

The classifications shown account for 62.8% of the total payroll and 43.8% of the total premiums earned for policy year 1923. It will be noted that, while rates in many cases have increased greatly over those initially in effect, in some cases the differences are not so marked, while in others the rates have actually declined. The explanation for this lies in the fact that, in the beginning, rates were in some cases set too high and that accident costs in individual classifications vary according to accident frequency and severity. It is agreed that the largest influence on rates has been the great increase in payrolls over the 1914 period. If wage levels had remained stationary, all the rates would have been very much higher than shown.

The relative hazard of the various occupations listed as determined by accident experience is well illustrated by the last column showing rates which became effective on June 30, 1926. Iron and steel erection is far in the lead as the most hazardous occupation, a rate of \$27.45 being considered necessary to cover losses. In other words, the employer must pay an amount equal to more than one quarter of his payroll to obtain compensation insurance. Carpentry ranks second, with a rate of \$18.71, and logging and lumbering is third, with \$17.23. Blast furnaces lead the manufacturing occupations, with a rate of \$8.68.

That the trend of compensation rates has been quite consistently and steadily upward is well established by Table 36. This steady increase has caused considerable dissatisfaction among employers as may be seen from the accounts of their experience with workmen's compensation. Many of them probably do not understand the reasons behind rate increases or the actuarial formulæ for determining their amount. Frequently the employer has felt that his industry was not properly classified, that the rates were too high for the hazards involved and that the safeguards and hospital units which he had installed had not been duly discounted. In fact, one company found that instead of reducing the yearly premium, the credit allowed for a hospital unit was taken away by reducing the experience credit and thereby increasing the adjusted rate. Some employers feel that their safety records have not been sufficiently taken into account. One of the

