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Workmen's Compensation in Kentucky

By LUCIAN H. CARTER* and KERMIT PATTERSON**

The Workmen's Compensation Law of Kentucky, passed in 1916, has been in effect sufficiently long to give facts of great historical value. When the Compensation Bill was being discussed in both Houses of the Legislature of Kentucky (1914-1916) it was unanimously agreed that there were far too many accidents in the Commonwealth. The consensus of opinion was that accidents were 60% preventable and 40% non-preventable. To add to the seriousness of the situation, accidents were increasing in both frequency and severity. The workers and dependents were experiencing great difficulty in obtaining financial compensation under common law procedure. The increasing total number of accidents, the need for reducing them as soon as possible and the desire to prevent unavoidable accidents caused a considerable amount of support for the bill. The prevailing opinion was that the burden of avoidable accidents should be borne by the employers since they were responsible for them. It was also thought that the cost of unavoidable accidents should be considered a cost of production and paid for by the consumers of the product. Since the producers of goods and not the workers have the possibility of passing this cost on to the consumers in higher prices it was thought they should bear the entire cost of accidents. The employers own the machinery, have control of output, and have the responsibility for safety devices and the carrying out of safety practices under state regulation. The reasoning of economic inferiority of the worker as contrasted to the employer prevailed and the bill was enacted into law in 1916.

Several amendments and changes have been made in Workmen's Compensation provisions in Kentucky and it is desirable to survey the present provisions before discussing the cost, effects, court decisions and other matters of interest concerning workmen's compensation in Kentucky.

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The Kentucky Workmen's Compensation Law¹ as amended now provides coverage for all industries with a minimum number of three or more employees engaged in the same occupation or business, except domestic employment, agriculture, or interstate commerce for which latter area a rule of liability is provided by the laws of the United States, with a specific provision that the laws do apply to operators of threshing machines used in threshing of grain or seed. Compensation is payable and becomes a liability of employers for personal injury sustained by the employee by accident arising out of and in the course of employment or for death resulting from accidental injury, provided that personal injury by accident shall not include diseases, unless the disease is the natural and direct result of a traumatic injury by accident, nor shall it include the results of a pre-existing disease. The act does cover injury or death due to inhalation in mines of noxious gases or smoke or any kind of gas. Employers who are not subject to the act may subject themselves thereto by joint application of the employer and his employees to the Workmen's Compensation Board.

Where at the time of the injury both employer and employee have elected to accept compensation under the act for a personal injury, received by an employee by accident arising out of and in the course of his employment, or for death resulting from such an injury within two years after the termination of employment the employer will be liable to provide for six weeks' compensation under the provisions of the act and will be released from all other liability except in special cases. If injury or death results to an employee through the deliberate intention of the employer, the employee or the dependent will receive the full amount provided by the act in lump sum to be used if desired to prosecute the employer and will be permitted to bring suit against him. No employee or dependent may receive compensation on account of injury or death of an employee caused by the willful self-inflicted injury, willful misconduct, or intoxication of such employee.

Every employer doing business in the state who regularly employs three or more persons in a hazardous occupation and who is not exempted by the provisions of the act but fails to

¹ KY. REV. STAT. Ch. 342.

operate thereunder must file with the Commissioner of Industrial Relations good and sufficient indemnity bond or insurance policy to insure the payment of any final judgment in favor of an employee (of a competent court obtained against such an employer) for damages for death or injury caused by accident arising out of and in the course of his employment. The amount of bond or policy is determined by the Commissioner of Industrial Relations who must take into consideration the solvency of the employer, the number of employees engaged, and the hazards of such employment. All judgments must be paid promptly. The bonds or policies must be kept in full force at all times.

In addition to all other compensation the employer must furnish necessary medical, surgical, and hospital treatment at the time of injury and during disability not to exceed \$2500. If the employer fails to furnish such treatment adequately he will be liable for reasonable expenses within the limits of the act. Where an injury results in the amputation of an arm, hand, leg, or foot, loss of hearing, removal of an eye, or the loss of a tooth, the employer must initially furnish in addition to other medical, surgical, and hospital treatment a modern artificial replacement member and where required proper braces up to \$2500 in cost.

In all claims for hernia resulting from injury received during employment it must be definitely proved to the board that it was an injury resulting in hernia, that it happened immediately following the injury, and that it did not exist prior to the injury. In all such cases where liability exists the employer must provide competent surgical treatment. If the injured employee refuses to submit to an operation the employer may require a medical examination. If this examination shows him to be in such physical condition as to render an operation more than ordinarily unsafe he shall, if he is willing to submit to the operation, be entitled to compensation for disability under the law. If the examination does not disclose that the operation would be more than ordinarily unsafe and he refused to submit to an operation he shall be entitled to compensation for disability a period not longer than one year. If hernia or the operation results in death within one year after it is sustained such death shall be deemed the result of the injury causing the hernia and shall be compensated accordingly.

