SICKNESS INSURANCE

Comparative Analyses of National Laws

GENEVA
1925
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INTRODUCTION

THE ORIGIN OF COLLECTIVE PROTECTION AGAINST SICKNESS

The idea of the collective protection of individuals against the consequences of the most usual physical risk, that of sickness, dates from of old. It came into being as soon as production began to be organised on the principle of the division of labour and there were persons with only a single factor of production at their call, that of labour.

The guilds of the medieval urban communities, with their fraternal funds, were the first to carry out the idea of collective protection against sickness, and they thus became the pioneers of mutual aid. They affected only a very small fraction of the population, and this fraction, by the power of its privileges and the unity with which it defended them, established a bond of brotherhood between the members of the guild.

The need for collective protection against sickness assumed a different aspect with the creation of the class of industrial wage earners by the introduction of machinery at the beginning of last century, which led to the most varied physical risks in conditions of life and work. A worker in one of the earliest industrial factories, although personally free, was crushed, from the economic point of view, by the competition of thousands of workers who had been deprived of their means of livelihood by the introduction of machinery. If ever he became physically unable to work, he was liable to fall a victim to want, for his wages were barely enough to satisfy his immediate needs and could not allow of sums being set aside to secure his livelihood and that of his family in the event of illness.
When the workers began to realise the benefits of solidarity, they united in mutual aid societies to guard against economic and physical risks. Often, the first body formed to protect their occupational interests at the same time became the nucleus of collective provident organisations. Occasionally, the mutual aid fund served as a screen for militant organisations for the protection of occupational interests. Mutual aid societies thus sprang up in the atmosphere of occupational solidarity which imbued the labour world. Being dependent on the occupational organisations which founded them, they were certain of the support of the trade unionists, but could not act outside the membership of the unions. Mutual aid was still in a state of isolation; its resources, being derived solely from the contributions of members, were low, and the aims it pursued could not but be modest.

From time to time, employers took the initiative of protecting their sick workers against distress, an initiative which sprang from a sentiment of humanity and the desire to attach to the factory a stable body of labour which appreciated the liberality of its employers.

The State was still dominated by the individualist outlook and would not undertake the functions of protecting public health. By very slow degrees, the idea gained ground that it was necessary for the public authorities to intervene to protect the workers in the most dangerous branches of industry. The first to be protected by compulsory provident action were miners and seamen, for the risks run by these workers were too serious for their protection to be neglected. But the vast majority of workers in industry and commerce were still without legal protection against sickness.

**The First Compulsory Sickness Insurance Laws**

Although the idea of making collective protection against sickness compulsory and applying it to any person altogether or mainly dependent on his labour, took form as far back as the French Convention of 1794, it was not carried into effect until the adoption of the German Act of 16 June 1883. In spite of being limited to workers in industrial undertakings, this Act was nevertheless a bold innovation and a most important social reform. The motive of the reform was a desire to improve the conditions of life of the workers in order to reconcile them with the State as an institution defending the capitalistic organisation of production,
and at the same time to deprive the workers' occupational organisations of the potential weapon they possessed in the numerous mutual aid and provident bodies attached to the trade unions. As soon as the principle of compulsory insurance had been extended to workers in transport undertakings and to agricultural workers (Acts of 1885 and 1886) Germany became the first country to have a system of compulsory sickness insurance covering practically all workers.

**Evolution until the War**

Other industrial States were slow to follow the German example. Former Austria, by the Act of 30 March 1888, and former Hungary by the Act of 9 April 1891, were alone in introducing a system of sickness insurance applying to workers in industry, transport and commerce.

Although other States rejected the principle of compulsory insurance or accepted it only for certain classes of workers exposed to special risks, such as seamen, miners and railwaymen, their attitude towards the mutual aid societies created on the initiative of the workers themselves changed. They gradually lost the indifference they had hitherto shown towards the very functions of mutual aid, which began to be recognised as an instrument for public utility, and sometimes even received subsidies out of State funds. This process was indicated more especially by the Italian Act of 15 April 1886, the Spanish of 30 June 1887, the Danish of 12 April 1892, the Belgian of 23 June 1894 and the French Charter of Mutual Aid Societies of 1 April 1898. Mutual aid, thus recognised and subsidised and open to anyone applying for admission, became an instrument for the protection of public health. In spite of defections, it was able to gain ground and to reach the large masses of the workers, although it was not in a position completely to hold them and force itself upon them. There were still many improvident persons for whom mutual aid had no appeal.

The idea of compulsory sickness insurance, at the outset so slow in evolving, found more rapid acceptance at the beginning of the twentieth century. The Luxemburg Act of 31 July 1901 was the first of a new series of laws introducing a general system of compulsory sickness insurance. It was followed by the Norwegian Act of 18 September 1909, the Serbian of 11 July 1910
and the Russian of 20 November 1911, all more or less inspired by the German example. By the Act of 16 December 1911, Great Britain, the cradle of classic liberalism, gave her full support to the principle of compulsory insurance by making virtually all workers liable to insurance against sickness and disablement. The Roumanian Act of 25 January 1912 concluded the victorious progress of the principle of compulsory insurance in Europe until the world war.

THE PRESENT POSITION OF LEGISLATION ON SICKNESS INSURANCE

Legislation on compulsory sickness insurance was held up during the war, Norway being the only country to re-organise its system by the Act of 6 August 1915, but it was resumed with fresh vigour at the end of the war.

Those European states, whose territorial status was defined by the Treaties of Peace, hastened to extend and perfect the legislation on compulsory sickness insurance they had inherited. Thus, the principle of compulsory insurance for all workers was established in Czechoslovakia by the Act of 15 May 1919, in Poland by that of 19 May 1920, in Austria by that of 21 October 1921 and in the Kingdom of the Serbs, Croats and Slovenes by that of 14 May 1922. Similarly, in Soviet Russia, when the system of relief created in 1918 had been given up as a result of the introduction of the new economic policy, the Labour Code of 1922 embodied the principle of compulsory insurance. In Bulgaria, the Act of 6 March 1924 extended the system of social insurance, set up by the Act of 15 December 1918, to all classes of workers. In Western Europe, the principle of compulsory insurance was accepted in Portugal by the Decree of 10 May 1919, which applies to any person who may need the assistance of the community. By the Act of 16 July 1922, Greece, too, joined the group of states in which the principle of compulsory collective protection against sickness had been adopted. Among the chief states outside Europe, Japan by establishing compulsory insurance for workers in industrial undertakings under the Act of 22 April 1922, took a definite step in the direction of compulsion.

The following table illustrates the remarkable development of compulsory sickness insurance during the last forty years:
## LAWS INTRODUCING COMPULSORY SICKNESS INSURANCE

<table>
<thead>
<tr>
<th>Country</th>
<th>Date of compulsory sickness insurance Acts</th>
<th>Workers covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>15 June 1883</td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td>28 May 1885</td>
<td>Commerce</td>
</tr>
<tr>
<td></td>
<td>5 May 1886</td>
<td>Agriculture</td>
</tr>
<tr>
<td>Austria</td>
<td>30 March 1888</td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td>21 October 1921</td>
<td>Commerce</td>
</tr>
<tr>
<td>Hungary</td>
<td>9 April 1891</td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td>31 July 1901</td>
<td>Commerce</td>
</tr>
<tr>
<td>Luxemburg</td>
<td>24 April 1908</td>
<td>Industry</td>
</tr>
<tr>
<td>Norway</td>
<td>18 September 1909</td>
<td>Agriculture</td>
</tr>
<tr>
<td></td>
<td>6 August 1915</td>
<td>Industry</td>
</tr>
<tr>
<td>Serbs, Croats and Slovenes</td>
<td>12 July 1910</td>
<td>Commerce</td>
</tr>
<tr>
<td>(Kingdom of)</td>
<td>14 May 1922</td>
<td>Agriculture</td>
</tr>
<tr>
<td>Russia</td>
<td>20 November 1911</td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td>9 November 1922</td>
<td>Commerce</td>
</tr>
<tr>
<td>Great Britain</td>
<td>16 December 1911</td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td>25 January 1912</td>
<td>Commerce</td>
</tr>
<tr>
<td>Roumania</td>
<td>15 December 1918</td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td>6 March 1924</td>
<td>Commerce</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>10 May 1919</td>
<td>All persons in a weak economic position</td>
</tr>
<tr>
<td></td>
<td>30 March 1888</td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td>15 May 1919</td>
<td>Commerce</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>19 May 1920</td>
<td>Agriculture</td>
</tr>
<tr>
<td></td>
<td>16 July 1922</td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td>8 December 1923</td>
<td>Commerce</td>
</tr>
<tr>
<td>Japan</td>
<td>22 April 1922</td>
<td>Industry</td>
</tr>
</tbody>
</table>

In certain countries, where collective action is binding only for workers employed in undertakings which have achieved a certain degree of organisation (mines, railways, shipping), more attention is paid to facilitating the development of mutual aid bodies created...
by the persons actually concerned. Mutual aid societies in receipt of public subsidies on the Belgian (Act of 1894) and French (Act of 1898) model, may extend their scope and win new members. This system of "subsidised freedom", in its developed and perfected form, is the basis of the Swedish Act of 4 July 1910, the Swiss of 13 June 1911 and the Danish of 10 May 1915.

Whereas in Europe, collective protection against sickness is almost general, the great oversea countries still adopt a waiting attitude, placing, as they do, individual initiative above all. The authorities intervene only to regulate private initiative for providing against sickness; but the freedom to create provident institutions is not accompanied by their right to count, in the performance of their work, on the behests of the law for obtaining members, or on subsidies from public funds.

The absence of active intervention on the part of the authorities is characteristic of the present position of sickness insurance legislation in the American States, Australia, New Zealand, South Africa and several other industrial communities. Nevertheless, in nearly all these countries, the question of wider State intervention is under consideration.

For this reason, it would seem particularly appropriate at the present time to discuss the legal principles on which sickness insurance laws are based and which involve active State collaboration in the form, either of imposing compulsory insurance, or of giving moral and material encouragement to free insurance.

* * *

The comparative analysis of national laws will be dealt with under the following heads:

**Part I:** The scope of sickness insurance laws.

**Part II:** Insurance institutions, their constitution and organs.

**Part III:** Sickness insurance benefits.

**Part IV:** Sickness insurance finance.
PART I

THE SCOPE OF SICKNESS INSURANCE LAWS

INTRODUCTION

FACTORS DETERMINING THE SCOPE OF LEGISLATION

The scope of sickness insurance laws varies with the type of insurance, which may be either compulsory or voluntary. It is also dependent on the territorial limits within which the law applies and the period during which the beneficiaries or insured persons are covered.

Compulsory or Voluntary Insurance

The object of this legislation may be either to assist or to compel individual persons to insure against the risk of illness.

A voluntary insurance law sets up a system of insurance, and defines the rules for its working, but leaves each person free to be provident or not as he chooses. It defines the persons who may take advantage of the system, and thus fixes the maximum scope of the law. This may be — and as a matter of fact is — much wider than the actual field covered, for many persons who might insure do not make use of their right.

A compulsory insurance law does not merely set up a system of insurance. It carefully defines persons or groups of persons for whom it is compulsory to make provision for the future under the conditions laid down. The text of the law thus clearly defines its scope.

The classical division of this legislation into two chief groups, compulsory insurance laws and voluntary insurance laws, is explained and justified by the fundamental difference in scope according as the individual is under an obligation to insure or is left free to do so.

Territorial Limits

The two other factors in the scope of insurance laws are less important. An insurance law forms part of the general body of
law introduced by positive legislation, the operation of which is limited not only with respect to the persons covered, but also with respect to the area to which it applies. As a rule at least, it does not operate outside the frontiers of the state, but in view of the numerous exceptions to this general rule, the territorial limits to the scope of insurance laws must be studied.

Time Limits

Finally the application of an insurance law to the individual, like that of any other law, is limited as to time. It begins at a certain date, lasts for a certain period, and then ceases.

Compulsory Insurance Laws in General

The feature common to all compulsory sickness insurance laws is that they make insurance binding on all persons in a weak economic position, who therefore need to be helped by the community when they fall ill.

At present only one country is content with this single criterion. The Portuguese Decree of 10 May 1919, No. 5636, introducing compulsory sickness insurance, defines insured persons as all those whose annual income is not more than 900 escudos. It does not matter whether the insufficient income is made up or not by remuneration for an occupation carried on dependently or independently. As long as the income remains below the fixed limit, insurance is compulsory. The Portuguese system is therefore an example of social insurance in the literal sense of the term.

Several compulsory insurance laws, while maintaining the criterion that the community should make provision for the future on behalf of persons who are socially weak, define insured persons as those who carry on an economic occupation in a dependent position. The compulsory insurance system thus applies to the social class of wage-earners or persons living on the proceeds of their work performed on behalf of another. It becomes an institution for this particular social class, and may either apply to all wage earners in general or be limited to those wage-earners whose resources are not sufficient to allow them to dispense with compulsory collective provision for the future. As a rule the criterion adopted by the law for deciding whether a person is to be considered as belonging to the class of wage-earners is that the remuneration for his work done on behalf of another should be his regular and principal means of livelihood.
General Workers' Insurance

The first compulsory sickness insurance Acts (German Act of 1883 and Austrian Act of 1888) defined insured persons as those in the employment of industrial undertakings. This example has not been followed, and the laws which make insurance compulsory for all wage-earners no longer require that the insured should be connected with an undertaking in a specific class.

Germany introduced a system of general workers' insurance by the Act of 10 April 1892. She was followed by Norway in 1909 and Great Britain in 1911, and the example has had its influence on a considerable number of post-war laws introducing general workers' insurance. This evolution is clearly indicated by the Czechoslovak Act of 15 May 1919, the Polish Act of 19 May 1920, the Austrian Act of 21 October 1921, the Jugoslav Act of 14 May 1922, the Russian Act of 9 December 1922, and the Bulgarian Act of 6 March 1924.

Although these laws are far from being the same in detail, they are fairly closely related as far as the determination of their scope is concerned. They all define any worker as insured if he performs work for remuneration on behalf of another.

Limited Workers' Insurance

In a certain number of other states compulsory insurance is similarly instituted as an integral part of the labour system, but it is not applied to all wage-earners, being limited to workers and employees in industrial and commercial undertakings. Agricultural workers and other wage-earners in branches of industry which are not sufficiently organised are without any collective provision against the risk of sickness, unless extensive use is made of the voluntary right to insure. This group of laws includes those of Luxemburg of 30 July 1901, Hungary of 1907 (No. XXIX), Latvia (consolidation of 1922), Japan of 22 April 1922, Greece of 16 July 1922, administered in accordance with the Decree of 8 November 1923.

The Roumanian Act of 25 January 1912 occupies a special position. Taking the guilds of manufacturers and artisans as a basis, it organised compulsory insurance both for the employing members of the guild and the workers and employees in their service.
Special Systems of Compulsory Insurance

In addition there are several states which maintain the principle of voluntary insurance in general, but have introduced one or more special systems of compulsory insurance limited to wage earners employed in certain classes of undertakings. These are as a rule industrial or transport undertakings which are highly organised and involve special risks for a large and unchanging staff. Although these special systems are based on compulsion, they do not come within the scope of this study. Being limited to the wage-earners in a specific branch of industry or commerce, they have acquired specialised characteristics, which make it hardly practicable to extend them to other groups of wage-earners.
CHAPTER I.

THE SCOPE OF GENERAL WORKERS' INSURANCE

§ 1.— Persons liable to Insurance

As already stated, after Germany adopted the principle of general workers' insurance (Act of 10 April 1892), several countries followed her example, introducing this system either at once or in stages: Norway in 1909, Great Britain in 1911, Czechoslovakia in 1919, Poland in 1920, Austria in 1921, the Kingdom of the Serbs, Croats, and Slovenes in 1922, Russia in 1922, Bulgaria in 1924.

The general rule to be deduced from all these laws is that of compulsory insurance for all persons performing work for remuneration on behalf of another. The first workers' insurance laws confined insurance to wage earners in undertakings belonging to specified classes, but now such laws no longer demand that the workers affected should be connected with an undertaking in a given group.

The conditions on which compulsory insurance applies to any person are as a rule the following:

1. He must be employed in a dependent position on behalf of another;
2. The work must be performed under a contract of employment;
3. The work performed on behalf of another must constitute his ordinary means of livelihood.

The occupation as defined above is the factor determining whether the worker is an insured person.

THE CONDITIONS OF COMPULSION

Employment in a Dependent Position

When a person is employed in a dependent position, he is subject to the orders of one or more employers. The nature of the employment is as a rule without importance, as also the place of employ-
ment, whether in a factory or undertaking (centre of production) or in the household of the employer (centre of consumption).

The employment must be effective, in other words, the employer must be able to dispose of the labour of the worker. The insurance dates, not from the conclusion of the labour agreement, but from the entry into employment. Further, once the worker has become subject to the orders of the employer, it is obviously not required that the employment should be uninterrupted, provided that the legal obligations arising out of the labour agreement still hold good, and that neither the worker nor the employer have cancelled the agreement or made it impossible to resume the employment.

**Employment under a Contract**

The mere fact of employment is not sufficient. The employment must be in accordance with a contract. It is a matter of indifference whether the contract is a contract of employment in the strict sense of the word, a contract to hire labour, or some other kind of contract, provided that it subordinates the worker to the orders of the employer, who in return must remunerate him. Nor is it necessary that either the form or the matter of the contract should be actually agreed. Insurance is compulsory even if the contract is concluded with a person who is not in a position to bind himself without the consent of his legal representative, or if the forms prescribed by the civil code have not been observed (e.g. absence of a written agreement; conclusion without witnesses), etc. If effective employment under a contract is a necessary condition, it follows that the mere existence of a contract without effective subordination to the orders of an employer is not enough to justify the insurance being continued.

**Paid Work the Ordinary Means of Livelihood**

Finally, the employment giving rise to insurance must have some economic importance for the worker. Although he is not required to have worked for a specified period, as a rule casual work, which is insufficient for his ordinary livelihood, is not taken into account. Although no conditions are laid down for the minimum remuneration which the worker is to secure in return for his work, no account is taken of an occupation from which he derives only an insignificant part of his necessary means of livelihood. Whatever the differences in the actual methods of settling this point, it is certain that only workers who are able to live on their paid work are entitled of right to benefit by insurance.
The attitude adopted under the different systems of general workers' insurance will be discussed below and illustrated by examples.

The British Act (Consolidation Act of 7 August 1924) states that any person is compulsorily insured (an employed contributor) who is employed "under any contract of service or apprenticeship" (First Schedule, Part I (a)). The work must be paid for, but the method of remuneration, whether in cash or in kind or in some other economic form, is of no importance. Further, no account is taken of "employment of a casual nature otherwise than for the purposes of the employer's trade or business", or of "employment which may be specified in a special order as being of such a nature that it is ordinarily adopted as subsidiary employment only and not as the principal means of livelihood". (First Schedule, Part II (l) (m).)

The German Insurance Code (Section 165) makes insurance compulsory for workers, journeymen, employees, foremen, etc., who are actually in employment and paid in some form or other. Although no definition is given of the period of employment rendering the worker liable to insurance, persons temporarily employed (vorübergehende Dienstleistung) are not so liable. Thus a person is exempt if he does not generally live on the proceeds of his paid work, and is occasionally employed on work which was a rule lasts not more than a week, or which has been limited to a week by the contract of employment, or if his employment, though regular, is only from time to time and of a subsidiary nature, and his remuneration is not an important means of livelihood (Decree of 17 November 1913, p. 756).

Section 1 of the Czechoslovak Act of 15 May 1919 (reproduced in full in the new Act of 9 October 1924, Section 2) states that any person is liable to insure who carries out work of other than a subsidiary or casual nature under a contract of labour, service or apprenticeship. The Act does not specify that the work must be paid for, but by excluding subsidiary and casual employment it presupposes an employment which occupies if not all, then at least the greater part of the worker's time, and provides him with his regular and permanent means of livelihood. No minimum remuneration at which insurance ceases to be compulsory is fixed.

The examples can easily be multiplied. The Norwegian Act of 6 August 1915, the Austrian Act of 30 March 1888 (text of the
Order of 20 November 1922)\(^1\), the Polish Act of 19 May 1920, the Jugoslav Act of 14 May 1922, to mention no others, make insurance compulsory for all paid workers employed under a labour agreement, whatever the agreement or the nature of the work. These laws exempt:

(a) Workers who are temporarily employed (Polish Act, Section 7);

(b) Persons whose employment in an occupation subject to compulsory insurance is only casual or temporary, or to whom employment in the occupation is subsidiary. (Austrian Act, Section 2, subsection 7.)

(c) Persons whose work or service cannot exceed six days owing to the nature of the said work or service. (Norwegian Act, Section 1, subsection 3.)

The method followed in the Jugoslav Act is slightly different. It applies the principle of compulsion also to casual and temporary workers, but provides that administrative regulations may be issued to exempt “any persons who become liable to insurance only at intervals on account of occasional and temporary employment for wages” (Section 4).

The importance of the general formula fixing the scope of systems of general workers’ insurance is easy to realise. Under this formula, any person is liable to insure who lives on the proceeds of work in a dependent position. In view of the proportion of labour to the other factors of production, this is equivalent to admitting the large majority of the active population to the benefits of sickness insurance, thus affording an important means of correcting inequalities in the conditions of paid workers. More than this, if any worker falls ill, a system of general workers’ insurance will provide him not only with the living he is unable to earn, but also with suitable and individual medical treatment, and would therefore appear to offer a sound basis for constructive public health policy.

§ 2. — Limitation of the General Formula

A general formula for the scope of social insurance has thus been found and its factors have been analysed. The next point to

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1\ By a decision of the Constitutional Court, the Federal Act of 21 October 1921, extending compulsory insurance to agricultural wage-earners, has been invalidated, with effect from 6 February 1925, as being unconstitutional. Since then insurance of agricultural wage-earners is provided under regional legislation.
consider is the circumstances under which the general formula is limited in effect and no longer applies to the individual.

These exceptions will be described without entering into their sociological basis. In origin, they may be physiological (age, sex, invalidity), political (nationality), or economic (wage or income limits) and are then absolute, or they may be merely relative.

**Absolute Exceptions**

**Physiological Conditions**

**Age**

Some laws fix age limits outside which insurance is not compulsory. The underlying assumption is that persons who have not yet reached, or have passed, a certain age cannot perform the paid work which is the regular means of livelihood of the workers.

Thus, the British Act fixes a minimum age limit of 16 years and a maximum of 70 years. If a worker's age is not between these two limits, he is not insured of right nor entitled to insure voluntarily (Section 1, subsection 1; Section 7, subsection 9; Section 13, subsection 8).

In the Norwegian Act, a minimum age limit of 15 years is fixed (Section 1, subsection 1). Other general workers' insurance laws, on the other hand, fix no such limit; sometimes, however, a limit is imposed indirectly by the laws concerning the school leaving age and the minimum age for entering employment.

**Sex**

The factor of sex does not enter into the creation of a liability to insurance although it may influence both contributions and benefits\(^1\). The question whether a married woman working under a contract of employment has obtained the consent of her husband, which may be required under civil law, is of no importance in compulsory insurance.

**Working Capacity**

Since one of the three conditions for applying the general formula is that the worker should be actually employed, the liability to insurance must depend on his being able to perform the work incumbent on him under his contract. Obviously, the worker does not lose his position as an insured person if, after he is admitted to insurance, he loses the physical capacity to work, for

\(^1\) See, e.g. pp. 82 and 109.
this is in point of fact the risk covered by the insurance. The Norwegian and German Acts contain special provisions concerning persons whose earning capacity has been much reduced after prolonged illness.

Under the German Act, persons who are unable to carry on regular work are not excluded from compulsory insurance. A person in receipt of an invalidity pension may, however, obtain exemption on application. Exemption is also granted to workers who have exhausted their right to sickness benefit, for as long as they are unable to work or continue to need medical treatment for the same illness. It would be useless to compel workers to pay contributions if they have exhausted their right to benefit and are, therefore unable to obtain further relief from the insurance institution. (Section 173 of the Insurance Code.)

Like the German Act, the Norwegian Act provides for the exemption of workers whose earnings capacity is much reduced by chronic disease or other permanent infirmity or complaint (Section 1, subsection 4). The reason for this optional exemption is the same as in Germany. For when an insured person has been paid benefit for thirty-nine weeks in respect of one illness, the Norwegian Act withholds all further benefit until two years from the date of the last payment (Section 19, subsection 4). The exemption also applies to persons suffering from an infirmity before they first entered employment; under Section 17, subsection 1 of the Act, any person suffering from a disease before being insured in a sickness fund is not entitled to benefit if he has another attack of the same disease, unless a year has passed since he was admitted to the fund.

Political Conditions

Nationality

As a rule, the liability to insurance as a measure in public law applies both to nationals and foreigners. The position is different for voluntary insurance or the voluntary continuation of compulsory insurance.

Political status is not taken into account, the treatment of foreigners working in a country being the same as that of nationals as far as the liability to insurance is concerned. Sometimes the law explicitly formulates this legal condition (e.g. the British Act, Section 1, subsection 2; the Polish Act of 6 July 1923; the Yugoslav Act, Section 8; the Bulgarian Act, Section 7). Sometimes the
condition is implicit in the general status of foreigners under the law of the State, which has enacted the insurance legislation. Occasionally, optional exemption is allowed in respect of persons working temporarily in frontier districts (e.g. for Germany the Decree of 17 November 1913).

Under some laws, this equality of treatment for foreigners may be modified as a measure of retaliation, to the detriment of nationals of countries which do not provide the same treatment for foreigners as for their nationals. Such measures of retaliation do not apply automatically but require administrative action by the competent authorities. Once the conditions for applying measures of retaliation have been fulfilled, the competent authorities are free to determine whether they shall be applied. It is uncertain whether the measures may altogether exclude foreigners from insurance or whether they should be confined to limiting the benefit derived from insurance.

An example may be found in Section 158 of the German Insurance Code, empowering the Government, on the advice of the Federal Council, to enforce the right of retaliation against nationals of a foreign State. The Jugoslav Act is much more definite. It does not authorise the application of special regulations for nationals of States with a system of workers' sickness insurance, unless such States refuse Jugoslav nationals employed in their territory equality of treatment with their own nationals (Section 8, subsection 3). The Polish Act of 6 July 1923 contains similar provisions.

Economic Position

Wage or Income Limits

The general formula, under which every wage-earner working under an agreement is liable to insurance, is limited if the legislature considers that certain groups of workers are strong enough to do without the assistance of the community. This limitation, applying only to non-manual workers, is to be found in the German, British, and Norwegian Acts, and in an attenuated form in the Polish Act. On the other hand, the Austrian, Bulgarian, Russian, Czechoslovak, and Jugoslav Acts contain no limitation of the kind.

The German Act (Section 165) exempts the officials of an undertaking, the foremen and other employees in a similar economic position, commercial employees, the members of theatrical companies and orchestras, teachers and instructors, provided that their annual income is over 2,400 marks (Decree of 29 February
1924). For the purposes of this limit, the income is calculated exclusive of any family allowances (allowances for wife or children) which the above-mentioned non-manual workers may receive.

The British system is very similar to the German. Under the First Schedule (Part II (k)) of the Act, all persons are exempt who are employed "otherwise than by way of manual labour and at a rate of remuneration exceeding in value £250 a year". The same provision applies to non-manual part-time employment at a rate of remuneration which is considered "equivalent to a rate of remuneration exceeding £250 a year for whole time service". Private income may not be taken into account.

Under Section 1, subsection 2 of the Norwegian Act (text of 10 December 1920), any employee with a total annual income of more than 6,000 kroner is exempt from the liability to insurance. Unlike the German and British Acts, the Norwegian Act takes into account not only the employee's salary, but also his private income as declared in the last income tax return.

The Polish Act (Section 4, subsection 1) introduces a similar limitation, but it is modified in two directions. In the first place, exemption is allowed only for persons who act as the immediate representatives of the owners of industrial or commercial undertakings (managing directors, directors) and whose salary exceeds 7,500 zloty a year (Decree of the Ministry of Finance of 30 June 1924). Secondly, the exemption of these groups of non-manual workers is not automatic, but must be applied for. If the conditions for exemption are fulfilled, the application cannot be refused.

