

---

## WAR-RISK INSURANCE ACT.

---

DECEMBER 16 (calendar day, DECEMBER 19), 1919.—Ordered to be printed.

---

Mr. SMOOT, from the Committee on Finance, submitted the following

### REPORT.

[To accompany H. R. 8778.]

The Committee on Finance of the Senate, to whom was referred the bill (H. R. 8778) to amend and modify the war-risk insurance act, having considered the same, report favorably thereon with the recommendation that the bill do pass, with amendments.

Page 1, line 9, insert "\$7,500" in lieu of "\$10,000."

Sections 2 and 3 eliminate certain restrictions as to the child being included within the definition of "child" under the war-risk insurance act, viz, the requirement that it must have been adopted before the soldier entered the service, or, if illegitimate, that it shall have been born in the United States or its insular possessions after a given date.

Section 4, page 2, amend to read as follows:

That section 22 of the war-risk insurance act is hereby amended by inserting therein immediately following subdivisions (4) and (5), respectively, two new subdivisions to be known as subdivision (4a) and subdivision (5a), and to read as follows.

Page 2, line 23, add subdivision 5a, to read as follows:

(5a) The terms "brother" and "sister" include the children of a person who, for a period of not less than one year, stood in loco parentis to a member of the military or naval forces of the United States at any time prior to his enlistment or induction or another member of the same household as to whom such person during such period likewise stood in loco parentis: *Provided*, That this subdivision shall be deemed to be in effect as of October 6, 1917.

Section 4 adds to the other definitions in the war-risk insurance act a definition of the terms "father," "mother," "brother," and "sister."

The terms "father" and "mother" include stepfather, stepmother, fathers and mothers through adoption, and persons who have stood in loco parentis to a member of the military or naval forces for a period of not less than one year.

The terms "brother" and "sister" include the children of a person who, for a period of not less than one year, stood in loco parentis to a

member of the military or naval forces of the United States at any time prior to his enlistment or induction.

These provisions are made retroactive from and after October 6, 1917.

Section 5 relates to persons who may be confined in an asylum or hospital for the insane maintained by the United States, where no guardian or curator of their property has been duly appointed. The director after due investigation may order all moneys payable to him to be held in the Treasury of the United States to the credit of such person. It also provides that funds so held may be disbursed by the director, at his discretion, to the chief executive officer of the asylum or hospital in which such person is an inmate, to be used by such officer for the maintenance and comfort of such inmate and account to the Bureau of War Risk Insurance.

Section 6 provides that section 29 of the war-risk insurance act (which declares that a discharge on certain grounds will forfeit the insurance carried by the soldier) shall not be applicable to converted insurance. It does not interfere with the application of that action to the present war-time term insurance.

Page 4, lines 10, 11, and 12, strike out all of section 7.

Page 4, line 13, change "8" to "7."

Section 7 as amended adds a new section to the war-risk insurance act which is designed to dispose of the so-called "inducted" man problem. The section declares that a person is not in active service within the meaning of the war-risk insurance act until he has been examined at the camp or other place of mobilization and "accepted and enrolled for active service." The first proviso covers the case of men who are injured in line of duty, etc., after induction and prior to final acceptance, and the second proviso covers cases where an inducted man makes an application for insurance prior to being finally accepted.

Page 5, line 4, change "Sec. 9" to "Sec. 8."

Page 5, line 15, change "Sec. 10" to "Sec. 9."

Sections 8 and 9 provide that family allotments and allowances shall be discontinued at the end of the fourth calendar month after the termination of the present war emergency, as declared by proclamation of the President of the United States, and thereafter all allotments of pay shall be voluntary and shall be made under such regulations as may be prescribed by the Secretary of War and the Secretary of the Navy, respectively.

Page 6, line 3, change "Sec. 10 $\frac{1}{2}$ " to "Sec. 10."

Pages 6 and 7, strike out all of section 10a from line 19, page 6 to line 15, page 7, inclusive.

