040,073.50	76,082.04	50,034.30	2,166,189.84
Additional Premium due and now Payable (12)-(13) Return (13)-(12)	10,403.04	49,246.09	-1,962.53	11,686.60

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

(Name of Insurance Company)

By _____

COMPREHENSIVE INSURANCE RATING PLAN

The Petna Casualty and Surety Company
(Name of Carrier)

PRELIMINARY

COMPUTATION OF EARNED PREMIUM

Policy Numbers
950 C 61
950 AL 2

Name of Risk Houdville - Hershey Corporation

Location of Operations Gurfield Division
Decatur, Illinois

Policy Period: from 11-2-43 to 5-31-46
Valuation Date 5-31-46

Government Agency War Department
Government Contract Number W-7405 Eng-149

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a) + (b) + (c)
1	Standard Premium	140,848.34	3,674.76	8,675.42	153,198.52
		(1) X .90	(1)	(1)	
2	Premium Base for Determination of Fixed Charges	126,763.51	3,674.76	8,675.42	139,113.69
3	Fixed Charge Percentage	11.7	11.7	11.7	XXXX
4	Fixed Charge Amount (2) X (3)	14,831.33	429.95	1,015.02	16,276.30
5	Incurred Losses	105,350.55	597.07	0	106,047.62
6	Modified Losses (5) X 1.12	117,992.62	780.72	0	118,773.34
7	Allocated Claims Expense	1,284.04	5.00	0	1,289.04
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	0	0	0	0
9	Indicated Premium (4) + (6) + (7) + (8) Excluding Tax Multiplier	134,107.99	1,215.67	1,015.02	136,338.68
10	Maximum Premium Excluding Tax Multiplier	126,763.51	3,307.38	7,807.88	137,878.67
11	Tax Multiplier	1.039	1.024	1.024	XXXX
12	Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total (Col. (d))	137,997.12	1,244.35	1,039.38	140,281.35
13	Premium Previously Billed	128,150.37	4,970.78	1,425.54	134,546.59
14	Additional Premium due and now Payable Return (12) - (13) (13) - (12)	9,846.85	5,723.93	311.16	5,734.76

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that

_____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

(Name of Insurance Company)

By _____

C-513

COMPREHENSIVE INSURANCE RATING PLAN

EMPLOYERS MUTUAL LIABILITY INSURANCE COMPANY OF WISCONSIN

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers

1-100572
1-54318

Name of Risk ALLIS-CHALMERS MFG COMPANY

Location of Operations WEST ALLIS WISCONSIN

Policy Period: from 3-43 to 2-8-40

Government Agency U S WAR DEPARTMENT

Valuation Date 3-15-40

Government Contract Number W7405 ENG 34

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) COMPREHENSIVE XX General X Liability	(d) Total (a)+(b)+(c)
1	Standard Premium	26428 34		1765 02	28193 36
2	Premium Base for Determination of Fixed Charges	(1)X.90 23785 51	(1)	(1) 1765 02	25550 53
3	Fixed Charge Percentage	23.9		23.9	XXXX
4	Fixed Charge Amount (2)X(3)	5684 74		421 84	6106 58
5	Incurred Losses	1689 45		21 50	1711 05
6	Modified Losses (5)X1.12	1892 18		24 19	1916 37
7	Allocated Claims Expense	-		-	-
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	-		-	-
9	Indicated Premium (4)+(5)+(7)+(8) Excluding Tax Multiplier	7576 92		446 03	8022 95
10	Maximum Premium Excluding Tax Multiplier	23785 51		1588 52	25374 03
11	Tax Multiplier	1.018		1.003	XXXX
12	Gross Adjusted Premium (9)X(11) or (10)X(11) whichever is the less in total [Col. (d)]	7713 30		447 37	8160 67
13	Premium Previously Billed	13214 17		882 51	14096 68
14	Additional Premium due and now Payable Return (12)-(13) (13)-(12)	5500 87		435 14	5936 01

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodic premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

(Name of Insurance Company)

By _____

COMPREHENSIVE INSURANCE RATING PLAN
THE EMPLOYERS' LIABILITY ASSURANCE CORP LTD

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers
 WC 943600
 CLX 1709133
 CLL 707295
 Policy Period: from 7-1-43 to 7-1-47
 Valuation Date 3-31-46

Name of Risk TRUSTEES OF COLUMBIA UNIVERSITY
 Location of Operations NEW YORK CITY N Y
AND ELSEWHERE
 Government Agency WAR DEPT
 Government Contract Number W 7405-ENG 50

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
1	Standard Premium	31,326.02	1,036.22	1,790.32	34,152
		(1)X.90	(1)	(1)	
2	Premium Base for Determination of Fixed Charges	28,193.42	1,036.22	1,790.32	31,019
3	Fixed Charge Percentage	22.7	22.7	22.7	xxxx
4	Fixed Charge Amount (2)X(3)	6,399.91	235.22	406.40	7,041
5	Incurred Losses	26,757.12	300.00	395.00	27,452
6	Modified Losses (5)X1.12	29,967.97	336.00	442.40	30,746
7	Allocated Claims Expense	385.83	10.00	310.00	705
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	*1,211.12	-	-	*1,211
9	Indicated Premium (4)+(6)+(7)+(8) Excluding Tax Multiplier	37,964.83	581.22	1158.80	39,704
10	Maximum Premium Excluding Tax Multiplier	28,193.42	932.60	1611.29	30,737
11	Tax Multiplier	A1.029	A1.024	A1.024	xxxx
12	Gross Adjusted Premium (9)X(11)or (10)X(11) whichever is the less in total [Col. (d)]	29,834.19	595.17	1186.61	31,615
13	Premium Previously Billed	15,663.01	518.11	895.16	17,076
14	Additional Premium due and now Payable $\frac{(12)-(13)}{(11)-(12)}$ Return	14,171.18	77.06	291.45	14,539

CERTIFICATION FOR FINAL SETTLEMENT 1ST INTERIM

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____

_____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

\$ 19,854.48 x .048 = \$ 953.02
 19,854.48 x .003 = 59.56
 19,854.48 x .01 = 198.54
A TAXES PAID: 2% ALL LINES

 (Name of Insurance Company)
 By _____
 Vice President

COMPREHENSIVE INSURANCE RATING PLAN

London Guarantee & Accident Co.

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers
US-314623
OB-1849
OB-1963

Name of Risk **Linde Air Products Co.**

Location of Operations **Tenawanda, New York**

from **11-16-43** to **11-16-44**
 Valuation Date **1-31-45**

Government Agency **Quartermaster General - War Dept.**
 Government Contract Number **7401 - Eng. - 14**
W-26 - 021 - 46

Item	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a) + (b) + (c)
1 Standard Premium	107465.92	1106.62	3477.56	112060.10
	(1) X .90	(1)	(1)	
2 Premium Base for Determination of Fixed Charges	96719.33	1106.62	3477.56	101303.51
3 Fixed Charge Percentage	12.5	12.5	12.5	XXXX
4 Fixed Charge Amount (2) X (3)	12069.92	128.33	434.70	12662.95
5 Incurred Losses	47819.22	None	None	47819.22
6 Net Premiums (5) X (4)	53557.53	-	-	53557.53
7 Contract Claims Expense	302.75	-	-	302.75
8 Contract Claims Assessments <small>None. See Over. Show Computation below.</small>	1564.94	-	-	1564.94
9 Excess Tax Multiplier <small>(4) + (6) + (7) + (8)</small>	67515.14	138.33	434.70	68088.17
10 Maximum Premium <small>Excluding Tax Multiplier</small>	96719.33	995.96	3129.80	100845.09
11 Tax Multiplier	1.04	1.024	1.024	XXXX
12 Contract Premium (9) X (11) or <small>whichever is the less in total. (9) X (3)</small>	70215.75	141.65	445.13	70802.53
13 Contract Premiums	53752.96	553.31	1738.78	56025.05
14 Contract Premiums Paid (12) - (13) <small>(11) - (12)</small>	16482.79	- 411.66	- 1293.65	14777.48

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the Insurance Rating Plan contract and made a part of the policy described therein; that

dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and includes the amounts heretofore paid as deposit and periodic premium; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No.

(Name of Insurance Company)

By

C-S17

COMPREHENSIVE INSURANCE RATING PLAN

AXMINA CASUALTY AND SURVEY

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers
 100000
 100001
 100002
 100003
 100004
 100005
 100006
 100007
 100008
 100009
 100010
 100011
 100012
 100013
 100014
 100015
 100016
 100017
 100018
 100019
 100020
 100021
 100022
 100023
 100024
 100025
 100026
 100027
 100028
 100029
 100030
 100031
 100032
 100033
 100034
 100035
 100036
 100037
 100038
 100039
 100040
 100041
 100042
 100043
 100044
 100045
 100046
 100047
 100048
 100049
 100050
 100051
 100052
 100053
 100054
 100055
 100056
 100057
 100058
 100059
 100060
 100061
 100062
 100063
 100064
 100065
 100066
 100067
 100068
 100069
 100070
 100071
 100072
 100073
 100074
 100075
 100076
 100077
 100078
 100079
 100080
 100081
 100082
 100083
 100084
 100085
 100086
 100087
 100088
 100089
 100090
 100091
 100092
 100093
 100094
 100095
 100096
 100097
 100098
 100099
 100100

Policy Period: from 2-1-46 to 2-1-48
 Valuation Date 2-1-46

Name of Risk United States Vanadium Corporation
 Location of Operations Grand Junction, Durango and
Dravon, Colorado
 Government Agency War Department
 Government Contract Number W- 7405 Eng. 32

Item	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
1 Standard Premium	53,579.52	2,491.62	1,950.98 ✓	57,822.12 ✓
2 Premium Base for Determination of Fixed Charges	(1) X .90 48,041.57 ✓	(1) 2,491.62 ✓	(1) 1,950.98 ✓	52,484.17 ✓
3 Fixed Charge Percentage	18.1	18.1	18.1	XXXX
4 Fixed Charge Amount (2) X (3)	8,695.52 ✓	450.98 ✓	353.13 ✓	9,499.63 ✓
5 Incurred Losses	8,014.90 ✓	1.00 ✓	-	8,015.90 ✓
6 Modified Losses (5) X 1.12	8,976.69 ✓	1.12 ✓	-	8,977.81 ✓
7 Allocated Claims Expense	5.00 ✓	-	-	5.00 ✓
8 Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	-	-	-	-
9 Indicated Premium (4)+(6)+(7)+(8) Excluding Tax Multiplier	17,677.21 ✓	452.10 ✓	353.13 ✓	18,482.44 ✓
10 Maximum Premium Excluding Tax Multiplier	48,041.57 ✓	2242.46 ✓	1,755.88 ✓	52,039.91 ✓
11 Tax Multiplier <i>Derived By Formula.</i>	1.029	1.024	1.024	XXXX
12 Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total [Col. (d)]	18,189.95 ✓	462.95 ✓	361.61 ✓	19,014.41 ✓
13 Premium Previously Billed <i>includes interim</i>	28,320.54 ✓	1,112.78 ✓	517.22 ✓	29,950.54 ✓
14 Additional Premium due and now Payable $\frac{(12)-(13)}{(13)-(12)}$ Return	10,130.69 ✓	649.83 ✓	155.61 ✓	10,936.13 ✓

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

*Ch. No. 49394 sub. 6/1/46 made Third Year Interim Adjustment
 signed to U.S. sub. to Treasurer of U.S.*

(Name of Insurance Company)

C-518

By _____

COMPREHENSIVE INSURANCE RATING PLAN

Revised copy

The Travelers Insurance Company
(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers
WTR-1550922
WSTA-1550924
WBTG-1550923

Policy Period: from 12-31-44 to 6-1-46 (Canc.)
 Valuation Date 7-9-46

Name of Risk The Kellogg Corporation

Location of Operations Various

Government Agency War Department

Government Contract Number W-7405-ENG-23

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
1	Standard Premium				
2	Premium Base for Determination of Fixed Charges	(1) X .90	(1)	(1)	
3	Fixed Charge Percentage				XXXX
4	Fixed Charge Amount (2) X (3)				
5	Incurred Losses				
6	Modified Losses (5) X 1.12				
7	Allocated Claims Expense				
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below				
9	Indicated Premium (4)+(6)+(7)+(8) Excluding Tax Multiplier				
10	Maximum Premium Excluding Tax Multiplier				
11	Tax Multiplier				XXXX
12	Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total [Col. (d)]	13,134.28	3,892.29	277.72	17,304.29
13	Premium Previously Billed	12,270.28	935.08	650.53	13,855.89
14	Additional Premium due and now Payable Return $\frac{(12)-(13)}{(11)-(12)}$	+ 864.00	+2,957.21	- 372.81	+3,448.40

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

(Name of Insurance Company)

By _____

COMPREHENSIVE INSURANCE RATING PLAN

Royal Indemnity Company

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Roane - Anderson Company

Name of Risk Stone & Webster Engineering Corp.

American Industrial Transit

Location of Operations Oak Ridge, Tennessee

Government Agency Corp. of Engineers

Government Contract Number W-7401 Eng 115

Policy Numbers

C779001, C779002, C779003, C779004

RX4201, RX4202, RX4203, RX4204

Policy Period: from 1-1-45 to 1-1-47

Valuation Date 12-1-46

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
1	Standard Premium	824,803.84 (1) X .90	630,394.88 (1)	83,293.04 (1)	1538,491.76
2	Premium Base for Determination of Fixed Charges	742,323.46	412,819.15	83,293.04	1238,435.65
3	Fixed Charge Percentage	6.3	6.3	6.3	XXXX
4	Fixed Charge Amount (2) X (3)	46,766.38	26,007.61	5247.46	78,021.45
5	Inurred Losses	219,973.81	184,258.66	20,666.53	424,899.00
6	Modified Losses (5) X 1.12	246,370.67	206,369.70	23,146.51	475,886.88
7	Allocated Claims Expense	2437.19	12228.63	1319.41	15,985.23
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	X	X	X	X
9	Indicated Premium (4)+(6)+(7)+(8) Excluding Tax Multiplier	295,574.24	244,605.94	29713.38	569,893.56
10	Maximum Premium Excluding Tax Multiplier	742,323.46	567,355.39	74,963.74	1,384,642.59
11	Tax Multiplier	1.050	1.024	1.024	XXXX
12	Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total [Col. (d)]	310,352.95	250,476.48	30,426.50	591,255.93
13	Premium Previously Billed	412,401.92	315,197.44	41,646.52	769,245.88
14	Additional Return Premium due and now Payable $\frac{(12)-(13)}{(13)-(12)}$	-102,048.97	64720.96	11220.02	177,989.95

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____

_____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

(Name of Insurance Company)

By _____

Carbide & Carbon Chemicals Corporation

Periods	Compensation		Automobile		General Liability		Total
	Tenn.	N.Y.	Tenn.	N.Y.	Tenn.	N.Y.	
1. Standard Premium							
a- 11/18/43-11/18/44	138,060.56	-	5,177.28	-	12,080.30	-	155,318.
b- (11/18/44- 4/16/45	240,651.84	-	9,024.46	-	21,057.04	-	291,388.
c- (2/ 1/45- 4/16/45	-	18,270.16	-	687.72	-	1,697.26	291,388.
d- 4/16/45-11/18/45	636,228.92	49,093.24	23,858.58	1,841.00	55,670.08	4,567.72	771,259.
2. Premium Base for Determination of Fixed Charges							
a-	138,060.56	-	5,177.28	-	12,080.30	-	155,318.
b-	240,651.84	18,270.16	9,024.46	687.72	21,057.04	1,697.28	291,388.
	(1x.90)	(1x.90)	(1)	(1)	(1)	(1)	
c-	572,606.03	44,183.92	23,858.58	1,841.00	55,670.08	4,567.72	702,727.
3. Fixed Charge Percentage							
a-	Flat Charge Applicable						
b-	Flat Charge Applicable						
c- (2 x 3)	4%		4%		4%		
4. Fixed Charge Amount							
	<u>Tenn.</u>	<u>N.Y.</u>	<u>Tenn.</u>	<u>N.Y.</u>	<u>Tenn.</u>	<u>N.Y.</u>	<u>Total</u>
a-	7,777.68	-	291.38	-	680.74	-	8,750.00
b-	11,356.12	862.13	426.25	31.62	994.13	79.75	13,750.00
c-	22,904.24	1,767.36	954.34	73.64	2,226.80	182.71	28,109.00
5. Incurred Losses							
d- (11/18/43- 4/15/45	71,695.97	4,074.94	2,169.15	-	5,000.00	-	82,940.00
e- 4/16/45-11/18/45	132,413.99	38,060.14	7,827.00	-	200.00	-	178,501.13
6. Modified Losses							
d- (1.15)	82,450.37	4,686.18	2,494.52	-	5,750.00	-	95,381.07
e- (1.13)	149,627.81	43,007.96	8,844.51	-	226.00	-	201,706.28
7. Allocated Claim Expense							
d-	2,761.50	71.50	-	-	500.00	-	3,333.00
e-	2,394.65	650.00	500.00	-	-	-	3,544.65
8. Industrial Commission Assessment (N. Y.)							
Accidents prior to 7/1/44	-	-	-	-	-	-	-
Accidents after 7/1/44	-	-	-	-	-	-	-
	4.8% x 808.75 =	41.70	-	-	-	-	41.70
	5.2% x 33,498.58 =	1,741.93	-	-	-	-	1,741.93
9. Indicated Premium							
	279,272.57	52,828.76	13,511.00	105.26	10,377.67	262.46	356,357.66
10. Maximum Premium							
	913,447.19	60,627.06	34,254.29	2,275.85	79,926.68	5,638.50	1,006,169.57
11. Tax Multiplier (Derived by Formula)							
	1.050	1.029	1.024	1.024	1.024	1.024	
12. Gross Adjusted Premium							
	293,236.20	54,360.79	13,835.26	107.79	10,626.73	268.76	372,435.53
	Total Comp.	147,596.99	Total Auto	13,943.05	Total Gen. Liab.	10,895.49	
13. Premium Previously Filled							
	Compensation		Auto.		General Liability		Total
	541,152.36	-	20,294.52	-	47,536.21	-	608,983.09
14. Net Premium							
	193,555.37	-	6,351.47	-	36,640.72	0-\$21	236,547.56

COMPREHENSIVE INSURANCE RATING PLAN

The Aetna Casualty & Surety Company
(Name of Carrier)

Revised

COMPUTATION OF EARNED PREMIUM

Policy Numbers

1 G 8017

1 AL 280

Name of Risk Perdave Corporation

Location of Operations Clinton, Tennessee

Policy Period from 8-11-44 to 3-17-46

Government Agency War Department

Valuation Date 8-29-46

Government Contract Number W 6409 Eng 100

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a) + (b) + (c)
1	Standard Premium <u>8-11-44 to 4-16-45</u> (a) <u>4-16-45 to 8-11-45</u> (b) <u>8-11-45 to 3-17-46</u> (c)	31,151.60 31,726.94 19,308.10	1,918.22 1,940.92 724.10	4,473.78 4,528.78 1,689.48	27,247.60 38,226.64 21,721.68
2	Premium Base for Determination of Fixed Charges	(a) 51,148.90 (b) 46,581.25 (c) 17,377.29	(a) 1,918.22 (b) 1,940.92 (c) 724.10	(a) 4,473.78 (b) 4,528.78 (c) 1,689.48	57,545.40 53,050.95 19,790.87
3	Fixed Charge Percentage	(a) 4 (b) 4 (c) 4	Flat Charge		XXXX
4	Fixed Charge Amount (2) X (3)	(a) 3,333.33 (b) 1,881.00 (c) 1,798.00	125.00 29.85	291.67 89.83	3,750.00 2,189.50
5	Incurred Losses <u>8-11-44 to 4-16-45</u> (a) <u>4-16-45 to 3-17-46</u> (b)	3,292.26 24,020.48	1,424.44 -	681.38 -	25,398.08 24,020.48
6	Modified Losses (5) X 1.12 1.15 1.13	(a) 26,786.10 (b) 27,143.14	1,638.11 -	783.59 -	29,207.80 27,143.14
7	Allocated Claims Expense	2,223.95	38.25	4.25	2,266.45
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	-	-	-	-
9	Indicated Premium (4) + (6) + (7) + (8) Excluding Tax Multiplier	62,145.77	1,908.85	1,330.31	65,384.93
10	Maximum Premium Excluding Tax Multiplier	109,994.80	4,124.92	9,624.64	123,744.36
11	Tax Multiplier <u>derived by formula</u>	1.050	1.024	1.024	XXXX
12	Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total [Col. (d)]	65,253.06	1,954.66	1,362.24	68,569.96
13	Premium Previously Billed	68,308.22	2,561.62	5,977.02	76,846.86
14	Return Premium due and now Payable (12) - (13) (13) - (12)	- 3,055.16	- 606.96	- 4,614.78	- 8,276.90

PRELIMINARY CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

(Name of Insurance Company)

C-S22

By _____

COMPREHENSIVE INSURANCE RATING PLAN

THE AINA CASUALTY & SURETY CO. (REVISED)

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers
1 C 2935
LAL 253

Name of Risk Ford Bacon & Davis Inc.

Location of Operations Clinton, Tenn.

Policy Period: from 10-25-43 to 1-14-46
Valuation Date 7-16-46

Government Agency War Department

Government Contract Number W. 7407 - Eng. 34

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a) + (b) + (c)
1	Standard Premium	10-29-43 to 10-25-44 (a) 69,961.72 10-25-44 to 10-25-45 (b) 107,747.08 10-25-45 to 1-14-46 (c) 172.24	2,603.26 4,060.88 8.46	6,074.16 9,475.38 15.08	78,639 121,283 193
2	Premium Base for Determination of Fixed Charges	(a) (1) x .90 69,961.72 (b) 107,747.08 (c) 172.24	(1) 2,603.26 4,060.88 8.46	(1) 6,074.16 9,475.38 15.08	78,639 121,283 193
3	Fixed Charge Percentage		NOT APPLICABLE		XXXX
4	Fixed Charge Amount (2) X (3)	(a) 3,336.21 (b) 3,282.76 (c) 298.00	124.14 209.27 11.10	289.65 488.28 28.68	3,750. 6,820. 438.
5	Incurred Losses	18,393.68	2,255.95	--	20,649.
6	Modified Losses (5) X 1.15 1.15	21,152.73	2,594.34	--	23,747.
7	Allocated Claims Expense	234.00	10.00	--	244.
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	--	--	--	
9	Indicated Premium (4) + (6) + (7) + (8) Excluding Tax Multiplier	30,571.39	2,948.85	803.83	34,324.
10	Maximum Premium Excluding Tax Multiplier	160,092.94	6,003.54	14,008.16	180,104.
11	Tax Multiplier derived by formula	1.050	1.024	1.024	XXXX
12	Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total [Col. (d)]	32,099.96	3,019.62	823.12	35,942.
13	Premium Previously Billed	62,456.58	3,856.05	2,641.71	68,954.
14	Additional Premium due and now Payable (12) - (13) Return (13) - (12)	-30,356.62	- 836.43	-1,818.59	-33,011.

PERIODICAL STATEMENT OF PREMIUMS SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

Note: All Premiums Billed after 7-1-44

(Name of Insurance Company)

By _____

C-523

~~SECRET~~

THIS DOCUMENT CONSISTS OF 124 PAGES
~~55~~
COPY NO. 2 OF 4 SERIES A

MANHATTAN DISTRICT HISTORY
BOOK I - GENERAL
VOLUME 6 - INSURANCE PROGRAM

30669

18 March 1946.

~~SECRET~~

FOREWORD

This History was compiled as of 31 December 1945. It is an effort to convey to the reader a complete picture of the Insurance Program of the Manhattan District. The source of information and data for the History was in the files of the Insurance Section, and that verbally given by personnel of the Administrative Division, Manhattan District, which had supervision over the Insurance Section since its inception.

In reading this History it must be remembered that laws governing insurance within the various states are subject to continual change. The data presented herein may, for this reason, rapidly become obsolete. In addition, the scope of insurance as applicable to the Manhattan District is so broad that it is impossible to describe all aspects of this subject in detail. The data given in this History is presented more as examples than as a complete picture of the whole program.

The sections of the Summary are prepared to correspond identically to the sections of the Text and wherever paragraphs or subparagraphs have been used they are also identical with those in the Text. This provides automatic reference from the Summary to the Text.

18 March 1946.

MANHATTAN DISTRICT HISTORY

BOOK I - GENERAL

VOLUME 6 - INSURANCE PROGRAM

TABLE OF CONTENTS

<u>Par. No.</u>		<u>Page No.</u>
	FOREWORD	
	SUMMARY	81
	SECTION 1 - INTRODUCTION	
1-1	Objective	1.1
1-2	Authorizations	1.1
	a. War Department Insurance Rating Plan	1.1
	b. Modified Insurance Rating Plan	1.1
	c. Guaranteed Cost Insurance	1.2
	d. Industrial Accident and Health Insurance	1.2
	e. Employees Benefit Plans	1.2
	f. Group Insurance	1.3
1-3	Effects of Security	1.3
	a. Limitation of the Number of Insurance Carriers	1.3
	b. "Modified Plans"	1.3
	c. Claims Reporting and Handling	1.3
	d. Certification of Payroll Audits	1.4
	e. Elimination of Inspections	1.4
1-4	Organization	1.4
1-5	Acknowledgements	1.7
	SECTION 2 - WAR DEPARTMENT INSURANCE RATING PLAN	
2-1	Adoption	2.1
2-2	General Description	2.1
	a. Final Cost	2.2
	(1) Fixed Charge	2.2
	(2) Modified Losses	2.2
	(3) Allocated Claim Expense	2.2
	(4) Tax Multiplier	2.3
	(5) Final Premium	2.3
	b. Monthly Premium Payments	2.3
	c. Policy Period	2.4
	d. Policy Limits	2.4
	(1) Workmen's Compensation	2.4
	(2) General Liability Insurance	2.5
	(3) Automobile General Liability and Property Damage Insurance	2.5
	(4) General Liability Insurance for Damage to Property of Others	2.5

<u>Par. No.</u>		<u>Page No.</u>
	e. Insurance Advisor	2.5
2-3	Application to District Projects	2.6
2-4	Results	2.7
 SECTION 3 - MODIFIED INSURANCE RATING PLANS		
3-1	Need for Such Plans	3.1
3-2	General Description	3.1
	a. Removal of the Maximum Premium	3.1
	b. Fixed Charge	3.2
	c. Rates	3.2
	d. Loss Conversion Factor	3.3
	e. Final Settlement	3.3
	f. Collateral Funds	3.3
3-3	Description of Individual Modified Insurance Rating Plans	3.4
	a. Clinton Laboratories	3.4 ⁴
	(1) Negotiations	3.4
	(2) Description	3.5
	(3) Results	3.6
	b. Project "Y"	3.6
	(1) Negotiations	3.6
	(2) Description	3.7
	(3) Results	3.7
	c. Tennessee Eastman Corporation	3.8
	(1) Negotiations	3.8
	(2) Description	3.8
	(3) Results	3.8
	d. Carbide & Carbon Chemicals Corporation	3.9
	(1) Negotiations	3.9
	(2) Description	3.9
	(3) Results	3.9
	e. Perrele Corporation	3.10
	(1) Negotiations	3.10
	(2) Description	3.10
	(3) Results	3.10
	f. Ford, Bacon & Davis, Inc.	3.10
	(1) Negotiations	3.10
	(2) Description	3.11
	(3) Results	3.11
	g. Hooker Electrochemical Corporation	3.11
	(1) Negotiations	3.11
	(2) Description	3.12
	(3) Results	3.12
	h. Hanford Engineer Works	3.12
	(1) Negotiations and Description	3.12
	(a) Negotiations for Workmen's Compensation Coverage	3.13
	(b) Description of Workmen's Compensation Coverage	3.13

<u>Par. No.</u>		<u>Page No.</u>
	(c) Results	3.14
	(d) Negotiations for Liability Insurance Coverage	3.15
	(e) Description of Liability Insurance Coverage	3.16
	(f) Results	3.18
3-4	Tabulation of Collateral Funds	3.18
3-5	Examples of Claims	3.18
	a. Douglas P. Meigs	3.19
	b. Frances L. Creech	3.19

SECTION 4 - GUARANTEED COST INSURANCE

4-1	Description	4.1
4-2	Application to District Projects	4.1

SECTION 5 - INDUSTRIAL ACCIDENT AND HEALTH INSURANCE

5-1	Description	5.1
5-2	Industrial Accident and Health Policies in Effect as of 30 June 1945	5.2
5-3	Industrial Accident and Health Certificates in Effect 3 September 1945	5.3
5-4	Annual Premiums, First and Second Years	5.3
5-5	Negotiations for New Policy	5.4
5-6	Industrial Accident and Health Policies in Effect as of 31 December 1945	5.5

SECTION 6 - EMPLOYERS' BENEFIT PLAN

6-1	Need for Such Plan	6.1
6-2	Description of Plan	6.1
6-3	Specific Employees Benefit Plans in Effect	6.2

SECTION 7 - GROUP INSURANCE

7-1	Need for Such Insurance	7.1
7-2	Description	7.1
7-3	Group Insurance Policies in Effect	7.2
7-4	Approximate Annual Cost	7.3

APPENDIX "A" - CHARTS AND DOCUMENTS

APPENDIX "B" - ACTUARIAL DATA

APPENDIX "C" - PREMIUM ANALYSES

APPENDIX "D" - STATUTORY DATA

APPENDIX "E" - REFERENCES

~~SECRET~~

INDEX

~~SECRET~~

SUMMARY

1. Introduction - The objective of the Manhattan District in its Insurance Program is to develop and provide insurance coverage which adequately protects the interests of the United States, Contractors, and employees. General plans of insurance for cost-plus-fixed-fee contractors are incorporated into several categories -

- a. War Department Insurance Rating Plan
- b. Modified Insurance Rating Plans
- c. Guaranteed Cost Insurance
- d. Industrial Accident and Health Insurance
- e. Employees Benefit Plans
- f. Group Insurance

Authorization for the procurement of the mentioned insurance coverages is contained in War Department Procurement Regulation No. 4, and Delegations of Authority stemming from the First War Powers Act 1941, Title II, Section 201. The rigid security necessary to the activities of the Manhattan District required the number of insurance carriers to be limited as far as possible so that information given, meager as it was, would not be disseminated through the entire insurance industry. Such security engendered development of the "modified plans." It also necessitated screening accident reports prior to submission to the insurance carriers. In some instances where the insurance carrier was prohibited from even investigating a case, the District had to determine the merits of the case as to payment of benefits and so advise the insurance carrier. Because the insurance carriers were not permitted to examine the books of the contractors, it was necessary for the District to audit and certify payrolls

~~SECRET~~

developed. Secrecy also prevented the insurance carriers from conducting the usual inspections for determination of manual classifications and rates, and from conducting the usual safety engineering activities. This necessitated negotiation of simulated rates for determination of standard premium, closely approximating manual rates on war industries known to be hazardous. An Insurance Section was organized at the time of the activation of the District. This Insurance Section was charged with the duty of carrying out the District Insurance Program objective. Acknowledgment is made of the helpfulness to the District of Mr. Ellis H. Carson, Vice President of Royal Indemnity Company; Mr. George E. Peterson, Secretary of Compensation and Liability Department, Travelers Insurance Company; Mr. R. H. Harlin, formerly Director of Labor and Industries for the State of Washington; Mr. James M. McCormack, Commissioner of the Department of Insurance and Banking, State of Tennessee; and Mr. Abel Klaw, Chief Counsel for Workmen's Compensation of E. I. du Pont de Nemours and Company, Inc.

2. War Department Insurance Rating Plan - The War Department Insurance Rating Plan is a comprehensive retrospective rating formula for the determination of premium specially adapted to fit the needs of the War Department. The plan was approved for use by the War Department on 3 May 1941. The amount of losses incurred under each set of policies is the primary factor in determining final premium cost, which is the reason it is known as a retrospective rating formula. It is used where the cost of required insurance provided by the contractor is reimbursable under the contract.

3. Modified Insurance Rating Plans - The need for modifications of the standard rating plan was brought about by the secrecy surrounding the

~~SECRET~~

operations of cost-plus-fixed-fee manufacturing contractors of the District. It was known there were unpredictable hazards in connection with such operations and the insurance carriers were kept in complete ignorance of even the nature or extent of such operations. Under the circumstances the insurance carriers were not willing to write the required insurance under the War Department Insurance Rating Plan. This necessitated formulation of "Modified Insurance Rating Plans", which followed the structure of the War Department Insurance Rating Plan, but deviated therefrom in the removal of an insurance feature and the reduction of the fixed charge to compensate for this absence of an insurance feature. These plans also required an increase in the loss conversion factor to enable the insurance carriers to obtain reimbursement for their cost of handling claims under the peculiar circumstances. Secrecy prohibited establishment of manual rates and classifications and required negotiated simulated rates for determining standard premium. The time for final settlement under these plans was made indefinite because of the peculiar probability of claims developing after a period of many years following termination of the activities of the District. All but one of the companies participating in the "modified plan" insisted on a collateral fund being posted in each instance to protect them against having to involve their own funds heavily in the event of a catastrophe.

4. Guaranteed Cost Insurance - Guaranteed cost insurance was infrequently used for cost-plus-fixed-fee contractors. It differs from retrospective rating plans in that the losses incurred under the coverage have no effect on the premium charged, which premium is a guaranteed amount determined when the policy is written.

5. Industrial Accident and Health Insurance - Industrial accident and health insurance is a special form of insurance issued to cover individual employees of various cost-plus-fixed-fee contractors to indemnify them against the hazards of the unusual and unpredictable results of their employment, and where the benefits of the applicable Workmen's Compensation Act were considered inadequate or not available.

6. Employees Benefit Plans - Employees benefit plans were formulated in those instances where the individual industrial accident and health policies were considered insufficient. These plans are incorporated directly into the contract between the Government and the cost-plus-fixed-fee contractors. They are administered by the contractor and the Contracting Officer. The use of the employees benefit plans gives more adequate protection to employees exposed to unusual and unpredictable hazards because the results may not develop until many years after such exposure has ceased. The use of such plans saves insurance premiums. The contractor is protected against involvement of its funds by collateral funds advanced by the Government to the contractor. Benefits under the plans are in addition to any benefits under an applicable Workmen's Compensation Law, but are not to exceed \$10,000 in any one case.

7. Group Insurance - Group insurance is a form of life insurance and non-industrial accident and health insurance in which all the employees of an employer may participate under certain conditions. The employer may defray the entire cost of such insurance or it may require each employee participating therein to contribute to the cost thereof. This insurance is usually the result of employer-employee relationships. If a cost-plus-fixed-fee contractor has carried such insurance in the

~~SECRET~~

past throughout its entire organization, such coverage of the same type is approved on the contractor's activities for the District. The contractor is reimbursed for whatever share of the premium cost he has defrayed in the past. Where the contractor's activities for the District can be segregated from his other general activities such insurance is written under the War Department Group Insurance Rating Plan, which provides, among other things, that any premium dividends accruing thereunder first be applied to extinguish the cost to the Government and any balance inure to the benefit of the contractor's employees.

~~SECRET~~

MANHATTAN DISTRICT HISTORY

BOOK I - GENERAL

VOLUME 6 - INSURANCE PROGRAM

SECTION 1 - INTRODUCTION

1-1. Objective - The objective of the Manhattan District in its Insurance Program is to verify that its cost-plus-fixed-fee contractors procure, and that their insurance carriers properly administer insurance coverages which adequately protect the interests of the United States, contractors, and employees. In phases of the work which can be covered by standard forms of insurance the Program adheres to established governmental regulations and policies. In cases where the nature of the work cannot be disclosed because of the requirements of secrecy, and where there may be unusual and indeterminate hazards, special insurance treatment is required. The Program then develops and provides for the administration of "modified plans" of insurance coverages which adequately comply with Workmen's Compensation Laws of the various states and other insurance coverages authorized or required by the War Department.

1-2. Authorizations - The District Engineer is empowered to authorize the procurement of insurance coverages by the following:

a. War Department Insurance Rating Plan

(1) War Department Procurement Regulation No. 4, Section I and Section IV, Parts 1, 2, 4 and 7.

b. Modified Insurance Rating Plan

(1) First War Powers Act, 1941, Title II, Section 201, by which Congress empowered the President with certain broad wartime authorities. (Book I, Vol. 1).

(2) Executive Order No. 9001, 27 December 1941, by which the President delegated certain of his wartime authorities to the Secretary of War. (Book I, Vol. 1).

(3) Delegation of Authority to the Under Secretary of War, 30 December 1941, memorandum from the Secretary of War to the Under Secretary of War re delegating certain powers contained in Executive Order No. 9001. (Book I, Vol. 1).

(4) Delegation of Authority to Major General L. R. Groves, 17 April 1944, memorandum from the Under Secretary of War to Major General L. R. Groves re delegating certain powers contained in Executive Order No. 9001 in connection with work assigned to and coming within the jurisdiction of the Manhattan District. (Book I, Vol. 1)

(5) Delegation of Authority to the District Engineer, Manhattan District, 10 June 1944, memorandum from Major General L. R. Groves to the District Engineer, Manhattan District, re delegating certain powers contained in Executive Order No. 9001 in connection with work assigned to and coming within the jurisdiction of the Manhattan District. (Book I, Vol. 1).

c. Guaranteed Cost Insurance

(1) War Department Procurement Regulation No. 4, Sections II, III, and Section IV, Parts 1, 2 and 6, together with the authority cited in Paragraph b above.

d. Industrial Accident and Health Insurance

(1) Same authority as in Paragraph b above.

e. Employees Benefit Plans

(1) Same authority as in Paragraph b above.

f. Group Insurance

(1) War Department Procurement Regulation No. 4, Section IV, Part 2.

1-3. Effects of Security - The rigid security necessary to the activities of the Manhattan District required that the very knowledge of its existence be limited as much as possible; that the over-all knowledge of the nature and extent of its operations be denied civilian and military personnel actually employed on work of the District as far as practicable. This required compartmentalization to the extent that an individual employed on business of the District knew only those facts essential to his particular job. These security requirements affected the District Insurance Program in the following particulars:

a. Limitation of the Number of Insurance Carriers - By limiting the number of insurance carriers providing insurance coverage in the District, the dissemination of information concerning the Project throughout the insurance field was narrowed. As far as possible necessary knowledge was confined to executive personnel of the insurance carriers participating in the Insurance Program.

b. "Modified Plans" - Inability to disclose to insurance carriers the nature of the work and extent of hazards, particularly on "operations" contracts, necessitated formulation of insurance service agreements, deviating from the War Department Insurance Rating Plan. The primary deviation was the removal of possibility of loss to an insurance carrier because of claims developed.

c. Claims Reporting and Handling - Security required that the District act as intermediary between the contractor and the insurance

carrier in the handling and reporting of claims, so that none of the reports and communications to the insurance carrier would contain classified information. This situation required determination by the District as to whether the insurance carrier could investigate particular cases. The District at times was also required to determine the merits of a case and so advise the contractor and insurance carrier. See Appendix A-1 for present procedure.

d. Certification of Payroll Audits - In view of the fact that the insurance carriers participating in the Insurance Program could not be permitted to examine the books of the contractors, it was necessary for the District to conduct and certify payroll audit reports upon which the standard premium is based, and to transmit same to the necessary parties.

e. Elimination of Inspections - Insurance companies could not be permitted, as in the usual course of their business, to conduct inspection of the contractor's operations or activities for the purpose of determining manual* classifications and rates for computation of standard premium. Neither were they permitted to conduct safety engineering activities. This situation frequently required negotiation of simulated rates comparable to the manual rates for war industries actually known to be hazardous.

*Manual refers to Workmen's Compensation and Employers' Liability Insurance Manual published by the National Council on Compensation Insurance and Manual of Liability Insurance issued by the National Bureau of Casualty and Surety Underwriters which publications prescribe rules and rates for the writing of compensation and liability coverages throughout the United States.

1-4. Organization - In order to accomplish the objective of its

Insurance Program, the Manhattan District organized an insurance section at the time of the activation of the District on 16 August 1942. The personnel and duties of the members of the Insurance Section are as follows:

a. Lt. Colonel C. Vanden Bulck, Chief of the Administrative Division, has had the general supervision of the Insurance Section since its organization and has actively participated in its work.

b. Mr. H. E. Schmitz, Administrative Assistant, was loaned by the Syracuse, New York, District in August 1942 to assist in organizing personnel and procedure and to handle the immediate problems. Mr. Schmitz continued to serve the District on this basis until 16 February 1943, on which date he was permanently transferred from the Syracuse, New York, District to the Manhattan District as Chief of the Insurance Section. He served in this position until 9 January 1945. As Chief of the Section Mr. Schmitz was charged with the supervision of the District Insurance Program in all its phases.

c. Mr. T. E. Waterman, Insurance Examiner, was transferred to the Manhattan District Insurance Section as Assistant Chief from the New York, New York, District in August 1943, and served in this capacity until 1944. As Assistant Chief of the Insurance Section Mr. Waterman was directly responsible for the Insurance Program of all contractors at the Clinton Engineer Works, and also assisted Mr. Schmitz on other District insurance matters.

d. Mr. W. J. MacLeod, Insurance Examiner, was acquired by transfer from the North Atlantic Division on 7 February 1944, and served until 14 April 1945. Mr. MacLeod was assigned the work of reviewing payroll audit reports, premium invoices, and the approval of vouchers for

~~SECRET~~

reimbursement of insurance expenditures.

e. Mr. Leslie F. Spalding, formerly a Claim Supervisor of Aetna Casualty & Surety Company, and with such experience at the Clinton Engineer Works, was employed by the District as Administrative Assistant on 16 June 1944. Mr. Spalding was assigned the duties of screening reports of claims and coordinating claims handling between the insurance carriers and the contractors.

f. Major William J. Satterfield, Jr., CE., was assigned to the District on temporary duty 10 January 1945 as Acting Chief of the Insurance Section, and was permanently assigned as Assistant Chief on 2 February 1945.

g. Lt. Colonel George A. Jackson, JAGD., came to the District on temporary duty 27 January 1945 as Acting Chief of the Insurance Section, and was permanently assigned as Chief on 25 March 1945. He was relieved of this assignment on 14 November 1945, at which time Major Satterfield became Chief of the Insurance Section.

h. Mr. E. N. Church, Administrative Assistant, was employed as Insurance Examiner, Wilmington Area, Wilmington, Delaware, on 1 May 1943. Mr. Church was assigned the duties of supervising insurance matters as a field representative of the District Insurance Section for the Wilmington Area, which embraces the locations operated by du Pont, with the exception of the Hanford Engineer Works Project. On 16 May 1945 Mr. Church was transferred to Madison Square Area, New York, and placed in charge of the Insurance Section at this location. At the same time the Insurance Section of the Madison Square Area was enlarged to include, in addition to its normal functions, the insurance supervision of

~~SECRET~~

all the territory assigned to the Wilmington Area.

i. Mr. C. H. Temps, Administrative Assistant, was employed on 7 June 1943 as Insurance Examiner at Madison Square Area. Mr. Temps was assigned the duties of field representative of the District Insurance Section, and given the responsibility of supervising insurance activities of the Madison Square Area, which embraces the activities of several other areas. On May 16, 1945, when Mr. Church was transferred to New York as Chief of the Madison Square Area Insurance Section Mr. Temps became his assistant, in which capacity he served until 15 October 1945.

j. Mr. W. A. Lubeck, Administrative Assistant, was employed as Insurance Examiner at Hanford Engineer Works from 1 April 1943 to 1 July 1945. He was assigned the duties of field representative of the District Insurance Section, supervising insurance activities at Hanford Engineer Works.

k. First Lieutenant B. K. Phillips, CMP., was assigned to the District on 8 June 1945 and after a short orientation course at Oak Ridge was permanently assigned to Hanford Engineer Works as field representative of the District Insurance Section on 3 July 1945. There he took up supervision of insurance activities for this area replacing Mr. Lubeck.

Attached hereto is an Organization Chart of the District Office of the Insurance Section, dated 11 January 1946. (See Appendices A-2 and A-3).

