

**The National Insurance Act 1911 : being a treatise on the scheme of national health insurance and insurance against unemployment created by that Act, with the incorporated enactments, full explanatory notes, tables, and examples / by Orme Clarke.**

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C.  
THE LAW OF

NATIONAL INSURANCE

2<sup>ND</sup> EDITION

ORME CLARKE

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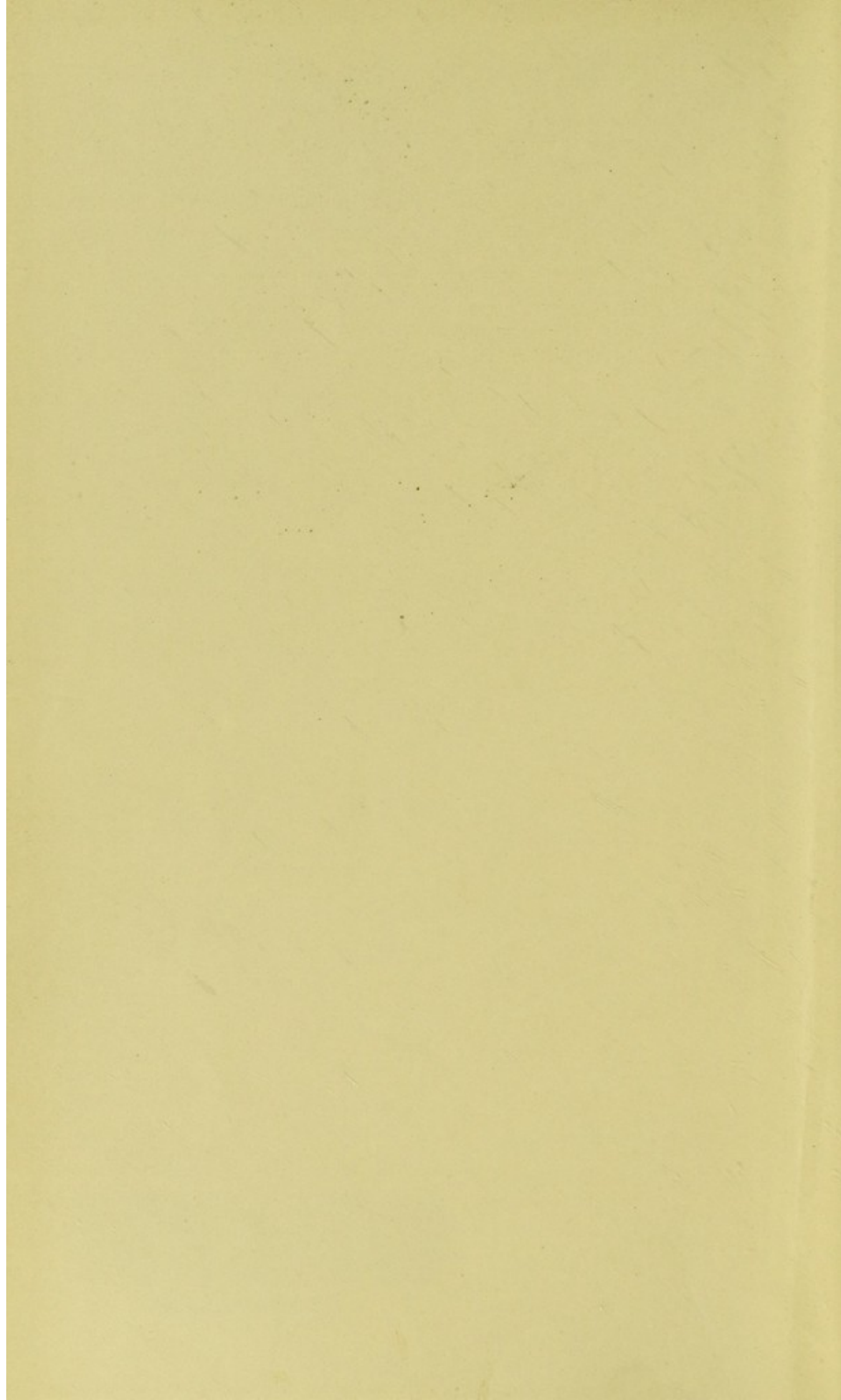


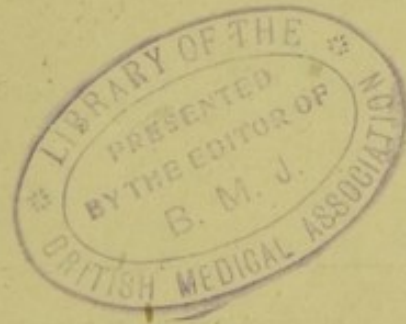
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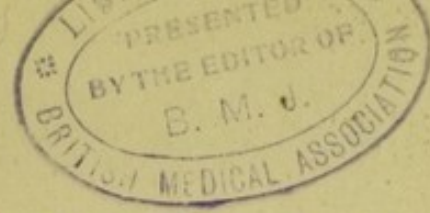
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# THE NATIONAL INSURANCE ACT 1911

BEING A TREATISE ON THE SCHEME OF NATIONAL HEALTH  
INSURANCE AND INSURANCE AGAINST UNEMPLOYMENT  
CREATED BY THAT ACT, WITH THE INCORPORATED  
ENACTMENTS, FULL EXPLANATORY NOTES  
TABLES AND EXAMPLES

BY  
**ORME CLARKE**  
OF THE INNER TEMPLE AND WESTERN CIRCUIT  
BARRISTER-AT-LAW

WITH AN INTRODUCTION  
BY  
**SIR JOHN SIMON, K.C.V.O., M.P.**  
SOLICITOR-GENERAL

**SECOND EDITION**

“The beauty of laws for human creatures is their adaptability  
to new stitchings.” THE EGOIST, chap. xviii.

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## PREFACE TO THE SECOND EDITION.

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ANYBODY who has read the National Insurance Act, 1911, must have realised at once that the Act was, in many respects, a skeleton, and that an immense amount of detail was left to be filled in by regulations, etc. A large number of these regulations, etc., have now been made, nearly all of which have been incorporated in this book. It is essential for anyone who is connected with the administration of the Act to make constant reference to these regulations, and it is hoped that a book which contains them collected together in a convenient form will be of value. This Edition does not, however, consist merely of the old Edition with the addition of the regulations. The Author has carefully revised the whole text, and has made numerous additions and alterations thereto. The relevant cases decided during 1912 have been referred to and incorporated in the text. A digest of selected cases decided by the Insurance Commissioners has been printed which, it is hoped, will prove a useful addition to the book.

The Author desires to express his thanks to the numerous correspondents who were so kind as to write to him on the subject of the First Edition, and to say that he has been immensely helped in the work of preparing the Second Edition by their criticisms and suggestions. Any further help of the same nature will be much appreciated.

The Author also wishes to acknowledge with much gratitude the special assistance given him by various friends who have pointed out and discussed many difficulties which had not occurred to him.

ORME CLARKE.

4, BRICK COURT, TEMPLE,  
*2nd Jan., 1913.*



## PREFACE TO FIRST EDITION.

---

It is always considered graceful in an author to apologise for intruding a book on the public. The apology is always insincere, though it is frequently owing. In this case the author feels that less apology than usual is owing, because the character of the enactment which it has been his endeavour to elucidate, is such that its provisions must necessarily be of intimate, and, it may be hoped, of pleasant interest to nearly all the inhabitants of the United Kingdom.

The Act deals with novel principles, its scope is amazingly wide, and its details are extremely complicated. The aim of the author has been to endeavour to give a clear and accurate exposition of those principles, together with an elucidation of the details. The method adopted is familiar and well-tried. An introduction is followed by a print of the Act, and beneath each of the sections a full explanatory note will be found. The usual Table of Cases and Statutes are inserted in the beginning, and such portions of the Interpretation Act, 1889, as are material are printed at the end of the book.

The license usually accorded to an author when writing a preface may perhaps be an excuse for drawing attention to one or two features of the book.

The Introductory Summary has been specially written with a view to giving the readers of the general public



a brief, but clear, exposition of the provisions of the Act, with references in every case to the section in which those provisions are to be found. All the important sections are followed by a special note, which endeavours to give a summary of the object and effect of the particular section, and a very free use has been made of examples. It is, perhaps, not too much to hope that those who are not accustomed to legal phraseology will find this of use, and that those who are familiar with that phraseology may find that it saves them trouble.

The task of writing this book has not been an easy one. The feelings of the author may perhaps best be expressed by saying that he hopes—*olim meminisse jurabit*. The Bill was practically redrafted in Committee, where over twenty new clauses were added. On Report, hundreds of amendments were made, and eight new clauses were added. The House of Lords made its mark upon the Bill, and again added a new clause ; and finally a “drafting amendment” was made by the Commons on the consideration of the Lords’ amendments to the Bill. Any one who has had experience of writing a book in these circumstances will understand the force of the statement that the final numbering of the sections was not definitely known to the author until December 24.

In conclusion, the author can only express a hope that his book may be found of some use by the public, and particularly by those persons whose duty it will be to administer the Act. He will be only too grateful if mistakes are pointed out to him. They inevitably exist.

The author desires to express his thanks to the many friends whom he has plagued with questions on the Act. To Mr. Colin Smith, of 1, Brick Court, his special thanks are due for assistance that has been unflagging and invaluable. His knowledge of the Act is thorough, and he has constantly placed that knowledge at the

author's disposal. He has not only prepared the Table of Cases and Statutes, and the index, and read the proofs, but has carefully read through the whole of the manuscript with the result that the author is indebted to him for many valuable criticisms and suggestions.

ORME CLARKE.

4, BRICK COURT, TEMPLE,  
25th Dec., 1911.



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1. The first part of the paper discusses the importance of the study of the history of the United States. It is argued that a knowledge of the past is essential for a full understanding of the present and for the development of a sound policy for the future. The author points out that the history of the United States is a complex and varied one, and that it is necessary to study it from many different angles in order to gain a complete picture of it.

2. The second part of the paper discusses the role of the government in the development of the United States. It is argued that the government has played a crucial role in the development of the country, and that it is necessary for the government to continue to play this role in the future. The author points out that the government has been responsible for the establishment of the Constitution, the creation of the federal government, and the development of the country's infrastructure.

3. The third part of the paper discusses the role of the individual in the development of the United States. It is argued that the individual has played a crucial role in the development of the country, and that it is necessary for the individual to continue to play this role in the future. The author points out that the individual has been responsible for the establishment of the Constitution, the creation of the federal government, and the development of the country's infrastructure.

4. The fourth part of the paper discusses the role of the future in the development of the United States. It is argued that the future is a crucial part of the development of the country, and that it is necessary for the future to continue to play this role in the future. The author points out that the future has been responsible for the establishment of the Constitution, the creation of the federal government, and the development of the country's infrastructure.

5. The fifth part of the paper discusses the role of the present in the development of the United States. It is argued that the present is a crucial part of the development of the country, and that it is necessary for the present to continue to play this role in the future. The author points out that the present has been responsible for the establishment of the Constitution, the creation of the federal government, and the development of the country's infrastructure.

6. The sixth part of the paper discusses the role of the past in the development of the United States. It is argued that the past is a crucial part of the development of the country, and that it is necessary for the past to continue to play this role in the future. The author points out that the past has been responsible for the establishment of the Constitution, the creation of the federal government, and the development of the country's infrastructure.

7. The seventh part of the paper discusses the role of the future in the development of the United States. It is argued that the future is a crucial part of the development of the country, and that it is necessary for the future to continue to play this role in the future. The author points out that the future has been responsible for the establishment of the Constitution, the creation of the federal government, and the development of the country's infrastructure.

8. The eighth part of the paper discusses the role of the present in the development of the United States. It is argued that the present is a crucial part of the development of the country, and that it is necessary for the present to continue to play this role in the future. The author points out that the present has been responsible for the establishment of the Constitution, the creation of the federal government, and the development of the country's infrastructure.

9. The ninth part of the paper discusses the role of the past in the development of the United States. It is argued that the past is a crucial part of the development of the country, and that it is necessary for the past to continue to play this role in the future. The author points out that the past has been responsible for the establishment of the Constitution, the creation of the federal government, and the development of the country's infrastructure.

10. The tenth part of the paper discusses the role of the future in the development of the United States. It is argued that the future is a crucial part of the development of the country, and that it is necessary for the future to continue to play this role in the future. The author points out that the future has been responsible for the establishment of the Constitution, the creation of the federal government, and the development of the country's infrastructure.



## INTRODUCTION.

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It is with much pleasure that I comply with the request of my friend Mr. Orme Clarke to write a few words by way of preface to his treatise on the National Insurance Act. This piece of legislation touches so many interests at so many points that a clear and detailed exposition of its provisions will be everywhere welcomed. And there is a special reason why careful explanation is wanted. Most Acts of Parliament, even though they closely affect the daily lives of masses of people, can be, and are, discussed with intelligence without any very precise knowledge of their minute provisions. Many excellent speeches have been made, for example, about the Workmen's Compensation Act or the Old Age Pensions Act, by persons who have never studied their clauses, but it is the simple truth that no one can express a well-founded opinion on the National Insurance Act without devoting a quite inordinate amount of time and trouble to studying it—not less time and trouble, let us say, than a lady would spend in choosing a new dress, or a man in selecting a new motor car. It is easy enough to say that we are in favour of "the principle" of National Insurance; and indeed those who really understand what the necessary principles of National Insurance are, are thereby committed to much which they may otherwise be tempted to repudiate. But, after all, the essence of a scheme



such as this lies in its details, and as a guide to those details Mr. Clarke's book will, I am convinced, prove useful to many.

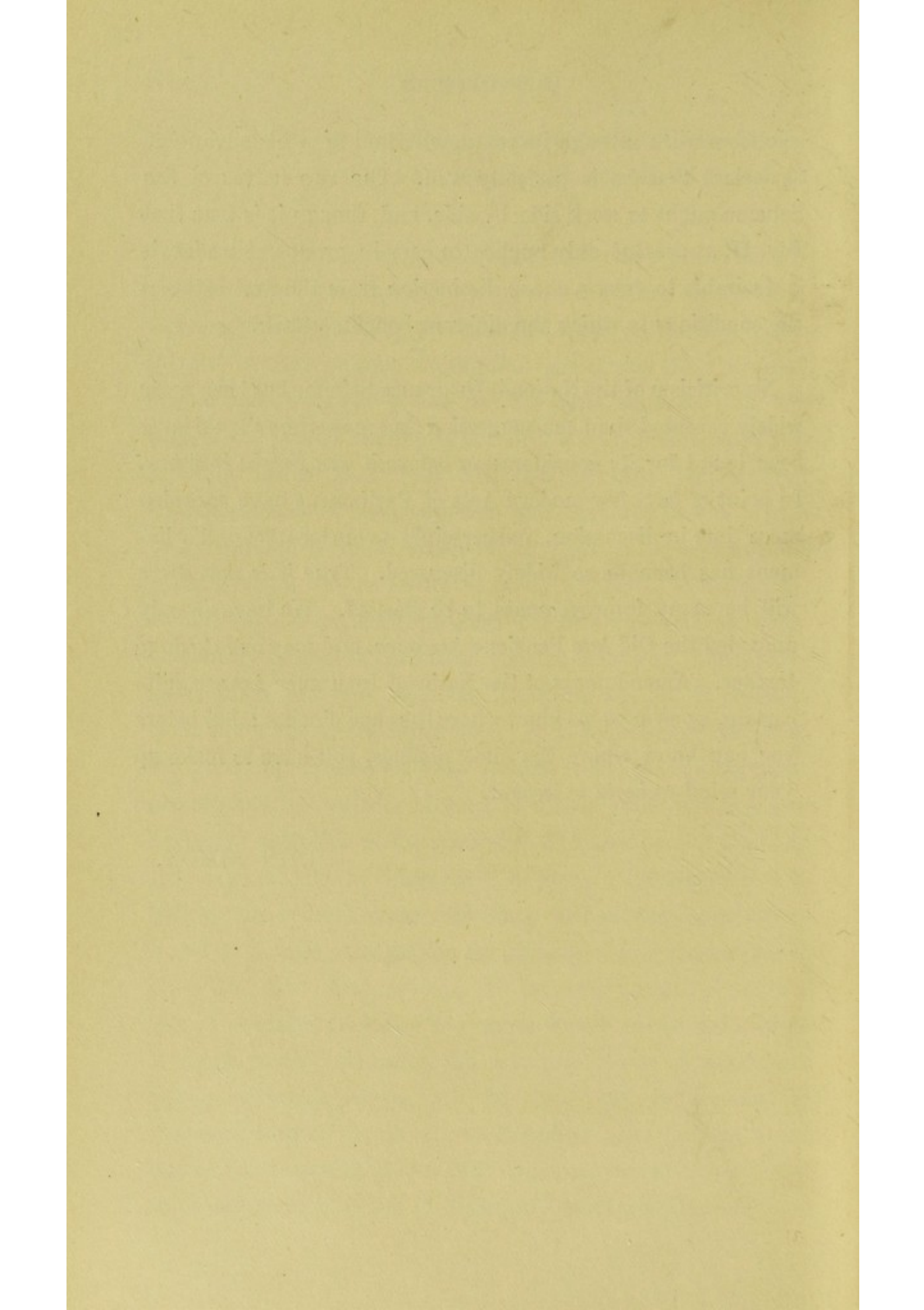
This book has nothing to do with the controversies of the moment, but I may perhaps be permitted to use this preface (without thereby tainting the undefiled fount of learning which follows) to point out one substantial reason why the whole Act should come into law at one and the same moment. At the time of the second reading of the Bill, it was in some quarters strongly urged that Part II., dealing with Unemployed Insurance, should be postponed, and that we should in the first instance confine ourselves to Part I. On the third reading of the Bill, its critics in terms suggested that Part II. should take precedence of Part I. But there is an overwhelming reason of practical convenience why Unemployment Insurance and Sickness Insurance should, if possible, come into force at the same time. It is a necessary condition for receiving Unemployment Benefit that the unemployed man should be "capable of work"; on the other hand, it is a necessary condition of the receipt of Sickness Benefit that the sick man should be "incapable of work." If therefore one half of the scheme came into force without the other, there would be a strong temptation for unjustified claims to be made upon the fund first set up. If (as was demanded on the second reading) Sickness Insurance is set up in priority to Unemployment Insurance, the man who is out of work from purely economic causes will be under an inducement to represent himself as ill. If, on the other hand (as was urged on the third reading of the Bill), Unemployment Insurance is to be set up in advance of Sickness Insurance, then the man



who loses work through ill-health will find it to his advantage to declare that he is perfectly well. The two halves of the Scheme ought to work side by side, and, though it is true that Part II. at present only applies to certain groups of trades, it is desirable to draw a sharp distinction from the first between the conditions to which the different benefits attach.

No criticism of the National Insurance Scheme has been more widely repeated than the suggestion that more time should have been found for its consideration before it was passed into law. In point of fact, few modern Acts of Parliament have occupied more time in discussion, and certainly no modern Act of Parliament has been more widely discussed. True it is that there will be many improvements to be effected. We have already amended the Old Age Pensions Act once, and may have to do so further. Amendments of the National Insurance Act are quite certain, as soon as we know where the shoe pinches ; but before you can know where the shoe pinches, you have to make up your mind *to begin to wear it*.

JOHN SIMON.





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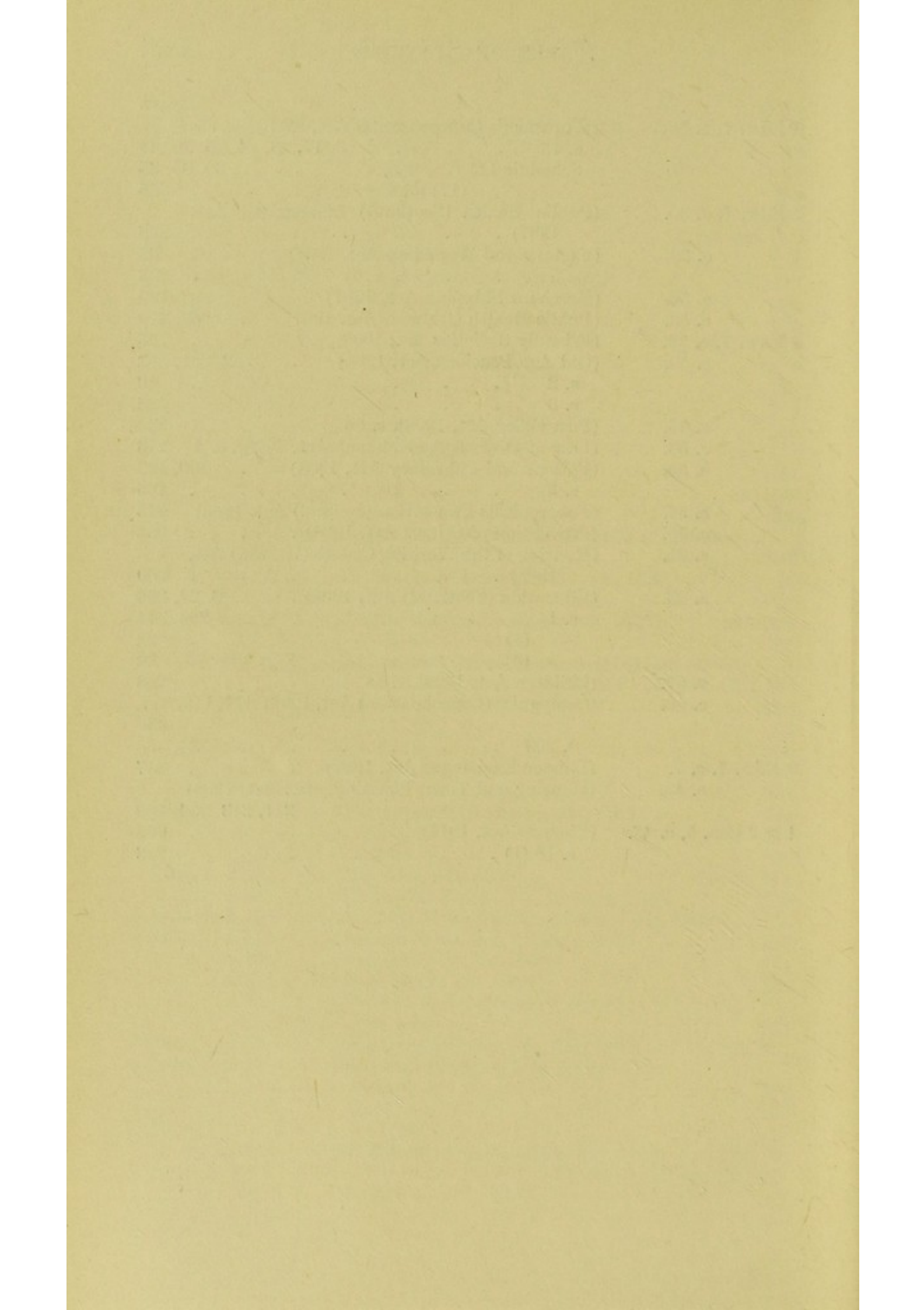
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## INTRODUCTORY SUMMARY.

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### CHAPTER I.

#### PRINCIPAL FEATURES OF THE ACT.

THE National Insurance Act, 1911, received the Royal Assent on December 16, 1911, and came into operation on July 15, 1912.

It is perhaps the most novel and far-reaching measure that has ever been passed by Parliament. It is novel in that it applies principles of compulsion which it has hitherto been believed it would be impossible to apply to the British people. It is far-reaching in that it is almost impossible to conceive of any person who is not more or less affected by its operation.

The Act is divided into three Parts: the first Part deals with Health Insurance, the second Part with Unemployment Insurance, and the third Part contains certain miscellaneous provisions.

From the lawyer's point of view, the first two Parts of the Act are two quite distinct measures. From the point of view of social legislation, the first two Parts have, of course, a very considerable bearing upon each other.

The most striking features of the National Health Insurance scheme brought into operation by Part I. of the Act are—

- (1) That it applies with very few exceptions to the whole industrial population of the United Kingdom, including the Army and Navy and the Mercantile Marine.



- (2) That insurance under its provisions is made compulsory for all employed persons.
- (3) That the administrative machinery is largely in the hands of the insured.
- (4) That the rates of contribution and of benefits (with certain exceptions) are the same for all employed persons irrespective of their age, provided that they enter into Insurance within twelve months of the commencement of the Act, viz. July 15, 1912.
- (5) That the cost of the scheme of Insurance is divided among Employers, Employees, and the State, but that there is no State guarantee of the solvency of the Insurance Fund.
- (6) That it does not affect the incidence of the existing liability of Employers for accidents, provisions being made that benefits under the scheme will not be paid to persons who are rendered incapable of work by such accidents.
- (7) That it is designed to be the complement of the Old Age Pensions Act, in that the greater part of the benefits payable under its provisions will not be given after the insured person has reached the age of 70.
- (8) That it makes special provision for women at the time of their confinement.
- (9) That it makes a special attempt to deal with Tuberculosis.
- (10) That it provides for the preservation of the existing organizations for promoting thrift.
- (11) That, besides compulsory insurance, it makes provision for voluntary insurance, on such terms that voluntary contributors to the scheme will be admitted on as favourable terms as employed persons, provided that they enter into insurance within the first six months after the commencement of the Act and are under 45 years of age.
- (12) That it opens the door to an international scheme of insurance by admitting transfers to and from foreign



countries with whom special arrangements have been made.

Special authorities are created to administer Part I. of the Act. These authorities are known as the Insurance Commissioners and separate bodies of Commissioners are established for England, Scotland, Ireland, and Wales.

Comparisons will naturally be instituted between the scheme introduced by this Act and the other great State National Insurance scheme which is in operation in Germany. It is not within the scope of this work to attempt to deal at any length with the differences between the two schemes. A few salient points of difference may, however, be noted.

The German scheme is wider in its scope even than the British scheme, in that it deals not only with sickness and invalidity Insurance but also with the provision of pensions for the aged. The natural consequence is that the German rates of contribution are considerably higher than the British rates. Again, in Germany, instead of having the same rates of contribution and benefit, the industrial population is divided into various classes according to the rate of wages that they earn. In Germany there is separate machinery for sickness and invalidity, and the State makes no contribution to the former. Another feature differentiating the British scheme from the German scheme is the extent to which, under the British scheme, the administrative machinery is in the hands of the insured. Most of these differences tend towards making the British scheme much the simpler of the two. The truth of this assertion is shown by the fact that 115 sections are apparently sufficient for the British scheme, whereas (*absit omen*) the latest revision of the German Insurance Law contains, it is reported, some 3800 articles.

The principal feature of the scheme for Insurance against Unemployment is that, unlike the scheme for Insurance against Sickness, it is not universal, but is confined in its operation to workmen in certain trades. The Unemployment scheme is perhaps more experimental in its nature; indeed, no scheme so large has ever before been instituted in any country to deal with the problem of unemployment. Power is taken in



the Act to extend the scheme to other trades, and, should the scheme be a success, this will doubtless be done.

The principal points of resemblance between the Health Insurance scheme and the Unemployment scheme are that similar methods will be adopted for the collection of contributions, and that the incidence of the cost of the scheme will fall upon the same parties, viz. the State, Employers, and Workmen. As in the case of the Health Insurance scheme there is no State guarantee of the solvency of the Unemployment Fund.