No compensation is payable for the first seven days of disability unless disability continues for a period of more than three weeks in which case the compensation is payable from the first day of disability.

A principal contractor, intermediate or sub-contractor is liable for compensation to any employee insured while in the employ of any one of his intermediate or sub-contractors engaged upon a subject matter of a contract to the same extent as the immediate employer. A minor 16 years of age or over (or a minor under 16 years of age who has obtained his employment by the written certification of his parent or guardian that he is over 16 years of age) shall be considered *sui juris* for the purpose of the act and no other person shall have a right to compensation for his injury or death.

If death results within two years after an act for which compensation is payable the employer or his insured shall pay to the personal representative of the deceased an amount not to exceed \$300 and must also pay compensation to the following persons: if there are no dependents there shall be paid, in addition to the burial payments, \$200 to the personal representative of the deceased employee; if there are one or more wholly dependent persons, 65% of the average weekly earnings of the deceased, but not to exceed \$26 nor to be less than \$7 per week, shall be payable for the period between the date of death and 400 weeks after the date of accident to the employee, but in no case to exceed the maximum sum of \$9500. Partly dependent persons are to be compensated in proportion to total dependency but the aggregate compensation on account of death can in no case exceed \$9500.

When the injury causes total disability for work the employer, except for the first 7 days thereof, must pay a weekly compensation equal to 65% of the average weekly earnings not to exceed \$27 nor to be less than \$7 per week. The period of payment is limited to ten years from the time of injury and the maximum payment to \$11,500. In case of an injury resulting in temporary partial disability the employee is to receive a weekly compensation equal to 65% of the difference between his average weekly earnings before the injury and his average weekly earnings thereafter, not to exceed 450 weeks from the date of injury, nor the sum of \$24 per week, nor the maximum sum of \$9500.

After the compensation liability of the employer has been fully discharged the remaining compensation to which the employee is entitled, less all compensation which this act would afford on account of the prior disability had it been compensated thereunder, shall be paid out of the Subsequent Injury Fund.

In addition to other taxes and assessments, a Subsequent Injury Fund Tax at the rate of $\frac{3}{4}$ of 1% of the amount of premium received is paid by all insurance carriers and the Board also gives the Commissioner power to assess against the payroll of every employer carrying his own risk a tax computed by taking $\frac{3}{4}$ of 1% of the basic premiums. All taxes and assessments are paid into the State Treasury and are credited to the Subsequent Injury Fund. Any sum remaining in the Fund at the end of any fiscal year shall be set up by the Department of Finance to the credit of the Board in such fund for the next ensuing fiscal year. If the credit of this Fund on June 30 of any year exceeds \$75,000 there is to be no assessment or taxes collected during the ensuing year.

The Workmen's Compensation Board consists of three members appointed by the Governor and is a part of the Department of Industrial Relations. The term of office is four years. The members give full time to the work of the board and receive an annual salary of \$4,000. All final decisions of the board are certified to the Commissioner of Industrial Relations who supervises and manages all financial matters of the board. Upon recommendations of the board the Commissioner appoints an executive secretary for the board. He must be an attorney qualified to practice law in Kentucky and shall have practiced law for at least three years. His salary must not exceed \$4500 per year.

The board maintains its office in Frankfort which is provided by the state. Hearings, however, may be held anywhere in the state. The board is empowered to make necessary rules and regulations not in conflict with the act.

Every insurance carrier pays a tax upon the premiums received in the state or on account of business done in the state, at the rate of 2% of the amount of the premiums. This tax is in lieu of all other taxes on such premiums.

Every employer carrying his own risk reports to the board his payroll subject to this act. The board assesses against this payroll

a Maintenance Fund Tax computed by taking 2% of the basic premium chargeable against it or most similar industry or business, taking from the manual insurance rates for compensation then in force in the state.

If the total net surplus in the Maintenance Fund on June 30 of any year exceeds \$150,000 the tax on own-risk employers shall not be assessed or collected during the ensuing year and the taxes provided by insurance companies assuming Workmen's Compensation risk shall be collected, but paid into the State Treasury to be credited to the General Fund instead of to the Maintenance Fund.

For the purpose of carrying out provisions of the Workmen's Compensation Act and affording to the employers a method of insuring their liability, the Kentucky Employers' Insurance Association is created with all general corporate powers. Any employer in the state may become a subscriber.

The Board of Directors of the association consists of fifteen members, three of whom are appointed by the Governor, and twelve of whom are elected by ballot of the subscribers. The Board of Directors annually chooses by ballot the seven officers to carry out the functions of the association. The Board of Directors makes and enforces reasonable regulations for the prevention of injuries on the premises of subscribers. The inspectors of the association are given free access to the premises of all members during regular working hours. Any subscriber or employee aggrieved by any such regulations may petition the Workmen's Compensation Board for a review. It may affirm, amend, or annul the regulations.