1-5. Acknowledgements - Acknowledgements are made to the following individuals for assistance in developing the District's Insurance Program:

a. Mr. Ellis H. Carson, Vice President, Royal Indemnity

Company, New York, New York, has been helpful to the District in assisting in an advisory capacity on many of its perplexing insurance problems. Mr. Carson, in such advisory capacity, pioneered development of the "modified plan" to fit the peculiar requirements of the District.

b. Mr. George E. Peterson, Secretary of the Compensation and Liability Department of the Travelers Insurance Company, Hartford, Connecticut, was cooperative in working out a hybrid Public Liability and General Liability for Damage to Property of Others policy on Hanford Engineer Works, which policy has a maximum limit of \$10,500,000. (Paragraph 3-3 h (1-d)). This policy was also framed so it would cover Workmen's Compensation claims in states where the particular contractor did not carry separate Workmen's Compensation coverage. He assisted in working out the details of safe guarding and investing for the benefit of the Government those collateral funds posted with insurance carriers.

c. Mr. R. H. Harlin, Director of Labor and Industries for the State of Washington, at the time the program for Hanford Engineer Works was formulated, was sympathetic and cooperative with reference to the problems of the District on Workmen's Compensation coverage in the State of Washington, in which state no commercial carrier for such insurance is available, it being a monopolistic state. Mr. Harlin and his associates in the Department of Labor and Industries assisted the District in working out an agreement with his Department for the administration and payment of Workmen's Compensation claims arising at Hanford Engineer Works on a basis of actual cost. Again this was the first case of its kind.

d. Mr. James M. McCormack, Commissioner, Department of

~~SECRET~~

Insurance and Banking, State of Tennessee, was considerate and recognized the difficulties of the District Insurance Program to the point where he authorized the relaxation of State requirements, permitting use of amended report forms consistent with District Security Regulations, and the use of arbitrary insurance rates on a noncompetitive basis.

e. Mr. Abel Klaw, Chief Counsel for Workmen's Compensation, E. I. du Pont de Nemours & Company, Inc., who, because of his wide personal acquaintance with State insurance commissioners and members of State Boards, paved the way for District representatives to approach these people on a very friendly basis and thus minimized the problems.

~~SECRET~~

~~SECRET~~

SECTION 2 - WAR DEPARTMENT INSURANCE RATING PLAN

2-1. Adoption - The War Department Insurance Rating Plan was adopted for use by the War Department on 3 May 1941. It is a comprehensive retrospective rating plan for the determination of premium specially adapted to fit the needs of the War Department. It is available for use in connection with the required casualty insurance coverages of Workmen's Compensation Insurance, General Liability Insurance and Automobile Public Liability and Property Damage Insurance. It may be extended to include General Liability Insurance for Damage to Property of Others and Products Liability Insurance under the circumstances provided in War Department Procurement Regulations No. 437.2 and 437.3. The Plan is used where the cost of insurance provided by the contractor is reimbursable under the contract. A copy of the War Department Insurance Rating Plan Endorsement is attached as Appendix A-4.

2-2. General Description - The War Department Insurance Rating Plan is a retrospective rating plan, which means that the final premium cost of each set of policies cannot be determined until the set of policies has terminated and a final settlement has been agreed upon between the War Department and the insurance carrier. The final settlement is submitted by the insurance carrier between six and eight months after termination of the policy. Representatives of the War Department then check the claims losses incurred under the policy by actual inspection of the carrier's claim files. If the War Department does not agree on the submitted settlement figures (because of reserves on pending claims or for other cause), then it can defer settlement for six months and for like periods thereafter up to a total of thirty-two months after policy termination.

~~SECRET~~

a. Final Cost - This final computation of premium cost is arrived at in the following manner:

(1) Fixed Charge - This fixed charge is a percentage of standard premium varying inversely with the amount of the standard premium. (The standard premium is computed either by a detailed audit of the payroll by classification of employment and the application of the prescribed manual rates for the classifications, or by the computation of an average rate for all classifications of employment and its application to the payroll total.) A complete discussion of the factors comprising said fixed charge is attached hereto as Appendix B-1. To the amount of money thus developed is added:

(2) Modified Losses - These are the losses incurred under the policies (payment of indemnity or medical treatment and reserves therefor) multiplied by the loss conversion factor, 1.12. The loss conversion factor, 1.12, is an actuarial determination of the cost to insurance carriers for handling claims in the field. (The home office claims expense of the carrier is a factor included in the fixed charge defined above.) This loss conversion factor, 1.12, is less than the factor usually applied by insurance carriers against losses for determination of claims field expense. This is on the theory that it is less expensive to handle claims on Government war projects than on other risks. A full discussion of the loss conversion factor, 1.12, is attached hereto as Appendix B-2. To the sum of the fixed charge and modified losses is added:

(3) Allocated Claim Expense - This expense means actual payments and reserves for legal expenses, excluding the cost of investigation and adjustment of claims by salaried employees and fee adjusters

(of the insurance carrier), but including attorney fees, court costs, interest, expense for expert testimony, examination, x-ray, autopsy, and medical expenses of any kind not incurred for the benefit of the injured, and any other expense incurred under the policy other than payment of indemnity or medical treatment. Only those items of expense which can be directly allocated to a specific claim involving litigation, or possible litigation, when necessary to determine the insurance carrier's liability are included. The sum of the fixed charge, modified losses and allocated claim expense is multiplied by:

(4) The Tax Multiplier - The tax multiplier is worked out for each state and type of coverage (specifically set out in the War Department Insurance Rating Plan) for the purpose of increasing the amount of the fixed charge, plus modified losses, plus allocated claim expense, in an amount sufficient to provide for those taxes which are levied as a percentage of premium, and for assessments for industrial commissions, rating boards and bureaus.

(5) Final Premium - The final premium computed in accord with Paragraphs (1) through (4) above is subject to a maximum equal to the amount obtained by the application of the tax multiplier to 90% of the standard premium.

b. Monthly Premium Payments - Inasmuch as the final computation of premium is delayed until final settlement, as mentioned, it becomes necessary to provide the carrier with money in the interim to defray cost of current losses and expense. Under the War Department Insurance Rating Plan the carrier is paid each month an amount equal to 50% of the standard premium developed for that month. If upon final

settlement the final premium cost amounts to less than the 50% of the standard premium already paid to the insurance carrier, then the carrier returns the difference to the Government. If the final premium cost exceeds the 50% of standard premium already paid the insurance carrier, then the carrier is paid the additional amount subject to the maximum premium described in Paragraph 2-2 a(5).

c. Policy Period - Under the War Department Insurance Rating Plan policies are written for a period of two years unless sooner terminated. If the project continues longer than two years, the policies are endorsed to be automatically renewed at the end of each year. An interim settlement is provided for, under such circumstances, following the first two year period of the policies. An interim settlement is provided for annually thereafter. These interim settlements are along the same lines as final computations of premiums heretofore mentioned.

d. Policy Limits - Definite limits are prescribed for policies written under the War Department Insurance Rating Plan, and there is no deviation.

(1) Workmen's Compensation policies are written in accordance with statutory requirements of the various state laws applicable and are limited only by the benefits payable to employees under those laws. (See Appendix D-1). Therefore, no limits for this coverage are shown in the policies. Under the Employers Liability feature of these policies, however, coverage is limited to \$50,000 for injury to one person, and subject to the same limit \$100,000 for injury to two or more persons in any one accident. The same limits of liability are required for coverage of occupational diseases not specifically included within

the applicable State Compensation Law.

(2) General Liability Insurance policies provide \$50,000 for death or injury to one person, and subject to this same limit per person, \$100,000 for death or injury to two or more persons in any one accident.

(3) Automobile General Liability and Property Damage Insurance policies provide the same personal injury limits as described in Paragraph 2-2 d(2) and in addition a limit of \$5,000 per accident for damage to property of third parties.

(4) General Liability Insurance for Damage to Property of Others is authorized only in those cases where the operations conducted are of such a nature that an accident might reasonably involve extensive destruction of property of others, and it is considered desirable to obtain the experienced claims and investigation service of a reliable insurance carrier. Where authorized the limit provided by the policy is \$50,000 per accident subject to an aggregate limit of \$100,000 for each year of the policy period.

e. Insurance Advisor - In connection with the War Department Insurance Rating Plan each contractor selects a competent and responsible insurance advisor. The insurance advisor, while acting on behalf of the contractor, shall not be employed by or paid any remuneration whatsoever by any insurance carrier for services rendered or benefit conferred directly or indirectly in connection with the insurance for the contractor for whom he is acting as insurance advisor. Such insurance advisor is required to execute a service agreement as provided in Paragraph 497.13, War Department Procurement Regulations. A copy of such agreement

outlining duties and fees is attached hereto as Appendix A-5.

2-3. Application to District Projects - The required coverages for the following contractors are under the War Department Insurance

Rating Plan:

<u>AREA AND CONTRACTOR</u>	<u>CONTRACT NO.</u>	<u>TYPE OF WORK</u>	<u>INSURANCE CARRIER</u>
<u>Alabama Area</u>			
E.I. du Pont de Nemours & Company, Inc.	W-ORD-526 DA-W-ORD-1 Supplement 13	Construction & Operations	Travelers Insurance Company
<u>Clinton Engineer Works</u>			
American Industrial Transit	W-14-108-eng-53	Operations	Royal Indemnity Company
E.I. du Pont de Nemours & Company, Inc.	W-7412-eng-23	Construction	Royal Indemnity Company
Ford, Bacon & Davis, Inc.	W-7407-eng-19	Construction	Aetna Casualty & Surety Company
J.A. Jones Construction Company	W-7421-eng-11	Construction	Aetna Casualty & Surety Company
The Kellex Corporation	W-7405-eng-23	Operations	Travelers Insurance Company
William A. Pope Company	W-7405-eng-100	Construction	Aetna Casualty & Surety Company
Roane-Anderson Company	W-7401-eng-115	Operations	Royal Indemnity Company
A. S. Schulman Electric Company	W-7405-eng-101	Construction	Aetna Casualty & Surety Company
Stone & Webster Engineering Corporation	W-7401-eng-13	Construction	Royal Indemnity Company
<u>Colorado Area</u>			
U. S. Vanadium Corporation	W-7407-eng-32	Construction & Operations	Aetna Casualty & Surety Company

<u>AREA AND CONTRACTOR</u>	<u>CONTRACT NO.</u>	<u>TYPE OF WORK</u>	<u>INSURANCE CARRIER</u>
<u>Columbia Area</u>			
Columbia University	W-7405-eng-50	Operations	Employers Liability Insurance Company
<u>Decatur Area</u>			
George A. Fuller Company	W-7405-eng-131	Construction	Aetna Casualty & Surety Company
<u>Milwaukee Area</u>			
Allis-Chalmers Company	W-7405-eng-34	Construction & Operations	Employers Mutual Liability Insurance Company
<u>Morgantown Area</u>			
E.I. du Pont de Nemours & Company, Inc.	W-ORD-490 Supplement 7	Construction & Operations	Travelers Insurance Company
<u>St. Louis Area</u>			
E. B. Badger & Sons Company	W-44-153-eng-7	Construction	American Motorists Insurance Company
<u>Tonawanda Area</u>			
Linde Air Products Company	W-7401-eng-14	Construction	London Guarantee & Accident Company
<u>Wabash River Area</u>			
E.I. du Pont de Nemours & Company, Inc.	W-ORD-556 DA-W-ORD-38 Supplement 6	Construction & Operations	Travelers Insurance Company
<u>Wilmington Area</u>			
E.I. du Pont de Nemours & Company, Inc.	W-7412-eng-2, -3,-5,-6,-8, -9,-10,-22, -47,-151	Construction & Operations	Travelers Insurance Company

2-4. Results - The number, type, and cost of claims as of indicated dates are listed for certain contractors. The cost as shown includes

actual payments as well as reserves.

a. Kellex Corporation, W-7405-eng-23

Compensation	72 claims	\$ 11,535.00
General Liability	no claims	none
Automobile	1 claim	3,000.00

To 30 September 1945.

b. Roane-Anderson Company, W-7401-eng-115

Compensation	300 claims	127,794.44
General Liability	25 claims	9,932.85
Automobile	379 claims	80,906.10

To 1 October 1945.

c. American Industrial Transit, W-14-108-eng-53

Compensation	29 claims	14,744.44
General Liability	2 claims	225.00
Automobile	497 claims	97,486.77

To 1 January 1946.

d. United States Vanadium Corporation, W-7405-eng-32

Compensation	43 claims	393.02
General Liability	no claims	none
Automobile	1 claim	none

To 9 August 1945.

e. Houdaille-Hershey Corporation, W-7405-eng-149

Compensation	1279 claims	80,492.42
General Liability	no claims	none
Automobile	20 claims	3,063.07

To 2 August 1945.

Periodic settlements which have been computed for certain contracts in accordance with procedure for settlements of War Department Insurance Rating Plan are indicated as follows:

a. E.I. du Pont de Nemours and Company, Inc., Supplement 13, to contract No. W-ORD-526, DA-W-ORD-1, first interim settlement, Appendix C-1.

b. Stone and Webster Engineering Corporation, contract No. W-7401-eng-13, (including Roane-Anderson Company, contract No. W-7401-eng-115, and Skidmore, Owings and Merrill, contract No. W-7401-eng-69), first interim settlement, Appendix C-2.

c. J. A. Jones Construction Company, contract No. W-7421-eng-11, (including Ford, Bacon & Davis, Inc., contract No. W-7407-eng-19, A. S. Schulman Electric Company, contract No. W-7405-eng-101, and William A. Pope Company, contract No. W-7405-eng-100), first interim settlement, Appendix C-3.

d. E. I. du Pont de Nemours and Company, Inc., contract No. W-7412-eng-23, first interim settlement, Appendix C-4.

e. George A. Fuller Company, contract No. W-7405-eng-131, final settlement (deferred by District until 30 June 1946), Appendix C-5.

f. E. I. du Pont de Nemours and Company, Inc., contracts Nos. W-7412-eng-2, -3, -5, -6, -8, -9, -10, -22, -47-151, first interim settlement, Appendix C-6.

g. E. I. du Pont de Nemours and Company, Inc., Supplement 7, to contract No. W-ORD-490, first interim settlement, Appendix C-7.

h. E. I. du Pont de Nemours and Company, Inc., Supplement 6, to contract No. W-ORD-556, DA-W-ORD-38, Appendix C-8.

SECTION 3 - MODIFIED INSURANCE RATING PLANS

3-1. Need for Such Plans - Because of the extreme secrecy surrounding the operations of certain cost-plus-fixed-fee manufacturing contractors of the District and the necessity for the services of insurance carriers in handling claims that would arise under the Workmen's Compensation Insurance required by the various state laws and under the Liability Insurance coverages required by the War Department, arrangements had to be made for such services. These arrangements had to be made without divulging to the insurance carriers any information whatsoever as to the nature or extent of the risks. The manufacturing operations in many instances being entirely new and unheard of procedures, it was deducible that they would also involve unknown and unpredictable hazards. Under these circumstances the insurance carriers in the course of good business were not willing to assume any risk or loss under such coverages. If they had been willing to do so no reasonable premium cost could have been agreed upon as being a just remuneration to the insurance carriers. The solution to this problem was to enter into service agreements with insurance carriers, which in effect obtained their services on an actual cost basis and are known within the District as "modified plans." This was done by following the structure of the War Department Insurance Rating Plan as described in Section 2 as nearly as possible.

3-2. General Description - It was necessary to deviate from the structure of the War Department Insurance Rating Plan in some particulars, which deviations are described as follows:

a. Removal of the Maximum Premium - Under the War Department Insurance Rating Plan the only time when final premium computation could

exceed the maximum therein provided, thus causing financial loss to the insurance carrier, is when the loss ratio is excessive. By removing the premium maximum the insurance carriers were safe from the possibility of damage to themselves because of losses incurred under these service agreements.

b. Fixed Charge - It was necessary to reduce the fixed charge as provided under the War Department Insurance Rating Plan because of the fact that the insurance carrier was protected against possibility of loss, and did not render the usual safety engineering services to the insured. This was done by using a fixed charge of $5\frac{1}{2}\%$ of the standard premium in some instances (because of the more obvious peculiar hazards and difficulty of administration in those instances) and in others 5%. The minimum fixed charge under the War Department Insurance Rating Plan is 6.3% of standard premium. Negotiations were entered into for reduction of the fixed charge after a sufficient period of time had elapsed for the insurance carriers to formulate opinions as to the loss ratios and cost of administration of these service agreements. These negotiations resulted in reduction of the fixed charge of $5\frac{1}{2}\%$ to 5% and the 5% fixed charge to 4%. Attached hereto as Appendix B-3 is a full analysis of the insurance carriers' charges under these "modified plans".

c. Rates - Because of the aforementioned secrecy, the insurance carriers were not permitted to conduct inspection of the contractors' operations or activities for the purpose of determining manual classifications and rates for computation of standard premium. This required negotiation of simulated rates comparable to the manual rates for war industries actually known to be hazardous. A discussion of these negotiated rates is

attached as Appendix B-4.

d. Loss Conversion Factor - Again secrecy prevented the insurance carriers from providing project site medical facilities or participating in any manner in the cost thereof. Because of this fact, there was considerable medical expense to which the insurance carriers were unable to apply the loss conversion factor as is done under the War Department Insurance Rating Plan. (See Appendix A-4). For this reason an adjustment upwards in the loss conversion factor was necessary so that the insurance carriers could obtain sufficient reimbursement for their field cost of handling claims. This loss conversion factor was first placed at 1.15 on losses up to 90% of the standard premium, and 1.12 for any losses exceeding that amount. Subsequently, this loss conversion factor was reduced to 1.13 as applicable to all losses. (See Appendix B-5).

e. Final Settlement - Because of the peculiar possibility of claims developing after a period of many years following the termination of activities of the District, the insurance carriers were not willing to abide by the time limit for final settlement as is provided under the War Department Insurance Rating Plan. (See ^P paragraph 2-2). For this reason the time of final settlement was placed at "when all claims have been paid or disposed of without payment." It is the thought in this connection that following a sufficient period of time after the District's activities have been terminated the insurance carriers will feel safe in making final settlements.

f. Collateral Funds - The unprecedented nature of operations and hazards to which the workers were being subjected could not be explained to the carriers. Accordingly, all but one of the companies

participating in the "modified plans" insisted on the establishment of a collateral fund for each contractor to protect them in the event of a catastrophe. The establishment of these collateral funds was agreed to as it seemed reasonable to protect the insurance carriers against the possibility of having to involve heavily their own funds. Safeguards were established for depositing and investing in order to protect the Government's interest in these collateral funds. The carriers were required to deposit these collateral funds in banks or to invest the funds or portions thereof in Government Securities only. The interest earned on such investments, less the cost of safeguarding and investment service, was deposited in the Treasury of the United States to the credit of Miscellaneous Receipts. All such investment transactions were reported currently to the District by the insurance carrier. Periodic reports of the status of the collateral funds were submitted to the District by the depository. These safeguards were reviewed by the Comptroller General of the United States, and declared to be reasonable and adequate. (See Appendix A-6).

3-3. Description of Individual Modified Insurance Rating Plans -

The following is a description of the negotiations, provisions, and results to date of all modified plans in the District:

a. Clinton Laboratories

(1) Negotiations - Negotiations for the required insurance coverages were conducted by Lt. Colonel C. Vanden Bulek and Mr. H. E. Schmitz on behalf of the District and by Mr. Ellis H. Carson of Royal Indemnity Company. The first conference was held at Oak Ridge on 3 September 1943. This conference led to the formulation of the first

~~SECRET~~

modified insurance rating plan for the District. Negotiations continued through October 1943 and resulted in issuance of Royal Indemnity Company's Workmen's Compensation Policy No. C 766250, effective as of 1 March 1943, and its Comprehensive General Liability Policy No. RX 1340, effective as of the same date. These policies continued in force until 1 July 1945 when they were cancelled because the operation of Clinton Laboratories was taken over then by Monsanto Chemical Company.

A conference was held on 12 July 1945 to perfect arrangements for Liberty Mutual Insurance Company to issue policies to cover the operations of Monsanto Chemical Company at Clinton Laboratories. Present at the conference were: Messrs. H. J. Brown, Regional Claims Manager, H. Pittock, Regional Underwriter, and R. P. Broadwell, Claims Adjuster, representing the Liberty Mutual Insurance Company; C. J. Koenig, Chief Accountant, R. C. Thumser, Plant Manager, W. A. Popejoy, Safety Advisor, and H. R. Bishop, Superintendent, Service Department, representing Monsanto Chemical Company; J. R. Hensen, Superintendent, Service Department, representing Clinton Laboratories for former contractor; Lt. Colonel C. Vanden Bulek, Mr. L. F. Spalding, and Lt. Colonel G. A. Jackson, representing the District. As a result of this conference and subsequent correspondence Liberty Mutual Insurance Company's Workmen's Compensation Policy No. WC-01-28339-Tenn., and Comprehensive Liability Policy No. CAG-01-00017-Tenn., were issued effective 1 July 1945 and were approved by the District on 5 October 1945.

(2) Description - When the policies of the Royal Indemnity Company were originally written a collateral fund of \$1,500,000 was posted, but it was increased to \$3,500,000 when Metallurgical Laboratories

³¹⁵
~~SECRET~~

the other activity of the contractor, (University of Chicago) was added to the policy. It provided that the collateral fund will be held for ten years after termination of the policy. The loss conversion factor is 1.12. The fixed charge was originally $5\frac{1}{2}\%$ of standard premium with an annual ceiling of \$20,000. To the amount of fixed charge there was payable for the first policy year an additional sum of \$5,000 in reimbursement of the expense involved in formulating the "modified plan". The fixed charge has been reduced to 5% by subsequent negotiation as of 1 March 1945.

The Liberty Mutual policies issued on 1 July 1945 to cover Monsanto Chemical Company provided the loss conversion factor 1.13 and a fixed charge of 4% with no ceiling.

(3) Results - Preliminary settlement under Royal Indemnity policies covering University of Chicago for the period of its operation at Clinton Laboratories is attached as Appendix C-9.

There had been no claims reported or paid by Monsanto Chemical Company as operator of Clinton Laboratories from 1 July 1945 to 1 December 1945.

b. Project "Y"

(1) Negotiations - Negotiations for the writing of this coverage first started when Mr. George E. Morrissey, Chief, Insurance Division, Office of Chief of Engineers, visited the office of Mr. Ellis H. Carson of the Royal Indemnity Company in New York City on 11 March 1943, resulting in that company issuing its unlimited binder for insurance coverage on 12 March 1943. Subsequently, negotiations for issuance of insurance policies were taken over by representatives of the Manhattan

District. Many conferences were held at various times by Lt. Colonel C. Vanden Bulek and Mr. H. E. Schmitz, representing the District, and Mr. Carson of the insurance company, until on 13 November 1943 it was finally decided that the coverage for Project "Y" should be a "modified plan". This resulted in issuance of Globe Indemnity Company's Workmen's Compensation Policy No. US 783627, effective 12 March 1943, and its Comprehensive General Liability Policy No. GX 500350, effective the same date. The Globe Indemnity Company is a member of the same group of insurance companies as is Royal Indemnity Company, and its liability under the insurance policies is completely reinsured in Royal Indemnity Company. This was done because Royal Indemnity Company was not admitted to do business in the state where Project "Y" is located, but Globe Indemnity was so admitted. The policies issued covered the Project "Y" contractors, Regents of the University of California, and are still in force.

(2) Description - A collateral fund of \$500,000 is posted and it is provided it will be held for five years after termination of the policies. Loss conversion factor is 1.15. In negotiations conducted for general reduction of the loss conversion factor, this particular one was left at 1.15 because the project is so inaccessible and far removed from available claim facilities that it entails abnormal expense to service. Fixed charge as originally written was set at $5\frac{1}{2}\%$ with an annual ceiling of \$20,000, with \$5,000 in addition to such fixed charge for the first year. The fixed charge has been reduced to 5% as of 12 March 1945.

(3) Results - Periodical Computation of Earned Premium statement covering entire period of operation at this project up to 12 September 1945 is attached as Appendix C-10.

c. Tennessee Eastman Corporation

(1) Negotiations - On 5 April 1943 the contractor was advised by letter of the necessity for insurance. The contractor obtained a binder from the United States Fidelity & Guaranty Company for the applicable coverages. Several conferences were held with Mr. H. E. Schmitz and Lt. Colonel C. Vanden Bulck representing the District. On 24 September 1943 Mr. Schmitz of the District and Mr. John D. Wimberly, Insurance Advisor representing the contractor, conferred with Mr. Bibby at the insurance carrier's office in Baltimore, Maryland. On or about 4 November 1943 the insurance carrier agreed to issue its coverages under the then formulated "modified plan". Accordingly, its Workmen's Compensation Policy No. Z 52154, effective as of 6 January 1943 was issued and its Comprehensive General Liability Policy No. CGA 4090 was issued, effective the same date. These policies are still in effect.

(2) Description - A collateral fund of \$750,000 was posted. It is provided that this fund will be held two years after the termination of the policies. The loss conversion factor was 1.15 as originally written. This was reduced to 1.13 as of 6 January 1945. The fixed charge was originally 5% of standard premium, with an annual ceiling of \$75,000. The fixed charge was reduced to 4% as of 6 January 1945 and the ceiling removed. In this particular contract the time for final settlement was in accord with the War Department Insurance Rating Plan, but because of the reduction in fixed charge and loss conversion factor, and upon the request of the company, the time for final settlement was extended two years.

(3) Results - First Interim Settlement covering this contract from 6 January 1943 to 6 January 1945 is included as Appendix C-11.

d. Carbide and Carbon Chemicals Corporation

(1) Negotiations - On 18 November 1943 at the request of the contractor, Aetna Casualty & Surety Company issued its unlimited binder for the required insurance coverages. A meeting was held at the insurance company's office in New York City on 8 December 1943, at which Lt. Colonel C. Vanden Bulck and Mr. H. E. Schmitz, representing the District, and Mr. H. T. Knudsen, Secretary, representing the insurance company, were present. At this meeting it was agreed that the coverages would be under the "modified plan". As a result the insurance company issued its Workmen's Compensation Policy No. 1C 2936, effective 18 November 1943, and its Comprehensive General Liability Policy No. 1 AL 254, effective the same date. These policies are still in force.

(2) Description - The Aetna Casualty & Surety Company did not require a collateral fund, but in lieu thereof was given an indemnifying agreement directly from the Government, which agreement stated in effect that if at any time the insured contractor failed to pay bills for premiums the Government would pay such directly to the insurance carrier. The loss conversion factor was originally placed at 1.15, but was reduced to 1.13 as of 16 April 1945. The fixed charge as originally written was 5%, but was reduced to 4% as of 16 April 1945.

(3) Results - The type, number and cost of claims (including reserves as well as paid claims) for the period 18 November 1943 to 18 August 1945 are:

Compensation	368 claims	\$ 145,146.80
General Liability	1 claim	50.00
Automobile	47 claims	2,664.15

e. Fercleve Corporation

(1) Negotiations - Upon request of the contractor Aetna Casualty & Surety Company agreed in a letter dated 23 August 1944 to issue its policies for the required coverages under the "modified plan". The insurance carrier was familiar with the "modified plan" in view of its policies for Carbide and Carbon Chemicals Corporation - described in paragraph d above. The company's Workmen's Compensation Policy No. 10 8017 and its Comprehensive General Liability Policy No. 1 AL 280 were issued effective 11 August 1944, and these policies are still in force.

(2) Description - An indemnifying agreement was given in lieu of collateral fund. As originally written the loss conversion factor was 1.15, but was reduced to 1.13 as of 16 April 1945, and the 5% fixed charge as originally written was reduced to 4% as of the same date.

(3) Results - The type, number and cost of claims (including reserves as well as paid claims) for the period 11 August 1944 to 11 November 1945 are:

Compensation	72 claims	\$ 56,284.39
General Liability	40 claims	1,431.38
Automobile	23 claims	1,461.44

f. Ford, Bacon & Davis, Incorporated

(1) Negotiations - At a meeting held 8 January 1944 at the New York office of the contractor Mr. H. E. Schmitz and Mr. C. H. Temps represented the District, Mr. Caldwell represented the contractor, and Mr. H. T. Knudsen, Secretary, represented Aetna Casualty & Surety Company. At that meeting it was agreed that the required coverages

would be written under the "modified plan", with which the insurance carrier was by then entirely familiar. As a result the insurance carrier issued its Workmen's Compensation Policy No. 1 C 2935, and its Comprehensive General Liability Policy No. 1 AL 253 on 23 June 1944, effective as of 25 October 1943.

(2) Description - An indemnifying agreement was given in lieu of collateral fund. The loss conversion factor was originally placed at 1.15. Efforts were made to reduce this loss conversion factor to 1.13, but inasmuch as the contractor ceased its operations on or about 1 May 1945 such efforts were not successful. The mentioned policies are still in force because the contractor has a small clerical force at work, and it is necessary to maintain coverage because of that fact. Efforts were made to reduce the fixed charge at 5% as it appears in the policies, but this was unsuccessful for the same reason mentioned above.

(3) Results - The type, number and cost of claims (including reserves as well as paid claims) for the period 25 October 1943 to 25 October 1945 are:

Compensation	56 claims	\$ 27,018.62
General Liability	no claims	none
Automobile	40 claims	2,363.45

g. Hooker Electrochemical Corporation

(1) Negotiations - At a meeting held in the New York office of Aetna Casualty & Surety Company on 6 March 1944, Lt. Colonel C. Vanden Bulck and Mr. H. E. Schmitz represented the District, and Mr. H. T. Knudsen, as its Secretary, represented the insurance carrier. As a result of this meeting it was agreed that this required coverage

would be under the "modified plan" and the insurance carrier issued its binder on 6 March 1944. In November 1944 the company issued its Workmen's Compensation Policy No. 1 C 8016, and its Comprehensive General Liability Policy No. 1 AL 279, effective as of 1 May 1944. Due to termination of the contractor's activities these policies were cancelled 1 February 1945.

(2) Description - An indemnifying agreement was given in lieu of a collateral fund. The loss conversion factor is 1.15 and the fixed charge is 5%. Efforts to reduce the loss conversion factor and fixed charge were unsuccessful because of the mentioned cancellation.

(3) Results - Preliminary settlement covering the period 1 May 1944 to 8 February 1945 is attached as Appendix C-12.

h. Hanford Engineer Works

(1) Negotiations and Description - The State of Washington is a monopolistic state for Workmen's Compensation, which means that commercial insurance carriers are not permitted to write such insurance coverage for employers in that jurisdiction. Because of this situation, it was necessary in that state to work out the matter of the Workmen's Compensation insurance with the State Department of Labor and Industries, and to work out the Liability insurance coverages with a commercial insurance carrier. Neither of these arrangements follows the well established pattern of the "modified plans", but are hybrid arrangements designed specifically to fit the particular situation. These insurance coverages, however, are considered in the District in the general category of "modified plans".

(a) Negotiations for Workmen's Compensation Coverage -

On 15 March 1943 the first meeting on this subject was held at Olympia, Washington, in the office of Mr. R. H. Harlin, Director of Labor and Industries for the State of Washington. Present at this meeting were Lt. Colonel C. Vanden Bulck and Mr. H. E. Schmitz, representing the District; Mr. Abel Klaw, Legal Department, Mr. T. Brown, Project Accountant, Mr. R. Carlson, Resident Attorney, Mr. M. Elliott, Resident Attorney, all of du Pont Company; Mr. R. H. Harlin, Director, Mr. J. Morgan, Supervisor of Safety, Mr. John Shaughnessy, Supervisor of Industrial Insurance and Medical Aid, and Mr. R. M. Van Dorn, Statistician, all of the Department of Labor and Industries, State of Washington. At this meeting it developed that the Legislature of the State of Washington had passed a bill, known as Senate Bill No. 230, which was signed by the Governor on the afternoon of 15 March 1943 (the same date as the conference). This law authorized the Department of Labor and Industries of that state to promulgate a War Projects Insurance Rating Plan. As a result of the mentioned conference and under the authority of the law mentioned above, the Department of Labor and Industries executed Contract No. W-7412-eng-25, as of 1 March 1943. The pertinent provisions of this contract are described below.

(b) Description of Workmen's Compensation Coverage -

Under the contract as drawn, the Department of Labor and Industries handles the Workmen's Compensation claims in the State of Washington at actual cost. There is no premium charge. Three funds were set up with the Department of Labor and Industries with money advanced by the Government to the contractor for that purpose as follows:

Expense Account in the sum of \$25,000 (from which claims for temporary total disability indemnity are paid, and the pro rata share of the Department's administrative expenses for the handling of this particular work).

Medical Aid Account in the sum of \$10,000 (for the payment of cost of medical attention to injured employees).

Pension Reserve Account (from which compensation claims in the pension class are paid).

The Expense Account fund and the Medical Aid Account fund are replenished as depleted. The Pension Reserve Account fund is built up on a reserve basis as pension awards for compensation indemnity are rendered. Following termination of the contractor's operations the three funds will be combined into one fund to be used for the same purpose. Replenishment and accounting therefor will be directly between the Washington State Department of Labor and Industries and the United States Government. These funds as now established and as they will be finally established are subject to audit by the Government at any time. The Department of Labor and Industries is fully indemnified against financial loss because of claims arising. Final settlement under the contract will be had at a time mutually agreeable to the Government and the Department of Labor and Industries of the State of Washington.

(c) Results - Payments out of the three funds from inception of the Agreement to 31 August 1945 are:

Industrial Insurance Law Account

Claim payments	\$ 168,397.01
Administrative expense	

X

Salaries	\$ 16,487.46
Travel expense (Dept. employees)	2,522.52
Miscellaneous	111.59
Medical Aid Account	35,277.98
Pension Reserve Fund Account	<u>25,152.54</u>
Total	\$ 247,949.10

The number of claims represented in these payments and reserves is 1866.

(d) Negotiations for Liability Insurance Coverage -

Upon request of the contractor, Travelers Insurance Company on 5 April 1943 issued its binder for General Liability coverage. As originally issued this binder was in accord with the War Department Insurance Rating Plan. On or about 1 May 1943 Mr. H. E. Schmits, representing the District, conferred with F. W. Bradway, W. E. Broad, C. A. Rittenhouse, 3rd, representing the contractor, E. I. du Pont Company. At this conference and at subsequent ones, it developed that the contractor required a policy with a limit of \$10,000,000 for personal injuries to and deaths of persons, and a limit of \$500,000 for damage to property. The representatives of the contractor conferred with the Travelers Insurance Company's representatives (principally Mr. George E. Peterson, Secretary) in an effort to work out such insurance coverage. Such limits for casualty insurance coverages were extraordinarily high and if a carrier could have been found willing to write a policy on a commercial basis such company would have had to reinsure practically throughout the entire commercial casualty insurance field, thus violating secrecy. A premium for such coverage would have been most difficult to negotiate because what little was known of the contemplated operations of the contractor at that time

indicated that communities such as Yakima, Walla Walla, and Ellensburg in the State of Washington were within the radius of effects which might result. It was not believed that the hazard of damage to property was nearly as great as that of injury to persons residing within a radius of 100 to 150 miles of the project. Another conference was held on 27 May 1943, at which Lt. Colonel G. Vanden Bulck and Mr. H. E. Schmits represented the District, Mr. C. E. Rittenhouse, 3rd, and Mr. Bradway represented the contractor and Mr. G. E. Peterson represented the insurance carrier. At this conference it was proposed that the Travelers Insurance Company draft an agreement under which the insurance company could take no loss and that the Government advance a collateral fund to the contractor to be posted with the insurance carrier. Travelers Insurance Company subsequently drafted its insurance agreement and on 19 June 1943 submitted the same to the District for approval. As a final result of all these conferences the Travelers Insurance Company executed its Agreement of Insurance No. SL 1211272 on 19 August 1943, effective 3 October 1942, and the pertinent provisions of the same are described hereafter.

(e) Description of Liability Insurance Coverage -

The policy period is from 3 October 1942 until ten years after termination of the contractor's "operations". The limit is \$10,000,000 for bodily injury or death and \$500,000 for property damage. A collateral fund of \$10,500,000 was posted with the insurance carrier from money advanced to the contractor by the Government. If it is necessary for the insurance carrier under the terms and conditions of its insurance agreement to draw upon the collateral fund, the limits of its coverage

will automatically be reduced by the amount so withdrawn. The collateral fund will be held until six months after termination of the policy period. The annual fixed charge premium on the policy is \$12,000 per year. In addition to this the insurance carrier is reimbursed for losses incurred, including reserves therefor, plus "allocated claims expense" as defined in the War Department Insurance Rating Plan. The insurance carrier is paid for the field handling of claims on a scheduled fee basis for each claim. The total of such claims fees shall not exceed 18% of the total losses incurred plus the allocated claims expense. Premium computation is monthly. After termination of the policy period adjustments of premium will be had every six months until "all claims have been paid or disposed of without payment". This insurance agreement has now been extended to cover the contractor's liability for Workmen's Compensation claims in all states other than the states of Washington, Oregon, Nevada, and North Dakota (monopolistic states). This was done because persons hired in their home state for work on the project occasionally return to their home state before instituting an action for Workmen's Compensation benefits. The home state will take jurisdiction of such action under the usual extra-territorial clause of its Workmen's Compensation Act (persons hired within the state for work in another state or country). The Department of Labor and Industries of the State of Washington has no authority to extend extra-territorial coverage under its insurance and thus cannot protect against Workmen's Compensation claims brought in other states, even though the industrial injury occurred in the State of Washington. Such extra-territorial protection can be carrier by commercial insurance companies. To have taken out separate coverage in those states would

have necessitated much negotiation with the state agencies and the payment of premiums not deemed justified by the small number of Workmen's Compensation claims arising out of the project operations that may be instituted in those states.

(f) Results - For the period 3 October 1942 to 3 October 1945 the number and cost of liability cases under this policy are:

General Liability	174 claims	\$ 24,781.88
Automobile	522 claims	29,927.57

3-4. Tabulation of Collateral Funds - The following is a recapitulation of the amounts of collateral funds held by various insurance companies underwriting modified plans:

<u>CONTRACTOR</u>	<u>INSURANCE CARRIER</u>	<u>AMOUNT OF COLLATERAL FUND</u>
University of Chicago. W-7401-eng-37 W-7401-eng-39	Royal Indemnity Company	\$ 3,500,000.00
University of California. W-7405-eng-36	Globe Indemnity Company	500,000.00
Tennessee Eastman Corporation. W-7401-eng-23	United States Fidelity and Guaranty Company	750,000.00
E. I. du Pont de Nemours and Company, Inc. W-7412-eng-1	Department of Labor and Industries, State of Washington	278,000.00
	Travelers Insurance Company	10,500,000.00

3-5. Examples of Claims - The following are given as examples of claims in connection with which investigation was prohibited by the insurance carrier, because of security, and which therefore, had to be investigated by the District to make a determination as to compensability.

a. Douglas P. Meigs, was employed by Feroleve Corporation as a chemist and assigned to work at United States Naval Yard at Philadelphia, Pennsylvania. On 2 September 1944 Meigs died as a result of burns due to steam. The Aetna, insurance carrier for Feroleve, was not permitted to investigate the cause, nor the scene of the accident, but was permitted to make a routine dependency investigation. After complete facts surrounding the case were available to the Insurance Section, the insurance carrier was instructed to make payment as awarded to Meigs' widow by the Bureau of Workmen's Compensation, State of Pennsylvania.

b. Frances L. Creech, was employed by Tennessee Eastman Corporation as a chemical operator at Clinton Engineer Works in building 9206. On 28 August 1945 she became ill and alleged inhalation of fumes. United States Fidelity and Guaranty Company, insurance carrier for the contractor, was not permitted to investigate. An investigation obtained by the Insurance Section indicated that there was actually a release of toxic gas in the room and at the time this employee alleged. As a matter of fact, thirteen employees working in this same department were temporarily hospitalized from this gas release. The insurance carrier was directed to accept this case as a compensation claim and pay benefits due under Tennessee Compensation Law. (See Appendix D-2).

SECTION 4 - GUARANTEED COST INSURANCE

4-1. Description - In this type of insurance the premium cost is determined by the use of manual rates and classifications. As distinguished from retrospective rating plans, such as the War Department Insurance Rating Plan and the District's "Modified Plans", losses incurred under the policies have no effect on the amount of the premium. This is because the premium is determined in the case of Workmen's Compensation and Liability insurance coverages by application of the manual classifications and rates to payroll developed and no other factors enter into the premium computation. In the case of bonds, fire insurance and boiler insurance (inspection service) the premium is determined in advance by applicable manual rules. Whenever such coverage was approved by the District for cost-plus-fixed-fee contractors the provisions of War Department Procurement Regulations were complied with.

4-2. Application to District Projects - Although this type of insurance is not used frequently in the District Program there follows a tabulation of instances where used.

<u>Contractor</u>	<u>Contract</u>	<u>Approximate Annual Cost</u>
University of California	W-7405-eng-48	\$ 1,986.62
Electro-Metallurgical Company	W-7405-eng-14	939.02
Metal Hydrides, Inc.	W-7405-eng-8	4,388.19
Johns Hopkins University	W-7401-eng-43	723.10
E. I. du Pont de Nemours and Company	W-7412-eng-24	62.00
University of Rochester	W-7401-eng-49	5,623.83
Fereleve Corporation	W-7409-eng-100	244.28

<u>Contractor</u>	<u>Contract</u>	<u>Approximate Annual Cost</u>
Tennessee Eastman Corporation	W-7401-eng-23	\$ 7,764.11
Roane-Anderson Company	W-7401-eng-115	5,005.95
American Industrial Transit	W-14-108-eng-53	707.07

SECTION 5 - INDUSTRIAL ACCIDENT AND HEALTH INSURANCE

5-1. Description - In connection with the various activities of the Office of Scientific Research and Development prior to the assignment of the project to the Manhattan District, an insurance program with Fidelity and Casualty Company providing for payments over and above statutory compensation payments was developed because the nature of some of the hazards was unknown and in fairness to the cost-plus-fixed-fee contractors' employees some such provision was deemed necessary. Where the applicable research contracts were transferred to this District this program was continued by it. On 4 September 1943, upon study made by the District, it was decided to rewrite this insurance program with Sun Indemnity Company of New York, because a saving in premium could be effected. (See Appendix E-1).

The coverage provided was in the form of an accident policy which provided payments up to \$10,000 to the individual in the event disability or death resulted from injuries received as a direct result of the work under the contract. The premium was \$125.00 per year (as compared to the Fidelity and Casualty premium of \$150.00 per year) and was prorated for the portion of the year in effect. At the end of the year the paid losses were divided by the factor .45 and the net result was the amount allowed the carrier. If this amount was less than the total premium developed, the difference up to 50% of the total premium was returnable to the Government. (These return premium provisions were the same under the former Fidelity and Casualty policy.)

The District's operations resulted in a return of the maximum amount of premium refund for the years the program has been in effect.

This was primarily due to the excellent safety supervision exercised by the contractors and the Government, and not to a lessening of or over estimation of the hazards involved.

The special Industrial Accident and Health insurance program is maintained to cover only exposure to hazards of a current nature, and is continued on individual employees only as long as they are employed in hazardous operations. This coverage is now extended to a relatively small number of the contractors' personnel.

In some cases the high quality of contractor personnel, some of whom were exposed to risks outside the United States during war time, necessitated the extension of this accident coverage to limits beyond the basic \$10,000. Such insurance coverage could not be readily purchased in the insurance market because of security reasons and the speed with which it had to be secured. As a result, an agreement whereby designated individuals could be covered up to \$50,000 was made on the basis of full reimbursement for excess coverage over \$10,000 being guaranteed and collateral funds posted. Such excess coverage was granted only in four instances where it was absolutely required and was in all cases consistent with the policy of the contractor for its own operations.

5-2. Industrial Accident and Health Policies in Effect as of 30 June 1945 - The following contractors had the indicated number of industrial accident and health certificates in effect on specified individual employees as of 30 June 1945. The cost of premiums was reimbursable.

<u>CONTRACTOR</u>	<u>CONTRACT NO.</u>	<u>NO. CERT. AS OF 30 JUNE</u>
Union Mines (Special Risk)	W-7405-eng-78	2

<u>CONTRACTOR</u>	<u>CONTRACT NO.</u>	<u>NO. CERT. AS OF 30 JUNE</u>
Iowa State College	W-7405-eng-7	72
Iowa State College	W-7405-eng-82	48
University of Michigan	W-22-075-30	8
Ohio State College	W-7405-eng-93	8
Purdue University	W-7405-eng-74	<u>19</u>
	Total	153

5-3. Industrial Accident and Health Certificates in Effect 3

September 1943 - The maximum number of industrial accident and health certificates were in effect on or about 3 September 1943, and are itemized as follows:

<u>CONTRACTOR</u>	<u>CONTRACT NO.</u>	<u>NO. CERT. AS OF 3 SEPT.</u>
University of California	W-7405-eng-48	250
University of California	W-7405-eng-48A	10
University of California	W-7405-eng-36	400
University of Chicago	W-7401-eng-37	400
Clinton Laboratories	W-7405-eng-39	600
Columbia University	W-7405-eng-50	150
Iowa State College	W-7405-eng-7	150
Iowa State College	W-7405-eng-82	50
Kellogg & Kellex	W-7405-eng-23	50
Ohio State University Research Foundation	W-7405-eng-93	10
Washington University	W-7405-eng-83	<u>30</u>
	Total	2100

5-4. Annual Premiums First and Second Years - For the first year

~~SECRET~~

that the Sun Indemnity policy was in force (3 September 1943 to 3 September 1944) the total amount of premium deposited with the Sun was \$370,819.80, and the claims paid totaled \$16,106.73. Application of the formula described in paragraph 5-1, resulted in a refund to the District of \$185,409.90, and a net cost of \$185,409.90 for the first year of this coverage.

Final settlement for the second year (3 September 1944 to 3 September 1945) will not be due until 3 September 1946. Preliminary computation and application of the formula indicate that the net cost for the second year will approximate \$10,510.37.