No special authority is created for dealing with the Unemployment scheme, and the place of the Insurance Commissioners under Part I. of the Act will virtually be taken by the Board of Trade.



## CHAPTER II.

### INSURED PERSONS—CONTRIBUTIONS—ARREARS.

THE persons to whom the National Scheme of Health Insurance introduced by this Act applies are (1) all persons employed within the meaning of the Act who are known as "employed contributors"; (2) all persons possessing certain qualifications and who elect to become insured under the Act, who are known as "voluntary contributors." Persons who are insured under the Act whether as employed or voluntary contributors are known throughout the Act as "insured persons." Sec. 1 (1).

**Employed Contributors.**—The provisions of the Act apply compulsorily to all employed contributors. The persons composing this class are to be ascertained by reference to sec. 1 and the First Schedule of the Act.

Broadly speaking, those persons will include all persons, whether British subjects or aliens, male or female, married or single, between the ages of sixteen and sixty-five who are engaged in manual labour under a contract of service, whatever their earnings may be, and all such persons engaged in work other than manual labour whose earnings do not exceed £160. Casual labour is also included where it is for the purpose of the employers' trade or business or for the purpose of a game or recreation. But persons who, by the terms of their service, already substantially enjoy the benefits of the Act (*e.g.* certain persons employed by the Crown or Local or other Public Authorities and certain Teachers) are excluded. Persons whose employment is not the principal means of their livelihood are also excluded, as is the employment of a wife by a husband and *vice versa*.



The Act only applies to the United Kingdom; a person, therefore, employed outside the territorial limits of the United Kingdom will not require to be insured. The only exception to this rule is that men employed under a contract of service as master or member of the crew of a British ship are expressly included. Special provisions, which apply extratorially, are made for the naval and military forces of the Crown (*vide* Sec. 46). Sec. 1 (2) and the First Schedule.

The magnitude of the field covered by the Act may be gauged by the fact that the actuarial report [Cd. 5983] estimates the number of employed contributors for the years 1912-13 at 13,089,000.

**The Crown.**—Part I. of the Act is expressed to apply to persons employed by or under the Crown in like manner as if the employer were a private person. The only exception to this rule is the case of persons employed by the Crown in respect to whom special provision is made, *e.g.* seamen, marines, and soldiers of the naval and military forces of the Crown. Sec. 53.

**Exemptions.**—Employed persons who have a pension or income of £26 and upwards not dependent upon their personal exertion, or who are dependent upon other persons for their livelihood, may be exempted. Sec. 2.

The employer will still have to pay his own contribution if he employs an exempted person. Sec. 4 (4).

Certain married women (sec. 44 (8)), Irish migratory labourers (sec. 81 (3)), and inmates of charitable homes and reformatories (sec. 51) may also be exempted.

**Voluntary Contributors.**—The qualifications necessary in order to entitle a person to become a Voluntary contributor will be found in sec. 1 (3). Those qualifications are that a person must be engaged in a regular occupation on the earnings from which he is wholly or mainly dependent, or must have been an insured person for five years or upwards. No person whose total income from all sources exceeds £160 *per annum* is entitled to be a voluntary contributor unless he has been insured for five years or upwards. The number of persons



who will become voluntary contributors in 1912-13 is estimated at 829,000.

**Methods of Insurance.**—Two methods of Insurance are open both to voluntary and employed contributors. They may either become members of Approved Societies or they may become what is known in the Act as deposit contributors. Persons who are entitled to be insured may make application for membership to such Societies at any time after the passing of the Act. The Societies will have discretion in accepting or refusing applications for membership in accordance with their existing rules, provided that no application may be rejected on the ground of the age of the applicant. Sec. 30. The effect of Sec. 55 (which equalizes the age of insured persons who become members of Approved Societies) is such that there should be little or no inducement to any Society to attempt to exclude any members on the score of age. Members of Approved Societies will be entitled to transfer from one Society to another, or from one branch of a Society to another branch, and transfer values representing the liability under the Act of the original Society in respect of the parting member, will be paid to the new Society or branch which the member joins. This liability will be calculated in accordance with tables to be prepared by the Insurance Commissioners. These transfer values will be paid whether the member leaves a Society voluntarily or by expulsion. The transfer value will not, however, be paid, where an insured person leaves a Society voluntarily and that Society is able to prove that it did not consent to the member leaving and that it did not unreasonably withhold that consent. Sec. 31. Members who leave the United Kingdom for good will not necessarily lose the value of their contributions, but will in certain cases be allowed to transfer to Societies in foreign countries or in British possessions, and in certain cases may remain members of their Society independently of the Act, a certain portion of their transfer value being paid out of the Insurance Fund to the Society. Secs. 32 and 33. There is provision in the Act making it an offence to become a member of more than one Approved Society for the purposes of the Act. Sec. 34.



There is considerable advantage in becoming a member of an Approved Society in that reserve values are credited in respect of insured persons who, owing to their age, need them. Members of Approved Societies enjoy the protection of insurance in the true sense of the term, whereas persons who do not join Approved Societies will not.

**Deposit Contributors.**—Persons who do not become members of Approved Societies will be insured in a Fund called the Post Office Fund, and will be known as deposit contributors. Insurance in that Fund is not insurance in the true sense of the term, in that the benefits payable out of the Fund cannot exceed the value of the contributions which the member has paid into the Fund, together with the State contribution. Once a person has exhausted the sum of money standing to his credit in that Fund he can receive no more benefits until his account is once more replenished. These provisions only apply until January 1st 1915, when it is apparently the intention that they should be reconsidered, probably in connection with the revision of the Poor Law which, it is anticipated, will take place between now and then. Sec. 42.

Provisions are made for transfers from Approved Societies to the Deposit Insurance, and *vice versa*, by sec. 43. The same section provides that, on the death of a deposit contributor, a part of the sum standing to his credit in the Post Office Fund may be paid to his nominee; and that, where a deposit contributor proves that he has permanently ceased to reside in the United Kingdom, a similar part of the sum standing to his credit may be paid to him.

**Contributions of Employed Contributors.**—Contributions payable in respect of Employed contributors will be found in the Second Schedule to the Act. These contributions are payable in respect of each week that the contributor is employed, and the full contribution must be paid in the first instance by the employer. Ultimately, the contribution will be paid partly by the employer, and partly by the employee, inasmuch as the employer will be entitled, in accordance with the rules laid down by the Third Schedule to the Act, to deduct from the employee's wages the part of the contribution which he has



paid upon the employee's behalf. The ordinary employed rate for England, Scotland, and Wales is 7*d.* a week in the case of men, payable as to 3*d.* by the employer, and 4*d.* by the employee, and 6*d.* a week in the case of women, payable in equal shares by employer and employee. The apportionment of these contributions as between employers and employees is varied in the case of persons receiving very low wages, and in certain cases the State will pay 1*d.* of the contribution (in addition, of course, to paying its share of the cost of benefits). Sec. 4 and Second Schedule.

These rates are reduced in Ireland owing to the fact that medical benefit is not given to insured persons in Ireland. Sec. 80 (4) and Second Schedule Part II.

These rates of contribution remain the same so long as the contributor remains in insurance. Contributions are not payable after the contributor has attained the age of 70. Sec. 4 (3).

Payment of contributions will be made by affixing stamps to cards in accordance with regulations made by the Commissioners. Sec. 7 and the Regulations dealing with the collection of contributions.

**Means of Compulsion.**—Stringent provisions are provided in the Act to ensure the due payment of contributions by the employer. If the employer fails or neglects to pay the contributions he will be guilty of an offence punishable with a fine not exceeding £10, and will be liable to pay to the Insurance Commissioners the sums he has not paid. Sec. 69. Further, in the case of a member of an Approved Society, the employer may also be called upon to pay the value of any benefit which the member has lost owing to his failure or neglect to pay the contributions. Sec. 70.

But if the employer fails to pay the contribution, or if the contributor becomes unemployed, there is no obligation upon the contributor to pay his share of the contribution. The obligation placed by sec. 1 upon employed persons to become insured will, nevertheless, be fulfilled. The terms in which that obligation is expressed are "shall be . . . insured in manner provided in this Part of this Act," and the "manner provided" is that the employer should pay the contributions subject to



his right to recover the employee's share by deductions. Sec. 4.

The regulations dealing with the collection of contributions require all persons who are bound to become insured to obtain an insurance card. Regulations made by the Insurance Commissioners in accordance with sec. 65 are to take effect as if enacted in the Act. Hence default in obtaining a card will be a non-compliance with a requirement of the Act and render the defaulter liable to a fine not exceeding £10 under sec. 69.

**Contributions of Voluntary Contributors.**—Voluntary contributors who are under the age of 45, and who enter into insurance within the first six months after the commencement of the Act, will pay the employed rate of contribution.

Persons who have been employed contributors for five years or upwards are also entitled to be insured at the employed rate if they become Voluntary contributors. In all other cases Voluntary contributors will pay rates appropriate to their age at the date of their entry into Insurance. Sec. 5.

Provisions are made for the transfer from voluntary to employed rate of contribution, and *vice versâ*. Sec. 6.

**Arrears of Contributions.**—Arrears of Contributions will entail reduction of benefits. The amount of that reduction is shown in a table in the Fifth Schedule to the Act. Contributions are deemed to be payable weekly and arrears are calculated on a yearly average of weekly contributions. The effect of this provision and of the table is that a person who gets into arrears of contributions, and then obtains regular employment, will be enabled to decrease the amount of such arrears proportionately to the length of time that he remains in regular employment, thus gradually ascending the scale of benefits according to the table. The table is so framed that arrears amounting to less than four contributions a year on average entail no reduction of benefit. Thus a person can get into arrears of three weekly contributions in one year, seven weekly contributions in two years, eleven weekly contributions in three years, and so on, without suffering any reduction of benefits.



Where an insured person is in arrears to an amount greater than thirteen weekly contributions a year on an average since his entry into insurance, his right to sickness or disablement benefit is suspended, and, where his arrears amount to more than twenty-six weekly contributions a year on an average, his right to medical benefit, sanatorium benefit, and maternity benefit is suspended. After suspension a person is entitled to those benefits at such rate, after the lapse of such time and after the payment of such number of contributions as would have been applicable to his case if he had not previously been insured, subject always to his right, if he so elects, to claim the benefits to which he would be entitled were the period from the time of his original entry into insurance taken as a whole.

The method of calculating the average arrears is dealt with by regulations made by the Insurance Commissioners.

No account is taken of arrears which accrue due during the following times :—

- (1) When the insured person in question is in receipt of sickness or disablement benefit or is incapable of work but is disentitled by some provision of the Act from receiving Sickness benefit or Disablement benefit.
- (2) In the case of a woman who is herself an insured person and herself entitled to Maternity benefit during two weeks before and four weeks after her delivery, and, in the case of a posthumous child, during any time after the husband's death.
- (3) During the first twelve months after the commencement of the Act in the case of all employed contributors.
- (4) In the case of widows during the time that they were married. Sec. 44.

Provisions are made enabling insured persons to pay up arrears accrued due during the calendar year current and the previous calendar year. Thus an employed contributor who is temporarily employed will be able, if he is in a position to do so, to keep in benefit by paying his arrears from time to time. He will pay at the employed rate, since by sec. 79 he still remains an employed contributor. There is no obligation upon him to do so. Sec. 10,



## CHAPTER III.

### SPECIAL CLASSES OF INSURED PERSONS.

THE Act makes special provision for the following classes of insured persons :—

- (1) Married Women. Sec. 44.
- (2) Aliens. Sec. 45.
- (3) Persons in the Naval and Military Service of the Crown. Sec. 46.
- (4) Persons whose Employers are liable to pay wages during sickness. Sec. 47.
- (5) Persons in the Mercantile Marine. Sec. 48.
- (6) Persons over 65 years of age at the commencement of the Act. Sec. 49.
- (7) Persons engaged in Seasonal trades. Sec. 50.
- (8) Inmates of Charitable Homes, &c. Sec. 51.
- (9) Persons becoming Certificated Teachers. Sec. 52.

**Married Women.**—The principal provisions with regard to Married Women are that they are suspended from the ordinary benefits on their marriage, unless they continue to be employed, and that they are precluded from becoming ordinary Voluntary contributors while they are married. Provision, however, is made whereby married women who are members of an Approved Society may become special Voluntary contributors on their suspension. They will pay a reduced rate of contribution, viz. 3*d.* a week, and will only be entitled to Medical benefit, and reduced Sickness and Disablement benefit (Fourth Schedule, Part I., Table D). On suspension one-third of their transfer value, which is to be specially calculated in accordance with regulations made by the Insurance Commissioners, will



be transferred to a fund known as the Married Women's Suspense Account, and will form the financial basis for the very favourable terms which are provided for their re-entry into insurance on the death of their husbands. The remaining two-thirds of their transfer value will form the financial basis of the special scheme of Voluntary insurance above referred to, or, if they do not choose to avail themselves of that scheme, will gradually be paid out to them in benefits when they are confined or in distress.

The provisions relating to Married Women are perhaps the most complicated of any of the provisions of the Act; it would be impossible to attempt to deal with them in detail here. Their position may be better appreciated by referring to the Table on p. 152. In order that there should be no danger of married women not understanding their rights, an obligation is expressly laid upon Approved Societies to explain those rights to them. Sec. 44.

**Aliens.**—Aliens who are employed within the meaning of Part I. of the Act must be insured, and aliens who possess the necessary qualifications may become Voluntary contributors.

Aliens who—

- (1) were on May 4, 1911, members of a Society which becomes an Approved Society, and who have been resident for 5 years in the United Kingdom,
- (2) have been transferred (under sec. 31) in pursuance of arrangements made with the Governments of foreign States,
- (3) are of the age of 16 but who have not yet attained the age of 17,

will be dealt with in the same way as British subjects. Other aliens will only be entitled to reduced benefits, and no part of those benefits will be paid out of the State contribution. Further, no reserve values will be created for them. They may, however, become members of Approved Societies, in which case the society will have to provide the full sum payable in respect of them for medical benefit and sanatorium benefit and may itself determine the rates and conditions of sickness benefit, disablement benefit, and maternity benefit. The



Insurance Commissioners have prepared a scale of benefit which they suggest might be adopted by societies who accept aliens as members. Sec. 45.

**Naval and Military Forces.**—During their period of service men in the Navy and Army will pay reduced contributions, and will only be entitled to Maternity benefit, but the ordinary geographical limits within which that benefit may be paid (sec. 8 (4)) will not apply. Provisions are made so that they may re-enter insurance on their return to civilian life on as favourable terms as if they had been civilians throughout.

Provision is also made for the establishment of a Navy and Army Insurance Fund which will pay benefits to men whose health on leaving either of the services is too bad for them to be able to obtain admission to an Approved Society. The contribution of the Admiralty and Army Council towards that Fund must be such as to ensure its solvency.

These provisions will apply to all seamen and marines within the meaning of the Naval and Marine Pay and Pension Act, 1868, and to all soldiers of the regular forces (except soldiers of His Majesty's Indian forces, the Royal Malta Artillery, and native soldiers of any regiment raised outside the United Kingdom, and with the further exception of men who have re-engaged for a pension, who may elect whether or not they should come in under the scheme) whether they are serving abroad or in the United Kingdom. Sec. 46.

**Persons whose Employers are liable to pay Wages during Sickness.**—The Insurance Commissioners may make special orders, the effect of which will be to apply the special provisions of sec. 47 to persons who are employed in employments where there is a custom that the employer should pay wages while the employee is ill. It will be at the option of the employer whether he and his employees are dealt with under those provisions or not.

If he exercises that option the employed rate will be reduced by 2*d.* (or in the case of women by 1½*d.*). The benefit of the reduction will be shared equally between employer and employed in the case of men; but, in the case of women, the employer's contribution will only be reduced by ½*d.* The



employer will, in most cases, be bound to pay full wages during any period that his employee is ill not exceeding six weeks in the aggregate in any one year, and during that period the employee will not receive Sickness or Disablement benefit. Where the employment is for a term of not less than six months certain the employer will have to pay during any period that the employee is ill lasting less than six weeks and for the first six weeks of any period exceeding six weeks, during which the employee is ill, notwithstanding that the aggregate exceeds six weeks. Sec. 47. •

**Mercantile Marine.**—Provisions are made reducing the rate of contribution to 6*d.* (payable as to 2*d.* by the employer and 4*d.* by the seaman) in the case of seamen, &c., serving on foreign-going ships or ships engaged in the regular trade on foreign stations. For the purpose of arrears and for determining the number of contributions to be paid by such seamen in a given year, four contributions of 4*d.* will be reckoned as the payment of five contributions. This provision will not exempt the employer from paying his own contribution for every week during which the seaman is employed. No payment of Sickness or Disablement benefit will be made to such seamen during the time that their employer is bound by the Merchant Shipping Acts to provide them with medical attendance and maintenance.

Provision is also made for the establishment by the Board of Trade of the Seamen's National Insurance Society, to which all persons serving in the Mercantile Marine will be entitled to belong.

In addition to the ordinary benefits conferred by the Act this Society will provide pensions, preference being given to Masters and Seamen who have served on foreign-going ships over those who have served on coasting and home trade ships.

The employer's contribution will be payable by ship-owners in respect of any aliens (*e.g.* Lascars) whom they may employ, but no benefits will be paid to such aliens. The money derived from this source will be paid to the credit of the Seamen's National Insurance Society, and will thus provide additional funds for the grant of pensions. Sec. 48.



**Persons aged 65 and under 70.**—Contributions will be payable by employers in respect of persons of the age of 65 or upwards and under the age of 70 at the commencement of this Act who are employed within the meaning of the Act. Such persons will receive such benefits as the Approved Society or the Insurance Committee may determine. The State will not pay two-ninths of the cost of such benefits but will, instead, contribute 2*d.* per week for every weekly contribution made in respect of such person. No reserve values will be credited in respect of such persons. Sec. 49.

The case of persons over the age of 65 who have not previously been insured and who are not dealt with under sec. 49 is provided for in sec. 4 (4).

**Seasonal Trades.**—Power is given to the Insurance Commissioners, in the case of seasonal trades, to reduce the employed rate of contribution during such times of the year as the trade is slack, and to make a corresponding increase in those rates when the trade is busy. Sec. 50.

**Inmates of Charitable Homes.**—Special provisions are made whereby managers of institutions carried on for charitable or reformatory purposes may obtain certificates exempting from the necessity of becoming employed contributors such persons as are inmates of and supported by the institution. The managers will have to provide for the re-entry into insurance of such persons without reduction of benefits if and when they re-enter insurance. Sec. 51.

**Certificated Teachers.**—Provisions are made so that certificated teachers who do not become Voluntary contributors, when they cease to be employed, should have the value of the contributions paid in respect of them placed to their credit in the Deferred Annuity Fund, established under the Elementary School Teachers (Superannuation) Act, 1898. Sec. 52.



## CHAPTER IV.

### BENEFITS.

THE benefits conferred by this Act are set out in Sec. 8 (1), and consist of Medical benefit, Sanatorium benefit, Sickness benefit, Disablement benefit, Maternity benefit. Medical and Sanatorium benefit consist in treatment. Sickness and Disablement benefit consist in periodical payments of money, and Maternity benefit consists in the payment of a lump sum of 30s.

**Medical Benefit.**—Medical benefit consists in medical treatment and attendance, including the provision of proper and sufficient medicines and such medical and surgical appliances as may be prescribed by regulations made by the Insurance Commissioners.

Medical benefit will be given to all insured persons in England, Scotland, or Wales, but is not given to insured persons in Ireland. It does not include treatment at a confinement. The right to Medical benefit continues throughout the life of the insured person, and is only suspended if and when that person is in arrears of more than twenty-six contributions a year on an average. It will not be given until January 15, 1913 (viz. six months after the commencement of the Act). Sec. 8.

Medical benefit will be administered by the Insurance Committees, whose duties it will be to make arrangements with the doctors who are to treat the insured persons. Those arrangements must preserve the rights of insured persons to choose their own doctor, and the right of any doctor to refuse



to treat any given person. Insurance Committees will prepare and publish lists of doctors who have agreed to attend and treat insured persons. Any doctor has a right to have his name included on the list, and no doctor's name may be removed from the list except after an inquiry. Persons whose income exceeds a limit to be fixed by the Committee may be required to make their own arrangements for receiving medical attendance and treatment instead of being dealt with under the arrangements made between the Committees and the doctors. Similar arrangements are to be made for the supply of drugs. Sec. 15.

**Sanatorium Benefit.**—This benefit consists of institutional and domiciliary treatment for insured persons suffering from tuberculosis or such other diseases as the Local Government Board with the approval of the Treasury may appoint. Sec. 8 (1) (b).

The Benefit will be administered by the Insurance Committees. Sect. 14.

The treatment may be institutional or given in the patient's own home. Except that Poor Law authorities are completely excluded, any institutions may be made use of, and any persons or Local Authorities may give the treatment, provided that, in the case of institutional treatment, the institutions, and, in the case of domiciliary treatment, the manner in which the treatment is given, are approved by the Local Government Board. Insured persons are not entitled to this benefit as a right: they must be recommended by the Insurance Committee before they receive it. Sec. 16.

Insured persons will receive this benefit throughout life, and the benefit will not be suspended until their arrears amount to more than twenty-six weekly contributions a year on average. Sec. 8.

Provision is made in the Act for dealing with a sum of £1,500,000 which is made available by the Finance Act, 1911, for the provision of sanatoria. The cost of these sanatoria will come out of that sum and out of the funds of Local Authorities, &c. Sec. 64.



Insurance Committees have power to extend Sanatorium benefit to the dependants of insured persons. Sec. 17.

**Sickness Benefit.**—Sickness benefit consists, in the normal case, of a payment of 10s. a week (in the case of women, 7s. 6d. per week) for twenty-six weeks from the fourth day after the insured person has been rendered incapable of work by disease or disablement. No insured person will be entitled to this benefit unless and until twenty-six weeks have elapsed since the date of entry into the Insurance and at least twenty-six weekly contributions have been paid in respect of him. Sec. 8 (1) (c) and (8).

The right to the benefit will be suspended if the contributor is in arrears of more than thirteen weekly contributions a year on average, and will not be payable after the contributor has reached the age of seventy. Sec. 9 and 8 (3).

Provision is made for the reduction of the rates of benefit in certain cases :—

- (1) In the case of persons under the age of twenty-one and unmarried, unless one or more members of their family are dependent upon them. Sec. 9 (2).
- (2) In the case of persons who enter into Insurance within one year after the commencement of the Act and who are over the age of fifty. Sec. 9 (3).
- (3) In the case of persons of the age of seventeen upwards who enter into Insurance as employed contributors more than a year after the commencement of the Act, unless they undertake to pay the difference between the voluntary and employed rate of contribution or pay a capital sum calculated to secure their full benefits. Sec. 9 (4).
- (4) In the case of persons who are entitled to compensation or damages under the Workmen's Compensation Act, 1906, the Employers' Liability Act, 1880, or at common law. Sec. 11.
- (5) In the case of persons who are in arrears of their contributions in accordance with the table in the Fifth Schedule. Sec. 10.



This benefit will not be paid to the insured person during any period that he is an inmate of certain institutions. In most cases the money will, during any such period, be paid to or applied for the relief or maintenance of his dependants. Sec. 12.

**Disablement Benefit.**—This benefit consists in the payment of 5s. a week, and is payable to any insured person who has been in receipt of Sickness benefit for 26 weeks and who is still incapable of work for so long as he remains incapable up to the age of 70. Provision is made for a recurrence of a disease or a fresh disease which entitle a person to Sickness benefit twice or more within the same 12 months to be deemed to be a continuation of the original disease. No insured person is entitled to Disablement benefit until 104 weeks have elapsed since his entry into insurance or at least until 104 weekly contributions have been paid by or in respect of him. Sec. 8.

The right to Disablement benefit is suspended if the contributor is in arrears of more than 13 weekly contributions a year on average. Sec. 9.

This benefit, as in the case of Sickness benefit, will not be paid to an insured person during any period that he is an inmate of certain institutions, and in such circumstances, will be dealt with in the same way as Sickness benefit. Sec. 12.

**Maternity Benefit.**—This benefit consists in the payment of 30s. in the case of the confinement of the wife of an insured person or of a woman who is herself an insured person. Sec. 8.

The benefit may be administered in cash or otherwise. In certain cases women who are insured persons may receive Maternity and Sickness benefit at one and the same time. Sec. 8.

Maternity benefit is not payable during any period that the person to or in respect of whom the benefit is payable is an inmate of certain institutions. Sec. 12. The application of this section to maternity benefit gives rise to considerable difficulty.

Provision is made requiring a husband to whom Maternity benefit has been paid to make adequate provision for the care



of his wife at the time of her confinement, subject to the punishment of imprisonment for failing so to do. Sec. 19.

**Geographical Limits within which Benefits are Payable.**—The general rule is that no person is entitled to any benefits when he is either temporarily or permanently resident outside the United Kingdom. This rule is subject to the proviso (1) that a person temporarily resident in the Isle of Man can receive benefits other than Medical benefits; (2) that a person temporarily resident with the consent of the Society or Committee concerned outside the British Isles, may, whilst so resident be permitted by the Society or Committee to continue to receive Sickness or Disablement benefit; (3) that a person resident outside the United Kingdom is not disentitled to Maternity benefit in respect of the confinement of his wife, if his wife was, at the time of the confinement, resident in the United Kingdom; (4) that men in the naval and military forces are entitled to Maternity benefit wherever they or their wives may be resident. Sec. 8 (4) and Sec. 46.

**Additional Benefits.**—Provision is made so that Societies which show surpluses upon valuation should be at liberty to distribute such surpluses in the form of any of the benefits in Part II. of the Fourth Schedule. These additional benefits include (*inter alia*) medical treatment and attendance for the persons dependent upon the labour of a member, an increase in Sickness benefit, payment of pensions in addition to Old Age Pensions, &c. Sec. 8, 37 and the Fourth Schedule.

**Extension of Benefit.**—When the reserve values created by sec. 55 have been written off, benefits may be extended in such fashion as Parliament may determine. It is anticipated that it will be some 18 or 19 years before this extension of benefits can take place. Sec. 8 (9).

**Substitution of Benefits.**—Power is given to Approved Societies to submit schemes for substituting any of the additional benefits in Part II. of the Fourth Schedule for Sickness and Disablement benefit. These schemes may apply to all members of the society or to any specified class of members or to such members as may elect to come under the scheme.



Schemes must give the equivalent in value for the benefits whose place they take. Sec. 13.

**Effect of Age on Benefits.**—The general rule is that employed persons who enter into insurance within the first year after the commencement of the Act, receive full benefits irrespective of their age. The principal exceptions to this rule are in the cases (1) of unmarried minors who cannot prove that one or more members of their family are wholly or mainly dependent upon them, (2) of persons of the age of fifty or upwards. In the latter case benefits are reduced until 500 weekly contributions have been paid by or in respect of him. Sec. 9, Fourth Schedule, Tables B and C.

The rule for calculating ages will be found in sec. 79. It means that a person remains the age he attained on his last birthday until his next birthday, on which day he becomes one year older. A table has been prepared showing the effect of age on benefits, which will be found on p. 40.