Penalties are provided for certain actions or failure to act on the part of an employer or an insurance carrier as follows:

1. If an employer subject to the act refuses or willfully neglects to report all injuries whether fatal or otherwise he is subject to a fine of not more than \$25 for each offense.²
2. Any person filing or permitting to be filed any false or fraudulent claim on his behalf to compensation is to be fined not less than \$50 nor more than \$500 or imprisoned for not less than 10 days nor more than 90 days.³

² KY. REV. STAT. 352.330.

³ KY. REV. STAT. 342.335.

3. Any person who with fraudulent intent destroys, converts, or secretes willfully any notices of election by the employees is subject to a fine of not less than \$50 nor more than \$200 or imprisoned for not less than 10 days nor more than 90 days.
4. Any employer who deducts any portion of the premiums from wages or salaries is subject to a fine of not more than \$100 for each offense.
5. Any insurance carrier who fails to pay tax on premiums, fails to make an annual report, withdraws from business in the state before taxes fall due, or persons that act for an unauthorized insurance company or make false statements or returns, or own-risk carriers who fail to pay assessment are subject to a fine of not less than \$100 nor more than \$1,000 or imprisonment for not less than 10 nor more than 90 days, or both.
6. Any employer in hazardous occupations who does not file a bond, security or insurance policy, or violates terms of the hearing before the commissioner or the court shall be guilty of a misdemeanor and upon conviction is subject to a fine of not less than \$100 or more than \$500 and each day's violation of the same shall constitute a separate offense and such employer shall be enjoined from continuing such violation at the suit of the attorney-general in an action instituted by him in Franklin Circuit Court, on which jurisdiction to try such action is hereby conferred.

*Board Awards and Court Interpretations of the Workmen's
Compensation Law*

The Workmen's Compensation Act of 1914, c. 73, providing for a system of compulsory workmen's compensation, was held unconstitutional. The 1916 Workmen's Compensation Act (now KY. REV. STAT. c. 342) is voluntary for the employer and employee and this fact makes it constitutional.⁴ The Act of 1914 was compulsory and thereby unconstitutional.⁵ The purpose of the Act is to provide financial protection to the employee and his dependents in the event of injury or death caused by an accident arising out of and in the course of his employment.⁶ The Workmen's Compen-

⁴ McClary v. McClary, 274 Ky. 299, 118 S.W. 2d 687 (1938).

⁵ State Journal Co. v. Workmen's Comp. Bd., 162 Ky. 387, 172 S.W. 674 (1915).

⁶ Black Mountain Corp. v. Adkins, 280 Ky. 617, 133 S.W. 2d 900 (1939).

sation Act practically abolished the common law governing employer liability and must be construed in the interest of the public as well as that of employers and employees.⁷

There are a large number of cases emphasizing that the Workmen's Compensation Act is to be liberally construed. In court interpretation of the cases under the Act, presumptions must be decided in favor of those who are to be protected by the Act.⁸ There must be a liberal construction of the Act because its purpose is to give protection in case of accident to the worker or his dependents.⁹ An example showing how far a liberal interpretation may extend is in a decision stating that "an employee's death is none the less compensable under the Kentucky Workmen's Compensation Act because of the fact that the fatal accident was due to the employee's negligence. The compensation act is remedial in its nature and must be given a liberal construction to effectuate the beneficent purpose intended."¹⁰ In the above decision is also a principle that justice must be done to employer and employee.

Further limitations on liberal interpretation are that a liberal interpretation does not mean that statutes may be disregarded or repealed under guise of construction;¹¹ the plain and unequivocal terms may not be extended by a construction by the courts beyond their reasonable import;¹² the Act must be liberally interpreted by the courts as to investigation only.¹³ Where the cause of disability is not sufficiently shown, the Board cannot speculate between a theory which would require an award and one which would not, but on such a state of facts must deny liability;¹⁴ and where alternative theories are developed by the evidence, one of which will fix liability upon the defendant, while the other will not, speculation is not permitted in order to afford a basis for re-

⁷ *Morrison v. C. & C. Chemicals Corp.*, 278 Ky. 746, 129 S.W. 2d 547 (1939).

⁸ *Consolidation Coal Co.'s Receiver v. Patrick*, 254 Ky. 671, 72 S.W. 2d 51 (1934).

⁹ *Kentucky Cardinal Coal Corp. v. Delph*, 296 Ky. 295, 176 S.W. 2d 886 (1943).

¹⁰ *A. C. McDaniel v. Ashland Iron & Mining Co.*, Claim No. 725, June 7, 1921.

¹¹ *Buckles v. Kroger Grocery & Baking Co.*, 280 Ky. 644, 134 S.W. 2d 221 (1939).

¹² *Clover Fork Coal Co. v. Brown*, 275 Ky. 280, 121 S.W. 2d 702 (1938).

¹³ *Lawrence Leather Co. v. Barnhill*, 249 Ky. 437, 61 S.W. 2d 1 (1933).

