

MARYLAND MANUAL.

to formulate reasonable rules and regulations for the establishment and maintenance of safety, having in mind the prevention of and reduction in accidents in occupations governed by the provisions of the Workmen's Compensation Law. Shortly after the adoption of this amendment the Commission organized a Safety Department for the purpose of carrying on this work, which department is administered by the Commission.

Since the passage of the Workmen's Compensation Law in 1914 there have been numerous amendments passed by the General Assembly. These amendments had in view the purpose of adapting the law to conditions as they now exist. Some of the more important changes were made in 1931 on the recommendations of a committee appointed by the Governor for that purpose, and were concurred in by representatives of employees, employers and insurance carriers.

The jurisdiction of the State Industrial Accident Commission is continuing. Many petitions for reopening or rehearing, after final settlement of claims, are presented, requiring long record of medical and other testimony, many resulting in appeals. This greatly increases the work and expense of the department from year to year.

When the General Assembly of Maryland in 1914 passed the Workmen's Compensation Act, they recognized the fact that employers might be put in the position where they would not be able to comply with the Act, due to the fact that the private insurance companies would refuse to carry their risk. Furthermore, they felt that inasmuch as this form of insurance was compulsory under the State Law, that they should provide a place where the insurance could be secured at practically the cost of writing this form of insurance. They, therefore, created the State Accident Fund to be administered by the State Industrial Accident Commission. This Fund has grown gradually and has become the largest writer of Compensation Insurance of Maryland business in the State and is in a strong financial condition, affording sure and ample protection under the Workmen's Compensation Law of Maryland. Due to the fact that the Fund is endeavoring to furnish this protection at as near cost as possible, it has saved a great deal of money for those who have insured through it.

Effective March 1, 1926, the Commission inaugurated a new merit-rating system, the purpose of which is to reward and stimulate the policyholders of the Fund in their work of accident prevention and to measure the rate more closely to the individual hazard of the policyholder, preserving to the policyholder, of course, the basic principles of insurance protection, so that any severe losses will still be distributed. This merit-rating system is working out very satisfactorily, and is offering an incentive to the policy holder to take a greater interest in accident prevention in his plant.

The expense of operating the State Industrial Accident Commission is not a burden upon the taxpayers of the State as the entire expense of the Commission, not including the State Accident Fund, is borne by the private insurance companies which write Compensation Insurance, self-insurers, and the State Accident Fund, while the cost of operating the State Accident Fund is borne by the policyholders insuring in the Fund.