5-5. Negotiations for New Policy - A conference was held 10 July 1945 in the home office of the Indemnity Insurance Company of North America, Philadelphia, attended by Mr. Stellwagen, Executive Vice President, and Mr. Kipp, Assistant Secretary of the insurance company, and Mr. J. C. Clarke, Assistant Chief, Administrative Division and Major W. J. Satterfield, Jr., Assistant Chief, Insurance Section of the District. The purpose of this conference was to avail the District of the coverage provided by Indemnity Insurance Company of North America Blanket Occupational Accident and Disease Policy F.D. 502 (originated 27 March 1945), if it suited the needs of the District. As a result of this conference the use of this policy was begun by the District on 12 July 1945. The advantages of this newer policy include a reduction in premium to an annual guaranteed cost of \$62.00 per certificate, no retrospective premium calculation, and the ability to obtain individual certificates for as much as \$50,000 without the necessity of posting a collateral fund with the insurance carrier. (See Appendices E-2 and E-3).

5-6. Industrial Accident and Health Policies in Effect as of 31 December 1945 - There follows a list of reimbursable certificates by contracts on 31 December 1945.

<u>CONTRACTOR</u>	<u>CONTRACT NO.</u>	<u>NO. CERT. AS OF 31 DEC 1945</u>
University of California	W-7405-eng-36	21
Iowa State College	W-7405-eng-7	35
Iowa State College .	W-7405-eng-82	36
Ohio State College	W-7405-eng-93	<u>1</u>
	Total	93

SECTION 6 - EMPLOYEES' BENEFIT PLAN

6-1. Need for such Plan - In reflecting upon the operations hazards it appeared to certain contractors, and the District Engineer concurred, that in the majority of cases the industrial accident and health insurance, described in Section ⁵ 3, was inadequate. The nature of the hazards was such that possible disability or death would occur at a date long after employees had terminated or transferred to non hazardous operations, when, in either event the industrial accident and health insurance would cease to cover them. This matter was discussed with representatives of certain major contractors and a form of protection was developed which has been termed the Employees' Benefit Plan. (See Appendixes E-4 and A-6)

6-2. Description of Plan - The specific operations hazards in question are listed in a secret letter which is incorporated in the contracts by reference, but is actually on file in the office of the District Engineer. Each contract where such hazards were known to exist was supplemented to provide for payments to employees or their dependents of a sum not to exceed \$10,000 in any one case in the event disability or death resulted from exposure to certain unpredictable hazards present in the work. The contract supplement now provides that this coverage will be available for a period of ten years from the time of completion of the work covered under the contract. Where the number of persons so exposed was considerable, it was necessary to establish collateral funds to enable the contractor to make any payments that might become due. In each case where funds were so established the same safeguards were employed as pertain to funds established under the "Modified Plans". (See 3-²if "Collateral Funds".)

Payments are made only in the event disability or death results

from these specified hazards listed in the secret letter, and all claims are subject to the prior approval of the District Engineer as to the cause and result of the special hazards enumerated in the specific contracts.

6-3. Specific Employees' Benefit Plans in Effect -

<u>CONTRACTOR</u>	<u>CONTRACT NO.</u>	<u>AMOUNT OF COL- LATERAL FUND</u>
E.I. du Pont de Nemours & Company, Inc., (Hanford Engineer Works)	W-7412-eng-1	\$5,000,000
(Construction - Clinton Laboratories)	W-7412-eng-23	
University of Chicago (Operation - Clinton Laboratories)	W-7405-eng-39	2,500,000
(Operation - Metallurgical Laboratories)	W-7401-eng-37	
Regents of the University of California (Berkeley)	W-7405-eng-48	1,500,000
(Project "Y")	W-7405-eng-36	
Columbia University	W-7405-eng-50	1,000,000
Rochester University (Rochester, N.Y.)	W-7405-eng-49	None
Washington University (St. Louis, Mo.)	W-7405-eng-83	None
Monsanto Chemical Co. (Dayton, Ohio)	W-7407-eng-18	1,500,000
(Operation - Clinton Laboratories)	W-35-058-eng-71	
President & Fellows Harvard College	W-22-075-eng-54	None
William L. Lawrence (Consultant	W-22-075-eng-84	None

from these specified hazards listed in the secret letter, and all claims are subject to the prior approval of the District Engineer as to the cause and result of the special hazards enumerated in the specific contracts.

6-3. Specific Employees' Benefit Plans in Effect -

<u>CONTRACTOR</u>	<u>CONTRACT NO.</u>	<u>AMOUNT OF COL-LATERAL FUND</u>
E.I. du Pont de Nemours & Company, Inc., (Hanford Engineer Works)	W-7412-eng-1	\$5,000,000
(Construction - Clinton Laboratories)	W-7412-eng-23	
University of Chicago (Operation - Clinton Laboratories)	W-7405-eng-39	2,500,000
(Operation - Metallurgical Laboratories)	W-7401-eng-37	
Regents of the University of California (Berkeley)	W-7405-eng-48	1,500,000
(Project "Y")	W-7405-eng-36	
Columbia University	W-7405-eng-50	1,000,000
Rochester University (Rochester, N.Y.)	W-7405-eng-49	None
Washington University (St. Louis, Mo.)	W-7405-eng-83	None
Monsanto Chemical Co. (Dayton, Ohio)	W-7407-eng-18	None
(Operation - Clinton Laboratories)	W-35-058-eng-71	None
President & Fellows Harvard College	W-22-075-eng-54	None
Williams L. Lawrence (Consultant)	W-22-075-eng-84	None

SECTION 7 - GROUP INSURANCE

7-1. Need for such Insurance - Where a cost-plus-fixed-fee contractor with the District was carrying group insurance coverage for its organization as a whole, arrangements were made for group insurance of a similar nature for the contractor's work for the District. In other instances where employer-employee relationships required such coverages, they were also approved by the District.

7-2. Description - Group insurance is generally written in a so-called "package" form, beginning with group life insurance. The amount of life insurance granted to an employee is based upon the income he receives from salary or wages. The following table is given as an example of one contractor's group life plans:

<u>Rates of Annual Compensation of Employees</u>	<u>Amount of Life Insurance Benefits</u>
Under \$1,000	\$ 500
\$1,000 and under \$1,250	1,000
\$1,250 and under \$1,500	1,500
\$1,500 and under \$2,000	2,000
\$2,000 and under \$2,500	2,500
\$2,500 to \$3,000 inclusive	3,000
Over \$3,000	Life insurance equivalent to rate of annual compensation, if in even thousands, or equivalent to the next highest thousand if rate of annual compensation is not in even thousands, but in no case more than \$10,000

The other coverages that can be added are those of weekly indemnity benefits and hospital and surgical benefits. Weekly indemnity benefits

are related to the amount of life insurance carried by the employee and a definite time limit (usually thirteen weeks) is set up for payment. Hospital and surgical benefits (infrequently granted) are based upon the contractor's program and vary in each case.

Other than the benefits of the life insurance, the additional benefits are only payable in the event the injury or disability is due to a cause other than one occurring in or arising out of the course of employment. Under the contracts of the District where it is possible to completely segregate the contractor's activity thereunder from his general commercial activities, such group insurance coverages are written under the War Department Group Insurance Rating Plan. Under this plan each carrier sets up a pool reserve for its coverages written thereunder. In this manner each company's loss experience under the War Department Group Insurance Rating Plan is confined to this pool reserve. Dividends payable under such coverage are first applied to the account of the Government to defray any amounts for which the Government has reimbursed the contractor for premiums paid. The balance of such dividend, if any, is applied to the benefit of the contractor's employees. If for any reason such a balance, if any, cannot be so applied, it is paid to the Government.

7-3. Group Insurance Policies in Effect - The following contractors carry group insurance as indicated as reimbursable items of cost:

<u>CONTRACTOR</u>	<u>WEEKLY</u>			
	<u>LIFE</u>	<u>INDEMNITY</u>	<u>HOSPITALIZATION</u>	<u>SURGICAL</u>
Bakelite Corporation	X			
Carbide & Carbon Chemicals Corporation	X-	X		
Clinton Laboratories	X			

<u>CONTRACTOR</u>	<u>LIFE</u>	<u>WEEKLY INDEMNITY</u>	<u>HOSPITALIZATION</u>	<u>SURGICAL</u>
Chrysler Corporation	X			
E. I. du Pont de Nemours & Company, Inc.	X	X		
Electro Metallurgical Co.	X			
Ford, Bacon & Davis, Inc.	X			
The Kellex Corporation			X	X
Linde Air Products Co.	X			
Monsanto Chemical Co.	X	X		
Tennessee Eastman Corp.	X			

7-4. Approximate Annual Cost - The net cost of group coverages, based on figures available to date, indicate the following approximate annual premiums:

<u>CONTRACTOR</u>	<u>APPROXIMATE ANNUAL PREMIUM</u>
Bakelite Corporation	\$ 356.14
Chrysler Corporation	5,107.14
Clinton Laboratories	25,044.89
E. I. du Pont de Nemours & Company, Inc.	105,787.36
Electro Metallurgical Company	333.32
Linde Air Products Company	1,748.73
Monsanto Chemical Company	17,800.19
Tennessee Eastman Corporation	96,708.60

MANHATTAN DISTRICT HISTORY

BOOK I - GENERAL

VOLUME 6 - INSURANCE PROGRAM

APPENDIX "A"

CHARTS AND DOCUMENTS

<u>No.</u>	<u>Title</u>
1.	District Circular Letter (Ins. 48-1) 1 June 1945, Subject: Procedure for Reporting and Controlling Workmen's Compensation and Other Insured Claims.
2.	Organization Chart - Relation of Insurance Section to District Engineer.
3.	Organization Chart - Insurance Section.
4.	War Department Insurance Rating Plan Endorsement.
5.	War Department Insurance Service Agreement.
6.	Decision of Comptroller General B-33801, 27 October 1943.

ARMY SERVICE FORCES
UNITED STATES ENGINEER OFFICE
Manhattan District
Oak Ridge, Tennessee

1 June 1945

EIDMV-9

DISTRICT CIRCULAR LETTER (Ins. 45-1)

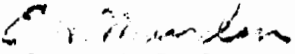
Subject: Procedure for Reporting and Controlling Workmen's Compensation
and Other Insured Claims.

To: All Area Engineers.

1. It is directed that the attached Procedure be placed into
effect immediately.

2. It is requested that copies of all such claims files
maintained in the Area Offices and not heretofore submitted, be for-
warded to the District Office Insurance Section immediately.

For the District Engineer:


E. H. MARSDEN,
Colonel, Corps of Engineers,
Executive Officer.

1 Incl:
Procedure w/Exhibits A, B, & C.

DISTRIBUTION
"S"

PROCEDURE FOR REPORTING AND CONTROLLING WORKMEN'S COMPENSATION AND OTHER
INSURED CLAIMS

1. In order to insure that security is not compromised in processing operations injury claims for settlement by insurance carriers, and to place into effect a uniform handling of such claims throughout the Manhattan District, there is set forth below a standard operating practice for compliance by all concerned.

2. a. Area Engineers will screen reports for classified information. They will also establish whether security requirements will permit investigation by the insurance carrier.

b. Maximum investigation compatible with security should be afforded insurance carriers in order that the merits of the case may be determined to the greatest extent possible.

c. All correspondence pertaining to claims will also be screened for classified information by the Area Engineer and deletions made prior to the contractor forwarding same to the insurance carrier or any other outside agency.

3. a. Effective immediately operating contractors will submit initially all "Employer's First Report of Injury" in quintuplicate to Area Engineers having jurisdiction over their activities. Area Engineers will screen such reports prior to being sent by the contractor to insurance carriers, state authorities, or any other outside agency.

(1) It is recommended that industrial accident "Employer's First Report of Injury" be completed by the Contractor's Medical Section and forwarded direct to the office designated by the Area Engineer to be responsible for the program. Additional reports and pertinent correspondence should be routed to the same office.

b. In cases where it has been determined that investigation by the insurance carriers is permissible, all five copies of "Employer's First Report of Injury" will be marked "Investigation Permitted" and distributed as follows

(1) Original and two copies returned to contractor. (One copy for its files; original and one copy to be forwarded by it to insurance carrier.)

(2) One copy to the Manhattan District Office, Insurance Section.

(3) One copy retained in Area file.

c. In cases where investigation is considered inadvisable, all five copies of "Employer's First Report of Injury" will be marked "Investigation Prohibited" and distributed as in paragraph (3) b above. Where an investigation is prohibited it is to be distinctly understood by the contractor that no information is to be given out to the insurance carrier or any other agency without prior approval of the Area Engineer or his authorized representative.

d. Classified information will be deleted on original and two copies of "Employer's First Report of Injury" which are to be returned to the con-

tractor. (See paragraph 3-(1) above.) The other two copies of such reports will show deletions by encircling in red pencil before distribution. (See paragraph 3-(2) and (3) above).

e. When "Employer's First Report of Injury" is returned to the contractor marked "investigation prohibited", the contractor must submit to the Area Office within 48 hours the following:

- (1) A written report, in quadruplicate, giving a complete description of the accident or cause of disability with verification or denial that the employee incurred the disability as a result of his work.
- (2) Original and three copies of signed statement of all obtainable witnesses, which should contain in detail what they saw of the accident and the circumstances leading up to the accident or disability of which witness has personal knowledge.
- (3) Original witness' statements should not be marked or altered in any manner. Two deleted copies of the contractor's written report and the witness' statements should be returned to the contractor for forwarding to the insurance carrier, and original held in Area file. One copy is to be sent to the Manhattan District Office, Insurance Section, indicating distribution and deletions.
- (4) When it becomes impossible for the insurance carrier to establish the status of a claim because of information withheld for security reasons, a letter must be prepared for the signature of a duly authorized representative of the contracting officer (suggested samples attached as Exhibits "A", "B" and "C"), instructing the contractor to advise the carrier to either accept or deny the claim. A copy of the letter directing action of the contractor must be transmitted to the Manhattan District Office, Insurance Section, accompanied by a letter of explanation as to why the claim was accepted or denied, and if denied, how the claim can be defended without violating security. The claim investigation on "investigation prohibited" claims must be complete and in proper order before authorization to accept or deny the claim is sent to the insurance carrier.

4. a. In all Areas the following types of industrial claims must be reported to the insurance carrier by the contractor:

- (1) Cases where the workman loses time or that require medical care away from the plant site.
- (2) Fractures or amputations.
- (3) Injuries to back, head or eye.
- (4) Hernia or burns.

- (5) Disease caused or aggravated by the employment (commonly called "occupational diseases").
- (6) When the condition proves stubborn and medical treatment by project doctors is likely to continue beyond twenty-one days.
- (7) Cases that involve any unusual features or where it is felt that trouble may later develop.

5. All industrial accidents or diseases should be reported by the contractor to the State authorities in conformity with the statutory or arranged requirements of the locality where they occurred. Note: The insurance carrier usually takes care of required accident reporting to the State as a gratuitous service to its insured. Should local requirements call for more copies of any report than is outlined in this memorandum, the parties concerned should be notified so sufficient copies are made at the originating office.

6. "Wage Statements" should be submitted to the Area Office in quadruplicate by the contractor on fatal, serious injury, or dismemberments, within 48 hours and on all other cases where the disability extends beyond the compensation waiting period. The original and one copy is to be forwarded to the insurance carrier by the contractor after screening by the Area; one copy to remain in Area Office showing deletions encircled in red pencil; final copy showing deletions encircled in red pencil to be sent to the Manhattan District Office, Insurance Section.

7. a. "Supplemental Reports" should be submitted by the contractor (original and three copies) on the day the injured employee returns to work. This report should also show any change in employee's status or earnings because of the injury he received. These reports should be distributed as follows:

- (1) Original and one copy returned to the contractor for submission to the insurance carrier after screening by the Area; one copy to Area file; one copy to Manhattan District Office, Insurance Section.

8. a. "Medical Reports" from contractors' doctors are to be submitted to the Area Office in quadruplicate. Confidential material should be removed from two copies which will be returned to the contractor for forwarding to the insurance carrier; the original unaltered will remain in the Area Office; the final copy showing deletions encircled in red pencil will be transmitted to the Manhattan District Office, Insurance Section. The above mentioned medical reports must be submitted as follows:

- (1) "First Report" within seven days from date of first treatment.
- (2) Cases that remain under the care of the physician require

an individual report every thirty days or more often if the change of patient's condition indicates.

(3) A "final report" in each case at completion of treatment.

b. In all cases where the injury is of such character as to show apparent relationship to classified material, Area Engineers will assure themselves that any outside doctors diagnosing or treating the patient are appropriately cautioned against discussing or publishing the type of injury to any person not authorized by the Area Engineer to receive such information.

9. The contractors should be advised of this entire procedure with instructions that as a security measure it must be strictly adhered to, and to so notify any installations away from their main plant site. The contractors shall be responsible for reporting promptly all claims involving their employees.

10. The Area Office must return reports to the contractor promptly in order to avoid delay in compensation payments due injured employees.

11. a. The insurance carrier should be requested to submit to the Area Office two copies of all reports prepared by it and submitted to State authorities involving such forms as agreements, settlements, releases, etc. It also should be requested to submit to the Area Office two copies of all medical reports, statements, reports of investigation, etc., obtained by it directly (not through the contractor). The Area Office will forward a copy of all such documents to Manhattan District Office, Insurance Section.

b. The insurance carrier should be instructed to notify the Area immediately upon the closing of a claim, giving the amounts paid for compensation, medical, funeral, legal, or any other costs. Reports should be received in duplicate and a copy forwarded to Manhattan District Office, Insurance Section, by the Area Office.

12. Upon the closing of a claim, the Area Office will forward immediately the entire claim file to the Manhattan District Office, Insurance Section. Upon the closing of an Area Office, all remaining open insurance claim files should be forwarded to the Manhattan District Office, Insurance Section.

13. In case of a catastrophe, the Manhattan District Office, Insurance Section, must be notified by telegraph or telephone, and, if deemed necessary by the Area Engineer, a request for assistance will be in order.

14. a. On all claims other than industrial accidents reported to the insurance carrier, such as Automobile Liability, Property Damage, and General Liability, one copy of all claim reports will be forwarded to the Manhattan District Office, Insurance Section. It is not anticipated that these claims will involve confidential matters. Should a claim arise that

does affect security, then the procedure used for reporting industrial accidents should be followed as closely as possible.

15. a. On all contracts where the insurance carrier is free to make its own investigation because the nature of the work does not involve security, (construction, etc.), monthly report of industrial accidents must be prepared by the contractor, showing all claims reported to the insurance carrier, which report is to be submitted in duplicate to the Manhattan District Office, Insurance Section, and must contain the following:

- (1) Number of contract.
- (2) Name of contractor.
- (3) Name and address of injured employee.
- (4) Date of accident.
- (5) Cause of injury.
- (6) Nature of injury.
- (7) Whether or not the injury caused lost time.

Date

(Contractor) _____,

_____,

_____.

Attention: _____.

Gentlemen:

Reference is made to the Workmen's Compensation claim of John Doe, an employee of your company.

From the information furnished to this office, it is our opinion that Mr. John Doe was injured in an accident of (date) which arose out of and in the course of his employment with your company, and his (death) (disability) is due to said accident.

This letter will be your authority to notify your insurance carrier to accept this claim as a Workmen's Compensation claim and to make such payments as are prescribed by the laws of the State of _____.

Very truly yours,

Corps of Engineers,
Duly Authorized Representative
of the Contracting Officer

CC: _____

Exhibit
"A"

Date

(Contractor) _____,

_____,

_____.

Attention: _____.

Gentlemen:

Reference is made to the workmen's Compensation claim of John Doe, an employee of your company.

From the information furnished this office, it is our opinion that Mr. John Doe has contracted an occupational disease as a result of exposure which arose out of and in the course of his employment with your company, and his (death) (disability) is due to said occupational disease.

This letter will be your authority to notify your insurance carrier to accept this claim as an Occupational Disease Compensation claim and to make such payments as are provided by its applicable policy coverage.

Yours very truly,

Corps of Engineers,
Duly Authorized Representative of
the Contracting Officer.

Cc: _____.

Exhibit
"B"

(Applicable to Occupational Disease)

Date

(Contractor) _____,

Attention: _____.

Gentlemen

Reference is made to the Workmen's Compensation claim of John Doe, an employee of your company.

From the information furnished this office, it is our opinion that Mr. John Doe's (death) (injury) (illness) of (date) did not arise out of and in the course of his employment.

This letter will be your authority to notify your insurance carrier that this claim cannot be voluntarily accepted.

It is requested that you, or your insurance carrier through you, notify this office immediately of any legal action or threatened legal action, so we can advise you as to the further handling of this claim.

Yours very truly,

Corps of Engineers,
Duly Authorized Representative of
the Contracting Officer.

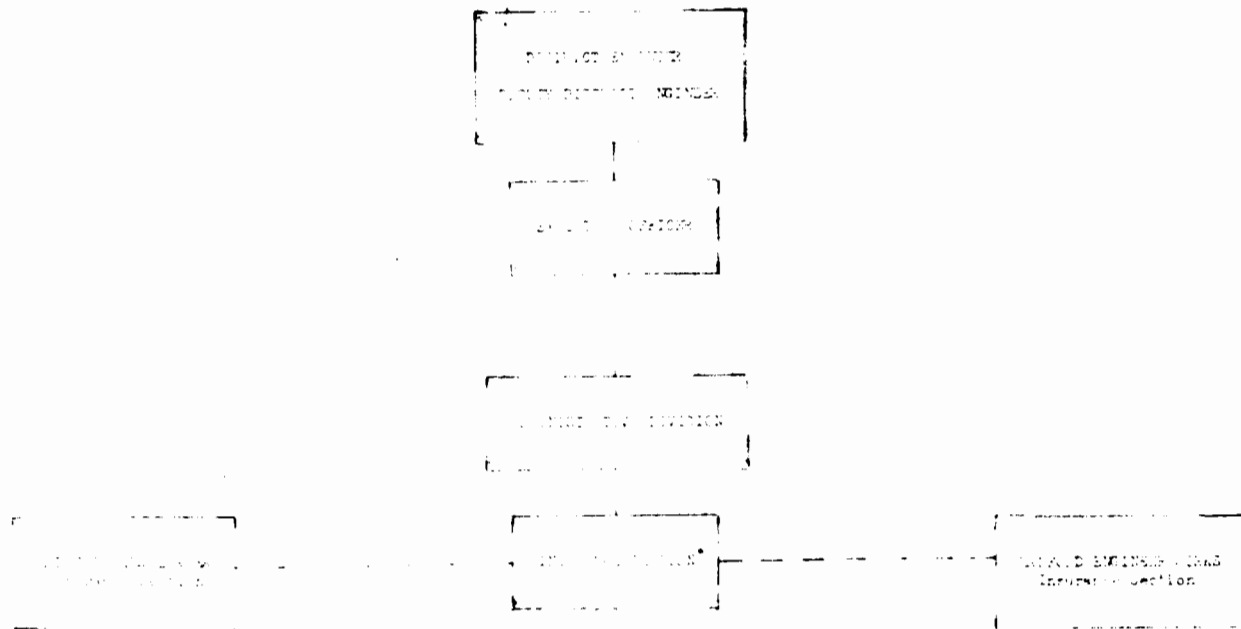
Cc: _____

Exhibit
"C"

(Applicable to denial of a claim)

PL.	UNEL
OFFICERS	-----
ENL.	-----
P.	-----
S. P.	-----
C. A. P.	-----
C. P. S.	-----
MISCL.	-----
VAC.	-----
TOTAL	-----

1000000



**ORGANIZATION CHART
MANHATTAN DISTRICT**

UNIT 1000000

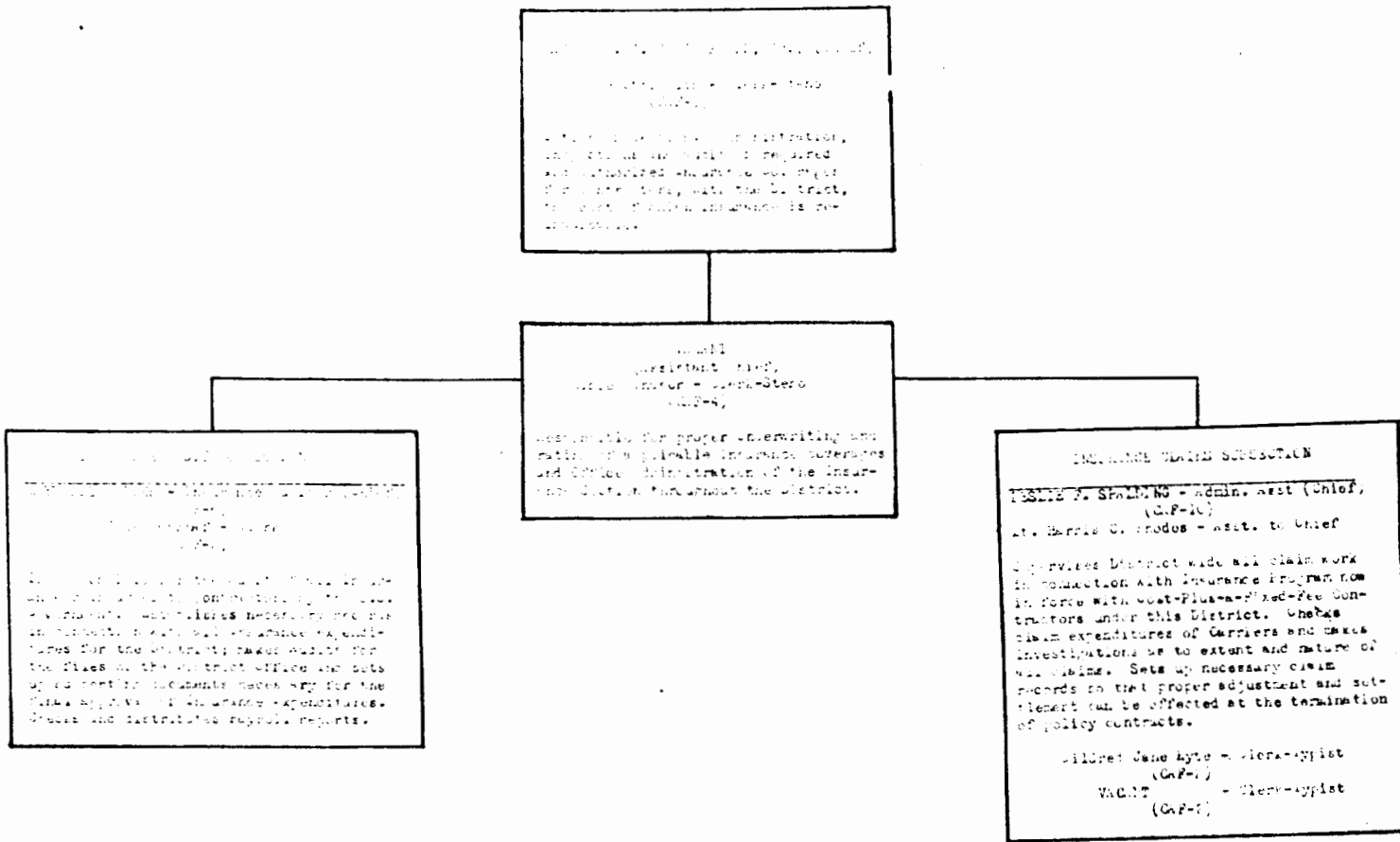
SUBMITTED [Signature] DATE 1/1/55

RECOMMENDED [Signature] DATE 1/1/55

APPROVED [Signature] DATE 1/1/55

PERSONNEL

OFFICERS	2
ENL.	NONE
P.	NONE
S.P.	NONE
C.A.P.	6
C.P.O.	NONE
MISCL.	NONE
VAC.	2
TOTAL	10



**ORGANIZATION CHART
MANHATTAN DISTRICT**

UNIT *Insurance Section, Administrative Div*

SUBMITTED *[Signature]* DATE *11/11/46*

RECOMMENDED *[Signature]* DATE *11/11/46*

APPROVED *[Signature]* DATE *11/11/46*

Note: The following endorsement is to be issued to form a part of each Workmen's Compensation and Employers' Liability Policy issued under the War Department Insurance Rating Plan for Cost-Plus-A-Fixed-Fee Contracts with the United States of America. With respect to any state for which a Workmen's Compensation Policy is not written the Endorsement is to be issued to form a part of the Employers' Liability Policy.

Revised Form 2
10/15/41

WAR DEPARTMENT INSURANCE RATING PLAN ENDORSEMENT

Amending Policy Numbered _____

1. It is agreed that the premiums for the policies numbered:

issued by the Company affording insurance in connection with the War Department Cost-Plus-A-Fixed-Fee Contract No. _____,
to _____ (Name of Contractor)

and all subcontractors performing operations on a Cost-Plus-A-Fixed-Fee basis in connection with a project at _____ shall be a fixed charge plus modified losses plus all actual allocated claim expense, all multiplied by the tax multiplier, subject to a maximum premium equal to the amount obtained by the application of the tax multiplier to 90% of the standard premium.

- a. The premium computed in accordance with the provisions of the policies, other than this endorsement, shall be known as the "standard premium" and shall be computed in accordance with manual rates and rules which have been approved by the Under Secretary of War.
- b. "Losses incurred" as used in this endorsement shall mean the sum of all losses (indemnity and medical) actually paid plus reserves for unpaid losses as determined by the Company and approved by the insured and the Under Secretary of War.
- c. "Modified losses" as used in this endorsement shall mean the losses incurred converted by the application of the factor 1.12.
- d. "Allocated claim expense" as used in this endorsement shall mean actual payments and reserves for legal expenses, excluding the cost of investigation and adjustment of claims by salaried employees and fee adjusters, but including attorney's fees, court costs, interest, expense for expert testimony,

4.11.41

examination, X-ray, autopsy or medical expenses of any kind not incurred for the benefit of the injured or any other expenses incurred under the policy other than payment of indemnity or medical treatment, provided that only those items of expense which can be directly allocated to a specific claim involving litigation or possible litigation when necessary to determine the Company's liability shall be included.

- e. "Fixed charge" as used in this endorsement shall mean the amount provided for fixed expenses and for losses in excess of the maximum. The fixed charge shall be determined by applying the appropriate percentage as set forth in Table I, to the sum of 90% of the standard premium for Workmen's Compensation and Employers' Liability and 100% of the standard premium for Automobile Bodily Injury Liability and Property Damage Liability coverages and all other bodily injury liability and property damage liability coverages combined.

f. **TABLE I**
TABLE OF FIXED CHARGES

(1) Standard Premium to be used in determining applicable Fixed Charge percentage (90% of Standard Premium for Workmen's Compensation and Employers' Liability and 100% of Standard Premium for all bodily injury liability and property damage liability coverages)	(2) Fixed Charge (Expressed as a percentage of Standard Premium stated in column 1)
\$ 5,000 or less	37.
10,000	29.
25,000	24.
50,000	18.4
100,000	12.5
150,000	11.5
200,000	10.5
250,000	9.7
300,000	9.
350,000	7.5
400,000 to 700,000	6.5
700,000 and over	6.3

If the standard premium lies between any two of the figures in the standard premium column, the Fixed Charge shall be interpolated.

- g. "Tax Multiplier" as used in this endorsement, shall mean the factor as set forth in Table II, to be applied to the fixed charge, to the modified losses and to the allocated claim expense in order to increase those amounts sufficiently to provide for those taxes which are levied as a percentage of premium and for assessments for industrial commissions, rating boards and bureaus.

h.

TABLE II
TABLE OF TAX MULTIPLIERS

State	Workmen's Compensation and Employers' Liability	Automobile Bodily Injury Liability and Property Damage Liability	Other Bodily Injury Liability and property Damage Liability
	Tax Multiplier Applicable to Total Insurance Costs	Tax Multiplier Applicable to Total Insurance Costs	Tax Multiplier Applicable to Total Insurance Costs
All States except as noted below	1.029	1.024	1.024
Alabama	1.034	1.029	1.029
Arkansas	1.050	1.024	1.024
California	1.035	1.030	1.030
Delaware	1.050	1.024	1.024
Florida	1.036	1.024	1.024
Georgia	1.053	1.024	1.024
Hawaii	1.034	1.029	1.029
Idaho	1.040	1.034	1.034
Iowa	1.034	1.029	1.029
*Kansas	1.029	1.024	1.024
Louisiana	1.037	1.031	1.031
**Maryland	1.029	1.024	1.024
Mississippi	-	1.034	1.034
New Jersey	1.042	1.024	1.024
***New York	1.040	1.024	1.024
N. Carolina	1.062	1.029	1.029
N. Dakota	-	1.029	1.029
Ohio	-	1.029	1.029
Oklahoma	1.05	1.045	1.045
Oregon	-	1.026	1.026
Pennsylvania	1.040	1.024	1.024
S. Carolina	1.056	1.034	1.034
S. Dakota	1.034	1.029	1.029
Tennessee	1.050	1.029	1.029
Texas	1.058	1.053	1.051
Utah	1.031	1.026	1.026
Virginia	1.034	1.031	1.031
Washington	-	1.026	1.026
Wyoming	-	1.029	1.029

*Kansas Compensation Act provides for levying varying fees per claim which are paid into a fund for the support of the Industrial Commission. All such fees must be added to the modified losses before applying the tax multiplier.

**Maryland Compensation Act provides for levying assessment per \$100 of payroll for expenses of Industrial Commission. An amount equal to 3.4 cents per \$100 of payroll must be added to the fixed charges before applying the tax multiplier.

***New York Compensation Act provides for levying an assessment on indemnity losses for expenses of the Department of Labor. An amount

equal to 4.5% of the indemnity losses incurred must be added to the modified losses before applying the tax multiplier.

2. If Table II fails to provide the proper tax multiplier, the multiplier will be obtained by using the following formula:

$$\text{Tax Multiplier} = 1.0 \div (\text{the tax loading plus } 0.8\%)$$

In any case where the tax multiplier is obtained by use of the formula and not the table, it will not be used in the premium computation until approved by the insured and Under Secretary of War.

3. The deposit premium shall be 15% of the estimated annual standard premium.

4. The Company shall be paid 50% of the earned standard premium on policies written on a payroll basis determined monthly by audit of the expended payrolls and 50% of the earned standard premium on all other policies determined monthly on the basis of the actual monthly exposures.

5. The Company shall furnish to the insured and to the War Department a quarterly itemized statement of incurred losses.

6. Within sixty days after termination of the policies, the Company shall compute the aggregate amount of modified losses plus all allocated claim expense times the tax multiplier, the aggregate fixed charge times the tax multiplier and the aggregate earned standard premium, and a preliminary settlement of premium shall be made.

7. Within eight months after termination of the policies, based on a determination of loss reserves made not earlier than six months after such termination, the final settlement of premium computed in accordance with the provisions of this endorsement shall be made. If the losses so determined are not approved by the insured and the Under Secretary of War and agreement cannot be reached as to any modification thereof, the final settlement shall be deferred for a further period of six months or such further period up to twenty-four months as may be necessary to produce an approved determination of such loss reserves. In the event an approved determination of loss reserves cannot be reached by this method, the matter shall be referred for arbitration to a committee of three, one member of which shall be selected by the insured, one by the Company, and the third by those two members, and the decision of this committee shall be final upon approval by the Under Secretary of War.

8. If the policies are cancelled, the earned standard premium shall be determined on a pro rata basis, but if such cancellation is effected by the insured - except for cancellation on termination of the project - the maximum premium shall be 90% of the standard premium for the original policy period, obtained by extending the earned standard premium on a pro rata basis, all increased by the provision for taxes.

ATTACHMENT

The Company may use its usual attachment clause.

NOTE: The method set forth below is to be followed in stating the Name of Employer in Item 1 of the Declarations:

Name of Employer: _____, C.P.F.F. contractor with U.S.A., and others, as described in endorsement
(Insert "attached" or number).

WAR DEPARTMENT
INSURANCE SERVICE AGREEMENT

1. _____
(Name of Advisor)

an individual, a partnership, a corporation organized and existing under
the laws of _____,
(strike out inapplicable designations and /or add appropriate designation)
of _____

(Address of Advisor)

hereinafter called the "Advisor", agree(s), in consideration of a fee to
be determined in the manner hereinafter set forth, to render complete
insurance advisory service to _____

(Name of Contractor)

of _____, contractor with the
(Address of Contractor)

United States of America under Contract No. _____

hereinafter called the "Contractor", on all insurance procured under the
War Department Insurance Rating Plan with respect to the construction or
operation (or both, as the case may be) of _____,

located at or near _____, from the

effective date of this agreement continuously until final settlement of
all premiums for such insurance has been made.

2. The Advisor agrees that he will:

- a. Upon request, assist the Contractor in the selection of an insurance carrier;
- b. Procure insurance binders and policies and examine to determine that they are correctly written and that the required coverages are provided;

Inclosure No. 1 to Memorandum SPX 004.6 (9-8-42)
SPBFI-PS-M, September 10, 1942.

See 5

- c. Upon request, assist the Contractor in establishing proper procedure and records for determining payroll classifications and for other units of exposure upon which insurance premiums are based;
- d. Examine all insurance audit statements and premium invoices;
- e. Visit the project or location of operation at least once each month to determine that insurance matters are being properly handled;
- f. Render any other assistance of an insurance nature which the Contractor may require; and,
- g. Submit to the Contractor monthly a detailed report of findings and of services performed.

3. The Contractor agrees to pay the Advisor a fee for his services, the amount of which shall be determined by applying the applicable percentages set forth in Column B. below to 50% of the standard premium accruing during the period of this agreement on policies issued to the Contractor under the War Department Insurance Rating Plan. "Standard Premium" as used herein shall mean the premium for such policies computed on the basis of the manual rules and rates approved by the War Department for use in connection with the policies issued to the Contractor under the War Department Insurance Rating Plan.

FEE SCHEDULE

<u>A</u>		<u>B</u>
50% of the Standard Premium as herein- above defined.		Fee, expressed as a percentage of Standard Premiums stated in Column A
1st \$ 10,000		7½%
Next 40,000		4%
Next 50,000		2%
Next 400,000		1%
Over 500,000		½%

4. The Advisor shall submit monthly a statement of the aggregate earned standard premium and the aggregate earned Advisor's fee, less the amount of all fees previously earned. If, however, this agreement supersedes a previous insurance service agreement or agreements, the Advisor shall submit monthly a statement of (a) the aggregate standard premium earned during the term of all agreements; (b) the aggregate standard fee earned during the term of this agreement less all fees previously computed by applying the basis of computation as set forth in this agreement to the aggregate standard premium earned during the term of all agreements, and deducting from the total fee thus computed, the portion thereof applicable to the aggregate standard premium earned during the term of all previous agreements. Upon approval by the Contractor of each such monthly statement, the Advisor shall be paid the earned fee. A final statement shall be submitted by the Advisor upon receipt of final audit statements from the insurance carrier and final settlement of the Advisor's fee shall be made as soon as practicable thereafter.

5. The Advisor agrees that he will neither accept employment by nor any remuneration directly or indirectly from the insurance carrier for services rendered in connection with the insurance written under the War Department Insurance Rating Plan covering operations under the contract referred to in paragraph 1 hereof.

6. This agreement may be terminated by either of the parties hereto upon notice in writing mailed to the other party stating when, not less than ten days thereafter, such termination shall be effective. Delivery of such notice shall be equivalent to mailing. In the event of termination a copy of such notice shall immediately be mailed to _____

(Contracting Officer)

(Address)

If this Agreement is terminated as herein provided, the Advisor's fee shall be computed in the manner provided herein on the standard premium accrued to the effective date of termination.

This agreement, executive this _____ day of _____, 194 ____ shall be effective and binding on the undersigned from and after _____
_____.

ATTEST:

(Insurance Advisor)

By _____

Title _____

Title _____
(Affix Corporate Seal)

WITNESSES as to Advisor:

(Name)

(Address)

(Name)

(Address)

Contractor

ATTEST:

By _____

Title _____
(Affix Corporate Seal)

Title _____

WITNESSES as to Contractor:

(Name)

(Address)

(Name)

(Address)

APPROVED:

(Contracting Officer)

NOTE: If a corporation, signature should be attested by a corporate officer and corporate seal affixed. In all other cases two witnesses are required.

INSURANCE ADVISOR'S MONTHLY STATEMENT OF EARNED FEE

Advisor _____

Address _____

Date _____

Contractor _____ Contract No. _____

Project _____ Location _____

Insurance Carrier _____

Policy Period: From _____ to _____

Effective date of Insurance Service Agreement _____

Period _____ to _____	Aggregate Earned Standard Premium
-----------------------	--------------------------------------

Workmen's Compensation and O.D. Policy.....	\$ _____
Comprehensive Public Liability Policy.....	\$ _____
Comprehensive Auto Liability Policy.....	\$ _____

Total.....	\$ _____
Less 50%.....	\$ _____

Net Earned Premium Upon which Advisor's Fee is based...\$ _____

COMPUTATION OF ADVISOR'S FEE

(1st \$ 10,000.)	\$ _____	@ 7½%	\$ _____
(Next 40,000.)	\$ _____	@ 4%	\$ _____
(Next 50,000.)	\$ _____	@ 2%	\$ _____
(Next 400,000.)	\$ _____	@ 1%	\$ _____

Total Earned Fee.....	\$ _____
Less: Fee Previously Earned.....	\$ _____

Fee Due Advisor.....\$ _____

Inclosure No. 2 to Memorandum SPX 004.6 (9-1-42)
SPBFI-PS-M, September 10, 1942.

400 A-5

(The Insurance Advisor's Monthly Report of Services Rendered should follow the following topical outline and should be complete, clear and concise.)

INSURANCE ADVISOR'S MONTHLY REPORT OF SERVICES RENDERED

Period _____ to _____

1. Insurance Placed and Policies Procured
2. Policies, Binders, Endorsements, etc., Examined - Conditions Found and Action Taken
3. Rating Procedures and Records Established
4. Audit Statements and Premium Invoices Examined - Conditions Found and Action Taken
5. Other Data Procured from Carriers - Comments
6. Visits to Project
 - (a) Date
 - (b) Report of Safety Engineering Service and Facilities
 - (c) Report of Claim Service and Facilities
 - (d) Report of Hospital and Medical Service and Facilities
 - (e) Other visits - Date, Purpose and results
7. Other Services Rendered
8. Recommendations: (List and be specific)

(Insurance Advisor)

By _____

Title _____

Inclosure No. 3 to Memorandum SPX 004.6 (9-8-42)
SPBFI-PS-M, September 10, 1942

~~SECRET~~
~~SECRET~~

With respect to the first of these funds, it is stated that a public liability insurance policy has been obtained by the contractor, with the approval of the contracting officer, from an insurance company and an indemnity company, which policy provides for the establishment and maintenance with the said companies of a collateral fund to secure the payment of premiums. It is stated further that this was the only basis on which an insurance company could be found which would undertake to underwrite the risk. With respect to the Employees Benefit Fund, it is stated that such fund is to be established and maintained by the contractor with Government funds because no insurance company could be found which could be persuaded to underwrite this risk and that, for reasons of sound public policy and to protect the persons who will be employed under the contract against the unpredictable hazards involved, as well as to protect the United States from suits and claims, it will be necessary to maintain this fund. Also, it is stated that both the collateral insurance fund and the Employees Benefit Fund are to remain available for use throughout a period of ten years after termination of manufacturing operations under the contract involved.

The pertinent provisions of the contract pertaining to the establishing of the collateral or guarantee fund for securing payment of insurance premiums are contained in sections 8 and 9 of Article XIV thereof. Section 8 provides, in substance, that the contractor is authorized to make such payments in advance out of the special account made available to it by the Government and that the contractor shall

~~SECRET~~
~~SECRET~~

~~SECRET~~
~~SECRET~~

10/27

13807

The Honorable,

The Secretary of War.

My dear Mr. Secretary:

I have a letter of October 13, 1943, from Brigadier General L. R. Groves, Corps of Engineers, requesting advice as to whether this office would be required to object to otherwise proper payments made under two provisions which are to be incorporated into a certain cost plus-a-fixed fee contract proposed to be entered into by your Department.

Certain payment provisions of the proposed contract were considered in my decision of April 19, 1943, to you. However it now is stated in the letter of October 13, that a number of unforeseen developments have delayed the actual signing of the formal contract and have brought about the necessity for making two important changes therein. The two changes are stated to consist of the inclusion in the contract of additional provisions whereby the contractor is authorized to utilize sums advanced to it by the Government for the purpose (1) of establishing and replenishing a collateral or guarantee fund or funds to secure the payment of premiums for such insurance coverage as may be required or approved by the contracting officer and (2) of establishing and replenishing an "Employees Benefit Fund" from which special payments are to be made to or on account of employees who may be totally and permanently disabled or killed as a result of exposure to unpredictable hazards that may be encountered in the course of work under the contract.