¹⁴ *G. W. Allman v. Southern Textile Machinery Co.*, Claim No. 192, June 18, 1918.

covery.¹⁵ An early ruling of law stated that the term "accident" applies to what happened to the workman and "injury" is the result of the accident to such an extent that if it causes death, such death is compensable within the meaning of the law.¹⁶ A personal injury by accident, to be compensable under the Act must be traceable to a definite time, place and cause.¹⁷ The burden of proof is on plaintiff to show that his disability is due to traumatic injury by accident.¹⁸ Bites by poisonous insects, reptiles and animals are industrial accidents only where the injury arises out of and in the course of the employment, and the employment exposes the employee to greater hazard of being bitten because of the nature of the employment or where the employee is subjected to a special danger of being so bitten by reason of the nature of the employment.¹⁹ The Workmen's Compensation Act excludes all occupational diseases from coverage of the Act unless these diseases are caused by traumatic injury.²⁰ All diseases are excluded from coverage of the Act unless the diseases are a direct result of a personal injury sustained by accident arising out of and in the course of the employment.²¹ "Arising out of employment" refers to the cause of the accident while "in course of employment" refers to the time, place, and circumstances under which it occurred.²² While the general rule is that accidents which occur while the employee is going to and from his work are not considered as arising out of and in the course of the employment, certain defined exceptions are recognized and the circumstances of each particular case determine whether or not the facts bring the case within the purview of the Act. The employment is not limited to the exact moment when the worker reaches the place to begin his work or to the moment when he ceases that work, but can include time and space before and

¹⁵ *Tennessee Blankenship v. Majestic Coal Co.*, Claim No. 282, January 11, 1919.

¹⁶ *Mrs. Rose Schabel v. Riddell-Robinson Manufacturing Co.*, Claim No. 8682, April 1, 1930.

¹⁷ *Ophelia Harris v. Render Coal Co.*, Claim No. 485, November 1, 1921.

¹⁸ *Jeff Kiser v. Marrowbone Mining Company*, Claim No. 1075, December 20, 1921.

¹⁹ *James Brewer v. Petroleum Exploration*, Claim No. 1214, February 21, 1922.

²⁰ *Tafel Electric Co. v. Scherle*, 295 Ky. 99, 173 S.W. 2d 810 (1943).

²¹ *William Simon v. Louisville Ice & Coal Storage Company*, Claim No. 999, April 19, 1921.

²² *Harbison-Walker Refractories Co. v. Brown*, 296 Ky. 629, 178 S.W. 2d 39 (1944).

after ceasing the employment, depending upon the circumstances connected with the accident. An accident may arise out of and in the course of the employment while an employee is on his way to the place at which he is engaged to work.²³ If the risk must be taken by the public generally and is not due to the employment, then an accident caused by the forces of nature is not compensable under the Act.²⁴ Many cases show that there must be a causal connection linking the required performance of the work with the resulting injury to sustain the contention that an accident arises out of and in the course of employment.²⁵ Where a collector is sent into the streets on his employer's business, whether habitually or occasionally on foot or otherwise, and meets with an accident, it arises out of as well as in the course of his employment, and it is immaterial as to whether or not risk is shared by all the members of the public using the streets under similar conditions. The fact that a risk is common to all mankind does not exclude an employee from compensation if in the particular case the risk is necessarily incident to his employment.²⁶ While the employee is in the performance of his employer's business and doing the work that his duty called him to do, and is shot as he goes out the door of the employer's store by a third person, it is an injury by accident which arose out of and in the course of his employment.²⁷ The phrase "Arising out of and in the course of employment" is broadened in rulings of law which state that the words are sufficiently broad in meaning to include an injury which occurred while the workman was doing something in the interest of his employer, though the particular act may not come within the scope of his regular duties,²⁸ and an accidental injury is held to have arisen out of the employment of an employee where there is apparent to the rational mind upon consideration of all the circumstances, a causal connection between the conditions under which the work was required to be performed and the resulting

²³ *Mrs. M. A. Ewald v. Gold Trading Stamp Company*, Claim No. 2030, March 20, 1922.

²⁴ *Harlan Strong v. Elleer Coal Co.*, Claim No. 1945, March 20, 1923.

²⁵ *Louisville & Jefferson County Air Board v. Riddle*, 301 Ky. 100, 190 S.W. 2d 1009 (1945).

²⁶ *Claudia Brown v. C. F. Adams Company*, Claim No. 193, January 7, 1919.

²⁷ *Mrs. Golda Staphens v. Royal Collieries Company*, Claim No. 6747, May 21, 1929.

²⁸ *Betsey Miles v. Wilkinson Young & Ellis Dink Wilkinson Company*, Claim No. 7077, November 20, 1928.

injury.²⁹ There are numerous cases on specific monetary awards under the Act but they are beyond the purview of this study.