Relative Exceptions

Degree of Relationship with the Employer

The general formula is often limited when applied to members of the family working in the undertaking or household of their employer. To avoid possible misunderstanding, it must first be explained that there can be no question of limiting the application of the formula when the member of the family is not employed permanently for remuneration and his services are given without an intention to establish regular relations on the basis of a labour agreement. In these cases, there is no question of paid work, and therefore the general formula does not apply. The legal position is different when the member of the family is employed regularly for remuneration, whether in cash or in kind, in the undertaking.
or household of his relative. Then the general formula applies, in the absence of special exceptions.

**Exemption of Husband or Wife**

Almost all insurance laws exempt employment in the service of the husband or wife of the employed person, even if the work is paid for. In view of the legal obligations of the husband, the insurance of the wife would involve a duplication of rights. It should be observed that the exception applies to husbands as well as to wives.

The German Insurance Code (Section 159) exempts the husband or wife of the employer.

The provisions of the British Act are the same in every respect as those of the German Act (First Schedule, Part II (p)).

The Czechoslovak Act states that a husband or wife is not to be considered as employed under a contract of service or apprenticeship (Section 2, subsection 3); the new Act of 9 October 1924 does not maintain this restriction.

The position is the same under the Austrian Act which exempts employment in the service of the husband or wife (Section 2, subsection 4).

**Exemption of the Children and other Members of the Employer’s Family**

The considerations on which the exemption of the husband or wife of the employer are based do not act in the same way for the children and other members of his family working in his undertaking or household. Accordingly, legislation is not unanimous in placing the children and members of an employer’s family outside the general system.

Unlike the husband or wife of the employer, a child working in the undertaking or household of his parent for remuneration in cash, and not living with his parent, is liable as a rule to insure, without the option of exemption.

Certain laws, however, exempt children, either automatically or on application, if they work on behalf of their parent without money remuneration at a rate fixed in advance.

The exemption is automatic in Great Britain, Norway and Czechoslovakia. It is granted on the application of the employer in Germany, whereas in Austria it is automatic in certain cases, in others, granted on the application of those concerned. As a
rule, it applies only to children employed by their parent, but the Czechoslovak and Austrian Acts admit of exemptions for other members of the employer's family.

In Germany the exemption, which is limited to children working as apprentices in the undertaking of their parents, does not apply of right, but only on the application of the parent employer. Neither ascendants nor collaterals are entitled to exemption (Section 174, subsection 1).

The system in force under the British Act differs from that under the German Insurance Code in two respects. The exemption applies of right whatever the wishes of those concerned, and relates not only to children as apprentices, but to any child employed by his parent without right to remuneration in cash. The criterion is therefore the method of remuneration. It may be added that a similar exemption applies to persons maintained by the employer and not in receipt of money payment (First schedule, Part II (j)).

The situation in Norway is very similar. The Norwegian Act exempts all children working on behalf of their parents in their home if they are not paid in cash at a rate determined in advance (Section 2, subsection 2).

On the other hand, the exemption allowed under the Czechoslovak Act of 15 May 1919 (Section 2, subsection 2) is much wider. It applies of right, not only to the children of the employer, but to any member of his family living with him who is not in receipt of money payment, although over 14 years of age and engaged in an occupation subject to compulsory insurance. The persons thus automatically exempt are free to insure voluntarily, but the new Czechoslovak Act of 9 October 1924 contains no such provision.

The exemptions allowed by the Austrian Act are as wide. Section 2, subsection 5, provides not only for the exemption of the children (including illegitimate or adopted children) but also of the grandchildren, parents and grandparents of the employer. Unless they are employed in agriculture, the exemption does not apply if they are remunerated in the same manner and degree as a worker liable to insurance. If, on the other hand, they are employed in an agricultural undertaking, the exemption does not apply unless at least one worker liable to insurance is normally employed in the undertaking in addition to the members of the employer's family. These two exemptions were recently extended
by the nineteenth amendment Act of 21 June 1923, according to which exemption must be granted on the application of an agricultural employer for members of his family employed by and living with him, provided that he undertakes to pay for their maintenance and medical treatment if they fall ill.

§ 3. — Special Occupations under the General Formula

The previous section dealt with the limitations of the general formula resulting from either absolute or relative exceptions based on the particular position of the individual worker. The next point to consider is the application of the general formula to certain occupations which, because of their stability (civil servants and other public employees) or of the special conditions under which they are carried out (domestic workers, home workers, call for different methods to meet their special requirements.

CIVIL SERVANTS AND OTHER PUBLIC EMPLOYEES

The staff of public administrative offices, unlike the workers and employees in the undertakings of the state and other public bodies, have only recently been considered as proper beneficiaries of the special measures of protection in the event of illness. As long as the principal form of insurance benefit was the money payment intended to make up for the loss in wages due to sickness, a public official, being in receipt of a fixed salary that would still be paid during periods of incapacity to work owing to illness, appeared to enjoy the most important benefit which other wage-earners acquired only by inclusion in the system of compulsory sickness insurance.

With the realisation that from the point of view of public health pecuniary benefit alone was ineffective, and with the growing importance attached to medical benefit, the public official, being certain only of the continuation of his salary, in most cases insufficient to secure suitable medical treatment, was found to be in a less satisfactory position. When several laws adopted the general formula of the liability of wage-earners to insurance, the relative disadvantage in the position of the public official could no longer be ignored.

The problem to be solved was that of enabling officials with fixed salaries to profit by the material, not the pecuniary, benefits of sickness insurance. Although the object in view was the same, the solutions adopted differ considerably from one country to another. One consists simply in including public officials in the
general insurance system. Another finds it better to entitle public officials to benefits in kind under a special system of insurance devised to meet the requirements of workers with fixed salaries. The third, and at present most usual solution excludes public officials from the general system only if their conditions of employment are such that in the event of illness their treatment is at least as favourable as that enjoyed by workers in private undertakings under the general system of insurance. Thus officials are not exempt automatically from the liability to insurance, but only if there has been a serious improvement in their conditions.

Certain typical examples of the position of public officials with respect to compulsory sickness insurance are given below.

Exclusion on Condition of Equivalent Treatment

The German Insurance Code (Section 169) grants exemption from the liability to insurance to persons holding a public appointment (officials) under the Federal Government, the States, the communes, the federal railways, or social insurance institutions, and to persons engaged by the Federal Government, the States or the communes for life or for employment not subject to dismissal (employees), with the right to superannuation to be paid for by the employer. The exemption is conditional on the right of these persons either to benefit at least equivalent in nature, duration and amount to the statutory benefit payable by sickness funds under the Insurance Code, or to full sick pay, or to a pension of not less than one and a half times the statutory sickness benefit for at least 26 weeks. The exemption applies under the same conditions to teachers and instructors in public schools. It should therefore be noted that the exemption is subject to the existence of conditions of employment at least as favourable as the provisions of the law on sickness insurance; otherwise the liability to insurance under the general system remains intact.

Public officials and employees of public bodies other than those mentioned above (artisans' guilds, medical associations, etc.) may be exempted on the application of their employers if they are entitled in the event of sickness to the same privileges as Federal officials or employees who are exempt from the liability to insurance (Section 170).

Public employees who are not appointed for life or a term during which they are not subject to dismissal, and who are not entitled to superannuation are covered by the general system, unless they are engaged for purposes of training.
The system introduced by the British Act differs markedly from the German system. Insurance is compulsory for all persons employed “under any local or other public authority except in so far as such employment is excluded by a special order” (First Schedule, Part I (d)). An exception is allowed for “employment as a teacher within the meaning of the School Teachers’ Acts 1918 and 1922, or the Elementary School Teachers’ Act of 1898” (First Schedule, Part II (d) — (b)).

For other employment under the Crown or any local or public authority the exemption applies only if the Minister of Health certifies “that the terms of the employment are such as to secure provision in respect of sickness and disablement on the whole not less favourable than the corresponding benefits conferred by this Act” (First Schedule, Part II (b)).

In its present form at least, the Czechoslovak law is on the same lines. Section 3 of the Act exempts officials and employees with fixed salaries employed by the State, a province, commune or public foundation, if they are entitled to sick pay for not less than one year. These provisions apply to employees in administrative offices as well as to workers in public undertakings. On the other hand, manual workers employed by the state or public bodies are not considered to be engaged at fixed salaries, for the salary cannot be described as fixed unless the worker is entitled to it, at least for a certain period, irrespective of the quality and quantity of work done.

Under the new Czechoslovak Act (Section 5) administrative offices may choose between two ways of exempting their staff from the liability to insurance. They may grant them either sick leave on full pay, or benefits at least as favourable as those conferred under the general system of insurance, for a period of not less than one year. With a view to the practical operation of the second system, a Bill has been introduced in Parliament for setting up a special system of sickness benefit in kind for public officials.

The position is very similar in the Kingdom of the Serbs, Croats and Slovenes. The Act (Section 7) exempts persons employed in offices, institutions or undertakings belonging to the State, the province, a commune or any other public body, as well as employees of public transport undertakings, if they are entitled to sick pay for not less than 26 weeks. The exemption is automatic if this condition is fulfilled, irrespective of whether the salary is sufficient to secure proper medical treatment. In order that public employees
may not be placed at a disadvantage as compared with insured wage-earners, a special system for providing medical treatment and requisites, as also maternity and funeral benefit, is to be instituted for officials.

The Bulgarian method differs slightly. The exemption applies, without reference to equivalent treatment, to the workers and employees of the State and local authorities, provided that deductions are made from their wages or salaries with a view to superannuation. It is proposed, however, to investigate whether the benefits granted under the general system are more favourable than those conferred by the insurance fund for public employees. If this proves to be the case, such employees may join the general system of insurance and demand the transfer of any contributions they may have paid (Section 1 of the Act and Section 11 of the Decree of 25 June 1924).

Special Systems of Insurance or Relief

Not long ago the Austrian law departed from the principle generally followed in legislation based on the general formula of workers' sickness insurance. It excludes from the general system nearly all Federal officials and employees if they are entitled to not less than six months' sick pay. In view of the special requirements of such officials and employees, an Act was passed on 13 July 1920 setting up special insurance for State employees under which they are entitled to benefits in kind, as a rule at least as favourable as the corresponding benefits conferred under the system of workers' insurance. Public bodies are free under certain conditions to join in this system for their permanent staff, who in this event are exempt from the liability to insurance under the general system.

The Polish law is nearest to the Austrian method. It, too, distinguishes between persons employed in undertakings owned by the State and by local authorities or by the railways, who are liable to insurance (Sections 1 and 3), and State officials nominated to appointments and not engaged under a contract of work, who are exempt from the liability (Section 4). The officials thus exempt, without reference to their treatment as compared with persons insured under the general system, are guaranteed free medical treatment under section 10 of the Act of 9 October 1923 on the salaries of public officials. This guarantee came into operation by a Decree of 2 July 1924, and was extended to superannuated officials and the members of the family of an official in respect of whom he is in receipt of a family allowance.
Full Application of the General Formula

Unlike all the laws referred to above, the Norwegian Act allows no exemption for officials and other public employees. The general formula applies in full. Further, the income limit (6,000 kroner), beyond which the liability to insurance ceases, holds good for public employees.

Domestic Workers

The general formula of compulsory sickness insurance applies not only to wage-earners employed in an industrial, commercial or agricultural undertaking, but also to persons who work in the household of the employer without direct participation in the process of production. From the mere fact that the domestic worker is attached to the person of the employer and his family and lives under the same roof, the relations between the employer and his domestic staff have acquired special characteristics. Other workers are in a position determined by the law of contract, but the relations between an employer and his domestic staff long remained and are sometimes still subject to family law. The limited personal liberty enjoyed by domestic workers, because the quantity and quality of their work is not defined in advance, has been compensated to a certain extent by the employer's obligation to provide for them and assist them if they fall ill. Such protective measures, explicitly adopted in certain civil codes (e.g. the German Civil Code, Section 617), have made it less urgent to include domestic workers in the sickness insurance system.

As the relations between employers and servants ceased to be governed by family law and took the form of a labour agreement, the protection given to servants had to be made more consistent and defined more clearly. The customary care in the family of the employer has proved inadequate and domestic workers can no longer be deprived of advantages which collective action alone can provide.

Apart from a few exceptions, under the system of general workers' insurance domestic workers — whether household or agricultural — are liable to insurance. This is prescribed in the German Act (Section 165, subsection 1), the Norwegian Act (Section 2, subsection 2), the Polish Act (Section 3), the Bulgarian Decree (Section 7). In Czechoslovakia the liability of domestic workers to insurance is no longer in doubt since the Amendment Act of 21 December 1923. In the Kingdom of the Serbs, Croats and Slovenes and in Austria, on the other hand, domestic workers
employed in the household of an agricultural employer are not liable (Jugoslav Act, Section 6). The terms of the British Act are more restricted, according to which insurance is not compulsory for persons employed in an agricultural household without money payment, nor for persons maintained by the employer (First Schedule, Part II (j)).

HOME WORKERS

The general formula, under which all paid workers are liable to insurance irrespective of the place of work, applies also by definition to persons working on behalf of an employer away from his undertaking, either at home or elsewhere. Certain features peculiar to home work make it necessary, however, to define more precisely the wage-earners who, as home workers, are entitled to insurance. For instance, they work at the same time or successively for one or more employers, and sometimes even on their own account. They often provide not only the tools but also the materials they use in manufacturing or working-up the goods.

It is interesting to note that in certain countries compulsory sickness insurance was the first institution to regulate the conditions of work of home workers by law. The methods adopted differ so much in detail that only the more characteristic laws can be examined here.

Under German law, insurance was compulsory after 1892 for persons who, though not themselves artisans, worked for industrial employers away from the undertaking; it was the first to include home workers in the system of compulsory sickness insurance.

The British Act also applies to home workers, but limits the definition of "outworkers" to persons working either at home or in premises not under the control of the employer, if they are engaged in making or working-up goods on behalf of an industrial or commercial undertaking. This limited group may be further reduced by the exclusion of given classes of home workers (First Schedule, Part I (c)).

A wider definition of the home worker liable to insurance is given in the Austrian Act (Section 1, and Act of 19 December 1918), the Jugoslav Act (Section 3, subsection 3), and especially the Polish Act (Section 6) which covers any person working either in his own place of residence or in a workshop solely or mainly on account of one or more employers, even if he furnishes his own
materials and tools and employs members of his family or other workers, provided that the home work constitutes his principal means of livelihood.

The Czechoslovak Act (Section 1, subsection 2) makes insurance compulsory for any homeworker who, not being an artisan within the meaning of the Industrial Code, works regularly on behalf of one or more employers away from their undertakings.

§ 4. — Position of Non Wage-Earners

According to the general formula, any worker employed in a dependent position, whose wages are his ordinary means of livelihood, is an insured person. The scope of the formula is extended in only two cases, those of apprentices and certain independent workers, which incidentally differ markedly, being based on entirely different considerations.

Apprentices

The first group of unpaid workers who as a rule belong of right to the workers' insurance system is that of apprentices and other persons working on little or no pay, with a view to their technical training. Far from being a departure from the principle of workers' insurance, the inclusion of apprentices is an indispensable complement. It may be said to anticipate the dependent economic position of the apprenticed persons when their training has been completed. All general workers' insurance laws uniformly include apprentices, voluntary workers, and other untrained persons, but the regulations differ somewhat in detail.

The German Act (Section 165, subsection 2), the Norwegian Act (Section 2, subsection 3), the Jugoslav Act (Section 3, subsection 2), and the Polish Act (Section 5, subsection 3) include in the system all persons whose training is not finished and who work for an employer, even if they are not paid. The Czechoslovak (Section 1, subsection 1) and Austrian (Section 1, subsection 1) Acts allow no doubt of the liability of apprentices and voluntary workers, since they expressly include all persons employed "under a contract of apprenticeship" (Czechoslovak Act) or "as an apprentice" (Austrian Act). The British Act alone requires that if an apprentice is to be insured he must be in receipt of a money payment. Moreover, all apprentices, even those in receipt of money payment, are not liable to insurance until they have reached the age of 16 (Section 1, subsection 1, and First Schedule, Part I (a)).
INDEPENDENT WORKERS

The second group of unpaid workers who are compulsorily insured against sickness under some of the laws on general workers' insurance, is that of certain workers whose position, although independent, is not more stable from an economic point of view than that of the majority of paid workers. They are persons working on behalf of another but without a contract of employment, and in their work they are mainly dependent on their own labour. The German and Jugoslav Acts may be quoted as examples.

The German Act (Sections 165) makes insurance compulsory for artisans working in their own workshops without being supervised by the employer, if their work is mainly on behalf of one or more employers and their annual income is not more than 2,700 marks.

Under the Jugoslav Act (Section 3, subsection 5), the employer on seagoing vessels with a gross tonnage of not more than 50 tons, which cannot be propelled by steam or mechanical power, is liable to insurance if he is a member of the vessel’s crew.

§ 5. — Voluntary Insured Persons

As a rule the system of compulsory sickness insurance denies the right to become insured at will, but there are two groups of exceptions in which the law leaves it open to the individual to decide whether he wishes to join the scheme or not.

Every insurance law allows a person who has been compulsorily insured to continue his insurance if he ceases to carry on the occupation rendering him liable, whether because his new occupation — although economically dependent — is no longer subject to compulsory insurance, or because he has become economically independent. In general, the prolongation of formerly compulsory insurance is not subject to the same conditions of admission as apply to voluntary insurance. A simple declaration within the prescribed period is enough to protect the rights of a person who used to be compulsorily insured.

Except in Austria and Russia, general workers' insurance laws allow persons who are not liable to insurance to join a scheme (voluntary or optional insurance). The detailed regulations on voluntary insurance differ widely from one country to another. The right to insure voluntarily may be open to paid workers only
(Great Britain), or to certain classes of independent workers as well (Germany, Norway, Czechoslovakia, Bulgaria), or to any person fulfilling the required conditions (Poland). Similarly, the right to insure may be limited to persons whose incomes are below a certain limit (Germany, Norway, Bulgaria, Poland), or the law itself may not fix such income limits (Great Britain, Czechoslovakia). Nearly every country lays down conditions of admission to prevent an accumulation of bad risks as the result of voluntary insurance, e.g. maximum age of admission, satisfactory state of health, etc.

**Continuation of Compulsory Insurance**

Under the German Act (Sections 313, 313A) any person liable to insurance who has been insured either for 26 weeks during a period of 12 months, or for not less than the six preceding weeks, and who leaves the employment under which he was liable to insurance, is entitled to give notice within a period of three weeks that he continues his insurance. No conditions as to age, state of health, or income need be fulfilled. Thus, intellectual workers may continue to benefit by insurance after their income exceeds the 2,700 mark limit.

The British Act continues to treat an employed contributor as such for a period of 12 months after he ceases to be employed within the meaning of the Act, without requiring him to give special notice or to pay contributions (free year). It is noteworthy that the right to the free year is independent of the cause of the cessation of the insurance, which may be the achievement of economic independence, a rise in salary to more than £250 a year, residence abroad, etc. After the free year, persons who have been employed contributors for 104 weeks may continue to be insured as voluntary contributors (Section 1, subsection 3(a)).

Under the Norwegian Act (Section 6, subsection 1 and Section 10, subsection 3) any compulsorily insured person may insure voluntarily when his liability to insurance ceases. When his annual income reaches 6,000 kroner, he can no longer be insured (Section 13, subsection 2).

The Czechoslovak Act (Section 13, subsection 2) allows a paid worker who is no longer liable to insurance to continue his insurance on the payment of the contribution. An insured person who becomes economically independent has a similar right, but in both
cases the insured person must give notice of his desire to continue his insurance and must not interrupt the payment of his contribution for more than four weeks. The Austrian regulations resemble those in force in Czechoslovakia.

Under the Polish Act (Section 13) a compulsorily insured person is unconditionally entitled to insure voluntarily during the four weeks following his leaving the employment in which he was liable to insurance.

According to the Bulgarian Decree of 25 June 1924 (Section 17) workers and employees who achieve economic independence may insure voluntarily without special notification.

**VOLUNTARY INSURANCE**

The German Code (Section 176) specifies certain groups of persons who may insure voluntarily. The first consists of paid workers who, for some reason or other, are not insured by right, and members of the family of an employer working in his undertaking without a contract of employment and without pay. The second group comprises artisans and other persons working alone or with the assistance of not more than two paid workers liable to compulsory insurance. The only condition of admission contained in the law itself is that the annual income of the insured person must not exceed 2,700 marks (Order of 10 January 1925). The sickness funds are empowered, however, to lay down in their rules certain other conditions, namely a maximum age limit and the presentation of a medical certificate of health. If these two conditions are not fulfilled, the fund may refuse the application, but it has no power to impose other conditions.

The British Act does not encourage voluntary insurance. It excludes persons in an economically independent position and married women not engaged in paid work. Even in this restricted form voluntary insurance is open only to persons approved by the Ministry of Health (Section 1, subsection 3 (b); Section 56, subsection 4).

Under the Norwegian Act (Sections 10–13) voluntary insurance is open both to paid workers who are not insured by right and persons not working under a contract of employment. The conditions of admission for the latter are fairly severe (minimum age 15 years, maximum 50 years, unless the applicant pays an additional contribution after the age of 50; income limit of 6,000 kroner;
satisfactory state of health). Paid workers, however, need in practice only write out an application for admission. A bad state of health is not an absolute bar to the admission of a person desiring voluntary insurance; nevertheless, the sickness fund can, by medical examination, find out whether the applicant is suffering from diseases in respect of which it will not be obliged to pay benefit. A bad state of health, however, cannot be objected to the admission of an applicant who has belonged to a sickness fund for the three preceding months without interruption, on condition that the application is submitted within eight days after the insured person has ceased to belong to a district sickness fund.

According to the Czechoslovak Act (Section 2), voluntary insurance is open to persons who are employed for pay in the undertaking or household of several employers, e.g. charwomen, home dressmakers, etc. The provision applies also to persons belonging to the household of a home worker, and to members of an employer's family who, although they are over 14 years of age and are engaged in an occupation rendering them liable to insurance, are not in regular receipt of money payment. Other persons — whether paid workers or not (e.g. persons engaged occasionally in paid work, public officials, persons working on their own account) — may insure, provided that the conditions of admission prescribed by the rules are fulfilled.

The Polish Act (Section 8) provides for the voluntary insurance of any person, whether a paid worker or not, if he is under 45 years of age and his income does not exceed 7,500 zloty, provided that his state of health is not a special risk to the fund.

Under the Bulgarian Act (Section 1, subsection 1), persons in an independent position may insure voluntarily if their annual income is not over 50,000 levas. This right is allowed to foreigners only on a condition of reciprocity (Decree, Sections 15 and 16). When the income of the insured person exceeds the limit fixed, the voluntary insurance ceases to take effect (Decree, Section 18).

§ 6. — The Position of Unemployed Workers

When a worker becomes unemployed, it is not enough that he should be able to continue his compulsory sickness insurance by remaining a voluntary member of the fund, as he is entitled to do if he is no longer engaged in an occupation rendering him liable to insurance. An unemployed worker must find it difficult to pay the voluntary contribution, which in the absence of the employer's
contribution is generally twice that paid by the compulsorily insured persons.

In order that the unemployed may not lose the advantages of sickness insurance, two different legislative methods have been used to keep them in the insurance funds. Under the first, a compulsorily insured person who becomes out of work remains entitled to all or part of the sickness benefit without being required to pay contributions. If he falls ill the cost is borne by the insurance institution, or rather the body of contributors. Under the second method the functions of the unemployment relief institution are extended by a regulation that every unemployed worker must be compulsorily insured against sickness. The former system, under which the unemployed worker is entitled without paying contributions to some or all of the benefits of sickness insurance, has been adopted in Norway, Austria, and Poland.

Owing to widespread unemployment temporary measures have been taken in Great Britain under an Act of 1921, whereby the unemployed are, subject to certain conditions, kept in insurance. They are also given cash benefits on a reduced scale, even though their contributions in a particular year fall below 26, being the minimum figure below which all right to cash benefit is generally forfeited.

The Norwegian Act (Section 6, subsection 4) limits neither the period during which benefit may be paid to unemployed workers, nor the group of unemployed workers entitled to such benefit. Any member of a sickness fund who loses his employment through no fault of his own continues to belong to the fund without having to pay contributions, provided that he has belonged to a sickness fund for at least the six preceding months. If he falls ill, however, after having been unemployed for more than fifteen days, he is entitled only to medical treatment, which itself may not last more than fifteen days.

Under the Czechoslovak, Austrian, and Polish Acts, the protection of unemployed workers who fall ill is much less effective, for the period during which they are entitled to benefit without having to pay contributions is comparatively short. Thus, the Czechoslovak Act (Section 13, subsection 2) guarantees an unemployed worker the minimum legal benefit for a period corresponding to that of his last employment but not more than six weeks. A similar

1 See also Order of 1 May 1916 authorising sickness funds to afford benefits in kind to the unemployed.
provision is contained in the Austrian Act (Section 13, subsection 3) which also fixes a maximum period of six weeks. Under the Polish Act unemployed workers remain entitled to medical benefit if the sickness occurs within 13 weeks from the date they lose their employment (Section 36, subsection 1).

In Germany, where the sickness funds had suffered severely during the period of currency inflation, it was thought impossible to require them to bear the burden of paying benefit to unemployed workers when they fell ill, unless the illness occurred within three weeks of the cessation of compulsory insurance (Section 214; see also p. 86). The commune, which is responsible for unemployment relief, must insure any worker in receipt of such relief in a territorial sickness fund or any other fund granting at least equivalent benefits, and it must pay the whole contribution in respect of such insurance (Order of 16 February 1924).

§ 7. — The Territorial Limits to the Scope of Compulsory Insurance Laws

As a legislative measure compulsory sickness insurance applies, unless expressly provided otherwise, within the limits of the territory of the State. No other general rule could be considered in keeping with international law. A discussion of the practical results of this general rule may be preceded by a brief survey of the manner in which general workers' insurance laws associate the person liable to insurance with a specific part of the territory of the State. This territorial definition is of particular importance under systems which combine compulsory insurance with the compulsion to belong to a given fund. The territorial basis of insurance in a system of workers' sickness insurance is found in the employment involving the liability to insurance. Whereas in accident insurance the insurance relates to the undertakings as such, in sickness insurance the various relations set up by it are centred in the place of work or occupation. Obviously this will be not the temporary or casual, but the customary place of work.

The results of this closer definition of the general rule are both positive and negative. On the positive side, the liability to insurance is found to apply in the first place to paid workers who carry on their occupation in the country. Further, the position of the worker as a compulsorily insured person is unaffected by temporary or casual work or services outside the country, provided that his connection with the country of ordinary employment remains
unbroken. On the negative side, the general rule implies that insurance is not compulsory for workers who, although living in the country, do not carry on their main occupation there, nor for those whose work in the country is only temporary or casual and who maintain the connection with their usual centre of occupation situated outside the country.

The above statement may easily be verified in both directions by examples from actual laws.

The subject is dealt with in Section 153 of the German Insurance Code. According to subsection 1 insurance is compulsory for any person who is employed as a paid worker in German territory. Under subsection 2 it is compulsory for paid workers whose ordinary place of employment is in the country and who are engaged in work abroad for a comparatively short period. Again, under subsection 3 a worker remains liable to insurance if, starting with a fixed centre of work in the country, he is employed abroad in different localities without a new centre of employment being set up under this head. On the negative side, a worker who is employed in German territory on behalf of a German or foreign undertaking and whose ordinary place of work is abroad, is not liable to insurance (see also the Decree of 17 November 1913).

Under the British Act persons engaged in “employment in the United Kingdom” are liable to insurance. The Act thus establishes the principle of territoriality of insurance. The insured person does not lose his membership of an approved society by a stay abroad of less than a year’s duration. Section 19 is in keeping with this legal situation, for it empowers approved societies to pay certain benefit to members who are temporarily resident abroad with the consent of the society.

In the present respect, the Norwegian Act is more complete than all the other laws considered. On the positive side, insurance is compulsory for all workers and employees working in the Kingdom, and insured persons are still deemed to be employed in the country if their employers give them temporary work abroad or instruct them to travel abroad, provided that they are not absent from the country for more than three months (Sections 1 and 3).