**General Provisions as to Benefits.**—

- (1) Unemployment benefit cannot be paid at the same time as Sickness or Disablement benefit. Sec. 87 (4).
- (2) Provisions are made for the repayment of benefits improperly paid. Sec. 71.
- (3) Benefits are inalienable. Sec. 111.



## CHAPTER V

### ADMINISTRATIVE MACHINERY FOR HEALTH INSURANCE.

THE most important authorities and bodies which will share the administration of this Act are —

1. The Insurance Commissioners.
2. Joint Committee of the Insurance Commissioners.
3. Advisory Committee.
4. Approved Societies.
5. Associations of Approved Societies.
6. County Societies.
7. Insurance Committees.
8. District Insurance Committees.
9. Local Medical Committees.

A short sketch of the respective functions of these authorities and bodies follows :—

**The Insurance Commissioners.**—As has already been pointed out the administrative scheme of the Act is that the United Kingdom should be divided into its four component parts, and that each of those parts should be administered by a separate central authority. Consequently there are four bodies of Insurance Commissioners, viz. the Insurance Commissioners (whose functions are virtually confined to England), the Scottish Insurance Commissioners, the Irish Insurance Commissioners, and the Welsh Insurance Commissioners. These authorities are respectively established by secs. 57, 80 (1), 81 (1), 82 (1). The three last-mentioned bodies of Commissioners have the same powers and duties in regard to their respective areas as the Insurance Commissioners.

Each such body of Insurance Commissioners is a body which may sue and be sued, and which has an official seal,



which is to be officially and judicially noticed. Sec. 57 (2). Documents purporting to be an order or other instrument issued by the Insurance Commissioners, and to be sealed with the seal of the Commissioners, duly authenticated, are to be received in evidence, and to be deemed such order or instrument unless the contrary be shown. Sec. 57 (4).

*Constitution of the Insurance Commissioners.*—The Insurance Commissioners are to be appointed by the Treasury, and each body of Commissioners must have at least one member who is a duly qualified medical practitioner.

*Powers and Duties of the Insurance Commissioners.*—The various bodies of Insurance Commissioners are by far the most powerful and independent body administering the Act. There is hardly any matter connected with the administration of the Act which will not be under their supervision, or subject to their regulation. Further, by sec. 78 they have power, by order, with the consent of the Treasury, to make any appointment and do anything which appears to be necessary or expedient for the establishment of Insurance Committees, or Advisory Committees, or for bringing into operation Part I. of the Act, and to modify the provisions of the Act so far as may appear necessary or expedient for carrying the order into effect. It should be noticed, however, that this power expires on January 1, 1914.

An attempt is made to give a list of the powers and duties of the Commissioners, differentiating between those that can only be exercised by Special Order, those relating to Approved Societies, those relating to Insurance Committees, those relating to insured persons and benefits, and miscellaneous powers and duties.

A.—Powers that can only be used by the Insurance Commissioners by Special Orders (for the procedure on making such orders, *vide* sec. 113 and the Ninth Schedule).

- (1) They may include among persons employed within the meaning of the Act the persons engaged in employments specified in Part II. of the First Schedule, who are at present excluded from the compulsory operation of the Act (a).

(a) To be exercised by the Joint Committee alone.



- (2) They may provide for reinsurance with themselves of the liability of all Approved Societies in respect of Maternity benefit (*a*). Sec. 20.
- (3) They may specify the cases in which sec. 46 (8) is to apply to persons who were not, immediately before training, insured persons (*a*).
- (4) They may from time to time specify the classes of employment in which employers are, by custom, liable to pay wages during sickness (sec. 47 (1)), and may from time to time extend the provisions of that section to classes of employment in which no such custom exists, but which apply for such extension (*b*).
- (5) They may reduce or increase rates of contribution at different times of the year for persons employed in seasonal trades (*b*) (sec. 50).
- (6) They may exclude all or certain classes of outworkers from the employments specified in Part I. of the First Schedule of the Act, or may defer the commencement of the Act as respects all outworkers (*b*).
- (7) They may except from compulsory insurance share fishermen (*b*). First Schedule, Part II., para. (*k*).
- (8) They may specify any class of employment, as being of such a nature that it is ordinarily adopted as subsidiary employment only (*b*). First Schedule, Part II., para. (*i*).

B.—The following powers and duties of the Commissioners may be exercised and performed without recourse to Special Order procedure.

*Powers and Duties of the Insurance Commissioners in Relation to Approved Societies.*

(1) Their consent must be obtained to the extent to which Sickness or Disablement benefit is reduced in cases where the amount of either of those benefits exceeds two-thirds of the usual rate of wages of an insured person (*b*). Sec. 9 (2).

(*a*) To be exercised by the Joint Committee alone.

(*b*) To be exercised by the Joint Committee jointly with the several bodies of Commissioners.



(2) They must prescribe the manner in which a sum credited to an Approved Society in respect of an insured person who is suspended from all benefits is to be calculated and dealt with (*a*). Sec. 10 (1).

(3) No scheme submitted by a Society for the substitution of any additional benefits for Sickness or Disablement benefit can have any effect until confirmed by the Insurance Commissioners, and they may not confirm any scheme unless they are satisfied (*inter alia*) that there is good reason for the substitution (*b*). Sec. 13.

(4) Their approval is necessary in order to constitute a society an Approved Society, and they may not approve societies which do not comply with the requirements of the Act (except subject to conditions) (*c*). Sec. 22.

(5) They may prescribe the character of the contribution an unregistered society must have before it can be approved (*c*). Sec. 22.

(6) They may approve schemes for altering the rules of Employers' Superannuation or Provident Funds. Sec. 25.

(7) They must determine the amount of security to be given by Approved Societies, and see that they obtain sufficient security (*c*). Sec. 26.

(8) They must see that Approved Societies make proper rules for the government, &c., of the societies, and may provide by regulations for the places of meeting of Approved Societies. Sec. 27.

(9) Their consent must be obtained to the secession of a branch from an Approved Society (*c*), and they may not give their consent unless that branch complies with the requirements for an Approved Society. Sec. 28.

(10) Their sanction is required for the dissolution of a society or branch (*c*). They must be satisfied that proper provision is made for members of a branch which is expelled (*c*). Sec. 28.

(11) They may in certain circumstances withdraw their

(*a*) To be exercised by the Joint Committee alone.

(*b*) To be exercised by the Joint Committee jointly with the several bodies of Commissioners.

(*c*) To be exercised by the Joint Committee in respect to societies and separate sections having among their members insured persons resident in more than one part of the United Kingdom.



approval from an Approved Society, and, if they do so, must make provision with respect to the insured members of such a Society (c). Sec. 29.

(12) They may prescribe the form in which Approved Societies must keep their accounts and may require returns from Approved Societies (a), &c. Sec. 35.

(13) They may vary the dates of valuation of Approved Societies and may prescribe the basis on which valuations are to be made (a). Sec. 36.

(14) Their sanction must be obtained to schemes submitted by Approved Societies or branches for the distribution of additional benefits from surplus funds (b). Sec. 37.

(15) Their consent must be obtained to the refusal of an Approved Society to make good a deficit in a branch due to maladministration. Sec. 38 (1) (a) (proviso).

(16) Their sanction must be obtained to any scheme for making good deficiencies in branches or societies, and they may vary the length of the period within which schemes for making good any deficit may be submitted (b). Sec. 38.

(17) In certain circumstances they may take over the administration of the affairs of Approved Societies; and, where they do so, they must take steps as soon as possible to make good deficits in such societies, and within three years must make arrangements for the restoration of self-government to such societies. Sec. 38.

(18) They must prescribe the manner in which the capitalised value of levies and diminution of benefits is to be ascertained (a). Sec. 38 (2).

(19) Their consent must be obtained to the formation of Associations of Approved Societies with a Central Financial Committee (b). Sec. 39.

(20) In certain circumstances they may exempt Employers' Superannuation Funds from the provisions relating to Approved Societies with less than 5000 members. Sec. 39 (7).

(a) To be exercised by the Joint Committee alone.

(b) To be exercised by the Joint Committee jointly with the several bodies of Commissioners.

(c) To be exercised by the Joint Committee in respect to societies and separate sections having among their members insured persons resident in more than one part of the United Kingdom.



(21) Their approval must be obtained to any scheme submitted by the Board of Trade as to the administration to the Seamen's National Insurance Society, and for any scheme prepared by the Committee of Management of that Society for the provision of benefits other than the ordinary benefits (a). Sec. 48 (7).

(22) They must periodically apportion reserve values among Approved Societies. Sec. 54.

(23) They must make regulations governing the transactions between themselves and Approved Societies with regard to debiting and crediting accounts of the Approved Societies with the appropriate sums (a). Sec. 56 (1).

(24) They must follow the directions of Approved Societies as to the investment in the proper securities of any sums which may be left with them for investment by Approved Societies, and they must pay to Approved Societies such sums as the societies are themselves permitted to invest. They must approve the securities in which Approved Societies may invest sums paid over to them for investment (b). Sec. 56.

(25) They must distribute any sums paid to them after an inquiry as to the causes of excessive sickness amongst the various societies and committees concerned. Sec. 63 (8).

(26) They may grant a certificate authorising the value of the prospective extension of benefits to be brought into account in the valuation of Employers' Superannuation or Provident Funds, if the rearrangements required by the Act prejudicially affect the sums available for the payment of pensions and superannuation allowances (b). Sec. 73 (2).

*Powers and Duties of Insurance Commissioners in relation to Insurance Committees.*

(1) They must make regulations in respect to the arrangements made between Insurance Committees and duly qualified medical practitioners and druggists in accordance with the terms of sec. 15 (b), and may authorise other arrangements

(a) To be exercised by the Joint Committee alone.

(b) To be exercised by the Joint Committee jointly with the several bodies of Commissioners.



than those prescribed by that section for the administration of Medical benefit (*b*).

(2) In default of agreement between an Approved Society and an Insurance Committee they may determine the amount to be paid in any year to such Committee in respect of medical benefit (*b*). Sec. 15 (6).

(3) The arrangements made by Insurance Committees for the administration of Sanatorium benefit must be made to their satisfaction. Sec. 16.

(4) In default of agreement they must determine apportionments between Insurance Committees after valuations of grouped societies. Sec. 39 (6).

(5) Their consent must be obtained to the sum which Insurance Committees determine should be paid in respect of Medical benefit for deposit contributors (*b*). Sec. 42.

(6) They may determine, within certain limits, the number of members of Insurance Committees, appoint certain of the members, and provide by regulation for the manner of election of certain members of such Committees. They may in certain circumstances increase the representatives of Councils of Counties or County Boroughs and of Insured persons on Insurance Committees, and may generally regulate the proceedings of Insurance Committees. Sec. 59.

(7) They may require Insurance Committees to combine with other Insurance Committees. Sec. 59.

(8) They may require by regulation Insurance Committees to prepare and submit schemes for the appointment, &c., of District Insurance Committees, and they may apportion amongst the several District Insurance Committees any of the powers and duties of the Insurance Committees. Sec. 59.

(9) They may prescribe (after consultation with the Local Government Board) the reports, &c., to be made by Insurance Committees under Sec. 60.

(10) They must prescribe the form in which the books and accounts of Insurance Committees are to be kept (*a*). Sec. 60 (1) (*c*).

(*a*) To be exercised by the Joint Committee alone.

(*b*) To be exercised by the Joint Committee jointly with the several bodies of Commissioners.



(11) They may authorise the repayment of the travelling expenses of members of Insurance Committees. Sec. 61.

(12) Their consent must be obtained to agreements made by Insurance Committees and persons or authorities providing treatment in sanatoria or other institutions. Sec. 64.

*Powers and Duties of the Insurance Commissioners in Relation to Contributors and Benefits.*

(1) They may grant certificates of exemption from compulsory Insurance, and must make regulations prescribing the conditions upon which certificates of exemption may be granted and providing that applications for such Certificates should be granted by Approved Societies and Insurance Committees. Sec. 2.

(2) They must prescribe the intervals at which contributions are to be payable (b). Sec. 4 (1) and 5 (1).

(3) They may prescribe the manner in which contributions paid in respect of persons who are employed, but who are not employed within the meaning of Part I. of the Act, are to be dealt with for the benefit of such persons (b). Sec. 4 (4).

(4) They must prepare a table of voluntary rates of contribution (a). Sec. 5.

(5) They must prepare tables for use on the change from voluntary to employed rate (a). Sec. 6 (2).

(6) They may make regulations for the manner in which contributions payable under Part I. of the Act are to be paid and collected (b). Sec. 7.

(7) They must make regulations prescribing the medical and surgical appliances to be included in Medical benefit. Sec. 8.

(8) They must prepare tables giving the reduced rates of Sickness benefit for persons who enter into Insurance more than a year after the commencement of the Act and whose age is 17 or upwards when they enter into Insurance (b). Sec. 9 (4).

(a) To be exercised by the Joint Committee alone

(b) To be exercised by the Joint Committee jointly with the several bodies of Commissioners.



(9) They must prescribe the proportionate reduction of benefits to which a voluntary contributor who is in arrears is to be liable and the manner in which the average amount of arrears is to be calculated (*a*). Sec. 10 (7).

(10) They may prescribe the time allowed to an insured person to join an Approved Society, or, in the case of any such person who has been expelled, or has resigned from an Approved Society, the time allowed to him to join another Approved Society (*a*). Sec. 42.

(11) They must make regulations subject to which a married woman ceasing to be suspended from ordinary benefits under Sec. 44 (1) is to be treated as if she had not previously been insured (*a*).

(12) They must make regulations for the payment of benefits to Married Women who were deposit contributors before marriage. Sec. 44 (4).

(13) They must make regulations for the formation of Associations of deposit contributors, and may take proceedings under sec. 63 on behalf of, and at expense of, such an Association. They must make regulations as to how any sums ordered to be paid to an Insurance Committee after an inquiry as to excessive sickness should be dealt with for the benefit of deposit contributors. Sec. 63.

(14) They must make regulations for the determination of questions arising under sec. 66, and must determine such questions. They may submit certain of these questions for the summary decision of the High Court. Sec. 66.

(15) They may provide that questions as to rates of contribution payable by or in respect of any insured person should in certain cases be decided by the Society. Sec. 66.

(16) They may prescribe the manner in which the disputes between Insured persons and Insurance Committees are to be decided. Sec. 67 (2).

(17) Appeals may be made to the Insurance Commissioners in the case of disputes between insured persons and Societies, &c. Sec. 67.

(*a*) To be exercised by the Joint Committee alone.

(*b*) To be exercised by the Joint Committee jointly with the several bodies of Commissioners.



(18) They must certify as to terms of employment under paragraphs (b) and (c) of the First Schedule (b).

(19) Their opinion governs the exception in paragraph (g) of the First Schedule.

(20) They may provide by regulations for treating certain persons who are not employers as employers (b). Third Schedule (6).

(21) They may make regulations in the case of outworkers for contributions to be paid according to work done instead of according to time. Third Schedule (10).

(22) They must make regulations as to the benefits of married women who do not become voluntary contributors. Sec. 44 (2).

*Miscellaneous Powers and Duties of the Insurance Commissioners.*

(1) They must prescribe the rate at which interest is to be credited to the Post Office Fund and to the Navy and Army Insurance Fund (a). Sec. 55 (4).

(2) They must appoint an Advisory Committee as soon as may be. Sect. 57.

(3) They may remove from the lists any duly qualified medical practitioners whose continuance on the list they consider, after inquiry, would be prejudicial to the efficiency of the medical service of the insured, and they have a similar power with regard to the exclusion and removal of chemists and druggists (b). Sect. 15.

(4) They may retain and apply for research the whole or any part of the sums paid by Parliament for Sanatorium benefit, and must make regulations in regard to any sums so retained. Sec. 16.

(5) They must prepare tables of transfer values (a). Sec. 31.

(6) They may approve societies in British possessions or in foreign countries which are similar to Approved Societies, and

(a) To be exercised by the Joint Committee alone.

(b) To be exercised by the Joint Committee jointly with the several bodies of Commissioners.



they may make arrangements for transfers from British to such foreign societies. Before approving any such foreign societies, they must be satisfied that they give reciprocal rights. They may make arrangements for the transfer of foreigners to Approved Societies or to the Post Office Fund (*a*). Sec. 32.

(7) They must make regulations for the transfer of emigrants who remain members of Approved Societies (*a*). Sec. 33.

(8) They must prescribe the account to which transfer values are to be carried and the manner in which the same are to be dealt with (*a*) under sec. 43 (1) (*b*).

(9) They must prepare tables showing the reserve values to be transferred from the Married Women's Suspense Account on the employment of widows (*a*). Sec. 44.

(10) They must meet any deficiencies in the Married Women's Suspense Account out of sums retained by them in respect of the reserve values. Sec. 44.

(11) They must prescribe the manner in which transfer value is to be calculated for the purpose of sec. 44, prescribing adjustments in the sums paid to the Married Women's Suspense Account where a married woman is in arrears (*a*).

(12) They may not retain, for the purpose of writing off reserve values, any part of the contributions paid in respect of certain aliens. Sec. 45.

(13) They must prescribe the weekly sums to be contributed in respect of seamen, &c., who have not joined Approved Societies (*a*). Sec. 46 (1).

(14) They must retain 1*d.* from each weekly contribution of Seamen, Marines, &c., under sec. 46 (2) and (3), and they must prescribe the manner in which applications for benefits from the Navy and Army Insurance Fund are to be made. Sec. 46 (3) (*h*).

(15) They must prescribe the manner in which sums to be paid to the Navy and Army Insurance Fund (*a*) under sec. 46 (3) (*b*) are to be calculated.

(16) They may not retain, for the purpose of writing off

(*a*) To be exercised by the Joint Committee alone.

(*b*) To be exercised by the Joint Committee jointly with the several bodies of Commissioners.



reserve values, any part of the contributions of employed contributors between the ages of 65 and 70 at the date of the commencement of the Act. Sec. 49 (3).

(17) They must prescribe the manner in which sums payable under sec. 51 (1) (b) are to be calculated (a).

(18) They must prescribe the manner in which sums payable under 52 to the Board of Education, &c., are to be calculated (a).

(19) They must control and manage the National Health Insurance Fund, and pay over any moneys available for investment to the National Debt Commissioners. Sec. 54.

(20) They must prepare tables of reserve values and retain certain sums from contributions for the purpose of writing off such reserve values (a). Sec. 55.

(21) They may make regulations in regard to Local Medical Committees (b). Sec. 62.

(22) They may institute an inquiry into the cause of excessive sickness. Sec. 63.

(23) They must prepare tables showing the average expectation of sickness, to be used in connection with the inquiries as to the causes of excessive sickness. Sec. 63 (4).

(24) They must make regulations as to the procedure on inquiry as to excessive sickness. Sec. 63.

(25) They must regulate the procedure to be adopted in the case of any dispute under sec. 67, and may authorise to decide any appeal or disputes submitted to them under that section.

(26) Welsh Commissioners are to exercise the powers of the Local Government Board with reference to the distribution of any sums available for the provision of Sanatoria in Wales. Sec. 82 (3).

(27) They must, under para. (10) of Part II. of the Fourth Schedule, prescribe the conditions subject to which contributions may be made to superannuation funds by way of additional benefit (a).

**Joint Committee of the Several Bodies of Insurance Commissioners.**—A Joint Committee of the several bodies of

(a) To be exercised by the Joint Committee alone.

(b) To be exercised by the Joint Committee jointly with the several bodies of Commissioners.



Commissioners has been constituted in accordance with regulations made by the Treasury. The Committee consists of members selected from each such body, and the Chairman is not, by reason of his office, to be deemed to be incapable of being elected to or voting in the House of Commons.

The Joint Committee must, by regulations, deal with the valuation of Societies which have amongst their members persons resident in England, Scotland, Ireland, and Wales, or any two or three of such parts of the United Kingdom, so that members resident in each such part of the United Kingdom should be treated as if they formed a separate society. Provision is made for regulations made by the Treasury to be laid before Parliament as soon as may be after it is made. Sec. 83.

The Joint Committee will, alone, make the various adjustments rendered necessary by the fact that four separate bodies of Commissioners exist within the United Kingdom.

By Treasury Regulations a number of the powers and duties of the Insurance Commissioners have been transferred to be exercised by the Joint Committee alone or by the Joint Committee acting jointly with the Commissioners.

In the foregoing pages the powers and duties so to be exercised have been distinguished.

**Advisory Committee.**—Provision is made for the appointment, by each body of Insurance Commissioners, of an Advisory Committee for the purpose of giving Insurance Commissioners advice and assistance in connection with making and altering of regulations. The Advisory Committee is to consist of representatives of Associations of Employers and of Approved Societies and of duly qualified medical practitioners. Other persons may also be appointed members of the Committee, and at least two of such persons must be women.

**Approved Societies.**—An Approved Society is any society, that is to say, any body of persons, corporate or unincorporate (not being a branch of another such body), registered or established under an Act of Parliament, or if not so registered or established, having a constitution of such a



character as may be prescribed, which is approved by the Insurance Commissioners under sec. 23 for the purpose of transacting insurance business under Part I. of the Act. The conditions of approval of such societies are such that all Friendly Societies, Collecting Societies, and Trade Unions, should be able to become Approved Societies. But no society can be approved if it is carried on for a profit, or unless its constitution provides for the absolute control of its affairs to be in the hands of its members, to the exclusion even of honorary members. Special provisions are made enabling Employers' Provident Funds to become Approved Societies. The principal duties of Approved Societies under Part I. of the Act will be :—

- (1) To administer Sickness, Disablement, and Maternity benefit for insured persons, being members of Approved Societies. For this purpose they must make rules for all the matters referred to and subject to the conditions set out in sec. 14 (2). These rules may be enforced by Societies by fines or suspension from benefit.
- (2) Societies must make or adapt their existing rules so as to provide proper provision for the government of the Society and of its branches. These rules must be made to the satisfaction of the Insurance Commissioners. Sec. 27.
- (3) Security must be given by an Approved Society against the malversation of funds by its officers, unless the only funds coming into the hands of the Society are such funds as are required for reimbursing to the Society sums previously expended by the Society. Sec. 26.
- (4) Approved Societies must keep accounts of their transactions under Part I. of the Act, quite separate from the accounts of any other business which they may do. The form in which these accounts are to be kept has been prescribed by the Insurance Commissioners. Approved Societies must also make such returns as the Insurance Commissioners may prescribe. Sec. 35.



- (5) Approved Societies must submit to have their assets and their liabilities valued every three years, or at such other times as the Insurance Commissioners may appoint. Sec. 36. Surpluses or deficits shown by such valuation must be dealt with in the manner set out in secs. 37 and 38.

Power is given to Approved Societies to subscribe to hospitals, &c., sec. 21.

Approved Societies may demand inquiries as to the causes of excessive sickness. Sec. 63.

A very important provision for existing Friendly Societies is that contained in sec. 72.

By that section an obligation is imposed upon every registered Friendly Society, which provides benefits similar to any of those conferred by Part I. of the Act, whether it becomes an Approved Society or not, to submit a scheme for continuing, abolishing, reducing or altering any of those benefits, and for continuing, abolishing or reducing the contributions of their members who become insured persons, and for dealing with the funds that upon actuarial valuation are thereby set free.

Such funds may be dealt with in any of the manners set out in sec. 72 (a) to (c). These latter provisions are so drafted that the funds set free may be utilised for the benefit not only of members who become insured persons, but also for the benefit of any members existing at the time of the passing of the Act, who do not become insured persons. This provision came into operation at once on the passing of the Act. It does, of course, not affect Trade Unions and collecting societies.

By sec. 73 a similar obligation to that imposed upon Approved Societies by sec. 72 is laid upon Employers' Superannuation and Provident Funds.

Elaborate powers are given to Societies for the purpose of enabling them to transact business under the Act. Sec. 24. Provisions are made that Societies which are established under any Act should still be subject to the provisions of those Acts, except so far as may be inconsistent with this Act. Sec. 76.



**Dissolution of Approved Societies.**—A Society can only dissolve itself with the consent of the Insurance Commissioners, and that consent will not be obtained unless the society makes provision for its members. There is similar provision with regard to the secessions of a branch of an Approved Society. Sec. 28.

Provisions are made enabling Approved Societies to admit insured persons as members independently of the Act. Sec. 34.

**Associations and Groups of Societies.**—In order to insure their financial stability, small Societies (that is to say societies with less than 5000 members) will be required to form associations for the purpose of valuation, or if they do not form themselves into associations, they will be grouped, according to the locality in which they carry on business, for the same purpose. Sec. 39. Such societies will either establish a Central Financial Committee for the Association or the place of that Central Financial Committee will be taken, in the case of grouped societies, by the appropriate Insurance Committee. Certain Employers' Provident Funds may be exempted by the Insurance Commissioners from this obligation. Sec. 39 (7).

**County Societies.**—Provisions are made enabling County Councils in Scotland and Ireland where, having regard to the number of employed contributors resident in the county who are not members of an Approved Society, they think it desirable to do so, to establish an Approved Society for the county under the council. Sec. 80 (10) (a). Sec. 81 (7) (a). Societies so established are known as county societies. A scheme must be prepared, in accordance with the provisions of those sections for their establishment, and must be approved by the appropriate body of Insurance Commissioners. Subject to the provisions of the scheme a county society will be an Approved Society for all purposes.

**Insurance Committees.**—Insurance Committees will be constituted for every county and county borough. The number and method of selection of the members will be found



in sec. 58. The numbers, but not the method of selection, differ in Scotland and Ireland, sec. 80 (6), sec. 81 (8). Insurance Committees are entrusted with the very important duty of administering Sanatorium and Medical benefit for all insured persons. They will also administer Sickness, Disablement, and Maternity benefit in the case of deposit contributors. In order to carry out these functions the duties of Insurance Committees will be:—

- (1) To make rules similar to those which Approved Societies will have to make with regard to the administration of Sickness, Disablement, and Maternity benefit in the case of deposit contributors, sec. 14 (2). Such rules will be subject to the approval of the Insurance Commissioners. If any such rules relate to anything to be done by, to, or through, the Post Office, the consent of the Postmaster-General must first be obtained.
- (2) Insurance Committees must make arrangements for the purpose of administering Medical benefit with duly qualified medical practitioners, and with druggists, in accordance with the regulations made by the Insurance Commissioners. Sec. 15.
- (3) For the purpose of administering Sanatorium benefit, Insurance Committees must make arrangements, to the satisfaction of the Insurance Commissioners, for providing institutional or domiciliary treatment for insured persons. The institutions, or (in the case of domiciliary treatment) the manner of treatment, must be approved by the Local Government Board. Sec. 16.
- (4) Any Insurance Committee for any county or county borough may, if it thinks fit, extend Sanatorium benefit to the dependants of the insured persons resident in the county. Sec. 17.
- (5) Insurance Committees will constitute the Central Financial Committees for Societies with less than 5000 members who have not formed an Association for the purpose of valuation. Sec. 39.