6

~~SECRET~~

~~SECRET~~
~~SECRET~~

not be subject to any liability with respect to the funds so advanced except to return or credit to the Government such amount of said funds as shall be returned to the contractor by the insurance carrier. However, it is stipulated that the contract of insurance is to contain a provision providing for the handling of the funds so advanced in the following manner: Until liquidated, the advanced funds are to be deposited by the carrier or carriers in a special bank account at a bank which is a member of the Federal Reserve System or a bank which is insured with the Federal Deposit Insurance Corporation. Such funds are to be carried separate and distinct from the general or other funds of the carrier or carriers and are to be used exclusively for carrying out the contract of insurance and not for any other business of the carrier or carriers. It is proposed that all or any part of the funds advanced may be invested by the carrier or carriers in United States Government securities and that the interest earned from such investments, less expenses incurred in the investment, management, custody and safekeeping of the funds shall be paid to the contractor for the account of the Government. The insurance carrier or carriers are to have the right to draw on the special account subject only to the provisions of the contract of insurance. The bank or banks with which the funds may be deposited are to furnish periodic reports to the contractor showing the amount of cash on hand in the special account and the face amount of the securities deposited with it and, also, are to report any increase or decrease in the face amount of securities purchased by the carrier with the advanced funds.

~~SECRET~~

~~SECRET~~

The pertinent provisions of the contract relating to the establishment of the Employees Benefit Fund are contained in Article XXXIII of the proposed contract, which recites that, in view of the serious and unusual hazards which may be involved in the performance of the contract and since the contractor has been unable, despite extended efforts with the assistance of the contracting officer, to obtain satisfactory insurance coverage for its employees, the Government agrees that the contractor shall have the right to establish, maintain and utilize a benefit fund from which payments--in addition to those provided for by workmen's compensation laws or other statutes or under the terms of the contractor's employee welfare plans and policies--may be made to or on account of employees who become totally and permanently disabled or die as a result of such hazards. Therefore, the article authorizes the contractor to withdraw from time to time from sums advanced to it by the Government, pursuant to Article XIV of the contract, amounts sufficient to establish and replenish an Employees Benefit Fund. The benefit fund is to be established immediately upon the execution of the contract and is to be maintained for a period of ten years after the termination of manufacturing operations thereunder.

The said Article XXXIII provides further that whenever the contractor shall determine, with the approval of the contracting officer, that any employee has become totally and permanently disabled or has died as a result of any hazard resulting from performance of the contract, the contractor shall have the right to pay from the benefit fund to such employee or to his named beneficiary or legal representa-

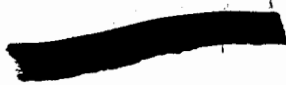
~~SECRET~~

[REDACTED]

tive, the sum of \$10,000, but that when any such payment has been made to an employee who has become totally and permanently disabled, no further payment shall be made by reason of the death of such employee. The payment is to be made only upon the securing of a release relieving the contractor and the Government, to the extent of the payment, from all claims of the employee on account of any disability or death, except claims under workmen's compensation laws or other occupational disease statutes.

Also, it is provided in Article XXXIII that the benefit fund is to be held in cash in a special account in a bank which is a member of the Federal Reserve System or that it may be invested, in whole or in part, in United States Government securities which securities are to be kept in a safety deposit box in the same bank. The bank is to report to the contracting officer any increase or decrease in the face amount of any securities which may be purchased with any of the benefit funds and, in addition, the bank is to furnish periodic reports to the contracting officer showing the amount of cash on hand in the special deposit account and the face amount of securities in the safety deposit box. Any interest earned from the investment of the benefit fund, less expenses incurred in connection with the investment, management and safekeeping of said fund, is to be paid over to the Government by the contractor. The benefit fund is to be used by the contractor solely for the purpose set forth in the contract and any sums remaining in such fund at the expiration of ten years after the termination of manufacturing operations are to be paid or credited to the Government by the contractor.

[REDACTED]



It appears from the record that, pursuant to the authority vested in him by the First War Powers Act, 1941, the President has approved the entering into of the proposed contract and the incorporation therein, if deemed advisable by the Chief of Engineers, of provisions providing that all work under the contract is to be performed at the expense of the Government and that the Government shall indemnify and hold the contractor harmless against any loss, expense (including expense of litigation) or damage (including personal injuries and deaths of persons and damage to property) of any kind and from any cause whatsoever arising out of or connected with the work. The assumption of such liability by the Government has been undertaken in Article XXXIII of the proposed contract and, with respect thereto, you were advised in my decision of April 19, 1943, that, for the reasons stated herein, this office would not be required to object to otherwise proper payments to the contractor in accordance with said article to the extent that funds may be available therefor.

It appears from the provisions of Article XXXIII of the proposed contract, outlined above, that the Employees Benefit Fund, which is to be established by the contractor from funds advanced by the Government, is to be set aside and used for the sole purpose of making benefit payments to or on account of employees who may be totally and permanently disabled or who may die as a result of hazards arising out of the performance of the contract. Likewise, while Article XIV does not specifically state that the collateral or guaranteed fund to be established pursuant thereto, is to be used for the purpose of making premium payments to insurance carriers as they become due, it appears that such is the contemplated procedure, as section 9 of said article

~~CONFIDENTIAL~~

~~SECRET~~

provides that, upon the request of the contractor from time to time throughout the effective period of the contract, the Government shall advance to the contractor, without interest, such sums as may be necessary to replenish in full the collateral or guarantee fund provided for by section 8 thereof. Hence, it appears that the funds to be established would be used solely for the purpose of fulfilling the obligation assumed by the Government under Article XXXII of the contract to indemnify and hold the contractor harmless against damage, including personal injuries and death of persons and damages to property, arising out of or connected with the work.

Since it is reported in the letter of October 13, supra, that, in view of the unusual nature of the work to be performed under the proposed contract, the establishment of the collateral or guarantee insurance fund and the Employees Benefit Fund are the only means by which the Government may fulfill its obligations under the contract, and since it appears that, under the plans outlined in Articles XIV and XXXIII of the contract for the handling of the funds which would be established, the interest of the Government therein would be adequately safeguarded and protected and that any amounts remaining in the funds at the expiration of the ten-year period are to be returned to the United States, you are advised that this office will not be required to object to otherwise proper payments made under the two provisions here involved.

It is to be understood that such advances as are required to be made from time to time throughout the effective period of the contract,

~~SECRET~~

6

~~SECRET~~

pursuant to section 9 of Article XIV, necessarily and subject to
availability of funds therefor.

Respectfully

(Signed) Lindsay L. Warren

Comptroller General
Of the United States.

-12-

~~SECRET~~

10/26

MANHATTAN DISTRICT HISTORY

BOOK I - GENERAL

VOLUME 6 - INSURANCE PROGRAM

APPENDIX "B"

ACTUARIAL DATA

<u>No.</u>	<u>Title</u>
1.	Explanation of the Table of Fixed Charges Used in the War Department Insurance Rating Plan.
2.	Loss Conversion Factor of 1.12.
3.	Analysis of Carrier Charges under Manhattan District Modified War Department Insurance Rating Plans.
4.	Average Rates for Workmen's Compensation Liability, Automobile Liability, and Liability other than Automobile.
5.	Loss Conversion Factor to be used in Connection with Projects Insured under the War Department Insurance Rating Plan, but where, for various reasons, the Carrier is not permitted to include any part of the Project Site Medical Expenses as Incurred Losses.



ARMY SERVICE FORCES
UNITED STATES ENGINEER OFFICE
MANHATTAN DISTRICT
OAK RIDGE, TENNESSEE

IN REPLY
REFER TO

20 April 1945

Subject: Explanation of the Table of Fixed Charges Used in the
War Department Insurance Rating Plan.

MEMORANDUM to Lt. Colonel George A. Jackson.

The explanation which follows will avoid extremely technical discussion, and it may therefore be that some few items which have been the subject of actuarial discussion and argument will appear in the memorandum to be so definite that no question thereon can exist. However, the questions which could actuarially be raised about such items are more theoretical than real, and in actual practice do not mean too much since they involve only questions as to whether a theoretical deficiency in certain of the fixed charge percentages should be considered as being assignable to one or the other of the items that make up the Table.

1. At the time the War Department Insurance Rating Plan was under development it was agreed that the Table of Fixed Charge Percentages should be based on the following items:

a. Required Provision For Insurance Company Expenses (other than claims expenses) and Contingencies ---- 3.0% for all premium sizes. This allowance is generally accepted as subject to further detailed breakdown as follows:*

- (1) General Administration, Home Office and Payroll Audit Expenses - It is generally considered that 4.0 of the fixed charge represents the allowance for such expenses. (This figure of approximately 4.0% of the rate is generally accepted by rating authorities as representing actual expenses of the insurance carriers on an over-all basis for Workmen's Compensation Insurance Liability and is based upon extended studies made by such rating authorities. This same figure was used in working up the factors applicable in connection with the three retrospective rating plans developed by the insurance industry in the latter part of 1944.)

B-1

Subject: Explanation of the Table of Fixed Charges Used in the War Department Insurance Rating Plan.

- (2) Engineering and Accident Prevention - It is generally considered that the table of fixed charges included an amount of 2.0% to cover the insurance carrier's expenses in connection with prevention of accidents and safety engineering. This percentage is developed upon a nation wide study of the insurance carrier's actual cost for these items and is accepted nationally by rating authorities .
- (3) Contingency Factor - A contingency factor to provide the carriers with an amount of money for the possibility that cases will be reopened after final settlement under the W.D.I.R.P. has been made, or that cases not reported prior to the time of such final settlement will develop. There has been considerable debate as to the amount of such contingency factor, but an exhibit published by the National Council of Compensation Insurance under date of 21 May 1945 indicates that a minimum of .5% was included, and the War Department has consistently contended that an amount of at least 1.0% on the higher premium size and an even greater percentage on the lower premium size represents the contingency factor.

b. A Gross Charge for Excess Losses - This percentage was to provide the insurance carriers with a sufficient amount of money to insure the possibility that the premium developed under the Plan might exceed the maximum premium to be paid regardless of the amount of loss. These percentages were based upon the excess pure premium ratio developed under the various premium size groups under regular insurance over a period of several years, which indicated that on the average, for experience under review, losses would exceed the amount of premium set aside to pay losses for that group by a certain definite percentage. For example, in connection with the standard premium of \$5,000 the fixed charge of 37.0% includes approximately 30.0% gross charge for excess losses since it is entirely possible that the maximum premium of \$4,500 would be exceeded by just one claim. In connection with all of the smaller premium size a substantial part of the fixed charge must be set aside to provide for this possibility and it is not until the standard premium reaches a very substantial figure that the percentage charge for this possibility can be disregarded.

2. The Table of Fixed Charge Percentages finally agreed upon when the Plan was promulgated appears on the following insert page.

ANALYSIS OF WORKMEN'S COMPENSATION PROGRAM FOR U. S. DEFENSE CONTRACTS

(All ratios except Col. 5 are ratios to Standard Premium shown in Col. 1)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Standard Premium	Fixed Charge	Maximum Premium (excl. tax, Acquisition and Bureau)	Loss Allowance in Maximum Premium Col. 3-Col.2 1.12	Ratio of Losses in Excess of Allowance In Maximum Premium To Losses (from Table)	Ratio of Losses in Excess of Allowance To Prem. Col. 5 x .60	Gross Charge For Excess Losses Col.6 x 1.12	Required Provision For Company Expenses & Contingencies	Deficiency in Fixed Charge Col. 7 Plus Col. 8 Minus Col.2	Provision for Company Expenses and Contingencies Col. 8 Minus Col. 8
\$ 5,000	.370	.900	.473	.476	.286	.320	.065	.015	.060
10,000	.290	.900	.545	.351	.211	.236	.065	.011	.054
25,000	.240	.900	.569	.260	.161	.180	.065	.005	.060
50,000	.184	.900	.639	.182	.109	.122	.065	.003	.062
100,000	.125	.900	.692	.101	.061	.068	.065	.000	.057
150,000	.115	.900	.711	.080	.053	.059	.065	.009	.058
200,000	.105	.900	.716	.074	.044	.049	.065	.009	.056
250,000	.097	.900	.717	.060	.036	.040	.065	.000	.057
300,000	.090	.900	.723	.042	.025	.028	.065	.003	.062
350,000	.075	.900	.737	.020	.012	.013	.065	.003	.062
400,000	.065	.900	.746	.001	.001	.001	.065	.001	.064
450,000	to .065	.900	.746	-	-	-	.065	-	.065
700,000									
700,000 and over	.063	.900	.747	-	-	-	.063	.002	.063

insert page

Subject: Explanation of the Table of Fixed Charges Used in the War Department Insurance Rating Plan.

3. At the time that the premiums underlying the W.D.I.R.P. were largely discussed and agreed to by the War Department and the insurance carriers, it was mutually agreed that the Workmen's Compensation premium which results from multiplying the payroll by the manual rate, would be reduced by applying of factor of .90 for the purpose of entering the Table of Fixed Charge Percentage as well as for the purpose of developing the fixed charge. This reduction was agreed upon because of the fact that no experience rating was to be applied in connection with the Workmen's Compensation coverage, and it was agreed that the reduction of 10% would be acceptable to both parties in lieu of the experience credits or debits which might actually have resulted from experience rating. In connection with Automobile Liability and Liability other than Automobile, it was agreed that the manual rates would be reduced 50% for the purpose of establishing the standard premium, and that the full standard premium so developed would be added to the reduced Workmen's Compensation premium for determination of the fixed charge percentage and of the fixed charge amount.

*See Proceedings of the Casualty Actuarial Society,
Volume No. 58, May 15, 1942 -- The Comprehensive
Insurance Rating Plan by Charles J. Haugh.

Arthur S. Kuenkler

A. S. KUENKLER,
Major, F. D.,
Contract Insurance Branch,
Special Finance Service Div.,
O.F.D., Hq., A.S.F.



ARMY SERVICE FORCES
UNITED STATES ENGINEER OFFICE
MANHATTAN DISTRICT
OAK RIDGE, TENNESSEE

IN REPLY
REFER TO

17 April 1945

Subject: Loss Conversion Factor of 1.12.

MEMORANDUM to Lt. Colonel George A. Jackson.

1. The expense loading of 40% which is accepted by all rating authorities as applicable in connection with Workmen's Compensation insurance includes an amount of 8.0% for total claims expenses. Since this 8.0% is related to the complete premium dollar, if it is desired to relate the claims expense percentage to incurred losses only, it is necessary to divide 8.0% by .60, thus arriving at the percentage of 13.3. (.60 represents that portion of the premium dollar normally expected to be expended for incurred losses in connection with Workmen's Compensation insurance and is accepted nationally by all rating authorities.)

2. The loss conversion percentage for Automobile Liability and Property Damage insurance would normally be approximately 13.0%, (using the claim expense percentage customarily accepted by rating authorities, and relating it to incurred losses in the same manner as in Paragraph 1 above) and similarly the loss conversion percentage for liability other than automobile would normally be 15.0%.

3. At the time the W.D.I.R.P. was under development, and after extended discussion and negotiation, agreement was reached with the insurance companies whereby these loss conversion percentages would be reduced to 12.0%. This reduction was urged by the War Department because it was felt that claims expenses in connection with War Department projects would not be so large as in connection with the ordinary Workmen's Compensation insurance coverages, since projects would be substantial in size with consequent concentration of claims work, and since allocated claims expenses are additionally reimbursed under the provisions of the Plan.

4. The use of Loss Conversion Factor of 1.12 has resulted in very substantial savings to the Government when contrasted with the amount that would have been paid the insurance carriers had the usual 8.0% of the standard premium been paid the carriers. Losses in connection with projects insured under the W.D.I.R.P. have in the main been very substantially lower than is normally expected (as herein

App B-2

Subject: Loss Conversion Factor of 1.12

17 April 1945.

above mentioned, the normal expectancy of losses is approximately 80.0% of the premium dollar; whereas, thus far on the average the loss percentage on these projects has been approximately 20.0%).

5. When the Plan was promulgated in the Spring of 1941 the insurance carriers, in accordance with the usual insurance procedure, included all project site medical as incurred losses. As a result of investigation made by the Contract Insurance Branch, Special Finance Services Division, Hq. ASF., it was found that a substantial portion of project site medical did not represent medical treatment in connection with Workmen's Compensation insurance liability, but included such things as preemployment examinations, welfare medical, and other similar items. After considerable negotiation with the insurance carriers agreement was finally reached whereby the insurance carriers were to limit the amount of project site medical losses to be included in accordance with the following schedule:

"The percentage of amount paid as salaries "to medical personnel" to be posted in first blank in the proper endorsement) is to be fixed by negotiation subject to the following maxima:

"Construction projects--66 2/3% of such salaries

"Manufacturing projects--50% of such salaries

"Explosive risks--33 1/3% of such salaries

"The maximum percentages of Standard Premium for Workmen's Compensation and Employers' Liability coverages (to be posted in second blank in the proper endorsement) are:

"Construction projects-- 7 1/2% of standard premium

"Manufacturing projects--10% of standard premium

"Explosive risks--5% of standard premium."

Prior to final agreement on the limiting percentages indicated above the insurance carriers argued, somewhat justifiably, that at the time they agreed to the loss conversion factor of 1.12 they assumed that the losses would run very close to the 80.0% normally contemplated, and that the very much lower losses being incurred under W.D.I.R.P. did not provide them with a sufficiently high amount to cover claim expenses when the 1.12 factor was applied to such losses, and therefore the very low maximum percentages proposed by the War Department as applicable to project site medical for inclusion as losses incurred under the Plan would further reduce the amount available for claims expenses. However, as mentioned, after extended negotiation the carriers finally accepted the percentages of project site medical proposed by the War Department, as set forth above.

3. The procedure by which the percentages of project site medical costs, set forth in the project site medical endorsement, are included as losses incurred follows substantially the same procedure

Subject: Loss Conversion Factor of 1.12.

17 April 1945.

as is used nationally by the insurance carriers in connection with Workmen's Compensation Insurance for large manufacturers and contractors where a similar condition is found, and where the carriers contribute to such project site medical expenses. Under the W.D.I.R.P. coverages the carriers issue a check to the contractor for their percentage of the project site medical expenses, and the carriers then include such amount reimbursed to the contractor by them as incurred losses to which the 1.12 Loss Conversion Factor is applied in developing the gross adjusted premium under the Plan.

A. S. Kuenkler

A. S. KUENKLER,
Major, F. D.,
Contract Insurance Branch,
Special Finance Service Division,
Office, Fiscal Director, Hq, ASF.



**ARMY SERVICE FORCES
UNITED STATES ENGINEER OFFICE
MANHATTAN DISTRICT
OAK RIDGE, TENNESSEE**

IN REPLY
REFER TO

21 April 1945

**Subject: Analysis of Carrier Charges under Manhattan District
Modified War Department Insurance Rating Plans.**

MEMORANDUM to Lt. Colonel George A. Jackson.

1. The attached exhibit which presents an analysis of the amounts produced by the fixed charge provisions now contained in such policies, as well as of the amounts produced by the loss conversion factors in such policies, is self-explanatory in most respects. However, it is considered necessary that a brief explanation be given herein concerning the manner in which certain of the figures were arrived at:

a. Column (3) - Assumed Termination Date - Because usually any fixed charge percentage is applied to 90.0% of the Workmen's Compensation premium, and to 100.0% of the liability premium for the entire period of the coverage without regard to any annual "ceiling" it was necessary, in order that a proper comparison could be made, to assume some arbitrary date as representing the cancellation date of the policies. I "picked out of the air" a date approximately one and half years from the present time.

b. Column (4) - Estimated Premium - The latest available information as to the amount of premium being developed on each contract, as furnished by your office, was used. For example, on Project Code C-4 a premium of approximately \$85,500 a month is being developed at the present time and since the assumed cancellation date for this project was taken as 18 October 1946, for purposes of this analysis it was necessary to multiply the \$85,500 of premium presently developed on a monthly basis times 22.8 months (the period of time between 30 November 1944 and the cancellation date). The insurance carrier had billed premium for the policy up to 30 November 1944. This premium already billed by the insurance carrier was added to the estimated premium to the cancellation date, and in this manner the estimated premium shown in this column was determined. A similar procedure was followed in connection with other projects. It is entirely possible, of course, that the projects will grow in size or decrease in size with consequent increases or reductions in premium, which would automatically modify the figures shown on the analysis.

c. Column (5) - Fixed Charge on Present Basis - For each policy the present fixed charge was determined by using for each year for which

Page B-3

Subject: Analysis of Carrier Charges under Manhattan District
Modified War Department Insurance Rating Plans.

premium has already been billed by the carrier, the amounts produced by the fixed charge table in the policy for such amount of premium. For those years for which either no or only partial premium had been billed by the carrier the estimated yearly premium was used in order to arrive at an estimated premium for such ensuing yearly period up to the assumed policy cancellation date.

d. Column (7) - Fixed Charge Using 4.0% times 90.0% of the Standard Premium - Under the W.D.I.R.P. provisions the fixed charge percentage is applied to 90.0% of the Workmen's Compensation standard premium, and to 10.0% of the standard premium for other lines. For purposes of the analysis no attempt was made to breakdown the total standard premium into Workmen's Compensation premium and Liability premium, and, therefore, the 90.0% was used on the total standard premium for all lines. In actual application, as mentioned above, the 90.0% would not be applied to the premiums other than Workmen's Compensation, however, the amount of premium produced by these other lines is relatively small when compared with the Workmen's Compensation premium and any factor of error in the comparison will be relatively insignificant. (On the average on these policies the liability premium would be approximately 1/3 of the Workmen's Compensation premium, and since this fraction is reduced by 10.0% and then the 4.0% applied, it can be seen that the "analysis" does not vary to any great extent from the actual result which will be produced.

e. Column (8) - Estimated Losses - These losses were handled on a basis similar to that used in connection with Column (4) - "Estimated Premium" - explained under subparagraph "c" above. Since no knowledge existed as to whether the work done to this date is less or more hazardous than that which will be encountered in the future, it was arbitrarily assumed that the losses for the latest period available would reproduce themselves in connection with future operations. For example, under Project C-4 the losses for the last three months available were \$22,786.55, or a loss of \$7,592.82 per month for this period. This loss per month was multiplied by the number of months between the latest date for which losses were available and the assumed policy cancellation date, and to the product so derived were added the actual losses to the latest date reported. When the total estimated losses for each project contractor are compared with the estimated premium a very low loss ratio, in the main, results, and it is entirely possible that losses incurred in the future will actually be considerably higher. However, here again the basic assumption had to be made that the amount of loss experience developed to date was indicative enough to be used for estimate purposes.

Subject: Analysis of Carrier Charges under Manhattan District
Modified War Department's Rating Plans.

f. Column (10) - Covered Loss under Present Premium - The estimated losses derived, as explained in the preceding paragraph, were multiplied by the conversion factor appearing in each policy for such losses, in order to arrive at the amounts shown in the column.


g. It is believed that the remaining column headings are self-explanatory.

2. As explained in my memorandum, 20 April 1945, subject: "Explanation of the Table of Fixed Charges Used in the War Department Insurance Rating Plan", it is generally considered that 4.0 of the table of fixed charge percentages which appears in the W.D.I.R.P. represents on an average basis the allowance for general administration, home office, and payroll audit expenses. The allowances for these items in the present "Modified Plan" policies are 5.0% for some carriers with a maximum ceiling of \$75,000 per year, with 5.5% with a maximum ceiling of \$20,000 in other policies, where, however, an additional charge of \$5,000 is made for the first year. Thus far the "ceiling" would have been exceeded, using the percentage which now appears in the policy on only one policy, which is that for Code Z. It would appear from the best estimates available at the present time that the ceiling which now exists on an annual basis for other policies will not be exceeded, however, this again is assumed and may not eventually actually be the case. However, even under Project Z the limitation imposed by the "ceiling" is not sufficient to offset the saving which would result by application of a 4.0% fixed charge, or even a 4.5% fixed charge for the expenses contemplated. If the assumption is made that the insurance carriers are furnishing their services on a cost basis in connection with these "Modified Plans", then it would appear that the allowance for these general administration and home office expenses should be 4.0%. It developed during various discussions during my visit that some of the carriers were paying a "counter-signature fee" out of this allowance, and, therefore, the amount of such "counter-signature fee" could very well be allowed as an additional item in addition to the 4.0%. On the assumption, however, that insurance carriers are generally not interested in service agreements, which is actually the function being performed by the insurance carriers under these "Modified Plans", and that, therefore, the carriers would not have been interested in entering into these arrangements without an additional profit allowance, then the percentages presently used in these policies are probably justifiable. After all, the insurance carriers could argue that since they have very limited personnel available under present circumstances and that, therefore, any employees that they have to furnish for service agreements of this nature automatically limits the amount of insurance that they can take on the regular basis with private industry, on which insurance they normally make a profit, they should be given an allowance for profit.

Subject: Analysis of Carrier Charges under Manhattan District
Modified War Department Rating Plans.

9. Similarly, in connection with loss conversion factors, as explained in my separate memorandum dealing therewith, while the loss conversion factor of 1.15 would appear to be the one to be applied if the insurance carriers are assumed to be furnishing their services on a cost basis, it may very well be that they would not have entered into these service agreements if an additional allowance had not been permitted.

10. If a margin for error and the further fact is taken into consideration that at the time these "Modified Plans" were negotiated with the insurance carriers no information of any type could be furnished them, and when one considers further that security demands that even now and in the future very little of the information usually furnished can be given, then the percentage for administration and the loss conversion factor arrangements that were entered into at that time can be stated to be close to provisions generally accepted as reproducing actual costs.



A. S. KOEHLER,
Major, F. D.,
Contract Insurance Branch,
Special Airance Service Div.,
O.S.D., Hq. A.S.G.

(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)		
Code Number	Effective Date	Assumed Termination Date	Estimated Premium	Fixed Charge on Present Basis	Estimated Premium x .90 (4) x .90	Fixed Charge on Present Basis (5) x .90	Estimated Losses	Present Plan Loss converted Factors	Converted Losses under Present Plan	Programmed Loss Converted Factors	Converted Losses x 1.12 (9) x 1.12	Total Estimated
A	10/25/43	10/25/46	1,164,547	31,577	1,048,062	31,577	1,164,547	1.12	1,304,293	1.12	1,460,818	
C-4	11/16/43	10/16/46	2,030,207	118,760	1,879,809	118,760	2,030,207	1.12	2,273,832	1.12	2,546,692	
19	3/11/44	10/11/46	174,726	7,500	167,254	7,500	174,726	1.12	194,693	1.12	218,056	
Total Co. A			3,427,480	178,950	3,094,732	178,950	3,427,480		3,772,818		4,225,566	
Z Co. B	1/3/43	10/3/46	4,715,507	226,250	4,243,957	226,250	4,715,507	1.12	5,281,368	1.12	5,915,132	
Y	3/12/43	10/12/46	431,844	31,000	398,659	31,000	431,844	1.12	483,665	1.12	541,604	
Q	3/1/43	10/1/46	748,277	47,000	673,449	47,000	748,277	1.12	838,071	1.12	937,639	
Total Co. C			1,180,121	78,000	1,062,102	78,000	1,180,121		1,320,806		1,477,283	
GRAND TOTAL			8,323,108	481,200	7,390,797	481,200	8,323,108		9,417,243		10,646,762	1.1

	(16)	(17)	(18)	(19)	
	Saving in Fixed Charge (5)-(7)	Saving in Claims Factor (10)-(12)	Total Service Charge of Carrier on Present Plan (5)+(15)	Total Savings (16)+(17)	Percent of Saving
A	16,776	1,216	67,820	17,992	26.5
C-4	38,575	3,644	141,079	42,219	29.9
19	1,210	565	11,735	1,775	15.1
Total Co. A	56,561	5,425	220,634	61,986	28.1
Z Co. B	56,492	2,861	250,174	59,353	23.7
Y	12,454	527	32,401	13,041	40.2
Q	20,062	+ 1,090	60,094	18,972	31.6
Total Co. C	32,516	+ 503	92,495	32,013	34.6
GRAND TOTAL	145,569	7,783	563,303	153,352	27.2

Contractors

A. Ford, Bacon + Davis Co. A Act

C-4. Carbide + Carbon Chemical Co. B US

19. Ferdeve Corp. Co. C Roy.

Z. Tennessee Eastman

Q. Clinton Lub

Y.

APP. B-5

(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Termination Date	Estimated Premium	Mixed Charge on Present Basis	Estimated Premium x .90 (4) x .90	Mixed Charge using 4.0% x .90 of 500. (6) x 4.0	Estimated Losses	Present Plan Loss Converted Factors	Converted Losses under Present Plan	Proposed Loss Converted Factors	Converted Losses using 1.13 (10) x 1.12	Total Estimated Cost under Present Plan (5)+(10)	Total Estimated Cost under Proposed Factors (7)+(12)	Claims Expense on Present Basis (10)-(6)
5/5/48	1,184,847	80,707	1,040,032	41,894	88,797	1.15 1.13	68,917	1.13	68,701	124,617	110,625	9,120
18/48	2,038,207	113,780	1,879,308	70,175	182,187	1.15 1.13	209,528	1.13	208,532	323,276	261,087	27,329
11/48	174,728	7,500	187,254	8,280	20,232	1.15 1.12	32,487	1.13	31,982	89,987	88,102	4,235
	3,427,485	179,950	3,084,732	183,333	271,228		311,910		308,488	491,860	425,574	40,654
6/8/48	4,715,507	226,250	4,243,957	169,750	184,025	1.15 1.12	155,949	1.13	153,080	412,199	382,846	23,924
12/48	431,844	28,000	386,659	15,546	29,339	1.15 1.12	33,740	1.13	33,153	61,740	48,690	4,401
1/48	748,277	47,000	673,449	28,930	109,117	1.12	122,211	1.13	123,301	169,211	150,239	13,094
	1,180,121	78,000	1,062,103	42,424	183,486		185,951		186,454	230,951	198,938	17,495
	9,323,108	491,200	8,390,797	335,631	571,707		653,810		646,027	1,135,010	981,658	82,103

(17)	(16)	(19)	(18)
Claims Factor (10)-(12)	Total Service Charge of Carrier or Present Plan (5)+(15)	Total Savings (16)+(17)	Percent of Saving
.216	67,820	17,992	26.5
.644	141,079	42,219	29.9
.565	11,735	1,775	15.1
.425	220,634	61,986	28.1
.861	250,174	83,353	23.7
.587	32,401	13,041	40.2
.090	60,094	18,972	31.6
.503	92,495	32,013	34.6
.783	563,303	153,352	27.2

Contractors

- A. Ford, Bacon + Davis
- C-4. Carbide + Carbon Chemical
- 19. Ferdev Corp.
- Z. Tennessee Eastman
- Q. Clinton Tub
- Y.

Carriers

- Co. A. Actna Casualty + Surety
- Co. B. USF&G.
- Co. C. Royal Indemnity

Subject: Exhibit showing result of using 100% fixed exchange rate...
 To: Lt. Col. G. A. Jackson.

Contract Code	(1) Estimated Premium x .90 (taken from Col. 6 "Analysis..." exhibit)	(2) Fixed Exchange Rate basis (1) x .90	(3) Contract Premium taken from "Analysis..." exhibit
A	1,040,000	47,204	1,087,204
B	1,079,300	54,072	1,133,372
C	157,204	7,076	164,280
Total C. . .	3,276,504	108,352	3,384,856
Z C. B	4,542,957	100,075	4,643,032
Y	300,000	17,400	317,400
G	673,400	31,300	704,700
Total G. C	1,052,100	47,700	1,099,800
TOTAL ALL C.C.'S.	5,300,707	295,327	5,596,034

The estimated premium resulting from the fixed exchange rate shown above would be used to warrant coverage over from the present basis if the exchange rate will not be changing with 100% fixed exchange rate.

APP. B-3

A. S. Krenbler
 Major J. D.



ARMY SERVICE FORCES
UNITED STATES ENGINEER OFFICE
MANHATTAN DISTRICT
OAK RIDGE, TENNESSEE

IN REPLY
REFER TO

20 April 1945

Subject: Average Rates for Workmen's Compensation Liability, Automobile Liability, and Liability Other Than Automobile.

MEMORANDUM to Lt. Colonel George A. Jackson.

1. The average rates agreed upon with two of the insurance carriers covering operations under the "Modified Plan" were \$4.00 for Workmen's Compensation Liability and \$.50 for Automobile Liability and Liability other than Automobile. There is no information available upon which any idea of the hazards involved in connection with the operations can be based, but it can be said that these rates would appear to be in line with the manual rates which would be charged for reasonably hazardous chemical manufacturing operations. The average rates mentioned above are lower than the present manual rate for High Explosives Manufacturing, for which the Workmen's Compensation manual rate is \$5.11, Black Powder Manufacturing, for which the Workmen's Compensation rate is \$3.05, or Shell Case Loading, for which the rate is \$4.57.

2. The average rate agreed upon with two insurance companies covering operations of two contractors insured under the "Modified Plan" was \$5.00 for Workmen's Compensation for both projects, \$.50 for Automobile Liability and Liability other than Automobile for one project, while \$.75 was agreed upon for the other project. In an informal discussion with Lt. Colonel Vanden Bulck at the time the question of the disparity between the average rates agreed upon was raised, he stated that the hazards existing in connection with the two projects to which the higher rate was applicable were substantially greater than in connection with the other projects.

3. Based upon the foregoing it would appear that the average rates used in the "Modified Plans" are not out of line.

Arthur S. Kuenbler

A. S. KUENBLER,
A. E. S. O.,
Insurance Branch,
Insurance Service Div.,
A. S. F., A.S.F.

App 13-4



ARMY SERVICE FORCES
UNITED STATES ENGINEER OFFICE
MANHATTAN DISTRICT
OAK RIDGE, TENNESSEE

IN REPLY
REFER TO

20 April 1945

Subject: Loss Conversion Factor to be used in connection with Projects Insured under the W.D.I.R.P., but where, for various reasons, the Carrier is not permitted to include any part of the Project Site Medical Expenses as Incurred Losses.

MEMORANDUM to Lt. Colonel George A. Jackson.

1. As explained in the memorandum of 17 April 1945, subject: "Loss Conversion Factor of 1.12", this factor was derived by dividing the 8.0% claims allowance in the premium dollar, by the 60.0% permissible loss ratio present in the premium dollar. This 60.0% permissible loss ratio which is that portion of the premium dollar normally set aside on the average for losses, includes all medical liability existing under the Workmen's Compensation Statutes of the various states, including project site medical. The insurance carriers are justified in applying the 1.12 factor to all losses resulting from Workmen's Compensation Liability, including project site medical, insured under Workmen's Compensation Liability. If any amount of such incurred loss is eliminated the 1.12 factor would automatically produce an insufficient amount to provide for the carrier's claims expenses since this factor was permitted on the assumption that all losses would be included. This is particularly emphasized by the fact that losses in connection with war projects have not, for various reasons, been as high as is normally expected.

2. Therefore, if for various reasons, it is found not politic to permit the inclusion of the usual percentage of the project site medical expenses as incurred losses by the insurance carrier, it is necessary that the Loss Conversion Factor of 1.12 normally used be increased to offset the fact that such project site medical amounts will not be included for application of the loss conversion factor.

3. Shortly after the W.D.I.R.P. was developed contracts were entered into on off-shore bases where the U.S. Army furnished medical care on the project to employees of contractors. Question was immediately raised by the insurance carrier covering these projects under the Plan and it was finally agreed by negotiation with the carrier that the loss conversion factor in connection with such project would be increased to 1.13 to offset the reduced amount of losses incurred by reason of elimination of project site medical for inclusion by the insurance carrier. The Loss Conversion Factor of 1.13 has been used for Workmen's

45-13-5

Subject: Loss Conversion Factor to be used in connection with Projects Insured under the W.D.I.R.P., but where, for various reasons, the Carrier is not permitted to include any part of the Project Site Medical Expenses as Incurred Losses.

Compensation on substantially all foreign projects where project site medical was furnished by the Army, and is applied to all Workmen's Compensation losses.

4. The exhibit submitted with my memorandum of 21 April 1946, subject: "Analysis of Carrier Charges under M.E.D. Modified W.D.I.R. Plans", is, of course, based on the assumption that the experience developed on these projects to date will continue to develop on the same basis in the future to the date that was arbitrarily taken as the termination date because we had to have something to work with, and it is entirely possible that the low losses developed to date may not actually be duplicated in the future. However, based upon the experience developed to date, it does not appear that losses incurred will in any way approach 90.0% of the standard premium. Under the present "Modified Plans" provision is made on all but one for a loss conversion factor of 1.15, (which has also been requested for the one policy on which it is not now contained) to be applied to Workmen's Compensation losses up to 90.0% of the standard premium, with the provision that a factor of 1.12 will be applied to losses incurred in excess of 90.0% of the standard premium. Some such policies also provide that 1.15 shall be applied to "normal" (90.0% of standard premium) losses for lines other than Workmen's Compensation, while others provide that 1.12 shall be used for liability and Paragraph 1-b losses. All the "Modified Plans" provide that 1.12 shall be applied to excess liability losses. However, since the experience to date and as developed on the "Analysis ----- Exhibit" indicates that there will probably be no excess losses, and since liability losses to which the 1.12 factor would apply have thus far been very low, it seems apparent that the 1.15 loss conversion factor will actually be collected on most of these policies.

5. The loss conversion factor of 1.13 has, as mentioned, been accepted by the carrier's of "off-shore bases" as applicable to incurred losses excluding medical furnished on the project. Because these "off-shore bases" were covered under the regular W.D.I.R.P. the maximum premium was automatically 90.0% of the standard premium, and therefore the carriers would not collect 1.13 on losses over such percentage, but would collect only the 1.12 factor used in developing the "Gross Charge for Excess Losses" percentages in the fixed charge percentages. Your carriers under the "Modified Plans" already provide for a factor of 1.15 for normal losses in their policies, and since the factor of 1.12 provided therein for excess losses and, in

Subject: Loss Conversion Factor to be used in connection with Project Site Medical Expenses as Incurred Losses.

some cases, for liability losses, would not appear to come into actual use to any great degree, it is recommended that for the sake of uniformity a loss conversion factor of 1.10 applicable to all incurred losses be negotiated, if possible, with the carriers.

A. S. Kuenbler

A. S. KUENBLER,
Major, P. D.,
Contract Insurance Branch,
Special Finance Service Div.,
O. & D., Hq, A.S.F.

MANHATTAN DISTRICT HISTORY

BOOK I - GENERAL

VOLUME 6 - INSURANCE PROGRAM

APPENDIX "C"

PREMIUM ANALYSES

<u>No.</u>	<u>Title</u>
1.	Interim Settlement, E. I. du Pont de Nemours and Company, Inc., Contract W-ORD-528 DA-W-ORD-1, Supplement 13, Travelers Insurance Company.
2.	Interim Settlement, Stone & Webster Engineering Corporation, Contract W-7401-eng-13, Royal Indemnity Company.
3.	Interim Settlement, J. A. Jones Construction Company, Contract W-7421-eng-11, Aetna Casualty & Surety Company.
4.	Preliminary Settlement, E. I. du Pont de Nemours and Company, Inc., Contract W-7412-eng-23, Royal Indemnity Company.
5.	Final Settlement, George A. Fuller Company, Contract W-7405-eng-131, Aetna Casualty & Surety Company.
6.	Interim Settlement, E. I. du Pont de Nemours and Company, Inc., Contracts W-7412-eng-2-3-5-6-8-9-10-22-47-151, Travelers Insurance Company.
7.	Interim Settlement, E. I. du Pont de Nemours and Company, Contract W-ORD-490, Supplement 7, Travelers Insurance Company.
8.	Interim Settlement, E. I. du Pont de Nemours and Company, Contract W-ORD-556 DA-W-ORD-38, Supplement 6, Travelers Insurance Company.
9.	Preliminary Settlement, Clinton Laboratories (University of Chicago) Contract W-7405-eng-39, Royal Indemnity Company.
10.	Periodical Computation of Earned Premium, Regents of the University of California, Contract W-7405-eng-36, Globe Indemnity Company

No.

Title

11. Interim Settlement, Tennessee Eastman Corporation,
Contract N-7401-eng-23, United States Fidelity &
Casualty Company.

12. Preliminary Settlement, Hooker Electrochemical
Company, Contract N-7405-eng-258, Aetna Casualty
& Surety Company.

COMPREHENSIVE INSURANCE RATING PLAN

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers
WUB-1211071
WSIG-1211072
WSIA-1211073
 Policy Period: from 1-16-42 to 11-16-44
 Valuation Date 1-6-45

Name of Risk E. H. Infort Co. Kansas & Co
 Location of Operations Childersburg, Alabama
 Government Agency War Department
 Government Contract Number W-Ord 526 War-Ord-1
Supplement 13

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
1	Standard Premium	25,450.96 ✓	116.40 ✓	3,741.18 ✓	27,312.54 ✓
2	Premium Base for Determination of Fixed Charges	(1) X .90 21,114.86 ✓	(1) 116.40 ✓	(1) 3,741.18 ✓	24,972.44 ✓
3	Fixed Charge Percentage	24.0	24.0	24.0	XXXX
4	Fixed Charge Amount (2) X (3)	5,067.57 ✓	27.94 ✓	897.88 ✓	5,993.39 ✓
5	Incurred Losses	-	-	-	-
6	Modified Losses (5) X 1.12	-	-	-	-
7	Allocated Claims Expense	-	-	-	-
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	-	-	-	-
9	Indicated Premium (4) + (6) + (7) + (8) Excluding Tax Multiplier	5,067.57 ✓	27.94 ✓	897.88 ✓	5,993.39 ✓
10	Maximum Premium Excluding Tax Multiplier	21,114.86 ✓	116.40 ✓	3,741.18 ✓	24,972.44 ✓
11	Tax Multiplier	1.031	1.031	1.031	XXXX
12	Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total [Col. (d)]	5,227.77 ✓	28.82 ✓	925.77 ✓	6,182.36 ✓
13	Premium Previously Billed (Less Receipts)	13,750.00	57.00	1,171.27	13,978.27
14	Additional Premium due and now Payable $\frac{(12)-(13)}{(13)-(12)}$ Return	-8,522.23	-28.18	-1,245.50	-9,795.91

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

Voucher deduction - N-364
746.82
cont - 6,719.01

(Name of Insurance Company)
 By _____
 Vice President

COMPREHENSIVE INSURANCE RATING PLAN

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers

Name of Risk

Location of Operations

Government Agency

Government Contract Number

Policy Period: from _____ to _____
Valuation Date _____

	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
Standard Premium				
Premium Base for Determination of Fixed Charges	(1) X .90	(1)	(1)	
Fixed Charge Percentage				XXXX
Fixed Charge Amount (2) X (3)				
Incurring Losses				
Modified Losses (8) X 1.12				
Allocated Claims Expense				
Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below				
Indicated Premium (4) + (6) + (7) + (8) Excluding Tax Multiplier				
Maximum Premium Excluding Tax Multiplier				
Tax Multiplier				XXXX
Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total [Col. (d)]				
Premium Previously Billed				
Additional Premium due and now Payable (12) - (13) Return (13) - (12)				

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

(Name of Insurance Company)

By _____
Vice President

App 1-2

COMPREHENSIVE INSURANCE RATING PLAN

This plan is subject to the approval of the Director

(Name of Carrier)

FIRST INTERIM

COMPUTATION OF EARNED PREMIUM

SETTLEMENT

Policy Numbers
58 C 5634
58 AL 101

Policy Periods: from 5-15-43 to 5-15-45
 Valuation Date 5-15-45

Name of Risk J. A. Jones Construction Company et al
Clinton Machine Works

Location of Operations Clinton, Penna.

