

CHAPTER IV

GROUP INSURANCE, MUTUAL BENEFIT ASSOCIATIONS AND PENSION PLANS

GROUP INSURANCE AND MUTUAL BENEFIT ASSOCIATIONS

BEFORE the advent of group insurance the only institution within the factory itself which sought to provide for the needs of the workers and their dependents in sickness and after death was the mutual benefit association. Such associations commonly provided moderate death benefits for the families of deceased workers, and a small weekly income in case of disability through sickness. As a rule, group life insurance provides in more generous measure for the immediate family needs of workers who die in the service, and group sickness insurance provides equal or greater relief in sickness, and in both instances there is no doubt that the stipulated relief will be forthcoming. From this point of view, group insurance seems to be a superior method of protecting the worker and his family against industrial hazards, although it should be noted that some mutual-aid societies provide equal or even greater benefits than are usually available under the group insurance plan.

While the introduction of group life insurance usually supersedes the function of the mutual benefit association in the payment of death benefits, the association may continue to fulfill a useful function. It may confine its benefits to those arising out of sickness. Moreover, it may be definitely linked with the group life insurance when, as is frequently the case, the latter extends only to members of the association.

Nor does the introduction of group sickness insurance necessarily terminate the usefulness of the association. Such insurance may again be confined to members of the association, and it may be good policy to preserve the existence of the latter. This is sometimes effected by having the em-