Operations of the Law

Workmen's Compensation has been financed by employers as follows:

TABLE I

Financing Workmen's Compensation in Kentucky, 1917-1951

*Year	Tax on insurance premiums	Tax on own risk employers
1917	\$16,325.64	\$12,419.47
1919	51,737.26	34,786.97
1920	73,129.89	47,089.65
1924	61,029.76	22,758.87
1925	53,248.24	6,579.65
1926	56,996.52	27,297.02
1927	42,631.39	8,884.61
1928	60,383.19	53,003.82
1930	57,309.54	51,334.43
1931	48,920.77	53,764.67
1932	44,119.31	5,407.26
1933	29,425.93	11,782.69
1934	17,048.73	25,899.73
1935	31,241.03	49,787.33
1936	38,991.91	54,988.29
1937	43,970.35	66,189.81
1938	52,286.26	76,560.40
1939	53,808.95	49,882.13
1940	45,305.08	58,522.04
1941	50,731.88	71,639.08
1942	55,531.02	86,182.02
**1943	109,959.66	80,398.32
**1944	101,519.48	9,347.55
**1945	96,586.66	78,409.34
**1946	115,322.49	6,240.57
**1947	199,844.89	93,365.35
**1948	160,461.67	6,315.49
**1949	194,770.65
**1950	166,002.02	94,435.55
**1951	180,623.26	99,844.34

* Fiscal year ending June 30. Years 1918, 1921, 1922, 1923, 1929 omitted because of incomplete data.

** Data obtained from the Director of Department of Insurance.

²⁹ Mary Catherine Marciliatt, et al. v. Bauer Cooperage Co., Claim No. 3796, March 2, 1926.

The amount of taxes taken in each year has been shown but the surplus each year has not been shown. This would be the real amount paid by the employers but the Compensation Board did not keep the entire amount due to the provision that they can do so only when the surplus is less than \$150,000. So it would not be a true statement for Workmen's Compensation since in certain years the surplus exceeded the amount and they were unable to keep it.

The trend of relative amount of tax paid by each group has swung back and forth during the period as is shown in the table. From 1917 to 1933 the insured employers held the highest place. During the next period, 1934-1942, the trend turned the other way and the own-risk employers took the dominant position of those who paid the tax. The trend again changed and from 1942 until the present time there has been a tremendous increase in the insured employers. This is due to increased production, new workers, and the added requirements of own-risk employers which have made it more desirable for the employers to insure. From past experience it is about time for the trend to shift back to own-risk employers, but this is only a prediction. There is nothing in the above table to show definitely that the trend is starting to shift significantly. However, this is not taking into account the future of the Korean conflict and how much longer increased production will continue. These will definitely influence the short-run future trends.

There is another point to be noted. The board cannot incur expenses or indebtedness during any period in excess of the premium tax payable for the same period plus the balance to the credit of the board as of June 20 preceding. For this reason the board cannot operate at a deficit.

The total disbursements of the Workmen's Compensation Board are summarized according to purpose, as a division of the Department of Industrial Relations.* The disbursements of the Workmen's Compensation are paid by taxes levied on own-risk employers and insurance premiums of insured risk employers.

As for a trend in the disbursements, the items continue to retain very nearly the same relationship, as to size, which they had prior to 1942. There is another trend to be found in Sub-

* See Appendix Table A.

sidary Table A which follows. There was a decline in the total disbursements each year until 1945. In that year and each year since the total disbursements have continued to increase. They ranged from a low of less than \$80,000 in 1945 to a high of \$136,294.21 in 1951. It seems that this increase might be due to two factors: (1) The increase in salaries, cost of supplies, etc. and (2) The increase in the number of people served required more money for salaries, supplies, communications and the like.

A statistical survey of accidents for the years 1943-1951 is as follows:

TABLE II

Year	Number of Accidents	Number of Fatal Accidents	No. of Fatal Accidents in Coal Mining	Tons Produced per Fatal Accident	Amount of Compensation Paid
1943	15,505	152	49	419,279	\$1,802,909.57
1944	13,102	131	53	461,190	1,569,681.21
1945	15,506	127	59	557,429	1,969,273.11
1946	15,428	83	54	613,022	2,027,972.75
1947	19,307	168	47	607,503	2,002,504.20
1948	19,685	148	48	616,250	2,107,474.12
1949	18,722	97	87	1,121,177	2,494,944.97
1950	14,834	79	66	1,014,527	2,369,541.05
1951	15,783	81	63	697,653	2,556,260.94

Annual accident trends are as follows:

*Fiscal year of 1942-1943*³⁰

The huge increase in production brought about an increase in accidents as well. The 15,505 industrial accidents reported to the board during the year represented an increase of 334 over the previous year. This may be a result of many vacancies being filled by new persons caused by the induction of workers into the armed forces and those who have left their regular jobs to take jobs in other states. It is an accepted fact that more injuries occur to new and inexperienced workers. Of the total figure 152 proved fatal, of which 49 occurred in the coal mines. The board approved 9,637 agreements during the year and closed out cases totaling \$1,802,909.57 in compensation for injuries and deaths.

