

WAR RISK COMPENSATION CLAIMS.

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LETTER

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING,

IN RESPONSE TO A SENATE RESOLUTION OF DECEMBER 8, 1919,  
A DUPLICATE OF A REPORT MADE ON DECEMBER 20, 1919, IN  
REGARD TO CLAIMS FOR COMPENSATION BEFORE THE WAR  
RISK INSURANCE BUREAU.

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MARCH 12, 1920.—Referred to the Committee on Finance and ordered to be printed.

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TREASURY DEPARTMENT,  
*Washington, March 10, 1920.*

SIR: Senator Poindexter informs the department that no response has been received by the Senate to Senate resolution 249, dated December 8, 1919. He has verified this by a careful search of the files in the Secretary's office.

The records of the Treasury Department show that an answer to this resolution was made and transmitted by the Secretary of the Treasury on December 20, 1919. Copy of his letter is inclosed herewith.

It is a matter of great regret that the original failed of receipt.

Respectfully,

D. F. HOUSTON.

The PRESIDENT OF THE UNITED STATES SENATE.

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DECEMBER 20, 1919.

The PRESIDENT OF THE UNITED STATES SENATE.

SIR: In response to Senate resolution 249 of December 8, 1919, I have the honor to submit the following report in compliance therewith:

1. The first subject inquired into is whether or not claims for compensation for total or partial disability under the war risk insurance

act are promptly disposed of and acted upon by the Bureau of War Risk Insurance and if not, what is the cause of the delay therein.

When claims are received from disabled soldiers, if the proof submitted in support of same is complete, they are settled without delay. Any case which shows an apparent delay is the result of the necessity of transacting all business between the bureau and the beneficiary by correspondence and the slowness of securing from claimants evidence that has been requested.

As of December 10, the number of disability cases that have been disposed of are as follows:

<i>Military and naval compensation for disability.</i>	
Cases awarded.....	105,034
Cases disallowed.....	24,177
Total.....	129,211
Total monthly payment on awards.....	\$2,592,302.86

The reasons for the rejection of disallowance of disability claims are (1) disease or disability claimed was not of service origin, (2) the disability claimed is less than 10 per cent, (3) the claimant had never been medically examined and accepted by the military forces and enrolled in the active service, or, (4) the claimant had been dishonorably discharged. No claim is rejected as noncompensable without a thorough examination by an examiner responsible for collecting the proof and submitting the claim for an award, whose action in disallowance of the claim must be passed upon by his superior, a reviewer, and the action of the examiner and reviewer is subject to the approval or disapproval of a chief reviewer of claims, the chief of the Compensation and Claims Division and the assistant director in charge of such division. The fact that a claim is disallowed does not preclude the reopening of the claim at any time upon request by the claimant.

Number of disability claims pending as of December 10, 1919, 48,226.

*Analysis of pending claims.*

	Per cent
(a) Awaiting receipt of medical examination.....	44.3
(b) Awaiting completion of papers by claimant.....	35.5
(c) Awaiting military records.....	14.6
(d) Claimant's address unknown.....	5.6

2. The next subject inquired into is as to information with reference to the status of the work in general, as to the disposition of claims pending, whether the said work is being conducted promptly; and, if not, the reasons for the delay.

The compensation and claims division had received to December 10, 1919—

Claims for military and naval compensation.....	326,973
Claims for military and naval insurance.....	129,428
Burial claims.....	27,966
Total.....	484,367

There have been settled—

Claims for military and naval compensation.....	240,873
Claims for military and naval insurance.....	123,151
Burial claims.....	27,966
Total.....	391,990

As of December 10 there was pending in the bureau 92,377 claims of all description. The reasons for these pending claims for this entire amount are practically the same as those mentioned above.

Claims are disposed of immediately upon receipt of proof. When the proof is complete, the case is immediately placed in process of having an award approved, and the award after its approval takes from 7 to 10 days to go through the various processes to place the claimant's name upon permanent records and set the machinery in process so that he will receive his initial check at once. All checks thereafter are issued regularly, being run off in units of thousands per day on addressograph machines.