- (6) Insurance Committees may group adjoining areas for the purpose of District Insurance Committees. Sec. 59 (4).
- (7) Insurance Committees must make such reports as to the health of insured persons within the county or county borough as the Insurance Commissioners, after consultation with the Local Government Board, may prescribe. Sec. 60.
- (8) Insurance Committees are to make such provision for giving lectures and for the publication of information on questions relating to health as they think necessary or desirable. Sec. 60.
- (9) Insurance Committees must consult Local Medical Committees, where such Committees have been formed, on all general questions affecting the administration of Medical benefit. Sec. 61.
- (10) Insurance Committees may demand an inquiry into the causes of excessive sickness. Sec. 62.
- (11) Insurance Committees must keep a special register of any certificates granted for the purpose of protection against distress and execution. Sec. 67.

**District Insurance Committees.**—District Insurance Committees are to be appointed by Insurance Committees as required by the regulations of the Insurance Commissioners. Sec. 59 (4).

A separate District Insurance Committee must be appointed for each Borough (including the City of London and a Metropolitan Borough within the County) having a population of not less than 10,000, and for each Urban District within the County with a population of not less than 20,000. Provision is also made for the grouping of any adjoining areas with Boroughs or Urban Districts outside London for the purpose of the appointment of a District Insurance Committee.

Regulations made by the Insurance Commissioners are to apportion among the several District Insurance Committees any of the powers and duties of the Insurance Committee and to regulate the relations of District Insurance Committees to the Insurance Committees and to one another.



**Local Medical Committee.**—Provision is made for the recognition of Local Medical Committees which satisfy the Insurance Commissioners that they are representative of the duly qualified medical practitioners resident in any given County, by the Insurance Committee of the County. The function of a Local Medical Committee will be to advise the Insurance Committee or District Committee, as the case may be, on all general questions affecting the administration of Medical benefit. They may also exercise such other powers and perform such other duties as the Insurance Commissioners may determine. Sec. 62.

**Local Government Board.**—The Local Government Board must approve the institutions in which treatment is given to persons suffering from tuberculosis, and, where that treatment is domiciliary, must approve the manner in which the treatment is undertaken. Sec. 16.

The Local Government Board are entrusted with the duty of appointing a competent person to hold inquiries as to the causes of excessive sickness. Sec. 63.

They are also entrusted with the duty of distributing the £1,500,000, made available by the Finance Act, 1911, for the erection of sanatoria, among local authorities, &c., in England, Scotland, and Ireland. For the purpose of facilitating co-operation between local authorities, the Board may establish joint committees of such local authorities, and may make orders providing in what proportions and out of what funds, the money necessary for erecting the sanatoria, so far as not defrayed out of grants, is to be found. Sec. 64.

Special powers to hold inquiries, &c., in connection with their powers and duties under Part I. of the Act are given to the Local Government Board. Sec. 77.

The Local Government Board must prescribe the form in which requisition may be made for a birth certificate. Sec. 114.



## CHAPTER VI.

### FINANCIAL PROVISIONS OF NATIONAL HEALTH INSURANCE

**Sources of Income.**—The general rule throughout Part I. of the Act is that the funds for providing the benefits conferred by the Act and for defraying the administration of those benefits are to be derived, as to seven-ninths (or, in the case of women, three-fourths) thereof, from contributions made by or in respect of contributors by themselves or their employers, and, as to the remaining two-ninths (or, in the case of women, one-fourth) thereof, from moneys provided by Parliament. Sec. 3.

Exceptions will be found to this general rule in sec. 4, sec. 15 (8), sec. 16 (2), sec. 17, sec. 45, sec. 46, sec. 49.

A further exception to the rule will be found in the fact that the cost of the salaries of the various bodies of Insurance Commissioners is to be provided wholly out of moneys provided by Parliament. Sec. 57 (3), sec. 80 (1), sec. 81 (1), sec. 82 (1).

**National Health Insurance Fund.**—A separate National Health Insurance Fund is established for England, Scotland, Ireland, and Wales respectively, into which the whole income arising under Part I. of the Act will be paid. Sec. 54, sec. 80 (2), sec. 81 (2), and sec. 82 (2). Contributions paid by or in respect of a contributor will be paid into the fund for the part of the United Kingdom where he is resident, and a contributor who changes his place of residence from one part of the United Kingdom to another is required by the regulations dealing with the collection and payment of contributions to obtain a new card.



**Investment of Funds.**—Provision is made for the investment of funds by the Insurance Commissioners and for the investment of a certain amount of funds by Approved Societies themselves. Secs. 54 and 56.

**Reserve Values.**—Provision is made for the creation by the Insurance Commissioners of reserve values in order to provide for the fact that the older persons who come into the scheme will pay the same rate of contribution and receive the same benefit as the younger members. The Insurance Commissioners must deduct  $1\frac{3}{4}d.$  from each weekly contribution paid by or in respect of members of Approved Societies in order to provide for the writing off of the reserve values so created. Sec. 55.

**Income of Insurance Committees.**—Provision is made for the income of Insurance Committees by sec. 61.

**Reinsurance.**—Power is given to the Insurance Commissioners to make special order providing for the reinsurance with them of the liabilities of all Approved Societies in respect of maternity benefit. Sec. 20.

Provision is made for permitting branches to reinsure with the society their liabilities in respect of benefits. Sec. 40 (2).

**Accounts and Valuations. Surplus and Deficits.**—Provisions are made requiring Approved Societies to keep their accounts in the form prescribed by the Insurance Commissioners and to submit to valuation from time to time. The accounts of administration expenses must be kept separately. Secs. 35 and 36.

Provisions are made for dealing with any surplus that may be shown by a society or branch after valuation by way of distribution in the form of additional benefits. Sec. 37.

Provisions are also made for dealing with any deficit that may be shown by a society or branch after such valuation. Methods by which such deficit is to be extinguished are indicated. Sec. 38.

Provisions are made permitting Approved Societies which



are not societies with branches, but whose members consist both of men and women, that the men's and women's funds should be kept separate for the purpose of valuations, surpluses, and deficiencies. Sec. 41.

Provisions requiring societies with less than 5000 members (insured persons) at the date of valuation to form themselves into an association or to be grouped for the purpose of valuation, surplus, and deficiency will be found in sec. 39.

Miscellaneous provisions with respect to societies with branches in connection with valuations, &c., will be found in sec. 40.

Societies which have amongst their members persons resident in England, Scotland, Ireland and Wales, or any two or any three of such parts of the United Kingdom will be required, for the purposes of valuation, &c., to treat the members resident in each such part as if they formed a separate society. Sec. 83 (3).

**Actuarial Calculations.**—It is not within the scope of this work to attempt to deal at length with the actuarial calculations upon which the Bill is based. Those who desire to make themselves acquainted with these calculations should refer in general to the report of the actuaries of May 20, 1911 [Cd. 5681], and their further report of November 28, 1911 [Cd. 5983]. Reference may also be made to the actuarial reports dealing with Married Women, with Naval and Military Forces [Cd. 5809] of July 26, 1911, and [Cd. 5943] of November 6, 1911, and with the Mercantile Marine of October 27, 1911 [Cd. 5942].

With regard to the health insurance scheme in general the following figures may be of interest:—

It was estimated that the total number of persons who would be insured under the Act would be 14,118,000.

Of those persons it was estimated that 13,036,000 would become members of Approved Societies, and that of those numbers 9,204,000 would be men, and 3,832,000 would be women.

It was anticipated that 8,579,000 men, and 3,628,000 women would be compulsorily insured.



The numbers of voluntary contributors were estimated at 625,000 men and 204,000 women.

The number of deposit contributors was estimated at 882,000, consisting of 638,000 men and 244,000 women.

The estimated cost to the State was calculated, for 1912-13, at £1,600,000; 1913-14, £4,050,000; rising in 1922-23 to £5,780,000.

The amount of initial reserve values which it would be necessary to create was estimated at £66,642,900, and it is estimated that  $18\frac{1}{4}$  years would be required to liquidate this sum.



## CHAPTER VII.

### THE ACT IN RELATION TO LOCAL AUTHORITIES AND THE MEDICAL PROFESSION.

**Excessive Sickness.**—The provisions of the Act relating to excessive sickness, sec. 63, are of very considerable importance to Local Authorities. Put quite briefly, the effect of the provisions of that section is that the Insurance Commissioners, Approved Societies, or Insurance Committees, may apply to the Local Government Board for an inquiry as to the causes of any excessive sickness in any locality. The Insurance Commissioners will prepare a table of normal sickness rates, and any sickness which exceeds 10 per cent. of those rates will be good ground for an application for an inquiry. If, as a result of that inquiry, it is found that the excessive sickness is due to the fact that a Local Authority has failed or neglected to perform any duties imposed upon it by any of the Acts relating to the health of workers in factories, workshops, mines, quarries, or other industries, or relating to public health, or the housing of the working classes, or to the insanitary conditions in any locality, or to an insufficient or contaminated water supply for which the Local Authority is responsible, any extra expenditure which may have been incurred by reason of the excessive sickness may be ordered to be paid by the Local Authority in default. The result of this provision should be to give a great stimulus to Local Authorities properly to perform their various duties in so far as the performance of those duties may have an effect on health. Where the inquiry is held in respect of bad housing or insanitary conditions a Local Authority may obtain repayment from owners of property to whose acts or defaults any excess expenditure may be due. (The provisions of this



section also apply to employers of labour, owners, lessees and occupiers of property, and to water companies.)

**Financial Provisions.**—In two instances the Act does not provide that the whole expense of providing benefits should be met by the contributions of insured persons and by the moneys provided by Parliament. These two instances relate to Medical benefit and Sanatorium benefit (if and when the latter benefit is extended, as it may be in the discretion of the Insurance Committee, to the dependants of insured persons). The sums so far as they are derived from moneys provided by Parliament and the contributions of insured persons are 1s. 4d. *per annum* (of which 1d. may be retained by the Insurance Commissioners for research in respect of each insured person in the case of Sanatorium benefit and, in the case of Medical benefit, such sum as may be agreed between Insurance Committees and Approved Societies (in the case of members of Approved Societies), or, in default of agreement, as may be determined by the Insurance Commissioners, and such sum as may be determined by the Insurance Commissioners in respect of the deposit contributors.

But should these sums not be sufficient to provide the requisite Medical attendance or the extension of Sanatorium benefit, half the excess cost in each case will, if an agreement be made to that effect and the sanction of the Treasury obtained, be borne by the Councils of Boroughs and of Counties. Secs. 15 and 17.

Power is given to Borough, Urban, and Rural District Councils to contribute to the sums payable by County Councils towards the excess expenditure on Medical or Sanatorium benefit so far as such excess is properly attributable to the Borough or District. Such sums are to be paid in the case of a Borough Council out of the Borough Fund or rate, and in the case of an Urban or Rural District Council as part of the general expenses incurred by the Council in the execution of the Public Health Act.

A County Council may not raise any sum on account of any expenditure incurred by them under the Act within any



Borough or Rural District, the Council of which has agreed to contribute towards such excess expenditure. Sec. 22.

Local Authorities may subscribe, out of the rates, to the general purposes of the Insurance Committee. Sec. 61 (3).

**Administration of Sanatorium benefit.**—Local Authorities other than Poor Law authorities may with the approval of the Local Government Board agree with Insurance Committees to provide institutional or domiciliary treatment. Local Authorities may provide the former treatment for persons who reside outside their area. Sec. 16.

**Provision of Sanatoria.**—A sum of £1,500,000 is made available by the Finance Act, 1911, for the erection of Sanatoria, and Local Authorities may receive grants out of this sum. No obligation is placed upon Local Authorities to build sanatoria, but unless they do so they will not receive any grant. Power is given to the Local Government Board to authorise County Councils to erect, manage, and maintain institutions, and the Local Government Board may also make orders for the purpose of facilitating co-operation between Local Authorities for the provision of institutions.

Insurance Committees may make agreements with Local Authorities and other persons that, in consideration of the provision of institutional treatment for persons recommended for Sanatorium benefit, the Committee will contribute, out of the sums available for Sanatorium benefit, towards the maintenance of the institution annual payments over a period of time. The object of this provision would appear to be to enable Local Authorities who contemplate building institutions to make an agreement by which they are assured for some time of an income towards the maintenance of the institution. Sec. 46.

**The Medical Profession and the Act.**—Considering the important part which the medical profession must of necessity play in the working of any scheme of National Health Insurance, it may be of historical interest to place on record the principal points of the statement issued to all Members of Parliament by the British Medical Association, and



to indicate briefly the passages in the Act which deal with those points. The summary of the demands contained in the statement is taken from *The Times* newspaper of July 12, 1911, p. 7, and is as follows:—

- (1) An income limit of £2 a week for all persons entitled to Medical benefit.
- (2) Free choice of doctor by the patient subject to the consent of the doctor to act.
- (3) Medical and Maternity benefits to be administered by local Health Committees.\*
- (4) The method of remuneration of medical practitioners adopted by each local Health Committee to be according to the preference of the majority of the medical profession in the district of that Committee.
- (5) Medical remuneration to be what the profession consider adequate, having due regard to the duties to be performed and other conditions of service.
- (6) Adequate medical representation amongst the Insurance Commissioners, in the Central Advisory Committee, and in the local Health Committee, and statutory recognition of a local medical committee representative of the profession in the district of each local Health Committee.

As to the first point, no income limit is fixed by the Act, but by sec. 15 (3) provision is made for regulations of the Insurance Commissioners to authorise Insurance Committees to require any person whose income exceeds a limit to be fixed by the Committee, to make his own arrangements for receiving medical attendance and treatment (including medicines and appliances). In this connection it may be pointed out that there is no existing legal machinery for finding out the incomes of any persons whose income is less than £160 a year, that figure being the limit below which incomes are not assessable to income tax.

As to the second point, it is dealt with in the Act in sec. 15 (2) (c) and (d). Reference may be made to p. 95, where the subject is discussed.

\* Local Health Committees now appear in the Act under the name of Insurance Committees.



As to the third point, Medical benefit *is* to be administered by Insurance Committees, but the administration of Maternity benefit is in the hands of Approved Societies as regards their members. Sec. 14 (1).

As to the fourth point, no special method of remuneration is prescribed by the Act.

As to the fifth point, no figure is fixed by the Act for the remuneration of medical practitioners. A bargain will have to be made between the Insurance Committees and the medical practitioners on the lines of sec. 15. The amount of money available for providing Medical benefit will be, in the case of members of an Approved Society, such sum as may be agreed between the society and the Insurance Committees, or, in default of agreement, such sum as the Insurance Commissioners may determine. Sec. 15 (6). And, in the case of deposit contributors, such sum as the Insurance Committees may, with the consent of the Insurance Commissioners, determine. Sec. 42 (*d*). If these sums are insufficient, power is given to County and Borough Councils and the Treasury to sanction the estimates for cost of Medical benefit, and, if they do sanction them, they are thereupon obliged to pay one-half each of the estimated excess. Sec. 15 (7) and (8).

As to the sixth point, one member of each of the four separate bodies of Commissioners must be a duly qualified medical practitioner. Secs. 57, 80 (1), 81 (1), and 82 (1). Provision is made in sec. 58 for the appointment to the Advisory Committee of duly qualified medical practitioners.

In the case of Insurance Committees provision is made that two members should be elected by any association of duly qualified medical practitioners resident in the County or County Borough, sec. 59 (2) (*c*); that one, two, or three members, proportionately to the numbers of the Committee, should be duly qualified medical practitioners appointed by the County or Borough Council, sec. 59 (2) (*d*); and that at least one duly qualified medical practitioner should be appointed by the Insurance Commissioners, sec. 59 (2), proviso (*ii*).



Special provision is made for the recognition of local Medical Committees by Insurance Committees. Sec. 62.

Since writing the above, the question of the medical profession and the Act has been the subject of acute controversy. It is not within the scope of this book to deal with matters of controversy. Those who desire to be acquainted with the present state of affairs are recommended to study the Statements as to the Administration of Medical Benefit and correspondence thereon between the Chancellor of the Exchequer and the British Medical Association [Cd. 6520], the explanatory statement [Cd. 6542], and the regulations dealing with medical benefit printed on p. 423, *infra*.

From the financial point of view the position would appear to be as follows :—The actuarial calculation [Cd. 5681 and 5983] showed that a sum of 6*s.* per insured person per annum was available for the provision of medical attendance and drugs. On October 23, 1912, the Chancellor of the Exchequer stated in the House of Commons that the Government proposed to increase the amount already available for medical benefit by a sum of 2*s.* 6*d.* per insured person per annum, thus making the total sum available 8*s.* 6*d.* Of this amount it was proposed that a minimum of 6*s.* 6*d.* should be definitely assigned for remuneration to the medical profession, and that 1*s.* 6*d.* should be allocated to the provision of drugs. The balance, viz. 6*d.*, was to be available for drugs where required, and, if not so required, to go to increase the remuneration of the medical profession. In addition to this a sum of 6*d.* out of the 1*s.* 3*d.* available for Sanatorium benefit was to be applied to the remuneration of general practitioners treating tuberculosis. On the same day, in a speech to the Advisory Committee, the Chancellor stated that, quite apart from the above sums, there would be a central fund for the purpose of meeting an abnormal demand for drugs in the case of an epidemic. A special Mileage Fund is also to be instituted for areas where there are exceptional difficulties of locomotion.

Presumably further legislation will be necessary to carry these proposals into effect.



## CHAPTER VIII.

### INSURANCE AGAINST UNEMPLOYMENT.

#### *Workmen and Insured Trades. Benefits.*

THE scheme of Insurance against unemployment created by Part II. of the Act rests, as does the scheme of Insurance created by Part I. of the Act, upon the principle of compulsion. But it contains one very important provision for the encouragement of voluntary Insurance against unemployment.

**Workmen.**—The persons who are compulsorily insured under this scheme are workmen within the meaning of the Act who are occupied in one or other of the Insured Trades set out in the Sixth Schedule. Those workmen will consist of all persons occupied wholly or mainly by way of manual labour, skilled or unskilled, in Building Constructional Works, Shipbuilding, Mechanical Engineering, Construction of Vehicles, Iron Founding, and Saw Milling in connection with, or of a kind commonly done in connection with, any of the other Insured Trades.

Apprentices and persons under the age of 16 are excluded. Workmen employed by the Crown are included, unless they are serving in an established capacity in the permanent service of the Crown, *i.e.* pensionable workmen. The Board of Trade may also exclude workmen not employed by the Crown but who work under similar conditions to those enjoyed by workmen in the established service. Sec. 107.

The only exception to the compulsory provisions of the scheme is that contributions by or in respect of workmen whose principal occupation is not in an Insured Trade, and who only work occasionally in an Insured Trade in a district



which is rural in character, need not be paid, unless both employer and workman agree to pay them. Sec. 97.

**Contributions.**—The contributions consist of a sum of 5*d.* a week, which will be paid as to one-half by employers, and as to the other half by the workman. As in the case of the contributions of employed contributors under Part I. of the Act the employer will pay the whole contribution in the first instance, but he will be entitled to deduct from the contributor's wages the part of that contribution which he has paid upon the contributor's behalf. Where the period of employment is over two days a full contribution is payable; where the employment is less than two days and more than one day the contribution is reduced to 4*d.* (2*d.* by the workman, 2*d.* by the employer); and where the period of employment is one day or less the contribution is reduced to 2*d.* (1*d.* by the workman and 1*d.* by the employer). If the employer fails to pay the workman's contribution, there is an obligation on the workman to pay that contribution, a provision which may be contrasted with the provisions of Part I. of the Act, where, in similar circumstances, no such obligation exists. The method of collecting the workman's and employer's contributions will be the same as that adopted in Part I. of the Act for the collection of employed contributors, that is to say, workmen will have cards issued to them, and the contribution will be paid by affixing a stamp to that card. If any person who is responsible for the custody of a book or card loses it, he will have to repay to the Unemployment Fund any sum which that Fund has paid by way of award to the finder of the card. Sec. 85, and the Eighth Schedule.

Stringent provisions are inserted to secure the payment of contributions. Failure to do so renders the employer or workman liable to a fine not exceeding £10, and to pay to the Unemployment Fund a sum equal to three times the amount that he has refused or neglected to pay (not exceeding £5). Sec. 101.

The State will contribute to the Unemployment Fund one-third of the total contribution from workmen and employers.



This will make the State's contribution equal to  $1\frac{3}{4}d.$  a week per workman. As in the case of the Health Insurance Scheme, there is no State guarantee of solvency of the Unemployment Fund. The State is also responsible for the cost of administration subject to an appropriation in aid of that cost from the Unemployment Fund (not exceeding 10 per cent. of the income of the Unemployment Fund). Sec. 85 (6).

One of the most interesting features of the Act is the way in which provisions are made so that the rates of contribution for short periods of employment afford considerable inducement to an employer to employ regular rather than casual labour.

The first of these provisions is that where an employer has employed the same workman continuously throughout a period of twelve months, that employer may be refunded by the Board of Trade out of the Unemployment Fund one-third of his own contributions in respect of that workman. Sec. 94.

The second of these provisions is that where, during a period of depression, an employer, instead of reducing his staff, keeps his men on and systematically works short time and pays both his own and the workman's contribution out of his own pocket, the employer may be refunded those contributions out of the Unemployment Fund. Sec. 96.

The third of these provisions is that, in the case of workmen already in the service of an employer, or subsequently engaged through a Labour Exchange, the Labour Exchange may relieve the employer of all his duties under Part II. of the Act. Where an arrangement of this kind has been made, both employers and workmen will be entitled to treat varying periods of employment by different employers as continuous employment with one employer, even though the employment has, in fact, been discontinuous. The saving effected by an employer who is in the habit of employing a large amount of casual labour will be considerable when it is borne in mind that  $2\frac{1}{2}d.$  covers the employer's contribution for the whole of a week, but that no reduction is made in the rate of contribution for a less period than a week, unless the period be one or two days; and in the case of an employer who



employs different workmen for one or two days during any given week, the amount of the contribution will be as high as 6*d.* per week.

The combined result of all these provisions will be that the burden imposed by Part II. of the Act will be felt least by an employer who employs the same man continuously. But an employer who is unable to do this will make a considerable saving by making an arrangement, such as is above indicated, with the Labour Exchange. The most expensive thing that an employer could do would be to engage different men for short periods of the day throughout the week. Labour organised in this manner would cost the employer 1*d.* for each different workman, however short the time during which he was employed.

Another provision which may be noticed as conducing to continuous employment is that by which a workman who has attained sixty years of age may obtain a refund from the Unemployment Fund of all his own contributions, less any sums that have been paid to him by way of Unemployment benefit. Compound interest will be paid on the contributions at the rate of 2½ per cent. per annum.

A workman who worked in an Insured Trade from the age of 18 to the age of 60, and who never came on the Fund, would be entitled at the end of that time to a sum of about £36.

Provision is also made so that if he does not cease to work at his Insured Trade he will still continue to be entitled to Unemployment benefit. Sec. 95.

**Benefits.**—Unemployment benefit consists in a sum of 7*s.* a week, payable after the first week after the workman has become unemployed if and where the workman fulfils the statutory conditions for, and is not disqualified from, the receipt of that benefit.

The statutory conditions are (*a*) that the workman has been employed in an Insured Trade during twenty-six separate weeks in the preceding five years; (*b*) that he has made application for Unemployment benefit in the manner prescribed by the Board of Trade and proves that since the



date of the application he has been continuously unemployed. The expression "continuously unemployed" is given a special meaning in the Act, viz. that two periods of unemployment of not less than two days each, separated by a period of not more than two days, or two periods of unemployment of not less than one week each, separated by an interval of not more than six weeks, shall be treated as a continuous period of unemployment; (c) that he is capable of work and unable to obtain suitable employment; (d) that he has not exhausted his right to Unemployment benefit under Part II. of the Act. Sec. 86.

Offers of work (a) in a situation vacant in consequence of a trade dispute or at lower wages than the workman habitually obtained, or would have obtained, had he continued to work in the district where he was last ordinarily working, or (b) work in any other district at a rate of wages lower than the standard rate of the district will not be considered suitable, and a workman will not forfeit his right to Unemployment benefit by declining such offers.

A workman will be disqualified from receiving Unemployment benefit (a) if he has lost his work through a stoppage of work which was due to a trade dispute at the factory, workshop, or other premises where he worked, (b) if he loses his work owing to misconduct, (c) if he goes to prison or to a workhouse, (d) if he is in receipt of Sickness or Disablement benefit under Part I. of the Act. Sec. 87.

The section prescribing these disqualifications is so worded as to include sympathetic strikes and lock-outs. The test as to whether the stoppage of work causes a workman to be disqualified is geographical in the sense that it is confined to stoppage of work at the factory or workshop where the workman is working; in other words a workman will be disqualified for receiving Unemployment benefit if a strike takes place at the factory where he is actually working, but not if the factory shuts down owing to a strike in some other place, *e.g.* a man working in a ship-building yard will not be disqualified if the ship-building yard has to stop work owing to a railway strike, but he will be disqualified if the employer locks out his men in sympathy with a trade dispute at some other



ship-building yard. For the purpose of this disqualification provision is made that, where in any given factory different branches of work which are commonly carried on as separate businesses are being carried on in the factory as separate departments, each of those departments is to be deemed a separate factory. The result of this provision will be that a man who is employed in one department of the factory will not be disqualified if the factory closes down owing to a trade dispute in some other department.

**Period of Unemployment during which Benefit is payable.**—No benefit will be paid for the first week after a workman has become unemployed. There are two other very important rules which regulate the length of time during which a workman is entitled to receive Unemployment benefit. The first rule is that no workman can obtain more than fifteen weeks' benefit in any given twelve months. The second rule is that a workman is only entitled to one week's benefit for every five weekly contributions that he has paid. In order that these two rules should not press too hardly at the beginning of the operation of this scheme, provision is made to add five weeks' contributions for every year up to five years that a workman has worked in any of the Insured Trades before the commencement of the Act. Those workmen who have been employed in the Insured Trades before the commencement of the Act will start with a credit balance of contributions in hand before they have actually paid any contributions. Seventh Schedule.

**Insured Trades.**—As has been said above, the Insured Trades consist of (a) the construction, alteration, repair, decoration, or demolition of Buildings; (b) the construction of works, such as Railroads, Docks, Canals, Bridges, etc.; (c) the construction, alteration, repair, or decoration of Ships; (d) Mechanical Engineering, including the manufacture of Ordnance and Fire Arms; (e) the construction of Vehicles; (f) Iron Founding; (g) and certain kinds of Saw Milling.



## CHAPTER IX.

### ADMINISTRATIVE MACHINERY INSURANCE AGAINST UNEMPLOYMENT.

THE scheme of insurance against unemployment created by the Act is under the supervision of the Board of Trade. All the regulations which the Act directs to be made and all the matters which the Act directs to be prescribed are made or prescribed by the Board of Trade. In many cases the powers of the Board of Trade can only be made use of with the consent of the Treasury, who will thus also have a considerable share in the administration of Part II. of the Act. Existing associations of workmen or, in other words, Trade Unions, will also play a very important part in the administration of the benefit.