³⁰ Annual reports of the Department of Industrial Relations Fiscal Year July 1, 1942 to June 30, 1943, page 25. Subsequent fiscal year information has been gleaned from Annual Reports of the Department of Industrial Relations.

Denials totaled 100, while 192 awards were made on contested compensation cases totaling \$360,613.61.

Fiscal year of 1943-1944

Although production for the year was high the number of accidents dropped to 13,102, which was 2,403 less than the previous year. This may be due to improved safety inspection service made possible by better trained personnel and increased appropriations from the General Assembly. They worked with the idea that no accident just happens, it is caused; and attempted to find the hazard and remove it, thus preventing the injury. Of the total figure, 131 of the accidents proved fatal and again coal mining was at the top of this list with 53 fatalities. The board approved 7,921 agreements during the year and closed out cases totaling \$1,569,681.21 in compensation for injuries and deaths within the state. There were 66 denials while 131 awards were made on contested compensation cases totaling \$297,346.50.

Fiscal year of 1944-1945

Due to the war effort production was still high. The number of accidents was also high. The 15,506 industrial accidents reported to the board during the year represented an increase of 2,404 over the previous year. Of the total figure, 127 of the accidents proved fatal and coal mining accounted for 59 of these. The board approved 9,754 agreements during the year and closed out cases totaling \$1,969,278.11 in compensation for injuries and deaths. There were 42 denials while 134 awards were made on contested compensation totaling \$264,968.18. The department made 4,841 safety inspections and suggested 216 corrections of hazardous conditions existing in business and industrial establishments which might lead to or cause an accident.

Fiscal year of 1945-1946

The 15,428 industrial accidents reported to the board during the year represented a decrease of 78 from the previous year. Of the total figure, 83 of the accidents proved fatal and coal mining accounted for 54 of these. The Workman's Compensation Board approved 9,058 agreements during the year and closed out cases totaling \$2,027,972.75 in compensation for injuries and deaths throughout the state. There were 42 denials while 107 awards

were made on contested compensation totaling \$447,101.75. The inspection unit made 6,043 safety inspections and suggested 195 corrections of hazardous conditions existing in business and industrial establishments which might lead to or cause an accident.

Fiscal year of 1946-1947

A number of smaller industries elected to operate under the act during this year after the passage of the statute requiring those engaged in hazardous occupations not electing to operate under the act to file with the Commissioner bonds or other security. There were 4,446 additional employers who elected to come under the act during this period. This may help explain the increase in the number of industrial accidents reported to the board to 19,307 which was an increase of 3,879 as compared to the previous year. Of these accidents 168 proved to be fatal. This is an increase of 85 or more than double that of the previous year. Coal mining provided 47 of these. The board approved 9,710 agreements during the year and closed out cases totaling \$2,002,504.20 in compensation for injuries and deaths. There were 132 awards made on contested compensation totaling \$504,663.89 while 44 cases were denied. The inspection unit made 6,961 safety inspections which was an increase of 918 over the previous year and suggested 72 corrections of hazardous conditions existing in business and industrial establishments which might lead to or cause an accident.

Fiscal year of 1947-1948

In 1948 the General Assembly made several substantial changes in the Workman's Compensation Act, mostly by increasing the benefits payable to injured employees or their dependents. The changes were brought about by cooperation and agreement between industry and labor. The Commissioner of Industrial Relations conducted the meetings at which the agreements were reached and helped formulate the final changes.

As a result of these amendments to the act the medical allowance was increased from a maximum of \$400 to \$800. Death benefits to dependents were increased from a maximum of \$15 per week to \$20 for a maximum of 400 weeks. Weekly compensation for a totally disabled worker was increased from \$18 to \$21. Benefits for temporary partial disability were increased from a

maximum of \$15 per week to \$18 and from 420 weeks to 450 weeks for a total increase from \$5,000 maximum to \$8,000. For loss of a member of the body the benefits were increased from a weekly maximum of \$15 to \$18 in addition to 20 weeks of temporary total disability. This part of the act was amended to add 20 weeks for the loss of an eyeball and 75 weeks for the loss of hearing in one ear. Compensation for partial permanent disability was raised from a weekly maximum of \$12 to \$18 and the number of weeks from 420 to 450 with a maximum amount payable of from \$5,000 to \$8,100. The subsequent injury fund was improved and the appeal procedure was amended to provide for sending the original records to the courts which would save much time in preparing the records in cases appealed to the courts. Also there was an improvement in the handling of silicosis cases. This amendment also provided for a full time executive secretary.