Government Agency War Department
 Government Contract Number Various

m		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
1	Standard Premium	1,073,565.14	1- 29,585.78 2- 115,807.26	1- 69,033.88 2- 270,217.92	4,558,000.92
2	Premium Base for Determination of Fixed Charges	(1)X.90 3,666,290.53	(1) 1- 29,585.78 2- 115,807.26	(1) 1- 69,033.88 2- 270,217.92	4,150,935.37
3	Fixed Charge Percentage	6.3	6.3	6.3	XXXX
4	Fixed Charge Amount (2)X(3)	230,976.30	1- 1,853.90 2- 7,295.86	1- 4,349.13 2- 17,023.73	261,508.92
5	Incurred Losses	727,270.87	2- 39,086.22 4- 35,242.23	3- 14,353.42 4- 2,353.00	808,120.74
6	Modified Losses (5)X1.12	802,442.37	3- 43,776.57 4- 39,583.30	3- 16,081.43 4- 2,635.24	905,120.83
7	Allocated Claims Expense	11,254.35	2- 75.24 4- 47.45	2- 500.00 4- 0	12,597.91
8	Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	0	0	0	0
9	Indicated Premium (4)+(6)+(7)+(8) Excluding Tax Multiplier	1,015,571.32	1- 46,436.31 2- 16,825.67	1- 20,930.56 2- 19,659.05	1,179,526.89
10	Maximum Premium Excluding Tax Multiplier	3,666,290.53	130,853.74	305,326.62	4,102,470.89
11	Tax Multiplier	1.050	1- 1.029 2- 1.024	1- 1.029 2- 1.024	XXXX
12	Gross Adjusted Premium (9)X(11) or (10)X(11) whichever is the less in total [Col. (d)]	1,067,353.04	1- 47,782.96 2- 18,082.85	1- 21,537.93 2- 20,139.51	1,235,357.31
13	Premium Previously Billed	2,026,328.07	72,516.52	184,625.90	2,279,150.13
14	ADDITIONAL Premium due and now Payable (12)-(13) Return (13)-(12)	1,041,024.97	23,139.89	1,710.44	1,064,793.13

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

2- _____
 3- _____
 4- _____

(Name of Insurance Company)

By _____
 Vice President

V.C. 2444

COMPREHENSIVE INSURANCE RATING PLAN

ROYAL INDEMNITY COMPANY

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers

074503
1011493

Name of Risk U. S. Army Post at Langhorne
and Company

Location of Operations

O. K. BIEGE, COMPANY

Government Agency COOPER ENGINEERS

Government Contract Number W-7412-100-03

Policy Period: from 1-15-43 to 2-1-45

Valuation Date 6-1-45

	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
1 Standard Premium	207234.60 (1)X.98	15774.22 (1)	10516.16 (1)	233524.98
2 Premium Base for Determination of Fixed Charges	186511.14	15774.22	10516.16	212801.52
3 Fixed Charge Percentage	10.3	10.3	10.3	100%
4 Fixed Charge Amount (2)X(3)	19210.65	1626.74	1083.16	21920.55
5 Incurred Losses	18659.92	136.79	NIL	18796.71
6 Modified Losses (5)X1.12	20899.11	220.40	NIL	21119.51
7 Allocated Claims Expense	409.00	NIL	NIL	409.00
8 Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	X	X	X	X
9 Indicated Premium (4)+(5)+(7)+(8) Excluding Tax Multiplier	40518.76	1845.14	1083.16	43447.06
10 Maximum Premium Excluding Tax Multiplier	186511.14	14196.80	9464.54	210172.48
11 Tax Multiplier	1.050	1.029	1.029	100%
12 Gross Adjusted Premium (9)X(11) or (10)X(11) whichever is the less in total [Col. (d)]	42544.70	1899.65	1114.57	45558.92
13 Premium Previously Billed	103017.30	7887.11	5258.08	116162.49
4 Additional Premium due and now Payable $\frac{(12)-(13)}{(13)-(12)}$ Return	61072.60	5988.46	4143.51	71204.57

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

(Name of Insurance Company)

By _____
Vice President

COMPREHENSIVE INSURANCE RATING PLAN

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers _____

Name of Risk _____

Location of Operations _____

Government Agency _____

Government Contract Number _____

Policy issued: from _____ to _____
 Valuation Date _____

	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
Standard Premium	100,000.00	100,000.00	100,000.00	300,000.00
Premium Base for Determination of Fixed Charges	(1) X .90	(1)	(1)	
Fixed Charge Percentage	17.5%	5%	11%	XXXX
Fixed Charge Amount (2) X (3)	17,500.00	5,000.00	11,000.00	33,500.00
Incurred Losses	73,343.30	270.00	0	73,613.30
Modified Losses (8) X 1.12	82,144.49	302.40	0	82,446.89
Allocated Claims Expense	1,068.64	0	0	1,068.64
Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below				
Indicated Premium (4)+(6)+(7)+(8) Excluding Tax Multiplier	200,000.00	105,302.40	1,113.00	306,415.40
Maximum Premium Excluding Tax Multiplier	200,000.00	105,302.40	1,113.00	306,415.40
Tax Multiplier				XXXX
Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total [Col. (d)]	200,000.00	105,302.40	1,113.00	306,415.40
Premium Previously Billed	0	0	0	0
Balance Premium due and now Payable (12)-(13) Return (13)-(12)	200,000.00	105,302.40	1,113.00	306,415.40

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper ^{return} premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

 (Name of Insurance Company)

By _____
 Vice President

COMPREHENSIVE INSURANCE RATING PLAN

The Travelers Insurance Company

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers

Name of Risk E. I. du Pont de Nemours & Co.

WJUB-1012127

Location of Operations Department, New Jersey

WJL-1012129

WJIG-1012128

Government Agency War Department

Period from 12-28-42 to 12-28-44

Government Contract Number W-7312 eng 2-3-5-6-8-9-10-12

Expiration Date 1-8-45

	(a) Compensation and Employer Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
Standard Premium	546,493.96 ✓	2,431.10 ✓	18,305.86 ✓	567,230.92
	(1)X.90	(1)	(1)	
Premium Base for Determination of Fixed Charges	491,844.56 ✓	2,431.10 ✓	18,305.86 ✓	512,581.52
Fixed Charge Percentage	6.5 ✓	6.5 ✓	6.5 ✓	XXXX
Fixed Charge Amount (2)X(3)	31,969.90 ✓	158.02 ✓	1,189.81 ✓	33,217.73
Inurred Losses	38,954.23	None	None	38,954.23
Modified Losses (8)X1.12	43,628.74 ✓	None	None	43,628.74
Allocated Claims Expense	1,245.50	None	None	1,245.50
Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	None	None	None	None
Indicated Premium (4)+(6)+(7)+(8) Excluding Tax Multiplier	76,844.14 ✓	158.02 ✓	1,189.84 ✓	78,192.00
Maximum Premium Excluding Tax Multiplier	491,844.56 ✓	2,187.99 ✓	16,474.73 ✓	510,507.28
Tax Multiplier	1.039 ✓	1.024 ✓	1.024 ✓	XXXX
Gross Adjusted Premium (9)X(11) or (10)X(11) whichever is the less in total [Col. (d)]	79,841.06 ✓	161.81 ✓	1,218.40 ✓	81,221.27
Premium Previously Billed	273,246.98 ✓	1,215.55 ✓	9,152.63 ✓	283,615.16 ✓
Additional Premium due and now Payable $\frac{(12)-(11)}{(13)-(12)}$ Returns	-193,405.92 ✓	-1,053.74 ✓	-7,934.23 ✓	-202,393.89

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____

_____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

APPROVED _____

ORIGINAL SIGNED BY H. N. Church

H. N. CHURCH

Wilmington, Delaware

(Name of Insurance Company)

By _____

Vice President

COMPREHENSIVE INSURANCE RATING PLAN

The Travelers Insurance Company

(Name of Carrier)

COMPUTATION OF EARNED PREMIUM

Policy Numbers

Name of Risk A. I. dePont de Nemours & Co.

12-1197390

Location of Operations Morgantown, W. Va.

NSIA-1197390

NSIG-1197390

Government Agency War Department

Policy Period: from 1-21-43 to 1-21-45

Government Contract Number W-Ord-190

Valuation Date 2-17-45

Supplement 7

	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
Standard Premium	33,812.52 (1)X.90	152.10 (1)	2,612.80 (1)	36,578.42 ✓
Premium Base for Determination of Fixed Charges	30,432.17 ✓	152.10	2,612.80	33,197.07 ✓
Fixed Charge Percentage	22.2	22.2	22.2	XXXX
Fixed Charge Amount (2)X(3)	6,755.94 ✓	33.77 ✓	580.04 ✓	7,369.75 ✓
Incurred Losses	11.50	-	-	11.50
Modified Losses (8)X1.12	12.88	-	-	12.88
Allocated Claims Expense	-	-	-	-
Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	-	-	-	-
Indicated Premium (4)+(6)+(7)+(8) Excluding Tax Multiplier	6,768.82 ✓	33.77	580.04	7,382.63 ✓
Maximum Premium Excluding Tax Multiplier	30,432.17 ✓	136.89 ✓	2,351.52 ✓	22,920.58
Tax Multiplier	1.029	1.024	1.024	XXXX
Gross Adjusted Premium (9)X(11) or (10)X(11) whichever is the less in total [Col. (d)]	6,965.11 ✓	34.58 ✓	593.96 ✓	7,593.65 ✓
Premium Previously Billed	16,906.76	76.05	1,306.40	18,289.21 ✓
Additional Premium due and now Payable Returns $\frac{(13)X - (12)X}{(13) - (12)}$	-9,941.65	-41.47	-712.44	-10,695.56

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

(Name of Insurance Company)

By _____
Vice President

76

GENERAL POLICY INSURANCE POLICY
The Travelers Insurance Company
 (Name of Insurer)

CONTINUATION OF POLICY PREMIUM

Policy Numbers

Name of Insured: _____

WUOB-1211074
 WSA-1211076
 WSLG-1211075
 Policy
 Period: from 11/15/74 to 11/15/74
 Valuation Date: 11/15/74

Address: _____
 City: _____
 State: _____
 Government: _____

	(1) Premium	(2) Amount for Bodily Injury and Property Damage	(3) Amount Responsibility	(4) Total (1)-(2)-(3)
Standard Premium	65,242.72	62.22		65,304.94
Premium Basis for Fixed Charges	(1) x .99 58,718.45 ✓	(1) 432.56	(1) 5,102.10	64,253.11
Fixed Charge Percentage	16.7	16.7	16.7	XXXX
Fixed Charge Amount (2)x(3)	9,805.98 ✓	72.24 ✓	862.07 ✓	10,740.29 ✓
Incurred Losses	813.51 ✓	-	-	813.51 ✓
Maintenance of Boards & Bureaus	1.008	-	-	XXXX
Losses Loaded For (5)	320.02	-	-	320.02
Adjusting Expense (5) x .12	97.62 ✓	-	-	97.62 ✓
Allocated Claim Expense	200.00 ✓	-	-	200.00 ✓
Expense Portion of Premium (4) + (8) + (9)	10,103.60 ✓	72.24 ✓	862.07 ✓	11,037.91 ✓
Tax Multiplier	1.040	1.034	1.034	XXXX
Expense Portion Loaded For Taxes (10) x (11)	10,507.74 ✓	74.70 ✓	891.58 ✓	11,473.02 ✓
Gross adjusted Premium (7) + (12)	11,327.76 ✓	74.70 ✓	891.58 ✓	12,293.04 ✓
Max. Prem. excl. Tax Multiplier	58,718.45	389.30 ✓	4,613.89 ✓	63,721.64 ✓
Max. Prem. incl. Tax (If 14 is greater than 13, this line need not be calculated)				
Premium Previously Billed	32,621.36 ✓	216.28 ✓	2,581.05 ✓	35,418.59 ✓
Premium (16) - (13)	-21,293.60 ✓	-21.58 ✓	-1,689.07 ✓	-23,004.25 ✓

2140
Reduction
Bureau
27-44

ROYAL INDEMNITY COMPANY

150 William Street
New York

PROVISIONAL COMPUTATION OF PREMIUM

Policy Numbers

Name of Risk **CLINTON LABORATORIES**

756250
1340

Location of Operation
OAK RIDGE, TENNESSEE

Policy Period: from 3-1-43 to 7-2-45
Valuation Date 8-15-45

Government Agency
Government Contract Number **W-7405-EN0-39**

Item	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+ (c)
1 Standard Premium	321093.04	9369.86 4372.80	23468.56 10952.68	369256.94
2 Fixed Charge Amount	21750.00	630.85 294.15	1585.65 739.35	25000.00
3 Incurred Losses	18176.17	347.21 6495.73	NIL	25019.11
4 Modified Losses 1.12	20357.31	388.87 7275.22	NIL	28021.40
5 Allocated Claims Expense	29.00	NIL	NIL	29.00
6 Industrial Commis- sion Assessments Kan., Md., or N.Y. Show Computation below	X	X	X	X
7 Indicated Premium (2)+(4)+(5)+(6)	42136.31	1019.72 7569.37	1585.65 739.35	53050.40
8 Tax Multiplier	1.050	1.029 1.024	1.029 1.024	XXX
9 Gross Adjusted Premium (7)x(8)	44243.12	8800.32	2388.72	55432.16
10 Premium Previous- ly Billed	169734.02	7271.33	18210.62	195215.97
11 Turn of Additional Prem- ium due and now payable (10)-(9)	125490.90	1528.99	15821.90	139783.81

(10)-(9)

Return

App C-9

GLOBE INDEMNITY COMPANY

150 William Street
New York

PERIODICAL COMPUTATION OF EARNED PREMIUM

UC 78-~~827~~ Policy Numbers
GX 500356

Name of Risk REGENTS of the UNIVERSITY
of CALIFORNIA

Location of Operations SANTA FE,
NEW MEXICO

Policy Period: from 3-12-43 to 9-12-45
Valuation Date 9-29-45

Government Agency _____
Government Contract Number W-7405-ENG-36

Item		(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b) +(c)
1	Standard Premium	227918.89	Included in General Liability	27507.23	255426.12
2	Fixed Charge Amount	16948.00		2052.00	19000.00
3	Incurred Losses	18068.90		NIL	18068.90
4	Modified Losses ^{1.15}	20779.23		NIL	20779.23
5	Allocated Claims Expense	775.25		NIL	775.25
6	Industrial Commis- sion Assessments Kan., Md., or N.Y. Show Computation below	x		x	x
7	Indicated Premium (2)+(4)+(5)+(6)	38502.48		2052.00	40554.48
8	Tax Multiplier	1.029		1.024	XXX
9	Gross Adjusted Premium (7)x(8)	39619.05		2101.25	41720.30
10	Premium Previous- ly Billed	246668.89		29382.23	276051.12
11	Additional Prem- ium due XXXXXX payable (12)-(13)	NIL		NIL	NIL

(10)-(9)

App C-10

COMPREHENSIVE INSURANCE RATING PLAN

United States Fidelity & Guaranty Co.

(Name of Carrier)

Corrected Exhibit
I and IA as required
U.S. Engineer
Office.

COMPUTATION OF EARNED PREMIUM First Interim

Policy Numbers

Name of Risk Tennessee Eastman Corporation

C.P.F.F. Contractor with U.S.A. etc.

Location of Operations Kinzsport, Tennessee

Government Agency War Department

Government Contract Number W-3401-eng-23

Policy Periods from 1-1-44 to 1-1-45
Valuation Date April 10, 1945.

	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
Standard Premium <u>1-1-44 to 1-1-44</u> <u>1-1-44 to 1-1-45</u>	1,194,027.93	74,626.68	74,626.68	1,343,281.32
Premium Base for Determination of Fixed Charges	(1) X .88 X 1,194,027.93	(1) 74,626.68	(1) 74,626.68	(1) 1,343,281.32
Fixed Charge Percentage	(See Endorsement No. 3)			XXXX
Fixed Charge Amount (2) X (3)	7,032.50	523.75	523.75	8,080.00
Inurred Losses	53,567.73	5,119.26	27.00	58,714.01
Modified Losses (5) X 1.12 1.15 Comp. 1.12 Others	61,602.89	5,733.59	30.24	67,366.72
Allocated Claims Expense	1,671.50	125.00	--	1,696.50
Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	--	--	--	--
Indicated Premium (4)+(6)+(7)+(8) Excluding Tax Multiplier	130,350.39	10,145.34	4,316.99	145,313.22
Maximum Premium Excluding Tax Multiplier	1,213,556.71	75,847.19	75,847.21	1,365,251.19
Tax Multiplier	1.076	1.022	1.029	XXXX
Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total [Col. (d)]	137,331.91	10,439.55	4,443.18	152,214.64
Premium Previously Billed	674,298.27	42,137.33	42,137.33	758,573.33
Additional Return Premium due and now Payable (12)-(13) (13)-(12)	537,000.00	31,697.78	37,694.15	606,391.93

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____

_____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

X 39458 Revised Refund Schedule.

J.E.C. issued check No. 108411
dated 7-6-45 To Treas. of U.S.

(Name of Insurance Company)

By _____ Vice President

for \$ 588,228.33 - Cash right on this J.E. covers Release of Refund \$ 17,912.15 (see 59458)

COMPREHENSIVE INSURANCE RATING PLAN

(Name of Carrier)
COMPUTATION OF EARNED PREMIUM

Policy Numbers
1-1-1-1-1
1-1-1-1-1

Name of Risk Rocky Mountain Chemical Company

Location of Operations Clinton, Tennessee

Policy period: from 5-2-44 to 2-3-45
 Valuation Date 9-25-45

Government Agency War Department
 Government Contract Number D-7105 Sub. 252

	(a) Compensation and Employers' Liability	(b) Automobile Bodily Injury and Property Damage	(c) General Liability	(d) Total (a)+(b)+(c)
Standard Premium	2,592.60	97.23	226.85	2,916.68
Premium Base for Determination of Fixed Charges	(1) X .90	(1)	(1)	
Fixed Charge Percentage	"	"		XXXX
Fixed Charge Amount (2) X (3) Special	1,333.00	50.00	117.00	1,500.00
Incurred Losses	-	-	-	-
Modified Losses (6) X (7) 1.15	-	-	-	-
Allocated Claims Expense	..	-	-	-
Industrial Commission Assessments Kans., Md., or N. Y. Show Computation below	-	-	-	-
Indicated Premium (4) + (6) + (7) + (8) Excluding Tax Multiplier	1,333.00	50.00	117.00	1,500.00
Maximum Premium Excluding Tax Multiplier	2,333.34	87.51	204.17	2,625.02
Tax Multiplier derived by formula	1.050	1.024	1.024	XXXX
Gross Adjusted Premium (9) X (11) or (10) X (11) whichever is the less in total. [Col. (d)]	1,399.65	51.20	119.81	1,570.66
Premium Previously Billed including deposits	3,402.60	127.23	297.85	3,827.68
Additional Premium due and now Payable (12) - (13) Return (13) - (12)	2,002.95	75.03	178.04	2,257.02

CERTIFICATION FOR FINAL SETTLEMENT

This is to certify that the above bill is correct and just; that payment therefor has not been received; that the amount of this bill represents the insurance premium computed in accordance with the _____ Insurance Rating Plan attached to and made a part of the policy described therein; that _____ dollars is the correct and proper charge for premium on said policies due at this time in final settlement on said policies and excludes the amounts heretofore paid as deposit and periodical premiums; that the fixed charge, modified losses, allocated claims expense, together with the application of the proper tax multiplier as applied to the proper computation of premium as prescribed in the _____ Insurance Rating Plan Endorsement are based upon only the work done under the contractor's obligations to the Government under contract No. _____

DECLARATORY SETTLEMENT STATEMENT

(Name of Insurance Company)

By _____
 Vice President

MANHATTAN DISTRICT HISTORY

BOOK I - GENERAL

VOLUME 6 - INSURANCE PROGRAM

APPENDIX "D"

STATUTORY DATA

<u>No.</u>	<u>Title</u>
1.	Synopsis - Workmen's Compensation Laws.
2.	Workmen's Compensation Law, State of Tennessee.

	AGREEMENTS		ALIENS	APPEALS TO BOARD	APPEALS TO COURT	COMMISSION	COMMUTATION PER CE	DOMESTICS	FARM LABORERS AND ELECTIVE VOLUNTEERS OR COMPULSORY	ELECTION - HO.	EMPLOYMENTS CON	EXTRA TERRITORY	FACIAL DISFIGURE	HERNIA	NOTICE OF CLAIM	NOTICE OF INJURY	OCCUPATIONAL	POST	PRINC
ALABAMA	Yes	No	-	30	No	6	ELEC.	ELEC.	PRE-SUMED	5 OR MORE	YES	YES	5	1	5 TO 90	BY	?	?	?
ARIZONA	Yes	60% OF TOTAL	-	30	Yes	?	ELEC.	ELEC.	PRE-SUMED	3	YES	YES	5	1	AT ONCE	BY	?	?	?
ARKANSAS	Yes	50% OF TOTAL	-	30	Yes	4	ELEC.	COMP.	NO PROV.	5 OR MORE	YES	YES	5	1	60	*	YES	YES	YES
CALIFORNIA	Yes	?	20	30	Yes	6	ELEC.	COMP.	FILING	ALL	YES	YES	5	1	30	YES	YES	NO	YES
COLORADO	Yes	25% OF TOTAL	15	20	Yes	4	ELEC.	ELEC.	PRE-SUMED	4 OR MORE	YES	YES	2	1	2	BY	?	?	?
CONNECTICUT	Yes	YES	-	10	Yes	4	YES	ELEC.	PRE-SUMED	5 OR MORE	YES	YES	1	1	YEAR	YEAR	YES	NO	YES
DELAWARE	Yes	50% OF TOTAL	-	10	Yes	5	NO		PRE-SUMED	3 OR MORE	YES	NO	NO	1	90	*	YES	YES	NO
DIST. OF COLUMBIA	Yes	50% TO SOME	-	30	Yes	4	NO	COMP.	NO PROV.	ALL	YES	YES	1	30	YES	YES	YES	NO	YES
FLORIDA	Yes	50% MAX \$1000	7	20	Yes	4	ELEC.	COMP.	PRE-SUMED	3 OR MORE	YES	YES	5	1	30	BY	?	?	?
GEORGIA	Yes	\$1,000	7	30	Yes	5	ELEC.	ELEC.	PRE-SUMED	10 OR MORE	YES	NO	NO	1	30	BY	?	?	?
IDAHO	Yes	75% OF TOTAL	30	30	Yes	4	ELEC.	COMP.	PRE-SUMED	ALL	YES	YES	4	1	60	*	YES	YES	YES
ILLINOIS	Yes	50% TO SOME	15	20	Yes	3	ELEC.	ELEC.	FILING	ALL	YES	YES	4	1	30	YES	YES	YES	YES
INDIANA	Yes	YES BY DECISION	7	30	Yes	3	ELEC.	ELEC.	PRE-SUMED	ALL	YES	YES	2	30	YES	NO	YES	YES	YES
IOWA	Yes	50% OF TOTAL	10	30	Yes	5	NO	ELEC.	PRE-SUMED	ALL	YES	NO	NO	2	90	BY	?	?	?
KANSAS	Yes	MAX \$750	-	20	Yes	?	ELEC.	ELEC.	PRE-SUMED	5 OR MORE	YES	NO	YES	10	10	BY	?	?	?
KENTUCKY	Yes	50% OF TOTAL	7	20	Yes	5	ELEC.	ELEC.	FILING	3 OR MORE	YES	YES	3	1	1	*	YES	YES	YES
LOUISIANA	Yes	NO PROV.	NO	NO	NO	6	ELEC.	ELEC.	PRE-SUMED	HAZ. BY OTHERS	YES	YES	2	2	6 MO TO 2 YEARS	BY	?	?	?
MAINE	Yes	50% TO SOME	-	20	Yes	5	ELEC.	ELEC.	FILING	6 OR MORE	YES	NO	NO	1	30	BY	?	?	?
MARYLAND	Yes	75% OF TOTAL	-	30	Yes	5	ELEC.	VOL. C-HAZ	NOTICE	ALL	YES	YES	3	1	30	YES	NO	YES	NO
MASSACHUSETTS	Yes	YES BY DECISION	7	10	Yes	3	ELEC.	ELEC.	NOTICE	ALL	YES	NO	NO	6	6	YES	?	?	?
MICHIGAN	Yes	66% OF TOTAL	10	30	Yes	5	ELEC.	ELEC.	FILING	ALL	YES	NO	YES	6	3	*	YES	YES	YES
MINNESOTA	Yes	YES	30	30	Yes	5	ELEC.	COMP.	PRE-SUMED	ALL	YES	YES	6	14 TO 90	*	?	?	?	?
MISSOURI	Yes	NO PROV.	10	30	Yes	4	ELEC.	ELEC.	PRE-SUMED	10 OR MORE	YES	YES	4	1	30	ELEC.	NO	YES	YES
MONTANA	Yes	40-50% OF TOTAL	20	30	Yes	5	ELEC.	ELEC.	NOTICE	ALL	BY DECISION	NO	NO	1	30	BY	?	?	?
NEBRASKA	Yes	66% OF TOTAL	14	30	Yes	5	ELEC.	ELEC.	PRE-SUMED	ALL	BY DECISION	NO	YES	6	6	BY	?	?	?
NEW HAMPSHIRE	Yes	NO PROV.	NO	NO	NO	?	NO	ELEC.	FILING	ALL HAZ 5 OR MORE	?	NO	BY	6	6	BY	?	?	?
NEW JERSEY	Yes	YES	-	30	Yes	5	?	ELEC.	PRE-SUMED	ALL	BY DECISION	ACCI.	POINTS	2	90	*	YES	YES	NO
NEW MEXICO	Yes	NO	NO	NO	NO	-	ELEC.	ELEC.	PRE-SUMED	4 OR MORE	BY DECISION	YES	4	60	BY	?	?	?	?
NEW YORK	Award	50% OF TOTAL	20	30	Yes	3	ELEC.	ELEC.	PRE-SUMED	ALL	YES	YES	5	30	YES	YES	YES	YES	YES
NORTH CAROLINA	Yes	YES	7	30	Yes	3	ELEC.	ELEC.	PRE-SUMED	5 OR MORE	YES	YES	5	1	30	YES	YES	?	?
OKLAHOMA	Yes	50% OF TOTAL	10	20	Yes	3	NO	C-HAZ	-	2 OR MORE	NO	YES	2	1	30	YES	YES	YES	YES
PENNSYLVANIA	Yes	NO	20	20	Yes	5	ELEC.	ELEC.	PRE-SUMED	ALL	YES	YES	3	1	90	*	NO	YES	NO
RHODE ISLAND	Yes	NO PROV.	-	10	Yes	5	ELEC.	ELEC.	NOTICE	4 OR MORE	YES	NO	NO	1	30	YES	YES	NO	NO
SOUTH CAROLINA	Yes	50% OF TOTAL	14	30	Yes	?	ELEC.	ELEC.	PRE-SUMED	SPECIFIED	YES	YES	5	1	30	BY	?	?	?
SOUTH DAKOTA	Yes	NO	10	-	Yes	5	ELEC.	ELEC.	PRE-SUMED	ALL	YES	YES	NO	1	30	BY	?	?	?
TENNESSEE	Yes	YES	NO	?	NO	6	NO	ELEC.	PRE-SUMED	5 OR MORE	YES	NO	?	1	30	BY	?	?	?
TEXAS	Yes	YES	-	20	Yes	6	NO	ELEC.	NOTICE	3 OR MORE	YES	YES	3	6	30	BY	?	?	?
UTAH	Yes	50% OF TOTAL	30	30	Yes	4	ELEC.	COMP.	PRE-SUMED	5 OR MORE	YES	YES	NO	3	1	*	YES	YES	NO
VERMONT	Yes	NO PROV.	-	10	Yes	4	ELEC.	ELEC.	PRE-SUMED	11 OR MORE	YES	NO	YES	6	6	BY	?	?	?
VIRGINIA	Yes	MAX \$1,000	7	30	Yes	5	ELEC.	ELEC.	PRE-SUMED	7 OR MORE	YES	YES	5	1	30	BY	?	?	?
WISCONSIN	Yes	?	20	30	Yes	3	ELEC.	COMP.	PRE-SUMED	3 OR MORE	BY DECISION	YES	YES	2	30	YES	NO	YES	NO
US LONGSHOREMEN & HARBORWORKERS	Yes	50% TO SOME	-	30	Yes	4	-	COMP.	NO PROV.	ALL	YES	YES	1	30	YES	YES	YES	YES	NO

NO COMPENSATION LAW IN MISSISSIPPI.

STATE FUND ONLY IN NEVADA

*LAW LISTS COMPENSABLE OCCUPATIONAL DISEASES.

? REF

TYPE OF LIMIT		COMMON LAW	VESTED RIGHT	WAITING PERIOD	PER CENT OF WAGE	MINIMUM RATE	MAXIMUM RATE	FUNERAL EXPENSE	DAYS	MONEY	WEEKS	MONEY	HEARING	HAND	ARM	FOOT	LEG	EYE	THUMB	1 ST FINGER	2 ND FINGER	3 RD FINGER	4 TH FINGER	SPECIFIC LOSSES IN WEEKS
Yes	No	7	No	55 TO 65	5.00	18.00	125.00	90	200.00	T 550 F 300	T 7950 F 6000	BOTH 150	150	200	125	175	100	60	45	30	20	15	ALABAMA	
Yes	No	7	14	65	NONE	NONE	150.00	NONE	NONE	T LIFE F 1000	NONE	20-40 Mos	20-40 Mos	20-40 Mos	40	50	30-35	18	9	7	4	ARIZONA		
Yes	?	7	28	65	7.00	20.00	250.00	NONE	NONE	T LIFE F 450	T 7000	40	150	150	200	125	175	100	60	35	30	20	15	ARKANSAS
Yes	No	7	No	65	6.00	25.00	150.00	NONE	NONE	T LIFE	T NONE F 6000	?	?	?	?	?	?	?	?	?	?	?	?	CALIFORNIA
Yes	Yes	10	No	50	3.00	14.00	125.00	4 Mos	500.00	T LIFE	T 1820 F 4378	35 139	104	208	139	104	208	139	88	32	18	11	13	COLORADO
Yes	Yes	7	21	50	7.00	25.00	200.00	NONE	NONE	T 520	T 13000	52 186	175	225	156	208	208	60	38	30	25	20	CONNECTICUT	
Yes	Yes	7	28	60	8.00	18.00	175.00	NONE	NONE	T 450 F 300	T 8100 F 5400	52 104	200	220	150	220	125	60	35	30	20	15	DELAWARE	
Yes	Yes	7	AFTER 49	66 2/3	8.00	25.00	200.00	NONE	NONE	T NONE F 5 YRS	T 7500	52 200	212	280	173	248	140	51	28	18	17	7	DIST. OF COLUMBIA	
Yes	?	4	No	60	6.00	18.00	150.00	NONE	1000	T 350	F 5000	40 130	150	200	125	175	100	60	35	30	20	15	FLORIDA	
Yes	No	7	No	50	4.00	20.00	100.00	NONE	500	T 350 F 300	T 7000 F 1000	BOTH 150	150	200	125	175	100	60	35	30	20	15	GEORGIA	
Yes	NO PROV.	7	YES	MIN 50	6.00	16.00	200.00	NONE	NONE	T LIFE	T NONE	35 115	200	?	125	180	140	70	40	40	30	20	IDAHO	
Yes	Yes	6	AFTER 30	55 TO 71.5	8.20	22.00	No DEP 150.00	NONE	NONE	T LIFE	T NONE F 6050	50 125	170	225	135	190	120	70	40	35	25	20	ILLINOIS	
Yes	Yes	7	No	55	8.00	16.00	150.00	90	NONE	T 500 F 300	T 5000	BOTH 200	200	250	150	200	150	60	40	35	30	20	INDIANA	
Yes	No	14	Yes	60	6.00	15.00	150.00	NONE	600.	T 400 F 300	T 6000 F 4500	50 150	150	225	125	200	200 100	40	30	25	20	15	IOWA	
Yes	No	7	No	60	6.00	18.00	150.00	60	500	T 8 YRS F 418 W	T 7470 F 4000	25 100	150	210	125	200	110	60	37	30	20	15	KANSAS	
Yes	Yes	7	AFTER 28	65	5.00	15.00	150.00	90	200.	T 18 YRS F 230 W F 280 W	F 4800 F 4800	No	150	200	125	200	100	60	45	30	20	15	KENTUCKY	
Yes	No	7	42	65	3.00	20.00	100.00 +50.00	NONE	250.	T 400 F 300	T 8000 F 6000	No	150	200	125	175	100	50	30	20	20	20	LOUISIANA	
Yes	Yes	7	No	66 2/3	6.00	18.00	250.00	NONE	NONE	T 500 F 300	T 6000 F 4000	No	125	150	125	150	100	50	30	25	18	15	MAINE	
Yes	Yes	3	No	66 2/3	8.00	20.00	125.00	NONE	500.	T 6 YRS F 416	P 3816	50 100	166	212	150	212	160	50	30	25	20	15	MARYLAND	
Yes	No	7	14	66 2/3	PP 10% PP 10%	20.00 PP 10%	250.00	NONE	NONE	T LIFE	T NONE F 4500	No	75 80	50	50	50	40 25	12	12	12	12	12	MASSACHUSETTS	
Yes	No	7	42	66 2/3	7.00	18.00	200.00	90	NONE	T 500 F 300	T 9000 F 5400	No	150	200	125	175	100	60	35	30	20	15	MICHIGAN	
Yes	No	7	28	66 2/3	8.00	20.00	150.00	NONE	NONE	T LIFE F 300	T 10000 F 7500	52 156	175	200	150	200	100	60	35	30	20	15	MINNESOTA	
Yes	No	3	AFTER 28	66 2/3	6.00	20.00	150.00	NONE	NONE	T LIFE	T 8000 F 13845	44 160	160	212	150	207	118 108	38 35	48 40	38 30	27 16	22	MISSOURI	
Yes	No	7	14	66 2/3	8.00	21.00	150.00	6 Mos	500	T 500 F 400	T 10500 F 8400	20 120	150	200	125	200	120 100	60 30	30 20	30 18	20 12	9	MONTANA	
Yes	No	7	42	66 2/3	6.00	15.00	150.00	NONE	NONE	T LIFE F 325	T NONE F 4875	50 100	175	225	150	215	125	60	35	30	20	15	NEBRASKA	
No	No	7	7	50	8.00	18.00	No DEP 200.00	60	NONE	T 300	T 5400	42 170	140	170	120	170	100	40	25	20	15	10	NEW HAMPSHIRE	
Yes	Yes	7	AFTER 49	66 2/3	10.00	20.00	150.00	NONE	NONE	T LIFE	T NONE	40 160	175	230	125	175	100	60	40	30	20	15	NEW JERSEY	
Yes	NO PROV.	7	No	60	10.00	18.00	150.00	NONE	400	T 550 F 300	T 9900 F 5400	35 135	110	180	100	180	125 110	50 30	28 20	18 10	12	12	NEW MEXICO	
Yes	Yes	7	AFTER 35	66 2/3	8.00	25.00	200.00	NONE	NONE	T LIFE F ..	T NONE	60 180	244	312	205	288	160	75	46	30	25	15	NEW YORK	
Yes	Yes	7	AFTER 28	60	7.00	18.00	200.00	NONE	NONE	T 400 F 350	T 6000	70 180	150	200	125	175	100	60	35	30	20	15	NORTH CAROLINA	
Yes	Yes	5	No	66 2/3	8.00	18.00	NONE	NONE	NONE	T 500	T 9000	BOTH 3000	200	250	150	175	100	60	35	30	20	15	OKLAHOMA	
Yes	No	7	No	66 2/3	9.00 5.00	18.00	200.00	60	150 + No DEP	T 500 F 300	T 7500 F 5400	BOTH 180	175	215	150	215	125	60	35	30	20	15	PENNSYLVANIA	
Yes	No	3	AFTER 14	60	12.00 P 4.00	20.00 P 18.00	300.00	NONE	300 500	T 1000 F 600	T 12000	No	199	255	150	255	120	60	36	26	20	18	RHODE ISLAND	
Yes	Yes	3	AFTER 14	60	5.00	25.00	200.00	NONE	NONE	T 500 F 350	T 6000	70 180	150	200	125	175	100	60	35	30	20	15	SOUTH CAROLINA	
Yes	NO PROV.	7	42	55 TP 50	7.00	15.00	No DEP 150.00	140	300.	T 6 YRS F 300	T 3000	No	150	200	125	160	100	50	35	30	20	15	SOUTH DAKOTA	
Yes	No	7	28	60	7.00	18.00	150.00	3 Mos	300 +200	T 350 F 300	T 5000	BOTH 150	150	200	125	175	100	60	35	30	20	15	TENNESSEE	
Yes	Yes	7	28	60	7.00	20.00	250.00	91	NONE	T 401 F 360	T 8020 F 7200	BOTH 150	180	200	125	200	100	60	45	30	21	15	TEXAS	
Yes	?	3	No	60	7.00	16.00 +25%	150.00	NONE	NONE	T LIFE F 6 YRS	T NONE F 7500	No	150	200	125	180	120 100	60 30	30 20	20 18	12 9	9	UTAH	
Yes	Yes	7	No	50	7.00	15.00	100.00	14 30	150 +50	T 260	T 3900	BOTH 170	140	170	120	170	100	40	25	20	15	10	VERMONT	
Yes	Yes	7	AFTER 42	55	6.00	18.00	150.00	240	300 500	T 500 F 300	T 7000 F 5500	50 170	150	200	125	175	100	60	35	30	20	15	VIRGINIA	
Yes	Yes	3	AFTER 11	70 FAT 50	PP 10% PP 10%	21.00	200.00	NONE	NONE	T LIFE	T NONE	50 333 2/3	333 2/3	500	250	425	278 250	125 100	50 35	40 25	30 15	30 16	WISCONSIN	
Yes	Yes	7	AFTER 49	66 2/3	8.00	25.00	200.00	NONE	NONE	T NONE F 5 YRS	T 7500	52 200	212	280	173	248	140	51	28	18	17	7	U.S. LONGSHOREMEN HARBORWORKERS	

DAKOTA, OHIO, OREGON, WASHINGTON, WEST VIRGINIA AND WYOMING
 W
 Edwin H. Main 1/1/1913

P A Y M E N T S

S.M.A. LIMITS COMP. LIMITS SPECIFIC LOSSES IN WEEKS

MINIMUM RATE	MAXIMUM RATE	FUNERAL EXPENSE	DAYS	S.M.A. LIMITS		COMP. LIMITS				SPECIFIC LOSSES IN WEEKS				STATE				
				MONEY	WEEKS	MONEY	HEARING	HAND	ARM	FOOT	LEG	EYE	THUMB		1 ST FINGER	2 ND FINGER	3 RD FINGER	4 TH FINGER
8.00	125.00	90	200.00	T 550 F 300	T 7950 F 6000	BOTH 150	150	200	125	175	100	60	45	30	20	15	ALABAMA	
10.00	150.00	NONE	NONE	T LIFE F 1000	NONE	20-44 Mos	20-44 Mos	20-44 Mos	40	50	30-35 Mos	18	9	7	5	4	ARIZONA	
10.00	250.00	NONE	NONE	T 450 F 350	T 7000 F ?	40	150	150	200	125	175	100	60	35	30	20	15	ARKANSAS
15.00	150.00	NONE	NONE	T LIFE	T 6000 F ?	?	?	?	?	?	?	?	?	?	?	?	CALIFORNIA	
14.00	125.00	4 Mos	500.00	T LIFE	T 1820 F 4375	35 139	104	208	139	104	208	139	85	35	18	11	13	COLORADO
15.00	200.00	NONE	NONE	T 520	T 13000	82 156	175	225	156	200	200	60	38	30	25	20	CONNECTICUT	
8.00	175.00	NONE	NONE	T 450 F 300	T 8100 F 5400	52 104	200	220	150	220	125	60	35	30	20	15	DELAWARE	
15.00	200.00	NONE	NONE	T 500 F 300	T 7500 F ?	52 200	212	280	173	240	140	51	28	18	17	7	DIST. OF COLUMBIA	
8.00	150.00	NONE	1000	T 350 F ?	T 5000 F ?	40 130	150	200	125	175	100	60	35	30	20	15	FLORIDA	
10.00	100.00	NONE	500	T 350 F 300	T 1000 F 1000	BOTH 150	150	200	125	175	100	60	35	30	20	15	GEORGIA	
16.00	200.00	NONE	NONE	T LIFE	T NONE	35 115	200	240	125	180	140	70	40	30	20	15	IDAHO	
12.00	150.00	NONE	NONE	T LIFE	T NONE F 6050	50 125	170	225	135	190	120	70	40	35	25	20	ILLINOIS	
6.00	150.00	90	NONE	T 500 F 300	T 5000	BOTH 200	200	250	150	200	150	60	40	35	30	20	INDIANA	
5.00	150.00	NONE	600	T 400 F 300	T 6000 F 4500	50 150	150	225	125	200	200	40	30	25	20	15	IOWA	
8.00	150.00	60	100 500	T 8 YRS F 415 WK	T 7470 F 4000	25 100	150	210	125	200	110	60	37	30	20	15	KANSAS	
5.00	150.00	90	200	T 10 YRS F 225 WK	T 4800 F 4800	No	150	200	125	200	100	60	45	30	20	15	KENTUCKY	
10.00	100.00 +50.00	NONE	250	T 400 F 300	T 8000 F 6000	No	150	200	125	175	100	50	30	20	20	20	LOUISIANA	
8.00	250.00	NONE	NONE	T 500 F 300	T 6000 F 4000	No	125	150	125	150	100	50	30	25	18	15	MAINE	
10.00	125.00	NONE	500	T 6 YRS F 416	T 3816	50 100	166	212	150	212	160	50	30	25	20	15	MARYLAND	
10.00	250.00	NONE	NONE	T LIFE	T NONE F 4500	No	75 80	80	50	50	50	40 25	20 12	12	12	12	MASSACHUSETTS	
8.00	200.00	90	NONE	T 500 F 300	T 9000 F 5400	No	150	200	125	175	100	60	35	30	20	15	MICHIGAN	
20.00	150.00	NONE	NONE	T LIFE F 300	T 10000 F 7500	52 156	175	200	150	200	100	60	35	30	20	15	MINNESOTA	
20.00	150.00	NONE	NONE	T LIFE F 8000	T 13845 F 13845	44 165	160	212	150	207	110 100	60 35	45 40	35 30	25 20	22 16	MISSOURI	
21.00	150.00	6 Mos	500	T 500 F 400	T 18300 F 8400	20 120	150	200	125	200	120	60	30	20	20	12	MONTANA	
15.00	150.00	NONE	NONE	T LIFE F 325	T NONE F 4875	50 100	175	225	150	215	125	60	35	30	20	15	NEBRASKA	
18.00	No Dep 200.00	60	NONE	T 500 F 300	T 5400	42 170	140	170	120	170	100	40	25	20	15	10	NEW HAMPSHIRE	
20.00	150.00	NONE	NONE	T LIFE	T NONE	40 160	175	230	125	175	100	65	40	30	20	15	NEW JERSEY	
18.00	150.00	NONE	400	T 550 F 300	T 9900 F 5400	35 135	110	180	100	180	125 110	50 30	25 20	18 15	15 10	12	NEW MEXICO	
25.00	200.00	NONE	NONE	T LIFE	T NONE	60 150	244	312	205	288	160	75	46	30	25	15	NEW YORK	
18.00	200.00	NONE	NONE	T 400 F 300	T 6000	70 150	150	200	125	175	100	60	35	30	20	15	NORTH CAROLINA	
8.00	NONE	NONE	NONE	T 500	T 9000	BOTH 3000	200	250	150	175	100	60	35	30	20	15	OKLAHOMA	
18.00	200.00	60	150 + 1000	T 500 F 300	T 7500 F 5400	BOTH 150	175	215	150	215	125	60	35	30	20	15	PENNSYLVANIA	
20.00	300.00	NONE	300	T 1000 F 600	T 12000	No	199	255	150	255	120	60	36	26	20	18	RHODE ISLAND	
25.00	200.00	NONE	NONE	T 500 F 350	T 6000	70 150	150	200	125	175	100	60	35	30	20	15	SOUTH CAROLINA	
15.00	No Dep 150.00	140	300	T 7 YRS	T 3000	No	150	200	125	160	100	50	35	30	20	15	SOUTH DAKOTA	
18.00	150.00	3 Mos	300 + 200	T 400 F 300	T 5000	BOTH 150	150	200	125	175	100	60	35	30	20	15	TENNESSEE	
20.00	250.00	91	NONE	T 401 F 360	T 8020 F 7200	BOTH 150	150	200	125	200	100	60	45	30	21	15	TEXAS	
16.00	25.00	150.00	NONE	T LIFE F 6 YRS	T NONE F 7500	No	150	200	125	180	120	40	30	20	15	12	UTAH	
15.00	100.00	14 30	150 + 50	T 260 F 200	T 3900 F 3500	BOTH 170	140	170	120	170	100	40	25	20	15	10	VERMONT	
18.00	150.00	240	300 500	T 800 F 300	T 7000 F 5400	50	150	200	125	175	100	60	35	30	20	15	VIRGINIA	
21.00	200.00	NONE	NONE	T LIFE	T NONE	50 135	333	500	250	425	278 250	125 100	50 35	40 25	30 15	30 16	WISCONSIN	
25.00	200.00	NONE	NONE	T NONE	T 7500	52	212	280	173	240	140	51	28	18	17	7	US LONGSHOREMEN & MARINE INSURANCE CO	

Workmen's Compensation Law

of the

STATE OF TENNESSEE

with

Digest, Annotations and Supplementary Laws

Revised to August, 1945

App D-2

Workmen's Compensation Law

of the

State of Tennessee

with

Digest, Annotations and Supplementary Laws

Revised to August, 1945

Copyright, 1945, by
ASSOCIATION OF CASUALTY AND SURETY EXECUTIVES
New York 7, N. Y.