**Powers and Duties of the Board of Trade.**—The Board of Trade are given various powers to vary rates of contribution and benefits, &c. These powers are as follows:—

- (1) They may make rules prescribing the rates and periods of Unemployment benefit, but so as not to increase the rate of benefit above 8s. per week or to diminish rates below 6s. per week, or to increase the period of Unemployment benefit above 15 weeks or to alter the proportion which the period of benefit bears to the number of contributions paid. This power is to be exercised by rules confirmed by a special order. Seventh Schedule.
- (2) Every seven years the Board may, if the Unemployment Fund appears to it to be insufficient or more than sufficient to discharge the liabilities imposed upon the Fund, revise the rates of contribution; and



if the rates of contribution are excessive or deficient as respects any particular Insured Trade the Board may prescribe different rates of contribution for the different Trades. This power can only be used to raise rates by 1*d.* in excess of the rates in the Eighth Schedule. The Treasury must give their sanction to the revision, and the revision must be made by special order. Sec. 102.

- (3) Power is also given to the Board, in an emergency, to make temporary modifications in the rates of contribution or in the rates or periods of Unemployment benefit. This power can only be made use of by the Board, on the direction of the Treasury:—

- (a) When the Unemployment Fund is in debt to the Consolidated Fund.
- (b) When it appears to the Treasury that the Unemployment Fund is insolvent.
- (c) The modifications must be such as the Treasury may consider necessary to secure the solvency of the Unemployment Fund.

The Board need not have recourse to a special order for the exercise of this power, and, indeed, special order procedure would not be suitable for its exercise, since the power is designed for use in circumstances where it is essential that there should be no delay. Sec. 93.

- (4) The Board of Trade may, with the consent of the Treasury, extend the provisions of Part II. of the Act to workmen in trades other than Insured Trades, either without modification or subject to modification of rates of contribution or rates or periods of benefit. This power must be exercised by making a special order, and the order cannot be made if the person holding the inquiry reports that the order should not be made, or if the Treasury are of opinion that the order would increase the contribution from the State to the Unemployment Fund to a sum exceeding £1,000,000 per annum before the expiration of three years. The rates of



contribution mentioned in the order may not exceed the rates specified in the Eighth Schedule, and must be imposed equally as between employers and workmen. Sec. 103.

The following powers and duties of the Board of Trade may be exercised without recourse to Special Order procedure.

(1) To make regulations in regard to the manner in which contributions are to be paid and collected. Sec. 85 (5).

(2) To appoint such Insurance Officers and other officers and inspectors, &c., as the Board may, with the sanction of the Treasury, determine. Sec. 89 (2).

(3) To determine the districts and the Trades or groups of Trades for which panels of persons are to be constituted for the purpose of Courts of Referees. Sec. 90 (2).

(4) To provide by regulations for reference to the Referees, for consideration and advice, questions as to the administration of Part II. of the Act and for holding meetings of the Referees for this purpose. Sec. 90 (4).

(5) With the sanction of the Treasury to pay Chairmen and other members of Courts of Referees, remuneration, travelling and other allowances (including compensation for loss of time). Sec. 90 (5).

(6) To make regulations and to prescribe in the following cases :—

(a) By regulation to permit certain workmen employed partly in an Insured Trade and partly not to be treated as wholly employed in an Insured Trade.

(b) By regulation to give to employers and workmen an opportunity of obtaining a decision by the Umpire in respect of their liability to pay contributions.

(c) To prescribe the evidence required as to the fulfilment of the conditions and qualifications for receiving or continuing to receive Unemployment benefit. For this purpose they may require the attendance of workmen at such offices or places and at such times as they may appoint.

(d) To prescribe the manner of making and the procedure as to claims for Unemployment benefit or for the continuance thereof.



- (e) To make regulations with regard to the payment of contributions and benefits while the settlement of any claim is pending.
- (f) By regulation to provide in certain cases for the treatment of persons who are not actually the employer as the employer.
- (g) By regulations to provide (with the concurrence of the Postmaster-General) for the making of claims and payment of Unemployment benefit through the Post Office. Sec. 91.

All regulations under this section must be laid before both Houses of Parliament.

(7) To control and manage the Unemployment Fund and pay over moneys of the Fund available for investment to the National Debt Commissioners from time to time. Sec. 92.

(8) To refund a part of the contributions paid by the employer during the year in respect of workmen whom he has continuously employed, and to reduce the period for which a refund may be made subject to a proportionate reduction of the number of contributions required. Sec. 94.

(9) To repay in certain circumstances part of the contributions paid to the fund by workmen. Sec. 95.

(10) To make regulations providing for the refund of contributions paid by employers in respect of workmen working short time. Sec. 96.

(11) To prescribe the cases and conditions in which the Board will make arrangements with employers for performing the duties of employers under the Act in respect of workmen engaged through Labour Exchanges, and to make regulations in connection therewith. Sec. 99.

(12) To give directions to Insurance Officers as to the payments to be made from the Unemployment Fund with regard to the instructions of workmen. Sec. 100 (1).

(13) To institute or to consent to the institution of proceedings under sec. 101 (offences and proceedings for recovery of contribution).

(14) To recover by civil proceedings as debts due to the Crown any sums due to the Unemployment Fund. Sec. 101.

(15) To make arrangements with Associations of workmen



in an Insured Trade who pay Unemployment benefit so that such Associations should administer the benefit given by the Act. Sec. 105.

(16) To make repayment to *any* Association for the purpose of providing Unemployment benefit. This power can only be exercised with the consent of the Treasury. Sec. 106 (1).

(17) To exempt from the operation of Part II. of the Act workmen who have claims to pensions, &c. Sec. 107 (4).

(18) In certain circumstances to arrange with Government Departments for carrying out by Government officials of the duties of Inspectors under Part II. of the Act. Sec. 112.

**The Treasury.**—The Treasury have a considerable measure of control over the administration of Part II. of the Act. Their powers and duties are as follows:—

- (1) To determine the manner and times at which the contribution provided by Parliament towards the Unemployment Funds is to be made. Sec. 85 (6).
- (2) Their consent is required as to the number of Insurance Officers to be appointed by the Board of Trade. Sec. 89 (1).
- (3) The Salaries of such Officers and of members of Courts of Referees and of other officers, &c., are to be determined by them. Further, their sanction is required as to the amount of the Board of Trade's expenses in administering the Act. Sec. 89 (2).
- (4) They must make regulations as to the sum from the income account of the Unemployment Fund, which is to be applied as an appropriation in aid of the moneys provided by Parliament for the administrative expenses of the Board of Trade under Part II. of the Act. Sec. 89 (2).
- (5) They must direct the manner in which the accounts of the Unemployment Fund are to be audited, and they must make regulations for the investment of moneys forming part of the Unemployment Fund. Sec. 92.
- (6) They have power to make advances up to £3,000,000 out of the Consolidated Fund out of the security to



the Unemployment Fund, if and when that Fund is insolvent. Sec. 93.

- (7) Their consent and direction must be obtained to any order made by the Board of Trade modifying rates of contribution if and when the Board of Trade exercise their emergency power under sec. 93.
- (8) Their sanction is required to any special order made by the Board of Trade revising rates of contribution. Sec. 102.
- (9) Their consent is required to any special order made by the Board of Trade extending the provisions of Part II. of the Act to Trades other than Insured Trades. The Treasury may not consent to such order if the order would, in their opinion, increase the contribution to the Unemployment Fund out of the moneys provided by Parliament to a sum exceeding £1,000,000 per year before the expiration of three years from the making of the order. Sec. 103.
- (10) Their consent is required before the Board of Trade may make repayments to Associations who pay unemployment benefits to persons, whether workmen in Insured Trades or not. Sec. 106.

**Labour Exchanges.**—Labour Exchanges will provide the machinery for dealing directly with the workmen. Claims for Unemployment benefit will be made at the local office which, in most instances, will be the Labour Exchange, and will be decided in the manner provided by sec. 88 by Insurance Officers stationed at the various Labour Exchanges throughout the country. The close connection between Labour Exchanges and the object of Part II. of the Act would appear to make this course particularly suitable. Unemployment Regulations, paras. 10-13.

**Associations of Workmen.**—One of the most important provisions in Part II. of the Act is the provision which permits the Board of Trade virtually to hand over the administration of Unemployment benefit to Associations of Workmen, that is to say, in the great majority of cases, to Trades Unions. The arrangements made by the Board of Trade will be that the



Board will cease to pay Unemployment benefit to workmen who prove that they are members of an Association which has agreed to undertake the administration of Unemployment benefit. The workmen will then look to the Association for the payment of any unemployment benefit to which they may be entitled. At the end of a given period the Board of Trade will settle up accounts with the Association, and will repay to the Association out of the Unemployment Fund three-quarters of the amount which the Association has paid out in unemployment benefit to workmen. But the amount so repaid cannot exceed the amount the workman would have received in Unemployment benefit from the Unemployment Fund if no such arrangement had been made. A simple calculation will show that it will not be to the advantage of any Association to enter into an arrangement of this kind with the Board of Trade unless the Unemployment benefit which they are prepared to give is at least as much as 9s. 4d. per week. The effect of making such an arrangement on an Association should be, that the Association will be enabled to retain a hold over their members, and, if the Association can afford to pay substantially more than 7s. per week in Unemployment benefit, that fact will form a considerable inducement to other workmen to become members of the Association. It is estimated [Cd. 5991] that the membership of Trade Unions in the Insured Trades at the end of 1909 was 462,000, of whom about 350,000 belonged to Unions providing Unemployment benefits. It will be interesting to see whether this provision will have the effect of increasing that membership.

Sec. 105.



## CHAPTER X.

### FINANCIAL PROVISIONS OF INSURANCE AGAINST UNEMPLOYMENT.

**Unemployment Fund.**—All the contributions payable under Part II. of the Act by employers and workmen and out of moneys provided by Parliament are to be paid into a Fund called the Unemployment Fund, which is to be under the control and management of the Board of Trade. All claims for Unemployment benefit, and any other payments which are to be made under Part II. of the Act, are payable out of that Fund. Sec. 92 (1).

Provisions are made for the auditing of the accounts of the Unemployment Fund by the Comptroller and Auditor-General in such manner as the Treasury may direct, and for the investment of any sums available by the National Debt Commissioners in the securities which are for the time being authorised as investments for Savings Banks moneys. Sec. 92 (2) and (3).

Provision is made for an account of these securities to be presented to Parliament by the National Debt Commissioners annually. Sec. 92 (4).

**Advances from the Treasury.**—Power is given to the Treasury to advance sums to the Unemployment Fund from time to time, should the fund so require, up to £3,000,000, and power is given to the Treasury for that purpose to issue Exchequer Bonds or Treasury Bills. Sec. 93.

Exchequer Bonds or Treasury Bills so issued may not be paid off by money in the hands of the National Debt Commissioners. Sec. 93 (7).



**Expenses of Administration.**—The expenses of administration are in the first instances to be borne by the State, but there is provision that the Treasury should be refunded out of the Unemployment Fund as a grant in aid of such expenses a sum not exceeding 10 per cent. to the Income of the Unemployment Fund. Sec. 89 (2).

**Actuarial Calculations.**—It is not within the scope of this work to attempt to go deeply into the Actuarial calculations which form the basis of the scheme for Insurance against Unemployment. But the matter is of such importance and of such general interest that a few words may usefully be said on the subject. Reference should be made by those who wish to study the matter in detailed fashion to the reports of the Actuaries, No. 162 of May 16, 1911, and [Cd. 5980].

The general effect of those Actuarial calculations is that the total number of Insured workmen is estimated at 2,511,500.

The average contribution from the workmen is estimated at 9s. 2d. per annum, from the employer at 7s. 10d. per annum, and from the State 6s. 1½d. per annum. The total of these contributions is 23s. 1½d. Expenses of administration are estimated at 2s. 3¾d., viz. 10 per cent., leaving 20s. 9¾d. available to pay the benefits.

The cost of giving Unemployment benefit is estimated at about 20s. per workman per annum, leaving a margin of about 10d. per workman per annum. The total funds available will, therefore, work out at £2,909,573 17s. 8d., and of that sum the State will contribute £698,438 17s. 8d., the employers £941,812 10s. 0d., and the workmen £1,269,322 10s. 0d.



## CHAPTER XI.

### MISCELLANEOUS PROVISIONS.

**Miscellaneous Provisions in Part I.**—The most important of the Miscellaneous Provisions in Part I. of the Act is perhaps that which gives protection from distress and execution to an insured person while he is receiving Sickness benefit. In order to be entitled to this protection the person in question must obtain a certificate from the medical practitioner attending him that the distress or execution would endanger his life.

Provisions are made for the keeping of a register of such certificates, which must be open to inspection at all reasonable times. Sec. 68.

Disputes are dealt with in sec. 67, Offences in sec. 69.

Provisions are made enabling minors to execute necessary documents. Sec. 74.

Power is given to societies for the purpose of transacting business under the Act to register under the Friendly Societies Act, notwithstanding the fact that their contributions are not voluntary. Sec. 75.

Sec. 79 is the interpretation section.

Sec. 80 deals with the special provisions applicable to Scotland, and sec. 81 is a similar section with regard to Ireland.

Sec. 82 establishes a separate body of Commissioners for Wales.

**Miscellaneous Provisions of Part II. of the Act.**—The most interesting of these provisions is the section which enables



Insurance Officers who consider that the repeated failure of workmen to obtain employment is due to their lack of skill or knowledge to provide technical instruction for such workmen. Sec. 100.

Sec. 107 deals with interpretation and application.

**Miscellaneous Provisions of Part III. of the Act.**—Provisions are made for the issue of stamps for the purposes of the Act by the Post Office. Sec. 108.

Provision is made so that Boards of Guardians should not take into consideration in granting outdoor relief any benefit except so far as the benefit exceeds 5s. per week. Sec. 109.

Provisions are made for the priority of claims for contributions due by bankrupt employers. Sec. 110.

Sec. 112 deals with the powers of Inspectors appointed under the Act. Provisions are made for facilitating the proving of age by the production of Birth Certificates. Sec. 114.

**Special Orders.**—Provisions are made applying secs. 80 and 81 of the Factory and Workshops Act, 1901, relating to the making of regulations under that Act, as set out and adapted in the Ninth Schedule to this Act, to special orders made under this Act. Before a special order comes into force it must be laid before each House of Parliament for a period of not less than 30 days during which the House is sitting, and no further proceedings may be taken on the order after either of those Houses, before the expiration of 30 days, presents an address to His Majesty against the order. The principal feature of the provisions of the Factory and Workshop Act as applied to this Act are that the authority must hold a public inquiry at which persons affected will be entitled to be heard in objection to the draft Order. Sec. 113 and the Ninth Schedule.

**Short Title and Commencement.**—The short Title to the Act is the National Insurance Act, 1911. The Act came into operation on July 15, 1912. Sec. 115.



# NATIONAL INSURANCE ACT, 1911.

[1 & 2 Geo. 5, c. 55.]

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## ARRANGEMENT OF SECTIONS.

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### PART I.

#### NATIONAL HEALTH INSURANCE.

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###### Section.

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5. Rates and rules for contributions by voluntary contributors.
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## SCHEDULES.



# NATIONAL INSURANCE ACT, 1911.

[1 & 2 Geo. 5, chapter 55.]

An Act to provide for Insurance against Loss of Health and for the Prevention and Cure of Sickness and for Insurance against Unemployment, and for purposes incidental thereto. [16th December 1911.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

## PART I.

### NATIONAL HEALTH INSURANCE.

#### *Insured Persons.*

1.—(1) Subject to the provisions of this Act, all persons of the age of sixteen and upwards who are employed within the meaning of this Part of this Act shall be, and any such persons who are not so employed but who possess the qualifications herein-after mentioned may be, insured in manner provided in this Part of this Act, and all persons so insured (in this Act called “insured persons”) shall be entitled in the manner and subject to the conditions provided in this Act to the benefits in respect of health insurance and prevention of sickness conferred by this Part of this Act. Sect. 1.

Insured  
persons.



Sect. 1.  
—

(2) The persons employed within the meaning of this Part of this Act (in this Act referred to as "employed contributors") shall include all persons of either sex, whether British subjects or not, who are engaged in any of the employments specified in Part I. of the First Schedule to this Act, not being employments specified in Part II. of that schedule :

Provided that the Insurance Commissioners herein-after constituted may, with the approval of the Treasury, by a special order made in manner herein-after provided, provide for including amongst the persons employed within the meaning of this Part of this Act any persons engaged in any of the excepted employments specified in Part II. of the said schedule either unconditionally or subject to such conditions as may be specified in the order.

(3) The persons not employed within the meaning of this Part of this Act who are entitled to be insured persons include all persons who either—

- (a) are engaged in some regular occupation and are wholly or mainly dependent for their livelihood on the earnings derived by them from that occupation ; or
- (b) have been insured persons for a period of five years or upwards ;

and the persons possessing such qualifications who become or continue to be insured persons are in this Act referred to as voluntary contributors: Provided always that no person whose total income from all sources exceeds one hundred and sixty pounds a year shall be entitled to be a voluntary contributor unless he has been insured under this Part of this Act for a period of five years or upwards.

(4) Except as herein-after provided, nothing in this section shall require or authorise a person of the age of sixty-five or upwards not previously insured under this Part of this Act to become so insured.



**Object of the Section.**—This section defines the persons to whom this part of the Act applies. These persons are called in the Act by the generic name of “insured persons” and are divided into two classes, viz.—

(1) that for which insurance is compulsory, called throughout Part I. of the Act “employed contributors.”

(2) that for which insurance is optional, called throughout Part I. of the Act “voluntary contributors.”

Both these classes will be entitled, subject to the provisions of the Act, to the benefits which the Act is to confer.

**Employed Contributors.**—This class consists of persons employed within the meaning of this Part of this Act and is defined by reference to subsec. (2) of this section and to Parts I. and II. of the First Schedule to the Act. The combined effect of these provisions is to *include* in this class all persons between the ages of sixteen and sixty-five of either sex, married or single, British subjects or aliens, who are employed in any of the employments specified in Part I. of the First Schedule to the Act, but to *exclude* all persons employed in the employments specified in Part II. of the said First Schedule. (Persons over sixty-five, *vide* secs. 4 & 49.)

Broadly speaking the persons **included** consist of—

- (1) All persons employed under a contract of service or of apprenticeship in the United Kingdom (with the exception of persons employed under a contract of apprenticeship without money payment); including by sec. 46 most of the men of the Naval and Military Forces of the Crown.
- (2) The master and members of the crew of most British ships;
- (3) Persons employed as outworkers unless excluded by special order made by the Insurance Commissioners.
- (4) Persons employed in the United Kingdom in plying for hire with vehicles or vessels of which they are bailees and for the use of which they make payment to the owners.

The persons **excluded** consist of—

- (1) Servants of the Crown and of public and local authorities, and certain classes of teachers, who are already provided for, either by the terms of their employment, or by already existing superannuation Acts, and certain men of the Naval and Military Forces;
- (2) Clerks or salaried officials in the service of railway or other statutory companies, who are already provided for by existing superannuation funds;
- (3) Certain classes of agents;
- (4) Certain persons who receive no money payment for their services;
- (5) Persons whose employment is of a casual nature and not for the purposes of the employer's trade or business or for the purposes of any game or recreation;
- (6) Persons employed otherwise than by way of manual labour and at a remuneration exceeding £160 a year;
- (7) Persons whose employment is of a subsidiary nature and is not their principal means of livelihood (this class of employment is only to be excluded by special order of the Insurance Commissioners);

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- (8) Share fishermen, if excluded by special order of the Insurance Commissioners;
- (9) Wives employed by their husbands and *vice versa*.
- (10) Persons who hold, or in respect of whom are held, certificates of exemption (*vide* sec. 2, *infra*, p. 31; sec. 44 (8), *infra*, p. 160, and sec. 51 (1), *infra*, p. 206).

**Power of Insurance Commissioners to enlarge the Class of Employed Contributors.**—The Insurance Commissioners have power to include, by special order, amongst the class of employed contributors, any persons employed in the employments mentioned in Part II. of the First Schedule. For the procedure, etc., on the making of special orders by the Commissioners, *vide* sec. 113, *infra*, p. 339, and the Ninth Schedule, *infra*, p. 357.

This power has been exercised by the Insurance Commissioners in respect of the married women outworkers referred to in para. (j) of Part II. of the First Schedule. These women are now included amongst the class of employed contributors (*vide* National Health Insurance (Married Women Outworkers) Provisional Order, 1912). The Order does not apply to Ireland.

**Insurance Commissioners.**—There are separate Commissioners for England, Scotland, Ireland and Wales (*vide* secs. 80, 81, 82, pp. 258, 266 and 276 respectively). Where matters expressed are to be prescribed, or where regulations are to be made under this Part of the Act, such matters are to be prescribed and the regulations are to be made by the Insurance Commissioners (*vide* sec. 65, *infra*, p. 239). By sec. 83, *infra*, p. 278, provision is made for the appointment of a joint committee of the several bodies of Commissioners. Regulations have been made by the Treasury under sec. 83 (*vide infra*, pp. 278, 401) whereby certain of the powers exercisable by the separate bodies of Commissioners are to be exercised by the Joint Committee.

The above lists serve to give a rough summary of the persons who are included amongst and excluded from the class known as employed contributors.

In order to arrive at that class with certainty, a detailed examination of the First Schedule is necessary. That Schedule is here printed for convenience.

**FIRST SCHEDULE****PART I.****EMPLOYMENTS WITHIN THE MEANING OF PART I. OF THIS ACT  
RELATING TO HEALTH INSURANCE.**

(a) Employment in the United Kingdom under any contract of service or apprenticeship, written or oral, whether expressed or implied, and whether the employed person is paid by the employer or some other person, and whether under one or more employers, and whether paid by time or by the piece or partly by time and partly by the piece, or otherwise, or, except in the case of a contract of apprenticeship, without any money payment.



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(b) Employment under such a contract as aforesaid as master or a member of the crew of any ship registered in the United Kingdom or of any other British ship or vessel of which the owner, or, if there is more than one owner, the managing owner or manager, resides or has his principal place of business in the United Kingdom.

(c) Employment as an outworker (that is to say, a person to whom articles or materials are given out to be made up, cleaned, washed, altered, ornamented, finished, or repaired, or adapted for sale in his own home or on other premises not under the control or management of the person who gave out the articles or materials for the purposes of the trade or business of the last-mentioned person), unless excluded by a special order made by the Insurance Commissioners, and any such order may exclude outworkers engaged in work of any class, or outworkers of any class or description specified in the order, or may defer the commencement of this Act as respects all outworkers, and the person who gave out the articles or materials shall, in relation to the person to whom he gave them out, be deemed to be the employer.

(d) Employment in the United Kingdom in plying for hire with any vehicle or vessel the use of which is obtained from the owner thereof under any contract of bailment (or in Scotland any contract of letting to hire) in consideration of the payment of a fixed sum or a share in the earnings or otherwise, in which case the owner shall, for the purposes of Part I. of this Act, be deemed to be the employer.

## PART II.

## EXCEPTIONS.

(a) Employment in the naval or military service of the Crown, including service in Officers' Training Corps, except as otherwise provided in Part I. of this Act.

(b) Employment under the Crown or any local or other public authority where the Insurance Commissioners certify that the terms of the employment are such as to secure provision in respect of sickness and disablement on the whole not less favourable than the corresponding benefits conferred by Part I. of this Act.

(c) Employment as a clerk or other salaried official in the service of a railway or other statutory company, or of a joint committee of two or more such companies, where the Insurance Commissioners certify that the terms of employment, including his rights in such superannuation fund as is herein-after mentioned, are such as to secure provision in respect of sickness and disablement, on the whole, not less favourable than the corresponding benefits conferred by Part I. of this Act, and the person so employed is entitled to rights in a superannuation fund established by Act of Parliament for the benefit of persons in such employment, or in Ireland is entitled to rights in any such superannuation fund or in any railway superannuation fund which may be approved by the Insurance Commissioners.



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(d) Employment as a teacher to whom the Elementary School Teachers Superannuation Act, 1898, or a scheme under section fourteen of the Education (Scotland) Act, 1908, or the National School Teachers (Ireland) Act, 1879, applies, or, in the event of any similar enactment being hereafter passed as respects teachers or any class of teachers (other than teachers in public elementary schools), as a teacher to whom such enactment applies.

(e) Employment as an agent paid by commission or fees or a share in the profits, or partly in one and partly in another such ways, where the person so employed is mainly dependent for his livelihood on his earnings from some other occupation, or where he is ordinarily employed as such agent by more than one employer, and his employment under no one of such employers is that on which he is mainly dependent for his livelihood.

(f) Employment in respect of which no wages or other money payment is made where the employer is the occupier of an agricultural holding and the employed person is employed thereon, for where the person employed is the child of, or is maintained by, the employer.

(g) Employment otherwise than by way of manual labour and at a rate of remuneration exceeding in value one hundred and sixty pounds a year, or in cases where such employment involves part-time service only, at a rate of remuneration which in the opinion of the Insurance Commissioners, is equivalent to a rate of remuneration exceeding one hundred and sixty pounds a year for whole-time service.

(h) Employment of a casual nature otherwise than for the purposes of the employer's trade or business, and otherwise than for the purposes of any game or recreation where the persons employed are engaged or paid through a club, and in such case the club shall be deemed to be the employer.

(i) Employment of any class which may be specified in a special order as being of such a nature that it is ordinarily adopted as subsidiary employment only and not as the principal means of livelihood.

(j) Employment as an outworker where the person so employed is the wife of an insured person and is not wholly or mainly dependent for her livelihood on her earnings in such employment.

(k) Employment as a member of the crew of a fishing vessel where the members of such crew are remunerated by shares in the profits or the gross earnings of the working of such vessel in accordance with any custom or practice prevailing at any port if a special order is made for the purpose by the Insurance Commissioners, and the particular custom or practice prevailing at the port is one to which the order applies.

(l) Employment in the service of the husband or wife of the employed person.

FIRST  
SCHEDULE,  
PART I.,  
PARA. (a).

**Contract of Service, Employer.\***—It is interesting to compare the use of these words in the Schedule now under consideration with the same words as used in sec. 13 of the Workmen's Compensation Act, 1906 (6 Ed. 7, c. 58). In that Act "Workman" . . .

\* Reference should be made to the selection of cases decided by the Commissioners, *vide* Appendix, *infra*.



means any person who has entered into or works under a contract of service or apprenticeship with an employer, whether by way of manual labour, clerical work, or otherwise, and whether the contract is expressed or implied, is oral or in writing"; "'Employer' includes any body of persons corporate or unincorporate, and the legal personal representatives of a deceased employer, and, where the services of a workman are temporarily lent or let on hire to another person by the person with whom the workman has entered into a contract of service or apprenticeship, the latter shall, for the purposes of this Act, be deemed to continue to be the employer of the workman whilst he is working for that other person."

The Act now under consideration contains no definition of the word "employer," but the following provisions of this Part of the Act provide, in certain cases, for ascertaining who is the employer for the purposes of this Part of the Act of a given employee.

(1) Employment as an outworker (First Schedule, Part I., para. (c)), "the person who gave out the articles or materials shall in relation to the person to whom he gave them out be deemed to be the employer."

(2) Employment under a contract of bailment of a vehicle or vessel (First Schedule, Part I., para. (d)). The owner of the vehicle or vessel is to be deemed the employer.

(3) Where persons are employed in an employment of a casual nature for the purposes of any game or recreation, and such persons are engaged or paid through a club, the club is to be deemed to be the employer (First Schedule, Part II., para. (h)).