There were 19,685 industrial accidents during the year which represented an increase of 378 over the previous year. There were 148 accidents which proved fatal—a decrease of 20 from the previous year. Of the 148 fatal accidents, coal mining accounted for 48. The board approved 9,416 agreements during the year and closed out cases totaling \$2,107,474.12. There were 121 awards made on contested compensation totaling \$443,378.65 while 38 cases were denied. The inspection unit made 6,571 safety inspections during the year which was a decrease of 390 as compared to the previous year and suggested 52 corrections of hazardous conditions existing in business and industrial establishments which might lead to or cause an accident.

Fiscal year of 1948-1949

There were 18,722 industrial accidents reported to the Workman's Compensation Board during the year showing a decrease of 963 as compared to the previous year. Of these accidents, 97 proved fatal of which coal mining accounted for 87. The total number of fatal accidents was 51 less than the previous year. The board approved 8,724 agreements during the year and closed out cases totaling \$2,494,944.97 in compensation for injuries and deaths throughout the state. There were 176 awards made on contested compensation totaling \$627,000.55 while 58 cases were denied. The inspection unit made 8,671 safety inspections during

the year which was an increase of 2,100 over the previous year and suggested 93 corrections of hazardous conditions existing in business and industrial establishments which might lead to or cause an accident.

Fiscal year of 1949-1950

There were 14,834 industrial accidents reported to the board during the year showing a decrease of 3,888 compared to the previous year. Of this figure 79 of the accidents proved fatal. The board approved 7,032 agreements during the year and closed out cases totaling \$2,369,541.05 in compensation for injuries and deaths throughout the state. There were 206 awards made in contested claims for compensation totaling \$767,229.02.

Fiscal year of 1950-1951

There were 15,783 industrial accidents reported to the board during the year showing an increase of 849 over the previous year. Of this figure 81 of the accidents proved fatal which is an increase of 2 over the previous year. Coal mining accounted for 63 of these deaths. During the year 6,753 agreements as to compensation were closed which amounted to \$2,556,260.94 for injuries and deaths throughout the state. There were 211 awards in contested claims for compensation totaling \$839,406.67. During the year there were 6,560 safety inspections made. There is no method of determining the actual number of suggestions regarding safety which were made during the year. When any hazard was called to the attention of the management the inspectors noted a willingness on the part of the management to cooperate by correcting such hazards. However, specific recommendations were made concerning certain hazardous conditions. These specific recommendations numbered 28 during the year.

We think from the above information one would be safe in assuming the following trends:

During this period there seemed to be an increase in the number of accidents. This is due to several reasons. The employment of new and inexperienced workers due to the War to fill the jobs made vacant by induction of workers into the armed services and workers leaving the state probably contributes more to the increased accidents. Another factor is that during this period many new employers came under the act and reported accidents

which would not have reported had they not come under the act. During this same period there was a tremendous expansion in the amount of production, yet we hoped to point out as in the case of coal that there was an ever increasing production per fatal accident. In approximately 10 years, for 1949-1950, show that statistics for 1939 and the output per fatal accident increased almost 2½ times. We believe this increased output per fatal accident can be credited to safety inspections, suggested corrections and cooperation received from both employers and employees. During this period the workers were becoming more experienced and the schools of safety instruction were showing results.

One may also notice that the trend of the total amount of compensation paid each year during the period tended to increase. We attribute this to a combination of more accidents and to an increase in the benefits payable.

As has always been the case, coal mining accounts for most of the fatal deaths and for almost half the compensation paid to all industries. State and municipal government and agriculture account for the least.

APPENDIX

TABLE A

Workmen's Compensation Board of Kentucky
Total Disbursements, 1916-1951

Salaries	\$1,785,459.93
Fees and Services	185,707.43
Supplies	56,488.11
Paper, Printing, & Advertising	32,692.57
Repairs & Renewals	25,187.27
*Rent	22,013.09
Communications & Transportation	127,090.01
Miscellaneous	56,659.77
	<u>\$2,291,298.18</u>

* Not listed since 1942.

Subsidiary to Table A
Disbursements, 1916-1951

	Salaries	Miscellaneous	Supplies	Rent
*1942	\$1,082,458.77	\$50,672.91	\$42,114.90	\$22,013.09
1943	69,518.09	1,167.65	448.97	
1944	69,952.90	89.88	1,005.90	
1945	67,362.33	313.40	351.57	
1946	67,645.38	182.25	1,601.37	
1947	71,826.93	309.68	1,577.52	
1948	67,815.01	441.67	3,420.63	
1949	89,082.19	592.01	2,152.61	
1950	93,251.72	1,159.75	1,401.79	
1951	106,546.61	1,730.57	2,412.85	
	<u>\$1,785,459.93</u>	<u>\$56,659.77</u>	<u>\$56,488.11</u>	

	Fees & Services	Paper, Printing, & Advertising	Repairs & Renewals	Transportation & Communication
*1942	\$106,187.18	\$12,848.26	\$15,109.73	\$ 84,076.34
1943	7,650.76	723.51	697.61	2,946.31
1944	5,522.76	656.97	437.44	2,372.38
1945	5,505.53	1,891.27	4,290.43
1946	6,682.84	2,284.01	4,412.96
1947	8,801.69	2,067.71	456.77	4,207.24
1948	12,072.91	3,702.72	242.28	4,427.92
1949	13,761.38	2,116.22	4,150.89	7,032.77
1950	9,266.24	946.41	737.40	6,777.26
1951	10,247.14	5,455.49	3,355.15	6,546.40
	<u>\$185,707.43</u>	<u>\$32,692.57</u>	<u>\$25,187.27</u>	<u>\$127,090.01</u>

* Total for years 1916 through 1942.