On the negative side, any person is exempt from the liability to insurance if owing to the nature of his work in the country it cannot last more than six days. Moreover, irrespective of the period of work or service in the country, the Act does not apply to persons who are entitled under a foreign law to sickness benefit,
even during their stay in the Kingdom (Section 1, subsections 2 (c) and 3).

Section 13 of the Czechoslovak Act establishes the territorial principle by laying down rules of admission for any paid worker employed in the territory of the State. In accordance with this section the Administrative Court has decided that if a compulsorily insured person is temporarily employed abroad, his insurance does not cease unless his removal to another country involves the cancellation of his former contract of employment and the substitution of another contract binding him to a new centre of employment situated abroad. On the negative side, the temporary employment in the country of a person whose usual place of employment is abroad does not render him liable to insurance, since under Section 1, subsection 1, of the Czechoslovak Act temporary paid work is exempt.

The Jugoslav Act (Section 3, subsection 1) also accepts the territorial principle by making insurance compulsory for every person working within the territory of the Kingdom. The principle is extended to cover workers employed abroad, whether permanently or temporarily, on behalf of a Jugoslav undertaking provided that the workers are Jugoslav nationals. To prevent conflict of laws, the insurance applies only if the workers in question are not already insured under the legislation of the state in which they are employed (Section 8, subsections 1 and 2). Sufficient provision is made for definition in the negative direction by section 4, under which persons employed in Jugoslav territory only at intervals and not permanently are exempt from the liability to insurance.

A similar territorial delimitation may be found in other general workers' insurance laws.

Special Position of Seamen

In certain cases there is no direct physical connection between the ordinary place of employment and the territory of the State. The chief example is that of persons employed on board ship. The ordinary place of occupation offers no criterion for determining the liability of the crew to insurance. According to a custom which has been incorporated in the international regulations observed by maritime states, internal matters affecting the crew remain subject to the regulations of the state whose flag is flown by the
ship, whatever its location. In general, this rule applies only to seagoing vessels, inland navigation and fishery being nearly always subject to the territorial principle (national waters). When seagoing vessels belong to the state they are considered a floating part of its territory, and the territorial rule applies in full.

The German Insurance Code and the British Act may be quoted in illustration. Section 16, subsection 7 of the former makes insurance compulsory, irrespective of the place of work, for the crews of German seagoing vessels, i.e. vessels flying the German flag and employed mainly or solely in maritime navigation. Under the British Act, any person is liable to insurance who is employed “as master or a member of the crew of any ship registered in the United Kingdom or of any other British vessel of which the owner resides or has his principal place of business in the United Kingdom.” The ship owner’s weekly contribution is reduced in the case of foreign-going ships in view of the owner’s special obligations imposed by the Merchant Shipping Act.

The Norwegian Act, on the other hand, applies the territorial principle more rigidly, making insurance compulsory for the crews of ships navigating in territorial waters, as well as of ships navigating outside such waters provided that the route of the voyage is fixed and the time between leaving and returning to a Norwegian port is not more than 10 days (Section 1, subsection 2(e)).

§ 8. — Time Limits to the Application of General Workers’ Insurance Laws

A compulsorily insured person is not liable for life, but only when and as long as he is engaged in an occupation in which insurance is compulsory; thus the dates at which the insurance begins and ends are fixed by the law itself.

Commencement of Insurance

Whatever the term used, a compulsorily insured person is not merely liable to insurance, he is included of right in the insurance system. Once he has entered an employment in which insurance is compulsory the worker is considered to be insured under the law, even in default of the necessary notifications from the employer, the worker, or a third party, or of the prescribed payment. The strength of compulsory insurance lies in this very
automatism, which pays no attention to the observation of formalities. The actual methods adopted differ considerably.

In principle, the German Act (Section 306) considers a compulsorily insured person to be a member of a local sickness fund from the date on which he enters the occupation rendering him liable to insurance. An exception to this rule is that of persons employed only temporarily, who are insured only from the date of their inclusion in a register opened for this purpose (Section 442). Neither employer nor worker is entitled to make the insurance date from any other day than that defined by law.

Voluntary insurance, on the other hand, begins only on the date on which the application for admission is made. For a month from receiving an application, the fund may refuse admission as from the date of the application, provided that the conditions justifying refusal are fulfilled (Section 310).

The British regulations differ in several respects from the German Code. Any person liable to insurance may apply to an approved society for membership. If no application has been made before 1 April or 1 October next after the end of the half year during which entry took place into an employment in which insurance is compulsory, the worker automatically becomes a deposit contributor as from the date of entering the employment. A worker who joins an approved society not later than six months after entering an employment in which insurance is compulsory may be deemed by the society to have been admitted as the beginning of his employment (Section 41). If the insured person becomes a deposit contributor he can at any time transfer to an approved society, the date of entry into insurance being the date of entering into insurable employment.

Under the Norwegian Act any person liable to insurance is deemed to be a member of the district fund as from the date his employment begins, no account being taken of any delay in making the prescribed declaration (Section 5).

Examples may easily be multiplied. It will be enough to refer to Section 13, subsection 1, of the Czechoslovak Act, Section 13 of the Austrian Act, Section 10 of the Polish Act, and Section 55 of the Jugoslov Act, all of which define compulsorily insured workers as insured from the date on which the employment rendering them liable to insurance begins. For technical reasons workers in temporary employment are treated differently. They do not become members until they have been entered in special registers.
Once the insurance has begun, it continues as a rule until the labour agreement on which the liability to insurance is based is dissolved. By itself, neither the cessation of actual employment owing to illness (the risk covered) nor the failure to pay contributions can put an end to the insurance of a compulsorily insured person. The actual regulations on this point are various.

Under the German Code (Section 311) the insurance of persons unable to work holds good for as long as they are entitled to benefit. Otherwise, a compulsory insurance expires, unless voluntarily continued by the insured person, when the engagement on which the compulsion is based comes to an end. On the other hand, the failure to pay the insurance contribution is without effect on the operation of the insurance.

Under the British Act (Section 3 and Section 43, subsection 5) the insurance of an employed contributor comes to an end for one of two reasons: either if he obtains a certificate of exemption, or if he ceases to be an insured person within the meaning of the Act. If he fails to pay his contributions, he forfeits his right to cash benefit, but not to the insurance. Even after he ceases to be employed within the meaning of the Act an insured person remains a member of the society with full right to benefit for the so-called “free year”.

Under the Norwegian Act an insured person ceases to belong to a sickness fund from the beginning of the week following on the last week for which the compulsory contribution was due. A sick person belongs to the fund as long as he is entitled to sickness benefit (Section 6, subsections 1 and 2).

Similar provisions are to be found in the Czechoslovak Act (Section 13, subsection 1), the Jugoslav Act (Section 55) and the Polish Act (Section 13), in the latter very similar to the British “free year” system.
CHAPTER II

NATIONAL INSURANCE

The Portuguese Sickness Insurance System

The Portuguese Act is at present the only law to include the majority of the population in a system of compulsory sickness insurance not based on the principle of general workers' insurance. On the model of the invalidity and old-age insurance scheme introduced in Sweden in 1913, Portugal established a national sickness insurance system by the Decree of 10 May 1919.

PERSONS INSURED

No other compulsory sickness insurance system reaches so wide a circle as that covered by the Portuguese Decree. It includes "any person, irrespective of sex, engaged in an occupation which has been recognised as worthy and honest by custom and tradition, and has been sanctioned by the law." (Section 1). The criterion of paid work is not adopted in the Portuguese law. Subject to the fulfilment of all other conditions, insurance is compulsory for both dependent and independent workers unless their occupation is contrary to the law. The only limitation to the principle is that the insurance system excludes persons of under 15 or over 75 years of age, on the grounds that they are not as a rule capable of carrying on a regular occupation.

Further, the position of the insured person in the scheme is determined by his economic situation. As soon and as long as his total annual income (wages, fees, profits, dividends) exceeds a limit, fixed at 900 escudos, the insured person is entitled to no benefit from the insurance institution even should he fall ill. This income limit divides the insured into two groups, that of the "born insured" (socio nato) who, while belonging to the insurance institution, have no share in benefits, and that of the "effectively insured" (socio efectivo) who share both in the cost and in the benefit payable in the event of illness (Section 1, subsection 3).
TERRITORIAL LIMITS

Since this national sickness insurance is a sort of life insurance covering every member of the population, the place in which the work is performed is without influence. On the positive side, the insurance even covers persons temporarily staying abroad, provided they still have their home in the country; and on the negative side, it does not apply to persons who are staying temporarily in the country without settling there (Section 3).

TIME LIMITS

The insurance does not begin automatically, but on the date on which the insured person is entered in a register intended for the purpose (Section 5).
CHAPTER III

THE SCOPE OF LIMITED WORKERS' INSURANCE SYSTEMS

Persons Liable to Insurance

As already stated, the majority of states which have adopted the principle of compulsory sickness insurance apply it to nearly all persons in a position of economic dependence. Nevertheless, there are at present certain laws which, embodying the principle of compulsion, limit the application of insurance to a section only of the group of wage earners. The criterion for dividing wage earners into those who are insured compulsorily and those who are not is the nature of the undertaking in which the paid work takes place. The fact of performing paid work is not sufficient to define the worker as an insured person, as under a system of general workers' insurance. In addition, he must be employed in an undertaking belonging to one of the groups specified in the compulsory sickness insurance law. This system is at present in force in the following countries, among others: Luxemburg (Act of 31 August 1901), Hungary (Act No. XIX of 1907), Roumania (Act of 25 January 1912), Esthonia (Labour Code of 1911 amended in 1917 and 1921), Latvia (Code of 1922), Greece (Decree of 8 December 1923).

The definition of the persons liable to insurance differs considerably in the above Acts, but they have one feature in common: the insurance system applies to paid workers, not as member of the class of persons in a position of economic dependence, but as workers employed in undertakings of a specified nature. Consequently, the employment giving rise to the liability to insurance is not an economically dependent employment as such, but a dependent employment in or on behalf of an undertaking of a specific kind. The decision whether a person is liable to insurance or not depends on two factors: firstly, the definition of the groups of undertakings in which all or some of the staff may be liable to insurance and, secondly, the definition of the persons employed in such undertakings who are so liable.
CLASS OF UNDERTAKING

Like the first compulsory sickness insurance laws — the German Act of 1883, the Austrian Act of 1888 — limited workers’ insurance laws relate either to classes of undertakings in which the workers are exposed to more serious physical risks, or to all undertakings which have reached a certain degree of organisation. Without discussing in detail the very complex enumerations contained in these Acts, it may be stated that they all apply to industrial undertakings of a factory nature (e.g. Luxemburg Act, Section 1, subsection 1 (4); Hungarian Act, Section 1 (1); Roumanian Act, Section 2, subsection 2); the industrial exploitation of mines, open-air mines, quarries, etc. (e.g. Luxemburg Act, Section 1, subsection 1 (2); Hungarian Act, Section 1, subsection 3; Roumanian Act, Section 2, subsection 2), industrial building undertakings (e.g. Luxemburg Act, Section 1, subsection 1 (5); Hungarian Act, Section 1, subsection 1 (4); Greek Decree, Section 1, subsection 1). Handicrafts are similarly covered, but commercial and transport undertakings are included only by the Luxemburg Act (Section 1, subsections 1 and 6), the Hungarian Act (Section 1, subsections 1, 8, 9) and the Greek Decree (Section 1, subsection 1). All the laws in question exclude agricultural and forestry undertakings, and it is in this respect that their difference from general workers’ insurance systems is most serious.

Nature of Employment

Persons employed in paid work, whether manual or non-manual, in an undertaking belonging to one of the specified groups are liable to insurance. Temporary or casual employment in such an undertaking is as a rule insufficient to make insurance compulsory, and it is normally required that the paid work should be the principal means of livelihood of the worker.

Nature of the Liability to Insurance

Subject to the important restriction that the liability to insurance is limited to workers in certain classes of undertakings, the rules laid down by the laws of the present group will be found to be similar to those deduced from the analysis of general workers’ insurance systems. This applies more particularly to the liability to insurance as a public measure. The persons concerned have no choice, once the employment in which insurance is compulsory has begun. Their wishes concerning the application of the principle of compulsion have no legal force.
Neither sex, age, nor nationality constitutes a reason for exemption or exclusion. On the other hand, wage or income limits are fixed, above which the worker ceases to be liable. Under the Hungarian Act (Section 1, subsection 1) any manual or non-manual worker whose earnings exceed a certain figure (80,000 kronen a year) is no longer liable to insurance. A similar maximum limit of 3,750 francs is fixed in the Luxemburg Act (Section 1, subsection 7) but it applies only to employees, foremen, and other non-manual workers.

**Exceptions**

As compared with general workers' insurance systems, the laws on limited workers' insurance contain certain important omissions. Thus, as already stated, all agricultural and domestic workers are excluded from compulsory insurance. Home workers are liable to insurance only under the Luxemburg Act (Section 1, subsection 2), and the Hungarian Act (Section 2, subsection 2). Under the Greek Decree they may join the scheme voluntarily. Apprentices, voluntary workers, and other persons who are unpaid because their technical training is not finished are not insured compulsorily, except in Hungary (Section 2, subsection 1 of the Act).

**The Insurance of Independent Persons**

On the other hand, more attention is paid to the employers in the undertakings covered than in general workers' insurance systems. Reference has already been made to a feature peculiar to the Roumanian system, namely, that the employers in all the undertakings covered are compulsorily insured, whether they employ apprentices, journeymen or labourers, or not. Under certain other laws it is considered sufficient to allow employers the right to insure voluntarily under certain conditions (Luxemburg, Latvia). The Hungarian Act, on the contrary, although attaching considerable importance to voluntary insurance, which is even open to agricultural workers, does not allow persons in a position of economic independence to insure voluntarily (Section 7).
CHAPTER IV

THE SCOPE OF VOLUNTARY INSURANCE SYSTEMS

§ 1. — Voluntary Insurance Laws in General

Voluntary Insurance

In states in which the law has not accepted the principle of compulsory provision for illness, the attempt to find suitable means of protection against the vicissitudes of life is left to individual initiative. No use is made of the power of compulsion against persons who under-estimate the risk and over-estimate their physical and economic powers of resistance, and remain indifferent to the dangers of the morrow. Although this indifference threatens the interests of the community as a whole and not merely the individual person, the state does not consider it an integral part of its functions to provide against illness.

Persons who realise the seriousness of the risk form associations of their own free-will and promise to help each other should any of them fall ill. Although the outcome of a feeling of egoism, easy to understand, which is ready to give so that it receive more in case of need, this system of mutual aid brings together those who, realising the community of interests, are prepared, if they themselves are safe, to give up their share to those in greater need. This social phenomenon, which took the form of mutual aid organisations, called for new legal regulations defining the social position of such bodies. State intervention was necessary and took place everywhere although in different forms.

Regulated Voluntary System

A certain number of states have hitherto been satisfied to make regulations on the subject; mutual aid societies are given legal personality, and their responsibilities towards the state on the one hand and their members on the other are thus defined. Certain action is compulsory for them, certain other prohibited (regulated voluntary systems).
Subsidised Voluntary System

Other states, while maintaining the individualist principle of free insurance, are not satisfied to make regulations for the external conditions of mutual aid as developed by private initiative. Recognising that it is to the general interest that mutual aid should be allowed free play, they have placed it above the common law to which private associations are subject. Mutual aid is not merely recognised and governed by regulations; it also receives pecuniary assistance from the state, which thus takes an active part. This is the subsidised free system in force under the Belgian Act of 23 June 1894 and the French Act of 1 April 1898; it has been adopted also in the Swedish Act of 4 July 1910 and the Swiss Act of 13 June 1911, and has been more particularly elaborated in the Danish Act of 10 May 1915 amended by the Act of 6 May 1921.

§ 2. — Subsidised Voluntary Insurance

Scope

As compared with compulsory insurance systems, there is a fundamental difference in the determination of the scope of subsidised voluntary systems. The principal condition for the application of the insurance law is that the individual person should have joined the insurance organisation voluntarily. The insurance no longer arises out of a situation in fact and in law in which the person concerned has no say. He himself decides whether he wishes or not to make use of his power to belong to the mutual aid organisation. His freedom is subject, however, to certain legal limitations. The right of the individual to apply for admission to the insuring institution may be limited by a legislative prohibition applying to certain classes of persons.

Further, the systems at present under consideration involve a condition which is not met with under systems of compulsion. The establishment of the insurance depends on the mutual aid society accepting the application for admission. In principle, it is free to accept or refuse an application from any person entitled to apply. The definition of this freedom, however, is only negative in the sense that a refusal to admit an applicant may not be in opposition to a legal provision prohibiting refusal in specified cases.

The scope of voluntary insurance systems is not determined by law. The actual extent to which they will apply depends on the use made
by individual persons of their right to join and by the funds of
their power of refusal. It will therefore vary considerably from
one country to another. The following examples may be given
of laws of subsidised voluntary insurance.

The Belgian Act of 23 June 1894 (Section 10, subsection 1) lays
down that any person having attained the age of 18 years or his
majority may become a member of a recognised mutual aid society.
Thus, membership is not open to minors of under 18 years of age
except with the consent of their parents or guardians. Sex is no
obstacle to making an application, except for married women whose
husbands have registered a protest which has not been rendered
ineffective by a decision of the competent justice of the peace
(Section 11). Consequently, the right to make an application is
almost unconditional. Moreover, the freedom of the recognised
mutual aid society may similarly be said to be unrestricted. The
question whether application for membership can be accepted is
governed by the rules of the society. Once an application has been
accepted, the member is subject to the insurance law until he ends
his membership. If not in practice, at least from the legal point
of view, his social status and economic position have no im­
portance.

The French Act of 1 April 1898 places no restrictions on the
right of the individual to apply for admission, or the power of the
mutual aid society to refuse it. On the other hand, it takes the
economic position of the members into account by allowing the
societies to classify their members in two groups: participating
members and honorary members, only the first of whom are entitled
to share in the material assistance granted by the society.

Similarly, under the Swedish Act of 4 July 1910, there is practi-
cally no restriction of the freedom of the individual to apply for
admission and of the sickness fund to refuse it. Any member may
leave the fund at any time on giving written notice, but the power
of the fund to expel members is limited by the Act. For instance,
the rules of the fund may not lay down that a member may be
expelled on reaching a certain age, or after he has received sickness
benefit for a given period, or for an unsatisfactory state of health
(Section 11).

Under the Danish Act of 10 May 1915 the members entitled to
benefit must be either paid workers of small means or persons who,
although economically independent, are in a similar position, such as artisans, small employers, small farmers, etc. Other persons applying for membership to a sickness fund may be admitted only as honorary members (Sections 6 and 8). The conditions of admission for participating members may lay down a maximum age (40 years) limit and may require that the applicant should be in good health.

**Territorial Limits**

The territorial determination of the scope of voluntary insurance systems offers no difficulty. An insured person who leaves the country may give up or retain his membership of a mutual aid society unless the rules provide to the contrary. On the other hand, persons who temporarily settle in the country may join the society, provided that its rules do not require members to be resident within the district it covers.

**Time Limits**

Finally, the time limits of the scope of insurance are, as a rule, defined freely by the member on the one hand and the mutual aid society on the other. Unless the member has agreed otherwise, he may at any time leave the society. On the other hand, once the member has been admitted, the society may not expel him unless empowered to do so by its rules.

§ 3. — The Swiss Sickness Insurance System

The Swiss Federal Act of 13 June 1911, although belonging to the group of laws based on the principle of subsidised freedom, has one special feature. It empowers the cantonal legislative authorities to make sickness insurance compulsory either for the whole population of the canton, or for certain sections of the population. The result of delegating to the cantons the power to legislate on compulsory sickness insurance has been that, whereas some cantons have maintained the system of subsidised voluntary insurance in full, others have introduced compulsory insurance for certain sections of the population. That the Swiss sickness insurance system is discussed here under the head of laws based on the principle of subsidised freedom, is due to the fact that at least at present a large proportion of the members of Swiss sickness funds have joined voluntarily and not because they were compelled to insure.
SCOPE OF COMPELLARY INSURANCE ENACTED BY THE CANTONS

No canton has made insurance compulsory for the whole population, but a certain number have introduced compulsion for more or less important sections of the population, e.g., the two cantons of Appenzell (Act of 30 April 1916 and Decree of 29 November 1920); Basle Town (Act of 19 November 1914, rendering all persons liable to insurance who live alone and have an annual income of under 4,500 francs, and all members of a family with a total annual income of under 6,000 francs); St. Gall (Act of 28 May 1914). Certain other cantons have found it sufficient to introduce compulsory insurance only for children in elementary schools, e.g. Fribourg (Act of 20 December 1919); Geneva (Act of 11 October 1919).

SCOPE OF SUBSIDISED VOLUNTARY INSURANCE

Persons who are not required to insure under cantonal or municipal laws, are free to join a sickness fund under the Federal Act of 13 June 1911. Any person may apply for admission to a recognised sickness fund. Such admission cannot be refused to a Swiss national fulfilling the conditions of admission laid down in the rules (Section 5, subsection 1), but a foreigner may be refused even though he fulfils these conditions. Such conditions may relate to the age of the applicant, to his state of health and, in certain cases, to his religious denomination or his occupation. As a rule, fulfilment of the conditions is not required of an applicant who has already been a member of a recognised sickness fund and applies for membership of another fund owing to a change in his place of residence and employment, or in his occupation, or to the dissolution of the fund to which he belonged (Sections 7 and 11).
PART II

INSURANCE INSTITUTIONS:
CONSTITUTION AND MACHINERY

INTRODUCTION

General Functions of Sickness Insurance Institutions

The object of all systems of sickness insurance, whether compulsory or voluntary, is to guarantee the insured person some partial compensation for the loss caused by illness; thus, the economic consequences of illness are no longer entirely borne by the insured person who has fallen ill, since they only affect him to the extent to which he is not relieved by insurance.

In order that the insured may in fact enjoy such relief, the liability for insured persons who fall ill must be transferred, under the insurance system, to an economic entity distinct from the individual: or in other words, to a special group composed of a certain number of actual persons. The members of such a group, which thus becomes a collective security, are neither directly nor individually liable towards individual invalids: their liability remains a collective one; in other words, they are only answerable for the payment of the compensation due to invalids in respect of a certain fraction corresponding to their individual share in the obligations of the insuring group.

This two-fold limitation of the liability of members of the group is obtained by conferring legal personality on the insuring group; and the legal personality which represents members of the insuring group, in so far as they participate in the system of insurance is the insurance institution. This body acts as intermediary between invalids who possess a claim and the group liable to such claim. It therefore pays compensation for part of the loss caused to
invalids out of the financial resources placed at its disposal by the group.

The promotion, therefore, of a system of insurance presupposes the existence of an insuring group as an established fact of social life, and its legal recognition as an effective agency of mutual assistance. To enable them to make decisions and to carry them out, such groups are provided by law with deliberate and executive machinery.

The method adopted under different systems of sickness insurance legislation for facilitating the formation of insuring groups is described in this part of the report; while the manner in which insuring groups, duly constituted by law, acquire legal personality and are provided with administrative and representative machinery will be dealt with subsequently.

Legislation regulating the formation and working of insurance institutions differs considerably in the case of compulsory or voluntary systems of sickness insurance. Any legal system of compulsory insurance must be such as to afford facilities for the affiliation to an insurance institution of individuals who are compelled to insure themselves, even in cases where mutual aid institutions have not yet been created through the personal initiative of the parties concerned. It must, therefore, where necessary, promote the creation of insuring groups; whereas a legal system of voluntary insurance need do no more than facilitate and encourage the formation of such groups and need take no direct steps for the purpose. This distinction between the different forms of legislative intervention forms the basis of the division adopted in this part of the report.
CHAPTER I

CONSTITUTION AND MACHINERY OF COMPULSORY SICKNESS INSURANCE INSTITUTIONS

§ 1. — Principles of Organisation of Compulsory Sickness Insurance: Main Features of its Development

In most countries where a system of compulsory sickness insurance has been introduced, there were in existence at the date when the relevant legal provisions came into force, a certain number of persons, subject to the obligation of insuring, who were freely and spontaneously associated in some form of mutual benefit organisation. Compulsory insurance legislation merely converts the free association of such persons for mutual aid into a compulsory association. The mutual benefit group becomes a statutory insurance organisation. In this way, mutual benefit societies, trade union sickness funds, and institutions due to private enterprise are the first to be entrusted with the duty of putting a compulsory sickness insurance system into force. Their fitness to undertake the new work varies very considerably from one country to another, and determines to a great extent the position they occupy in a system of compulsory insurance.

The work of social organisation involved, on the introduction of compulsory insurance, in grouping persons subject to insurance, is comparatively easy where the great majority of compulsorily insurable persons are already voluntarily and spontaneously insured. The classic example of this state of things is afforded by Great Britain, when the National Health Insurance Act came into force (15 July 1912). At that date the majority of persons covered by the Act had been insured for a considerable time. All that was needed, therefore, was to convert insuring groups already in existence into legal institutions of the same character, and to include therein such persons as had not spontaneously adhered to a freely constituted group. A proportion of insurance societies had only to comply with the requirements of the Act to attain the rank of “Approved Societies”; and to this day societies of this
kind can be formed and can acquire the status of legal insurers. The development in Great Britain of freely constituted insurance societies and the efforts of insurance companies who have taken up industrial insurance have been such that it has been unnecessary to constitute insuring groups ad hoc for the purpose of insuring persons who have not joined an Approved Society (system of free affiliation).

In countries where, at the time of the introduction of compulsory insurance legislation, the spontaneous mutual benefit movement was not sufficiently developed to become the only existing system, the process of organisation was twofold: in the first place, it was necessary to assign to existing mutual benefit organisations a part in the new system corresponding to their importance; secondly, it was necessary, by means of government intervention, to create statutory insuring groups, comprising all insured persons who had not joined a free insurance institution. Persons subject to insurance remain free to join private funds; but if they fail to do so, they automatically become insured with the appropriate statutory fund. This is the basis of organisation adopted in most Central European countries, as well as in Norway and Portugal (system of subsidiary legal affiliation).

In a certain number of other countries, where a system of general workers’ insurance has recently been adopted, and where a voluntary mutual benefit system was virtually non-existent, the insuring group has been formed almost without exception by State intervention. Persons subject to compulsory insurance are not entitled to exercise any choice, but are automatically insured with the competent legal insurance organisation. Generally speaking, the group insuring against sickness in these countries may be likened to the central pillar supporting the whole edifice of social insurance covering all physical risks. Typical examples of the system are to be found in Serb-Croat-Slovene and Russian legislation (system of legal affiliation).

The main features of these three systems of affiliation are given below.

§ 2. — System of Free Affiliation

Main Features

Under a system of free affiliation, individuals subject to insurance are free to select their own insurer against sickness. Nor are they subject to any form of coercion intended to compel them to adhere to any given insuring group.
Individuals, though subject to insurance, may even remain outside any insuring group. In this case they are not *ipso facto* affiliated to an insurance institution, but are merely required to accumulate personal savings to provide against illness. This freedom within the system is only restricted in the case of improvident persons who are destitute of all resources, and become a charge on the Poor Law authorities.

**British Legislation**

Complete freedom of affiliation, within the framework of the compulsory system of sickness insurance, is ensured by the British Act; nor do the authorities intervene in any way for the purpose of constituting insuring groups, the formation of which is due entirely to private enterprise. These, if they conform to statutory requirements can, at their own request, be registered as statutory insurers.

**Constitution**

A great number of different types of Approved Societies exist: those known as Friendly Societies, whether registered or not in accordance with the Friendly Societies Act, 1896; trade union funds; employers' provident funds; industrial assurance companies; co-operative societies, and various other bodies.

The conditions required for obtaining recognition as an Approved Society are few: to be approved, a society must not be carried on for profit. This implies that it must confine itself to administering any surplus funds for the benefit of its members in accordance with the provisions of the Act and its constitution. The management of the society's affairs must also be subject to the absolute control of its members being insured, either directly or indirectly, by means of delegates. This implies that members other than active members (i.e. honorary members) have no share in the management of that part of the society's affairs connected with compulsory insurance (National Health Insurance Act, 1924, Section 29). Societies such as employers' provident funds, confined to the undertaking, are exempt from the second condition: in this case the employer may have a quarter of the representation on the committee or other body administering the fund, on condition, however, that he is responsible for the solvency of the fund, or for the benefits payable therefrom, or becomes personally liable for additional contributions supplementary to those payable under the Act (Section 31).