Page 7, line 16, change "Sec. 10b" to "Sec. 10a."

Page 8, lines 1 and 2, strike out the words "involving moral turpitude."

Page 8, line 7, strike out the word "October" and insert in lieu thereof the word "April."

Section 11 relates to the compensation to be paid disabled persons and the members of their families. The rate of compensation has been increased and in order that a comparison may be made with the present law, the provisions of the present law are hereby inserted, followed by the provisions of the proposed bill:

## PRESENT LAW.

- (1) If and while the disability is total, the monthly compensation shall be the following amounts:
- (a) If the disabled person has neither wife nor child living, \$30;
  - (b) If he has a wife but no child living, \$45;
  - (c) If he has a wife and one child living, \$55;
  - (d) If he has a wife and two children living, \$65;
  - (e) If he has a wife and three or more children living, \$75;
  - (f) If he has no wife but one child living, \$40, with \$10 for each additional child up to two;
  - (g) If he has a mother or father, either or both dependent on him for support, then, in addition to the above amounts, \$10 for each.

## PROPOSED BILL.

- (1) If and while the disability is rated as total and temporary, the monthly compensation shall be the following amounts:
- (a) If the disabled person has neither wife nor child living, \$80;
  - (b) If he has a wife but no child living, \$90;
  - (c) If he has a wife and one child living, \$95;
  - (d) If he has a wife and two or more children living, \$100;
  - (e) If he has no wife but one child living, \$90, with \$5 for each additional child up to two;
  - (f) If he has a mother or father, either or both dependent on him for support, then, in addition to the above amounts, \$10 for each parent so dependent.

Disabilities shall be rated by the department as total and temporary, partial and temporary, total and permanent, and partial and permanent, and the monthly compensation shall be a percentage of the degree of reduction in earning capacity resulting from the disability, but no compensation shall be payable for a reduction in earning capacity rated as less than 10 per cent, except in case of total permanent disability, in which case the compensation shall be \$100 per month. Ratings shall be based as far as practicable upon the average impairments of earning capacity resulting from such injuries in civil occupations, and not upon impairment in earning capacity, in each individual case, so that there shall be no reduction in the rate of compensation for individual success in overcoming the handicap of a permanent injury. The bureau shall from time to time readjust the schedule of ratings in accordance with actual experience.

The director shall allow an additional \$20 per month to a disabled person who is so helpless as to be constantly in need of a nurse or attendant.

In connection with section 11 of this bill a tentative schedule of ratings for partial permanent disability is herewith submitted. This tentative schedule was arrived at by the advisory board with surgeons in New York who went to the hospitals and prepared it after due investigation.

The injured person shall also be furnished by the United States Government such reasonable governmental medical and hospital services and such supplies, including artificial limbs, trusses, and similar appliances as the director may determine.

The Bureau of War Risk Insurance shall also furnish transportation, governmental, medical, and hospital services and supplies and appliances to discharged members of the military and naval forces of the Governments which have been associated in war with the United States at such rates and under such regulations as the Bureau of War Risk Insurance may prescribe. The Director of the Bureau of War

## WAR RISK INSURANCE ACT.

Risk Insurance is authorized to reimburse said Governments or their agencies for services, supplies, and appliances furnished to members of the military and naval forces of the United States who live within the territorial limits of such Governments. This provision is for the purpose of establishing reciprocal relations between the Governments which have been associated in war with the United States since April 6, 1917, relative to furnishing medical and hospital services, and supplies and appliances to discharged soldiers who may be living within the respective territories of the Governments associated with us in the war. The Director of the Bureau of War Risk Insurance is authorized to prescribe necessary regulations to carry out this provision of the proposed bill.

Section 302 of this act as amended shall be deemed to be in force and effect as of April 6, 1917.

The schedule referred to follows:

DEAR SIR: In accordance with instructions from Assistant Secretary Love we now submit the following additions to the schedule of ratings for partial permanent disability:

*Ratings for permanent injuries to hearing.*

REMAINING HEARING—OTHER EAR.