(4) "Where a contributor is employed by more than one employer in any calendar week, the first person employing him in that week or such other employer or employers as may be prescribed shall be deemed to be the employer. . . ." (Third Schedule, para. (5)). This provision should obviate many difficulties arising through persons being employed under concurrent contracts of service to two different employers.

Provisional regulations have been made by the Joint Committee under this para., *vide* National Health Insurance (Grouped Employers) Regulations (England), 1912 (*infra*, p. 408).

(5) When employed contributors work under the general control or management of some person other than their immediate employer, the regulations of the Insurance Commissioners may provide that such person shall be treated as the employer (Third Schedule, para. (6)).

Provisional regulations have been made by the Joint Committee under this para., *vide* National Health Insurance (Intermediate Employers) Regulations (England), 1912 (*infra*, p. 410).

(6) Men of the Fleet Reserve, the Army Reserve, or the Territorial Force, whilst called out for training, are to be deemed to be in the employment of the Crown (sec. 46 (8)).

(7) In the case of a person employed in the private service of the Crown, the head of the Department of the Royal Household in which he is employed shall be deemed to be his employer (sec. 53).

Apart from these provisions, the question as to who is the employer is left at large and must be gathered from the terms of paragraph (a) of the First Schedule.

The following observations are intended to be read subject to

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**Sect. 1.** the aforesaid provisions and subject to anything which may be prescribed, or any regulations that may be made, under those provisions.

**CONTRACT OF SERVICE, EMPLOYER.** The meaning of the words "contract of service" affords the clue to the difficulties which still may arise. In order to ascertain whether a person is employed under a contract of service, the question is whether there exists between him and some other person the relation of master and servant, for only in that event will there be a contract of service. Once the existence of this relation has been ascertained, it is clear that the person who contracts to serve will be the employee, and the person whom he contracts to serve will be the employer.

It is convenient to point out here the distinction made and illustrated by Cozens-Hardy, M.R., in a case dealing with the words "contract of service" as used in the Workmen's Compensation Act, 1906 (*Simmons v. Heath Laundry Company*, [1910] 1 K. B. 543, at p. 548), between a contract of service and a contract for services. "An usher in a private school, or a teacher in a provided or non-provided school, or a nursery governess would, under ordinary circumstances, be entitled to claim the benefit of the Act. On the other hand, it would, I think, be absurd to hold that a skilled music master who gives lessons to a pupil, either in his own house or in the pupil's house, is to be regarded as the 'workman' and the pupil as the 'employer.' In such a case there may be a contract for services, but there is not a contract of service. In any particular case it will be for the arbitrator, after considering all the circumstances, to decide whether the injured professional person is or is not a 'workman.' This is not a question of law, but a question of fact, and, unless the arbitrator has misdirected himself, this court ought not to interfere."

As has been said above, a contract of service involves the relation of master and servant; this relation must be carefully distinguished from that which arises when a person employs an independent contractor to do work for him. In such a case the relation of master and servant cannot arise, inasmuch as the words "servant" and "independent contractor" are mutually exclusive.

It is not within the scope of the present work to enter into this subject in great detail, but the following observations may be found of use as a guide to the requisites for creating the relation in question.

When a person has, with regard to another person, all the following powers and liabilities, viz.—

- (1) Power of control;
- (2) Power to select and appoint;
- (3) Power to dismiss;
- (4) Liability to pay wages or other remuneration;

there is no doubt that the relation between those two persons is that of master and servant. Difficulties only arise when some, but not all, of these factors are present.

(1) *The power of control.* This is the most important factor in determining whether the relation between two persons is that of master and servant; indeed it has been said that that relation cannot exist without the power of control (*cf. per* Sir Frederick Pollock (*The Law of Torts*, 7th ed., p. 77), "The relation of master and servant exists only between persons of whom the one has the order and control of the work done by the other. A master is one who



not only prescribes to the workman the end of his work, but directs, or at any moment may direct, the means also, or, as it has been put (*per* Crompton, J., in *Sadler v. Henlock* (1855), 4 E. & B. 570, at p. 578; 24 L. J. Q. B. 138, at p. 141), 'retains the power of controlling the work'; and he who does work on those terms is in law a servant. . . . An independent contractor is one who undertakes to produce a given result, but so that in the actual execution of the work he is not under the order or control of the person for whom he does it, and may use his own discretion in things not specified beforehand." To this may be added that the power of control must arise out of contract (*cf. per* Grove, J., in *Turner v. G.E.R. Co.* (1875), 33 L. T. 431, at p. 433, "it is not only that the control must exist and be retained, but also there must be the correlative submission on the part of the servant to the control of the master." This power of control is the test whereby a servant may be distinguished from an independent contractor. The *locus classicus* on the subject is perhaps to be found in Lord Justice Bramwell's evidence before the First Committee of the House of Commons on Employers' Liability (Minutes of Evidence on Employers' Liability, Parliamentary Papers, 1876, vol. x., 58) where he says, "To my mind the distinction between the cases where a man is, and where he is not, liable for the negligence of another person, may be defined in this way. If there is a contract between them, so that the person doing the work or doing the act complained of has a right to say to the employer, 'I will agree to do this but I shall do it after my own fashion; I shall begin the wall at this end and not at the other'; then the relation of master and servant does not exist and the employer is not liable. But if the employer has a right to say to the person employed, 'You shall do it in this way, that is to say, not only shall you do it by virtue of your agreement with me, but you shall do it as I direct you to do it,' then the law of master and servant applies and the master is responsible." Reference may also be made to the same learned judge's remarks in *Jewens v. Noakes* (1880), 6 Q. B. D. 530, at p. 532, "A servant is a person subject to the command of his master as to the manner in which he shall do his work."

*Vide also per* Fletcher Moulton, L.J., in *Simmons v. Heath Laundry Co.*, *supra*, at p. 550, "the greater the amount of direct control exercised over the person rendering the services by the person contracting for them the stronger the grounds for holding it to be a contract of service, and similarly the greater the degree of independence of such control the greater the probability that the services rendered are of the nature of professional services, and that the contract is not one of service."

It is submitted that these words are equally applicable in differentiating between a servant and an independent contractor.

The power of control also serves to differentiate a contract of service from one of agency. A person may well be styled an "agent" and yet be the servant of the person who employs him, while at the same time certain agents, by reason of the wide discretion they may have in the manner, time, and place of performance of their duties, may not be servants of their employer at all. The words used in para. (e) of the Second Part of the Schedule which put among the excepted employments

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"(e) Employment as an agent paid by commission or fees or a



**Sect. 1.** share in the profits, or partly in one and partly in another such ways, where the person so employed is mainly dependent for his livelihood on his earnings from some other occupation, or where he is ordinarily employed as such agent by more than one employer, and his employment under no one of such employers is that on which he is mainly dependent for his livelihood,"

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would seem to indicate that it was the intention of the Act to include within the employments referred to in para. (a) of the First Part of the Schedule such employment as an agent as does not come within the meaning of the excepted words. But it is submitted that, inasmuch as any employment, to be within the meaning of para. (a) of the First Part of the Schedule, must be under a contract of service, and that such a contract involves the relation of master and servant, an agent who is not at the same time a servant is not employed within the meaning of this part of the Act.

Care must also be taken to distinguish between contracts of service and partnership. This is often a difficult question, as many persons are employed on terms that they get a share of the profits of the business. "In *Cox v. Hickman*, (1860), 8 H. L. C. 268, it was decided that the ground of liability as a partner is the relation of principal and agent between the parties concerned, of which relation sharing the profits is cogent and often conclusive evidence. But sharing profits is only evidence, and must be considered in conjunction with the conduct of the parties and their intention as collected from the terms and scope of their agreement in its entirety" (Sir John Macdonell on "The Law of Master and Servant," 2nd edit., p. 44). For the rules determining whether or not a partnership does or does not exist, *vide* The Partnership Act, 1890 (53 & 54 Vict. c. 39), s. 2.

Reference may also be made to the following cases:—

*Ellis v. Joseph Ellis & Co.*, [1905] 1 K. B. 324, in which it was held that a member of a partnership formed for the purpose of working a mine, who worked in the mine as a working foreman, and received wages out of the profits of the business, was not entitled to compensation from the surviving partners under the Workmen's Compensation Act, 1897. At p. 328, Collins, M.R., says, "Such a partner cannot put himself in the position of not being a partner when he is one, or of being a workman, when that position would involve that he would be both employer and employee."

*Sharpe v. Carswell*, (1910), S. C. 391, in which it is suggested that *Ellis v. Ellis* (*supra*) might have been decided differently in Scotland.

*Power to select and appoint.*—The fact that a person has selected or appointed another person is only *primâ facie* evidence that the relation of master and servant exists between them. Indeed it might be said to be very slight evidence, since there are very many cases in which an employer has nothing whatever to do with either the selection or appointment of his employees. Where the selection or appointment is made by an agent of the employer it is tantamount to selection or appointment by the employer himself (*cf. Laughter v. Pointer*, (1826), 5 B. & C. 547, at p. 554).

*Power of dismissal.*—As a general rule this power is in the master, but, as in the cases of selection and appointment, it is frequently



delegated by the master to agents who of course do not thereupon become masters themselves (*cf. Stone v. Cartwright*, (1795), 6 T. R. 411). Further, when a person makes a contract with an independent contractor reserving to himself the right to dismiss any of the contractor's servants, he does not thereby create the relation of master and servant between himself and those servants (*cf. Reedie v. L. and N. W. Rly. Co.*, (1849), 4 Ex. 244, at p. 258).

*Liability to pay wages.*—The fact that a person looks to another for the payment of wages is *primâ facie* evidence that their relation to one another is that of master and servant. But this test again is far from being conclusive at common law (*cf. Willett v. Boote* (1860), 6 H. & N. 26), and besides it must be borne in mind that in the Schedule now under consideration employment is included “under any contract of service . . . whether paid by the employer or some other person.” Further it is quite possible, and indeed it frequently happens, that servants are not paid any wages at all, *e.g.*, waiters who depend entirely upon customers' tips for their remuneration, but who are none the less servants of the hotel-keeper (*cf. Laughter v. Pointer, supra*, at p. 555). The mere fact of making a payment is not sufficient to make a person the servant of another (*vide Conlon v. Glasgow Corporation*, (1899), 1 F. 869), where it was held that spare men who waited every morning on the chance of being given a job, and who received 1s. remuneration from the Corporation for so waiting, were not in the service of the Corporation.

The following cases may also be referred to:—

*Jones v. Liverpool Corporation*, (1885), 14 Q. B. D. 890, where the plaintiff contracted with the Corporation to supply by the day a driver and horse to drive and draw a watering cart belonging to the Corporation. The driver was employed and paid by the plaintiff, and was not otherwise under the direction or control of the Corporation than that their inspector directed him what streets to water. *Held*, that the driver was not the servant of the Corporation.

*Hall and Wife v. Lees and Others*, [1904] 2 K. B. 602. An association for the supply of duly qualified nurses whom they appointed, and to whom they paid salaries, and for whose services they made charges to persons on whose application the nurses were supplied, provided a nurse for the female plaintiff. It was held that, upon the true construction of the documents in relation to the supply of nurses, the nurse so provided was the servant of the plaintiff and not of the Association.

*Stanbury v. Exeter Corporation*, [1905] 2 K. B. 838. An inspector appointed by a Local Authority under the Diseases of Animals Act, 1894 (57 & 58 Vict. cap. 57), was held not to be the servant of the Local Authority principally on the ground that the inspector was really under the control of the Board of Agriculture, and was acting in discharge of duties not delegated to him by the Local Authority but imposed upon him by the Board. In this case the power to appoint and liability to pay wages rested with the Local Authority.

*Chisholm v. Walker & Co.*, (1908), 46 S. L. R. 24. A man was employed by a timber merchant to bring his horse and carry timber from a ship to a store, he being at liberty to work or not as he chose. *Held*, that he was an independent contractor.

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**Sect. 1.** *Waites v. Franco-British Exhibition (Incorporated)*, (1909), 25 T. L. R. 441. A lecturer engaged to give lectures at a weekly salary was held not to be under a contract of service.

**CONTRACT OF SERVICE, EMPLOYER.** *Hillyer v. The Governors of St. Bartholomew's Hospital*, (1909), 25 T.L.R. 762, in which it was held that the physicians and surgeons who give their services at hospitals are not the servants of the governors, and further that, although the nurses employed at the hospital are the servants of the governors for general purposes, they are not so for the purposes of the operations conducted by the medical staff.

*Walker v. Crystal Palace Football Club, Ltd.*, [1910] 1 K. B. 87. A professional footballer was held to be under a contract of service with the club for whom he played.

*Murphy v. Enniscorthy Board of Guardians*, (1908), 42 Ir. L. T. 246. A dispensary medical officer, employed by the guardians at a salary of £120 a year, was held not to be under a contract of service with the guardians.

*Voluntary and Compulsory Services.*—A person who voluntarily does work for another is clearly not employed by that person. There is no contract between them. Similarly where a person is compelled by law to perform services as directed will not be under a contract of service with the person or authority who directs those services, *Tozeland v. West Ham Union*, [1907] 1 K. B. 520.

*Employment under the Unemployed Workmen Act, 1905.*—In *Porton v. Central (Unemployed) Body for London*, [1909] 1 K. B. 173, it was held that a man employed by a Central Body under the Unemployed Workmen Act, 1905 (5 Ed. 7, c. 18), was under a contract of service with that body, *cf. Gilroy v. Mackie & ors. (Leith Distress Committee)*, (1909), 46 S. L. R. 325.

*Employment by Charitable Institution.*—*Vide Burns v. Manchester and Salford Wesleyan Mission*, (1908), 99 L. T. 579. The respondents were a charitable organization who had instituted a labour yard and in return for work done therein by persons out of employment provided them with board and lodging. It was held that there was no contract of service between the respondents and the applicants for relief. Note should, however, be taken of the following passage in the judgment, *per* Cozens-Hardy, M.R., "It is, however, quite possible that in the case of other charities dealing with other applicants for relief, contracts of service may exist."

*Employed contributor working under general control and management of some person other than his immediate employer.*—Provisional regulations have been made by the Joint Committee under para. (6) of the Third Schedule dealing with this subject (*vide* National Health Insurance (Intermediate Employers) Regulations (England), 1912, *infra*, p. 410). These regulations do not cover all the cases in which an employed contributor may be employed by one person and yet be working under the control of a third party. In such cases the true employer of the contributor will be found to be the party in whom the ultimate practical control lies. This principle will be found to be the *ratio decidendi* in all the cases cited below. Except as illustrating this principle some of these cases have been superseded by the above-mentioned regulations.

*Brown v. Butterley Coal Co. & ors.*, (1885), 53 L. T. 964. The defendants were owners of a coal mine worked under the "butty" system. In mines so worked "butty" men contract to bring up



coal at so much a ton, and for this purpose employ men under them. The plaintiff was employed as a "butty" man, and it was held that he was a workman in the employ of the owners of the mine within the meaning of the Employer's Liability Act, 1880. "It seems to me quite clear . . . that a person working under a 'butty' man is under the real control of the owners of the mine" (*per* Huddleston, B., at p. 966). This case followed and approved of *Morrison v. Baird*, 10 Rettie, 271.

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*Levering v. St. Katherine's Dock Co.*, (1887), 3 T. L. R. 607. The defendants employed a person to land cargoes who in turn employed other men to do the actual work. It was held that the other men were servants of the Dock Co. "The question was whether the intermediate person was an independent contractor so that the persons working under him were removed from the control of the company, or whether the company had, directly or indirectly, a practical control over the men employed? Now it seemed . . . there was evidence in both cases that the company had such control," *per* Lord Coleridge.

*Ruth v. Surrey Commercial Dock Co.*, (1891), 8 T. L. R. 116. This case was even stronger than the above case. The dock company contracted with three men to do unloading. The three men employed three other labourers and one of them worked himself. The evidence showed that the three men had been engaged by the three men who contracted for the job, that they were paid by them and could only be dismissed by them. But the evidence of the defendants' foreman was that he would have interfered with them if they were doing their work wrongly. *Held*, that this was evidence upon which a jury might rightly come to the conclusion that the men employed by the contractors were the servants of the dock company.

On this point reference may also be made to *Marrow v. Flimley and Broughton Moor Coal, &c., Co., Ltd.*, [1898] 1 Q. B. 588, and *Fitzpatrick v. Evans*, [1906] 1 K. B. 505.

*Servants lent.*—It often happens that a servant in the employment of A is lent, or let on hire, by A to B, and the question arises in whose employment the servant is. This case is expressly provided for in the definition clause of the Workmen's Compensation Act (*supra*), but is left at large in the Act now under consideration. It is submitted that the true answer in such a case is that the servant is, and remains, in the employment of A unless, and until, he enters into a fresh contract of service with B. The existence of a fresh contract will be a question of fact to be decided in each case (*cf.* on this point *Wild v. Waygood*, [1892] 1 Q. B. 783; *Donovan v. Laing*, [1893] 1 Q. B. 629).

*Contracts of bailment.*—These are cases where a person is entrusted with the property of another, by the use of which he makes money which is to be shared with that other person. In such cases the amount of control the owner of the property has over the bailee decides whether the contract is one of service or not (*cf.* *Doggett v. Waterloo Taxi-Cab Co., Ltd.*, [1910] 2 K. B. 336, and *Smith v. The General Motor Cab Co., Ltd.*, [1911] A. C. 188).

It must be borne in mind that certain classes of such contracts of bailment, viz. those relating to vehicles and vessels, are expressly made employments within the meaning of this Part of the Act by para. (d) of Part I. of the First Schedule, and the owner is to



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be deemed to be the employer. But a person who took out, say, a barrel organ, on the terms that he shared his takings with the owner, would probably be held not to be under a contract of service with that owner.

To sum up.—For a person to be employed within the meaning of this Part of this Act there must be a contract of service express or implied in existence in respect of him. The existence of such a contract is a question of fact, and the employer, except so far as the provisions of this Part of the Act may vary the rule (for which *vide supra*), is the person whom the employee is found to have contracted to serve.

*Meaning of "contract of service" in Part II. of the Act.*—The expression "contract of service" occurs in the definition of the word "workman" in sec. 107 of this Act. It has, in that section, the same meaning as it has in Part I. of this Act, and the foregoing observations are applicable.

*Meaning of "employer" in Part II. of the Act.*—The foregoing observations are also applicable for the purpose of ascertaining who is the employer under Part II. of the Act, with the exception of the references to Part I. of the Act on p. 7. In determining who is the employer under Part II. of the Act, reference should be made to the regulations to be made by the Board of Trade under sec. 91 (1) (f) (*infra*, p. 302), and to sec. 98 (*infra*, p. 315).

**Cases on Contract of Service decided by the High Court under this Act.**—The following cases dealing with contract of service have been submitted to the High Court by the Insurance Commissioners under the provisions of sec. 66 (1) (iii.) (*infra*). *Re Employment of Ministers of United Methodist Church : and re Employment of Ministers (under probation) of the Wesleyan Methodist Church*, (1912), 28 T. L. R. 539. It was held that the employment of the United Methodist Churches and the employment of ministers (under probation) by the conference of each of those churches or by the circuits to which ministers are attached is not employment within the meaning of Part I. of this Act. *Re Employment of Curates or Assistant Curates in the Church of England*, (1912), 28 T. L. R. 579. The employment of both curates and assistant curates was held not to be an employment within the meaning of Part I. of this Act.

**Contract of Apprenticeship.**—It will be observed that employment under a contract of apprenticeship is not employment within the meaning of the Act when there it is "without any money payment." It is, therefore, of importance to ascertain what is a contract of apprenticeship and the meaning of the words "without any money payment." The following statement from Smith's Law of Master and Servant, 6th ed., at p. 48, has been quoted with approval by Bray, J., in *James v. Krauth*, 26 T. L. R. 240. "Formerly it was held that unless the word "apprentice" was used, the contract might be considered one of hiring and service. But the cases in which that doctrine was laid down and upheld have long been overruled, and each case is now held to depend upon its own particular circumstances. If the parties appear to have contemplated the relation of master and apprentice, then the contract must be considered as one of apprenticeship, and if it be an imperfect apprenticeship it cannot be treated as a contract of hiring and



service. If, on the other hand, it appear that the parties contemplated the relation of master and servant, then it must be deemed a contract of hiring and service. When teaching and learning appear to be the primary object of the parties, then, although work is to be done for the master, the contract is to be considered as one of apprenticeship. But if working for the master appear to be the primary object, and teaching and learning the master's trade a mere secondary consideration, the existence of a stipulation by the master to teach, and a corresponding stipulation by the servant to learn, the master's trade will not alone prevent the contract from being considered one of hiring and service."

"Without any money payment."—These words refer, it is submitted, to money payment by the master to the apprentice and not to payments by way of premium paid by or on behalf of the apprentice in consideration of the contract. It would seem that where a master gives small sums of money to the apprentice by way of gratuity or pocket-money the employment is still without any money payment within the meaning of the Act. It is not easy to lay down a general rule for the decision of such cases. The easiest rule to lay down would be to say that the money payment must be one which the employer is bound under the contract of apprenticeship or some other contract to make. But it is doubtful whether the words of the Schedule can bear this meaning. It is the employment which must be without money payment, not the contract of apprenticeship. In a case where the apprentice proves himself so useful to the master that the master gives him regular remuneration, it would, it is submitted, be difficult to say that the employment was without money payment, though there might be no contract owing to lack of consideration. It would also be difficult to say that where the contract of apprenticeship stipulated for the payment of some small sum by way of pocket-money that the employment ceased to be without money payment. It may perhaps be suggested that the employment is without money payment in all cases where any payment made is not in the nature of a regular remuneration for services rendered.\*

**United Kingdom.**—This expression means Great Britain and Ireland, but does not include the Channel Islands, or the Isle of Man.

It is submitted that employment outside the territorial limits of the United Kingdom otherwise than as master or member of the crew of a British ship (which is expressly provided for by para. (b) of Part I. of the First Schedule), is not employment within the meaning of the Act. "In the absence of an intention clearly expressed or to be inferred from its language, or from the object or subject-matter or history of the enactment the presumption is that Parliament does not design its statutes to operate outside the territorial limits of the United Kingdom," Maxwell on the Interpretation of Statutes, p. 213. This passage has been approved by the C. A. in *Tomalin v. Pearson and Son, Ltd.*, [1909] 2 K. B. 61, and *Tomalin's case* has been followed and applied in *Schwartz v. The India Rubber, etc., Co., Ltd.*, (1912), 28 T. L. R. 331.

Contributions will have to be paid in respect of servants

\* Reference should be made to the decisions of the Commissioners on this subject (*infra*) from which it would appear that they take a somewhat different view from that suggested above.

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who are only temporarily employed in the United Kingdom, so long as they are actually in the United Kingdom. Contributions will not have to be paid in respect of servants who are employed partly abroad and partly in the United Kingdom while such servants are out of the United Kingdom, and the question whether, on going abroad, such servants lapse from insurance will depend upon whether their normal employment is in the United Kingdom or not, *cf.* sec. 79, *infra*.

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SCHEDULE,  
PART I.,  
PARA. (b).

**“Employment under such a Contract as aforesaid as Master or Member of the Crew, etc.”**—“Contract as aforesaid,” viz. such contracts of service or apprenticeship as are referred to in para. (a) of Part I. of the First Schedule.

The word “master” is defined in the Merchant Shipping Act, 1894 (57 & 58 Vict. c. 60), s. 742, “‘Master’ includes every person except a pilot having command or charge of any ship.”

It is submitted that the word has the same meaning in this Act. (There is express provision to this effect in sec. 48 (10), *infra*, p. 198, so far as expressions used in the Merchant Shipping Acts are used in that section.)

The word “crew” is not defined in the Merchant Shipping Acts, but is used several times in those Acts, *e.g.* secs. 117 to 122, 253, 305, 306, etc., of the Merchant Shipping Act, 1894. The word “crew” is clearly wider than the word “seaman” as defined in sec. 742 of the Merchant Shipping Act, 1894, viz. “‘seaman’ includes every person (except masters, pilots, and apprentices duly indentured and registered) employed or engaged in any capacity on board any ship.” (In the case of fishing vessels masters would appear to be members of the crew, *vide* sec. 388). *Quære* whether the definition of the word “seaman” in sec. 49 (2) of the Merchant Shipping Act, 1906 (6 Ed. 7, c. 47), viz. “The expression ‘seaman’ includes not only seaman as defined by the principal Act, but also apprentices to the sea-service,” does not cover the meaning of the word “crew” in the Schedule now under consideration? Reference may also be made to *Anglo-Argentine Live Stock and Produce Agency v. Temperley Shipping Co.*, [1899] 2 Q. B. 403, where cattle-men in charge of live stock on board a ship were held not to be part of the crew within the meaning of rule XI. of the York-Antwerp Rules, 1890, *vide esp. per* Bigham, J., at p. 412, “In my opinion they were not part of the crew at all; they were not under the command of the master; they were not in the service of the ship-owners; they did not sign the ship’s articles; nor were they in any way engaged in the navigation of the vessel.” It is suggested that these words, in interrogative form, will afford a test as to the meaning of the expression “member of the crew.” Probably signing the articles is the best test, but this test cannot be conclusive in all cases, *e.g.* where a person signs articles in order to be able to make a voyage in a ship not licensed to carry passengers and not with any intention of really becoming what is popularly considered the crew.

When a British ship is in a foreign port and has closed her articles it would seem that the man who had formed her crew would not, if employed in or about the ship, be employed contributors until fresh articles had been opened. Such men would be in the same position as any other person employed outside the United Kingdom until they again formed part of the crew.



**"Any Ship registered in the United Kingdom or any other British Ship or Vessel, etc."**—These words are the same as those used in sec. 7 of the Workmen's Compensation Act, 1906 (6 Ed. 7, c. 58).

A ship is not to be deemed a British ship unless owned by one or other of the persons set out in sec. 1 of the Merchant Shipping Act, 1894 (*ubi supra*), and those persons are—

- (1) Natural-born British subjects;
- (2) Persons naturalised by or in pursuance of an Act of Parliament of the United Kingdom, or by or in pursuance of an Act or Ordinance of the proper legislative authority in a British possession;
- (3) Persons made denizens by letters of denization;
- (4) Bodies corporate established under and subject to the laws of some part of His Majesty's dominions and having their principal place of business in those dominions.

[NOTE.—A British-owned ship is, apparently, still a British ship, even if she is not registered under the Merchant Shipping Act, and even if she is registered in, and carries the flag of a foreign country (*Chartered Mercantile Bank of India v. Netherlands India Steam Navigation Co.*, (1883), 10 Q. B. D. 521, *per Brett, L.J.*, at pp. 534 *et seq.*.)]

By sec. 2 of that Act every British ship must, unless exempted from registry, be registered, and, if not so registered, is not to be recognised as a British ship. By sec. 3 of that Act the following ships are exempted from registration, viz.:

- (1) Ships not exceeding fifteen tons burden employed solely in navigation on the rivers or coasts of the United Kingdom, or on the rivers or coasts of some British possession within which the managing owners of the ships are resident;
- (2) Ships not exceeding thirty tons burden and not having a whole or fixed deck and employed solely in fishing or trading coastwise on the shores of Newfoundland, or parts adjacent thereto, or in the Gulf of St. Lawrence or on such portion of the coasts of Canada as lie bordering on that gulf.