Security must also be given in order to protect the interests of members against the possibility of alienating the society's capital
should the competent authority (in this case the Minister of Health) consider this necessary (Section 35 (1)).

As soon as an insurance institution has become an Approved Society, it becomes responsible for administering the pecuniary benefits conferred on all insured persons by the National Health Insurance Act. Contrary, however, to the practice in other systems of compulsory sickness insurance, an Approved Society is not responsible for the administration of medical benefit, which is organised by "insurance committees", which are territorial associations created for this purpose by the Act ¹.

When a society has become a legal insurer, and has in this capacity assumed public duties, it cannot cease its operations without the consent of the authorities. Further, the latter are at liberty to withdraw the approval granted to any society if it fails to conduct its business in accordance with the provisions of the Act (Section 38 (1)).

**Machinery of Approved Societies**

Approved Societies enjoy great liberty under the Act in the choice of their deliberative or executive machinery. As stated above, the Act only requires that members of the society shall, under its statutes, have absolute control over its affairs, and, in particular, that the management committee shall be elected or removed from office solely by active members or their delegates. Provided the above requirements are complied with, Approved Societies are free to organise themselves as they think fit; but their constitution must be submitted to the authorities for approval before a society starts business.

The insured members are therefore the only ones who participate in the management of Approved Societies, and employers are not represented in any way. In the case of employers' provident funds, however, one-quarter of the representation on the management committee may be reserved for employers who have assumed financial liabilities greater than those imposed by the Act (Section 31).

**Membership of Approved Societies**

All persons subject to insurance may apply for membership of an Approved Society, provided they fulfil the required conditions for admittance; and the individual's right to apply is balanced by the society's right to refuse a request for admission. To prevent

¹ See p. 102.
Approved Societies, however, from pursuing an unduly restrictive policy of choosing good risks only, the applicant's age is not considered as in itself a sufficient reason for refusing membership. While complying with this rule, however, Approved Societies are at liberty to admit only applicants belonging to a given occupation, or resident in a district specified in their constitution.

In the case of new entrants into insurance application for membership must be made before 1st April or 1st October next following the end of the half year during which the applicant entered the employment entailing obligation to insure; failing which, the applicant automatically becomes a "deposit contributor". If an applicant does not receive notice, within three months of the date of his application, that his application for membership has been opposed, he becomes ipso facto a member of the society. An insured person who is a deposit contributor may apply for admission to an Approved Society at any time and in the event of his acceptance a transfer from the Deposit Contributors' Fund is arranged.

Membership ceases either when a member (subject to certain restrictions imposed in the interests of the society), joins another society, or when a member has been guilty of an act rendering him liable to expulsion and is consequently expelled, or because the obligation to ensure has lapsed, owing either to a change of occupation or because exemption from insurance has been obtained.

No one may belong to more than one Approved Society at a time (National Health Insurance Act, 1924, Sections 41, 42, 43).

Deposit Contributors

Persons subject to compulsory insurance who have failed within the prescribed period to become members of an Approved Society, or have ceased to be members without joining another society, automatically become deposit contributors. In this capacity they are not members of an insuring group, but are compelled to pay certain statutory contributions to an account standing in their own name with the Deposit Contributors' Fund. This Fund is also maintained by contributions from employers, and by a State subsidy. The administration of cash benefits of Deposit contributors is in the hands of Insurance Committees.

In case of illness, deposit contributors are only entitled to receive benefits corresponding to the sums standing to their credit: thus,
the system is not really an insurance system; it is merely a system of saving, under the supervision of the authorities.

The system of affiliation set up by the British Act involves the minimum of compulsion, and has resulted in practically all persons subject to compulsory insurance becoming members of an Approved Society: scarcely 2 per cent. of such persons have remained deposit contributors.

As already stated, the British Act has operated to extend and make compulsory insurance of a character which was already fairly widespread on a voluntary basis; by instituting a system unfavourable to deposit contributors, however, it has provided a powerful incentive towards increasing the membership of Approved Societies.

§ 3. — System of Subsidiary Legal Affiliation

Main Features

In countries where, on the introduction of a system of compulsory sickness insurance, applicable to large classes of the population (e.g. general workers' assurance or national insurance), the mutual benefit movement was not supported by a large number of those who were henceforth to be subject to compulsory insurance, the legislative system adopted had to provide for including persons, not hitherto insured, in the collective insuring group. This was generally done by constituting territorial insurance institutions, comprising all persons subject to insurance, resident or employed within the territorial limits covered by the institution, who had not hitherto spontaneously joined a mutual insurance fund ranking as a legal insurance institution.

Even under a compulsory system, therefore, persons remain free to join mutual insurance funds; but if they fail to do so in accordance with legal requirements, they automatically become attached to a collective insuring group organised on territorial lines. This system of affiliation is found in Central European countries, and also in Norway and Portugal.

The principle, however, is subject to modifications of a more or less important character, according as a general system of compulsory insurance is set up de novo (e.g. Portugal) or arises out of successive extensions of a system of workers' insurance which was at first confined to certain classes of wage-earners more particularly subject to certain risks (e.g. Germany and Czechoslovakia).
In these cases (i.e. in proceeding from a restricted system to one of general workers' insurance), it was thought inexpedient to abolish existing insurance institutions on a trade basis (e.g. employers' provident funds, guild fund, mining funds). Institutions of this kind have therefore been maintained were they were working satisfactorily. What has been done is to subject the formation of new trade funds (caisses professionnelles) to restrictions intended to prevent the working of the district funds from being hampered. Individuals are still free to join an approved mutual benefit fund; if they fail to do so, however, they automatically become members of a trade fund or, if no such fund has been set up in the undertaking or industry to which they belong, of a territorial fund.

The latter are, moreover, sometimes sub-divided, and special funds for insuring agricultural wage-earners have been established side by side with the ordinary district funds, as, for example, in Austria, Czechoslovakia and certain German States, but not in Norway.

However important the part played by trade funds, the insurance system as a whole is based on the territorial fund. Unlike British legislation, under which insured persons who are not members of an Approved Society are not included in a collective insurance group and are merely compelled to save, German, Austrian, Norwegian, Portuguese and Czechoslovak legislation has set up district funds through the medium of the authorities, which funds include all persons subject to insurance who are not members of trade or mutual benefit funds.

Territorial funds enjoy certain privileges not possessed by those which are the result of private enterprise. It is forbidden in some cases to set up trade or mutual benefit funds where their existence might hamper the working of the territorial fund; further, approval may be withheld if they fail to offer their members advantages at least equivalent to those afforded by territorial funds. To sum up, although territorial funds do not possess a monopoly of insurance business, they may be taken as the main and most common type of insurance institutions, offering, as they do, security that the obligation to insure will be in no case evaded.

The working of the system of subsidiary legal affiliation may be illustrated by a few examples from certain legislative systems. For this purpose, some account may be incidentally given of the provisions regulating mutual benefit funds, trade funds, and territorial funds.
MUTUAL BENEFIT FUNDS

Constitution

The position of mutual benefit funds is, as a general rule, somewhat precarious. They are merely tolerated in Germany, Austria and Czechoslovakia, and newly formed mutual benefit funds cannot obtain recognition as legal insurers. Only those funds which were in complete and satisfactory working order at the date when general compulsory insurance came into force have been maintained. The new Czechoslovak Act (Sections 28-29), for instance, stipulates that mutual benefit funds must, in order to obtain recognition, include at least 4,000 members on 1 January 1924, while Section 503 of the German Act cancels approval in the case of all mutual benefit funds with less than 1,000 permanent members.

On the other hand Section 54 of the Norwegian Act and Section 82 of the Portuguese Decree provide for newly formed mutual benefit funds being recognised as substitute funds for territorial funds; but here, too, the conditions required for approval are somewhat exacting. The Norwegian Act stipulates that funds applying for recognition must guarantee their members benefits at least equivalent to those paid by territorial funds: further, only funds with a permanent effective membership of 200 (or in exceptional cases 100) can be admitted (Sections 55-56).

Machinery

Mutual benefit funds are administered by a management committee, whose members are appointed, either directly or through delegates, by the whole body of members. The work of the management committee is subject to a supervisory commission, also appointed by the members as a whole. The number of members on the committee and the commission, and their term of office, are not generally specified by law; but the statutes of societies applying for approval must not contain any provision which constitutes an obstacle to the absolute control of the management of the fund by the General Meeting of the members.

Membership

Legal provisions concerning the right of individuals to apply for membership of a mutual benefit fund, as well as those concerning the right of the fund to reject applicants, vary considerably. Generally speaking, funds are entitled to refuse applications for
membership where the applicant is obviously a bad risk; on the other hand a member, once admitted, cannot be expelled merely because he has become a bad risk owing to old age or bad health.

The act of joining an approved mutual benefit fund is not regarded as the act of a private individual under the law, but as the performance of a legal obligation of a public character arising out of the individual's liability to insure against sickness. The laws of all the states in this group are in agreement on this point, and regard persons, subject to compulsory insurance, who have joined a recognised benefit fund, as having complied with the obligation to insure (Section 517 German Act; Section 13 (1) Austrian Act; Section 58 Norwegian Act; Section 3 (1) Portuguese Act; Section 24 (1) Czechoslovak Act).

**TRADE FUNDS (CAISSES PROFESSIONNELLES)**

As already stated, in countries where a system of general workers' insurance was established by developing a previously existing limited system of workers' insurance, several kinds of trade funds have been preserved, even after all wage-earners, irrespective of occupation, have been made subject to insurance.

Nor is this difficult to understand: it seemed inexpedient to insist on the dissolution of existing trade funds, which had won an established position at the date when the insurance system was being extended. Certain trade funds, on the other hand, such as those of the great transport undertakings, or mining funds, afforded and still afford various special benefits to their members, which the latter would be unable to obtain from an ordinary general trade fund. For these reasons, therefore, trade funds, generally in the form of employers' provident funds ¹, or special guild funds, have been recognised as legal insurers side by side with the territorial funds.

Their position in a system of affiliation may be defined as follows: trade funds act as sole legal insurers, that is to say, all wage-earners employed in an undertaking where a fund has been set up, are *ipso facto* members of that fund, unless they are members of a mutual benefit fund; on the other hand, the competence of trade funds in the matter of compulsory insurance extends only to wage-earners employed in the undertaking involved, and in no way to third parties.

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¹ Employers' funds of this kind are not, strictly speaking, trade funds, but may be treated as such, as the great majority of the insured belong to the same occupation.
Before undertaking a brief description of the various types of trade funds, it would be well to note that states which assign a comparatively important position to trade funds, do not possess a system of old age and invalidity insurance organised on common administrative lines with sickness insurance (e.g. Germany and Norway). Similarly, in Austria and Czechoslovakia it was thought necessary to restrict the functions of trade funds before establishing a system of workers’ old age and invalidity insurance organically linked with that of sickness insurance, the object being to prevent the former hampering the formation of territorial sickness funds.

Employers' Provident Funds

Constitution

Employers' provident funds are approved as legal insurers under German, Austrian, Norwegian, and Czechoslovak legislation.

Under Section 245 of the German Act, for example, an employer can set up a fund in agreement with the Works Council, if the number of workers permanently employed in the undertaking exceeds 150 (50 in the case of agricultural and inland navigation undertakings). The Superior Insurance Office may only authorise the establishment of funds of this kind provided they do not interfere with the working of the territorial fund; the latter must retain at least 1,000 members, after the resignation of insured members who have joined the new fund; and provided always that the members if the new fund enjoy minimum benefits at least equivalent to those granted by the district fund (Section 248). Similarly, Sections 55 and 56 of the Norwegian Act provide for a minimum permanent membership of 100, and exact a guarantee that members shall obtain benefits at least equal to those enjoyed by members of the territorial fund.

Section 26 of the Czechoslovak Act, on the contrary, does not permit the formation of new employers’ provident funds. Only those in existence before 1 January 1924 are authorised to continue to act as legal insurers.

Machinery

As a general rule, the employer himself, or his nominees, are represented on the managing bodies of funds of this kind, together with representatives of the insured.

For instance, the Management Committee and the Office (Aus­schuss und Vorstand) of German employers’ funds include repre-
sentatives, in equal numbers, of the insured and the employer, under the chairmanship of the employer or his nominee (Section 238).

A different solution has been adopted by the Czechoslovak Act, according to which the Management Committee consists of ten members, including eight representatives of the insured and two representatives of the employer, whereas the distribution of members on the Supervisory Commission is in inverse ratio (Section 26).

Membership

In all the countries in this group, all wage earners employed in undertakings where a fund of this kind has been set up are members of the fund; on the other hand, persons not employed in the undertaking in question cannot be admitted as active members (Sections 245 and 307 of the German Act; Section 46 of the Austrian Act; Section 54 (3) of the Norwegian Act; Section 26 of the Czechoslovak Act).

Guild Funds

In Central European countries, the guilds were the first to set up sickness funds, either compulsory or optional. These usually include both artisans and workers employed by them, in separate sections 1. Most of these funds were maintained, even after the introduction of a general system of workers' insurance; but whereas German legislation authorises the formation of new guild funds under certain conditions (Sections 250-252), the Czechoslovak Act only recognises such funds as statutory insurers when their membership on 1 January 1924 was at least 4,000 (Section 27). The general rules for the management of guild funds are roughly similar to those regulating Employers' Provident Funds.

Special Trade Funds

The third class of Trade Funds includes sickness funds acting as legal insurers for the staff of large public transport undertakings and the sickness funds set up in mines. Thus, railway workers and miners are exclusively affiliated to special trade funds of this kind, such as the German Mining Funds (Act of 23 June 1923), the Czechoslovak Mining Funds (Act of 11 July 1922), etc.

1 See German Industrial Code and Austrian Industrial Code of 1859.
TERRITORIAL INSURANCE FUNDS

When persons subject to insurance are members either of a mutual benefit fund or of a trade fund, they become automatically and by definition members of the appropriate district insurance fund. The country is divided into several insurance areas, corresponding to the area covered by a district insurance fund, a network of funds being thus created.

The simplest form of territorial insurance fund is to be found in the Norwegian district funds and the Portuguese compulsory mutual benefit funds. In Central European countries, on the other hand, funds are sometimes sub-divided, and territorial funds, dealing more particularly with the insurance of agricultural wage-earners, have been set up side by side with the general territorial funds (e.g. the Landkrankenkassen in several German states, and the agricultural insurance funds in Austria and Czechoslovakia).

Constitution

Territorial sickness insurance funds are independent public corporations, possessing various privileges generally reserved for public administrative organisations.

They are set up under the relevant Act as a result of action by the authorities; in Germany, the first steps must be taken by the municipal unions, or by the superior Insurance Offices (Section 231); in Norway by the Communes (Section 40); in Portugal by the Social Insurance Institute (Section 16); and in Austria (Section 12) and Czechoslovakia (Section 24 (2)) by the subordinate government authorities. The areas for which territorial funds are responsible, and which vary in size (e.g. a district in Norway, a sub-district in Czechoslovakia, the administrative area of a Court of First Instance in Austria), are determined in accordance with existing administrative divisions, so that all portions of the national territory are included in one or other of the areas assigned to a territorial fund.

Similar rules apply to the creation of district agricultural funds; and special measures are sometimes taken to ensure that the co-existence in the same area of two funds, one general and one agricultural, shall not prejudice their proper working (See, for example, Sections 228-230 of the German Act). As a general rule, neither general nor agricultural funds are set up if this would result in the membership of the existing fund falling below 1,000.
Machinery

The deliberative and executive machinery of district funds includes representatives of both wage-earners and employers.

In Central European countries, both workers' and employers' representatives are freely appointed by the insured and by their employers; thus, a third of the members of the Management Committees and of the officers of German territorial insurance funds are appointed by the employers, and two-thirds by the insured wage earners. All insured persons have a vote, while the number of votes assigned to employers is determined, in accordance with the number of wage earners employed by them, who are members of the fund (Sections 232-233). The same proportion (namely, 1:2) exists on the Management Committees and Supervisory Commissions of Austrian territorial insurance funds (Sections 18 and 34), and Section 126 of the Hungarian Act provides for an equal number of representatives of employers and insured.

The proportion prescribed implicitly in the German Act, and explicitly in Section 34 of the Austrian Act, in which employers and workers participate in the costs of insurance, on the one hand, and in representation on the deliberate and executive committees of the fund on the other, is not maintained in the Czechoslovak Act, Section 59 of which assigns eight representatives to the workers and two to the employers on the Management Committees of territorial insurance funds. On the other hand, the Supervisory Commissions of these bodies, which consist of ten members, are composed of eight employers' representatives and of no more than two representatives of the insured (Section 64).

The Norwegian district funds are administered by a Management Committee of nine members, who are not, however, elected by employers and insured, but are appointed by the municipal authority by which the district fund was created. Of these nine members, five are appointed from among the insured persons, two from the employers, the remaining two being freely selected. Membership of the Management Committee of a district fund is honorary and, moreover, constitutes a civic duty which cannot be declined except for the reasons specified in Sections 43 and 48 of the Act.

The machinery of the Portuguese compulsory mutual benefit funds consists of a Management Committee and a Supervisory Commission, composed of persons appointed by the members at the General Meeting, in which both active and honorary members have a vote. There are no provisions concerning the number of
representatives to be appointed by honorary members, which is decided solely by the result of the elections (Section 49).

**Membership**

Membership of a territorial insurance fund is automatic, nor is any application for membership required. Membership dates from the day when persons begin work in an occupation subject to compulsory insurance, and neither the fund nor the parties concerned can withhold or refuse membership when it is legally prescribed.

The territorial insurance fund constitutes the collective insuring group for all persons subject to compulsory insurance who are not members of a mutual benefit fund or a trade fund (Sections 234 and 236 of the German Act; Section 13 (1) of the Austrian Act; Sections 120-121 of the Hungarian Act; Sections 5 and 7 of the Norwegian Act; Section 3 (1) of the Portuguese Act; and Section 24 (1) of the Czechoslovak Act).

The territorial competence of district funds extends, under a system of general workers' insurance, to include all wage earners whose principal place of employment is situated within the area covered by the fund (German Act, Section 234; Austrian Act, Section 13; Hungarian Act, Section 120; Norwegian Act, Section 9; Czechoslovak Act, Section 24 (1), while the Portuguese system of National Sickness Insurance includes all persons habitually resident in the area covered by a compulsory mutual benefit association.

§ 4. — **System of Legal Affiliation**

**Main Features**

In countries where, prior to the introduction of compulsory sickness insurance, the mutual benefit movement had not assumed any considerable development, the compulsory insurance Act had to provide for the creation *ab initio* of collective insurance groups comprising all persons subject to compulsory insurance. Insurance institutions of this kind, set up as a result of legislation, enjoy a virtual monopoly of insurance, as no other types of insurance fund are recognised as legal insurers.

The system of legal affiliation is exemplified in two groups of compulsory sickness insurance legislation.

The first and by far the most important of these is constituted by the laws adopted for establishing, or paving the way to the establish-
ment of, a general system of workers' insurance against all physical risks, under which sickness insurance funds, in addition to their duties as insurers against illnesses of short duration, also act as local organisations for every branch of the insurance system (e.g. Serb-Croat-Slovene and Russian Acts, and certain tendencies in Polish legislation).

The second group includes legislative systems which restrict the application of the principle of compulsory insurance to certain classes of wage earners, more particularly to industrial wage earners, as, for instance, Latvian and Roumanian legislation. In this case, the funds responsible for working the compulsory insurance system are organised on an occupational basis and, so far as their competence extends, automatically include all wage earners subject to compulsory insurance.

Despite the great difference between single funds in these two types of legislation, the system of legal affiliation is enforced in both cases with equal strictness: and all persons subject to compulsory insurance automatically become members of the legally competent fund.

**Territorial Insurance Funds**

**Constitution**

The territory of a country is divided into insurance areas, corresponding, in the Serb-Croat-Slovene State, to administrative sub-districts; in Poland, to administrative districts, and, in Russia, to areas with a radius of two *versts* at least from the headquarters of the competent sickness insurance fund. Each of these areas contains a sickness fund competent to insure all wage-earners habitually working within the area. The central administrative bodies responsible for the supervision of workers' insurance (e.g. the Central Workers' Insurance Institution in the Serb-Croat-Slovene Kingdom, the Ministry of Labour in Poland, and the Commissariat of Labour in Russia) are, generally speaking, responsible for setting up territorial insurance funds.

**Machinery**

The Management Committees of Polish and Serb-Croat-Slovene territorial insurance funds include representatives of employers and insured: but while on the latter employers and workers are represented in equal numbers (Section 125; Serb-Croat-Slovene Act) on the former, employers' representatives only constitute one-third of the members (Section 68; Polish Act).
Russian district funds are administered by a committee of from three to seven members elected by a meeting of the representatives of insured persons who comprise delegates of works council in the area in proportion to the size of the works, and representatives of each of the trade unions concerned in the different works (Circular of 22 June 1922). The departmental authorities confirm the chairmen of the committees who are elected by the committees themselves.

Membership

All wage-earners habitually employed in the area of a territorial insurance fund automatically become members of the fund from the date when they begin work involving compulsory insurance. (See Section 142 of the Serb-Croat-Slovene Act and Section 5 (1) of the Polish Act).

The only exceptions to this territorial principle are in the case of public transport workers insured by a special employers' benefit fund (Railway Workers' Fund, Seamen's Fund, etc.) (Sections 153-157 of the Serb-Croat-Slovene Act; Section 1 of the Polish Act; Circular of 4 March 1922 of the Russian Commissariat for Social Welfare).

Miners are also exempted in certain cases (See, for example, Section 158 of the Serb-Croat-Slovene Act).

Trade Funds

An example of a system of compulsory sickness insurance, organised entirely on the basis of Trade Funds (in this case, Employers' Provident Funds) is found in Latvia.

Constitution

The employers' provident fund is the only type of legal insurer; all industrial employers, employing more than 500 workers, are compelled to set up a fund of this kind. In the case of small or "medium-sized" undertakings, joint funds are set up by the employers and, if necessary, by the authorities (Sections 14-16).

Machinery

The Management Committee of an employers' provident fund is elected by a General Meeting of the insured or, if the fund includes more than 300 members, by their delegates. The same applies to the members of the Audit Committee, on which the em-
ployer, or his representative, may sit, though they may not sit on the Management Committee (Sections 80 and 87).

Membership

All wage-earners employed in an undertaking where a fund has been set up are members of the sickness fund; membership dates from the time of their entering employment, if a fund already exists; otherwise, from the date of the institution of the fund in the undertaking. Membership ceases one month at the latest after the person ceases to be employed in the undertaking concerned (Section 18).
CHAPTER II

CONSTITUTION AND MACHINERY OF VOLUNTARY SICKNESS INSURANCE INSTITUTIONS

Approved Sickness Insurance Funds

PRELIMINARY REMARKS

The special regulations applying to sickness insurance funds in countries where a voluntary system of sickness insurance prevails, are generally of an optional character: mutual benefit societies are free to submit to such regulations, or to remain subject to the common law rules for associations not carried on for profit. But mutual benefit societies can only obtain State recognition, and the advantages reserved for approved sickness insurance funds, if they express their readiness to accept such special regulations, and if their constitution and rules of management have been brought into line with the requirements of the law.

CONDITIONS REQUIRED FOR APPROVAL

The conditions required for approval under legislation at the end of the XIXth century (e.g. French and Belgian legislation), are different from those in legislation of more recent origin (e.g. Swedish, Swiss, and Danish legislations).

Generally speaking, the laws of the first groups specify the following conditions only: that the social aims of the institution should be defined by its constitution and should be confined to mutual assistance in case of illness or any other occurrence of a similar character; that regulations shall be adopted defining the composition of the various organisations of the society and laying down rules for its management (e.g. contribution rates, benefits granted to members, procedure for investing moneys collectively held); formal application for approval to the authorities (Belgium); or merely the communication of the constitution and rules to the authorities (France).
Approval, which is virtually subject to the discretion of the authorities, involving certain advantages for the society approved: for instance, in addition to the right of obtaining annual grants or subsidies from the authorities, various measures intended to encourage a society may be adopted, such as, the grant of legal personality; measures for facilitating the acquisition by the society of movable or immovable property; exemption from registration and stamp duties; free postage (Belgium); State bonus on deposits (in France, on deposits with the Deposit and Loans Fund). In Belgium legal recognition is a right in virtue of Section 1 of the Act of 23 June 1894.

Under the legislative systems of the second group the conditions required for approval, which are stricter than in France and Belgium, involve as a rule the following: membership open to all nationals (Switzerland), or to all persons resident in the country (Denmark, Sweden) without distinction of sex, with or without minimum and maximum age limits (in Denmark, 14 to 40); a form of organisation which is territorial (e.g. local and national funds in Sweden), or occupational, or at once territorial and occupational (e.g. Switzerland and Denmark); a minimum number of members (100 in Sweden, 200 in Denmark); freedom for members to pass from one fund to another, limited, however, in the interests of the fund; minimum benefits to which all members of the fund are entitled. The latter condition, namely, minimum benefits to which all members of approved funds are entitled (Swedish, Swiss and Danish legislation), constitutes the fundamental difference between the two groups.

Approval given in accordance with the legislation referred to above involves, in addition to certain moral advantages, not only the power, but also the right to receive grants from the authorities, the minimum amount of which is specified by law (Section 17 of the Danish Act; Sections 35-39 of the Swiss Act).

Membership

Membership of a mutual benefit fund is purely voluntary, as prescribed in Section 14 of the Swedish and Danish Acts, and in Section 15 of the Swiss Act.

As membership is a private legal act left entirely to the individual's own judgment, members are, as a general rule, free to resign membership at any time. In the interests of members, however, the right of a fund to expel members who have been duly admitted is, in many cases, subject to certain restrictions.
Under the various laws by which approved Sickness Funds are entitled to periodical subsidies, membership of the fund entails certain consequences of a positive or negative character, extending even beyond the relations between the members and the fund; for an example of positive consequences, see Sections 7-10 of the Swiss Act concerning the right to transfer from one approved fund to another; for an example of negative consequences, see the prohibition in Section 12 (1) of the Swedish Act, and in Section 11 (4) of the Danish Act, to belong to more than one approved fund at a time.

There is this peculiarity in the Danish system, that all members of a recognised Sickness Insurance Fund are automatically insured with the State Invalidity Fund against the economic consequences of premature invalidity. Denmark thus affords the only example, thanks to the comprehensive character of the Act of 10 May 1915, of another branch of social insurance (in this case, invalidity insurance) being established on a basic organisation supplied by the system of free sickness insurance.
PART III

SICKNESS INSURANCE BENEFITS

INTRODUCTION

Development and General Features of the System

Insured workers are when sick entitled to claim from the insurance institution such benefit as is provided for in the statutes of that institution. The institution's liability to pay benefit begins as a general rule on the day when the bodily or mental condition of the insured worker has reached a pitch of abnormality necessitating medical treatment, or the suspension of employment, or both; in some cases, however, this liability does not arise unless certain other conditions have been fulfilled, for instance, unless the worker concerned was a member of the insurance institution for a minimum period of time before the risk was translated into reality, or unless he has paid a minimum number of contributions.

The sick worker who fulfils the conditions governing payment of benefit acquires a definite right to such benefit as is specified in the statutes of the institution. The kind and extent of assistance afforded must not fall below the specified legal minimum.

In principle no difference should be made in the contributor's status as a claimant to benefit whether he became a member of the insurance institution under compulsory or under voluntary insurance.

The primary object of the first insurance acts was to furnish the worker with monetary compensation designed to replace the wages lost through sickness, and provision for curative treatment to ensure the recovery of the patient occupied only a relatively subordinate place. This state of affairs is evidenced by the circumstance that insurance institutions were left free to grant an increase in the monetary compensation in lieu of medical treat-
ment, even where no obstacles to the latter arose. Matters changed when it was realised that sickness insurance was likely to assume great importance as an instrument for improving the health of the masses. Intimately and permanently bound up with the life of the labouring classes, sickness insurance is better adapted than any other form of social institution to contribute towards the improvement of public health, not merely by curative, but also by preventive measures. Henceforward the principal task of sickness insurance was to make suitable medical assistance available for all the insured workers. Slowly but steadily benefit in kind has overshadowed compensation in cash, and the essential aim of every system of sickness insurance has been to ensure as rapid and as complete a cure as possible for diseases which prophylactic measures have failed to prevent. Pecuniary compensation which aims at shielding the patient from the most immediate material cares only subsists as a supplementary factor side by side with medical assistance.