Remaining hearing—1 ear	0	25 per cent.	50 per cent.	75 per cent.	100 per cent.
0.....	50	43	35	26	15
25 per cent.....	43	38	31	21	9
50 per cent.....	35	31	25	16	5
75 per cent.....	26	21	16	9	2
100 per cent.....	15	9	5	2	0

For example, if the remaining hearing in one ear were 50 per cent and in the other ear 75 per cent, i. e., 25 per cent impairment, the rating would be 16 per cent.

	Per cent
Mental deterioration.....	10-80
Hernia, ventral, where hernia can not be kept in place effectively by an orthopedic appliance.....	50
Where hernia can be kept in place by an orthopedic appliance.....	20
4. Epilepsy:	
Fits occurring daily.....	100
Fits occurring periodically at intervals of from 2 to 4 days.....	80
Fits occurring periodically at intervals of from 5 to 10 days.....	60
Fits occurring periodically at intervals of from 11 to 30 days.....	40
Fits occurring periodically at intervals exceeding 30 days.....	20

*Ratings for permanent injuries to vision*

REMAINING VISION—OTHER EYE.

Remaining vision—other eye.	0	25	50	75	80	85	90	95
0.....	100	100	95	75	65	60	50	30
25.....	100	100	95	70	60	55	45	27.5
50.....	95	95	70	65	55	50	40	22.5
75.....	75	70	65	60	50	45	35	17.5
80.....	65	60	55	50	45	40	30	12.5
85.....	60	55	50	45	40	35	27.5	10
90.....	50	45	40	35	30	25	20	5
95.....	30	27.5	22.5	17.5	12.5	10	5	0

The foregoing ratings measure the disability after the best possible adjustment of lenses has been applied to the eyes.

The international system of noting visual values has been used in the foregoing table. The numerator indicates the distance in feet of the object from the eyes of the observer, and the denominator the distance (also in feet) at which the object should have been seen. For example,  $\frac{20}{200}$  means that the individual is seated 20 feet from the object, but sees only that sized object which should be seen at 200 feet. We are assured by authorities in ophthalmics that these fractions serve all practical purposes, and that it would be inadvisable to adopt any other than the accepted standard for estimating visual power.

In the following table appear the ratings for paralysis of extrinsic muscles:

*Permanent injuries to the eyes—Paralysis of the extrinsic muscles.*

All extrinsic muscles of one eye paralyzed:	Per cent.
0 muscle of other eye paralyzed.....	15
1 muscle of other eye paralyzed.....	18
2 muscles of other eye paralyzed.....	20
3 muscles of other eye paralyzed.....	25
4 muscles of other eye paralyzed.....	30
5 muscles of other eye paralyzed.....	60
All muscles of other eye paralyzed.....	100

It is assumed that the foregoing disability remains after the best possible adjustment of prisms has been applied to the eyes.

The following schedule would apply to permanent injuries to the eye which impaired the visual fields:

*Permanent injuries to the eyes—Impairment of visual fields.*

	Per cent.
Loss of nasal halves of both fields.....	0
Loss of nasal half of one field.....	0
Partial defects of one field.....	10
Loss of temporal half of one eye.....	10
Loss of full field of one eye.....	10
Concentric contraction of one eye.....	10
Loss of temporal half of both eyes.....	15
Small concentric contraction of both eyes to 60°.....	15
Homonymous hennanopsia right or left, superior or inferior.....	20
Concentric contraction of both fields to 30°.....	30
Concentric contraction of both fields to 5°.....	100

Yours, very truly,

ARTHUR HUNTER,

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Advisory Board.*

*A. Subjective conditions.*

	Per cent.
Insanity, total.....	100
Epilepsy, fits occurring several times a day.....	100

*B. Objective conditions.*

The head:

- (1) The skull—Aperture in cranium, unfilled with new bone, no functional results..... 10
- (2) The face—
  - Marked paralysis of facial nerve, nonsyphilitic..... 20
  - Such injuries to the nasal, cheek bones, or jaws as interfere in a positive degree with the performance of the normal functions of the nose (not elsewhere specified)..... 10-40
  - Such injuries to the nasal, cheek bones, or jaws as interfere in a positive degree with the performance of the normal functions of the mouth (not elsewhere specified)..... 10-40
  - Loss of tongue, including unintelligible vocalization..... 70
  - Such irreparable injury to or loss of teeth as produces malnutrition through deficient mastication of food..... 25
- (3) The eye—Complete loss of sight, both eyes..... 100
- (4) The ear—Deafness, complete in both ears..... 50

## The head—Continued.

	Per cent.
(5) The neck—	
Complete loss of speech, due to injury of larynx.....	50
Indistinct articulation, due to trauma.....	10
Chronic bronchitis.....	0-10

## The upper extremities:

(1) The shoulder and arm—Loss of both hands at or above the wrist joints.....	100
a. The shoulder—	
Disarticulation arm, at shoulder joint (major).....	75
Disarticulation arm, at shoulder joint (minor).....	70
Flail joint at shoulder (major).....	25
Flail joint at shoulder (minor).....	20
Ankylosis shoulder joint, resulting in decided limitation of motion of arm (major).....	25
Ankylosis shoulder joint, resulting in decided limitation of motion of arm (minor).....	20
Ankylosis shoulder joint, not permitting arm to be raised above a level with the shoulder (major)....	20
Ankylosis shoulder joint, not permitting arm to be raised above a level with the shoulder (minor).....	15
b. The elbow—	
Loss arm, at or above elbow joint and below shoulder joint (major).....	70
Loss arm, at or above elbow joint and below shoulder joint (minor).....	65
Complete ankylosis elbow joint, in bad position (major).....	55
Complete ankylosis elbow joint, in good position (minor).....	50
Complete ankylosis elbow joint, in good position (major).....	30
Complete ankylosis elbow joint, in good position (minor).....	25
False joint at elbow (major).....	25
False joint at elbow (minor).....	20
c. The wrist—	
Loss arm, between elbow and wrist joints (major)....	65
Loss arm, between elbow and wrist joints (minor)....	60
Ankylosis wrist joint, severely involving fingers (major).....	30
Ankylosis wrist joint, severely involving fingers (minor).....	25
Ankylosis wrist joint, very limited motion (major)..	15
Ankylosis wrist joint, very limited motion (minor)..	10
(2) The hand—	
Loss hand, at wrist joint (major).....	60
Loss hand, at wrist joint (minor).....	55
a. The fingers and thumb—	
Loss 5 fingers 1 hand, at proximal joints (major)..	50
Loss 5 fingers 1 hand, at proximal joints (minor)..	45
b. The fingers—	
Loss all fingers except thumb, 1 hand, at proximal joints (major).....	40
Loss all fingers except thumb, 1 hand, at proximal joints (minor).....	35
c. The thumb, index and middle fingers—	
Loss thumb, index and middle fingers, 1 hand, at proximal joints (major).....	35
Loss thumb, index and middle fingers, 1 hand, at proximal joints (minor).....	30
d. The thumb and index finger—	
Loss thumb and index finger, 1 hand, at proximal joints (major).....	25
Loss thumb and index finger, 1 hand, at proximal joints (minor).....	20

The upper extremities—Continued.

(2) The hand—Continued.

Loss hand, at wrist joint (minor)—Continued.