Sec. 4 sets out the ports at which there are to be registrars of British ships. These ports include any port within the United Kingdom and a number of ports in various British colonies and possessions. The words in the Schedule, "any other British ship or vessel . . . principal place" are added in order to bring within the scope of the Act persons employed upon British ships that are within the exemptions of sec. 3, and on British ships that are registered at ports other than those in the United Kingdom, provided that, in both cases, their owner, or (if there is more than one owner) the managing owner or manager, resides, or has his principal place of business in the United Kingdom.

**Ship or Vessel.**—The Workmen's Compensation Act, 1906 (*ubi supra*), provides by sec. 13 that these words should have the same meaning as they have in the Merchant Shipping Act, 1894 (*ubi supra*); there is no such provision in this Act, but it is submitted that, inasmuch as this Act only deals with ships registered in the United Kingdom, and certain other British ships or vessels, and, in order to find what such ships or vessels are, reference must

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be made to the Merchant Shipping Act, the definitions of these words contained in the Merchant Shipping Act are imported, by implication, into this Act. Those definitions will be found in sec. 742, and are as follows:—

“‘Vessel’ includes any ship or boat or any other description of vessel used in navigation.”

“‘Ship’ includes every description of vessel used in navigation not propelled by oars.”

Under the Workmen’s Compensation Act, 1906, questions arise as to whether persons employed on pleasure vessels, etc., on inland waters, etc., are workmen within the meaning of the Act; but no such question can arise under this Act, as such persons will be covered by the general expression employment in the United Kingdom. Under this Act the meaning of the words “ship or vessel” is only important in relation to the question as to what employments outside the territorial limits of the United Kingdom are within the Act. In this connection the following decisions may be referred to:—

*Gapp v. Bond*, (1887), 19 Q. B. D. 200, where a dumb barge propelled with oars was held to be a vessel.

*The Mac*, (1882), 7 P. D. 126, in which a hopper barge not furnished with any means of propulsion was held to be a vessel used in navigation.

*The Gas Float Whitton*, No. 2, [1897] A. C. 337, in which a gas float shaped like a boat, but neither intended nor fitted to be navigated, was held not to be a vessel.

**Resides.**—“Residence” is a question of fact; it has a variety of meanings, according to the statute in which it is used (*per Erle, C.J., Naef v. Mutter*, (1862), 31 L. J. C. P. 359). It is an ambiguous word, and may receive a different meaning according to the position in which it is found (*per Cotton, L.J., Re Bowie, Ex parte Breull*, (1880), 50 L. J. Ch. 386; 16 Ch. D. 484). *Cf. also per Bayley, J., in R. v. Inhabitants of North Currey*, (1825), 4 B. & C. 959. “Then the question is, what is the meaning of the word ‘resides’? I take it that that word, when there is nothing to show that it is used in a more extensive sense, denotes the place where an individual eats, drinks, sleeps, or where his family eat, drink, and sleep.”

A person may have more than one residence in more than one country; the mere fact that he resides at one place does not prove that he does not also reside somewhere else.

[**Domicil.**—Residence must be carefully distinguished from domicil. A person can only have one domicil which has been defined as “a residence at a particular place, accompanied by the positive or presumptive proof of an intention to remain there for an unlimited time.” On birth a person takes his father’s domicil if he is legitimate; if he is illegitimate his mother’s domicil. If the domicil of his parents is unknown, the place of his birth is his domicil. This domicil is known as “domicil of origin.” A new domicil may be acquired, known as “domicil of choice,” by abandonment of the old domicil and removal to a new place of residence together with an intention of remaining permanently in that new place. A person is never without a domicil, and when a person has abandoned his existing domicil and is in process of acquiring a new



domicil he is deemed to be domiciled at his domicil of origin. The presumption is in all cases that a man is domiciled where he resides, but this presumption can be rebutted by proof that he has elsewhere a domicil of choice or origin which has not been abandoned.]

A question arises as to whether employment, as master or member of the crew, on a ship owned by a corporation established under, and subject to, the laws of some part of His Majesty's dominions, and having its *principal* place of business in those dominions, but at the same time carrying on business within the United Kingdom (e.g. a New Zealand Company, with its principal place of business in Auckland and an office in London), can be said to be employment within the meaning of this Act. Such a ship is clearly a British ship, and the only question is whether its owners reside, or have their principal place of business, in the United Kingdom. There are numerous decisions to the effect that, in the case of a corporation, carrying on business is tantamount to residence (*Newby v. Van Oppen*, (1872), L. R. 7 Q. B. 293; *Haggin v. Comptoir d'Escompte de Paris*, (1889), 23 Q. B. D. 519; *Badcock v. Cumberland Gap Park*, [1893] 1 Ch. 363; *La Bourgogne*, [1899] A. C. 431; *Dunlop Pneumatic Tyre Company v. Actien Gesellschaft für Motor und Motorfahrzeugbau vorm. Cudell & Co.*, [1902] 1 K. B. 342). These decisions all deal with foreign corporations, but from the point of view of British law such corporations as are above referred to are also foreign corporations. On the other hand, there are numerous decisions on the Income Tax Acts which show that, for the purpose of residence under those Acts, a corporation resides where its central management and control are carried on (*vide A.-G. v. Alexander*, (1874), L. R. 10 Ex. 20; *De Beers Consolidated Mines, Ltd. v. Howe*, [1906] A. C. 455; *New Zealand Shipping Co. v. Stephens*, (1906), 96 L. T. 50).

It is submitted that the sounder view is that employment on ships owned by such corporations is not employment within the meaning of the Schedule. The grounds for this submission are that the line of decisions beginning with *Newby v. Oppen* (*ubi supra*) deals only with the test of residence for the purpose of ascertaining whether a foreign corporation can be sued in this country or not, and that it would appear that the test is different in the case of a taxing Act, or of an Act, like this Act, which, though not strictly a taxing Act, has many features in common with such Acts. This distinction is pointed out by Collins, M.R., in *De Beers Consolidated Mines v. Howe* (C. A.), [1905] 2 K. B. 612, at p. 637. "It may be, no doubt, that a residence which would be sufficient for the purpose of service would not be such as to bring a foreign corporation within the operation of a taxing Act," and is approved by Loreburn, L.C., in the same case in the House of Lords ([1906] A. C. 455, at pp. 459 and 460).

**Principal Place of Business.**—This is also a question of fact. Where there is more than one place of business, it would seem the principal place of business is that where the central management and control are established.

**Special Order.**—For procedure on making special orders, *vide* sec. 113, *infra*, p. 339, and the Ninth Schedule to the Act, *infra*, p. 335. In order to avoid the delay which would have been occasioned by making use of the procedure indicated by sec. 113,

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PART I.,  
PARA. (c).



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ORDER.**

the Joint Committee acting under the powers given by sec. 78 of this Act have made the National Health Insurance (Special Orders Acceleration) Order, 1912 (*infra*, p. 399), by which provisional special orders may be made to continue in force until the special order has been made in accordance with the provisions of sec. 113.

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SCHEDULE,  
PART I.,  
PARA. (d).**

**Employment . . . in plying for Hire with any Vehicle or Vessel, etc.**—These words are intended to bring within the scope of Part I. of the Act cabdrivers and boatmen who pay a fixed sum, or a share in their earnings, to the owners of the vehicles or boats with which they ply for hire.

The word "vehicle" includes a bicycle (*Ellis v. Nott-Bower*, (1896), 13 T. L. R. 35). It is submitted that it means any form of carriage, and would include a bath-chair, *vide* also note, *infra*, p. 263.

**Vessel.**—It is submitted that this word, as used in this paragraph of the schedule, has a wider meaning than is assigned to the word in the Merchant Shipping Act. It would include any form of vessel, whether used in navigation or not, and the arguments by which a launch plying in inland waters was held not to be a vessel within the meaning of the Merchant Shipping Act, 1854, in *Mayor of Southport v. Morris*, [1893] 1 Q. B. 359, would, it is submitted, be inapplicable in the present case.

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SCHEDULE,  
PART II.,  
PARAS. (a)  
AND (b).**

**Naval or Military Service of the Crown.**—The Act makes special provision for seamen and marines within the meaning of the Naval Marine Pay and Pensions Act, 1865, and for soldiers of the regular forces in sec. 46 (*infra*, p. 171).

**Employment under the Crown or any Local or other Public Authority.**—In sec. 53, the Crown is expressly mentioned, and Part I. of the Act (*infra*, p. 209) is made, thereby, to apply to all persons employed by the Crown other than those with respect to whom special provision is made (*e.g.* seamen, marines, and soldiers, by sec. 46, *infra*, p. 171) in like manner as if the employer were a private person.

Employment by a local or other public authority would naturally fall under the employments specified in Part I. of the Schedule; consequently the existence of terms of employment which are certified by the Insurance Commissioners to be such as to secure provision in respect of sickness and disablement on the whole not less favourable than the corresponding benefits conferred by Part I. of the Act, is necessary to except from the operation of Part I. of the Act any persons employed by the Crown or by a local or other public authority. In all other cases employees of the Crown or of local or public authorities are bound to become employed contributors in accordance with the provisions of the Act.

**"Local or other Public Authority."**—There is no definition of these expressions in this Act.

It is submitted that an authority within the meaning of these words is any authority (as opposed to any individual member or officer of any authority) which could claim the protection of the Public Authorities Protection Act, 1893 (56 & 57 Vict. cap. 61). The following cases show that it is only a public body, or its subordinates acting under its direction, which can claim that protection—



*Fielding v. Morley Corporation*, [1899] 1 Ch. 1, *vide per* Lindley, M.R., at p. 4, "Although the language is wide the key to the enactment is that it is intended, as the title shows, to protect public bodies from expense. . . ."

*The Ydun*, [1899] P. 236. *Vide per* Jeune, P., at p. 239, ". . . it is only public authorities that come within the purview of the Act."

*Greenwell v. Howell and another*, [1900] 1 Q. B. 535, where the defendants, two officials of a County Council, were held to be entitled to the protection of the Act, inasmuch as they were acting under the Council's directions.

The employment of a person by an individual under the direction of a public authority would probably be held to be employment by the authority. The fact, therefore, that an officer of a public authority can claim the protection of the Act is not of importance for the purposes of this Act.

There are two tests which a public authority must fulfil in order to be able to claim the protection of the Act—

(1) They must discharge some public duty.

(2) They must not discharge that duty for the profit of particular individuals.

Thus a railway company, though discharging a public duty, does so for the benefit of its shareholders and is consequently not within the Act, whereas a local authority running a light railway in compliance with a duty cast on them by Order for the benefit of the ratepayers is within the Act.

*A.-G. v. Company of Proprietors of Margate Pier and Harbour*, [1900] 1 Ch. 749, where it was held that a company incorporated by Act of Parliament, not only for the performance of duties of public utility, but also for the purpose of earning profits for shareholders, is not entitled to the benefit of the Act.

*Lyles v. Southend-on-Sea Corporation*, [1905] 2 K. B. 1, where it was held that a municipal corporation, carrying on a light railway for the benefit of, or at the expense, of the ratepayers under a Light Railways Order which imposed upon them an obligation to run cars, etc., was entitled to the benefit of the Act.

Certain authorities, *e.g.* County and County Borough Councils, Borough Councils, Urban and Rural District Councils, etc., are, of course, clearly authorities to which the Act applies. The following authorities have also been treated as being public authorities—

A Joint Isolation Hospital District Board, in *Markey and another v. The Tolworth Joint Isolation Hospital District Board*, [1900] 2 Q. B. 454.

A Board of Guardians, in *Sharpington v. Fulham Guardians*, [1904] 2 Ch. 449.

A Vestry, in *Cree and another v. The Vestry of Saint Pancras*, [1899] 1 Q. B. 693.

The Tyne Improvement Commission, in *The Johannesburg*, [1907] P. 65 (*vide esp. per* Barnes, P., at p. 79).

A Harbour Board, in *Williams v. Mersey Docks and Harbour Board*, [1905] 1 K. B. 804.

**Corresponding Benefits.**—The benefits conferred by Part I. of the Act are to be found in sec. 8 (*infra*, p. 51). They consist of "medical benefit" (sec. 8 (1) (a)), "sanatorium benefit" (sec. 8 (1) (b)), "sickness benefit" (sec. 8 (1) (c)), "disablement benefit" (sec. 8

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(1) (d), "maternity benefit" (sec. 8 (1) (e)), and "additional benefits" (sec. 8 (1) (f)). The use of the words "sickness" and "disablement" and "corresponding benefits" in the schedule would seem to indicate that, in certifying, the Commissioners need only consider whether the terms of employment are not less favourable in securing provision in circumstances where either sickness or disablement benefit would be payable under the Act, and may ignore the other benefits provided by the Act.

This would seem to be the better view, but it may well be argued that the words "provision in respect of sickness and disablement," are wide enough to cover not only "sickness and disablement benefit," but also the other benefits conferred by the Act. This argument would rest mainly on the assumption that the intention of the Act must be to place the class of employees now under consideration in at least as favourable a position as persons in other employments. But this latter construction would involve the Commissioners in a difficult speculation as to the value of the chance of obtaining additional benefits.

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 SCHEDULE,  
 PART II.,  
 PARA. (e).**  
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 PARA. (d).**

**Wholly or mainly dependent.**—*Vide note, infra, p. 29.*

**Elementary School Teachers' Superannuation Act, 1898** (61 & 62 Vict. c. 57).—This Act applies to certificated teachers.

By sec. 11. "The expression 'certificated teacher' means a teacher who is recognised under the Education Code as a certificated teacher for elementary schools."

"The expression 'certificate' includes any document issued by the Education Department which recognises a teacher as a certificated teacher."

"The expression 'Education Code' means such minutes of the Education Department as are for the time being in force for the purpose of the Elementary Education Act, 1870."

Sec. 16 provides that the Act shall not extend to Ireland. The Act applies to Scotland subject to the modification noted below.

(NOTE.—For special provisions in respect of certificated teachers who do not become voluntary contributors, *vide* sec. 52 (*infra*, p. 208).)

**Education (Scotland) Act, 1908** (8 Ed. 7, c. 63).—By sec. 14, subsec. (4), it is provided that the Scotch Education Department should prepare a superannuation scheme applicable to such teachers as should be prescribed therein, and by subsec. (6) that, upon such scheme taking effect, the Elementary School Teachers' (Superannuation) Act, 1898, should cease to apply to Scotland. The scheme (Statutory Rules and Orders, No. <sup>S34</sup><sub>S13</sub>) took effect from April 1st, 1912.

**National School Teachers (Ireland) Act, 1879** (42 & 43 Vict. c. 74).—Teachers to whom this Act applies are "classed teachers," which expression is defined in sec. 2 as meaning "such principal and assistant teachers of model or ordinary national schools as receive salaries from, and are classed according to the regulations of the Commissioners of Education."

**FIRST  
 SCHEDULE,  
 PART II.,  
 PARA. (g).**

**Employment otherwise than by way of Manual Labour.**—Similar words to these are to be found in the definition of workmen in the Employers and Workmen Act, 1875 (38 & 39 Vict. c. 90, s.



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OTHERWISE  
THAN BY WAY  
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10), the Employers' Liability Act, 1880 (43 & 44 Vict. c. 42, s. 8), the Workmen's Compensation Act, 1897 (60 & 61 Vict. c. 37, s. 7), and the Workmen's Compensation Act, 1906 (6 Ed. 7, c. 58, s. 13), and have been the subject of numerous decisions. A difficulty arises because many persons are employed in employments which involve both manual and other forms of labour. Whether or not a person is employed by way of manual labour must always be a question of fact. The principal rule in determining the question is to see "whether manual labour is the chief duty of the employee or only a duty incidental and subsidiary to other more important mental ones" (Ruegg on Employers' Liability, 7th Ed. p. 54). The distinction between manual work and manual labour should also be borne in mind (*per* A. L. Smith, J., in *Cook v. The North Metropolitan Tramways Company*, (1887), 18 Q. B. D. 683, at p. 684, "The expression used, it should be noted, is not manual work, but manual labour, for many occupations involve the former but not the latter, such as telegraph clerks, and all persons engaged in writing," and, also at p. 684, "I assent to the opinion of the Master of the Rolls in *Morgan v. London General Omnibus Company*, (1884), 13 Q. B. D. 832, that we must look at what was the real substantial business of the plaintiff").

Reference may also be made to *Squire v. Midland Lace Co.*, [1905] 2 K. B. 448, *Bagnall v. Levinstein, Ltd.*, [1907] 1 K. B. 531, and *Hoare v. Green*, [1907] 2 K. B. 315.

The following persons have been held *not* to be employed by way of manual labour—

Conductor of an omnibus (*Morgan v. London General Omnibus Co.*, *ubi supra*).

Driver of a horse tramcar (*Cook v. The North Metropolitan Tramways Co.*, *ubi supra*).

Guard of a goods train (*Hunt v. G. N. Rly. Co.*, [1891] 1 Q. B. 601).

Shop assistant (*Bound v. Lawrence*, [1892] 1 Q. B. 226).

Hairdresser (*Reg. (Holywood) v. JJ. of Co. Louth*, [1900] 2 I. R. 714).

Otherwise in the cases of the following persons—

A potter's printer (*Grainger v. Aynsley*, (1880), 6 Q. B. D. 182).

A stevedore whose duty it was to guide the beam of a crane by means of a guy-rope, and to give directions when to lower and hoist the chain (*Shaffers v. General Steam Navigation Co.*, (1883), 10 Q. B. D. 356).

A person whose duty consisted in driving a trolley, belonging to a wharfinger, and in loading, unloading, and delivering goods to consignees (*Yarmouth v. France*, (1887), 19 Q. B. D. 647).

An overlooker of looms half of whose time was spent in manual labour (*Leech v. Gartside Co.*, (1884), 1 T. L. R. 391).

A seamstress who worked a sewing machine and attended to irons and ironed the materials (*Maynard v. Robinson*, (1903), 19 T. L. R. 492).

Driver of a motor omnibus (*Smith v. Associated Omnibus Co.*, [1907] 1 K. B. 916).

A person employed as a stage-manager, part of whose duty it was to act as stage-hand (*Rushbrook v. Grimsby Palace Theatre*, (1909), 25 T. L. R. 258).

Professional footballer (*Walker v. Crystal Palace Football Club, Ltd.*, [1910] 1 K. B. 87).



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**Decision as to Manual Labour under this Act.**—It was decided by the High Court in a case submitted by the Commissioners under sec. 66 (*infra*) that the employments of dairyman's foreman and tailor's cutter, though involving some manual work, were not employments in manual labour within the Act inasmuch as the duties were mainly supervisory (*Re Dairyman's Foremen and re Tailors' Cutters*, (1912), 28 T. L. R. 587). Swinfen Eady, J., at p. 588, after citing passages from the judgments in *Morgan v. L. G. O.* and *Bound v. Lawrence* (*supra*), said, "Although they might perform manual labour, the question was whether that was the real substantial employment for which they were engaged or whether it was not incidental or accessory to it."

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SCHEDULE,  
PART II.,  
PARA. (h).

**Employment of a Casual Nature otherwise than for the Purposes of the Employer's Trade or Business.**—Similar words to these will be found in the Workmen's Compensation Act, 1906, sec. 13. The word "casual" seems to be used in contradistinction to "regular." It does not follow that employment which is not continuous is casual; it may still be regular though periodic. It is also well to observe, as pointed out by Buckley, L.J., in *Hill v. Begg*, [1908] 2 K. B. 802, at p. 805, that the words are not "who is casually employed," but "whose employment is of a casual nature." The character of the man's employment, and not the tenure, is to be investigated. Employment which is stable, though periodic, is not casual. *Cf.* also *Dewhurst v. Mather*, [1908] 2 K. B. 754. It is suggested that in all cases of truly casual employment the employer was not bound to employ nor the employee to work.

"*Trade or business.*"—There is no definition of these words in this Act. They are, however, words which have been frequently used in previous Acts, and are common form in restrictive covenants in leases, and consequently have been the subject of much judicial decision. The words are not synonymous; "business" seems to have a wider signification than "trade."

(1) *Trade*.—"Trade has the technical meaning of buying and selling," *per* Willes, J., in *Harris v. Amery*, (1865), 35 L. J. C. P. 89, at p. 92. In that case it was held that farming was not a trade. *Cf.* *Speak v. Powell*, (1873), L. R. 9 Ex. 25, where the proprietors of a travelling circus were held not to be carrying on a trade, and *Doe d. Wetherell v. Bird* (1834), 2 A. & E. 161, where, at p. 166, Denman, C.J., says, "Every trade is a business, but every business is not a trade; to answer that description it must be conducted by buying and selling. . . ." *Vide* also Warrington, J.'s, remarks in *Robertson v. Willmott*, (1909), 25 T. L. R. 680.

(2) *Business*.—In *Bramwell v. Lacey*, (Feb. 24th, 1879), 10 Ch. D. 691, at p. 695, Jessel, M.R., said, "The first question is, is this 'a business' or 'in the nature of a business'? I have no doubt it is. It is in reality an apothecary's business. The question whether it is a business carried on for the purpose of profit or not, is not, in my opinion, material. Even if it is not strictly a 'business,' it is, at all events, 'in the nature of a business,' but I am distinctly of opinion that this is a business within the terms and meaning of the covenant." But later in the same year the learned Judge seems to have altered his view, since, in *Smith v. Anderson*, (Dec. 19, 1879), 15 Ch. D. 258, he defines business as "anything which occupies the



time and attention and labour of a man for the purpose of profit." In *Rolls v. Miller*, (1884), 27 Ch. D. 71, at p. 88, Lindley, L.J., said, "The word means almost anything which is an occupation as distinguished from a pleasure—anything which is an occupation or duty which requires attention is a business—I do not think we can get much aid from the dictionary." The better view seems to be that the element of profit or expectation of gain need not be present in order to constitute an occupation or business (*cf. In re the Incorporated Council of Law Reporting*, (1888), 22 Q. B. D. 279). As pointed out by Lindley, L.J. (*ubi supra*), business is really the antithesis of pleasure or pastime. It is suggested that the word means the permanent occupation in which a man is engaged otherwise than for pleasure. The *ratio decidendi* as to whether a person is engaged in an occupation for pleasure is not an easy one to lay down. *In re Wallis*, (1885), 14 Q. B. D. 950, would seem to suggest that the test is the intention of the person engaged in the occupation in question, but it is submitted that that intention can really be nothing more than evidence, though it may be very cogent evidence. It would seem that all the circumstances of the case should be taken into consideration.

It should be observed that sec. 13 of the Workmen's Compensation Act, 1906, provides that "the exercise and performance of the powers and duties of a local or other public authority shall for the purposes of this Act be treated as the trade or business of the authority." There is no similar provision in this Act, but it is submitted that those words were inserted in the Workmen's Compensation Act, 1906, *ex abundanti cautela*, and that the exercise and performance of the powers and duties of a local or other public authority would even in the absence of statutory provision, be held to be the exercise of a business.

The following decisions may also be usefully consulted as to the meaning of the word "business."

Carrying on a boys' school held to be a breach of covenant not to carry on any trade or business (*Doe d. Bish v. Keeling*, (1813), 1 M. & S. 95).

Carrying on a private lunatic asylum held not to be a trade (*Doe d. Wetherell v. Bird*, (1834), 2 A. & E. 161). (*Semble* it would be a business.)

Carrying on of a boarding house held to be a business (*Pidgeon v. Great Yarmouth Water Co.*, [1902] 1 K. B. 310).

Carrying on a theatre held to be a business (*A.-G. v. Playhouse, Ltd.*, (1903), 19 T. L. R. 580).

Carrying on a workhouse school held to be a business (*South-West Suburban Water Co. v. Marylebone Guardians*, [1904] 2 K. B. 174).

"For the purposes of the employer's trade or business." In *Rennie v. Reid*, (1908), 45 S. L. R. 814, it was held that cleaning the windows of a doctor's house part of which he used for the purpose of his profession was not employment for the purposes of his business, but this decision may be contrasted with *Johnston v. The Monasterevan Store Co.*, (1908), 42 Ir. L. T. 268, where a man casually employed by the manageress of store to assist in mending the roof was held to be employed for the purposes of trade or business. Reference may also be made to *Cotter v. Johnson*, (1911), 45 Ir. L. T. 259, and *Tombs v. Bomford*, (1912), 106 L. T. 823.

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POSES OF THE  
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**Rate of Remuneration.**—"Remuneration" as used in sec. 13 of the Workmen's Compensation Act, 1906, has been held in *Skailles v. Blue Anchor Line, Ltd.*, [1911] 1 K. B. 360, to be synonymous with "earnings" as used in the First Schedule to that Act. It is submitted that it has the same meaning here, and that, besides money payments, it includes board and lodging and any other allowances or privileges, the value of which is capable of being estimated in money. The test of value is the actual worth of the allowances (*Dothie v. MacAndrew*, [1908] 1 K. B. 803), though in some cases it may be the cost to the employer (*Rosenqvist v. Bowring & Co., Ltd.*, [1908] 2 K. B. 108).

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SCHEDULE,  
PART II.,  
PARA. (i).  
PARA. (j).  
PARA. (k).

**Subsidiary Employments.**—Three provisional orders have been made specifying subsidiary employments (*vide infra*, p. 361).

**Married Women Outworkers.**—*Vide* National Health Insurance (Married Woman Outworkers) Provisional Order, 1912, *infra*, p. 361.

**Share Fishermen.**—By the National Health Insurance (Share Fishermen) Provisional Order (No. I) certain share fishermen have been excluded from insurance as employed contributors. It should be noticed that share fishermen will only be included among the class of employed contributors if they are employed under a contract of service or apprenticeship as members of the crew, *cf.* para. (b) of Part I. of the First Schedule. "Employment under such a contract as aforesaid . . ." Such a contract does not exist in all cases, *cf.* *Boon v. Quance* (1910), 102 L. T. 443, where it was held that there was no contract of service between the owner and master of a vessel which was sailed on the "thirds" or sharing system, under which the owner took one-third of the gross freights and the master took the other two-thirds.

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**Determination of Liability to become Insured.**—Any question which may arise as to whether a person is liable to be insured under the Act as an employed contributor or not is to be determined by the Insurance Commissioners in accordance with regulations to be made by them for the purpose. An appeal on questions both of law and fact lies from their decision to the County Court, and a further appeal on questions of law only to a judge of the High Court selected by the Lord Chancellor for the purpose. The judge's decision is to be final. Provision is made enabling the Insurance Commissioners to submit any question as to whether a person is employed within the meaning of Part I. of the Act direct to the High Court.

Provision was also made so that decisions might be obtained before the commencement of the Act, so that persons were able to ascertain beforehand whether they were obliged to become employed contributors or not (*vide* sec. 66, *infra*, p. 240).

For the regulations made under sec. 66, *vide infra*, p. 397.