CONTENTS

	PAGE
Effect of 1945 Amendments	3
Digest of the Workmen's Compensation Law	4
Text of the Workmen's Compensation Law	33
Extracts from Code re Department of Labor	55
Extracts from Code re Taxation of Insurers	55
Extracts from Code re Accident Reporting	56
Extracts from Code Giving Grand Juries Inquisitorial Powers over Certain Violations of the Workmen's Compensation Law	57

TOPICAL HEADINGS AND NUMBERS IN DIGEST OF THE LAW

1. Title, When Effective, etc.	26. Modification of Agreements and Awards
2. System Provided For	27. Commutations
3. How Elected	28. Assignments and Exemptions
4. How Election Changed	29. Lien or Preference
5. Alternative Liability	30. How Compensation Secured
6. Employments Covered	31. Insurance
7. Extra-Territorial Effect	(a) <i>General Provisions</i>
8. Injuries Covered	(b) <i>Stock Companies</i>
9. Occupational and Other Diseases	(c) <i>Mutual Insurance, etc.</i>
10. Notice of Injury and Claim for Compensation	(d) <i>State Insurance</i>
11. Compensation for Total Disability	(e) <i>Regulation of Rates, Reserves, etc.</i>
12. Compensation for Partial Disability	(f) <i>Special Taxation of Compensation Premiums</i>
13. Compensation for Death	32. Where Injury is Caused by Third Party
14. Waiting Period	33. Principal, Contractor and Sub-Contractor
15. Medical and Surgical Aid	34. Suits for Damages
16. Effect of Previous Disability	35. Contracting Out and Substitute Benefit Schemes
17. Average Wages—How Computed	36. Posting Notices
18. Who Are Dependents	37. Reports Required of Employer or Insurer
19. Non-Resident Alien Dependents	38. Penalties
20. Minors and Incompetent Persons	39. Attorneys' and Physicians' Fees
21. Medical Examinations	40. Prevention of Injuries
22. Method of Payments and Proceedings to Collect	41. Constitutionality
23. Settlement of Claims and Disputes	42. Miscellaneous
24. Appeals	
25. Evidence and Proof	

EFFECT OF 1945 AMENDMENTS TO THE TENNESSEE WORKMEN'S COMPENSATION ACT*

(Amendments effective July 1, 1945)

12. Compensation for Partial Disability.
13. Compensation for Death.
16. Effect of Previous Disability.
23. Settlement of Claims and Disputes.

12.—COMPENSATION FOR PARTIAL DISABILITY.

The employer or carrier shall pay \$10 in each case resulting in permanent partial disability into the "Second Injury Fund." (§6871, as amended by Chapter 149, Laws of 1945) See 16.—EFFECT OF PREVIOUS DISABILITY.

13.—COMPENSATION FOR DEATH.

The employer or carrier shall pay \$100 in each compensable death case into the "Second Injury Fund" (§6871, as amended by Chapter 149, Laws of 1945) See 16.—EFFECT OF PREVIOUS DISABILITY.

16.—EFFECT OF PREVIOUS DISABILITY.

Where permanent total disability results from the loss or loss of use of a member or organ ensuing upon the previous loss or loss of use of a hand, arm, foot, leg, eye or the loss of hearing of one ear, additional compensation to make the total equal to payments for total disability shall be payable from the "Second Injury Fund." The employer shall be liable only for the second injury. Employer or carrier shall pay \$100 in each compensable death case and \$10 in each case resulting in permanent partial disability into the "Second Injury Fund." (§6871, as amended by Chapter 149, Laws of 1945.)

23.—SETTLEMENT OF CLAIMS AND DISPUTES.

Settlements involving payments out of the "Second Injury Fund" shall be made only after making the State Treasurer a party defendant and the Attorney-General shall represent the latter. (§6877, as amended by Chapter 149, Laws of 1945.)

* See footnote on page 4.

DIGEST OF THE TENNESSEE WORKMEN'S COMPENSATION LAW*

1.—TITLE, WHEN EFFECTIVE, ETC.

Chapter 43 (§§6851-6901), Title XIV, Part 1, Code of Tennessee, 1932, entitled "Workmen's Compensation Law" (originally Chapter 123, Acts of 1919, effective April 15, 1919, as amended, modified or supplemented by Chapters 7 and 84, Acts of 1923, and Chapter 40, Acts of 1927). As further amended by Chapter 158, Acts of 1933; Chapters 20 and 90, Acts of 1941; Chapters 110, 117 and 120, Acts of 1943; and by Chapter 149, Acts of 1945. Latest amendment effective July 1, 1945. Supplemented by Sections 335, 337, 1248.125, 5364-5368, and 11583.1—11583.3 of Code of Tennessee 1932 as amended.

2.—SYSTEM PROVIDED FOR.

Employer's direct liability for compensation, elective (§§6853-6854), with insurance or proof of financial ability required of assenting employers (§6895). Supervised to some extent by Department of Labor, Division of Workmen's Compensation, Commissioner of Insurance and Banking (§§6854, 6884, 6889, 6895-7, 335, 337) and by Commissioner of Labor (§6900).

3.—HOW ELECTED.

Employer's acceptance is presumed in the absence of notice to the contrary, posted at place of business and duplicate filed with Department of Labor 30 days prior to accident, or at time of hiring (§§6853-6854). Employee's acceptance is presumed, in the absence of written or printed notice to the contrary, given to employer and duplicate, together with proof of service and affidavit that election was not influenced by employer, filed with Department of Labor 30 days prior to accident, or at time of hiring (§§6853-6854).

Infant employed in violation of labor law not bound by election of coverage—Manning v. American Clothing Co. (1922), 247 S. W. 103.

4.—HOW ELECTION CHANGED.

Either party may change his election by giving 30 days' notice as for rejection (§6854).

5.—ALTERNATIVE LIABILITY.

If employer does not accept, defenses of assumption of risks, fellow-servant's fault and contributory negligence, are abrogated in case of damage suit by employee, unless employee also has elected to reject the Act, in which case such defenses remain to employer (§§6862, 6864). If employer accepts, but employee rejects, defenses remain (§6863).

Common law defenses not available to non-accepting employer—Moore Coal Co. v. Brown (1933), 64 S. W. (2d) 3; accord—Shoaf v. Fitzpatrick (1939), 104 F. (2d) 290.

Common law defenses not available to employer who withdraws from Act prior to injury—Pearson Hardwood Flooring Co. v. Phillips (1938), 120 S. W. (2d) 973.

* The headings (together with their topical numbers) of this Digest conform in substance and order with those of the "Digest of Workmen's Compensation Laws" (published by the Association of Casualty and Surety Executives, Sixty John Street, New York 7, N. Y.)—so that the former supplements the latter.

Common law action against non-accepting employer maintainable unless employee applied for and received compensation—Cain v. Sisk (1934), 72 S. W. (2d) 1061.

6.—EMPLOYMENTS COVERED.

All private, where five or more are employed (§6852a, b) except casual, as defined, employees of common carriers engaged in interstate commerce, domestic servants and farm laborers. State, counties, etc., and employers who regularly employ less than five, may come under the Act by affirmative election (§6856). The exemption of common carriers is confined to those subject to employer's liability or workmen's compensation laws of the United States (§6856 (a), as amended by Chapter 120, Laws of 1943).

I. RELATION OF EMPLOYER AND EMPLOYEE.

(a) Employer Defined or Distinguished.

General and special employer—

Held employee of general employer: *Mechanic, working for purchaser of machine, sold by general employer, to instruct him in its use—Owen v. St. Louis Spring Co. (1940), 136 S. W. (2d) 498; laborer employed by city water department killed while performing emergency work for fire department—Travelers Ins. Co. v. Dudley (1943) 173 S. W. (2d) 142.*

Held employee of special employer: *Driver hired out with truck by regular employer—Wardreph v. Houston (1934), 76 S. W. (2d) 328.*

Public employment—

Held covered by Act: *City employee, where insurer had paid previous claims for injuries, although City had failed to elect to come within Act.—Travelers Ins. Co. v. Dudley (1943) 173 S. W. (2d) 142; reservoir carpenter working for university operating water system for itself and city for profit—Lincoln Memorial Univ. v. Sutton (1931), 43 S. W. (2d) 195.*

Held not covered by Act: *City policemen—Cornett v. City of Chattanooga (1933), 56 S. W. (2d) 742; employees of county not within Act unless county elects coverage—Bohannon v. Putnam County (1928), 7 S. W. (2d) 58.*

Principal and intermediary employer—

Held employee of principal: *Timber cutter—Finley v. Keisling, (1925), 270 S. W. 629; accord—Sledge v. Hunt (1928), 12 S. W. (2d) 529.*

(b) Employee Defined or Distinguished.

Employee or independent contractor—

Held employee: *Hauler of timber—Frost v. Blue Ridge Timber Corp. (1928), 11 S. W. (2d) 860; woodcutter—Mayberry v. Bon Air Chem. Co. (1930), 26 S. W. (2d) 148; rock loader in quarry—Bragg's Quarry v. Smith (1930), 33 S. W. (2d) 87; carpenter preparing lumber for lumber company—Marshall v. So. Pittsburg Lumber & Coal Co. (1932), 47 S. W. (2d) 553; painter—Welch v. Reiling (1936), 99 S. W. (2d) 216.*

Held independent contractor: *Woodcutter—Phillips v. Tennessee Eastman Corp. (1930), 26 S. W. (2d) 1051; insurance agent—Income Life Insurance Co. v. Mitchell (1935), 79 S. W. (2d) 572; commission salesman for candy company—Carter v. Hodges (1939), 132 S. W. (2d) 211.*

Member of firm or stockholder or officer of corporation—

Held employee: *Stockholder acting as officer and salaried manager of business—Ashup v. Murfreesboro Bread & Ice Cream Co.* (1933), 56 S. W. (2d) 746.

Held not to be employee: *Partner receiving wages—Gebbers v. Murfreesboro Laundry Co.* (1929), 15 S. W. (2d) 737; *stockholder acting as officer without salary—Alperin v. Eagle Indemnity Co.* (1935), 84 S. W. (2d) 101.

II. NATURE AND INCIDENTS OF EMPLOYMENT.

Employment of five or more—

Act applies to employers of five or more persons—Ezell v. Tipton (1924), 264 S. W. 355; *employees need not work at same place—Vantrease v. Smith* (1921), 227 S. W. 1023; *claimant entitled to compensation from principal with more than five employees although immediate employer not within Act by reason of non employment of such number—Maxwell v. Beck* (1935), 87 S. W. (2d) 564.

Department store employing more than five persons within Act—Scars Roebuck & Co. v. Starnes (1930), 26 S. W. (2d) 128.

Casual employees—

Held not "casual employment": *Yard hand—U. S. Rubber Products Co. v. Cannon* (1938), 113 (2d) 1184; *structural iron worker—Parks v. E. M. Carmell Co.* (1935), 79 S. W. (2d) 285.

Held "casual employment": *Erecting garage for person not in building trade—Murphy v. Gaylord* (1930), 28 S. W. (2d) 348; *painter's helper—Gibbons v. Roller Estates Inc.* (1931), 43 S. W. (2d) 198; *carpenter—Dancy v. Abraham Bros. Packing Co.* (1937), 102 S. W. (2d) 526.

Illegal or voidable contract—

Act applicable: *Minor employed as elevator operator in violation of municipal ordinance—Walsh v. Myer Hotel Company* (1930), 30 S. W. (2d) 225.

Act inapplicable: *Minor employed in violation of state labor law—Manning v. American Clothing Company* (1922), 247 S. W. 103.

Relief worker—

Employee of F.E.R.A. held not employee of city although latter contributed to cost of work—Shelton v. City of Greenville (1935), 87 S. W. (2d) 1016.

Interstate or intrastate commerce—

State Act applicable: *Employee of interstate railroad not engaged in interstate commerce at time of injury—Williams v. Carolina, C. & O. Ry. Co.* (1926), 289 S. W. 520; *conductor on freight train containing several cars recently used in interstate commerce—Tennessee Railroad Co. v. Chitwood* (1931), 43 S. W. (2d) 204; *locomotive fireman—Louisville & M. R. Co. v. Nichols* (1935), 80 S. W. (2d) 656; *employee of telegraph company engaged in interstate commerce—Western Union Tel. Co. v. Byrd* (1927), 294 S. W. 1099; *where carrier's answer did not raise question of interstate commerce,*

Supreme Court would not take cognizance of such issue—Standard Surty & Casualty Co. of N. Y. v. Sloan (1943) 173 S. W. (2d) 436.

State Act inapplicable: *Steamboat employee—Massengale v. Tennessee River Nav. Co.*, (1922), 240 S. W. 785.

State act inapplicable: *Railroad yard foreman—Tennessee Cent. Ry. Co. v. Pyle* (1941) 156 S. W. (2d) 381; *fireman on switch engine—Louisville & N. R. Co. v. Potts* (1942) 158 S. W. (2d) 729.

Involving question of admiralty jurisdiction—

State Act applicable: *Red Cross employee drowned during rescue above flooded land—American Red Cross v. Hinson* (1938), 112 S. W. (2d) 433.

Farm laborers—

Claim disallowed: *Nursery employee—Ginn v. Forest Nursery Co.* (1932), 52 S. W. (2d) 141; *person clearing land for farmer expanding farm—Robinson v. Stockley* (1933), 61 S. W. (2d) 677.

7.—EXTRA-TERRITORIAL EFFECT.

Act applies to injuries sustained outside the State, if contract of employment was made in the State and does not expressly otherwise provide (§6870).

Despite contract of employment made in Tennessee, employee, resident of North Carolina, may bring common law suit for injury in North Carolina—Farr v. Babcock Lumber and Land Co. (1921), 109 S. E. 833 (N. C.).

Resident of North Carolina may maintain common law action in that state although contract of employment was made and injury was sustained in Tennessee—Johnson v. Carolina, C. & O. Ry. Co. (1926), 131 S. E. 390 (N. C.); *accord—Lee v. Chemical Const. Co.* (1931), 156 S. E. 848 (N. C.).

Where contract of employment made with Tennessee resident contemplated services in Arkansas, Tennessee Act applies to Arkansas injury—Smith v. Van Noy Interstate Co. (1924), 262 S. W. 1048; *where employment in Tennessee contemplated services in Texas, suit in Federal Court for Texas injury based upon Texas Workmen's Compensation Act, maintainable—American Mut. Liab. Ins. Co. v. McCaffrey* (1930), 37 F. (2d) 870, cert. den. 281 U. S. 751.

Where widow of Tennessee employee, killed in Ohio, took compensation under Ohio Act, compensation barred in Tennessee—Tidwell v. Chattanooga Boiler & Tank Co. (1931), 43 S. W. (2d) 221; (1932) 45 S. W. (2d) 528.

8.—INJURIES COVERED.

Injuries by accident arising out of and in course of employment, unless purposely self-inflicted or due to wilful misconduct, intoxication, or refusal to use safety appliances or to perform a statutory duty (§§6852d, 6861). Special provisions as to hernia (§6892[a]).

I. ACCIDENTAL.

Claim allowed: *Pyelitis from injury to back—Vester Gas Range & Mfg. Co. v. Leonard* (1923), 257 S. W. 395; *blastomycosis contracted by wagon*

driver—*Hartford Acc. & Indem. Co. v. Hay* (1929), 17 S. W. (2d) 904; *ankylosis of wrist from fall—Borden Mills v. McGaha* (1930), 32 S. W. (2d) 1039; *hernia from strain resulting in post operative death—Rochl v. Grace* (1930), 32 S. W. (2d) 1049; *aggravation of cardiac condition by over exertion—Cambria Coal Co. v. Ault* (1933), 64 S. W. (2d) 18; *epilepsy from fall injuring head—Sears-Roebuck & Co. v. Finney* (1936), 89 S. W. (2d) 749; *hernia from strain in lifting—Webster v. Lloyd A. Fry Roofing Co.* (1941), 146 S. W. (2d) 946.

Exposure to heat—

Claim allowed: *Heat prostration of boiler fireman on very hot day resulting in pneumonia—King v. Buckeye Cotton Oil Co.* (1927), 296 S. W. 3; *hotel cook run down by truck during fainting spell induced by work in overheated kitchen—Patten Hotel Co. v. Milner* (1921), 238 S. W. 75.

II. ARISING OUT OF EMPLOYMENT.

Altercation with co-employee—

Claim allowed: *Dispute over work—Early-Stratten Co. v. Rollison* (1927), 300 S. W. 569.

Claim disallowed: *Dispute unconnected with work—Forbes v. Starnes* (1936), 89 S. W. (2d) 886; *watchman on day shift killed by watchman on night shift in personal dispute over late arrival—Kinkead v. Holliston Mills* (1936), 98 S. W. (2d) 1936.

Assault by outsider—

Claim allowed: *Showroom porter shot by air rifle of children accompanying customer—Carmichael v. J. C. Mahan Motor Co.* (1928), 11 S. W. (2d) 672; *chef injured in dispute with garbage collector over garbage rights—Chamber of Commerce v. Turner* (1929), 13 S. W. (2d) 318; *insurance agent shot attempting to collect weekly premiums from insured—Income Life Insurance Co. v. Mitchell* (1935), 79 S. W. (2d) 572.

Claim disallowed: *Dispute unconnected with work—McConnell v. Lancaster Bros.* (1931), 42 S. W. (2d) 206.

Horseplay—

Claim allowed: *Co-employee playfully pushed box on which claimant was sitting from under him—Borden Mills Inc. v. McGaha* (1930), 32 S. W. (2d) 1039.

Claim disallowed: *Claimant attempted to jump over hood of auto used in his work—Hawkins v. National Life & Acc. Ins. Co.* (1932), 46 S. W. (2d) 55.

Violation of rules, instructions, etc.

Claim allowed: *Use of emery wheel to do rush job despite instructions not to use same—Kingsport Foundry & Mach. Works v. Sheffey* (1927), 299 S. W. 787; *truck driver without sleep for 36 hours disregarded instructions and permitted driving by experienced third person—Glass v. Sullivan* (1936) 94 S. W. (2d) 38; *employee, in emergency, entered boiler room to put out fire—Johnson v. Copeland* (1942), 158 S. W. (2d) 986.

Claim disallowed: *Ore shoveler violated instructions not to open floor doors of freight car—Leonard v. Cranberry Furnace Co.* (1924), 265 S. W. 543; *coal miner worked under specified loose rock in violation of orders—Collins v. Brier Hill Collieries* (1929), 13 S. W. (2d) 332; *helper on truck violated instructions as to method of riding thereon—Brown v. Birmingham Nurseries* (1938), 117 S. W. (2d) 739.

Failure to use safety devices—

Claim allowed: *Negligent failure to wear required safety goggles—Nashville C. & St. L. Ry. v. Wright* (1923), 250 S. W. 903; *failure to use lever to stop ginning machine before cleaning same—Ezell v. Tipton* (1924), 264 S. W. 355; *lineman's negligent failure to use rubber gloves—Knoxville Power & Light Co. v. Barnes* (1927), 299 S. W. 772.

Claim disallowed: *Intentional failure to wear required safety goggles—Nashville C. & St. L. Ry. v. Coleman* (1925), 269 S. W. 919; *experienced lineman's failure to use required safety device—Cordell v. Kentucky-Tennessee Light & Power Co.* (1938), 121 S. W. (2d) 970.

Willful misconduct—

Claim allowed: *Attempting short cut home in employer's yards in accordance with customary practice of employees by crawling under trains blocking road—Moore v. Cincinnati N. O. & T. P. R. Co.* (1923), 256 S. W. 876; *using flappy gloves while operating ginning machine—Ezell v. Tipton* (1924), 264 S. W. 355; *employee at foreman's direction went into gassy room with open lamp—Mullens v. Tennessee Stave & Lumber Co.* (1927), 290 S. W. 975; *operation of truck in violation of city ordinance—Bohlen-Huse Coal & Ice Co. v. McDaniel* (1924), 257 S. W. 848; *speeding in violation of laws of another state where speed limit unknown to claimant—Southern Motor Car Co. v. Patterson* (1935), 77 S. W. (2d) 446; *violation of traffic ordinance—Town of Shelbyville v. Hamilton* (1936), 95 S. W. (2d) 43; *alleged intoxication—Frost v. Blue Ridge Timber Co.* (1928), 11 S. W. (2d) 860; *entry into combustion chamber of boiler to clean out ashes pursuant to ambiguous instructions—American Mutual Liab. Ins. Co. v. Gart* (1939), 125 S. W. (2d) 140.

Causal connection between accident and disability or death—

Claim allowed: *Fall resulting in death from heart condition—Riverside Mill Co. v. Parsons* (1940), 141 S. W. (2d) 895.

Acts of favor or for employee's personal comfort or convenience—

Claim allowed: *Washing up for the day in accordance with custom—Tennessee Chemical Co. v. Smith* (1922), 238 S. W. 97; *poultry car caretaker killed after leaving train presumably for fresh air—Shockley v. Morristown Produce & Ice Co.* (1928), 11 S. W. (2d) 900.

Claim disallowed: *Doing laundry work for co-employee after working hours in violation of rule—Hinton Laundry Co. v. DeLozier* (1920), 225 S. W. 1037; *bank employee injured by accidental discharge of gun borrowed for personal use—Hendrix v. Franklin State Bank* (1926), 290 S. W. 30; *emergency repairman deviated from route for accommodation of third person*

—*American Cas. Co. v. McDonald* (1933), 57 S. W. (2d) 795; *night watchman left premises to cat and injured while returning hours later—Toombs v. Liberty Mut. Ins. Co.* (1938), 114 S. W. (2d) 785.

III. ARISING IN COURSE OF EMPLOYMENT.

Going to and from work—

Claim allowed: *Injury on employer's premises while returning with lunch to be eaten therein pursuant to custom—Johnson Coffee Co. v. McDonald* (1920), 226 S. W. 215; *riding to work on horse furnished by employer—McClain v. Kingsport Improvement Corp.* (1922), 245 S. W. 837; *quarry mechanic injured on way home in auto on highway being constructed by employer—Washington County v. Evans* (1927), 299 S. W. 780; *death of motorcycle messenger on way to work—W. C. Sharp Drug Stores v. Hansard* (1940), 144 S. W. (2d) 777; *riding home on employer's truck—Vaughn v. Standard Surety and Cas. Co.* (1944), 184 S. W. (2d) 556.

Claim disallowed: *Employee returning from personal visit injured while riding free on employer's train—Norwood v. Tellico River Lumber Co.* (1922), 244 S. W. 490; *employee injured about 400 feet from employer's premises while on way thereto—Little v. Johnson City Foundry & Machine Co.* (1928), 11 S. W. (2d) 690; *rural grocery salesman fell on front steps of his home on returning with orders to be written up—Jellico Grocery Co. v. Hendrickson* (1937), 110 S. W. (2d) 333.

Scope of employment—

Claim allowed: *Assisting co-employed brother without express orders to do so—Milne v. Sanders* (1921), 228 S. W. 702; *fall on basket ball floor while watching game played with employer's permission and encouragement—Kingsport Silk Mills v. Cox* (1930), 33 S. W. (2d) 90; *stockroom clerk injured helping repair employer's truck on highway—Templeton v. Wilson* (1939), 123 S. W. (2d) 825; *night watchman in factory killed by accidental discharge of pistol while carrying thereof not forbidden—Peters v. Salant & Salant Inc.* (1935), 77 S. W. (2d) 452; *policeman without time limitation on services injured in municipality while returning home to sleep—Mayor and Alderman of Town of Tullahoma v. Ward* (1938), 114 S. W. (2d) 804; *Red Cross rescue worker, on flood work, drowned when boat overturned—American Red Cross v. Hinson* (1938), 122 S. W. (2d) 433.

Claim disallowed: *Electrocution of night watchman by contact with high tension wires 10 ft. above ground—Home Ice Co. v. Franzini* (1930), 33 S. W. (2d) 1032; *employee of auto repair partnership injured repairing partner's residence—Elliott v. Elliott Bros.* (1932), 52 S. W. (2d) 144.

Traveling for employer—

Claim allowed: *Employee of Sunday School Board injured returning to office after journey for board—Central Surety & Ins. Corp. v. Court* (1931), 36 S. W. (2d) 907; *death of traveling salesman in hotel fire—Carter v. Hodges* (1939), 132 S. W. (2d) 211.

Common risk or hazard—

Claim disallowed: *Bottling company's driver-salesman shot by hold-up*

man on entering customer's restaurant—Scott v. Shinn (1937), 105 S. W. (2d) 103.

9.—OCCUPATIONAL AND OTHER DISEASES.

Excluded, except such cases as naturally result from injury (§6852d).

Infection arising from callus upon finger tip caused by operation of listing machine compensable—Sears-Roebuck & Co. v. Starnes (1930), 26 S. W. (2d) 128.

Injury from inhalation of soda ash dust in course of employment not compensable—Meade Fiber Corporation v. Starnes (1923), 247 S. W. 989.

For citations re liability for diseases not covered by compensation law, see under "34.—SUITS FOR DAMAGES", *infra*.

10.—NOTICE OF INJURY AND CLAIM FOR COMPENSATION.

Written notice giving prescribed particulars must be served upon employer or his agent immediately, or as soon as practicable, but not more than 30 days, after occurrence of injury, unless he has actual knowledge thereof, or other reasonable excuse exists. Defect or inaccuracy in notice no bar to compensation except to extent employer was prejudiced thereby. Claim is barred if notice not given within a year after accident (§§6872-6874). Proceedings must be begun within 1 year after injury or removal of incapacity; in case of claim by dependent, within 1 year after date of written notice by employer to Division of Workmen's Compensation expressing willingness to pay compensation if due (§6884).

I. NOTICE OF INJURY.

Compensation barred unless written notice of injury given within 30 days after accident or notice excused—Meade Fiber Corp. v. Starnes (1923), 247 S. W. 989; *accord—Black Diamond Collieries v. Deal* (1921), 234 S. W. 322; *accord (minor employee)—Campbell v. Bon Air Coal and Iron Corp.* (1925), 268 S. W. 377; *Moore v. Nashville Union Stock Yards* (1936), 90 S. W. (2d) 524.

Notice within 30 days after discovery of injury caused by accident held timely, although 7 months after accident—McBrayer v. Dixie Mercerying Co. (1940), 144 S. W. (2d) 764.

Unexcused failure of dependents to give timely notice of injury bars claim—Patten Hotel Co. v. Milner (1921), 238 S. W. 75; *but infancy of all dependents excuses failure to give notice—McClain v. Kingsport Improvement Corporation* (1922), 245 S. W. 837.

Employer can waive notice of injury by conduct—Vester Gas Range & Mfg. Co. v. Leonard (1923), 257 S. W. 395.

Conduct held waiver: Knowledge of injury and assumption of medical treatment by employer—Vester Gas Range Company v. Leonard (1923), 257 S. W. 395; *accord—Crane Enamelware Co. v. Dotson* (1928), 277 S. W. 902; *Ezell v. Tipton* (1924), 264 S. W. 355; *Liberty Mut. Ins. Co. v. Maxwell*

(1932), 46 S. W. (2d) 67; *Bragg's Quarry v. Smith* (1930), 33 S. W. (2d) 87; *Ware v. Illinois Central Ry. Co.* (1926), 281 S. W. 927; *Scars-Roebuck Co. v. Starnes* (1930), 26 S. W. (2d) 129; employer had actual knowledge, investigated case and sent notice of accident to insurance company—*Washington County v. Evans* (1927), 299 S. W. 780; superintendent having actual knowledge, at request of illiterate employee, wrote letter of claim giving details of case and employer replied denying liability—*Mayberry v. Bon Air Chemical Co.* (1930), 26 S. W. (2d) 148; superintendent within 30 days unequivocally refused to pay compensation—*Borden Mills v. McGaha* (1930), 32 S. W. (2d) 1039; president of employer company on scene of accident and spoke to injured employee—*Riverside Mill Co. v. Parsons* (1940), 141 S. W. (2d) 895; knowledge of injury and assumption of medical treatment by employer—*Tennessee Products Corp. v. Gravitt* (1945), 184 S. W. (2d) 164; first aid treatment by employer's doctor—*Tipton v. North American Rayon Corp.* (1944), 181 S. W. (2d) 619.

Conduct not held waiver: Employer learned of employee's condition about four months after accident and paid hospital, medical and funeral bills—*Moore v. Nashville Union Stock Yards* (1936), 90 S. W. (2d) 524.

Where employer had timely knowledge of accident and showed no prejudice, notice by employee, ignorant of serious consequences of injury, excused—*Marshall Const. Co. v. Russell* (1931), 43 S. W. (2d) 208.

Finding of waiver of notice upheld where employer had actual knowledge of facts and claimed no prejudice—*Kingsport Silk Mills v. Russell* (1931), 43 S. W. (2d) 208.

Fellow worker's knowledge of injury not imputable to employer—*Brookside Mills v. Harrison* (1928), 11 S. W. (2d) 678; notice of injury to chief engineer in charge of workmen, imputed to employer—*Hotel Claridge Co. v. Blank* (1936), 89 S. W. (2d) 758.

Proof of proper posting of letter containing notice of injury makes prima facie case of delivery thereof—*William H. Coleman Co. v. Isbell* (1929), 19 S. W. (2d) 243.

Notice of injury inferred from finding of copy of notice of injury and correspondence tending to support same among decedent's effects—*Rochl v. Gray* (1930), 32 S. W. (2d) 1049.

Employer's actual knowledge of injury by itself no excuse for failure to give notice—*Beech v. Keicher* (1926), 289 S. W. 519.

Although timely notice of injury given, no recovery of compensation or medical fees allowable for period prior to notice—*Vesta Gas Range Mfg. Co. v. Payne* (1923), 246 S. W. 115.

Burden of proof on claimant to prove notice of injury only where employer pleads lack of notice as defense—*R. W. Hartwell Motors Co. v. Hickerson* (1930), 26 S. W. (2d) 153.

Employee's failure to give notice of injury not available as defense for first time on appeal—*Williams v. Buchanan* (1924), 261 S. W. 660.

II. CLAIM FOR COMPENSATION.

In absence of notice by employer to division of Workmen's Compensation expressing willingness to pay compensation, dependent's application not barred by any limitation of time—*Southern Ry. Co. v. Grigsby* (1927), 292 S. W. 3; insurer entitled to give notice of willingness to pay dependent's compensation—*Oman v. Delius* 35 S. W. (2d) 570; accord—*Berry v. Kroger Grocery & Baking Co.* (1936), 89 S. W. (2d) 345.

Issuance of summons by circuit court clerk for common law action within year of accident, not filing of timely claim for compensation—*Minor v. E. I. DuPont de Nemours & Co.* (1932), 47 S. W. (2d) 748.

Petition for compensation brought within year of accident and dismissed for failure to prosecute, renewable within year of dismissal—*Rye v. DuPont Rayon Co.* (1931), 40 S. W. (2d) 1041.

If unapproved settlement is made and paid, suit for additional compensation, brought more than year after injury, not maintainable—*Gaines v. DuPont Rayon Co. Inc.* (1935), 79 S. W. (2d) 40; *Klinke Bros. Dairy Co. v. Maharry* (1937), 104 S. W. (2d) 418.

Remedy against employer not barred by one year limitation where insurer defaults on payments awarded—*Collins v. Murray* (1932), 51 S. W. (2d) 834; accord—*Moore v. Hines* (1936), 95 S. W. (2d) 928.

Minor's action for latent injury barred by one year limitation where nature of injury neither known nor concealed by employer—*Franse v. Knox Porcelain Corp.* (1937), 100 S. W. (2d) 647.

Where vision was immediately impaired by accident, failure to apply for compensation within year of accident bars claim for loss of eye—*Graham v. J. W. Wells Brick Co.* (1924), 266 S. W. 770.

Defense of one year limitation available to employer where claimant does not allege that employer knew and purposely concealed facts regarding nature and extent of injuries—*Netherland v. Mead Corp.* (1936), 98 S. W. (2d) 76.

11.—COMPENSATION FOR TOTAL DISABILITY.

If temporary, 60% of average weekly wages, maximum \$18, minimum \$7 or full wages, weekly; maximum period 300 weeks; if permanent, payments as above for 400 weeks, and thereafter \$7, or full wages, per week until aggregate limit of 550 weeks or aggregate amount of \$5,000 reached (§6878a, d, e).

"Total disability" occurs as to members or faculties whenever capacity to earn by their use has been practically destroyed—*Key v. Briar Hill Collieries* (1934), 68 S. W. (2d) 115.

Loss of leg not compensable as for total disability—*Phillips v. Diamond Coal Mining Co.* (1939), 133 S. W. (2d) 476.

Held total disability: 2½% vision remaining with possibility of increase to 7½%—*American Zinc Co. of Tennessee v. Lusk* (1923), 233 S. W. 39; disability from broken thigh—*Kingsport Silk Mills* (1930), 33 S. W. (2d) 90; disability from injury to hip—*Central Surety & Ins. Co. v. Court* (1931), 36 S. W. (2d) 907; accord—*White v. Tennessee Consol. Coal Co.* (1931), 36

S. W. (2d) 902; injury to ankle and foot—Russell v. Virginia Bridge & Iron Co. (1938), 111 S. W. (2d) 1027; disability from injury to head—U. S. Rubber Products Co. v. Cannon (1938), 113 S. W. (2d) 1184; arthritic condition of back which prevented employee from working—Central Franklin Process Co. v. Gann (1939), 133 S. W. (2d) 503.

Total compensation for permanent total disability cannot exceed \$5,000—McKinney v. Aston (1926), 289 S. W. 518; where permanent partial disability of member follows temporary total, proper to compensate for both types of disability—Cherokee Sand Co. v. Green (1925), 277 S. W. 905.

12.—COMPENSATION FOR PARTIAL DISABILITY.

60% of loss in earning power; maximum \$18 weekly; maximum period 300 weeks. Specific schedule, 60% of average weekly wages, maximum \$18. minimum \$7, or full wages, weekly, for specified periods, ranging from 5 to 400 weeks, cumulative for two or more of specified injuries, exclusive of all other payments—except for longer disability from another injury, in which case compensation for such other injury payable instead (§6878b-c). The employer or carrier shall pay \$100 in each case resulting in permanent partial disability into the "Second Injury Fund" (§6871, as amended by Chapter 149, Laws of 1945). See 16—EFFECT OF PREVIOUS DISABILITY.

Award for permanent partial disability not limited to \$5,000—Liberty Mut. Ins. Co. v. Maxwell (1932), 46 S. W. (2d) 67.

Amputation of leg 6 inches above ankle joint compensable for loss of foot—Black Diamond Collieries v. Carden (1924), 265 S. W. 541; amputation 10¼ inches below knee compensable as for loss of foot—Louis T. Hooper Tire Co. v. Manesse (1932), 45 S. W. (2d) 1071; amputation of two toes and breaking of two others compensable as for partial loss of use of foot—S. C. Weber Iron & Steel Co. v. Jeffrey (1930), 29 S. W. (2d) 656.

Compound fracture of thigh causing 80% total loss of use of leg compensable as for 80% of schedule period for total loss of use of leg—Casey-Hedges Co. v. Lynch (1922), 245 S. W. 522; 50% loss of hearing compensable as for 50% of schedule for total loss of hearing—Jackson v. Diamond Coal Co. (1927), 299 S. W. 802; accord (50% of loss of use of eye)—Black Diamond Collieries v. Gibbs (1930), 32 S. W. (2d) 1041.

Compensation for permanent injury to leg and back compensable as for permanent partial disability—Bon Air Coal & Iron Corp. v. Johnson (1926), 283 S. W. 447.

Injury to left arm and right hand producing disability in each not deemed concurrent injuries so as to decrease compensation for each—Knoxville Power and Light Co. v. Barnes (1937), 299 S. W. 772.

Basis of compensation for partial disability in non schedule cases is impaired earning capacity—Russell v. Big Mountain Collieries (1927), 299 S. W. 798.

Schedule award not reducible by wages earned after injury—Castel v. Aluminum Co. of America (1930), 33 S. W. (2d) 61; schedule award for loss of eye payable although earning capacity not impaired—Huggins v. B. C. Jarrell & Co. (1935), 82 S. W. (2d) 870.

Where average weekly wage is less than minimum weekly compensation, proper to award full weekly wage—Mayberry v. Bon Air Chem. Co. (1930), 26 S. W. (2d) 148; if average weekly wage exceeds statutory weekly minimum, improper to award less than statutory minimum—Templeton v. Wilson (1939), 123 S. W. (2d) 824.

Where temporary partial disability follows temporary total, period allowed for latter reduces period allowable for former—Cambria Coal Mining Co. v. Wilson (1927), 299 S. W. 811.

Permanent partial injury to sight compensable under section providing for "all other cases of permanent partial disability"—Wilkinson v. Johnson City Shale Brick Corp. (1928), 2 S. W. (2d) 89.

Recovery in common law action for loss of arm not limited by schedule—Pearson Hardwood Flooring Co. v. Phillips (1938), 120 S. W. (2d) 973.

Prior impairment of member not considered in determining award for later injury thereto—Davenport Silk Mills v. Dillinger (1931), 43 S. W. (2d) 493.

Where employee claims for partial disability, burden of proof on him to prove its extent—Sanders v. Blue Ridge Glass Corp. (1930), 33 S. W. (2d) 84; if claimant can do light work of ordinary nature, burden not on employer to show that suitable work is obtainable—Walker v. Blue Ridge Glass Corp. (1932), 54 S. W. (2d) 722.

Where permanent partial disability of member follows temporary total, proper to compensate for both instead of for partial loss of member—Cherokee Sand Co. v. Green (1925), 277 S. W. 905; accord—Jack v. Knoxville Fertilizer Co. (1926), 289 S. W. 500.

Where injury to flesh tip of thumb did not reduce earnings claimant not entitled to award for permanent partial disability in addition to compensation for lost time—Sun Coal Co. v. Epperson (1941) 156 S. W. (2d) 400.

Schedule loss held payable though earnings were greater after injury—Crane Enamelware Co. v. Crawley (1943), 174 S. W. (2d) 458; obstruction of tear duct affecting movements of eye compensable for 33⅓% loss of use of eye, though earning capacity was not decreased—Tennessee Products Corp. v. Atterton (1945), 184 S. W. (2d) 371.

Truck driver, who earned more as an airplane mechanic after a non-schedule injury, held not entitled to award for permanent partial disability—Standard Surety and Cas. Co. of N. Y. v. Sloan (1943), 173 S. W. (2d) 436.

13.—COMPENSATION FOR DEATH.

If death results proximately (?) from injury, in all cases where employee leaves dependents, compensation payable at rate of 60% of average weekly wages, maximum \$18, minimum \$7 or full wages, weekly, maximum period 400 weeks, including period of disability payments, if any; maximum amount \$5,000, exclusive of medical, hospital and funeral expenses. In all cases, expenses of burial, maximum \$150. Upon remarriage of widow, compensation payable to her passes to children under 18, if any (§§6875, 6878f, 6880-6881, 6883). The employer or carrier shall pay \$100 in each compensable death case

Where employce had some useful vision left in eye, loss thereof compensable despite prior award in another case as for loss thereof—*Williams v. S. & W. Const. Co.* (1934), 66 S. W. (2d) 992.

Loss of remaining eye, compensable only for loss of one eye—*Catlett v. Chattanooga Handle Co.* (1932), 55 S. W. (2d) 257.

Prior permanent partial loss of use of arm not considered in determining compensation—*Davenport Silk Mills v. Dillinger* (1931), 43 S. W. (2d) 493; proper to compensate for loss of entire hand without deduction for three fingers partially lost previously—*Knoxville Knitting Mills Co. v. Galyon* (1923), 255 S. W. 41.

Aggravation of existing hernia not compensable—*Matthews v. Hardaway Contracting Co.* (1942), 163 S. W. (2d) 59.

17.—AVERAGE WAGES—HOW COMPUTED.

Average weekly wages to mean earnings for preceding year divided by 52, but if employee lost more than 7 days' time, such loss to be deducted from 52. Where this plan is not practicable, regard may be had to average wages of another person in same employment and locality. Where allowances of any character in lieu of wages are specified as part of wage contract, they are to be deemed part of earnings (§6852c).

Bonus computable as wages—*Moss v. Aluminum Co. of America* (1925), 276 S. W. 1052.

Time lost by strike or by lay-off because of "mine creep" not excluded from computation of number of weeks worked during preceding year—*New Jellico Coal Co. v. Kenner* (1937), 110 S. W. (2d) 476.

Average weekly wages of person working less than 52 weeks prior to accident, determinable by dividing total wages by number of weeks worked—*White v. Pinkerton Co.* (1927), 291 S. W. (2d) 448; accord—*Wm. H. Coleman v. Isbell* (1927), 291 S. W. 448; *Toler v. Nashville C. & St. L. Ry.* (1938), 117 S. W. (2d) 751.

Where work was discontinuous in nature and employce worked about three days a week during preceding year and average wages were \$12.50 per week, average wages computed on basis of \$12.50—*Bragg's Quarry v. Smith* (1930), 33 S. W. (2d) 87; (1931), 34 S. W. (2d) 714; where work is periodical or discontinuous, basis of compensation is average weekly wage earned during preceding year and not weekly wage earned during those weeks when employce worked full time—*Marshall v. South Pittsburgh Lumber & Coal Co.* (1932), 47 S. W. (2d) 553.

Where for several years number of days worked per week varied, average weekly wages computed by dividing total wages earned in year by 52—*Carter v. Victor Chem. Co.* (1937), 101 S. W. (2d) 462.

Where employment is of short duration, wages computed on basis of other employees of same class—*U. S. Fid. & Guar. Co. v. McBride* (1933), 56 S. W. (2d) 736; accord—*U. S. Rubber Products Co. v. Cannon* (1938), 113 S. W. (2d) 1184; *A. G. S. R. Co. v. Wright* (1939), 133 S. W. (2d) 457.

Weekly amount paid by employer as compensation under agreement held

some evidence of employce's weekly earnings—*Cambria Coal Mining Co. v. Wilson* (1927), 299 S. W. 811.

Wages may be computed on basis of earnings in prior employment and same character of work—*Phillips v. Diamond Coal Mining Co.* (1939), 133 S. W. (2d) 476.

Where claimant seeks compensation for partial disability, necessary that there be some evidence from which court can determine wages that he can earn—*Sanders v. Blue Ridge Glass Corp.* (1930), 33 S. W. (2d) 84.

Where insurer covered City water department and employce of latter was killed while engaged in emergency work for fire department for which he received additional pay, insurer is liable only for wages received by deceased from water department—*Travelers Ins. Co. v. Dudley* (1943), 173 S. W. (2d) 142.

18.—WHO ARE DEPENDENTS.

Wife, under certain conditions, and children under 16 conclusively presumed wholly dependent. Children between 16 and 18 or incapacitated prima facie considered dependent. Dependents are limited to wife, husband, children, parents, grandparents, sisters, brothers, mother-in-law and father-in-law, wholly or partly supported by deceased at time of his death and for reasonable period prior thereto. Total and partial dependency distinguished. Certain classes of dependents preferred, to exclusion of other dependents (§6883).

It is also provided that sums distributed as unemployment insurance, old age assistance, aid to dependent children, aid to the blind, social security or as public assistance shall not be considered income and shall not affect the status or compensation of dependents (§6883, as amended by Chapter 110, Laws of 1943).

Dependency determined as of time of death—*Lenoir Car Works v. Hill* (1931), 44 S. W. (2d) 321.

Dependents of more than one class entitled to compensation in statutory order—*Marcum v. Hickle* (1921), 234 S. W. 321.

Spouses—

Dependency established: *Abandoned wife*—*Partee v. Memphis Concrete Pipe Co.* (1927), 295 S. W. 68; *putative wife living with deceased in good faith*—*Kinnard v. Tennessee Chem. Co.* (1928), 7 S. W. (2d) 807; accord—*Summers v. Tennessee Eastman Corp.* (1935), 87 S. W. (2d) 1005; *wife separated from deceased under judicial decree against him*—*Cambria Coal Co. v. Dougherty* (1930), 33 S. W. (2d) 71.

Dependency not established: *Wife voluntarily living apart*—*Pruden Coal & Coke Co. v. Johnson* (1932), 53 S. W. (2d) 384; *mistress claiming as wife*—*Memphis Fertilizer Co. v. Small* (1930), 22 S. W. (2d) 1037; *wife who entered bigamous marriage with another*—*Wright v. Armstrong* (1942), 163 S. W. (2d) 78.

Descendants—

Act's conclusive presumption of dependency on father no bar to award to children actually dependent on employed mother—*Johnson Coffee Co. v. McDonald* (1920), 226 S. W. 215.

Employee's administrator entitled to recover only compensation accrued and unpaid at time of death—Marshall v. South Pitts. Lumber & Coal Co. (1932), 47 S. W. (2d) 553.

Employer and insurer jointly and severally liable for compensation and upon failure to secure full compensation from one, suit maintainable against the other—Collins v. Murray (1932), 51 S. W. (2d) 834.

Proceedings to enforce award with regard to defaulted compensation not bound by one year limitation—Butterbaugh v. Loew's Inc. (1935), 77 S. W. (2d) 644.

Marriage of female employee does not terminate right to compensation—Butterbaugh v. Loew's Inc. (1935), 77 S. W. (2d) 644.

Proceedings should be commenced in county where accident occurred, where insurer had no agent in county where employee resided—Brown v. Stone and Webster Eng. Corp. (1944), 181 S. W. (2d) 148.

23.—SETTLEMENT OF CLAIMS AND DISPUTES.

Terms of settlement may be fixed by agreement, subject to approval of Circuit Court Judge. In case of dispute, either party may submit claim to judge or chairman of County Court for hearing and decision (§§6877, 6885). Settlements involving payments out of the "Second Injury Fund" shall be made only after making the State Treasurer a party defendant and the Attorney-General shall represent the latter. (§6877, as amended by Chapter 149, Laws of 1945.)

Law Court of Bristol without jurisdiction over Workmen's Compensation action for accident not occurring within its jurisdictional limits—Harr v. Booher (1922), 244 S. W. 493.

