



CHAPTER III

GROUP SICKNESS AND ACCIDENT INSURANCE

A GENERALLY accepted legal definition of group sickness and accident insurance has not been devised, but carriers conform closely to the group life requirements, except that some carriers permit a minimum coverage of 25 lives. It provides a weekly sum for the employee and his dependents when sickness or non-occupational accident temporarily stops his earnings.

Usually group sickness and accident insurance covers illness and temporary accident disability from non-occupational causes. Sometimes it covers occupational accident hazards in addition. There is, therefore, an overlapping in a few cases of workmen's compensation and group insurance, but in no instance is group coverage accepted as a legal substitute for compensation insurance where the latter is required by law. Group sickness and accident insurance operates independently of workmen's compensation insurance, although in several plants occupational coverage was devised to pay benefits during the waiting period required in compensation cases. The usual procedure, however, is to cover illness and non-occupational accident hazards and to provide for benefit payments after one week of illness or disability.

EXTENT OF THIS FORM OF INSURANCE

Group sickness and accident insurance was carried by 81 of the 618 companies studied. Of the 1,234,924 employees in the companies who supplied data for the investigation, 117,457, or approximately 10%, were protected by group sickness and accident insurance. Such benefits may be carried independently or together with group life insurance. Seventy-seven of the eighty-one companies carried both forms of insurance.