Although sickness insurance legislation tends more and more to take the line that benefit in kind should be the principal form of assistance afforded, and although this line is almost universally followed where such insurance is compulsory, the extension of benefits in kind to members of the insured worker's family has not yet become the general practice. Considerable progress has, however, been made in that direction, particularly since the war, and we may anticipate that this tendency will assert itself with increasing force and that the scope of sickness insurance will expand until it becomes the most extensive organisation for the promotion of public health.

Part III of this report will deal first of all with money benefits, and consideration will then be given to benefits in kind, the conditions governing the payment of such benefits, the minimum benefit prescribed by law, and the additional benefits which may be granted by insurance institutions so far as their resources permit.
CHAPTER I

BENEFITS IN CASH

§ 1. — Conditions of Benefit

The object of the main form of money benefit, i.e. sickness compensation, is to provide the patient with the minimum means of subsistence for the period during which he is precluded by sickness, from earning his ordinary wages. It is payable to an insured worker as soon as sickness compels him to abandon his ordinary work. The conditions upon which payment depends are in some cases more stringent, the insured worker being further required to show that he has been a member of the insurance institution for a minimum period of time. Again provision is rarely made for cases where the suspension of work is of short duration, no compensation being claimable unless disablement for work lasts for several consecutive days.

The conditions governing payment of money benefit show considerable variation as between the different systems of legislation; only the most important of these conditions will be considered here.

Physiological Condition: Incapacity for Work

The essential condition and one generally laid down is that the insured worker shall be disabled for work as a result of sickness. Sickness as defined by insurance laws is not identical with sickness as regarded by medical science. In the eyes of sickness insurance law, sickness is any abnormal mental or bodily condition which prevents the individual from working at a remunerative occupation or entails medical treatment, regardless of its etiological aspect. The determining factor in the eyes of the law is therefore primarily the extent to which sickness affects the capacity of an individual suffering therefrom to perform his ordinary work (see for instance, Section 10 (1 b), of the British Act).

Questions of detail which the very summary legal provisions ignore are governed by jurisprudence, but it would be idle to attempt to give a representative selection of the issues raised by
the countless individual cases in which medical officers and judges are called upon to decide as to the validity of claims for compensation. A few of the principal points only can be mentioned.

Any abnormal condition involving the cessation of work confers a right to compensation, whatever its ætiological origin, or whatever the time and place of its inception. It is immaterial whether this condition is attributable to external agencies or to defects which are the outcome of normal physical wear and tear; it is also a matter of indifference whether the disease arose out of particular conditions of work, or is not traceable to any occupational cause. Generally speaking, all forms of disease are covered, even incurable diseases. Nevertheless, diseases wilfully-induced by the claimant are excluded on principle. (See for instance, Section 95 (2) of the Czechoslovak Act; Section 47 of the Jugoslav Act; or, as optional, in Section 182 (2), of the German Act).

On the other hand, sickness within the meaning of the insurance laws should have reached a degree of severity sufficient to prevent the worker from continuing to perform his regular work. The worker is disabled for employment when he is prevented by sickness from continuing to follow his former occupation, or could only do so at the risk of aggravating his condition. Two points are of importance: (1) disablement for employment must be attributable to sickness (cf. for instance, Section 182 (2) of the German Act; Section 10 (1b) of the English Act; Section 95 (2) of the Czechoslovak Act; Section 16 (1, A, c) of the Norwegian Act; and Section 45 (3), of the Jugoslav Act); (2) it suffices if the worker is disabled from following his ordinary occupation and he cannot be required to undertake remunerative work in a trade other than his own. It is immaterial whether incapacity for employment is total or partial, provided the patient is in fact unable to work without running the risk of aggravating his condition (see for instance for Germany: Central Insurance Office Bulletin, 1914, pp. 631, and 1917, p. 642; and, as regards Great Britain: Summary of the Law and Administration of National Health Insurance, Stationery Office, 1924, No. 49565, p. 17).

The bare circumstance of disablement for work through sickness is not in itself sufficient to confer the right to compensation; the insurance institution must, in addition, be informed in the prescribed manner. To this end the claimant is required to furnish the insurance institution with a medical certificate ¹ attesting that the patient is incapable of work for medical reasons, and though

¹ As regards the competent medical officer, see p. 102.
the departments of the institution are not compelled to bow to this medical opinion, they are generally precluded from opposing it unless they produce medical evidence to the contrary from other sources.

**LEGAL CONDITIONS**

On receipt of the medical certificate attesting the contributor's inability to follow a remunerative occupation, the insurance institution considers whether the claimant is properly entitled to benefit, that is to say, whether there are any reasons affecting him individually which would deprive him of his right to benefit. It should be noted in this connection that absence abroad generally involves a limitation of the right to compensation, or even the loss of such right. A more important restrictive provision, occurring only in certain laws, however, is the bar on workers who have only been members of the insurance institution for a short time, or who have not paid the minimum number of contributions.

*Residence outside the District of the Insurance Institution*

The insurance institution, which undertakes to carry out the legal and statutory provisions regarding benefits payable to the sick worker, is required to possess administrative and supervisory machinery. It cannot be called upon to pay benefit at any place at the will of the claimant.

While the question as to where the insurance institution can properly be required to furnish the claimant with benefit is of great importance from a national point of view, it will not be discussed here; it will be sufficient to state that, as a general rule, the institution is only obliged to serve benefit to claimants resident in its district. The position of a claimant resident outside the district of the fund differs, however, according to whether he is living abroad or in the country.

*Residence Abroad*

As a general rule the sick worker who is living abroad is not entitled to benefit. Section 26 (1) of the Norwegian Act, divesting the sick worker who leaves the country of all right to compensation, may be quoted as an example. The British Act (Section 19) takes up the same position, while at the same time leaving the insurance institution free to continue payment of benefit to any sick contributor who proceeds abroad temporarily and with the consent of the institution after having been in receipt of benefit at home. The line taken by the Polish Act (Section 38) is very similar. Here
the sick contributor is only divested of his right to compensation if he proceeds abroad during his period of sickness and without the consent of the managing committee of the fund.

The German and Jugoslav Acts draw a much sharper distinction between the case of the sick contributor living abroad at the term of falling sick and that of a sick contributor proceeding abroad after such time. In the first case both the German Act (Section 221) and the Jugoslav Act (Section 61) compel the employer to allow the worker resident abroad such benefit as is payable when under the Act. The employer is entitled on his side to the refund of the extra expense involved from the insurance institution.

The German Act, however, only places the claimant on this footing whilst his physical condition prevents him from returning to Germany. In the second case — that of a sick contributor proceeding abroad during sickness — the right to benefit is suspended; when, however, the insurance fund has consented to the claimant's proceeding abroad, it is required to continue payment of benefit, but can compensate the sick contributor by paying a lump sum equivalent in value to the benefit which it would have been called upon to serve had he not left the country (German Code, Sections 216 and 217). The line taken by the Norwegian Act (Section 23) and Hungarian Act (Section 66) is similar to that followed by the Jugoslav Act.

Residence in the Home Country outside the District of the Fund

The claim of contributors who fall sick while resident in the home country, outside the district of the fund, is usually subject only to unimportant restrictions. In states possessing a complete network of sickness insurance institutions organised on district lines, the claimant can apply to the nearest district fund. This fund is obliged to assume liability on behalf of, and to reclaim the monies expended from, the fund properly concerned (see for instance, Sections 220 and 222 of the German Act, Section 37 of the Polish Act, Section 34 of the Portuguese Act and Section 28 of the Norwegian Act; see also, for Russia, Circular of 24 March 1923).

Minimum term of membership (Contributor's probationary period)

The contributor is not necessarily entitled to full benefit on the date of admission to membership of the insurance institution. Following the lines of private insurance, and with a view to shielding insurance institutions against the losses to which they would be liable by admitting to membership persons already suffering
from compensable disorders, the first sickness insurance laws only conferred the right to benefit on persons who had fulfilled the obligations of membership for a minimum (probationary) period. Since then the probationary period has generally speaking been abolished in compulsory sickness insurance: the contributor can claim benefit if need be as from the day following, or even on the day of, his admission to membership and the shortness of his term of membership or the fact of not having paid his contribution does not justify a refusal. This is the only feasible method of procedure seeing that the contributor could not become a member of the insurance institution on a compulsory basis before taking up insurable employment, and that he is not immediately to blame for not paying the contribution. In optional insurance, on the other hand, it is frequently stipulated that the contributor shall not be entitled to insurance benefit unless he has completed a probationary period, and has during that period met the financial obligations towards the insurance institution devolving upon him by virtue of his membership.

The fact of a probationary period not being required for compulsory contributors is confirmed by a considerable number of express legal provisions, as occurring for instance, in the German Act (Sections 206 and 306), the Jugoslav Act (Section 55), the Czechoslovak Act (Section 95 (2), and Art. 95, (1), the Polish Act (Section 35 (1), the Russian Act (Section 175), and Hungarian Act (Section 60).

This practice has not been universally followed however, several compulsory sickness insurance Acts, such as the British, Roumanian, Portuguese and Bulgarian Acts, allow no cash benefit to contributors recently admitted to membership of an insurance institution. Thus, the British Act (see Section 13 (3) allows no sickness benefit unless 26 weeks have elapsed since he entered into insurance and unless 26 weekly contributions have been paid to the claimant’s account. Similarly, the Portuguese Decree (Section 30) stipulates that eligibility to benefit in cash shall be conditional on payment of contributions for a period of not less than six months. The Roumanian Act (Section 116) and the Bulgarian Act (Section 19) are satisfied with a shorter term of membership, the first stipulating only for six, and the second only for eight, weekly contributions.

The voluntary contributor, on the contrary, is frequently required to undergo a probationary period of varying length, and this is true not merely of free insurance systems, but also of com-

1 See p. 115.
pulsory systems which allow of voluntary membership. To exemplify this we may quote as an instance of free sickness insurance legislation the Danish Act, Section 20 of which lays down that contributors cannot be admitted to benefit unless their membership of an approved society extends over at least six weeks; and as instances of compulsory sickness insurance legislation, the German Act, Section 207 of which authorises sickness insurance funds to require voluntary contributors to undergo a probationary period of six weeks; the new Czechoslovak Act (Section 251 (3)), which authorises the funds to impose a probationary period of at least four, and at most eight, weeks; and finally, the Polish Act (Section 35 (2) which itself prescribes a minimum probationary period of four weeks for voluntary members, and admits of this period being extended to a maximum of six weeks by the statutes of the fund. The Swiss Act (Section 13 (1)), on the other hand, protects members of approved sickness insurance societies by stipulating that the term of membership properly requirable by an approved society as a condition of payment of benefit shall not exceed three months.

Waiting Period (Déil d'attente, Wartefrist, Wartezeit)

Even where the requirements governing the right to sickness benefit have been fulfilled, the contributor does not become entitled to such benefit as from the first day of disablement for employment. In order to prevent abuses and to avoid overburdening insurance institutions with the payment of benefits for short terms of disablement, which would involve management expenses quite out of proportion to the advantages accruing therefrom, contributors are precluded from claiming benefit unless disablement for work at a remunerative occupation lasts for several consecutive days (waiting period). Almost every sickness insurance Act, whether compulsory or free, imposes a waiting period of this kind on contributors who have been disabled for employment.

The footing upon which contributors are placed varies, however, according to whether the waiting period is absolute or relative. In the first case the claimant is not entitled to benefit until the waiting period has elapsed, however long disablement may last. In other words, the financial losses suffered by the contributors disabled for work in the course of the waiting period are definitely borne by them. On the other hand, when the waiting period is only relative, the sick worker whose disablement continues beyond the minimum prescribed disablement period, becomes entitled
to benefit with retrospective effect as from the first day of disablement. When a relapse occurs within a specified period of time after the first attack of sickness, the waiting period is generally not applicable.

The waiting period assumes an absolute character in British, German, Lithuanian, Polish and Norwegian law. In the first of the above-mentioned laws the period is three days, in the others it is two days, that is to say that the worker disabled through sickness for work at a remunerative occupation, is entitled to sickness benefit as from the fourth and third day of disablement respectively (see Section 10 (1, b) of the English Act; Section 182 (2) of the German Act; Section 49 of the Lithuanian Act; Section 23 (1) of the Polish Act; Section 19 (1) of the Norwegian Act). According to the Swiss Act (Section 13 (2)) the absolute waiting period cannot exceed two days. Insurance institutions are moreover, frequently authorised by law to curtail the waiting period (for instance under the British Act, Schedule 3, No. 4, provided that the disposable surplus is adequate for this purpose, and under Section 57 (2), of the Lithuanian law), of even to waive it completely (see for instance, Schedule 3, No. 4, of the British Act, and Section 191 (2), of the German Code in respect of sickness lasting more than 8 days, etc.)

The waiting period is only relative in the Austrian Act (Section 6 (2)), the Jugoslav Act (Section 45 (3)), and the Danish Act (Section 20 (2)), for instance under which Acts benefit is payable as from the first day of disablement provided such disablement lasts for more than three successive days. If the period of disablement is shorter, the individual concerned is not entitled to benefit; nevertheless, when disablement extends to the fourth day the contributor that day becomes entitled to benefit for the three days preceding.

In the Czechoslovak Act (Section 95 (2)) the waiting period may be absolute or relative, according to the length of period of disablement. When disablement lasts less than three days benefit is not payable; when it lasts from 4 to 14 days benefit is payable as from the fourth day (absolute waiting period), and when disablement extends beyond the fourteenth day, it is payable as from the third day of disablement (relative waiting period).

In concluding these remarks we may add that as a general rule the right to sickness benefit is only claimable by insured persons who have fulfilled all the requirements upon which such right is conditional. At the same time provision is made for exceptions of varying importance in favour of former members who fall sick during a relatively short period after the termination of their membership of the insurance institution.
The most generous provisions in this connection are contained in Section 3 of the British Act, where it is stated that insurance continues to be effective in the case of voluntary or compulsory contributors for a period of one year reckoned from the cessation of insurable employment, or the last payment of a voluntary subscription as the case may be. This free year is also capable of being extended indefinitely in respect of duly notified incapacity commencing within that year. A similar provision, limiting the period of benefit however, is to be found in the Polish Act (Section 36 (2)) where it is stated that members of an insurance fund who relinquish their employment and who were members of the fund for not less than the six immediately preceding weeks, or for 26 weeks during the 12 preceding months, retain their right to benefit for the period specified in the statutes of the fund, provided sickness occurs within the 4 weeks following the cessation of employment.

Other compulsory sickness insurance act only acknowledge the right to benefit in the case of former members who have fallen out of employment and are still resident in the country. Thus, the new Czechoslovak Act (Section 97 (4)) extends sickness benefit to sick and unemployed workers for a period not exceeding six weeks following the termination of membership of the fund. The Hungarian Act (Section 61 (1) and the Jugoslav Act (Section 50 (1)) are less generous and only extend sickness benefit to unemployed workers who were insured for not less than six months during the preceding year, and curtail the period during which benefit is payable to three weeks (six weeks when the unemployed worker was insured for a period of 12 months during the two previous years). The Austrian law (Section 13 (3)) also affords benefit to unemployed workers who have been disabled for work through sickness for a maximum period of six weeks following the termination of their membership.

The German law (Section 214) allows benefit under the act to insured workers who lose their employment and fall sick during the three weeks following the cessation of work. Nevertheless, only those persons are entitled to benefit in these circumstances who were insured for 26 weeks during the preceding year or for 6 weeks immediately before the cessation of work. When sickness occurs after a period of three weeks reckoned from the cessation of employment, the unemployed worker still remains entitled to compensation under the Sickness Insurance Act owing to the fact that, as already mentioned\(^1\), all unemployed workers must be insured.

\(^1\) See p. 32.
against sickness by the commune either with the district fund or with any other fund affording at least equivalent advantages, and such insurance must be effected at latest within the three weeks following the cessation of employment (Order dated 16 February 1924, Section 20 and 24).

§ 2. — Rates and Period of Sickness Benefit

Sickness benefit is payable to workers who fulfil all the requirements prescribed by law and the statutes of the fund. The rate of benefit and the period during which it is payable are fixed by the insurance Act; the fund is required to pay such amount for a period not less than that laid down by law (minimum legal benefit). Notwithstanding this, the fund may, when resources permit, pay benefits above the minimum legal rate, and in cases, for a longer period. This additional benefit, which cannot exceed the limits prescribed by law, is definitely claimable, on the same terms as legal benefit, by insured workers who are eligible for general and, where applicable, special benefit.

LEGAL SICKNESS BENEFIT

As already pointed out, the object of sickness benefit is to provide some measure of compensation for the pecuniary loss entailed on the contributor by the cessation of his regular employment. As the amount of such loss varies in proportion to the rate paid for the work which the insured person has been unable to perform, the rate of sickness benefit must necessarily be calculated in proportion to the ordinary wages of the claimant (sliding scale of benefit). With few exceptions, therefore, sickness insurance laws calculate the rate of benefit according to the contributor's regular earnings. The only exceptions among compulsory sickness insurance Acts are the British and Irish Acts which lay down a fixed scale of benefit for all insured persons, and ignore the question of average earnings (fixed rate benefit).

Two different kinds of contribution, i.e. contributions at fixed rates and subscriptions according to a sliding scale accompany to the system of benefit at fixed rates and that of benefit on the sliding scale respectively. The system of fixed benefits affords great facilities for the administration of the fund. At the same time, fixed benefits must be calculated in such a manner as to afford the strict minimum required for subsistence, lest they

1 See p. 109.
should approximate too closely to the lower rates of wages and impose too heavy a burden on the small wage-earners; but once reduced to this minimum figure, they are apt to be of small economic value to the better paid members. Benefit on a sliding scale, on the other hand is somewhat difficult to administer, entailing as it does the notification and recording of all, or at any rate of a considerable number of fluctuations in salaries and wages; at the same time, it affords all members a minimum rate of benefit in keeping with their ordinary standard of life, and its economic value is the same for all.

**Benefit at Fixed Rates**

Under the British and Irish Acts, legal benefit is payable at a flat rate to all contributors irrespective of their earnings. The rate varies, however, according to sex, being 15s. a week for men, and 12s. a week for women. This benefit (sickness benefit) is payable as from the fourth day following disablement for a maximum period of twenty-six weeks; if at the end of this period, the contributor is still incapable of work at a remunerative occupation, disablement benefit at the rate of 7s. 6d. per week, irrespective of sex, is payable in lieu of sickness benefit. No benefit is payable to persons over 70 years of age.

Sickness benefit at full rates is allowed provided that the contributor has been insured and paid the approved society's contributions for at least 104 weeks; if the number of weekly contributions is less than 104, but not less than 26, benefit is payable at the reduced weekly rate of 9s. for men and 7s. 6d. for women. (British Act, Sections 10 and 13).

The appended table summarises the rates of fixed benefit laid down by the British Act.

**Table Showing Rates of Fixed Benefit Laid Down by the British Act**

<table>
<thead>
<tr>
<th>Number of weekly contributions</th>
<th>In the event of incapacity for work at a remunerative occupation, the rate of weekly sickness (disablement) benefit, starting from the fourth day, is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the first 26 weeks</td>
<td>As from the 27th week</td>
</tr>
<tr>
<td>Male contributors</td>
<td>Female contributors                              Male contributors</td>
</tr>
<tr>
<td>s.  d.</td>
<td>s.  d.</td>
</tr>
<tr>
<td>Less than 26.</td>
<td></td>
</tr>
<tr>
<td>From 26 to 103.</td>
<td>9 0</td>
</tr>
<tr>
<td>104 or over</td>
<td>15 0</td>
</tr>
</tbody>
</table>

1 Contributors who have paid less than 26 weekly contributions are not eligible for sickness benefit.
Reductions up to 100 per cent. may be made in the weekly sickness (disablement) benefit on the grounds of arrears of contributions. Under the regulations based upon Section 15 in the British Act, arrears of contributions, for the second half of 1922 and the first half of 1923 for instance, entail unfortunate consequences on the contributor during the year 1924, unless he discharges such arrears before the expiry of the period of grace, which usually runs from the end of the month of July until the end of October or November of the same year (1923). In the event of the contributor failing to take advantage of the period of grace, he is liable during the following benefit year to a fixed penalty proportionate to the amount of arrears in his subscriptions. If the penalty is paid, the insured worker becomes eligible for full benefit; such benefit being otherwise reduced or even completely disallowed.

The amount of the penalty in respect of arrears of contributions and the rates of sickness benefit (reduced rates of benefit for compulsory members) are shown in the following table:

<table>
<thead>
<tr>
<th>Number of contributions (including weeks of sickness)</th>
<th>Amount of arrears penalty</th>
<th>Reduced rates of benefit if arrears not paid (persons who have been insured for 104 weeks and have paid 104 contributions)</th>
<th>Reduced rates of sickness benefit if arrears penalty not paid (persons who have not been insured for 104 weeks or have paid less than 104 contributions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>Sickness benefit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>s. d.</td>
</tr>
<tr>
<td>45-47</td>
<td>1</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>42-44</td>
<td>2</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>39-41</td>
<td>3</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>36-38</td>
<td>4</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>33-35</td>
<td>5</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>30-32</td>
<td>6</td>
<td>0</td>
<td>60</td>
</tr>
<tr>
<td>26-29</td>
<td>7</td>
<td>0</td>
<td>70</td>
</tr>
<tr>
<td>25 at least</td>
<td>12</td>
<td>0</td>
<td>Nil</td>
</tr>
</tbody>
</table>

The reduction is greater in the case of voluntary contributors, the penalties are heavier and the reduction takes effect when the number of weekly contributions is below 50, whereas employed contributors are eligible for benefit when they have paid a minimum of 48 weekly contributions.
Benefit according to a Sliding Scale

Sickness Insurance Acts which do not adopt the flat rate system are more or less guided by the earnings of insured workers, so that the rate of benefit varies. When therefore the insured worker is incapacitated for work on account of sickness, he is eligible for benefit at a rate in keeping with his ordinary standard of life.

To enable the insurance institution to assess the amount of sickness benefit payable, as soon as the requirements governing payment have been fulfilled, it is imperative that reliable information as to the figure of earnings upon which to assess such benefit (basic wage), should be in the possession of the insurance institution at the time when the claimant falls sick. The legal rate of sickness benefit is then equivalent to a certain percentage of the contributor's basic wage, the exact percentage being fixed by law. Such benefit is payable during the whole period of incapacity for remunerative work caused by sickness, subject, however, to a fixed limit which is also laid down by law.

We therefore have to consider in what manner the basic wage is determined, the amount of sickness benefit in relation to the basic wage, and the period during which such benefit is payable to the contributor.

The Basic Wage

Sickness benefit approximates more closely to the ordinary resources of the sick worker in proportion as the basic wage approaches the figure of his actual earnings. However desirable it may be to preserve an exact equivalence between sickness benefit and the contributor's earnings, such an idea has generally to be abandoned owing to the numerous difficulties incidental to the recording of the individual wages of each insured worker: the basic wage is therefore fixed as an approximate rather than an exact equivalent of contributor's earnings. This approximate assessment is effected by sub-dividing salaries into classes and categories.

(a) Basic wage equivalent to actual wages. — Sickness benefit is in direct ratio to the insured worker's earnings when the basic wage is equivalent to his actual wages. In that case, sickness benefit is equivalent to a definite percentage of the wages last earned by the contributor before the occurrence of sickness. To enable sickness benefit to be assessed at any moment, the individual wage register must be kept strictly up to date. It is nowhere laid down by law that the basic wage is to be at all times equivalent to his actual wages. At the same time, a number of compulsory
sickness insurance systems allow, benefit to be assessed according to actual wages, while retaining as alternatives other methods of assessing the basic wage. The German Act is among the number, Section 180 (4) authorising sickness insurance funds to take as the basic wage the actual wages earned in lieu of the average wage of any class or category of wages, and to apply this system either to the whole of the contributors or to the contributors employed in specified undertakings. Although this latitude has been allowed to all funds, the establishment funds alone avail themselves of it, as the wage lists drawn up by large undertakings enable them to keep their wage registers up to date; district funds, on the other hand, whose membership includes persons earning varying amounts, and which lack the facilities employed by establishment funds, are not in a position to take individual wages into account. The Latvian Act (Sections 49 and 61) also provides for the assessment of benefit on the basis of actual wages; here, as before, the funds concerned are the establishment funds which, by their very constitution are in direct contact with the undertaking and able to consult the wage lists.

(b) Basic wage equivalent to the average of a class or category of wages. — To avoid the need for recording the earnings of every contributor, the majority of insurance Acts embodying the principle of benefit on a sliding scale, have sub-divided wage-earners into a varying number of classes. Each class of wages includes contributors whose normal wages for a given period do not exceed the maximum nor fall below the minimum of that particular class of wages. The fact of classifying wages in this manner relieves the funds of the necessity of recording individual wages. The only entries required to keep the registers up to date are those showing that the insured worker has been transferred to a different class from that in which he was previously included.

The determination of the number of classes of wages plays a great part in ensuring the efficiency of the insurance system. If the number of classes prescribed is too small, the same group includes individuals earning widely different rates of wages, and paying subscriptions at varying rates; the consequence is that those whose average earnings hardly exceeds the minimum of a particular class are obliged to subscribe at rates out of proportion to their resources, though entitled on the other hand to very high rates of benefit. An unduly large number of classes, on the contrary, while strictly fair involves the recording of a considerable number of modifications, thus depriving the system of wage classification of the facilities of administration which are its principal raison d'être.
Moreover, insurance laws which have adopted the system of assessment of benefit, whilst retaining or discarding other systems, provide for a varying number of wage classes as may be seen from the following figures:

<table>
<thead>
<tr>
<th>Wage classes</th>
<th>Number of</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Portuguese Act (Section 35)</td>
<td>3</td>
</tr>
<tr>
<td>The Roumanian Act (Section 127)</td>
<td>5</td>
</tr>
<tr>
<td>The Norwegian Act (Section 14)</td>
<td>5</td>
</tr>
<tr>
<td>The Bulgarian Act (Section 11)</td>
<td>6</td>
</tr>
<tr>
<td>The Austrian Act (Section 7)</td>
<td>9</td>
</tr>
<tr>
<td>The Czechoslovak Act (Section 12)</td>
<td>10</td>
</tr>
<tr>
<td>The Polish Act (Section 20)</td>
<td>14</td>
</tr>
<tr>
<td>The Jugoslav Act (Section 21)</td>
<td>17</td>
</tr>
</tbody>
</table>

As a general rule, no minimum is laid down for the lowest class in order to include any contributors not in receipt of wages, or at any rate, regular wages; the highest class of wages, on the other hand, only possess a minimum limit, so as to include all contributors whose wages exceed the maximum of the highest class but one. A mean rate of wage is fixed for each class, and is very often equivalent to the arithmetic mean between the maximum and minimum figures of each particular class; in other cases, it is equivalent to the minimum figure for that class.

Sickness insurance Acts sometimes empower insurance institutions to substitute occupational categories for classes of wages (see, for instance, Section 180 (4) of the German Act, and Section 22 (4) of the Jugoslav Act). Each occupational category includes contributors possessing similar occupational qualifications. The main criterion for sub-dividing wage-earners in the same trade into categories is no longer the current wage, but age, in so far as it is a factor in the assessment of the wage. This system of categories, while easier to handle than that of wage classification can, nevertheless, be applied with success only to establishment funds.

The Amount of Legal Benefit

Legal benefit amounts to a definite percentage of the contributor's basic wage, and is equivalent to a varying proportion of his ordinary earnings. Benefit on a sliding scale is more or less proportioned to his needs according to the closeness with which it approximates to his actual earnings.