	Per cent.
<i>e.</i> The thumb—	
Loss thumb, involving the metacarpal bone (major).....	17.5
Loss thumb, involving the metacarpal bone (minor).....	12.5
Loss thumb, at proximal joint (major).....	12.5
Loss thumb, at proximal joint (minor).....	10
<i>f.</i> The index finger—	
Loss index finger, at proximal joint (major).....	10
Loss index finger, at proximal joint (minor).....	7.5
<i>g.</i> The middle finger—	
Loss middle finger, at proximal joint (major).....	10
Loss middle finger, at proximal joint (minor).....	7.5
<i>h.</i> The ring finger—	
Loss ring finger, at proximal joint (major).....	7.5
Loss ring finger, at proximal joint (minor).....	5
<i>i.</i> The little finger—	
Loss little finger, at proximal joint (major).....	7.5
Loss little finger, at proximal joint (minor).....	5

The trunk:

(1) The chest—Pulmonary tuberculosis.....	10-100
(2) The abdomen—	
Chronic cystitis.....	0-50
Hernia, inguinal (irreparable).....	15
Hernia, inguinal.....	5
(3) The back—	

The pelvis.

The lower extremities (bone and joint tuberculosis will automatically fall in the regional disabilities and the rating in each case will not exceed the percentage for the loss of the limb at the level of the tuberculosis):

(1) The thigh and leg—	
Loss of both feet at or above the ankle joints.....	100
Irregular union of fracture in 1 thigh or leg with considerable shortening of limb.....	15
Irregular union of fracture in 1 thigh or leg with slight shortening of limb, causing sufficient limitation of motion as to produce permanent lameness.....	10
<i>a.</i> The hip—	
Disarticulation 1 leg, at hip joint.....	65
Complete immobility, 1 hip joint.....	55
Complete immobility, 1 hip joint, in extension of thigh.....	55
<i>b.</i> The knee—	
Loss 1 leg, at or above knee joint and below hip joint.....	50
Complete ankylosis, 1 knee joint, in bad position.	30
Complete ankylosis, 1 knee joint, in good position.	10
<i>c.</i> The ankle—	
Loss 1 leg, between ankle and knee joints.....	40
Complete ankylosis, 1 ankle joint, in bad position.....	15
Complete ankylosis, 1 ankle joint, in good position.	10
(2) The foot—	
Loss 1 foot, at ankle joint.....	35
Loss 1 foot, in tarsus.....	30
Loss 1 foot, in metatarsus.....	25
<i>a.</i> The toes—	
Loss 1 big toe, at proximal joint.....	10
Loss 3 toes (other than big toe), on 1 foot, at proximal joints.....	10

Page 11, line 17, after the word "furnish" insert "transportation, also."

Section 12 amends the automatic insurance provisions in section 401 of the act by extending the automatic insurance provisions so as to cover all men (except those who actually refuse to apply for insurance) who were finally accepted for service and were in service between April 6, 1917, and November 11, 1918.

Under the present law only those who were in the service between October 15, 1917, and February 12, 1918, and died or were totally disabled during that period, and did not apply for insurance, were entitled to automatic insurance.

Page 15, line 9, add a period after the word "Act," and strike out the rest of the paragraph.

Page 15, strike out all of line 17, and down to and including the word "that" on line 18, and commence the word "nothing" with a capital "N."

Page 16, amend section 14 to read as follows:

SEC. 14. That if no person within the permitted class of beneficiaries survives the insured, then there shall be paid to the estate of the insured the monthly installments payable and applicable under the provisions of Article IV of the war-risk insurance act.

Section 14 provides that in case, at the death of the insured, there is no one living within the permitted class of beneficiaries, the insurance shall be paid to the personal representatives of the insured, and the Senate amendment provides that the payments shall be made in the same way as to the original beneficiary—that is, in monthly installments.

Page 16, beginning with line 25, section 15 is amended to read as follows: "person within the permitted class the remaining unpaid monthly installments."

Page 17, section 16, is amended to read as follows:

SEC. 16. That if no beneficiary within the permitted class be designated by the insured as beneficiary for converted insurance, granted under the provisions of Article IV of the war-risk insurance act, either in his lifetime or by his last will and testament, or if the designated beneficiary does not survive the insured, then there shall be paid to the estate of the insured the remaining unpaid monthly installments; or if the designated beneficiary survives the insured and dies before receiving all of the installments of converted insurance payable and applicable, then there shall be paid to the estate of such beneficiary the remaining unpaid monthly installments.