TABLE B

Major Industries for Compensation Accidents, 1916-1951 Total

Coal mining	\$23,536,124.67
Iron and Steel	1,614,712.38
Contractor-general	2,307,761.67
Contractor-road	930,079.54
Stone, clay, and glass products	793,812.43
Lumber	870,345.19
Garages	388,155.53
Machinery	609,573.26
Automobile manufacture	320,030.49
Tobacco manufacture	504,526.84
Furniture manufacture	658,115.84

Oil Refining & Distilling	698,307.63
*Electricity	369,415.28
*Saw mills	267,781.21
*Plumbing	231,362.91
*Box manufacture	177,179.35
All other	9,989,272.19
Total	<u>\$44,266,656.41</u>

* Statistics unavailable since 1942.

TABLE C

Major Industries for Compensable Accidents,
1916-1951, Combined

	Coal mining	Contractors-general	Iron and Steel
1916-1942	\$14,390,137.86	\$1,232,735.14	\$ 497,057.41
1943	915,159.22	184,745.45	70,614.59
1944	770,213.27	148,212.04	66,312.64
1945	997,850.09	88,853.56	114,425.70
1946	1,007,853.14	69,518.76	146,774.25
1947	953,994.98	78,333.62	139,337.87
1948	1,011,207.19	71,595.85	163,803.08
1949	1,282,180.17	110,454.79	155,064.22
1950	1,042,285.03	145,133.69	134,541.19
1951	1,160,243.71	178,168.46	126,781.43
	<u>\$23,536,124.67</u>	<u>\$2,307,761.67</u>	<u>\$1,614,712.38</u>
	Oil Refining & Distribution	Contractors-road	Electricity
1916-1942	\$476,919.79	\$487,472.98	\$369,415.28
1943	10,565.97	31,960.25	
1944	16,153.86	46,487.52	
1945	24,639.77	21,329.55	
1946	29,603.01	30,374.25	
1947	17,329.42	27,574.50	
1948	25,451.19	32,816.72	
1949	26,263.85	57,370.26	
1950	42,646.87	93,319.05	
1951	28,733.90	101,475.46	
	<u>\$698,307.63</u>	<u>\$930,079.54</u>	

	Stone, Clay and Glass Products	Lumber	Saw Mills	Garages	Plumbing
1916-1942	\$536,308.57	\$243,410.98	\$267,781.21	\$236,642.74	\$231,362.91
1943	29,997.61	40,566.13		19,409.81	
1944	18,123.31	46,209.88		6,108.84	
1945	26,858.79	73,394.08		7,728.30	
1946	15,481.25	64,274.53		13,412.59	
1947	26,801.14	92,444.35		10,903.55	
1948	19,784.68	81,386.98		11,686.51	
1949	26,766.38	83,570.60		20,137.52	
1950	23,375.61	77,800.16		34,824.83	
1951	65,317.37	65,278.50		27,300.61	

	\$793,812.43	\$870,345.19	\$267,781.21	\$388,155.53	\$231,362.91
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	Machinery	Automobile Mfg.	Tobacco Mfg.	Furniture Mfg.	Box Mfg.
1916-1942	\$218,848.95	\$194,815.16	\$314,630.81	\$162,822.05	\$117,179.35
1943	16,182.93	5,244.26	25,585.40	34,500.02	
1944	13,594.17	23,357.80	12,648.15	48,280.35	
1945	21,497.88	20,874.31	21,086.48	40,997.26	
1946	30,715.17	21,318.93	19,961.98	46,333.85	
1947	18,145.62	13,676.56	18,589.88	72,934.32	
1948	22,329.54	2,862.70	13,240.01	76,277.72	
1949	18,913.78	22,461.02	21,195.89	68,411.33	
1950	23,987.56	8,651.99	30,278.32	55,518.57	
1951	18,357.66	6,767.76	22,309.92	52,040.37	

	\$609,573.26	\$320,030.49	\$504,526.84	\$658,115.84	\$177,179.35
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	All Others
1916-1942	\$5,150,562.66
1943	418,377.93
1944	354,079.39
1945	509,743.34
1946	532,351.04
1947	527,438.39
1948	482,551.01
1949	602,146.16
1950	652,088.18
1951	769,934.09

	\$9,989,272.19
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