The proportion of basic wage payable as benefit to sick contributors varies considerably as between different countries, and sometimes even as between different cases under the same system. It oscillates between 50 per cent. and 100 per cent. To take specific cases, it is:
<table>
<thead>
<tr>
<th>Percentage</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>in Germany</td>
</tr>
<tr>
<td>50%</td>
<td>in Estonia</td>
</tr>
<tr>
<td>50%</td>
<td>in Luxembourg</td>
</tr>
<tr>
<td>50%</td>
<td>in Roumania</td>
</tr>
<tr>
<td>60%</td>
<td>in Norway</td>
</tr>
<tr>
<td>60%</td>
<td>in Poland</td>
</tr>
<tr>
<td>from 60 to 75%</td>
<td>in Hungary</td>
</tr>
<tr>
<td>66%</td>
<td>in Latvia</td>
</tr>
<tr>
<td>66%</td>
<td>in the Kingdom of the Serbs,</td>
</tr>
<tr>
<td></td>
<td>Croats and Slovenes</td>
</tr>
<tr>
<td>66%</td>
<td>in Czechoslovakia</td>
</tr>
<tr>
<td>from 66%-80%</td>
<td>in Austria</td>
</tr>
<tr>
<td>100%</td>
<td>in Russia¹</td>
</tr>
</tbody>
</table>

It would be a matter of considerable difficulty to judge of the advantages afforded to the community by this or that system of insurance from the proportion of basic wage paid in the form of sickness benefit. In the first place, the basic wage itself is arrived at by processes which in cases differ considerably; and, in the various systems the legal benefit of the lowest and of the highest class is fixed at very dissimilar rates. Moreover, legal benefit can be increased by additional pecuniary allowances to sick contributors. The percentage of basic wage paid in the form of sickness benefit is in any case not always uniform within the system.

It is sometimes increased when disability persists beyond a specified period. This is the case, for instance, under the Hungarian Act (Section 13) which increases the sickness benefit, calculated at 60 per cent. of the basic wage for the first four weeks to 75 per cent. of the basic wage as from the fifth week of disablement for employment.

Furthermore, benefit may be payable at different rates according to whether the insured workers have family responsibilities or not. Thus, the Roumanian Act (Section 117) reduces the benefit assessed at 50 per cent. for fathers of families to 35 per cent. of the basic wage in the case of workers having no family responsibilities.

Finally, legal benefit may be paid at different rates, being progressively reduced as the rate of wages increases. Thus the Austrian law (Section 7) assesses benefit at 80 per cent. for the first seven classes of salaries, at 74 per cent. for the eighth class, and at 66 2/3 per cent. of the basic wage for the ninth and last class.

There are, moreover, considerable differences to be observed between the different systems according as sickness benefit is payable for each day of disablement or for working days only.

¹ It is, however, to be observed that the central social insurance authorities can, for lack of money, provisionally reduce the rate of benefit in case of temporary incapacity, but not below 66 2/3 per cent. of the basic wage (See Labour Code, Section 182).
The first method is followed, for instance, by the Jugoslav, Polish, Austrian, and German Acts, etc., whereas a certain number of other Acts such as the Norwegian, Roumanian, and Swedish, adhere to the second. The Czechoslovak Act adopts a compromise granting sickness benefit for working days and others, but only when disablement lasts longer than fifteen days.

*Period during which Benefit is Payable*

Sickness benefit is payable whilst the contributor is disabled from employment provided he has not been in receipt of benefit for a period exceeding the legally prescribed maximum. This period varies between 16 and 52 weeks consecutive or otherwise, being:

- 90 days in Sweden (in the course of 12 consecutive months)
- 16 weeks in Roumania
- 180 days in Switzerland (in the course of 360 consecutive days)
- 26 weeks in Denmark (in the course of 12 consecutive months)
- 26 weeks in Germany
- 26 weeks in Latvia
- 26 weeks in Norway
- 26 weeks in the Serb-Croat-Slovene Kingdom
- 39 weeks in Poland
- 52 weeks in Austria
- 52 weeks in Hungary
- 52 weeks in Portugal
- 52 weeks in Czechoslovakia.

The legal period during which sick contributors are eligible for sickness benefit is in any case not always the same for all contributors. Thus, under the Austrian Act, for instance, only such claimants as were members of the fund during a minimum period of 30 weeks prior to falling sick, are entitled to the full period of 52 weeks; all other contributors being ineligible for more than 26 weeks’ benefit. Again, the Polish Act introduces variations into the legal period according to the length of time the fund has been in existence; funds which have been in existence for at least three years are alone required to pay 39 week’s benefit, whereas funds which have been instituted for a shorter period of time are allowed to pay benefit for 26 weeks only. The Russian Labour Code prescribes no limit for the duration of temporary incapacity, the benefit being continued until the contributor regains his health or is awarded a permanent invalidity pension (Section 180).

The varying length of time during which sickness benefit can be granted by the insurance institution is no indication of the value of any one system as compared with others. Better results are at times achieved by paying benefits at high rates for a short period than by paying benefits at low rates for longer periods.
There is yet another and still more important reason which renders futile any attempt at comparison, namely, that the task of sickness insurance differs substantially according to whether it is supplemented or not by other branches of insurance against bodily risks.

In conclusion, it will be desirable to review in the appended table the legal provisions governing the legal amount and period of sickness benefit in a number of sickness insurance systems.

**TABLE SHOWING THE LEGAL SCALE AND PERIOD OF SICKNESS BENEFIT**

**IN A NUMBER OF SICKNESS INSURANCE SYSTEMS**

<table>
<thead>
<tr>
<th>Name of country</th>
<th>Benefit payable in respect of disablement for remunerative work</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Date of commencement</td>
</tr>
<tr>
<td>Germany</td>
<td>Fourth day</td>
</tr>
<tr>
<td>Austria</td>
<td>First day if disablement lasts more than 3 days</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>First day</td>
</tr>
<tr>
<td>Denmark</td>
<td>Fourth day</td>
</tr>
<tr>
<td>Esthonia</td>
<td>Fourth day</td>
</tr>
<tr>
<td>Great Britain</td>
<td>Fourth day</td>
</tr>
<tr>
<td>Hungary</td>
<td>Third day</td>
</tr>
<tr>
<td>Latvia</td>
<td>Fourth day</td>
</tr>
<tr>
<td>Luxemburg</td>
<td>Third day</td>
</tr>
<tr>
<td>Norway</td>
<td>Fourth day</td>
</tr>
<tr>
<td>Poland</td>
<td>Third day</td>
</tr>
<tr>
<td>Portugal</td>
<td>First day</td>
</tr>
<tr>
<td>Roumania</td>
<td>Fourth day</td>
</tr>
<tr>
<td>Sweden</td>
<td>Fourth day</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Third day at latest</td>
</tr>
<tr>
<td>Serb-Croat-Slovene Kingdom</td>
<td>First day if disablement lasts more than 3 days</td>
</tr>
<tr>
<td>Czechoslovakia (new Act)</td>
<td>Fourth day and if disablement lasts more than 15 days from the 3rd day</td>
</tr>
</tbody>
</table>

\(^1\) After this period has elapsed, the contributor is entitled to a disablement pension.
§ 3. — Additional Sickness Benefit

Most sickness insurance Acts authorise insurance institutions whose current resources are found to be adequate for the purpose to allow benefit at higher rates than the legal minimum to contributors disabled for remunerative work. Sickness insurance societies which carefully husband their resources are thus able to afford special benefits to their members.

Before it can act on this authority to pay additional benefit, a sickness insurance fund must first of all show that it is in a sound financial position. If it fulfil requirements in this connection, and if additional allowances are included among the benefits, sick contributors become eligible in a general way for supplementary benefit. In some cases, however, they are not eligible for such additional benefit unless they fulfil certain special requirements. Yet though the claimant fulfil the whole of the prescribed requirements, the fund cannot pay him benefit above the absolute legal maximum, both in regards to rates, and in regards to period.

Conditions upon which Insurance Institutions are Authorised to Introduce Additional Benefit

As a general rule, additional benefit can be allowed by the statutes of the institution only so long as the means of the latter permit. This rule is strictly observed in Section 75 of the British Act, which does not sanction the payment of additional benefit except as chargeable to a reserve fund exclusively built up from economies effected during the last five-yearly actuarial period. The majority of the remaining Acts which allow additional benefit merely stipulate such additional benefit must not induce insurance institutions to raise the scale of contributions above maximum statutory rates. (For instance, 7½ per cent. of the basic wage under Section 386 of the German Act, and 5 per cent. of the basic wage under Section 159 of the Czechoslovak Act).

Conditions Governing Payment

To establish a claim to additional benefit, it suffices, in the ordinary way, for contributors to fulfil the requirements governing the payment of the ordinary legal benefit, together with any conditions proceeding from the very nature of such supplementary benefit. Such a requirement might be, for instance, that disablement for remunerative work should continue beyond the
legal period during which minimum benefit is payable, whenever the statutes allow additional benefit in the shape of an extension of the legal period. The British Act stipulates that additional benefit may only be paid out of sums economised in the course of the last actuarial period and extends the right to additional benefit only to contributors who have been members of approved societies for at least five years, and have consequently contributed towards the sums thus economised. This five yearly period has been curtailed to 3½ years in the case of contributors who became members of approved societies during the years 1922 and 1923.

**The Measures of Additional Benefit Afforded**

The insurance institution is not free to fix the measure of additional benefit to be afforded, that is to say, the maximum extent and nature of such additional benefit must be determined with due regard to legal provisions.

Allowances granted as additional benefit fall into three classes according to the social purpose in view in the various forms of sickness insurance. They are:

(a) Extension of the minimum period during which the legally prescribed sickness benefit is payable;

(b) Increase of the legally prescribed sickness benefit either in respect of all contributors or in respect of certain categories only;

(c) Complete or partial dispensation from the waiting period.

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**Extension of the Period during which Legally Prescribed Benefit is Payable**

Such extension enables the contributor who has been disabled from remunerative work to receive sickness benefit for a longer period of time. The insurance institution may extend the period during which benefit is payable, either up to the extreme limit allowed by law, or to any other limit falling between the minimum and maximum periods.

Thus, under the Jugoslav Act (Section 46 (2)) sickness benefit may be paid in the form of supplementary benefit for more than 26 weeks, but not for more than one year. The maximum period allowed by the German Code (Section 187 (2)) is similarly one year, whilst the Austrian Act (Section 9) authorises the payment of such benefit for a maximum period of 18 months.
Increased Rate of Legal Benefit

Increases in the rate of legal benefit granted as additional benefit may be effected in a number of different ways:

(a) Increase in the rate of benefit for all beneficiaries, as occurring, for instance, in the British Act (Schedule 3, No. 3), the German Act (Section 191 (1)), the Jugoslav Act (Section 46 (1)), the Czechoslovak Act (Section 105 (1 a)), the Latvian Act (Section 49), and the Polish Act (Section 34 (2)).

(b) Increases granted to beneficiaries having family responsibilities as prescribed, for instance, by the British Act (Schedule 3, No. 3), the Czechoslovak Act (Section 105 (1 a)), the Austrian Act (Section 9 (2)) and the German Act (Section 191 (3)).

(c) Increases granted to low paid beneficiaries as prescribed, for instance, by the Czechoslovak Act (Section 105 (1 a)), the Austrian Act (Section 9 (1)), and the German Act (Section 191 (3)).

(d) Increases in cases of protracted sickness as prescribed, for instance, by the Czechoslovak Act (Section 105 (1 b)) and the Austrian Act (Section 9 (1)).

Dispensation from the Legal Waiting Period

Such dispensation is either complete, in which case the contributor is entitled to sickness benefit as from the first day of disablement for remunerative work (e.g., the British Act (Schedule 3, No. 4) and the German Act (Section 191 (2)), or it is partial, the contributor being eligible for sickness benefit after a shorter time than the statutory waiting period.

§ 4. — Grants for Funeral Expenses

A number of sickness insurance laws provide for the payment of an allowance to cover the whole or a part of the funeral expenses in the case of the decease of a contributor. This allowance is payable either to the person who bore the funeral expenses or to the near relatives of the deceased. The payment of this grant is not to be regarded as expenditure from which an advantage may accrue to the community; its main object is merely to lighten the burden of expenditure imposed upon the surviving members of the family or other individuals or legal persons in consequence of the decease of the contributor.

Where not assessed at a fixed figure, as, for instance, in article 16 e of the Norwegian Act, and article 121 of the Roumanian
Act, the amount of such funeral grant varies considerably in different countries. Thus the grant payable under the:

<table>
<thead>
<tr>
<th>Act</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polish Act (Section 32)</td>
<td>amounts to 21 times the basic wage.</td>
</tr>
<tr>
<td>Latvian Act (Section 52)</td>
<td>20-30</td>
</tr>
<tr>
<td>German Act (Section 201, 204)</td>
<td>20-40</td>
</tr>
<tr>
<td>Hungarian Act (Section 50)</td>
<td>30-40</td>
</tr>
<tr>
<td>Austrian Act (Section 6, 9)</td>
<td>30-45</td>
</tr>
<tr>
<td>Czechoslovak Act (Section 95, 105)</td>
<td>30-45</td>
</tr>
<tr>
<td>Jugoslov Act (Section 45, 46)</td>
<td>30</td>
</tr>
</tbody>
</table>

but not exceeding the amount actually expended.

A funeral grant of an entirely different character is sometimes made to the contributor for the purpose of meeting expenses incurred owing to the decease of the husband or wife as the case may be, or to that of minor children who are members of the household. Such a grant is provided for as a definite legal benefit by the Polish Act (Section 33), the Russian Labour Code (Section 184), and the Czechoslovak Act (Section 95 (3)), and as a supplementary benefit by the German Act (Section 203 b), and the Jugoslav Act (Section 46 (5)).
CHAPTER II

BENEFITS IN KIND

§ 1. — Conditions of Benefit

It has already been pointed out that the successful pursuance of a genuine policy of public health promotion demands of insurance institutions that they should treat the provision of benefits in kind under sickness insurance as a matter of vital concern. The aim here is less to compensate sick contributors for the loss of their earnings than to cure them and to enable them to resume their regular work with full efficiency at the earliest possible date. This is achieved by providing contributors with individual medical attendance, at the same time affording them the full advantages of a medical service organised on collective lines. But another consideration arises. Prevention being better than cure, preventive measures, which come of strict medical supervision and intensive propaganda on hygiene should protect contributors against disease.

That legislation regards benefits in kind as of paramount importance is at once apparent from the fact that, in its main forms, i.e., medical benefit and the supply of drugs, etc., it is usually accessible to all contributors; that is to say, that the requirements upon which the provision of such benefit is conditional are less numerous than those prescribed for benefit in cash.

If the conditions laid down for the payment of benefits in cash ¹ be compared with those governing the provision of benefits in kind, it will be found that the latter are rarely made to depend either on any specified term membership (an exception arising, however, in the case of the Portuguese Decree, which in Section 29 stipulates for a probationary period of three months), or on any waiting period, the contributor becoming entitled to benefit in kind regardless of the number of contributions paid to his account and usually as from the first day of sickness.

¹ See p. 73
§ 2. — Medical Benefit and the Supply of Drugs, etc. to Contributors

Compulsory sickness insurance Acts recognise without exception the contributor's right to a varying measure of medical attendance and drug supply. The status of a contributor as eligible for benefit remains unaffected whether such benefit is provided by the sickness insurance institution itself (as, for instance, under the German, Czechoslovak, etc., systems), by an organisation other than the insurance institution (as, for instance, in the British system) or by the contributor's employer (as, for instance, in the Latvian system). Free sickness insurance Acts, on the other hand, with the exception of the Danish Act, have been unable, considering the strictly limited resources of the sickness insurance funds, in the absence of employers' contributions to compel such insurance funds to provide medical benefit; and so they leave the funds free to choose between granting sick contributors the right to cash benefits and that to benefits in kind. The Swedish and Swiss laws offer examples of this. But the free funds which, of their own accord, undertake more extensive liability and afford medical and pharmaceutical assistance either with or without benefit in cash are constantly growing in numbers.

The nature, extent, and the period of the contributor's claim to medical benefit and to the supply of drugs are all determined by law.

Sick contributors can clearly not expect to receive medical benefit which would burden the responsible organisation with expenses out of keeping with the nature and seriousness of the case; but they are required to adhere to the rules laid down for the whole body of contributors. However much legislation may desire insurance contributors to benefit by the advances of medical science, it cannot do more than ensure that they shall receive sufficient and suitable medical treatment. The British system, for instance, stipulates that the sick contributor is to receive suitable and sufficient treatment from general practitioners. This comprises all proper and necessary medical services other than those involving the application of special skill and experience of a degree or kind which general practitioners as a class cannot reasonably be expected to possess. The German system, again, (Order 30 October 1923) only stipulates for such medical

1 See p. 117.
assistance as is necessary and prohibits attending physicians from engaging upon any form of treatment which would involve expense out of proportion to the nature of the particular case. The law thus provides the contributor with no more than an adequate measure of properly skilled medical attendance of the average kind. Any medical benefit which sickness insurance funds may grant, over and above such average treatment, depends in the first place on available resources, and, in the second, on their ability to organise the medical service. It must be acknowledged that, though possessing equal rights, sick workers in rural communities and those in the large industrial centres actually obtain anything but equivalent medical benefit.

The period during which medical benefit is due to the contributor varies considerably as between the different countries. The British Act, which covers both short and long periods of sickness, alone places no time limit on the contributor's title to medical benefit, which is extended to him for as long as he requires it. Patients who are no longer insured remain entitled to medical benefit for at least 18 months after relinquishing their insurable employment. Other sickness insurance Acts fix the minimum period during which medical benefit is granted at from 16 to 52 weeks, reckoned from the day upon which the patient first obtained such benefit. This minimum period is practically co-extensive, in the various Acts, with that during which the contributor is legally entitled to sickness benefit. When benefit is extended beyond the minimum period the same applies to medical assistance.

Treatment may, at times, have to be abandoned before a thorough cure has been effected, owing to the fact that the time limit for medical benefit has been reached. This unfortunate result is avoided in countries where the patient is entitled to invalidity insurance benefit after having received the full measure of his due at the hands of the sickness insurance fund. Although, as a general rule, invalidity insurance is only called upon to provide pensions, yet with a view to preventing permanent invalidity it may, and frequently does, afford medical assistance at least equivalent to that provided by the sickness insurance fund (see, for instance, Section 72 of the Jugoslav Act and Sections 1269 and 1270 of the German Act).

1 See p. 102.
2 See p. 88.
Assistance in the matter of pharmaceutical supplies usually comprises the provision of medicines, therapeutic agents, and at times even small appliances when prescribed by the attending physician. In this connection, the British Act stipulates that the contributor shall be provided with a sufficiency of good quality medicines and therapeutic agents (Section 10 (2). The wording of the Act is generally interpreted to mean that the patient is entitled to all medicines requisite for proper medical treatment, regardless of their price. Ordinary tonics, on the other hand, which are not generally prescribed as medicines are not supplied gratis. In a certain number of other insurance systems attending physicians are only authorised to prescribe medicines and therapeutic agents contained in a restrictive schedule, which excludes any specialities for which cheaper substitutes can be found.

In order to prevent extravagance, prescriptions and chemists' bills are sometimes subjected to special medical scrutiny. With the same end in view the German Order of 30 October 1923 (Section 25 and Regulations dated 13 February 1924) stipulates that the patient shall contribute towards expenditure on drugs, such contribution varying from 10 to 20 per cent., and being leviable only in serious cases or emergencies.

§ 3. — Medical Benefit afforded to the Contributor's Family

When the contributor's near relatives, who are members of his household, are properly entitled to medical benefit, the element of selfishness which is in evidence when benefit is restricted to the contributor disappears out of sickness insurance. The extension of medical benefit to the contributor's family is a definite gain, not merely to the contributor himself, who is thenceforward relieved of medical expenses in respect of the other members of the family, but also, and above all, to those members themselves within whose reach individual medical attendance is thus placed. Regarded from a wider standpoint than that of its value to the worker's family circles, such an extension of benefit ranks first among all possible measures for promoting the health of large sections of the population.

Even in states possessing a system of sickness insurance deeply rooted in social life, the expense incidental to such a measure is an obstacle to its introduction as a legal obligation of insurance institutions. But to enable the insurance institutions to operate
along these lines they have been authorised to introduce family medical benefit as an additional benefit if their financial position is such as to afford them the requisite funds.

Nevertheless, a number of sickness insurance Acts of fairly recent date, have set financial difficulties at nought, and have conferred a definite title to medical assistance and to the supply of drugs, etc., on members of the contributor's family. A few examples of this, the latest stage of development towards family medical benefit, may be given.

The Polish Act (Section 33) grants a right to medical benefit and to the supply of drugs for a maximum period of 13 weeks to members of the contributor's family who are entirely dependent upon his earnings and are members of his household, being the husband or wife as the case may be, lineal predecessors, and descendant sisters or brothers, benefit being granted on the same terms as to the contributor himself. The Jugoslav Act (Section 45 (5)), the Czecho-slovak Act (Section 96) and the Hungarian Act, give a similar definition of the degrees of relationship involving a title to medical assistance, and extend the minimum period during which such benefit can be provided to 26 weeks in the case of the first-named Act, and to one year in the case of the remaining two. In the same manner, the Portuguese Decree (Section 29) and the Norwegian Act (Section 16 (1 b)) extend medical benefit and the supply of drugs to the husband or wife, as the case may be, and to minor children who are members of the contributor's household, for the same term as would apply to the contributor himself.

The Danish Act stands out from among free sickness insurance Acts as making an energetic venture in the field of family medical assistance. Although organised on the lines of free membership, Danish funds are required to provide medical assistance not only to regular members but also to their children below the age of 15 years, and for a period of 26 weeks (Sections 19 and 24).

§ 4. — Institutional Treatment and Additional Benefit in Kind

In defining contributor's right to benefits in kind it is even more essential than in the case of cash benefits that legislation should have every regard, not only for financial difficulties, but also for the compelling circumstances which may preclude insurance institutions from providing benefit in kind when called upon. That is why the minimum medical and pharmaceutical assistance guaranteed by law and obtainable as freely from small rural funds administering
a vast district, with at times inadequate means of communication, as from the large funds of industrial centres falls shorts of the full measure of assistance which medical science is in a position to give.

Insurance institutions possessing sufficient means to afford sick contributors something beyond the strict legal minimum can, none the less, grant medical attendance of a kind better adapted to circumstances than that ordinarily provided by law. For this purpose insurance Acts frequently offer two-fold facilities to insurance institutions, authorising them (1) to provide in special cases, some other form of medical attendance (institutional treatment, thermal hydropathic treatment, etc.) in lieu of the ordinary facilities for medical attendance at the physician's consulting rooms, or, at the patient's home where required; and (2) to supplement the advantages extended to the whole body of contributors, in the shape of benefits in kind, by the addition of one or several forms of allowances supplementary to the legally prescribed benefit (e.g. dental treatment, convalescent treatment, etc.).

As in the case of legal benefits, such special forms of medical benefits and additional benefits in kind may be restricted to contributors themselves, or they may be extended to the contributor's family.

**Special and Additional Forms of Benefit in Kind for Contributors**

*Special Forms of Medical Benefit*

A large number of sickness insurance Acts provide for the institutional treatment of contributors in lieu of medical attendance (e.g. Section 184 of the German Act; Section 8 of the Austrian Act; Section 19 of the Danish Act; Section 41 of the Latvian Act; Section 28 of the Polish Act; Section 53 of the Jugoslav Act; and Section 145 of the Czechoslovak Act).

The extent to which sickness insurance institutions take advantage of institutional treatment depends upon the number and standard of the public or private health institutions at their disposal for the treatment of their members. Public hospitals, and, at times, private establishments, are required to reserve a certain number of beds for the sickness insurance funds in their district and to treat patients sent to them by such funds at cheaper rates than those charged to other patients. The readiness with which an insurance society can afford institutional treatment is, of course,
much greater when the society has its own medical establishments; in this respect the important district funds which control large sums, thanks to the number of their members, are in a specially privileged position, particularly if they are systematically linked up and work hand in hand with disablement insurance funds.

Whatever material facilities it may command, the sickness insurance fund is not compelled (except in Denmark) to assume liability for institutional treatment. But it is required to do so, so far as its means permit, in the event of contagious diseases or such as require treatment not otherwise obtainable, or if the patients' state of health or behaviour necessitates constant supervision. Leaving aside cases of this kind, the provision or refusal of institutional treatment rests with the competent organs of the insurance institution which decide whether they consider it necessary or desirable; as a general rule, however, their decision is subject to the consent of patients who are householders or are members of a family household.

Sickness benefit is suspended during institutional treatment with full maintenance unless a patient has relatives who are wholly dependent upon his earnings, when an allowance is granted for the whole period of institutional treatment. In the ordinary way this allowance is calculated at 50 per cent. of the sickness benefit otherwise payable were the contributor not undergoing institutional treatment. Except in the Norwegian Act, the number of relatives whom he supports is not taken into account. The usual practice is to pay the allowance to the institutional patient himself; in some countries, however, benefit is properly payable to the family (Czechoslovak Act), and in others it may be so paid at the discretion of the insurance fund (e.g. the German Act, Section 186). The object of these prescriptions is to prevent patients who are in receipt of full maintenance in institutions from retaining benefits intended for their families. (As regards institutional treatment in general, see, for instance, Section 186 of the German Act; Section 8 (4) of the Austrian Act; Section 29 of the Polish Act; Section 148 of the Czechoslovak Act; and Section 54 (5) of the Jugoslav Act.

Another form of special assistance which is, however, more seldom granted, is treatment at the contributor's home by a physician and with the assistance of nurses when institutional treatment, though desirably, is impracticable and when there are special reasons why the patient should remain with his family see, for instance, Section 185 of the German Act; Section 9 (7) of the Austrian Act; Section 152 of the Czechoslovak Act).
Additional Benefits for Contributors

The contributor's title to benefit in kind can be extended in various ways by rules of the society as, for instance:

(1) by extending the period during which medical benefit and the supply of drugs is due (see, for instance, Section 187 (1) of the German Act; Section 9 (5) of the Austrian Act; Section 34 (2) of the Polish Act, etc.);

(2) by admitting patients into special medical institutions, institutions for specific types of treatment, and convalescent homes (see, for instance, Section 187 (2) of the German Act; Third Schedule, No. 8, of the British Act and Additional Benefit Regulation 1921; Section 34 (2) of the Polish Act; and Section 105 g of the Czechoslovak Act);

(3) by providing patients with artificial limbs or orthopaedic appliances which may enhance or restore their earning capacity (see, for instance, Section 187 (3) of the German Act; Section 34, (2) of the Polish Act; and Section 105 h of the Czechoslovak Act);

(4) by administering preventive treatment to persons whose health is endangered (see, for instance, Section 187 (4) of the German Act);

(5) by affording more extensive treatment than that laid down as legally claimable, see, for instance, Third Schedule, No. 2, of the British Act (payment of the whole or a part of the cost of dental treatment), Additional Benefit Regulations 1921 (refund of optician's and nursing fees).

Additional Benefits in Kind afforded to the Contributor's Family

Under a number of compulsory sickness insurance Acts insurance institutions are legally authorised, though not compelled, to extend medical benefit and the provision of drugs to the near relatives of the contributor. Such are the German Act (Section 205 (1); the British Act (Third Schedule, No. 1); the Austrian Act (Section 9 a); the Bulgarian Act, etc.

Certain voluntary sickness insurance laws make similar provision. Thus in Belgium, for example, the Government grants a special subsidy to friendly societies which furnish medical benefit and drugs, for at least two years, to insured persons and their families.

In this manner the insurance institution is enabled by legal means, yet without legal compulsion, to distribute the beneficial effects of medical assistance not only over the contributors themselves, but also over the whole of the worker's family.
§ 5. — Organisation of the Medical Service

Responsibility for Organising the Medical Service

Insurance Acts under which sick contributors are eligible for medical assistance specify what individuals or legal persons are to be responsible for organising the medical service.

As a general rule, this responsibility falls on the insurance institution itself, which is thus called upon to make provision not only for cash benefits, but for benefits in kind. This is the practice followed by the majority of insurance Acts in European countries.

There are, however, two other systems which do not require the insurance institution to organise the medical service.

