

## STATE WORKMEN'S INSURANCE FUND



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The State Workmen's Insurance Fund was created by special Act of the General Assembly of the Commonwealth of Pennsylvania coincident with the enactment of the Workmen's Compensation Law for the purpose of providing employers of labor in Pennsylvania a means of obtaining protection under the Workmen's Compensation Act, at net cost. The Fund is administered by the State Workmen's Insurance Board, which is an Administrative Board

in the Department of Labor and Industry. The Secretary of Labor and Industry is designated as Chairman of the Board, while the other two members comprising the Board are the State Treasurer and the Insurance Commissioner. The present members of the Board are Peter Glick, Chairman; Edward Martin, State Treasurer; and Matthew H. Taggart, State Insurance Commissioner.

The State Workmen's Insurance Fund received an appropriation from the General Assembly with which to start its activities, and again two years after its inception, it received an additional appropriation for the purpose of firmly establishing the Fund. These two appropriations amounted to \$500,000, which amount has since been returned to the Commonwealth of Pennsylvania. Since 1917, the State Workmen's Insurance Fund has not received any State appropriation and has been self-supporting. The expense of conducting the work of the Fund is paid out of premiums paid into the Fund by employers of labor who insure their liability under the Workmen's Compensation Act with the State Fund.

The State Fund has an accumulated surplus over and above all liabilities of approximately \$3,000,000; \$2,000,000 of this amount has been set aside as a general surplus, while \$1,000,000 has been set aside as a special catastrophe reserve. This surplus and reserve is considered by all authorities as ample to meet any contingency which may confront the Fund in the way of a catastrophe. In addition to the reserve for catastrophe of \$1,000,000, the Fund carries reinsurance to the amount of \$500,000 as a precautionary measure.

The State Fund, for the past few years, has operated on a net cost basis. After all losses have been paid and proper reserves set aside to take care of unpaid losses and the expense of the management of the Fund has been ascertained for each year, the balance remaining from premium income is distributed to policyholders of record during the year, in the form of dividends, which, during the past few years, have amounted to rather attractive figures.

The general operations of the State Fund are practically the same as those of any other insurance carrier which issues policies in accordance with the Pennsylvania Insurance Department's rules and regula-



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