Suit under Act maintainable in county where employer has office or place of business—Chambers v. Sanford & Treadway (1926), 289 S. W. 533; such action not maintainable in county where foreign corporation has no office or place of business although employee resides in county—Redman v. DuPont Rayon Co. (1933), 56 S. W. (2d) 737.

Employer's action to fix compensation properly brought in county where accident happened and wherein it maintained office although employee non-resident thereof—Borden Mills Inc. v. Manis (1938), 121 S. W. (2d) 523.

Compromise settlement not binding unless approved—Williamson v. Johnson City Shale Brick Corp. (1927), 299 S. W. 1056; accord—Moore v. Hines (1936), 95 S. W. (2d) 928.

In settlement approval proceeding judge should require presence of employee not appearing by counsel or require notice of time and place of proceeding to employee—Williamson v. Johnson City Shale Brick Corp. (1927), 299 S. W. 1056.

Nunc pro tunc entry of previous order approving compensation authorized, where employee originally appeared in court and was represented by counsel—Hedges-Walsh-Weidner Co. v. Halcy (1933), 55 S. W. (2d) 775.

Agreement for excessive benefits made by mistake will not be approved over objection—Mangrum v. Actna Life Ins. Co. (1926), 280 S. W. 1011; accord—U. S. Fid. & Guar. Co. v. McBride (1933), 56 S. W. (2d) 736.

Joint award against employer and insurer proper—American Mut. Liab. Ins. Co. v. Patrick (1928), 11 S. W. (2d) 872.

Employer's agreement to take employee back to work not enforceable where employee was incapacitated for nine months after settlement—Greenwood v. National Biscuit Co. (1939), 134 S. W. (2d) 149.

Settlement agreement approved by court having no jurisdiction not void where both parties consented to jurisdiction of court—Felty v. Chillicothe Realty Co. (1939), 134 S. W. (2d) 153.

Where employee sustains more than one separate and distinct injury, error to compel election of claim as to only one of them—Burton v. Miller Bros. Co. (1933), 64 S. W. (2d) 195.

Where after unapproved settlement with insurer latter became insolvent, action against employer for balance of compensation maintainable—Moore v. Hines (1936), 95 S. W. (2d) 928.

24.—APPEALS.

From decision of judge or chairman of County Court either party may appeal as in other civil cases to the next term of the Circuit Court, where the cause is to be heard anew, without a jury. From judgment of Circuit Court further appeal lies in the nature of a writ of error to Supreme Court in accordance with the practice governing other appeals of such a nature (§6885).

Compensation decree reviewable only on question of law—Beech v. Keicher (1926), 289 S. W. 519; where no evidence to support findings, question of law involved—Beech v. Keicher (1926), 289 S. W. 519; accord—Mullins v. Tennessee Stave & Lumber Co. (1927), 290 S. W. 975.

Reviewing court may reach own conclusions on undisputed facts—Moore v. Cincinnati N. O. & T. P. Ry. Co. (1923), 256 S. W. 876.

Trial court's findings conclusive if supported by material evidence—Black Diamond Collicries v. Deal (1924), 265 S. W. 985; accord—Bon Air Coal & Iron Corp. v. Goosie (1926), 283 S. W. 447; Fred Cantrell Co. v. Goosie (1923), 255 S. W. 360; Vester Gas Range & Mfg. Co. v. Leonard (1923), 257 S. W. 395; Lenoir Car Works v. Hill (1931), 44 S. W. (2d) 321; Cambria Coal Co. v. Ault (1933), 64 S. W. (2d) 18.

Finding on cause of death cannot be based on mere conjecture—Battle Creek Coal Co. v. Martin (1927), 290 S. W. 18; accord—Home Ice Co. v. Francini (1930), 32 S. W. (2d) 1032.

No reversal of award if findings reasonably inferable from facts—R. W. Hartwell Motor Co. v. Hickerson (1930), 26 S. W. (2d) 153.

Upon review of trial court's action by Supreme Court, case viewed most favorably for respondent—Bon Air Coal & Iron Corp. v. Johnson (1926), 283 S. W. 447; accord—Vester Gas Range & Mfg. Co. v. Leonard (1923), 257 S. W. 395.

Decree will not be disturbed for lack of proof on probable period of disability—Crane Enameware Co. v. Dotson (1925), 277 S. W. 902.

Case not tried de novo on appeal—Mullins v. Tennessee Stave & Lumber

Co. (1927), 290 S. W. 975; accord—*Sears-Roebuck & Co. v. Finney* (1936), 89 S. W. (2d) 749.

Reviewing court will not consider alleged errors not brought to trial court's attention—*Sears-Roebuck & Co. v. Finney* (1936), 89 S. W. (2d) 749.

Appellate practice in compensation cases governed by that in law cases—*Bailey v. American Glanzstoff Corp.* (1931), 42 S. W. (2d) 347.

If record contains requisite data, reviewing court may enter judgment without remanding—*Sledge v. Hunt* (1928), 12 S. W. (2d) 529.

25.—EVIDENCE AND PROOF.

Judge or chairman of County Court must hear the evidence offered by either or both parties and render judgment (§6885). Burden of proof that injury was due to an exempted cause is upon employer (§6861).

Employer's admission as to scope of deceased's employment admissible for all purposes—*Peters v. Salant & Salant Inc.* (1935), 77 S. W. (2d) 452; admission in letter from home office counsel of insurer to its local counsel regarding claim, admissible but subject to explanation—*Home Indem. Co. of N. Y. v. Bogue* (1935), 79 S. W. (2d) 580; employee's dying declaration as to cause of injury not admissible—*Milne v. Sanders* (1921), 228 S. W. 702; deceased's declaration as to cause of injury not admissible—*Baxter v. Jordan* (1929), 14 S. W. (2d) 717; transcript of record in criminal case not admissible against claimant not party thereto—*Milne v. Sanders* (1921), 228 S. W. 702; former adjudication not on merits and not involving same issue, not binding—*Black Diamond Collieries v. Deal* (1924), 265 S. W. 985; accidental death can be shown by circumstantial evidence—*Tennessee Chem. Co. v. Smith* (1922), 238 S. W. 97; evidence obtained from unconsented to autopsy admissible—*Battle Creek Coal & Coke Co. v. Martin* (1927), 290 S. W. 18; presumption cannot be based on another presumption—*Shockley v. Morristown Produce & Ice Co.* (1928), 11 S. W. (2d) 900; claimant may testify as to extent of eye injury—*Black Diamond Collieries v. Gibbs* (1930), 32 S. W. (2d) 1041; trial court not bound to accept testimony of interested, unimpeached witness, if different conclusion derivable from all the evidence—*Carter v. Kelsey Wheel Co.* (1935), 77 S. W. (2d) 449.

Burden of proof on dependents to show death was caused by injury in course of employment—*Bry-Bloch Merch. Co. v. Carson* (1926), 288 S. W. 726; burden on claimant to show accident arising out of and in course of employment—*Shockley v. Morristown Produce & Ice Co.* (1928), 11 S. W. (2d) 900; accord—*Home Ice Co. v. Franzini* (1930), 32 S. W. (2d) 1032; burden on employer to overcome prima facie case—*Home Ice Co. v. Franzini* (1930), 32 S. W. (2d) 1032; burden on employer to plead failure of notice of injury, and on employee to prove giving of same or excuse—*R. W. Hartwell Motor Co. v. Hlickerson* (1930), 26 S. W. (2d) 153; person previously convicted of larceny barred from giving evidence for himself in compensation case—*Cambria Coal Co. v. Teaster* (1943), 167 S. W. (2d) 343; award may be based on inference drawn from circumstantial evidence—*Riley v. Knoxville & Co.* (1941), 156 S. W. (2d) 398.

26.—MODIFICATION OF AGREEMENTS AND AWARDS.

Award payable for more than 6 months may be modified by agreement approved by court; or, at any time after 6 months from date of award, by court, upon application of either party, on ground of increase or decrease of incapacity; but lump sum settlements are final (§6892).

Disability period modifiable in event of change of condition—*Bon Air Coal & Iron Corp. v. Johnson* (1926), 283 S. W. 447.

Decree based on erroneous construction of Act not modifiable at a subsequent term of court (over-payment case)—*College Coal & Mining Co. v. Smith* (1929), 21 S. W. (2d) 1038; accord (under-payment case)—*Shockley v. Morristown Produce & Ice Co.* (1937), 106 S. W. (2d) 562.

Release executed by widow upon remarriage not binding where second marriage was void—*Southern Ry. Co. v. Baskette* (1939), 133 S. W. (2d) 498.

Compromise settlement voidable on ground of mistake of fact—*Central Franklin Process Co. v. Gann* (1939), 133 S. W. (2d) 503.

Settlement of award in violation of Act, no bar to modification proceeding—*Ledford v. Johnson City Foundry & Machine Co.* (1935), 88 S. W. (2d) 804.

No statute of limitation on modification proceedings—*Philips v. Memphis Furn. Mfg. Co.* (1935), 79 S. W. (2d) 576.

Where disability had not decreased since award, petition for modification dismissed—*Hartford Hosiery Mills v. Jernigan* (1924), 259 S. W. 546; accord—*Butterbaugh v. Locw's Inc.* (1935), 77 S. W. (2d) 644; employer, not alleging increase or decrease of disability, due solely to injury, cannot maintain modification proceeding—*Crane Enamelware Co. v. Dotson* (1929), 20 S. W. (2d) 1045.

Lump sum settlement not subject to modification—*Hay v. Woosley* (1940), 135 S. W. (2d) 933.

Settlement for less than six months' compensation, bars petition for increase—*McCaslin v. Heath* (1928), 8 S. W. (2d) 362.

Awarding compensation for three months with leave thereafter to either party to apply for modification, not improper—*Glotfelder Erection Co. v. Smith* (1927), 300 S. W. 6.

Provision in judgment for future modification, not made by agreement or consent of parties, extended jurisdiction only if invoked before final payment—*Nelson v. Cambria Coal Co.* (1942), 158 S. W. (2d) 717, 160 S. W. (2d) 412.

Temporary increase in earnings in another capacity will not justify a reduction of disability award where there has been no material decrease in employee's incapacity—*Fidelity & Cas. Co. of N. Y. v. Long* (1944), 180 S. W. (2d) 889.

27.—COMMUTATIONS.

Periodical payments may be commuted to lump sum equal to present worth of future installments discounted at 6%, but only with consent of Circuit Court (§6890). Where amount of compensation has been determined,

employer may, by leave of court, pay lump sum, computed in like manner, to trustee and be discharged (§6893).

In absence of agreement of parties, court cannot order commutation—American Zinc Co. of Tenn. v. Lusk (1923), 255 S. W. 39.

28.—ASSIGNMENTS AND EXEMPTIONS.

Claim for compensation is not assignable, and is exempt from claims of creditors (§6869).

Compensation payable to non-resident dependent exempt from claims of his creditors—Poore v. Bowlin (1924), 265 S. W. 671.

Employer's assignment of compensation to employer in repayment of advances made during pendency of proceedings, valid—Gregg v. New Careville Coal Co. (1930), 31 S. W. (2d) 693; accord—Prime v. Dunaway (1932), 50 S. W. (2d) 223; compensation not assignable although reduced to judgment—Prime v. Dunaway (1932), 50 S. W. (2d) 223.

Portion of award which has accrued and is unpaid at death of employee passes to dependents and is exempt from the claims of employee's creditors—Byrd v. Pioneer-Jellico Coal Co. (1943), 175 S. W. (2d) 542.

29.—LIEN OR PREFERENCE.

Right to compensation has same preference against employer's assets as unpaid wages for labor, but not so as to prejudice any rights secured by registered mortgage or in any manner which is valid as to general creditors (§6868).

Where suits upon claims not brought within three months after injury, claimants lost lien superior to that of holders of recorded deed of trust—Frances v. Williams Coal Mining Co. (1941), 156 S. W. (2d) 434.

Where employer made payments pursuant to settlement agreement to a date within less than a year of time when claimant intervened in creditors' proceedings against insolvent employer, claim was not barred by limitations—Pennington v. Webb-Hammock Coal Co. (1944), 184 S. W. (2d) 47.

30.—HOW COMPENSATION SECURED.

Assenting employer must either insure his liability in some authorized association, corporation, etc., or furnish proof of financial ability satisfactory to Commissioner of Insurance and Banking, with bond or other security, if required (§6895).

31.—INSURANCE.

(a) General Provisions.

Every insurance policy must provide that notice to employer is deemed notice to insurer, that employee may enforce same in his own name, and that employer's default shall not discharge insurer (§§6898-6899). Insurance companies must furnish \$50,000 bond or other satisfactory security for payment of losses, unless they produce certificate showing deposit of at least \$100,000

in the state of their domicile for protection of all their policy-holders ratably (§6894). Act does not apply to boiler explosions, flywheel or similar insurance (§6895).

Where classification section of policy did not provide coverage for corporate officers and their drawings were not used to determine premium, policy excludes such officers—Alperin v. Eagle Indemnity Co. (1935), 84 S. W. (2d) 101.

Policy covering "operations necessary, incident or appurtenant to or connected with carpentry, machinery and excavation" construed to include injury while painting roof—Welch v. Reiling (1936), 99 S. W. (2d) 216.

"Employers group liability policy" varying greatly from statutory provisions, held not to be compensation policy—McKinney v. Fidelity Coal Mining Co. (1935), 87 S. W. (2d) 1004.

Illinois insurer not entitled to contribution from Tennessee insurer where award was made under Illinois statute for injury in Tennessee—U. S. Casualty Co. v. Standard Acc. Ins. Co. (1940), 136 S. W. (2d) 504.

Insurer not liable for compensation unless employer liable—Elliott v. Elliott Bros. (1932), 52 S. W. (2d) 144.

Award against insurer alone, proper—Central Surety and Ins. Co. v. Court (1931), 36 S. W. (2d) 907.

Employer and insurer jointly and severally liable for compensation and upon failure to obtain full compensation from one, action maintainable against other—Collins v. Murray (1932), 51 S. W. (2d) 834.

Act's requirement that insurer agree to pay claims, read into policy not containing same—American Mut. Liab. Ins. Co. v. Patrick (1928), 11 S. W. (2d) 872.

(b) Stock Companies.

No special provision.

(c) Mutual Insurance, etc.

Insurance in reciprocal or mutual associations or corporations authorized (§6894).

(d) State Insurance.

No provision.

(e) Regulation of Rates, Reserves, etc.

Every insurance carrier must file with Commissioner of Insurance and Banking its classification of risks and premiums, together with basis rates and schedules, if any, which must be approved by the Governor, Secretary of State and the Commissioner as to adequacy and reasonableness (§6894).

(f) Special Taxation of Compensation Premiums.

Every insurance carrier authorized to write accident or indemnity insurance in the State is subject to a tax of 4% on premiums collected for compensation insurance, in lieu of any other tax on such premium (§6894).

Self-insurers are required to pay to the Commissioner of Insurance and Banking, 4% on the premium which it would be required to pay a licensed company (§21, Chapter 21, Laws of 1939).

32.—WHERE INJURY IS CAUSED BY THIRD PARTY.

Where right of action exists against a third party, employee has option of proceeding against such third party for damages or claiming compensation from employer. If latter choice adopted, employer is subrogated to employee's rights against third party, to the extent of compensation paid or payable (§6865).

Acceptance of compensation bars third party of action—City of Nashville v. Latham (1930), 28 S. W. (2d) 46; *accord—Keen v. Allison* (1933), 60 S. W. (2d) 158; *acceptance of temporary medical benefits from employer no bar to third party action—City of Nashville v. Latham* (1930), 28 S. W. (2d) 46.

Employee's covenant not to sue third party bars compensation—Walters v. Eagle Indemnity Co. (1933), 61 S. W. (2d) 666.

If employee has been compensated under Act for aggravation of original injury by physician's malpractice, third party action against physician not maintainable—Revell v. McCoughson (1931), 39 S. W. (2d) 269; *but such action maintainable if employer waives his right of subrogation—Keen v. Allison* (1933), 60 S. W. (2d) 158.

Act no bar to common law action for negligence against third party even if employer's negligence contributed to injury—Bristol Telephone Co. v. Weaver (1921), 243 S. W. 299.

Insurer can only recover from third party actual amount paid or payable as compensation—American Mut. Liab. Ins. Co. v. Otis Elevator Co. (1930), 23 S. W. (2d) 245.

Administrator cannot proceed with death action if widow accepts compensation for herself and minor dependents—McCreary v. Nashville C. & St. L. Ry. (1931), 34 S. W. (2d) 210.

Alleged third party cannot intervene in compensation suit and is not bound by judgment therein—Blumberg v. Abbott (1929), 21 S. W. (2d) 396.

Employee who accepted compensation not entitled to sue third party, despite ignorance of rights—Wilson v. City of Chattanooga (1942), 165 S. W. (2d) 373.

33.—PRINCIPAL, CONTRACTOR AND SUB-CONTRACTOR.

Principal, intermediate or sub-contractor is liable for compensation to employees of a sub-contractor where injury occurred on or about the premises under control or management of principal contractor, but he may recover amount paid from immediate employer or any intermediate contractor. Claim must be made in first place against immediate employer (§6866).

Principal contractor properly joined as defendant with sub-contractor in action for compensation—P. H. Reynolds & Co. v. McKnight (1941), 148 S. W. (2d) 357.

General contractor's right to subrogation against sub-contractor denied in absence of latter's negligence—Vandergriff v. Willett (1940), 137 S. W. (2d) 957.

Claimant entitled to compensation from principal with more than five

employees although immediate employer not within Act by reason of non-employment of such number—Maxwell v. Beck (1935), 87 S. W. (2d) 564.

Sawmill liable for compensation to workmen of a sub-contractor cutting and hauling mill's timber under its supervision—Finley v. Keisling (1925), 270 S. W. 629; *but where principal exercises no supervision over sub-contractor, principal not liable for compensation to sub-contractor's employees—Odom v. Sanford & Treadway* (1927), 299 S. W. 1045.

Contractor liable for compensation of employee of sub-contractor if injury occurs on premises under former's control—Williams v. Buchanan (1924), 261 S. W. 660; *accord—Siskin v. Johnson* (1925), 268 S. W. 630.

Principal contractor jointly and severally liable with sub-contractor and properly joined as defendant—P. H. Reynolds & Co. v. McKnight (1941), 148 S. W. (2d) 357.

34.—SUITS FOR DAMAGES.

Where elected, compensation is the exclusive remedy for injuries covered by Act, as to employee, personal representative or next of kin, at common law or otherwise, but not so as to relieve employer from penalty for failure to perform any statutory duty (§§6859-6860); but until employer files evidence that he has secured compensation as required he is liable for damages, with defenses abrogated, as if he had not elected to come under the Act (§6895). See also under 32—Where Injury Is Caused By Third Party, *supra*.

Employer liable at law for injury not covered by Act (silicosis)—Morrison v. Tenn. Consol. Coal Co. (1931), 39 S. W. (2d) 272; *accord (silicosis)—Brown v. Tenn. Consol. Coal Co.* (1935), 83 S. W. (2d) 568; *(bronchitis, from soda ash dust)—Tennessee Eastman Corp. v. Newman* (1938), 121 S. W. (2d) 130; *(lead poisoning)—Hudgins v. Nashville Bridge Co.* (1938), 113 S. W. (2d) 738; *Steiner v. Spencer* (1940), 145 S. W. (2d) 547.

Where employee claims and accepts compensation from employer not complying with Act, right to maintain common law action barred—Barbee v. Baker Car Co. (1926), 289 S. W. 525; *mere giving of notice of injury to such employer, no bar to common law action—Shipley v. Wellwood Silk Co.* (1932), 47 S. W. (2d) 561.

Suit for compensation not prosecuted to final judgment, no bar to common law action—Hudgins v. Nashville Bridge Co. (1938), 113 S. W. (2d) 738.

Common law suit against non-complying immediate employer not barred by fact of compliance by principal contractor liable for compensation—Cope-land v. Cherry (1936), 95 S. W. (2d) 1275.

Railroad employee not engaged in interstate commerce at time of injury cannot maintain common law action—Williams v. Carolina C. & O. Ry. Co. (1926), 289 S. W. 520.

That employing railroad violated Federal Safety Appliance Act, no ground for common law action by employee engaged in intrastate commerce—Louisville & M. R. Co. v. Nichols (1935), 80 S. W. (2d) 656.

Unlawfully employed infant may maintain common law action—Manning

accord (as to provision barring suits for compensation by dependents not brought within one year of employer's notice of willingness to pay compensation)—Oman v. Declius (1931), 35 S. W. (2d) 570.

42.—MISCELLANEOUS.

Municipal pension funds are not disturbed by the Act (§6855).

Two or more employers of same employee must contribute to compensation in proportion to their respective wage liability, in the absence of different agreement between themselves (§6882).

By separate enactment, Tennessee accepted the provisions and benefits of the Federal Vocational Rehabilitation Act (§2476).

TEXT OF THE LAW

CODE OF TENNESSEE, 1932.

PART I. PUBLIC RIGHTS.

TITLE 14. REGULATION OF TRADE AND COMMERCE.

CHAPTER 43. WORKMEN'S COMPENSATION LAW.*

(Originally Chapter 123, Acts of 1919, as amended or modified by Chapters 7 and 84, Acts of 1923; and Chapter 40, Acts of 1927. As codified effective January 1, 1932.)

†6851. This chapter shall be known as the "Workmen's Compensation Law."

‡6852. In this chapter, unless the context otherwise requires:

(a) "Employer" shall include any individual, firm, association or corporation, or the receiver, or trustee of the same, or the legal representative of a deceased employer, using the services of not less than five persons for pay. If the employer is insured it shall include his insurer, unless otherwise herein provided.

(b) "Employee" shall include every person, including a minor, in the service of an employer, as "employer" is defined in paragraph (a) above, under any contract of hire, apprenticeship, written or implied. Any reference herein to an employee who has been injured shall, when the employee is dead, also include his legal representatives, dependents and other persons to whom compensation may be payable under this chapter.

(c) "Average weekly wages" shall mean the earnings of the injured employee in the employment in which he was working at the time of the injury during the period of fifty-two weeks immediately preceding the date of the injury divided by fifty-two; but if the injured employee lost more than seven days during such period when he did not work, although not in the same week, then the earnings for the remainder of such fifty-two weeks shall be divided by the number of weeks remaining after the time so lost has been deducted. Where the employment prior to the injury extended over a period of less than fifty-two weeks, the method of dividing the earnings during that period by the number of weeks and parts thereof during which the employee earned wages shall be followed; provided, results just and fair to both parties will thereby be obtained. Where by reason of the shortness of the time during which the employee has been in the employment of his employer, it is impracticable to compute the average weekly wages as above defined, regard shall be had to the average weekly amount which during the first fifty-two weeks prior to the injury or death was being earned by a person in the same grade, employed at the same work by the same employer, and if there is no such person so employed, by a person in the same grade employed in the same class of employment in the same district. Wherever allowances of any character

* As amended by Chapter 158, Acts of 1933; Chapters 20 and 90, Acts of 1941; Chapters 110, 117 and 120, Acts of 1943; Chapter 149, Acts of 1945, effective July 1, 1945.

† Originally Section 1, Chapter 123, Acts of 1919.

‡ Originally Section 2, Chapter 123, Acts of 1919. Amended by Chapter 84, Acts of 1923; Chapter 90, Acts of 1941.

made to an employee in lieu of wages are specified as part of the wage contract, they shall be deemed a part of his earnings.

(d) "Injury" and "personal injury" shall mean only injury by accident arising out of and in the course of employment, and shall not include a disease in any form except as it shall naturally result from the injury.

*6853. Every employer and every employee except as herein stated, shall be presumed to have accepted the provisions of this chapter respectively to pay and accept compensation for personal injury or death by accident arising out of and in the course of the employment, and shall be bound, thereby, unless he shall have given, prior to any accident resulting in injury or death, notice to the contrary in the manner herein provided.

*6854. Either an employer or employee who has excepted himself by proper notice from the operation of this chapter may at any time waive such exemption and thereby accept the provisions of this chapter by giving notice as herein provided.

The notice of exemption and the notice of acceptance heretofore referred to shall be given thirty days prior to any accident resulting in injury or death, provided, that if any injury or death occurs less than thirty days after the date of employment, notice of such exemption or acceptance given at the time of employment shall be sufficient notice thereof.

The notice of election not to accept the provisions of this chapter shall be as follows:

(a) The employer shall post and keep posted in his shop or place of business a written or printed notice of his election not to be bound by the provisions of this chapter and shall file a duplicate thereof with the division of factory inspection.

(b) The employee shall give written or printed notice to the employer of his election not to be bound by the provisions of this chapter and file a duplicate, with proof of service on the employer attached thereto, together with an affidavit of the employee that the action of the employee in rejecting the provisions of this chapter was not advised, counselled or encouraged by the employer or by any one acting for the employer, with the division of workmen's compensation department of labor.

*6855. Nothing in this chapter contained shall be construed as amending or repealing any statute or municipal ordinance relating to associations or funds for the relief, pensioning, retirement, or other benefit of any employees of such municipal employer, or of the widows, children, or dependents of such employees, or as in any manner interfering with the same as now or hereafter established.

†6856. This chapter shall not apply to:

(a) Any common carrier doing an interstate business while engaged in interstate commerce which common carrier and such interstate business is already regulated as to employer's liability or workmen's compensation by Act of the Congress of the United States—it being the purpose of this Act to regulate all such business which the Congress has not regulated in the exercise of its jurisdiction to regulate interstate commerce; provided, however, that this chapter shall apply to those employees of such common carriers provided,

* Sections 6853, 6854 and 6855 were originally Sections 3, 4 and 5, respectively, of Chapter 123, Acts of 1919.

† Originally Section 6, Chapter 123, Acts of 1919. Amended by Chapter 84, Acts of 1923; Chapters 20 and 90, Acts of 1941; Chapter 120, Acts of 1943.

however, that this chapter shall apply to those members of such common carriers with respect to whom a rule of liability is not provided by Act of the Congress of the United States.

(b) Any person whose employment at the time of injury is casual, that is, one who is not employed in the usual course of trade, business, profession, or occupation of the employer.

(c) Domestic servants and employers thereof; nor to farm or agricultural laborers and employers thereof.

(d) In cases where less than five persons are regularly employed; provided, however, that in such cases the employer may accept the provisions of this chapter by filing written notice thereof with the said division of workmen's compensation at least thirty days before the happening of any accident or death, and may at any time withdraw the acceptance by giving like notice of withdrawal.

(e) To the State of Tennessee, counties thereof and municipal corporations; provided, however, that the state, any county, or municipal corporation may accept the provisions of this chapter by filing written notice thereof with the said division under the commissioner of labor, at least thirty days before the happening of any accident or death, and may at any time withdraw the acceptance by giving like notice of the withdrawal. And providing further that the state, any county or municipal corporation may accept the provisions of this chapter as to any department or division of said state, county or municipal corporation by filing written notice thereof with said division under the commissioner of labor at least thirty (30) days before happening of any accident or death and may, at any time, withdraw acceptance for said division or department by giving like notice of the withdrawal, and such acceptance by the state, county or municipal corporation for any department or division thereof, shall have effect only of making the department or division designated subject to the terms of this Act.

*6857. All the provisions of the said chapter shall apply to coal mine operators and to their employees.

†6858. Whenever payment of compensation is made to a widow or widower for her or his use, or for her or his use and the use of a child or children, the written receipt thereof by such widow or widower shall acquit the employer.

Whenever payment is made to any person eighteen years of age or over, the written receipt of such person shall acquit the employer.

Whenever payment is made to a person under the age of eighteen years, or to a dependent child as defined in subsection 2 of section 6883 over the age of eighteen years, the same shall be paid to a duly and regularly appointed guardian or trustee of such child, and the receipt of such guardian or trustee shall acquit the employer and shall be in lieu of any claim of the parents of such child or minor for loss of services.

†6859. The rights and remedies herein granted to an employee subject to this chapter on account of personal injury or death by accident shall exclude all other rights and remedies of such employee, his personal representative, dependents, or next of kin, at common law or otherwise, on account of such injury or death.

* Originally part of Section 6, Chapter 84, Acts of 1923.

† Sections 6858 and 6859 were originally Sections 7 and 8, respectively, of Chapter 123, Acts of 1919.

*6860. Nothing in this chapter shall be construed to relieve any employer or employee from penalty for failure or neglect to perform any statutory duty.

*6861. No compensation shall be allowed for an injury or death due to the employee's wilful misconduct or intentional self-inflicted injury, or due to intoxication, or wilful failure or refusal to use a safety appliance or perform a duty required by law. If the employer defends on the ground that the injury arose in any or all of the above stated ways, the burden of proof shall be on the employer to establish such defense.

*6862. Every employer who elects not to operate under this chapter shall not, in any suit brought against him by an employee who has elected to operate under the provisions of this chapter, to recover damages for personal injury or death arising from accident, be permitted to defend such suit upon any of the following grounds, namely:

- (a) That the employee was negligent.
- (b) That the injury was caused by the negligence of a fellow servant or fellow employee.
- (c) That the employee had assumed the risk of the injury.

*6863. Every employee who elects not to operate under the provisions of this chapter, in any action to recover damages for personal injury or death by accident brought against an employer who has elected to operate under this chapter, shall proceed as at common law, and the employer in such suit may avail himself of all common law defenses.

*6864. When both employer and employee elect not to operate under this chapter, the liability of the employer for injury or death from accident shall be the same as at common law, and the employer may avail himself of all common law defenses in actions brought by such employee to recover damages for personal injury or death due to accident.

*6865. Whenever an injury for which compensation is payable under this chapter shall have been sustained under circumstances creating in some other person than the employer a legal liability to pay damages in respect thereto, the injured employee may, at his option, either claim compensation or proceed at law against such other person to recover damages, or proceed against both the employer and such other person, but he shall not be entitled to collect from both; and if compensation is awarded under this chapter, the employer having paid the compensation or having become liable therefor, may collect, in his own name or in the name of the injured employee in a suit brought for the purpose, from the other person against whom legal liability for damages exists, the indemnity paid or payable to the injured employee.

*6866. A principal, or intermediate contractor, or subcontractor shall be liable for compensation to any employee injured while in the employ of any of his subcontractors and engaged upon the subject-matter of the contract to the same extent as the immediate employer.

Any principal, or intermediate contractor, or subcontractor who shall pay compensation under the foregoing provisions may recover the amount paid, from

any person who, independently of this section, would have been liable to pay compensation to the injured employee, or from any intermediate contractor.

Every claim for compensation under this section shall be in the first instance presented to and instituted against the immediate employer, but such proceedings shall not constitute a waiver of the employee's rights to recover compensation under this chapter from the principal or intermediate contractor, provided that the collection of full compensation from one employer shall bar recovery by the employee against any others, nor shall he collect from all a total compensation in excess of the amount for which any of said contractors is liable.

This section shall apply only in cases where the injury occurred on, in, or about the premises on which the principal contractor has undertaken to execute work or which are otherwise under his control or management.

*6867. No contract or agreement, written or implied, nor rule, regulation, or other device, shall in any manner operate to relieve any employer in whole or in part of any obligation created by this chapter except as herein provided.

*6868. All rights of compensation granted by this chapter shall have the same preference or priority for the whole thereof against the assets of the employer as is allowed by law for any unpaid wages for labor; provided, however, that such compensation shall not prejudice or be superior to the rights and interests of third persons in and to such assets if such rights and interests are secured by registered mortgage in any form or manner which is valid as to general creditors of the employer.

*6869. No claim for compensation under this chapter shall be assignable, and all compensation and claims therefor shall be exempt from claims of creditors.

*6870. When an accident happens while the employee is elsewhere than in this state, which would entitle him or his dependents to compensation had it happened in this state, the employee or his dependents shall be entitled to compensation under this chapter if the contract of employment was made in this state, unless otherwise expressly provided by said contract.

*6871. If an employee has previously sustained a permanent disability by reason of the loss of, or loss of use of, a hand, an arm, a foot, a leg, or an eye, and becomes permanently and totally incapacitated through the loss, or loss of use of another member, he shall be entitled to compensation from his employer or the employer's insurance carrier only for the disability that would have resulted from the latter injury, and such earlier injury shall not be considered in estimating the compensation to which the employee may be entitled under this Chapter from the employer or the employer's insurance carrier; provided, however, that in addition to such compensation for said subsequent injury, and after completion of the payments therefor, then such employee shall be paid the remainder of the compensation that would be due for permanent total disability out of a special fund to be known as the "Second Injury Fund" herein created.

In all cases of compensable injury under this Act the employer, or, if insured, his insurance carrier, shall pay to the State Treasurer the sum of

* Sections 6867, 6868, 6869, 6870, and 6871 were originally Sections 16, 17, 18, 19, and 20, respectively, of Chapter 123, Acts of 1919.

† As amended by Chapter 149, Acts of 1945, effective July 1, 1945.

* Sections 6860, 6861, 6862, 6863, 6864, 6865, and 6866 were originally Sections 9, 10, 11, 12, 13, 14 and 15, respectively, of Chapter 123, Acts of 1919.

One Hundred (\$100.00) Dollars in each case of injury causing death, and the sum of Ten (\$10.00) Dollars in each case of injury causing permanent partial disability as provided for in Section 6878; provided, however, that such payments shall be required only in cases of injury within the purview of this Chapter and occurring after the effective date of this Act. The payments shall be in addition to any payments of compensation to injured employees or their dependents as provided for in this Chapter.

The sums so collected by the State Treasurer as provided herein shall be deposited by him in a special fund which shall be termed the "Second Injury Fund", to be disbursed by him only for the purposes stated in this Section and shall not at any time be appropriated or diverted to any other purpose. The Treasurer shall not invest any monies in said "Second Injury Fund" in any other manner than is provided by the general laws of the State for investment of funds in the hands of the State Treasurer. Disbursements from said fund shall be made by the State Treasurer only after receipt by him of a certified copy of the Court decree awarding such compensation as is provided for herein. Said disbursement shall be made only through the Clerk of the Court which rendered the decree awarding such compensation. A copy of the decree awarding compensation from the "Second Injury Fund" shall in all cases be filed with the Workmen's Compensation Division of the State Department of Labor.

*6872. Every injured employee or his representative shall, immediately upon the occurrence of an injury, or as soon thereafter as is reasonable or practicable, give or cause to be given to the employer who has not actual notice, written notice of the injury, and the employee shall not be entitled to physician's fees nor to any compensation which may have accrued under the provisions of this chapter from the date of the accident to the giving of such notice, unless it can be shown that the employer had actual knowledge of the accident; and no compensation shall be payable under the provisions of this chapter unless such written notice is given the employer within thirty days after the occurrence of the accident, unless reasonable excuse for failure to give such notice is made to the satisfaction of the tribunal to which the claim for compensation may be presented.

*6873. The notice required to be given of the occurrence of an accident to the employer shall state in plain and simple language the name and address of the employee, the time, place, and nature and cause of the accident resulting in injury or death, and shall be signed by the claimant or by some person in his behalf, or by any one or more of the claimant's dependents if the accident resulted in death to the employee. But no defect or inaccuracy in the notice shall be a bar to compensation, unless the employer can show to the satisfaction of the tribunal in which the matter is pending that he was prejudiced by the failure to give the proper notice, and then only to the extent of such prejudice.

The notice shall be given personally to the employer or to his agent or agents having charge of the business in working at which the injury was sustained by the employee.

* Sections 6872 and 6873 were originally Sections 22 and 23, respectively, of Chapter 123, Acts of 1919.

*6874. The right to compensation under this chapter shall be forever barred, unless within one year after the accident resulting in injury or death occurred the notice required by the preceding section is given the employer and a claim for compensation under the provisions of this chapter is filed with the tribunal having jurisdiction to hear and determine the matter.

†6875. For not exceeding three months after notice of the injury, the employer or his agent shall furnish free of charge to the employee such medical and surgical treatment, medicine, medical and surgical supplies, crutches, and apparatus and hospitalization, including such dental work made reasonably necessary by accident as herein defined, as may be reasonably required. The injured employee shall accept the same; provided, that the employer shall designate a group of three or more reputable physicians or surgeons if available in that community from which the injured employee shall have the privilege of selecting the operating surgeon or the attending physician; provided, however, that total liability of the employer under this Section shall not exceed one hundred dollars for medical expenses and an additional one hundred dollars for hospital expenses, if any provided, that where the medical and hospital expenses hereinabove provided for actually exceed in the aggregate the sum of two hundred dollars, the injured employee shall have the right to file a petition in any court with jurisdiction to try and determine matters arising under the Workmen's Compensation Law, praying for additional medical and hospital expenses, and such court may in the exercise of its discretion direct the employer to pay such additional medical and hospital expenses as the facts may justify, in no event, however, to exceed a total of three hundred dollars for all medical expenses and a total of two hundred dollars for all hospital expenses, if any, paid by the employer, and provided further, that the liability of the employer for such services rendered the employee shall be limited to such charges as prevail for similar treatment in the community where the injured employee resides. All cases of dispute as to the values of such services shall be determined by the tribunal having jurisdiction of the claim of the injured employee for compensation.

In case death results from the injury, the employer shall, in addition to the medical service, etc., referred to above, pay the burial expenses of the deceased employee not exceeding one hundred fifty dollars. If the deceased employee leaves no dependents entitled to claim compensation under the provisions of this chapter, the employer shall not be further liable to any one for compensation on account of the accident except for the medical and hospital service and burial expense herein provided for.

The injured employee must submit himself to the examination by the employer's physician at all reasonable times if requested to do so by the employer, but the employee shall have the right to have his own physician present at such examination, in which case the employee shall be liable to such physician for his services. The employer shall pay for the services of the physician making the examination at the instance of the employer. And in case of dispute as to the injury, the court may, at the instance of either party or on its own motion, appoint a neutral physician of good standing and ability to make an examination of the injured person and report his findings to the court, the expense of which examination shall

* Section 6874 was originally Section 24 of Chapter 123, Acts of 1919.
† Originally §25 of Chapter 123, Acts of 1919; as amended by Chapter 90, Acts of 1941; and by Chapter 117, Acts of 1943.

be borne equally by the parties. If the injured employee refuses to comply with any reasonable request for examination, or refuses to accept the medical service which the employer is required to furnish under the provisions of this chapter, his right to compensation shall be suspended and no compensation shall be due and payable while he continues such refusal.

In all death claims where the cause of death is obscure or is disputed, any interested party may require an autopsy, the cost of which to be borne by the party demanding the same.

Any physician whose services are furnished or paid for by the employer and who treats or makes or is present at any examination of an injured employee may be required to testify as to any knowledge acquired by him in the course of such treatment or examination as same relates to the injury or disability arising therefrom.

If in an emergency or on account of the employer's failure or refusal to provide the medical care and service required by this chapter, the injured employee or his dependents may provide the same, and the cost thereof, not exceeding one hundred dollars, shall be borne by the employer; provided, that the pecuniary liability of such employer shall be limited to the charges for such services as prevail in the community where the services are rendered. All cases of dispute as to the value of such services shall be determined by the tribunal having jurisdiction of the matter of compensation to the employee.

*6876. No compensation shall be allowed for the first seven days of disability resulting from the injury, excluding the day of injury, except the benefits provided for in the preceding Section, but if disability extends beyond that period, compensation shall commence with the eighth day after injury. In the event, however, the disability from the injury exists for a period of as much as four weeks, then compensation shall be allowed, beginning with the first day after the injury.

†6877. The interested parties shall have the right to settle all matters of compensation between themselves, but all settlements, before the same are binding on either party, shall be approved by the judge of the circuit court of the county where the claim for compensation under this chapter is entitled to be made. Upon such settlement being approved, judgment shall be rendered thereon by the court and duly entered by the clerk. The costs of the proceeding, which shall not exceed two dollars, shall be borne by the employer. In all cases where such settlement proceeding or in any other court proceeding for Workmen's Compensation under this Chapter involves a subsequent injury wherein the employee would be entitled to receive or is claiming compensation from the "Second Injury Fund" provided for in Section 6871, the State Treasurer shall be made a party defendant to such proceeding and the District Attorney General shall represent the Treasurer in such proceeding and the Court by its decree shall determine the right of the claimant to receive compensation from such fund, and the Clerk of said Court shall furnish to the Treasurer of the State of Tennessee and the Workmen's Compensation Division of the Department of Labor a certified copy of such decree, the

* Originally Section 26, Chapter 123, Acts of 1919. Amended by Chapter 84, Acts of 1923; Chapter 90, Acts of 1941.

† Originally Section 27, Chapter 123, Acts of 1919; as amended by Chapter 149, Acts of 1945, effective July 1, 1945.

costs of which shall be added to the costs of such proceedings and shall be paid as other costs are adjudged in the case.

*6878. The following is the schedule of compensation to be allowed employees under the provisions of this chapter:

(a) For injury producing temporary total disability sixty per centum of the average weekly wages as defined in this chapter, subject to a maximum compensation of eighteen dollars per week and a minimum of seven dollars per week; provided, that if the employee receives seven dollars or more per week then he shall receive as compensation not less than seven dollars per week; if he receives seven dollars or less per week, then the full amount of his weekly wages. This compensation shall be paid during the period of the disability of employee, but, however, not to exceed three hundred weeks. The compensation shall be paid at intervals when the wage was payable, as nearly as may be.

(b) In all cases of temporary partial disability, the compensation shall be sixty per centum of the difference between the wage of the workman at the time of the injury and the wage he is able to earn in his partially disabled condition. This compensation shall be paid during the period of such disability, not, however, beyond three hundred weeks, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to the same maximum as stated in sub-division (a) of this section.

(c) For the permanent partial disability, the compensation shall be based upon the extent of such disability. In cases included by the following schedule, the compensation shall be that named in the schedule, to-wit:

For the loss of a thumb, sixty per centum of the average weekly wages during sixty weeks.

For the loss of a first finger, commonly called index finger, sixty per centum of average weekly wages during thirty-five weeks.

For the loss of a second finger, sixty per centum of average weekly wages during thirty weeks.

For the loss of a third finger, sixty per centum of average weekly wages during twenty weeks.

For the loss of a fourth finger, commonly called little finger, sixty per centum of average weekly wages during fifteen weeks.

For the loss of the first phalange of the thumb, or of any finger, shall be considered equal to the loss of one-half of such thumb, or finger, and compensation shall be paid at the prescribed rate during one-half of the time specified above for such thumb or finger.

The loss of substantially more than one phalange shall be considered as the loss of the entire finger or thumb; provided, however, that in no case shall the amount received for more than one finger exceed the amount provided in this schedule for the loss of a hand.

For the loss of the great toe, sixty per centum of average weekly wages during thirty weeks.

For the loss of one of the toes other than the great toe, sixty per centum of the average weekly wages during ten weeks.

* Originally Section 28, Chapter 123, Acts of 1919. Amended by Chapter 84, Acts of 1923; Chapter 40, Acts of 1927 and by Chapter 90, Acts of 1941.

The loss of the first phalange of any toe shall be considered to be equal to the loss of one-half of such toe, and compensation shall be paid at the prescribed rate during one-half the time specified above for such toe.

The loss of substantially more than one phalange shall be considered as the loss of the entire toe.

For the loss of a hand, sixty per centum of average weekly wages during one hundred and fifty weeks.

For the loss of an arm, sixty per centum of the average weekly wages during two hundred weeks.

For the loss of a foot, sixty per centum of average weekly wages during one hundred and twenty-five weeks.

For the loss of a leg, sixty per centum of the average weekly wages during one hundred and seventy-five weeks.

For the loss of an eye, sixty per centum of average weekly wages during one hundred weeks.

For the complete permanent loss of hearing in both ears, sixty per centum of average weekly wages during one hundred and fifty weeks.

For the loss of an eye and a leg, sixty per centum of average weekly wages during three hundred and fifty weeks.

For the loss of an eye and an arm, sixty per centum of average weekly wages during three hundred and fifty weeks.

For the loss of an eye and a hand, sixty per centum of average weekly wages during three hundred and twenty-five weeks.

For the loss of an eye and a foot, sixty per centum of average weekly wages during three hundred weeks.

For the loss of two arms, other than at the shoulder, sixty per centum of average weekly wages during four hundred weeks.

For the loss of two hands, sixty per centum of average weekly wages during four hundred weeks.

For the loss of two legs, sixty per centum of average weekly wages during four hundred weeks.

For the loss of two feet, sixty per centum of average weekly wages during four hundred weeks.

For the loss of one arm and the other hand, sixty per centum of the average weekly wages during four hundred weeks.

For the loss of one hand and one foot, sixty per centum of the average weekly wages during four hundred weeks.

For the loss of one leg and one hand, sixty per centum of the average weekly wages during four hundred weeks.

For the loss of one arm and one foot, sixty per centum of the average weekly wages during four hundred weeks.

For the loss of one arm and one leg, sixty per centum of the average weekly wages during four hundred weeks.

For the total and permanent loss of the sight of both eyes, or the loss of both arms at the shoulder, or complete and permanent paralysis, or total and permanent loss of mental faculties sixty per centum of the average weekly wages during four hundred weeks.