The system instituted by the British law, for instance, does not allow this organising work to devolve upon approved societies, which are merely required to administer benefits in cash. The Act lays down that public corporations, entitled Insurance Committees, shall be formed in each administrative district of the Kingdom, and shall be responsible for the organisation of the medical service.

On the other hand, in those of the Baltic countries, where a system of organisation based upon the former Russian Labour Code of 1911, still prevails, responsibility for the medical service rests primarily with the employer. The insurance fund has no obligations in that direction, but may itself organise its own medical service and thereby afford treatment to contributors whose employers have not made proper medical provision for them.

The task of organisation remains substantially the same whoever the responsible parties may be: it involves, namely, the bringing of proper individual medical attendance within the reach of all the sick contributors, and supplementing this with the advantages accruing from medical collaboration and medical services organised upon collective lines.

Organisation of the Medical Service

The sickness insurance funds of the continental systems, the British Insurance Committees, and the employer in the Baltic countries, are responsible for medical assistance while precluded from providing such themselves. They are required by law to call upon physicians and surgeons to attend sick contributors, and, without collaboration on the part of medical men, the organisers
of medical services are powerless, whatever the funds at their disposal.

Medical men who agree to treat beneficiaries under insurance Acts become of their own free will responsible for safeguarding the interests of the whole body of contributors. It is upon the value of their professional services that the social efficiency of the insurance system depends.

Appointment of Medical Officers by the Organisers of Medical Service

Insurance Acts rarely leave sickness insurance funds (insurance committees, employer) full freedom to organise the medical service as they choose. In the interests of the whole body of contributors and at times in that of the medical profession, the law lays down specific regulations for the appointment of attending medical officers or only allows the fund to choose between different methods of appointment.

These different methods of appointment may be classified as follows, according to the restrictive conditions governing the approval of medical attendants.

(a) Approval of all medical practitioners making an application. — Any duly qualified medical practitioner may apply to be included on the panel of approved physicians. The fact of making such application to the insurance committee entitles the medical practitioner to administer treatment to sick contributors. The insurance committee cannot refuse to inscribe the name of a duly qualified applicant, however great may be the number of medical men already so inscribed and the application can be refused in those cases only where the applicant’s name has on a previous occasion been removed from the medical list by order of the Minister.

(b) Approval of any medical practitioner who is a member of a specific medical association. — Any medical practitioner who is a member of a medical association entrusted by the fund with the treatment of its members ipso facto becomes an approved medical attendant.

(c) Approval of all medical practitioners subscribing to the conditions prescribed by the fund. — The sickness insurance fund enters into an agreement with a professional medical association to retain the services of its members. Any medical practitioner, whether a member of the contracting association or not, who subscribes to the conditions of this contract is recognised as an approved attend-
ant. In certain cases the number of medical attendants who can be approved is fixed in proportion to the membership of the fund, say one medical attendant per thousand members.

(d) Appointment of medical attendants by the insurance fund. — The fund appoints one or several medical attendants who undertake to treat the members. No medical men other than the appointed attendants are allowed to administer treatment to members.

The prescriptions governing the appointment of medical officers by the fund determine at the same time the extent to which the patient is free to choose his attendant.

Choice of Attendant by the Patient

Although compulsion is applied in the case of sickness insurance itself, the patient is seldom obliged to accept treatment by a physician in whom he has no faith. Patients very naturally wish to be treated by doctors of their own choice, and the latter also demand such freedom of choice to safeguard their own professional and economic interests. It has not been everywhere obtainable.

Conditions under which medicine is practised vary enormously according to districts and social grades. They differ both in the town and country districts, according to the density of population and according to means of communication. The patient's freedom to choose a medical attendant, which can easily be respected in the towns, involves almost insuperable difficulties in country districts, owing to the long distances which the practitioner would be called upon to cover and the time required for the purpose.

The patient's freedom of choice is either unlimited or restricted; in some cases, however, it is non-existent, patients being obliged to accept treatment by the medical attendant designated by the fund.

(a) Unlimited freedom of choice means that the patient is free to choose any medical attendant who has agreed to treat members. No restrictions can be placed by the fund on his freedom in this connection. Patients under treatment can nevertheless not change their medical attendant without adequate reasons.

Freedom of choice is yet never complete in the sense of allowing the patient to pick his attendant from among all medical men resident in the neighbourhood, as all of the latter do not place themselves at the disposal of the sickness insurance fund; it should, however, enable the patient to obtain the services of the large majority of medical practitioners in his town or district.
(b) **Limited freedom of choice** means that the patient can choose from two practitioners at least. The sickness insurance fund may, and will, increase the number of medical practitioners whose services are available for the patient, but it satisfies legal requirements if it merely offers the patient the choice of two medical practitioners.

(c) *The patient is not allowed to choose* when he is required to call in one particular medical practitioner designated by the fund or the employer.

In certain countries the method of appointing medical attendants is strictly defined by law, that is to say, appointments may only be made in the legally prescribed manner. According to the method of appointing medical attendants, the patient is either free to some extent to choose his own medical attendant, or compelled to accept treatment by a duly appointed attendant. Thus the British Act requires Insurance Committees to recognise as an approved medical attendant any qualified physician who submits an application, and on the other hand, allows insurance contributors full freedom of choice from among all medical men who have undertaken to treat sick contributors. A different method has been followed by the Polish Act which compels every insurance fund to choose and appoint medical officers (at least two therefore) and allows the patient to choose from among practitioners appointed. According to the Portuguese Decree the duties of medical attendant devolve upon the municipal medical officer of the district in which the patient’s mutual benefit society has its registered offices, so that neither the fund itself nor the patient are free to choose the medical attendant.

In other countries, institutions required to organise the medical service may avail themselves of different methods of appointing medical attendants. Thus the Czechoslovak, Austrian, Polish and several other Acts authorise sickness insurance funds to choose and appoint medical attendants, or by means of a collective agreement with a professional medical association to secure the services of any member thereof. The limitations thus placed on the patient’s choice of a doctor varies according to the method of appointment followed by the fund. The German law adopts a similar method; at the same time it authorises rural funds administering extensive districts to compel patients living in the country to accept treatment by such medical attendants as are recognised as the only medical attendants in specified parts of the fund’s district.
THE WORKING OF THE MEDICAL SERVICE

The regulations concerning the functioning of the medical service are designed to secure the maximum efficiency in medical work, while at the same time ensuring that the patient shall not suffer through excessive rigidity of organisation.

The fund's medical officer is required to treat members conscientiously, and to the best of his professional ability, with a view to securing as rapid and as complete a cure as possible. In the ordinary way the patient is required to attend the doctor's consulting rooms at hours to be specified either by the fund or by the doctor himself; only patients who are unable to move without running the risk of aggravating their condition are entitled to apply for medical attendance at home. Apart from the restrictions which are imposed in the interests of the whole body of contributors, the treatment administered to the patient should not differ from that obtained by persons of affluence.

The most skilled and watchful attendance of a single medical practitioner is not always sufficient to secure a rapid cure. Medical collaboration is necessarily becoming more and more the general practice among insurance funds.

But the work of the medical attendant is specially facilitated by the development of social medicine on collective lines and its accompanying institutions, i.e. hospitals, specialised health establishments, nursing homes, convalescent homes and medical training centres.

There remains one last step to take, that is, the organisation of a system of positive preventive medicine which would require members to undergo periodical medical examinations undertaken with a view to discovering symptoms of serious and avoidable disorders and to spread knowledge of the rules of hygiene among the laborious classes.
INTRODUCTION

THE FINANCING OF SICKNESS INSURANCE

Unlike those branches of insurance which are called upon to provide long-term benefits — i.e. accident, disability, or old-age insurance — and which are consequently bound to adopt a financial system affording the funds requisite for pensions, failing which members' contributions must be progressively increased until such time as a balance has been established between incoming and outgoing beneficiaries, sickness insurance can be content with a far simpler financial system, which consists in distributing among all recipients of benefits during each financial period the whole of the income of the insurance institution during that period. The total amount of receipts is employed to cover insurance charges as and when they fall due.

This system of distribution is suitable for any form of sickness insurance. The amount of annual expenditure is fixed in proportion to the average number of probable days of sickness per contributor per year; to enable this figure to be estimated, all that is required is that the degree probability of sickness, per member, during the course of one year and the probable duration of disablement involved in each case shall be known. Of course, the composition of the body of members as to sex and age affects the probability of diseases among any group of contributors; but, in compulsory sickness insurance, at any rate, annual insurance liabilities are, as a matter of fact, practically constant in amount and do not show any very great variation from one year to another.
The system of distribution has been universally adopted in compulsory sickness insurance as in voluntary sickness insurance. The British law alone appears to depart from this practice, stipulating as it does for the constitution of a reserve value in respect of all members insuring after reaching 16 years of age, such reserve value being designed to compensate the insurance institution for any loss accruing to it owing to the admission of members over 16 years of age who are not required to pay a supplementary premium on account of age. As, however, these reserve values are constituted by a uniform levy on the whole of the contributions, irrespective of the age of the contributor, this method obviously amounts to nothing more than the placing in reserve of amounts drawn from the general distribution fund.

The financial organisation of sickness insurance having now been outlined, it remains to be shown from what sources funds required to work such insurance are drawn. Now here, compulsory sickness insurance, which is in receipt of assured revenue secured to it by law, is in a much sounder position than voluntary sickness insurance; we shall, therefore, consider separately the financial resources of compulsory insurance and those of free insurance.
CHAPTER I

FINANCIAL RESOURCES OF COMPULSORY SICKNESS INSURANCE

§ 1. — Insurance Contributions: Contributions at Flat Rates and on a Sliding Scale

Where sickness benefit is paid at flat rates to all contributors, there is a corresponding flat rate of contribution, whereas, when benefit is equivalent to a given percentage of the contributors' salary or wages, contributions must of necessity be levied on a scale which increases in proportion to such salary or wages. Such a method of uniform distribution, though feasible where money benefit is concerned, is quite inadequate, however, to cover expenses of benefit in kind: medical attendance, drugs or institutional treatment, which bear no relation to the economic standing of the contributor. Hence the need for requiring better-paid members to contribute sums out of proportion to the liability assumed towards them by the insurance institution or for calling upon the community, that is to say, the state or the commune, for financial support.

Contributions at Flat Rates

The British Act adopts the system of contributions at flat rates irrespective of the contributors' wages. Sex is the only factor affecting the assessment of contribution, the latter being 10d. per week for male contributors and 9d. per week for female contributors.

Contributions on a Sliding Scale

The compulsory insurance Acts which provide for payment of benefit on a sliding scale calculated according to the contributors' wages likewise adopt a system of contributions graded according

1 See § 3 of this chapter.
to the contributors' financial standing, and this is the only feasible method of making certain that part of the cost of insuring better-paid contributors shall not be borne by the lower-paid, the proper method being rather to call upon the more fortunate members to contribute towards the expenses involved by insuring the latter.

Sickness benefit being calculated at an exact, or more frequently at an approximate, percentage of the contributors' wages, contributions are similarly calculated in respect of each contributor. Thus, according to most compulsory sickness insurance laws, each insured person's contribution is assessed at a certain percentage of the mean figure of the wage class in which he is included. The amount of contribution paid in respect of each member is thus more or less in keeping with his wages (e.g. Section 385 of the German Code; Section 23, paragraphs 1 and 2 of the Jugoslav Act; Section 25 of the Austrian Act; Section 46 of the Polish Act; Section 15 of the Norwegian Act; Section 159 of the Czechoslovak Act; etc.).

As a general rule compulsory sickness insurance Acts — with the exception of the Roumanian and Portuguese Acts — refrain from specifying what percentage of the mean wage is payable in the form of contributions by each member.

Frequently, however, a maximum figure is fixed above which contributors' subscriptions cannot or should not be assessed unless particular circumstances warrant such assessment for a short period. In practice, this maximum figure is often taken as the general average by insurance institutions. As illustrating this, we may mention that the maximum figure is fixed at:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Act/Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>German Act (Sections 389 and 390)</td>
</tr>
<tr>
<td>7%</td>
<td>Jugoslav Act (Section 23 (2))</td>
</tr>
<tr>
<td>6%</td>
<td>Hungarian Act (Section 24 to 30)</td>
</tr>
<tr>
<td>5%</td>
<td>Czechoslovak Act (Section 159)</td>
</tr>
<tr>
<td>4 1/2%</td>
<td>Luxemburg Act (Section 26)</td>
</tr>
</tbody>
</table>

A number of other Acts, while not specifying any maximum, indicate an average figure for the full leviable rate of contribution to which insurance institutions are required to adhere. As a general rule, unless there are special reasons, the rate should never exceed nor fall below the statutory average figure. Such indications will be found, for instance, in the Austrian Act (Section 25 (4)), which gives the figure of 8.3 per cent.; the Polish Act (Section 46 (2)), giving the figure of 6.5 per cent.; and the German Act (Section 386), which specifies 7.5 per cent.
Contributions calculated according to the exact or approximate amount of the contributors' wages may or may not vary according to the degree of risk involved. Sickness insurance laws do not, usually, refer this matter to a rigid rule, but authorise insurance institutions to take account of the degree of risk pertaining to individual contributors when assessing contributions.

Without going into details we shall merely indicate such variations in contributions as are frequently authorised by insurance Acts in view of special risks accruing to the whole body of contributors from the membership of certain individuals or groups of individuals. The right to modify the contributions, for instance, of members belonging to certain trades, to be specified by the institutions' statutes, will be found in the German Act (Section 384 (1)); it will be found in the Austrian Act (Section 26), as exercisable for instance in the case of members who have not yet completed their trade apprenticeship, and in the German Act, again (Section 384 (2)), its modifications may be made according as members have or have not family responsibilities whenever the amount of sickness benefit varies in consequence of such responsibilities.

A considerable number of sickness insurance Acts provide, moreover, for contributions at increased rates to be paid by members engaged in trades which are particularly dangerous to the workers' health or which involve particular risks of disease. Such increased contributions are generally levied in the form of supplementary premiums designed to make provision against the supplementary risk due to the nature of the undertaking to which such contributors are exposed; see e.g. the German Act (Section 384, par. 1 and 3); the Austrian Act (Section 27); the Norwegian Act (Section 31 (3)); the Polish Act (Section 59); the Jugoslav Act (Section 23 (6)).

Whereas in the above-mentioned examples the supplementary premium required in the case of trades involving special risks of disease has no other purpose than to provide against the supplementary risk underwritten by the whole body of contributors, in the new Czechoslovak Act (Section 167) it amounts to a kind of penalty applied to heads of undertakings whose installation falls short of the requirements of industrial safety and hygiene, and this supplementary premium, therefore, ceases to be leviable when the employer has conformed to the relative regulations. Supplementary premiums to provide against extra risk and penalty supplementary premiums are payable in their entirety by the employer.
§ 2. — Apportionment of Contributions between the Insured Worker and his Employer

The wages of labour constitute the wage-earners' income which must suffice for his maintenance during periods of work as well as periods of illness. The worker is, however, unable, as a general rule, with the wages which he employs for the satisfaction of his immediate needs, to build up an economic reserve which would allow him to meet the expenditure entailed by sickness and, at the same time, maintain himself and his family at a time when disablement, consequent upon sickness, deprives him of his earnings. This is where sickness insurance intervenes, with the object of affording him the means necessary to restore him to health and to support his family. Sickness insurance benefit may thus be viewed in the light of a supplement to the wages of labour which restores the patient to economic life. The financial resources of sickness insurance are, therefore, to be regarded as part of the wages of labour, not available, however, to the wage-earner unless he falls sick. Such, in precise terms, is the part played in social life by sickness insurance, which does not distribute that part to those who earned it but to those who most need it.

The cost of insurance, though it necessarily goes to make up the cost of production, is nowhere, except under the Russian system, entirely discharged by the employer and recovered directly by him as part of the price of goods. On the contrary, the large majority of workers' insurance Acts divide the contributions either evenly or unevenly between the insured workers and the employer. A given amount designed to cover the cost of insurance is, therefore, added to wages, and the total amount thus obtained is regarded as the wage actually paid. In point of fact this amount is deducted at the time of paying the wage and handed over to the insurance institutions as the workers' contribution.

The requirement that the insured person should pay a portion of the contribution not only tends to discourage unnecessarily frequent appeals to the insurance institution, but also acts as a brake on the increase of contributions which would not be felt, for some time, at any rate, by the insured contributors in the shape of an increased deduction from their wages.

Neither the Roumanian nor the Russian Act stipulates for such apportionment of the contribution between the insured worker and the employer. The first-named Act (Section 29) provides for
payment of the full contribution by the insured worker, whereas the Russian Labour Code (Section 178) requires such payment from the undertaking and debars the latter from making any deduction from the insured workers' wages.

In other sickness insurance Acts, the apportionment of the contribution between the insured worker and the employer shows considerable variation as to the percentages respectively payable. The portion of the full contribution which is payable by the worker varies between 40 and $66\frac{2}{3}$ per cent. It is fixed at:

40 per cent. of the total contribution by the Polish Act (Section 47)
50 ,, ,, ,, ,, Czechoslovak Act (Section 162 (1))
50 ,, ,, ,, ,, Yugoslav Act (Section 35 (5))
50 ,, ,, ,, ,, Hungarian Act (Section 28)
50 ,, ,, ,, ,, Latvian Act (Section 62)
60 ,, ,, ,, ,, Norwegian Act (Section 31)
66\frac{2}{3} ,, ,, ,, ,, German Act (Section 381)
66\frac{2}{3} ,, ,, ,, ,, Austrian Act (Section 34)
66\frac{2}{3} ,, ,, ,, ,, Luxemburg Act (Section 26)

The employers' portion varies inversely (except in the case of the Norwegian Act (Art. 31), which assesses the employers' contribution at 10 per cent. only), and the figures are roughly the same, being:

33\frac{1}{3} per cent. of the total contribution in the German Act (Section 381)
33\frac{1}{3} ,, ,, ,, ,, Austrian Act (Section 34)
33\frac{1}{3} ,, ,, ,, ,, Luxemburg Act (Section 26)
50 ,, ,, ,, ,, Latvian Act (Section 62)
50 ,, ,, ,, ,, Hungarian Act (Section 28)
50 ,, ,, ,, ,, Yugoslav Act (Section 35 (5))
50 ,, ,, ,, ,, Czechoslovak Act (Sec. 162 (1))
60 ,, ,, ,, ,, Polish Act (Section 47)

Under the British Act the full weekly rate of contribution, which is 10d. for male contributors and 9d. for female contributors, is divided in such a manner that the proportion payable by the employer amounts to 5d. per week for all members, irrespective of sex, 5d. per week being deducted from male contributors' wages and 4d. per week from those of female contributors (Second Schedule).

The Portuguese Act, which provides for the compulsory insurance of both wage-earners and persons of independent means, does not stipulate for any payment on the part of employers. In order to make certain that the revenue of insurance institutions shall be sufficient for their needs, it requires, in the first place, that contributors themselves shall pay contributions in proportion to their
income and, in the second place, compels all non-insurable persons to contribute sums calculated in accordance with the amount of their income over and above a maximum (900 escudos) specified by the Act, and to pay a tax similarly calculated according to the taxpayer's income and the proceeds of which are exclusively employed for sickness insurance purposes (Sections 4 and 35).

In certain specified cases the insured contributor and the employer may be called upon to pay a percentage of the whole contribution differing from the normal statutory amount.

Thus the percentage payable by the employer is sometimes higher in respect of low-paid workers. The British Act (Second Schedule) may be quoted as an example. Here the employer's contribution is raised from 5d. to 6d. for all insured workers of the age of 18 or upwards whose daily wage is more than 3s. but less than 4s., and the insured worker's contribution is reduced in consequence to 4d. and 3d. respectively.

Insurance Acts almost without exception require employers to pay the whole of the contribution in respect of all workers who are not in receipt of wages, or do not receive payment in cash (e.g. the Norwegian Act (Section 32 (2)), the Polish Act (Section 47 (2)), the Roumanian Act (Section 129), the Czechoslovak Act (Section 162 (2)), etc.). The British Act imposes the same obligation on employers in respect of every insured person whose daily wage does not exceed 3s.

§ 3. — State Subsidies

Although all sickness insurance Acts agree in calling upon the parties concerned — insured workers and employers — to provide the major part of the funds for the working of the insurance system, they in no way exclude the financial assistance of the community (state, district, commune). The provision of such financial assistance is not the general practice, however, and where it does occur it assumes various shapes.

A few examples will serve to show in what manner financial support is given to compulsory sickness insurance by means of subsidies from public funds.

Insurance institutions sometimes receive state subsidies in the shape of lump sums intended either to cover initial establishment charges, or to provide the insurance institution with the machinery required to enable it to carry on its work (e.g. the Czechoslovak law, Section 257 — subsidies for the erection of hospitals).
State support is still greater when financial assistance takes the form of periodical payments calculated according to the cost of insurance. It is particularly extensive under the British law (Section 4), which makes the state liable for two-ninths of the total expenditure on sickness and disablement insurance. In Norway the state accepts liability for two-tenths and the communes for one-tenth of expenditure on sickness insurance (Norwegian Act, Section 31).

It frequently happens, moreover, that the State or the commune undertake to discharge the liabilities of insured workers who are temporarily prevented from paying their subscriptions (during military service, for instance).

In addition to this, there exists a further and very common form of state support, the state undertaking to discharge part of the cost of insurance, that is to say, accepting liability for the whole or a part of the expenditure entailed by the working of the insurance system. When the state only defrays the expenditure of the governmental services entrusted with the supervision of the insurance institutions, there can be no question of state financial support.

§ 4. — The Levying of Contributions: Deduction at source

To give effect to the principle of compulsory insurance, it is essential that contributions should be regularly collected. The only effective method of levying such contributions is that of deduction at source, according to which the employer is responsible for the payment of the whole contribution and is left to recoup himself for such proportion as falls to the share of the worker by deducting it from the wages of the latter when paying him. Compulsory sickness Acts without exception call upon the employer to pay the whole of the subscription.

It will suffice to quote as examples the British Act (Section 7) and the German Act (Sections 393 and 394), which prescribe the method of previous deduction as the general system of levying contributions and compel the insured contributors to consent to the deduction from their salary of such portion as falls to their share.

As regards the actual payment of the full contribution, two different methods are available: payment in cash or payment of the contribution by affixing to the contributor's insurance book insurance stamps, the proceeds of which are credited to the insurance institutions. The stamp system, which is met with, in an
ever increasing number of instances, is tending to become the general method of levying contributions; it can only be applied, however, if the insured contributors are classified according to wages, stamps of different values standing for the equivalent amount of contribution which corresponds to a particular wages class and is due for a specified period — usually one week. The system of prior deduction has numerous advantages, the main one being spontaneous payment of the contribution by the employer. The insurance institution is not obliged to collect contributions, but merely awaits their payment, being able to check arrears of contributions with ease by scrutinising insurance books.
CHAPTER II

RESOURCES OF FREE SICKNESS INSURANCE

Members' Contributions and State Subsidy

To meet insurance liabilities, the system of free sickness insurance relies, theoretically speaking, solely upon the insured members' contributions; the employer's share of the contribution is lacking. Members' contributions must suffice to cover the costs of insurance, less such expenditure as is defrayed by the state or the commune.

Even the system of deduction at source, which consists in making the employer responsible for the payment of the member's contribution, leaving the former to recoup himself for the expenditure on behalf of the insured worker by deducting it from his wages, cannot be introduced into the system of free sickness insurance, as the law establishes no connection between the insurance institution on the one hand and the employer on the other.

Under the system of subsidised sickness insurance, however, the community, that is the state or the commune, usually provides a larger measure of financial support than under the system of compulsory sickness insurance. The extent and manner of this assistance differ considerably as between various countries.

The financial obligations undertaken by the community towards insurance institutions in certain countries possessing a system of subsidised sickness insurance may be indicated by means of a few examples.

In Switzerland the Confederation allows the funds a yearly subsidy of from three to 5 francs per member, according to sex and according to whether the fund affords or does not afford a minimum both of benefits in cash and of benefits in kind of proper quality. In mountainous countries where communication is difficult and where the population is sparse, the Confederation allows the funds a supplementary yearly subsidy not exceeding 7 francs per member. In these districts the Confederation further allows subsidies to institutions with a view to reducing treatment fees
(Sections 35 and 37). Moreover, exceptional subsidies are granted to funds whose resources are inadequate to meet insurance liabilities.

The Danish Act grants all recognised sickness funds an allowance to be paid by the State Treasury and amounting, for each member of such fund, to 3 crowns per year plus one-quarter of the moneys expended by the fund on medical treatment, home treatment, drugs, and maintenance of patients in convalescent homes (Section 13).

The Swedish law also provides for a fixed allowance in cash amounting to 2 crowns per year per member of a recognised sickness fund. In addition to this, the state assumes liability for approximately one-quarter of the benefits in cash and in kind actually afforded to members (Section 16).

In Belgium, a friendly society receives a monthly subsidy of 50 centimes per person aged between 14 and 55 and 25 centimes per person aged below 14 or over 55. A further subsidy is payable, the amount of which depends on the amount of the contributions (see also p. 108).

In France, approved friendly societies receive from the State subsidies amounting to 12 per cent. of money expended on assisting members and their families in case of sickness, on providing them with a preventive and curative treatment, and on helping the invalid and incurable (Decree of 25 March 1921).
APPENDIX

LIST OF PRINCIPAL LEGAL TEXTS
Used in the Report on Sickness Insurance

ABBREVIATIONS


*For other abbreviations see the foot-notes given with the list of texts for each country.*

AUSTRALIA

**Commonwealth**

An Act to provide for payment of maternity allowances. No. 8 of 1912. 10 October 1912.

**New South Wales**


**Queensland**

An Act to consolidate and amend the law relating to friendly societies. No. 13. Assented to 29 October 1913. Amended by Act No. 30 of 1924.

**South Australia**

An Act to consolidate certain Acts relating to friendly societies. Assented to 20 November 1919, No. 1387.

An Act to further amend the Friendly Societies Act, 1919, and for other purposes. Assented to 7 December 1921, No. 1483.

**Victoria**

An Act to consolidate the law relating to provident societies. No. 2712. 6 September 1915.

**Western Australia**

An Act to consolidate and amend the law relating to friendly societies. Assented to 22 December 1923. No. 48 of 1923.
AUSTRIA

GENERAL LEGISLATION


No. XVII, 3 February 1923. B.G.B. 1923, No. 73.
No. XIX, 26 September 1923. B.G.B. 1923, No. 539.
No. XX, 27 March 1924. B.G.B. 1924, No. 90.

SPECIAL LEGISLATION

Civil Servants


BELGIUM

Act of 23 June 1894 to amend the Act of 3 April 1851 respecting mutual benefit societies. [Loi du 23 juin 1894 portant revision de la loi du 3 avril 1851 sur les sociétés mutualistes.]

Act of 19 March 1898 amending the Act of 23 June 1894 respecting mutual benefit societies (Conditions under which Government subsidies are granted). [Loi du 19 mars 1898 apportant des modifications à la loi du 23 juin 1894 sur les sociétés mutualistes (Conditions d’attribution des subsides gouvernementaux).]

Act of 5 May 1912 to provide subsidies for invalidity mutual funds. [Loi du 5 mai 1912 accordant des primes aux caisses mutualistes d’invalidité.] R.T. 1912, p. 578.

Act of 6 August 1923 to authorise the fusion of approved mutual benefit societies and federations thereof. [Loi du 6 août 1923 autorisant les sociétés et les fédérations mutualistes reconnues à fusionner.] R.T. 1923, p. 1738.

Act of 26 December 1923 to regulate the investment of funds of approved mutual societies (Amendment of Section 18 of the Act of 23 June 1894). [Loi du 26 décembre 1923 régulant le placement des fonds des sociétés mutualistes reconnues (Substitution de l'art. 18 de la loi du 23 juin 1894).] Moniteur belge du 11 janvier 1924, p. 133.

Ministerial Circulars of 20 February 1920 and 31 December 1922 respecting State subsidies to societies which organise medical and drug services. [Circulaires ministérielles du 20 février 1920 et du 31 décembre 1922 (subventions de l'Etat aux sociétés organisant le service médico-pharmaceutique).]

BULGARIA

Act of 7 April 1918 respecting the sickness and accident insurance of workers and employees. — D.V., 1918, broj. 132.