3. The next subject is the nature of the administrative organization of the Bureau of War Risk Insurance for deciding upon the allowance or rejection of claims of soldiers for disability; the rules and regulations adopted by the said bureau for the determination of the amounts due to such claimants under the law, and whether or not the law is being administered liberally to accomplish the purposes and objects for which it was intended, and if it is not being administered liberally, whether or not it is being strictly construed by the said bureau with the object and purpose of reducing to the lowest possible limit the liability of the Government thereunder.

The Compensation and Claims Division has the duty and function of settling the claims of disabled soldiers. This division, excluding the usual stenographers, file clerks, etc., is composed of a body of trained men, whose duty it is to receive the claim and build up the evidence necessary for an allowance or rejection of same. These men are divided into examiners and reviewers, nearly 50 per cent of whom are ex-service men. A certain number of claims are assigned to each examiner, who is held responsible for the primary disposition of these claims. It is the duty of a reviewer to check up and to follow the work of the examiners, each reviewer being responsible for from five to seven examiners, and to see that their work is current and disposed of expeditiously. Their duty also is to pass upon the awards made by the respective examiners and to approve or disapprove of the same. Should a disagreement arise between the examiner and the reviewer as to the propriety of an award or disallowance, there is a chief reviewer who will render an opinion, but if no agreement is reached the case goes to the chief of the division and even may continue through the assistant director to the director, who will weigh all opinions and render his decision. There is also an appeal board to which is referred all appeals of the claimants from either a disallowance or from the amount of the award.

It is the policy as provided by the rules and regulations of the bureau that the award to which the claimant is entitled shall be determined by his actual physical condition as disclosed by medical examination. In line with the policy outlined in the act to the effect that individual success in overcoming the handicap shall not be taken into account in making up the award for permanent disabilities, the same rule has been adopted for all disabilities and a claimant's actual earnings are not taken into consideration in making up such awards. It is believed by the bureau that the reduction in earning capacity can not be determined by a comparison of a man's earnings with previous earnings in any of the cases and that the only safe comparison and basis on which these awards should be made is that of a

man's physical condition compared with that of a man who is without disability at any time.

It is the experience of the bureau that a claimant recently discharged from the service with a particular disability is more seriously affected than the specific disability would seem to indicate, and it takes considerable time to overcome this temporary "excess of disability." Recognizing this fact, the bureau has established the policy that when this condition appears from the evidence, an award for temporary total disability will be granted to run until such time as the evidence shows this temporary "excess of disability" has disappeared, when the claimant is placed upon his regular permanent rating. This is only done after a medical examination. More than 65 per cent of the claims received have shown this temporary "excess of disability" and have received temporary total disability awards. In many of these cases the evidence now indicates that this temporary excess is being cleared up and the men are being placed upon their permanent ratings. Every attempt is being made to inform the claimants as to the reason for these reductions but it is realized that many of them either do not understand it or are disappointed in the amounts received.

Owing to the fact that it has been found almost impossible to foresee all of the unusual wounds and disabilities and combinations of the same, no definite fixed schedule of ratings for permanent injuries has been adopted. A tentative schedule has been used, which has been continually added with the growing experience of the Medical Division of the bureau. It is believed, however, that a definite schedule can be adopted within a short time.

I have already mentioned the fact that many of the men are very much disappointed with the amount of compensation payable to them and realize that their feeling is directed against the bureau in the belief that the claims of the beneficiaries of the war risk insurance act are being treated in a niggardly fashion by the bureau. When it is considered, however, that the total amount that could be paid to a man totally and permanently disabled was \$30 a month and that all partial disabilities must be a percentage of this \$30, it will be readily seen that the bureau has had no discretion in the matter.

Respectfully,

CARTER GLASS, *Secretary.*