Where an employee sustains concurrent injuries resulting in concurrent disabilities, he shall receive compensation only for the injury which produced the longest period of disability, but this section shall not affect liability for the concurrent loss of more than one member, for which members compensations are provided in the specific schedule and in subsection (e) below. In all cases the permanent and total loss of the use of a member shall be considered as equivalent to the loss of that member, but in such cases the compensation in and by said schedule provided shall be in lieu of all other compensation.

In cases of permanent partial disability due to injury to a member resulting in less than total loss of use of such member not otherwise compensated in this schedule, compensation shall be paid at the prescribed rate during that part of the time specified in the schedule for the total loss or total loss of use of the respective member, which the extent of injury to the member bears to its total loss. If an injured employee refuses employment suitable to his capacity, offered to or procured for him, he shall not be entitled to any compensation at any time during the continuance of such refusal, unless at any time in the opinion of the judge or chairman of the county court of the county of his residence such refusal is justifiable. All compensations provided, in clause (c) of this section for loss to members, or loss of use of members, are subject to the same limitations as to maximum and minimum as are stated in clause (a).

In all other cases of permanent partial disability not above enumerated the compensation shall be sixty per centum of the difference between the wage of the workman at the time of the injury and the wage he is able to earn in his partially disabled condition subject to a maximum of eighteen dollars per week. Compensation shall continue during disability, not, however, beyond three hundred weeks.

(d) For permanent total disability as defined in sub-section (e) below, sixty per centum of the wages received at the time of the injury, subject to a maximum compensation of eighteen dollars per week and a minimum compensation of seven dollars per week, unless the wages of the employee are less than seven dollars per week, in which latter case he shall receive the full amount of his weekly wages as compensation. This compensation shall be paid during such permanent total disability, not exceeding five hundred and fifty weeks, but in all such cases drawing more compensation than seven dollars per week, the payments after the first four hundred weeks shall be reduced to seven dollars per week for the remainder of the five hundred and fifty weeks, while the permanent total disability continues, payments to be made at the intervals when the wage was payable, as nearly as may be. The total amount of compensation payable under this subsection shall not exceed five thousand dollars in any case; provided, however, that in case an employee who is permanently and totally disabled becomes an inmate of a public institution, then no compensation shall be payable unless he has wholly dependent on him for support a person or persons named in subsections (1), (2), and (3) of section 6883 (whose dependency shall be determined as if the employee

were deceased), and in which case the compensation provided for in this subsection shall be paid for the benefit of said persons so dependent, during dependency, in such institution; and provided further, that if no person or persons wholly dependent upon him, then the amounts falling due during the lifetime of such employee shall be paid to him or to his guardian, if *non compos mentis*, to be spent for the ward's benefit; such payments to cease upon the death of the employee.

(e) When any injury not otherwise specifically provided for in the Act or in this Amendment, totally incapacitates the employee from working at an occupation which brings him an income, such employee shall be considered totally disabled and for such disability compensation shall be paid as provided in subsection (d) hereof, provided that the total amount of compensation payable hereunder shall not exceed five thousand (\$5,000.00) dollars, exclusive of medical and hospital benefits.

(f) In case a workman sustains an injury due to accident arising out of and in the course of his employment, and during the period of disability caused thereby death results approximately therefrom, all payments previously made as compensation for such injury shall be deducted from the compensation, if any, due on account of death.

*6879. In all cases of permanent total disability of an employee covered by the workmen's compensation law, sixty per cent. of the average weekly wages, as defined, shall be paid, subject to maximum compensation as follows:

Where there are or are not persons dependent upon each injured employee, a maximum of eighteen dollars per week.

†6880. In all cases of death of an employee covered by the workmen's compensation law sixty per centum of the average weekly wages defined as stated, shall be paid in cases where such deceased employee leaves dependents subject to maximum compensation as follows: eighteen dollars per week.

6881. The total amount of compensation payable under the preceding section shall not exceed five thousand dollars, exclusive of medical, hospital, and funeral benefits.

‡6882. In case any employee for whose injury or death compensation is payable under this chapter shall at the time of injury be employed and paid jointly by two or more employers subject to this chapter, such employers shall contribute to payment of such compensation in a proportion of their several wage liability to such employee. If one or more, but not all, of such employers should be subject to this chapter and otherwise subject to liability for compensation hereunder, then the liability of such of them as are so subject shall be to pay the proportion of the entire compensation which their portion of the wage liability bears to the wages of the employee; provided, however, that nothing in this section shall prevent any agreement between the different employers between themselves as to the distribution of the ultimate burden of such compensation.

* Originally Section 1, Chapter 84, Acts of 1923. Amended by Chapter 40, Acts of 1927; Chapter 90, Acts of 1941.

† Originally Section 1, Chapter 40, Acts of 1927. Amended by Chapter 90, Acts of 1941.

‡ Originally Section 29, Chapter 123, Acts of 1919.

*6883. For the purposes of this chapter, the following described persons shall be conclusively presumed to be wholly dependent:

(1) A wife, unless it be shown that she was voluntarily living apart from her husband at the time of his injury, and minor children under the age of sixteen years.

(2) Children between sixteen and eighteen years of age, or those over eighteen, if physically or mentally incapacitated from earning, shall prima facie be considered dependent.

(3) Wife, child, husband, mother, father, grandmother, grandfather, sister, brother, mother-in-law, and father-in-law who were wholly supported by the deceased workman at the time of his death and for a reasonable period of time immediately prior thereto shall be considered his actual dependents, and payment of compensation shall be made to them in the order named.

(4) Any member of a class named in subdivision (3) who regularly derived part of his support from the wages of the deceased workman at the time of his death and for a reasonable period of time immediately prior thereto shall be considered his partial dependent, and payment of compensation shall be made to such dependents in the order named.

(5) In death cases, compensation payable to dependents shall be computed on the following basis, and shall be paid to the persons entitled thereto, without administration:

(6) If the deceased employee leave a widow and no dependent child, there shall be paid to the widow thirty-five per centum of the average weekly wages of deceased.

(7) If the deceased employee leave a widow and one dependent child, there shall be paid to the widow for the benefit of herself and such child, forty-five per centum of the average weekly wages of deceased.

(8) If the deceased employee leave a widow and two or more dependent children, there shall be paid to the widow for the benefit of herself and such children, sixty per centum of the average weekly wages of deceased.

(9) In all cases where compensation is payable to a widow for the benefit of herself and dependent child or children, the court shall have power to determine in its discretion what portion of the compensation shall be applied for the benefit of any such child or children, and may order the same paid to a guardian.

(10) Upon the remarriage of a widow, if there be no child of the deceased employee, the compensation shall terminate; but if there be a child or children under the age of eighteen years, from the time of the remarriage the child or children shall have status of orphan or orphans, and draw compensation accordingly, not however, to exceed sixty per cent. of the average weekly wage of decedent.

(11) If the deceased employee leave a dependent orphan, there shall be paid thirty per centum of the monthly wages of deceased with ten per centum additional for each additional orphan, with a maximum of sixty per centum of such wages.

(12) If the deceased employee leave a dependent husband and no

* Originally Section 30, Chapter 123, Acts of 1919. Amended by Chapter 84, Acts of 1923; Chapter 40, Acts of 1927; Chapter 90, Acts of 1941; and by Chapter 110, Acts of 1943.

dependent child, there shall be paid to the husband twenty per centum of the average weekly wages of deceased.

(13) If the deceased employee leave no widow or child or husband entitled to any payment hereunder, but should leave a parent or parents, either or both of whom are wholly dependent on the deceased, there shall be paid, if only one parent, twenty-five per centum of the average weekly wages of the deceased to such parent, and if both parents, thirty-five per centum of the average weekly wages of the deceased to such parents.

(14) If the deceased leave no widow or dependent child or husband or parent entitled to any payment hereunder, but leaves a grandparent, brother, sister, mother-in-law, or father-in-law wholly dependent upon him for support, there shall be paid to such dependent, if but one, twenty per centum of the average weekly wages of the deceased, or if more than one, twenty-five per centum of the average weekly wages of the deceased, divided between them or among them share and share alike.

(15) If compensation is being paid under this chapter to any dependent, such compensation shall cease upon the death or marriage of such dependent, unless otherwise provided herein.

(16) Partial dependents shall be entitled to receive only that proportion of the benefits provided for actual dependents which the average amount of the wages regularly contributed by the deceased to such partial dependent at, and for a reasonable time immediately prior to the injury, bore to the total income of the dependent during the same time.

(17) The compensation payable in case of death to persons wholly dependent shall be subject to a maximum compensation of eighteen dollars per week and a minimum of seven dollars per week, provided, that if at the time of the injury the employee receives wages of less than seven dollars per week, the compensation shall be the full amount of such wages per week. The compensation payable to partial dependents shall be subject to a maximum of eighteen dollars per week, and a minimum of seven dollars per week; provided, that if the income loss of said partial dependents by such death is less than seven dollars per week, then the dependents shall receive the full amount of their income loss. This compensation shall be paid during dependency not exceeding four hundred weeks, payments to be made at the intervals when the wage was payable as nearly as may be.

(18) In computing and paying compensation to orphans or other children, in all cases, only those under eighteen years of age, or those over eighteen years of age who are physically or mentally incapacitated from earning, shall be included, the former to receive compensation only during the time they are under eighteen, the latter only for the time they are so incapacitated, within the period of four hundred weeks.

(19) Actual dependents shall be entitled to take compensation in the order named in subsection (3) above, until sixty per centum of the monthly wages of the deceased during the time specified in this chapter shall have been exhausted, but the total compensation to be paid to all actual dependents of a deceased employee shall not exceed in the aggregate eighteen dollars per week.

Provided, however, that sums distributed under the Unemployment Compensation Act, Chapter I, Public Acts of First Extraordinary Session of the 70th General Assembly, as amended, the Old Age Assistance Act, Chapter 49,

Public Acts of 1937, as amended, the Aid to Dependent Children Act, Chapter 50, Public Acts of 1937, as amended, Aid to Blind Act, Chapter 51, Public Acts of 1937, as amended, the Federal Social Security Act, or any other Public Assistance distributed by the United States Government, the State of Tennessee, or any county or municipality thereof, shall not be considered income within the meaning of this Chapter and shall not affect the status or compensation of any person entitled to benefits as herein provided.

*6884. The time within which the following acts shall be performed under this chapter shall be limited to the following periods, respectively.

(1) Actions or proceedings by an injured employee to determine or recover compensation, one year after the occurrence of the injury.

(2) Action or proceedings by dependents to determine or recover compensation, one year after the date of notice in writing given by the employer to the division of workmen's compensation, stating his willingness to pay compensation when it is shown that the death is one for which compensation is payable. In case the deceased was a native of a foreign country and leaves no known dependent or dependents within the United States, it shall be the duty of the said commissioner to give written notice forthwith of said death to the consul or other representative of said foreign country residing within the State.

(3) Proceedings to obtain judgment in case of default of employer for thirty days to pay any compensation due under any settlement or determination one year after such default.

(4) In case of physical or mental incapacity, other than minority, of the injured person or his dependents to perform or cause to be performed any act required within the time in this section specified, the period of limitation in any such case shall be extended for one year from the date when such incapacity ceases.

†6885. In case of a dispute over or failure to agree upon compensation under this chapter between the employer and employee or the dependents of the employee either party may submit the entire matter for determination to the judge or chairman of the county court in which the accident occurred, and such judge or chairman is hereby vested with jurisdiction to hear and determine the issues and render judgment and enforce the same in the same manner as courts of record render and enforce judgment. The county judge or chairman shall have the power to subpoena witnesses, administer oaths and punish witnesses for contempt; and in short, he shall have such powers in conducting hearings under this chapter as are possessed by the judges of the circuit courts as courts of general jurisdiction. Officers serving process, subpoenas, and other papers shall have the same fees now provided by law for such officers in the magistrates' courts.

The party invoking the power of said court shall file a petition setting out the facts on which the claim is based under this chapter. Upon said petition being filed, the clerk of the county court shall issue and cause to be served on the defendant named in said petition a summons accompanied by a certified copy of the petition, commanding the defendant to appear and make defense to said petition before the judge or chairman of said county

*Originally Section 31, Chapter 123, Acts of 1919. Amended by Chapter 40, Acts of 1927.

†Originally Section 32, Chapter 123, Acts of 1919. Amended by Chapter 90, Acts of 1941.

court. Said summons shall be served on the defendant as in other civil cases at least ten days before the time the matter is to be heard. The county judge or chairman shall set claims for hearing not more than fifteen days after the filing of the petition unless for good cause shown. The defendant shall file an answer to said petition on or against the day specified in the summons, unless the court grants further time in which to answer on good cause shown by affidavit. Should the defendant fail to answer the petition within the time prescribed, a judgment *pro confesso* will be entered against him and the cause proceeded with *ex parte*. The judge or chairman trying the case shall hear the evidence offered by either or both parties, and render judgment. Either party dissatisfied with the judgment of the judge or chairman may appeal as in other civil cases to the next term of the circuit court of the county where the cause will be heard by the circuit judge *de novo*. The cause shall be heard by the circuit judge without a jury and as other non-jury civil cases are heard in the circuit court. Neither party shall have the right to demand a jury. It shall be the duty of the county judge or chairman of the county court in carrying out the provisions of this chapter to keep a docket of all claims presented to him for settlement or adjudication, and he shall cause to be entered on a separate minute book a final record of his findings and conclusions in litigated cases as well as of orders, compromises, or settlements made by him. For acting in each of such cases which is contested or litigated the county judge or chairman of the county court shall receive a fee of five dollars, which shall be taxed as a part of the costs of the case against the unsuccessful party. For entering all orders, settlements, or compromises of claims which are not controverted or litigated, the county judge or chairman of the county court shall receive as compensation a fee of two dollars, which shall be taxed equally against both parties. In the event of failure of either party to appeal within ten days, excluding holidays and Sundays, the judgment of a county judge or chairman shall be final. The party filing the petition may, at his option, instead of filing the same before the county judge or chairman, file the same as an original petition in either the circuit, criminal, or chancery court of the county in which petitioner resides or in which the alleged accident happens, in which event summons shall be issued by the clerk of the court in which the proceeding is instituted, and shall be returned before said court within the time provided for proceedings before a county judge or county chairman. The issue shall be made in the same manner, and the presiding judge shall proceed to hear the case as provided in case of appeal from the county judge or chairman. Whenever any matter is brought before the county judge or chairman or before any judge as provided herein, the said county judge or chairman or any judge, may, if he so desires, visit the scene of the accident and examine the surroundings.

Any party to the proceedings in the circuit, criminal, or chancery court may, if dissatisfied or aggrieved by the judgment or decree of that court, pray an appeal in the nature of a writ of error to the supreme court, where the cause shall be heard and determined in accordance with the practice governing other appeals in the nature of a writ of error in civil causes. The trial of all cases under this law shall be expedited by (a) giving all such cases priority over all other cases on the trial docket in the Trial Court other than cases involving State revenue; (b) by allowing any case on appeal in

the Supreme Court to be on motion of either party transferred to the division where the Supreme Court is then or will next be in session.

*6886. The fees of attorneys and physicians and charges of hospitals for services to employees under this chapter shall be subject to the approval of the county judge or chairman of the county court, or other court before which the matter is pending; provided, that no attorney's fees to be charged employees shall be in excess of twenty per cent. of the amount of the recovery or award to be paid by the party employing the attorney.

6887. The charging or receiving any fee by an attorney in violation of the preceding section shall be deemed unlawful practice and render the attorney liable to disbarment; and, further, he shall forfeit double the entire amount retained by him, to be recovered as in case of debt by the injured person or his creditor.

†6888. In case a deceased employee for whose injury or death compensation is payable under the provisions of this chapter leaves surviving him an alien dependent or dependents residing outside of the United States, the circuit court, instead of the judge or chairman of the county court, shall hear and determine the matter and order payment of any compensation due from the employer to be made to the duly accredited consular officer of the country of which the beneficiaries are citizens, if there is such consular officer residing in this state, and if not, to the designated representative of such consular officer residing within this state, and such consular officer or his representative shall be fully authorized and empowered by this chapter to settle all claims for compensation and receive for distribution to the persons entitled thereto such compensation. The distribution of said funds in such case shall be only made on the order of the circuit court. If required so to do by the court, such consular officer or his representative shall execute a good and sufficient bond to be approved by the court, conditioned upon the faithful accounting of the money so received by him, and before such bond is discharged a verified statement of receipts and disbursements of said moneys shall be made and filed in said circuit court.

Such consular officer or his representative shall, before receiving the first payment of such compensation, and at reasonable times thereafter, upon the request of the employer, furnish to the employer a sworn statement containing a list of the dependents with the name, age, residence, extent of dependency and relation to the deceased of each dependent.

‡6889. Copies of all settlements and releases shall be filed by the employer with the division of workmen's compensation, within ten days after such settlements are made, and shall become part of the permanent records of that department.

†6890. The amounts of compensation payable periodically hereunder may be commuted to one or more lump sum payments. These may be commuted only with the consent of the circuit court. In making such commutation the lump sum payment shall, in the aggregate, amount to a sum equal to the present value of all future installments of compensation calculated on a six per cent. basis. No settlement or compromise shall be made except on the terms herein provided.

†6891. All settlements of compensation by agreement of the parties and

* Originally Section 33, Chapter 123, Acts of 1919.
† Sections 6888, 6890 and 6891 were originally Sections 34, 36 and 37, respectively, of Chapter 123, Acts of 1919.
‡ Originally Section 35, Chapter 123, Acts of 1919. Amended by Chapter 40, Acts of 1927,

all awards of compensation made by the court, where the amount paid or to be paid in settlement or by award does not exceed the compensation for six months' disability, shall be final and not subject to readjustment.

*6892. All amounts paid by employer and received by the employee or his dependents, by lump sum payment, shall be final, but the amount of any award payable periodically for more than six months may be modified as follows:

(a) At any time by agreement of the parties and approved by the court.

(b) If the parties cannot agree, then at any time after six months from the date of the award an application may be made to the courts by either party, on the ground of increase or decrease of incapacity due solely to the injury. In such cases the same procedure shall be followed as in section 6884 in case of disputed claim for compensation.

†6892-A. Hernia—Compensation For And When Allowed—In all claims for compensation for hernia or rupture, resulting from injury by accident arising out of and in the course of the employee's employment, it must be definitely proven to the satisfaction of the Court;

First. That there was an injury resulting in hernia or rupture.

Second. That the hernia or rupture appeared suddenly.

Third. That it was accompanied by pain.

Fourth. That the hernia or rupture immediately followed the accident.

Fifth. That the hernia or rupture did not exist prior to the accident for which compensation is claimed.

All hernia or rupture, inguinal, femoral or otherwise, so proven to be the result of an injury by accident arising out of and in the course of the employment, shall be treated in a surgical manner by a radical operation. If death results from such operation, the death shall be considered as the result of the injury, and compensation paid in accordance with the provisions of this Act.

In case the injured employee refuses to undergo the radical operation for the cure of said hernia or rupture, no compensation will be allowed during the time such refusal continues. If, however, it is shown that the employee has some chronic disease, or is otherwise in such physical condition that the Court finds it unsafe for the employee to undergo said operation, the employee shall be paid compensation in accordance with the provisions of this Act.

‡6893. Any time after the amount of any award has been agreed upon by the parties, or found and ordered by the court, a sum equal to the present value of all future installments of compensation calculated on a six per cent. basis, may (where death or the nature of the injury renders the amount of future payments certain), by leave of court, be paid by the employer to any savings bank or trust company of this state to be approved and designated by the court, and such sum, together with all interest thereon, shall be held in trust for the employee or the dependents of the employee who shall have no further recourse against the employer. The payment of such sum by the employer evidenced by the receipts in duplicate of the trustee,

* Originally Section 38 of Chapter 123, Acts of 1919.

† Added by Chapter 90, Acts of 1941.

‡ Originally Section 39, Chapter 123, Acts of 1919.

one of which shall be filed with the division of workmen's compensation, and the other filed with the clerk of the circuit court, shall operate as a satisfaction of said award as to the employer. Payments from said fund shall be made by the trustee in the same amounts and at the same time as are herein required of the employer until said fund interest shall be exhausted. In the appointment of the trustee, preference shall be given, in the discretion of the court, to the choice of the injured employee or the dependent of the deceased employee as the case may be.

*6894. Every person, partnership, association, or organization, or corporation, whether organized under the laws of this or any other state or county, which has or may hereafter comply with the laws of the State of Tennessee and is authorized to write accident or indemnity insurance in this state shall be authorized and empowered to write workmen's compensation insurance under the terms and provisions of this chapter, and likewise every reciprocal and mutual insurance association or corporation shall have the like privileges; all of such insurance carriers provided for by this section shall be subject to a tax of four per centum on premiums collected for workmen's compensation insurance, and this shall be in lieu of any other tax on premiums for the writing of such business of workmen's compensation insurance now provided for by law.

Every insurance carrier hereinbefore referred to and which insures employers against liability for compensation under the provisions of this chapter, shall file with the commissioner of insurance and banking, its classification of risks and premiums relating thereto, and any subsequent proposed classification of risks and premiums together with basic rates and schedule if a system of schedule rating be in use, none of which shall take effect until the governor, the secretary of state and the commissioner of insurance and banking shall have approved the same. The governor, the secretary of state and the commissioner of insurance and banking may withdraw their approval of any premium rate or schedule made by any such insurance carrier, if in their judgment such premium rate or schedule is inadequate to provide the necessary reserves, or if so high as to impose an unreasonable burden on the employer.

The commissioner of insurance and banking shall require of each such carrier annually a statement showing its experience and loss ratio and such other information as will show the cost of insurance in each classification, and the commissioner of insurance and banking shall annually make a report to the governor showing the loss ratio and other items of the cost of workmen's compensation insurance for each classification.

All policies insuring the payment of compensation under this Act, including all contracts of mutual, reciprocal or inter-insurance, must contain a clause to the effect that as between the employer and the insurer or insurers the notice to or knowledge of the occurrence of the injury on the part of the insured employer shall be deemed notice or knowledge, as the case may be, on the part of the insurer or insurers; that jurisdiction of the insured for the purpose of this Act shall be jurisdiction of the insurer or insurers; and that the insurer or insurers shall in all things be bound by and subject to awards, judgments or decrees rendered against such insured employer. Every insurance

* Originally Section 40, Chapter 123, Acts of 1919. Amended by Chapter 84, Acts of 1923, and by Chapter 158, Acts of 1933.

company doing a Workmen's Compensation business in this State shall furnish a bond running to the State in the sum of \$50,000.00 with some surety company authorized to transact business in this State as surety, in such form as may be approved by the Insurance Commissioner, conditioned for the payment of compensation losses on policies issued by such company upon risks located in the State of Tennessee. Suit may be brought upon said bond by the Division of Workmen's Compensation for the use and benefit of any party or parties at interest. The annual license of such company shall not be issued or renewed until it has filed with the Insurance Commissioner of the State of Tennessee a bond as aforesaid. In lieu of such bond a deposit of the same amount may be made with the Treasurer of the State of Tennessee in the form of other security satisfactory to the Insurance Commissioner.

Provided, however, That the Commissioner of Insurance and Banking for the State of Tennessee may in his discretion accept in lieu of the bond herein required, a certificate from the Commissioner of Insurance or other corresponding official of the State in which the said Insurance Company is organized and domiciled, that the said Company has on deposit in said State the sum of not less than \$100,000.00 in cash, or its equivalent, which deposit is for the protection of all of its policyholders ratably*.

†6895. Every employer under and affected by this chapter (1) shall insure and keep insured his liability hereunder in some person or persons, association, organization, or corporation authorized to transact the business of workmen's compensation insurance in this state, or (2) shall furnish to the Commissioner of Insurance and Banking satisfactory proof of his financial ability to pay all claims that may arise against him under this chapter and guarantee the payment of the same in the amount and manner and when due as provided for in this chapter. If the employer elects to pursue the latter course, the Commissioner of Insurance and Banking shall, without discretion, require the deposit of an acceptable security or indemnity bond to secure the payment of compensation liability as may be incurred under this chapter. Said bond shall be conditioned to run directly for the benefit of the employees subject to this chapter and may be enforced by them directly in an action in their name. This chapter shall not apply to policies of insurance against loss from explosion of boilers or flywheels or other similar single catastrophe hazards.

Every employer accepting the provisions of this chapter shall file with the Commissioner of Labor division of workmen's compensation and annually thereafter, or as often as may be necessary under the ruling of said commissioner, evidence of his compliance with the provisions of this chapter relating to insurance or indemnity to employees. Until these provisions are complied with, the employer shall be liable to an employee either for compensation under this chapter or at law in the same manner as if the employer had refused to accept the provisions of this chapter, and in any suit brought by the employee against the employer the defense of contributory negligence, the fellow servants' rule, and assumption of the risk by the employee shall not be open to or set up by the employer in any common law court in which

* So in certified copy. Probably meant to read "ratably".

† Originally Section 41, Chapter 123, Acts of 1919. Amended by Chapter 7, Acts of 1923; Chapter 90, Acts of 1941.

such suit may be brought. Claim of compensation in such cases under this chapter shall be deemed a waiver of the right to proceed at law, and institution and prosecution to final judgment of an action at law shall be deemed a waiver of all claims to compensation hereunder. No agreement by any employee to pay any portion of the insurance premium paid by his employer shall be valid, and any employer who deducts any portion of such premium from the wages or salary of any employee entitled to the benefits of this chapter shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than one hundred dollars for each offense.

If any time the said Commissioner of Insurance and Banking deems the security or bond inadequate or unsafe, he shall require adequate bond or security, and upon default thereof, he shall so advise the Commissioner of Labor.

It shall be the duty of the Commissioner of Insurance and Banking and the Commissioner of Labor to interchange information as to matters of mutual interest under this Act as amended.

*6896. Every employer accepting the provisions of this chapter shall file with the said commissioner, division of workmen's compensation, on a form prescribed by the commissioner, annually, or as often as the commissioner in his discretion deems necessary, evidence of his compliance with the provisions of the preceding section. If any such employer refuses or wilfully neglects to comply with these provisions, he shall be punished by a fine of not less than ten dollars nor more than one hundred dollars, and after such conviction shall be subject to a fine of not less than one dollar nor more than ten dollars for each day of such refusal or neglect and until he shall comply with said provisions, and also such employer so refusing or neglecting to comply, then during the continuance of such refusal or neglect shall be liable to an injured employee either for compensation as provided in this chapter to be recovered in an action brought in a court of competent jurisdiction for that purpose, or for damages to be recovered as if this chapter had not been enacted, as such employee may elect; and in case suit for damages is brought instead of a suit to recover compensation under the provisions of this chapter, the employer, when sued, shall not be allowed to set up as defense to the action that the employee was guilty of contributory negligence, or that the injury was occasioned by the negligence of a fellow servant of the employee or that the employee had assumed the risk of the injury. Claim of compensation made under this chapter shall be deemed a waiver of the right to sue for damages, and the institution and prosecution to final judgment of a suit for damages shall be deemed a waiver of a right to claim compensation under this chapter.

*6897. Whenever an employer has complied with the provisions of this chapter relating to insurance, the said commissioner shall issue to such employer a certificate which shall remain in force for a period to be fixed by the said commissioner, but the said commissioner may, upon thirty days' notice and a hearing to the employer, revoke the certificate upon satisfactory evidence, for such revocation, having been presented. At any time after such revocation the said commissioner may grant a new certificate to the employer upon his petition.

* Originally Sections 42 and 43, respectively, of Chapter 123, Acts of 1919.

*6898. All policies insuring the payment of compensation under this chapter must contain a clause to the effect that as between the employer and the insurer, the notice of or knowledge of the occurrence of the injury on the part of the insured shall be deemed notice or knowledge, as the case may be, on the part of the insurer, that jurisdiction of the insured for the purpose of this chapter shall be jurisdiction of the insurer, and that the insurer shall in all things be bound by and subject to the awards, orders, judgments, or decrees rendered against such insured, whether a formal part to the proceedings or not.

*6899. No policy of insurance against liability arising under this chapter shall be issued unless it contain an express agreement of the insurer that it will promptly pay to the person entitled to same all benefits conferred by this chapter and all installments of the compensation that may be awarded or agreed upon, and that this obligation shall not be affected by any default of the insured for the injury or by any default in the giving of any notice required by such policy or otherwise. Such agreement shall be construed to be a direct promise by the insurer to the person entitled to compensation under this chapter, and may be enforced directly by such person in his name, and the failure, if any, of the insured to comply with any provisions of the policy regarding notice of injury and such matters shall not be a defense in a suit on the policy by the insured employee or his dependents or representatives, unless it can be shown that such insured employee or his representatives or dependents aided and abetted in seeking to mislead or defraud the insurer.

†6900. There is conferred upon the commissioner of labor the power to enforce the provisions of this chapter which relate to the assurance of payments of the awards thereunder. The said commissioner shall have the power, subject to the approval of the governor, to employ such clerical assistance as he may deem necessary and fix the compensation of the person or persons so employed. He may make rules and regulations not inconsistent with this chapter for the purpose of discharging his duties under the provisions of this chapter. He may provide forms for the use of employers and such other literature as may be necessary and shall furnish free of charge to any employee or employer such literature and blank forms as he may deem requisite to facilitate or promote the efficient administration of this chapter.

‡6901. The rule of common law requiring strict construction of statutes in derogation of common law shall not be applicable to the provisions of this chapter, but the same is declared to be a remedial statute which shall be given an equitable construction by the courts to the end that the objects and purposes of this chapter may be realized and attained.

* Sections 6898 and 6899 were originally Sections 44 and 45, respectively, of Chapter 123, Acts of 1919.

† Originally Section 46 of Chapter 123, Acts of 1919; as amended by Chapter 90, Acts of 1941.

‡ Originally Section 47, Chapter 123, Acts of 1919.

TITLE 3. CIVIL GOVERNMENT OF THE STATE.
CHAPTER 2. EXECUTIVE DEPARTMENT.
ARTICLE V. ORGANIZATION OF
ADMINISTRATIVE DEPARTMENTS.

(8) Department of Labor.

*335. The department of labor shall have power:

(1) To supervise the administration of the workmen's compensation law.

*337. The department of labor shall be organized under four divisions, as follows:

(4) The division of workmen's compensation, the head of which shall be the superintendent of workmen's compensation.

TITLE 5. REVENUE OF THE STATE.
CHAPTER 1. SOURCES OF PUBLIC REVENUE.
ARTICLE VI. PRIVILEGES TAXABLE.

†1248.125. Insurance companies.

* * * * *

Workmen's Compensation Insurance

Every person, partnership, association or organization or corporation, whether organized under the laws of this or any other state or country, which has or may hereafter comply with the laws of the State of Tennessee, and is authorized to write accident or indemnity insurance in this State shall be authorized and empowered to write workmen's compensation insurance under the terms and provisions of the "Workmen's Compensation Law", and likewise every reciprocal and mutual insurance association or corporation shall have the like privileges; all of such insurance carriers provided for by Section 6894 of the 1932 Code of Tennessee shall be subject to a tax of four (4%) per cent on premiums collected for workmen's compensation insurance, and this shall be in lieu of any other tax on premiums for the writing of such business of workmen's compensation insurance now provided for by law.

Self Insurers

If an employer covered by provisions of Sections 6351-6901 inclusive, of the Code of Tennessee, known as the Workmen's Compensation Act, or any amendatory acts thereto, shall carry his own insurance as provided by the said section, such employer shall pay to the commissioner of insurance and banking four (4%) per cent on the premium which he would be required to pay if he carried the insurance called for with licensed insurance companies, provided that the tax so paid by any employer shall, in no instance, be less than \$5.00.

This tax is intended to be and shall be construed to be a special privilege tax to be paid by such "self insurers" to the commissioner of insurance and banking when the permit is issued.

* Originally Sections 55 and 56, respectively, of Chapter 7, Acts of 1923.

† Added by Chapter 21, Acts of 1939; as amended by Chapter 186, Acts of 1939.

TITLE 12. POLICE REGULATIONS.
CHAPTER 21. THE COLLECTION OF INFORMATION
AS TO ACCIDENTS IN FACTORIES.

*5364. Reports of accidents causing personal injuries or death.—It shall be the duty of every such person to make or cause to be made to the department of labor, division of workmen's compensation, within ten days after it shall occur, a report of each and every accident happening to any person in, about, or in connection with such workshop or factory, which accident resulted in death or bodily injury of such a nature that the injured person does not return to his or her employment within seven days after the occurrence of such accident, setting forth in such report the nature of the business in which such employee is engaged, the time, place, and nature of the accident, the name, address, sex, age, and nature of employment of the person killed or injured, and whether such person is married or single, and, if married, the number of persons dependent upon the injured person for support, together with a statement of how the accident occurred, and, if such accident was caused by machinery, the kind of machinery used.

†5365. Special and additional report upon request of inspector.—It shall be the duty of every such person to make a full and detailed report, in addition to the information required to be furnished in sections 5363 and 5364, upon written request of the chief inspector of the department of labor, furnishing him any information which such chief inspector may demand.

‡5366. Reports are not admissible in evidence.—No report herein required to be made, or any part thereof, shall be admitted in evidence or referred to at the trial of any action or any judicial proceedings whatsoever.

§5367. Failure or refusal to comply a misdemeanor.—Any person who fails or refuses to comply with any of the provisions of this chapter, or who fails and refuses to answer in detail any inquiry made by any inspector of the department of labor relative to such accidents, shall be guilty of a misdemeanor, and punished, for the first offense, by a fine of not less than fifty dollars nor more than one hundred dollars, and, for the second and subsequent offenses, by a fine of not less than one hundred dollars nor more than two hundred dollars.

¶5368. Term "workshops and factories" shall include what.—The term "workshops and factories" as used in this chapter shall include the following: Manufacturing mills; mechanical, electrical, mercantile, art, and laundrying establishments; printing, telegraph, and telephone offices; department stores; or any kind of an establishment wherein labor is employed or machinery used, or operated by persons subject to the workmen's compensation law.

* Originally Section 2, Chapter 32, Acts of 1913, 1st Extra Session. Amended by Chapter 7, Acts of 1923.

† Sections 5365, 5366 and 5367 were originally Sections 3, 4 and 5, respectively, of Chapter 32, Acts of 1913, 1st Extra Session.

‡ Originally Section 6, Chapter 32, Acts of 1913, 1st Extra Session. Amended by Chapter 24, Acts of 1927.

PART IV. CRIMES.

TITLE 4. PROCEEDINGS IN CRIMINAL CASES.
CHAPTER 7. PROCEEDINGS BEFORE GRAND JURIES.
ARTICLE 1. POWERS AND DUTIES OF GRAND JURIES.

*11583.1. Factories; accident reports; workmen's compensation insurance; indictable offenses.—All violations of the Workmen's Compensation Law of Tennessee, as contained in sections 5364, 5365, and 5367 of the Code relating to accident reports, and sections 6895 and 6896 of the Code with reference to employers insuring their compensation liability, are hereby declared to be indictable or presentable offenses.

*11583.2. Factories; workmen's compensation; inquisitorial powers.—The grand jury of every county in this state is hereby given inquisitorial power over all violations of the Workmen's Compensation Law as contained in sections 5364, 5365, 5367, 6895 and 6896 of the Code, and all grand juries are hereby required to inquire into all such violations and to present them to the court by indictment or presentment.

*11583.3. Judges, duty to charge grand jury concerning law.—All circuit and criminal judges shall give this act and the provisions of sections 5364, 5365, 5367, 6895 and 6896 in their charges to the grand juries.

* Added by Chapter 71, Acts of 1933.

MANHATTAN DISTRICT HISTORY

BOOK I - GENERAL

VOLUME 6 - INSURANCE PROGRAM

APPENDIX "B"

REFERENCES

- | <u>No.</u> | <u>Title</u> |
|------------|---|
| 1. | Copy of Memorandum to Lt. Colonel C. Vanden Bulck from Mr. H. E. Schmits, dated 4 September 1943, in District Insurance Section file, titled "Master Policy MD-1, Sun Indemnity Company - Expired 3 September 1944." |
| 2. | Copy of Memorandum to Lt. Colonel C. Vanden Bulck from Lt. Colonel George A. Jackson, dated 18 June 1945, Subject: Occupational Accident and Health Policy - Indemnity Insurance Company of North America, in District Insurance Section file, titled "Indemnity Insurance Company of North America." |
| 3. | Copy of Memorandum to Lt. Colonel C. Vanden Bulck from Major William J. Satterfield, Jr., dated 17 July 1945, Subject: Conference - Indemnity Insurance Company of North America, in District Insurance Section file, titled "Indemnity Insurance Company of North America." |
| 4. | Record of negotiations for establishment of Employees' Benefit Plans on file in District Contract Section. |

INDEX

- Acknowledgements, 1.7
Aetna Casualty & Surety Company, 2.6, 2.7, 3.9, 3.10, 3.11, 3.19
Agreements of Insurance, No. SL-12211272, 3.16
Alabama Area, 2.6
Allis-Chalmers Company, 2.7
American Industrial Transit, 2.6, 2.8, 4.2
American Motorists Insurance Company, 2.7
Authorizations, 1.1
Automobile Public Liability & Property Damage, 2.1, 2.5

Badger, E. B. & Sons Co., 2.7
Bakelit Corporation, 7.2, 7.3
Bibby, Harry, 3.8
Bishop, H. R., 3.5
Bradway, F. W., 3.15
Broad, W. E., 3.15
Broadwell, R. P., 3.5
Brown, H. J., 3.5
Brown, T., 3.13

Caldwell, 3.10
Carbide & Carbon Chemicals Corporation, 3.9, 7.2
Carlson, R., 3.13
Carson, Ellis H. Vice President Royal Indemnity Co., 1.7, 3.4, 3.6
Chrysler Corporation, 7.3
Church, H. N., 1.6
Claims Reporting and Handling, 1.3, App. A-1
Clarke, J. G., 5.4
Clinton Engineer Works, 2.6, 3.19
Clinton Laboratories, 3.4, 5.3, 6.2, 7.2, 7.3
Colorado Area, 2.6
Columbia Area, 2.7
Columbia University, 2.7, 5.3, 6.2

Comprehensive General Liability Policy,
No. RX 1340, 3.5
No. GX 500350, 3.7
No. CGA 4090, 3.8
No. 1 AL 254, 3.9
No. 1 AL 280, 3.10
No. 1 AL 253, 3.11
No. 1 AL 279, 3.12
No. CAG 01-00017-Tenn., 3.5
Creech, Frances L., 3.19

Decatur Area, 2.7
Delegation of Authority to District Engineer, 1.2
Delegation of Authority to Major General L. R. Groves, 1.2
Delegation of Authority to Under Secretary of War, 1.2
Department of Labor and Industries, State of Washington, 3.13, 3.17

E. I. du Pont de Nemours & Company, Inc., 1.9, 2.6, 2.9, 3.15, 3.18, 4.1, 6.2, 7.3
Electrometallurgical Company, 4.1, 7.3
Elliott, M., 3.13
Employees' Benefit Plans, 6.1, App. E.4 - A.6
Description, 6.1
Employers Liability Insurance Company, 2.7
Employers Mutual Liability Insurance Company, 2.7
Executive Order No. 9001, 1.2

Fercleve Corporation, 3.10, 3.19, 4.1
Fidelity Casualty Company, 5.1
First War Powers Act, 1.1
Ford, Bacon & Davis, Inc., 2.6, 2.9, 3.10, 7.3
Fuller, George A., Co., 2.7

General Liability Insurance, 2.1, 2.5
 Group Insurance, 1.3, 7.1
 Description, 7.1
 Guaranteed Cost Insurance, 1.2, 4.1
 Description, 4.1

 Hanford Engineer Works, 1.8, 3.12, 6.2
 Harlin, R. H., Director of Labor & Industries, State of Washington, 1.8, 3.13
 Hensen, J. R., 3.5
 Hooker Electrochemical Corporation, 3.11
 Houdaille-Hershey Corporation, 2.8

 Indemnity Insurance Company of North America, 5.4
 Industrial Accident and Health Insurance, 1.2, 5.1
 Annual Premium, 5.3
 Description, 5.1 App. E-1
 Inspections, Elimination of, 1.4
 Insurance Carrier, Limitation of, 1.3
 Iowa State College, 5.3, 5.5

 J. A. Jones Construction Company, 2.6, 2.9
 Jackson, George A., Lt. Colonel, 1.6, 3.5
 John Hopkins University, 4.1

 Kellogg and Kellogg, 2.6, 2.8, 7.3
 Kellogg and Kellogg, 5.3
 Kipp, 5.4
 Klaw, Abel, 1.9, 3.13
 Knudsen, H. T., 3.9, 3.11
 Koenig, C. J., 3.5

 Lawrence, William L., 6.2
 Liberty Mutual Insurance Company, 3.5
 Linde Air Products Company, 2.7, 7.3
 London Guarantee and Accident Company, 2.7
 Lubeck, W. A., 1.7

 MacLeod, W. J., 1.5
 McCormack, James M., 1.8
 Meigs, Douglas P., 3.19
 Metal Hydrides, Inc., 4.1
 Metallurgical Laboratories, 3.5, 6.2
 Milwaukee Area, 2.7
 Modified Insurance Rating Plans, 1.1, 3.1
 Collateral Funds, 3.3
 Description, 3.1
 Final Settlement, 3.3
 Fixed Charge, 3.2
 Loss Conversion Factor, 3.3
 Apps. A-4 and B-5
 Maximum Premium, Removal of, 3.1
 Rates, 3.2
 Monsanto Chemical Company, 3.5, 3.6, 6.2, 7.3
 Morgan, J., 3.13
 Morgantown Area, 2.7
 Morrissey, George E., 3.6

 Objective, 1.1
 Occupational Accident and Disease Policy, No. FD-502, 5.4
 Ohio State College, 5.3, 5.5
 Ohio State College Research Foundation, 5.3
 Organization, 1.4, Apps. A-2 and A-3

 Payroll Audits, Certification of, 1.4
 Peterson, George E., 1.8, 3.15
 Phillips, B. E., 1st Lt., 1.7
 Pitcock, H., 3.5
 Pope, William A., Company, 2.6, 2.9
 Popejoy, W. A., 3.5
 President & Fellows Harvard College, 6.2
 Products Liability Insurance, 2.1
 Project "Y", 3.6, 6.2
 Purdue University, 5.3

 Regents of the University of California, 6.2
 Rittenhouse, C. A., 3rd., 3.15, 3.16
 Roans-Anderson Company, 2.6, 2.8, 2.9, 4.2

Royal Indemnity Company, 1.7,
2.6, 3.6, 3.18

Satterfield, William J. Major,
1.6, 5.4

Schmitz, H. R., 1.5, 3.4, 3.7,
3.8, 3.9, 3.10, 3.11, 3.13,
3.15, 3.16

Schulman, A. S. Electric Com-
pany, 2.6, 2.9

Security, Effects of, 1.3

Shaughnessy, John, 3.13

Skidmore, Owings & Merrill,
2.9

Spalding, Leslie F., 1.6, 3.5

St. Louis Area, 2.7

Stellwagen, 5.4

Stone & Webster Engineering
Corporation, 2.6, 2.9

Sun Indemnity Company, 5.1

Temps, C. H., 1.7, 3.10

Tennessee Compensation Law,
3.19, App. D-2

Tennessee Eastman Corporation,
3.8, 3.18, 3.19, 4.2, 7.3

Thumser, R. C., 3.5

Tonawanda Area, 2.7

Travelers Insurance Company,
1.6, 2.6, 2.7, 3.15, 3.18

Union Mines Development
Corporation, 5.2

United States Fidelity &
Guaranty Company, 3.8, 3.18,
3.19

United States Naval Yard, 3.19

United States Vanadium Corpora-
tion, 2.6, 2.8

University of California, 3.18,
4.1, 5.3, 5.5

University of Chicago, 3.6, 3.18,
5.3, 6.2

University of Michigan, 5.3

University of Rochester, 4.1, 6.2

Van Dorn, R. H., 3.13

Vanden Hulck, C., Lt. Colonel, 1.5,
3.4, 3.5, 3.7, 3.8, 3.9, 3.11, 3.13,
3.16

Wabash River Area, 2.7

War Department Insurance Rating
Plan, 2.1

Adoption, 2.1

Allocated Claim Expense, 2.2

Application, 2.6

Description, 2.1

Final Cost, 2.2

Final Premium, 2.3

Fixed Charge, 2.2

General Liability Insurance for
Damage to Property of others,
2.5

Insurance Advisor, 2.5, App. A-5

Modified Losses, 2.2

Policy Limits, 2.4

Policy Period, 2.4

Premium Payments, Monthly, 2.3

Results, 2.7

Tax Multiplier, 2.3

Washington University, 5.3, 6.2

Waterman, T. E. 1.5

Wilmington Area, 2.7

Workmen's Compensation, 2.4, App.
D-1

Workmen's Compensation Policy,

No. S 756250, 3.5

No. 1 C 2936, 3.9

No. 1 C 2935, 3.11

No. 1 C 8016, 3.12

No. 1 C 8017, 3.10

No. US 783627, 3.7

No. WC 01-28339-Tenn., 3.5

No. Z 52154, 3.8