Act of 6 March 1924 respecting the general organisation of social insurance — Official Gazette, 1924, No. 289; L.S. 1924, Bulg. 1.

CHILE

Act No. 3185 of 8 January 1917 respecting nursing rooms. [Lei de salas cunas. El 8 de enero de 1917. No. 3185.]

Act No. 4054 of 8 September 1924 providing for compulsory insurance against sickness, invalidity and industrial accidents. [Lei num 4054, que declara obligatorio el seguro de enfermedades, invalidez y accidentes del trabajo. El 8 de septiembre de 1924.] D. O. 1924, No. 13987, p. 2291.

CZECHOSLOVAKIA

FORMER AUSTRIAN TERRITORY

GENERAL LEGISLATION


Act of 22 December 1921 to prolong the operations of the Act of 22 December 1920 and to amend the Sickness Insurance Act. [Zákon ze dne 22. prosince 1921 o prodloužení působnosti zákona za dne 22. prosince 1920, a o změně zákona o nemocenském pojištění dělníků.] S.Z.N. 1921, No. 489.


SPECIAL LEGISLATION

Miners


FORMER HUNGARIAN TERRITORY

GENERAL LEGISLATION

Act No. XIX of 6 April 1907 respecting the sickness and accident insurance of persons employed in industrial and commercial occupations. [XIX. törvényezzük az ipari és kereskedelmi alkalmazottaknak betegség és baleset esetére való biztosításáról. 1907, évi aprilis hő 6-án.] O. T. 9 April 1907; B.B. 1907, p. 269.

1 Abbreviations: D. O. = Diario Oficial.
Order of 23 September 1919 respecting the creation of a workers' insurance institution for Slovakia and the extension of workers' insurance to Slovakia. [Nařízení vlády republiky Československé ze dne 23. září 1919 o zřízení Zemské úřadovny pro dělnické pojištění na Slovensku v Bratislavě a rozšíření působnosti zákonů o dělnickém pojištění na Slovensku.] S.Z.N. 1919, No. 516.


Order of 27 January 1922 respecting provisions regulating sickness insurance in Slovakia and Sub-Carpathian Russia. [Nařízení ze dne 27. ledna 1922, kterým se upravují předpisy o nemocenském pojištění na Slovensku a v Podkarpatské Rusi.] S.Z.N. 1922, No. 20.

Order of 14 July 1922 amending and completing the provisions respecting sickness and accident insurance. [Nařízení ze dne 14. července 1922, kterým se mění a doplňují ustanovení o úrazovém a nemocenském pojištění dělníků.] S.Z.N. 1922, No. 199.

Order of 30 December 1922, amended by the Orders of 19 July 1923 and 29 December 1923, prolonging the operation of provisions regulating sickness insurance in Slovakia and Sub-Carpathian Russia. [Nařízení ze dne 30. prosince 1922 se změnami stanovenými nařízením ze dne 19. července a 29. prosince 1923 jímž se prodlužuje působnost některých právních předpisů o nemocenském pojištění.] S.Z.N. 1922, No. 398, and 1923, Nos. 145 and 249.

**Special Legislation**

**Agriculture**

Act No. XVI of 3 July 1900 respecting the Benefit Fund for agricultural workers and farm servants. [XVI. törvényezzük a gazdasági munkács és cselédsegélypénztárról. 1900. évi július hó 3-án.] O.T., 7 July 1900.

Act No. XIV of 26 June 1902 to supplement Act No. XVI of 3 July 1900 respecting the Benefit Fund for agricultural workers and farm servants. [XIV. törvényezzük a gazdasági munkács és cselédsegélypénztárról szóló 1900: XVI. t.-c. kiegészítéséről. 1902. évi junius hó 26-án.] O.T., 29 June 1902.


Act No. XX of 28 June 1913 respecting the State Fund for agricultural workers and respecting the legal regulations in force concerning the accident insurance and sickness relief of farm servants and workers employed in agricultural undertakings in connection with machinery. [XX. törvényezzük az Országos Gazdasági Munkáspénztárról és a gazdasági cselédék, valamint a gazdasági gépmunkások baleset esetére való biztosítása és betegség esetében való ellátása tekintetében irányadó törvényes rendelkezésekről. 1913. évi, junius hó 28-án.] O.T., 2 July 1913.

Orders of the Minister in charge of Slovakia dated 23 August 1919, 24 July 1920 and 5 April 1921. [Nařízení ministra s plnou mocí pro správu Slovenská z. 23. srpna 1919, 24. července 1920 a 5. dubna 1921.]

**DENMARK**

Act of 29 April 1913 relating to work in factories, etc. and the public inspection of the same. [Lov om Arbejde i Fabrikker m. v. samt det offentlige Tilsyn dermed. Den 29de april 1913.] B.B. 1913, p. 324.

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1 *Abbreviations; L = Lovtidende. S.F. = Social Forsorg.*


Notification by the Minister of the Interior of Act No. 144 of 10 May 1915 concerning approved sick funds, as amended by the Act of 6 May 1921. Dated 20 June 1921. [Indenrigsministeriets Bekendtgørelse af 20 Juni 1921 af Lov Nr. 144 af 10 Maj 1915 om anerkendte Sygekasser, saaledes som denne er ændret i Honhold til Lov af 6 Maj 1921.] L.S. 1921 (1) Den. 2.


ESTONIA


FINLAND

Order of 2 September 1897 respecting mutual benefit funds. [Asetus työntekijän apukassoista. 2.9.1897.] S.A. 1897.

FRANCE

GENERAL LEGISLATION

Act of 1 April 1898 respecting mutual benefit societies. [Loi du 1er avril 1898 relative aux sociétés de secours mutuels.] B.L. 1898, No. 1954, p. 1056.

Act of 31 March 1903 fixing the general budget of expenditure and revenue for the financial year 1903 (Section 61). [Loi du 31 mars 1903 portant fixation du budget général des dépenses et des recettes de l’exercice 1903 (art. 61).] B.L. 1903, No. 2461, p. 2053.

Act of 2 July 1904 amending the first paragraph of Section 16 of the Act of 1 April 1898 respecting mutual benefit societies. [Loi du 2 juillet 1904 modifiant le premier paragraphe de l’article 16 de la loi du 1er avril 1898 sur les sociétés de secours mutuels.] B.L. 1905, No. 2587, p. 161.

Act of 5 December 1908 authorising certain exceptions to the Act of 1 April 1898 in favour of mutual benefit societies set up in the army and navy. [Loi du 5 décembre 1908 autorisant certaines dérogations à la loi du 1er avril 1898 en faveur des sociétés de secours mutuels constituées dans les armées de terre et de mer.] B.L. 1908, No. 3014, p. 3165.

Act of 1 April 1914, rendering the duties of a member of the Superior Council for Mutual Benefit Societies incompatible with those of a director of an association which procures special advantages for a certain category of its members. [Loi du 1er avril 1914 établissant une incompatibilité entre

1 Abbreviations: S.A. = Suomen Asetuskokoelma.
2 Abbreviations: B.L. = Bulletin des lois. J.O. = Journal officiel de la République française.
les fonctions de membres du conseil supérieur des sociétés de secours mutuels et celles de directeur ou d'administrateur d'une société créant au profit d'une catégorie de ses membres des avantages particuliers.] B.L. 1914, No. 127, p. 878.

Act of 15 August 1923 amending the Act of 1 April 1898 respecting mutual benefit societies. [Loi du 15 août 1923 modifiant la loi du 1er avril 1898 concernant les sociétés de secours mutuels.] J.O. 1923, p. 8238; errata, p. 10280.

Order of 25 March 1921 regulating the grant of subsidies to approved mutual benefit societies, approved federations of mutual benefit societies, and miners' benefit societies. [Arrêté du 25 mars 1921 réglementant l'attribution des subventions aux sociétés de secours mutuels approuvées, aux unions approuvées de sociétés de secours mutuels et aux sociétés de secours des ouvriers mineurs.] J.O. 1921, No. 115, p. 5104.

Decree of 31 March 1923 fixing the rate of interest to be allowed by the Deposit Fund on the funds of mutual benefit societies during the year 1923. [Décret du 31 mars 1923 fixant le taux de l'intérêt servi par la Caisse des dépôts sur les fonds des sociétés de secours mutuels pour l'année 1923.] J.O. 1923, No. 93, p. 3459.

Decree of 15 April 1924, issued by the Minister of Labour and Health, respecting the independent funds of mutual benefit societies. [Décret du 15 avril 1924 du ministre du Travail et de l'Hygiène relatif aux caisses autonomes des sociétés de secours mutuels.] J.O. 1924, No. 113, p. 3735.

GERMANY 1

GENERAL LEGISLATION


SPECIAL LEGISLATION

Miners


GREAT BRITAIN 2


The National Health Insurance (Arrears) Amendment Regulations, 1924, dated 30 October 1924, made by the National Health Insurance Joint Committee under the National Health Insurance Acts, 1911 to 1924. — S.R. and O. 1924, No. 1242.

1 Abbreviations: R.G.B. = Reichsgesetzblatt.
2 Abbreviations: S.R. & O. = Statutory Rules and Orders.
The National Health Insurance (Valuation) Regulations, 1924, dated 18 November 1924, made by the National Health Insurance Joint Committee under Sections 36, 38 and 83 of the National Insurance Act, 1911 (1 and 2 Geo. V, c. 55). — S.R. and O. 1924, No. 1316.

The National Health Insurance (Joint Committee) Regulations, 1924, dated 18 November 1924, made by the National Health Insurance Joint Committee under Subsections 3 and 4 of Section 88 of the National Health Insurance Act, 1924 (14 and 15 Geo. V, c. 38). — S.R. and O. 1924, No. 1315.

The National Health Insurance (Exempt persons) regulations, 1924, dated 30 December 1924, made by the National Health Insurance Joint Committee, the Minister of Health and the Scottish Board of Health under the National Health Insurance Act, 1924 (14 and 15 Geo. V, c. 38). — S.R. and O. 1924, No. 1501.

The National Health Insurance (Exempt persons) amendment regulations, 1924, dated 30 December 1924, made by the National Health Insurance Joint Committee, the Minister of Health and the Scottish Board of Health acting jointly under the National Health Insurance Acts, 1911 to 1924. — S.R. and O. 1924, No. 1517.

The National Health Insurance (Seamen's Medical Benefit) Regulations, 1924, dated 22 December 1924, made by the Minister of Health under Sections 63 (5) and 24 of the National Health Insurance Act, 1924 (14 ann 15 Geo. V, c. 38). — S.R. and O. 1924, No. 1461.


The National Health Insurance (Investment account) Regulations, 1924, dated 16 December 1924, made by the Treasury under Section 70 (1) of the National Health Insurance Act 1924 (14 and 15 Geo. V, c. 38) as to sums paid over to the National Debt Commissioners for investment. — S.R. and O. 1924, No. 1459.

The National Health Insurance (Medical Benefit) consolidated regulations, 1924, dated 17 December 1924, made by the Minister of Health under the National Health Insurance Act 1924 (14 and 15 Geo. V, c. 38) and under Section 1 (1) of the National Health Insurance (Cost of medical benefit) 1924, (14 and 15 Geo. V, c. 10) relating to the administration of medical benefit. — S.R. and O. 1924, No. 1433.

The National Health Insurance (Deposit Contributors) Amendment Regulations, No. 2, 1924, dated 18 December 1924, made by the National Health Insurance Joint Committee, the Minister of Health and the Scottish Board of Health acting jointly under the National Health Insurance Acts, 1911 to 1924. — S.R. and O. 1924, No. 1483.


The National Health Insurance (Mercantile Marine) (Collection of Contributions) regulations, 1924, dated 23 December 1924, made by the National Health Insurance Joint Committee, the Minister of Health, the Scottish Board of Health and the Minister of Labour for Northern Ireland acting jointly under Section 8 of the National Health Insurance Act, 1924 (14 and 15 Geo. V, c. 38). — S.R. and O. 1924, No. 1507.

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GREECE 1

Act No. 2868 of 16 July 1922, respecting the compulsory insurance of wage-earning and salaried employees. — E.K. 1922, No. 119, p. 554; L.S. 1922, Gr. 3.

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1 Abbreviations; E.K. = Εφήμερις τῆς Κυβερνήσεως.
Legislative Decree of 19 November 1923, to amend and supplement Act No. 2868 respecting the compulsory insurance of wage-earning and salaried employees. — E. K. No. 345, 28. 11. 23, p. 2493; L. S. 1923, Gr. 6.

Royal Decree of 8 December 1923 to consolidate the provisions of Act No. 2868 and of the Legislative Decree of 19 November 1923, to amend and supplement the said Act. — E. K. No. 373, 21. 12. 23, p. 2690.

HUNGARY ¹

General Legislation

Act No. XIX of 6 April 1907 respecting the sickness and accident insurance of persons employed in industrial and commercial occupations. [XIX törvényezékk az ipari és kereskedelmi alkalmazottaknak betegség és baleset esetére való biztosításáról. 1907. évi aprillis hó 6-án.] O. T., 9 April 1907; B. B. 1907, p. 247.

Special Legislation

Agriculture

Act No. XVI of 3 July 1900 respecting the Benefit Fund for agricultural workers and farm servants. [XVI. törvényezékk a gazdasági munkás- és cselédsegélypénztárról. 1900. évi július hó 3-án.] O. T., 7 July 1900.

Act No. XIV of 26 June 1902 to supplement Act No. XVI of 3 July 1900 respecting the Benefit Fund for agricultural workers and farm servants. [XIV. törvényezékk a gazdasági munkás és cselédsegélypénztárról szóló 1900: XVI. t. -cz. kiegészítéséről. 1902. évi június hó 26-án.] O. T., 29 June 1902.


Act No. XX of 28 June 1913 respecting the State Fund for agricultural workers and respecting the legal regulations in force concerning the accidents insurance and sickness relief of farm servants and workers employed in agricultural undertakings in connection with machinery. [XX. törvényezékk az Országos Gazdasági Munkáspéneztérről és a gazdasági cselédék, valamint a gazdasági gépmunkások baleset esetére való biztosítása és betegség esetében való ellátása tekintetében irányadó törvényes rendelkezéséről. 1913. évi június hó 28-án.] O. T., 2. July 1913.

IRISH FREE STATE ²

An Act to provide for insurance against loss of health and for the prevention and cure of sickness and for insurance against unemployment, and for purposes incidental thereto. 16 December 1911. (1 and 2 Geo. V, c. 55.)

An Act to amend Parts I and III of the National Insurance Act, 1911. 15 August 1913. (3 and 4 Geo V, c. 37.)

An Act to amend Part I of the National Insurance Act, 1911, 16 March 1915. (5 Geo. V, c. 29.)

An Act to amend the Acts relating to National Health Insurance. 6 February 1918. (7 and 8 Geo. V, c. 62.)

An Act to alter the rate of remuneration for the purposes of exception from insurance under the National Insurance (Health) Acts 1911 to 1918 and for purposes in connection therewith. 15 August 1919. (9 and 10 Geo. V, c. 36.)

An Act to amend the Acts relating to National Health Insurance. 20 May 1920. (10 and 11 Geo. V, c. 10.)

¹ Abbreviations: O. T. = Országos Törvénytár.
² Abbreviations: S. R. & O. = Statutory Rules and Orders.

The National Health Insurance (Arrears) Amendment Regulations (No. 2), 1924.

Regulations, dated 21 June 1924, made by the Irish Insurance Commissioners, with the concurrence of the Minister for Local Government and Public Health, amending the National Health Insurance (Irish Migratory Labourers Benefits) Regulations, 1918.


An Act to establish a medical certification Fund under the control and management of the Irish Insurance Commissioners, and for that purpose and also for other purposes to amend and extend the National Health Insurance Acts, 1911 to 1923. Dated 28 July 1924. (No. 30 of 1924.) — L.S. 1924, I.F.S. 2.


ITALY

Act No. 3818 of 15 April 1886 respecting the constitution of mutual benefit societies. [Legge 15 aprile 1886, n. 3818 (s. 3a), che approva la costituzione legale delle società di mutuo soccorso.] Codici e Leggi usuali d’Italia (Prof. Franchi), Vol. II: Leggi usuali d’Italia (N-S).


Royal Decree No. 23 of 4 January 1920 establishing rules for the grant by the State of subsidies to mutual benefit societies. [Regio decreto 4 gennaio 1920, n. 23 contenente norme per la concessione di sussidi da parte dello Stato a società di mutuo soccorso.] B.L. 1920, II, 121.


JAPAN
Act No. 70 of 22 April 1922, relating to Health Insurance. — Kampo, No. 294, 22 April 1922; L.S. 1922, Jap. 3.

LATVIA
Sickness Insurance Code for workers and employees, issued by the Codification Section of the Ministry of Justice, 1922. [Noteikumi par strādnieku un citu aģotu darbinieku nodrošināšanu slimības gadījumos. Tieslietu ministrijas kodifikācijas nodaļas 1922, gada izdevums.] L.S. 1922, Lat. 2.

LITHUANIA

Memel Territory
Order of 10 January 1924 to amend the Order of 18 November 1922 respecting the reorganisation of social insurance in the Memel Territory. [Paliepimas pakeisti Paliepimo apie socialy Apdraudima Klaipėdos Krasztė Pakeitima isz 18. Nowemebio 1922 (Waldz. Zin. Pusl. 1193) 10 Januar 1924.]

LUXEMBURG
Act of 31 July 1901 relating to the insurance of workmen against sickness. [Loi du 31 juillet 1901 concernant l’assurance des ouvriers contre les maladies.]
Act of 21 April 1908 to supplement and amend the Acts relating to the compulsory insurance of workmen against accidents and sickness. [Loi du 21 avril 1908 complétant et modifiant la législation concernant l’assurance obligatoire des ouvriers contre les accidents et les maladies.] M. 1908, No. 25; B.B. 1908, p. 109.

2 Abbreviations; K.K.W.Z. = Klaipédos Krassto Waldzios Žinios.
3 Abbreviations; M. = Mémorial du Grand-Duché de Luxembourg. P.L. = Pasi­nomie luxembourgeoise.


NETHERLANDS 1

Act of 5 June 1913 respecting the administration of workmen’s sickness insurance (Labour Councils Act.) Amended by the Acts of 11 April 1919, and 27 September 1920. [Wet van den 5den Juni 1913, tot regeling der arbeidersziekteverzekering (Radenwet).] S., 1913, No. 203; 1919, No. 165; 1920, No. 754.

Act of 5 June 1913 relating to workmen’s sickness insurance. [Wet van den 5den Juni 1913 tot regeling der arbeidersziekteverzekering (Ziektewet).] S., 1913, No. 204. (Not yet in operation.)

NEW ZEALAND

Friendly Societies Act, 1909 (as amended 1911, 1914, 1915).

An Act to encourage the making of provision against destitution arising from old age, sickness, widowhood, and orphanage (No. 41). 21 November 1910.


An Act to amend the National Provident Fund Act, 1910 (No. 26, 31 October 1910).

National Provident Fund (Amendment) Act (No. 34, 1914).

NORWAY 2


Act of 15 June 1917 to amend and supplement the Act respecting sickness insurance of 6 August 1915. [Lov av 15 Juni 1917 om forandring i og tillæg til lov om sykeforsikring av 6 August 1915.] N.L., 1917, p. 350; L.S. 1920, Nor. 3bis.

Provisional Act supplementing the benefits to persons entitled to sickness benefit and family allowances in pursuance of the Sickness Insurance Act of 6 August 1915 and the supplementary Act of 15 June 1917. [Midlertidig lov av 23 Juli 1918 om tillågs understøttelse for sykepenge og familiebidragsberettigede ifølge lov om sykeforsikring av 6 August 1915 med tillægslov av 15 Juni 1917.] L.S., 1920, Nor. 3bis.


1 Abbreviations; S. = Staatsblad.
2 Abbreviations; N.L. = Norsk Lovtidende.

PERU

Act of 25 November 1918 to regulate the employment of women and children. [Ley que reglamenta el trabajo de las mujeres y de los niños. 25 de noviembre de 1918.] Boletín del Instituto de reformas sociales, 1919, p. 659; B.B. 1919, p. 186.

POLAND


Act of 6 July 1923 to amend Sections 103, 104 and 105 of the Act of 19 May 1920 respecting compulsory sickness insurance. [Ustawa z dnia 6 lipca 1923 r. w przedmiocie zmiany artykułów 103, 104 i 105 ustawy z dnia 19 maja 1920 r. o obowiązkowym ubezpieczeniu na wypadek choroby.] D.U., 1923, No. 75, poz. 589, str. 875; L.S. 1923, Pol. 3. B.

Decree of the Minister of Finance issued in agreement with the Minister of Labour and Social Welfare respecting the conversion into Polish currency (złoty) of the pecuniary benefits mentioned in the Act of 19 May 1920 respecting compulsory sickness insurance. Dated 30 June 1924. [Rozporządzenie Ministra Skarbu z dnia 30 czerwca 1924 r. wydane w porozumieniu z Ministrem Pracy i Opieki Społecznej w sprawie przerachowania na złote kwot pieniężnych, wyrażonych w ustawie z dnia 19 maja 1920 r. o obowiązkowym ubezpieczeniu na wypadek choroby.] D.U., 1924, No. 58, poz. 591, str. 858.

PORTUGAL

Decree No. 5636 of 10 May 1919 respecting the institution of compulsory sickness insurance. [Decreto n. 5636, organizando o seguro social obrigatorio na doença. 10 de maio de 1919.] D.G., Ist series, No. 98, 8th suppl., 10 May 1919.

ROUMANIA

Act of 25 January 1912 respecting the organisation of handicrafts minor credit institutions, and workmen's insurance. [Lege pentru organizarea meserilor, creditului si asigurarilor muncitoresti.] M.O., 27 January 1912, No. 236; B.B. 1913, p. 53.

Acts of 26 April and 31 May 1913 to amend and supplement the Act of 25 January 1912. [Legi pentru modificarea si adaugirea unor dispozitii din legea pentru organizarea meserilor, creditului si asigurarilor muncitoresti.] M.O., 28 April - 5 June 1913.

Act of 2 July 1924 to amend and supplement provisionally certain provisions of the social insurance laws for the territory of Roumania. [Lege pentru modificarea si completarea proviziorii a unor dispozitii din legile asigurarilor sociale din cuprinsul României.] M.O., 4 July 1924, No. 143, p. 7613; L.S. 1924, Rou. 4.

1 Abbreviations; D.U. = Dziennik Ustaw.
2 Abbreviations; D.G. = Diario do Governo.
3 Abbreviations; M.O. = Monitorul Oficial.
RUSSIA


Circular of 22 February 1922 of the P.S.I.C. respecting the organisation of territorial insurance funds. — B.P.S.I.C. 1922, No. 5.


Order of 6 June 1922 of the C.P.C. issuing regulations concerning the Central Social Insurance Board. — Izvestia, 11 June 1922.

Regulations of 11 July 1922 for the social insurance boards for the governments. — B.P.S.I.C., 1922, No. 27.

Decree of 21 December 1922 of the All-Russian Central Executive Committee and the C.P.C., to transfer social insurance questions from the P.S.I.C. to the P.L.C. — C.L. 1922, No. 81.


Instructions no. 125/29, issued on 24 March 1923 by the P.L.C., respecting the payment by one insurance fund of benefit for temporary loss of working capacity to members of another fund. — I.Q. 1923, No. 14.

Decree of 2 April 1923 of the C.P.C. concerning employers' liability for contraventions of the social insurance laws. — C.L. 1923, No. 27.

Order of 12 April 1923 of the All-Russian Central Executive Committee and the C.P.C. respecting the scale of insurance contributions for persons employed for remuneration. — C.L. 1923, No. 31.

Circular and Instructions of 12 June 1923 of the P.L.C. respecting supervision of the payment of insurance contributions. — I.Q. 1923, No. 23.


Regulations of 21 July 1923 of the P.L.C. respecting insurance offices and authorised representatives of insurance funds. — I.Q. 1923, No. 34.

Circular of 14 September 1923 of the P.L.C. of the U.S.S.R., respecting the insurance of apprentices in small-scale industry, industrial arts and handicrafts, and in industrial co-operative societies. — I.Q. 1923, No. 38.

Order of 3 January 1924, of the P.L.C. of the U.S.S.R., issuing rules for assistance to disabled workers whose incapacity for work is due to an industrial accident, and also to members of the families of wage-earning and salaried employees whose death is the result of an accident. — B.P.L.C. 1924, No. 1.


Order of 8 February 1924, of the Central Executive Committee and the C.P.C., to alter the scale of insurance contributions for institutions appearing in State and local budgets. — Izvestia, 10 February 1924.

Order of 15 June 1924, of the P.L.C. of the U.S.S.R., respecting the rates of pensions and benefit for social insurance purposes. — B.P.L.C. 1924, No. 27.

Instructions of 30 June 1924, of the People's Transport Commissariat of the U.S.S.R., concerning the calculation and payment of insurance contributions for railway workers. — B.P.L.C. 1924, No. 39.

Order No. 249, issued on 26 July 1924 by the P.L.C., respecting the maximum amount of benefit for temporary loss of working capacity. — B.P.L.C. 1924, No. 31.


Order of 7 August 1924, of the P.L.C. of the U.S.S.R., concerning the insurance of disabled persons employed for remuneration.

SERB-CROAT-SLOVENE KINGDOM


SPAIN

Act of 30 June 1887 respecting friendly societies. [Ley de 30 junio 1887 sobre mutualidades.]

Act of 13 March 1900 respecting the employment of women. [Ley de 13 marzo 1900 sobre el trabajo de las mujeres.]

Act of 8 January 1907 to amend Section 9 of the Act of 13 March 1900 relating to the employment of women. [Ley reformando el art. 9 de la ley de 13 marzo 1900 en lo relativo al trabajo de las mujeres, 8 de enero de 1907.] B.I.R.S. III, p. 561–562; B.B. 1907, p. 220.

Decree of 21 August 1923 amending Section 9 of the Act of 13 March 1900 respecting the employment of women and children, as amended by the Act of 8 January 1907. [Real decreto reformando el artículo 9º de la ley de 13 de marzo de 1900 sobre el trabajo de las mujeres y los niños. 21 de agosto 1923.] G.M., 23 de agosto de 1923, No. 235; p. 811; L.S. 1923, Sp. 4.

SWEDEN


SWITZERLAND


Abbreviations: B.I.R.S. = Boletin del Instituto de Reformas sociales. G.M. = Gaceta de Madrid.
S.F. = Svensk Författningssamling.
R.L.F. = Recueil des lois fédérales.
Sickness Insurance Order No. I of 7 July 1913 fixing the rules to be followed in according recognition to sickness funds and in auditing of their accounts. [Ordonnance I sur l'assurance-maladie, fixant les règles à suivre pour la reconnaissance des caisses-maladie et la clôture de leurs comptes. Du 7 juillet 1913.] R.L.F. 1913, p. 239.

Sickness Insurance Order No. II of 30 December 1913 fixing the rules to be followed in calculating the amount of Federal subsidies. [Ordonnance II sur l'assurance-maladie, fixant les règles à suivre pour le calcul des subsides fédéraux. Du 30 décembre 1913.] R.L.F. 1914, p. 5.

CANTONAL LEGISLATION

Compulsory Insurance

Appenzell (Outer Rhoden)


Appenzell (Inner Rhoden)

Decree of 29 November 1920 respecting sickness insurance. [Verordnung über die Krankenversicherung vom 29. November 1920.]

Basle-Town


Fribourg


Geneva

Act of 11 November 1919, amended on 29 June 1921, respecting compulsory sickness insurance for school children. [Loi du 11 novembre 1919, modifiée le 29 juin 1921, sur l'assurance scolaire obligatoire en cas de maladie.]

St. Gall


Vaud

Act of 31 August 1916, amended by that of 28 November 1918, respecting the creation of a fund for insuring children against sickness in the Canton of Vaud. [Loi du 31 août 1916, modifiée par celle du 28 novembre 1918, concernant la création d'une caisse cantonale vaudoise d'assurance infantile en cas de maladie.]

Order of 29 September 1920 rendering sickness insurance compulsory in the case of children attending primary schools. [Arrêté du 29 septembre 1920 rendant obligatoire l'assurance infantile en cas de maladie pour les enfants fréquentant les écoles primaires.]

Zug