**Contributions of Employed Contributors.**—*Vide infra*, sec. 4, and the Second and Third Schedules.

**Means of Compulsion, Offences.**—By sec. 69 (2) (*infra*, p. 247) "if any . . . person is guilty of any . . . contravention of or non-compliance with any of the requirements of this Act . . . in respect of which no special penalty is provided, he shall for each offence be



liable on summary conviction to a fine not exceeding ten pounds." One of the requirements of this Act is that all persons who are employed within the meaning of sec. (1) should become insured under the Act; hence failure to become so insured is an offence within sec. 69 (2).

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MEANS OF  
COMPULSION,  
OFFENCES.

Inspectors appointed under the Act have certain powers for securing compliance with the Act's requirements (*vide* sec. 112, p. 336, *infra*).

This does not, however, exhaust the means by which the fulfilment of this requirement is ensured. The regulations dealing with collection of contributions require by paragraph 4 all employed contributors to obtain a card which must be produced at any time during its currency to the employer on demand. Further, the contribution payable in respect of employed contributors must in the first instance be paid *in toto* by their employers (*vide* sec. 4 (2), *infra*, p. 36), and any failure on the part of an employer to pay both his own and the employed contributor's contributions, constitutes an offence under sec. 69 (2), and will be visited with the penalty therein prescribed.

In *Hurlock v. Shinn* and *Morris v. Ashton* (1912), 29 T. L. R. 133, an attempt was made to quash convictions of employers for failing to pay contributions under the Act. It was decided (1) that under sec. 69 (2) a Court of Summary Jurisdiction has power to make a combined order for payment of a fine for failure of an employer to pay contributions and for payment of the amount of contributions he has failed to pay; (2) that failure each week to pay a contribution constitutes a separate offence for which separate summonses may be taken out; (3) that contributions were payable from the date the Act came into force; (4) that the provisional regulations for the collection of contributions made by the Joint Committee and the Insurance Commissioners were not invalid.

**Exemptions.**—These are dealt with in sec. 2 (*infra*, p. 31), (*vide* also 44 (8), *infra*, p. 160; and sec. 51 (1), *infra*, p. 206).

**Employed Contributor becoming Voluntary Contributor.**—This is dealt with in sec. 6 (*infra*, p. 48).

**Employed Contributors. How Insured.**—The Act provides for two methods of insurance for employed contributors who are British subjects—

- (1) Insurance through becoming a member of an approved society (sec. 23, *infra*, p. 114). By sec. 30 (*infra*, p. 129), applications for membership might have been made by any insured person or any person entitled to become an insured person directly after the passing of the Act and no approved society may reject an application solely on the ground of the age of the applicant. Persons of all ages are made equally eligible as members, so far as age is concerned, by the operation of sec. 55, *infra*, p. 199.
- (2) Insurance by means of deposit in a Post Office Fund. Persons insured in this Fund are known as "deposit contributors" (sec. 42, *infra*, p. 151).

It is assumed that the great majority of employed contributors will become members of approved societies, but those who have not done so within the time prescribed by the Insurance Commissioners, (*vide infra*, p. 384), or who, having done so, are expelled or have



**Sect. 1.** resigned from such societies, and have not joined another society, will be obliged to become deposit contributors (sec. 42).

**EMPLOYED** For the special provisions with regard to aliens, *vide infra*, pp. 30  
**CONTRIBUTORS.** and 167.  
**HOW**  
**INSURED.**

**Age of Employed Contributors.**—All persons of the age of sixteen and upwards, who are employed within the meaning of this Part of this Act, must be insured. The combined effect of sub-sec. (4) of this section, of sec. 4 (3), *infra*, p. 37, and of sec. 49 (*infra*, p. 190), is that such persons must be insured as employed contributors so long as they are employed and until they reach the age of seventy. Contributions are no longer payable in respect of employed persons after they reach the age of seventy. Persons who were between the ages of sixty-five and seventy at the date of the commencement of the Act, viz. July 15, 1912, are dealt with specially under sec. 49.

NOTES ON  
SEC. 1 (3).

### **Voluntary Contributors.**—

(1) Any male person, between the ages of sixteen and sixty-five, whether married or single, who is not employed within the meaning of this Part of this Act, or

(2) Any spinster or widow, between the ages of sixteen and sixty-five, who is not employed within the meaning of this Part of this Act,

is entitled to become a voluntary contributor provided that—

(1) he or she possesses one or other of the qualifications laid down in subsec. (3) (a) and (b), viz. either—

(a) is engaged in some regular occupation on the earnings from which he or she is wholly or mainly dependent for his or her livelihood, or

(b) has been an insured person (*i.e.* either an employed or a voluntary contributor) for a period of five years or upwards, and,

(2) has not an income from all sources exceeding £160 *per annum*.

If at any time a voluntary contributor, who has been an insured person for less than five years—

(1) no longer has a regular occupation, or,

(2) if he still has a regular occupation, is no longer wholly or mainly dependent for his livelihood on his earnings from that occupation, or,

(3) becomes possessed of an income which exceeds £160 *per annum*,

he, *ipso facto*, ceases to be entitled to continue to be a voluntary contributor. There is no provision in the Act allowing such a person to draw from the fund any of the contributions he has already made; *semble* such contributions will go to increasing the fund.

It is immaterial to a voluntary contributor, who has been an insured person for five years or upwards, whether he ceases to have a regular occupation, or to be wholly or mainly dependent for his livelihood on that occupation, or whether his income exceeds £160 *per annum*; he can still remain a voluntary contributor.

A voluntary contributor continues to pay contributions up to the age of seventy, but no longer (sec. 5 (2) *infra*). (Married women as voluntary contributors, *vide infra*, pp. 29 and 158.)



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**Regular Occupation.**—It is submitted that this means an occupation in which the person is and intends to remain continuously engaged. The nature of the employment in such an occupation might well be casual, but the occupation might still be regular: *e.g.* In *Hill v. Begg* (*ubi supra*), a man who earned his living by doing odd jobs was employed by the occupier of a private house to clean windows. His employment was held to be of a casual nature, but it is submitted that his occupation, viz. that of doing odd jobs such as window cleaning, may well have been regular.

**“Wholly or Mainly Dependent.”**—These words raise a question of fact (*cf. per* Lord Macnaghten in *Hodgson v. The West Stanley Colliery*, [1910] A. C. 229, at p. 236). It is submitted that in deciding any question that may arise under this sub-section, no regard may be had to “class and position in life” or “standard of living in that class.” The only matters to which regard may be had are (i) the sum which the person is actually spending on his livelihood, and (ii) the proportion which his earnings bear to that sum (*cf. per* Lord Halsbury, L.C., in *Davies v. The Main Colliery Co.*, [1900] A. C. 358). It would seem that if a person had more than one occupation on the sum of the earnings derived from which he was wholly or mainly dependent, he would be within this qualification.

**“Period of Five Years or Upwards.”**—In the absence of the use of the word “continuous” it is submitted that the period may be made up of intermittent periods aggregating in all five years or upwards.

*Quære* whether, for the purposes of this section, an employed contributor who, by the operation of sec. 79 (*infra*, p. 257), is deemed, during a period of temporary unemployment, to continue to be an employed contributor, can reckon such periods of temporary unemployment as time during which he was an insured person? It is submitted that he cannot, inasmuch as the provision in sec. 79 is expressed to apply “for the purpose of reckoning the number and rate of contributions,” and not for the purpose of obtaining a qualification for becoming a voluntary contributor. Contrast sec. 5 (1) (b) (*infra*, p. 46), and Note on sec. 6 (*infra*, p. 49).

**“Total Income from all Sources.”**—These words appear to be taken from sec. 34 of the Finance Act, 1894 (57 & 58 Vict. c. 30). It is submitted that they mean income within the meaning of one of the five Schedules to the Income Tax Act, 1853 (16 & 17 Vict. c. 34, s. 2), and are not synonymous with “means.” *Semble*, a man’s income will not be aggregated with that of his wife for the purpose of this section, though such aggregation is made for the purposes of the Income Tax Acts.

**Married Women as Voluntary Contributors.**—*Vide* sec. 44 (7): “Except as provided by this section a married woman shall not be entitled to become a voluntary contributor, and if a woman is before marriage a voluntary contributor she shall on marriage not be entitled to continue to be such a contributor.”

And sec. 44 (14): “This section shall apply in the case of a woman whose marriage has been dissolved or annulled, or who has for a period of not less than two years been actually separated from

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or deserted by her husband, as if her husband had died at the date at which such dissolution or annulment took effect, or, as the case may require, at the expiration of such period of two years."

On the marriage of a female voluntary contributor she is suspended from receiving ordinary benefits, and, if she is a member of an approved society, one-third of her transfer value is to be carried to an account known as "The Married Women's Suspense Account." The remaining two-thirds of her transfer value may be utilised, if she so elect, as the basis of a special form of voluntary insurance which is provided for married women by sec. 44 (2). For further details, *vide* sec. 44 and the notes thereunder (*infra*, p. 158).

**Contributions of Voluntary Contributors.**—*Vide* secs. 3 and 5, *infra*. Voluntary contributors entering into insurance *before* 15th Jan., 1913, pay, if under the age of 45, the same contributions as employed contributors; if over the age of 45 they pay at the rates shown in the Table, *infra*, p. 367. Voluntary contributors entering into insurance *on or after* 15th Jan., 1913, pay contributions at the rates shown in the Table, *infra*, p. 369.

**Voluntary Contributor becoming Employed Contributor.**—This is dealt with in sec. 6 (*infra*, p. 48).

**Voluntary Contributor, how Insured.**—Voluntary contributors may become members of approved societies (sec. 30, *infra*), or may become Deposit contributors (sec. 42, *infra*).

**Aliens.**—Aliens who are employed within the meaning of this Part of this Act, must, as has already been seen, become insured as employed contributors. There does not appear to be any provision in this Act disentitling aliens from becoming voluntary contributors. Special provisions as to the insurance of aliens are to be found in sec. 45 (*infra*, p. 167).

By subsec. (4) of that section any alien who—

(1) on the 4th May, 1911, was a member of a society which, or a separate section of which, becomes an approved society, and,

(2) had then been resident in the United Kingdom for five years or upwards,

or who is transferred to an approved society or to the Post Office fund in pursuance of an arrangement made with the Government of any foreign State (under sec. 32 (2), *infra*, p. 131) is not affected by those special provisions. Such an alien will be dealt with in the same manner as a British subject.

Aliens are all persons who are not British subjects.

British subjects include—

(1) Every person born within the British dominions irrespective of the nationality of his father.

(2) Every person born out of the British dominion, whose father or paternal grandfather was born within the British Dominions, provided that his father was a British subject and not in the service of an alien enemy at the time of his birth.

(3) Every person who becomes naturalized under the Naturalization Act, 1870 (33 & 34 Vict. cap. 14), or who receives a grant of letters of denization, the wife of such person, and such of his children as are under twenty-one and residing with him. It should be noticed that persons naturalized



in a British Colony do not become British subjects unless they have been naturalized by the grant of a certificate of re-admission to British nationality.

- (4) Every alien woman who marries a British subject.  
On the other hand, a person ceases to be a British subject—
- (1) On becoming the sovereign of another State.
  - (2) If he makes a declaration of alienage under secs. 3 and 4 of the Naturalization Act, 1870. Such a declaration may be made (a) by a naturalized British subject where a convention which admits of such declarations being made has been entered into with the foreign State of which he was originally a subject; (b) by a person who by reason of his having been born within the British Dominions is a natural-born subject, but who also at the time of his birth became, under the law of any foreign State, a subject of such State; (c) by a person who was born out of the British Dominions of a father being a British subject.
  - (3) On becoming naturalized in a foreign country.
  - (4) If, being a woman, she marries an alien.

(For a more detailed examination of this subject, *vide* Dicey on Conflict of Laws, 2nd ed., pp. 164, *et seq.*)

(NOTE.—A woman who, having been a British subject before marriage, has become an alien by reason of her marriage with an alien, is not to be subject to the provisions of sec. 45, if her husband is dead, or the marriage has been dissolved or annulled, or she has for a period of not less than two years been actually separated from or deserted by her husband, *vide* sec. 45 (3) (*infra*, p. 168)).

“Except as hereinafter provided,” *vide* sec. 49 (*infra*, p. 204) for the provisions dealing with the insurance of persons who are between the ages of sixty-five and seventy at the commencement of this Act. *Vide* also sec. 4 (4).

**Age of Insured Persons in Relation to Date of Entry into Insurance, Rate of contribution and Benefits** (*vide* Table, *infra*, p. 44).

**2.—**(1) Where any person employed within the meaning of this Part of this Act proves that he is either—

- (a) in receipt of any pension or income of the annual value of twenty-six pounds or upwards not dependent upon his personal exertions; or
- (b) ordinarily and mainly dependent for his livelihood upon some other person;

he shall be entitled to a certificate exempting him from the liability to become or to continue to be insured under this Part of this Act.

(2) All claims for exemption shall be made to, and certificates of exemption granted by, the Insurance

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### ALIENS.

## Sect. 2.

### Exemptions.



**Sect. 2.** Commissioners in the prescribed manner and subject to the prescribed conditions, and may be so made and granted before, as well as after, the commencement of this Act: Provided that the regulations of the Insurance Commissioners may provide for claims under this section being made to and certificates granted by approved societies and Insurance Committees herein-after constituted.

**Object of the Section.**—The object of this section is to exempt from compulsory insurance persons who, though employed within the meaning of this Part of this Act, have private means or a pension of £26 a year, or who as a general rule depend for their living on some other person. Such persons are, presumably, sufficiently well provided for not to make it necessary to compel them to become insured.

Claims for exemption under this section may be made before or after the commencement of the Act. It should be noticed, however, that by sec. 4 (4) (b) (*infra*, p. 37) the employer of persons who hold certificates of exemption will have to pay the same contributions in respect of them as he would have had to do if they had been insured as employed contributors. It will, therefore, be no advantage to an employer to employ persons who hold exemption certificates.

**Person Employed within the Meaning, etc.**—*Vide* Note on “Employed Contributors” (*supra*, p. 3).

**Ordinarily and Mainly Dependent, etc.**—*Cf.* sec. 1 (3) (a) *supra* and Note thereunder (*supra*, p. 29).

**Claims for Exemption.**—It is submitted that application for an exemption certificate can only be made by the person to whom the certificate is to be granted and not by any other person. The *onus* of proving that he is entitled to the certificate is upon the applicant. The duty of determining claims for exemption certificates is put upon the Insurance Commissioners who, however, may by their regulations delegate this duty to approved societies and Insurance Committees. This statutory duty is a duty which the Insurance Commissioners or their delegates owe to the public, and which involves a judicial act on their part. There are no special words ousting the jurisdiction of the Courts, hence it is submitted that, in a proper case, a person who has been refused a certificate of exemption has a remedy by way of *certiorari* and *mandamus*.

CERTIORARI  
MANDAMUS.

By the writ of *certiorari* the High Court can bring up for examination the acts of bodies of inferior jurisdiction, when such bodies have purported to decide, but have not in fact decided the true question put before them, or where they have decided the true question so perversely as to amount to a non-exercise of their jurisdiction (*cf.* *R. v. Woodhouse*, [1906] 2 K. B. 501, *Board of Education v. Rice*, [1910] 2 K. B. 165 (C. A.) and [1911] A. C. 179, *Robertson on Civil Proceedings by and against the Crown* (1908 ed.), p. 127).



The writ of *mandamus* is a writ whereby the Court commands a person to perform some public or quasi-public legal duty which he has refused to perform.

It does not lie to the servants of the Crown unless, in addition to their duty to the Crown, they owe, by statute or otherwise, a duty to the public or any member of the public (*cf. Reg. v. Lords Commissioners of the Treasury*, (1872), L. R. 7 Q. B. 387, and *Robertson (ubi supra*, p. 111)). It is submitted that the duty of the Commissioners under this section is clearly a duty, the performance of which might, in the event of refusal, be compelled by *mandamus*.

(A full discussion of both the above writs will be found in Short and Mellor's Practice on the Crown side of the K. B. D.)

**Regulations as to Claim for Exemption**, *vide* National Health Insurance (Claims for Exemption) Regulations (England), 1912, which set out the manner in which the exemption certificates may be obtained and renewed (*infra*, p. 363).

**Contributions in Respect of Exempt Persons**, *vide* sec. 4 (4), *infra*, and the regulations made thereunder.

**Person Ceasing to be Entitled to Exemption.**—There is no provision in the Act dealing with the case of a holder of a certificate of exemption who ceases to have the income, or to be in the state of dependency, which originally entitled him to the certificate, nor is there a time limit to the validity of certificates. But the Insurance Commissioners have dealt with this matter in paras. (4) and (5) of the regulations made under this section. By these paras. a certificate of exemption becomes void if during its currency the circumstances of the holder alter in such a way as to disentitle him to exemption, and, on avoidance the certificate must be surrendered within fourteen days to the Commissioners or such person as they may appoint.

**Other Claims for Exemption.**—Exemptions may be claimed under sec. 44 (8) (*infra*, p. 160), and sec. 51 (1), (*infra*, p. 206). The regulations made under this section do not apply to claims by a married woman under sec. 44 (8) (*vide* para. 1 (3)), but, *semble* certificates of exemption granted under sec. 51 (1) will be granted by the Insurance Commissioners in the same manner as certificates under this section. *Vide* also sec. 81 (3), (*infra*, p. 268), with regard to certain Irish migratory labourers.

### *Contributions.*

**3.** Except as otherwise provided by this Act, the funds for providing the benefits conferred by this Part of this Act and defraying the expenses of the administration of those benefits shall be derived as to seven-ninths (or, in the case of women, three-fourths) thereof from contributions made by or in respect of the contributors by themselves or their employers, and as to the remaining

## **Sect. 2.**

### **CLAIMS FOR EXEMPTION.**

## **Sect. 3.**

Contributions by insured persons, employers, and the Treasury.



**Sect. 3.** two-ninths (or, in the case of women, one quarter) thereof from moneys provided by Parliament.

**Object and Effect of Section.**—This section is one of the most important in the Act in that it determines the sources from which the money necessary to provide the benefits to be conferred by Part I. of the Act and the expenses of the administration of these benefits is to come.

It will be observed that no fixed sum is mentioned and that the section merely lays down the proportions in which the respective sources are to be liable for that money. The State does not guarantee the solvency of the Fund; the amount of its contribution will depend entirely upon the cost of benefits and of administration. If that cost works out at 9*d.* per week per insured person, the State contribution will be  $\frac{2}{3}$  of that sum, viz. 2*d.* per week per insured person; if that cost exceeds, or is less than, 9*d.* per week per insured person, the State's contribution will be correspondingly increased or diminished. For a more detailed examination of this subject, *vide* Reports of the Actuaries in relation to the National Insurance Bill [Cd. 5681], and [Cd. 5983].

**"Except as otherwise provided."**—By sec. 4 (1) (*infra*, p. 36), in the case of employed contributors over the age of twenty-one the rate of whose wages or other remuneration does not exceed 2*s.* a working day, and who are not provided with board lodging by their employer, 1*d.* a week is to be contributed out of moneys provided by Parliament. This will not, however, affect the liability of the State to pay two-ninths of the benefits payable to such persons.

By sec. 15 (8) (*infra*, p. 101). The Treasury, and the councils of counties or county boroughs may each be liable to make good, in the case of the Treasury out of moneys provided by Parliament, in the case of such councils out of the rates, one half of any sums sanctioned by them under sec. 15 (7) to be expended by Insurance Committees on medical benefit in the course of the year in excess of the amounts payable to Insurance Committees under that section (*vide* also sec. 22, *infra*, p. 113).

By sec. 16 (2) (*infra*, p. 105), the sums available for defraying the expenses of sanatorium treatment in each year are to be, (a) one shilling and threepence in respect of each insured person payable out of the funds out of which benefits are payable, (b) one penny in respect of each such person payable out of moneys provided by Parliament.

By sec. 17 (1) (*infra*, p. 108), where Insurance Committees exercise the power of extending sanatorium benefits to the dependants of insured persons, and the amount available for defraying the expenses of sanatorium benefit is insufficient to meet the estimated expenditure on sanatorium benefit for insured persons and such dependants, the deficit may be met in the same manner as the deficit in respect of medical benefit above set out (*vide*, sec. 17 (2) and (3) (*infra*, p. 109); *vide*, also sec. 22 (*infra*, p. 113)).

By sec. 38 (*infra*, p. 143), a deficiency, shown on valuation in an approved society, or in a branch of an approved society, is to be made good by the members of that society or branch in one or other of the ways indicated in that section. Strictly speaking, this is not an exception, because the State will have paid its



proportion of the cost of the benefits the payment of which has resulted in the deficiency, but is inserted here to emphasize the fact that there is no State guarantee of the solvency of the fund.

By sec. 49 (*infra*, p. 204), by which twopence, in respect of each weekly contribution made in respect of employed contributors aged between 65 and 70 at the commencement of this Act, is payable out of moneys provided by Parliament. (*Vide* also special provisions in the case of aliens, sec. 45 (*infra*, p. 167), and provisions for building sanatoria, sec. 64 (*infra*, p. 237).)

**Expenses of Administration.**—A check is provided on the expenses of administration—

(1) In the case of approved societies, by the provisions of sec. 35 (2) (*infra*, p. 135), "Regulations made under this section" (by the Insurance Commissioners) "shall provide for a separate account being kept showing the amount expended on administration and for limiting the amount which may be carried to that account out of the contributions under this Part of this Act, and for requiring any deficiency in that account (if not otherwise defrayed) to be met forthwith by a special levy."

(2) In the case of Insurance Committees (in respect to the expenses of administration of benefits for deposit contributors), by the fact that sect. 42 (c) provides that the sum payable towards those expenses is to be prescribed by the Insurance Commissioners.

**Expenses of Insurance Commissioners.**—By sec. 57 (3) (*infra*, p. 219), the cost of the salaries of the Commissioners and of their officers, etc., and the expenses of the Commissioners in carrying this Part of the Act into effect are to be met out of moneys provided by Parliament. The cost of the Scottish, Irish, and Welsh Commissioners is similarly to be met by moneys provided by Parliament, *vide* secs. 80 (1), 81 (1), and 82 (1), *infra*.

**Benefits conferred by this Part of this Act.**—*Vide* sec. 8 (*infra*, p. 51).

**Contributions made by . . . contributors . . . or their Employers.**—*Vide* sec. 4 and the Second Schedule to the Act (*infra*, p. 36).

**Destination of Funds.**—By sec. 54 (*infra*, p. 210), it is provided that all sums received in respect of contributions under this Part of this Act and all sums paid out of moneys provided by Parliament under this Part of this Act in respect of the benefits thereunder and the expenses of administration of such benefits shall be paid into a fund to be called the National Health Insurance Fund under the control and management of the Insurance Commissioners.

The effect of the provisions of this Part of the Act dealing with Scotland, Ireland, and Wales is to transform the National Health Insurance Fund into what is virtually an English National Health Insurance Fund. By secs. 80 (2), 81 (2), and 82 (2) (*infra*), Scottish, Irish and Welsh National Health Insurance Funds are respectively established. All sums received from contributions under this Part of the Act in respect of insured persons resident in Scotland, Ireland, and Wales respectively, and all sums paid out of moneys provided by Parliament in respect of benefits under this Part of the Act to such persons, and the expenses of administration are to

### Sect. 3.

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"EXCEPT AS  
OTHERWISE  
PROVIDED."



**Sect. 3.** be paid into the Scottish, Irish, and Welsh National Health Insurance Funds respectively. In certain cases (*e.g.* sec. 46 (4) (iii), (*infra*, p. 177), and sec. 48 (6) and (11), (*infra*, p. 193), persons actually resident elsewhere than in England are to be deemed to be resident in England; contributions, etc., in respect of such persons will, accordingly, be paid into the National Health Insurance Fund, and not into the Scottish, Irish, or Welsh National Health Insurance Fund, as the case might otherwise require.

DESTINATION  
OF FUNDS.

The Scottish, Irish, and Welsh National Health Insurance Funds are under the control and management of Scottish, Irish and Welsh Insurance Commissioners respectively. The provisions of the Act with respect to the National Health Insurance Fund apply, with the necessary modifications, to the Scottish, Irish, and Welsh National Health Insurance Funds.

**Sect. 4.** **4.**—(1) The contributions payable in respect of employed contributors shall be at the rate specified in Part I. of the Second Schedule to this Act (herein-after referred to as the employed rate), and shall comprise contributions by the contributors and contributions by their employers at the rates specified in that Part of that schedule, and shall be payable at weekly or other prescribed intervals :

Rates and  
rules for con-  
tributions by  
employed  
contributors  
and their  
employers.

Provided that, in the case of an employed contributor of the age of twenty-one or upwards whose remuneration does not include the provision of board and lodging by the employer and the rate of whose remuneration does not exceed two shillings a working day, such part of the contributions payable in respect of him as is specified in the said schedule shall be paid out of moneys provided by Parliament.

(2) The employer shall, in the first instance, pay both the contributions payable by himself (in this Act referred to as the employer's contributions), and also on behalf of the employed contributor the contributions payable by such contributor, and shall be entitled to recover from the contributor by deduction from his wages or otherwise the amount of the contributions so paid by him on behalf of the contributor, in accordance with the rules set out in the Third Schedule to this Act.

(3) Contributions in respect of employed contributors shall cease to be payable on their attaining the age of seventy.



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(4) The employer of a person who though employed within the meaning of this Part of this Act is not insured under this Part of this Act by reason either—

(a) that, not having previously been an insured person, he has become employed within the meaning of this Part of this Act after attaining the age of sixty-five; or

(b) that he has obtained and still holds a certificate of exemption under this Part of this Act;

shall be liable to pay the like contributions as would have been payable as employer's contributions if such person had been an employed contributor, and such contributions shall be carried to such account and dealt with in such manner as may be prescribed by regulations made by the Insurance Commissioners, and those regulations may provide for applying the sums standing to the credit of the account, or any part thereof, for the benefit of any persons in respect of whom contributions have been so paid, in the event of such persons subsequently becoming employed contributors.

**Employed Contributors.**—*Vide note (supra, p. 3).*

**Employed Rate.**—The rate of contributions, and the proportions in which that rate is to be paid by employers and employed contributors respectively, are set out in the Second Schedule to the Act, Part I., which for convenience of reference is printed here. (Part II. of that Schedule deals with the rates of employed contributors in Ireland.)

## SECOND SCHEDULE.

## RATES OF CONTRIBUTION UNDER PART I. OF THIS ACT RELATING TO HEALTH INSURANCE.

## PART I.

*Employed Rate.*

In the case of men	-	-	-	-	-	7d. a week.
„ „ women	-	-	-	-	-	6d. „

*Contributions by Employers and Employed Contributors.*

To be paid by the employer	-	-	-	-	3d. a week.
„ „ contributor	-	-	-	-	{ Men, 4d. „
					{ Women, 3d. „

In the case of employed contributors of either sex of the age of 21 or upwards whose remuneration does not include the provision



**Sect. 4.** of board and lodging by their employer, and the rate of whose remuneration does not exceed 2s. 6d. a working day, the following shall be the rates of contribution:—

Where the rate of remuneration does not exceed 1s. 6d. a working day—

		A week.
To be paid by the employer	- - -	{ For men, 6d.
		{ „ women, 5d.
„ out of moneys provided by Parliament	-	1d.

Where the rate of remuneration exceeds 1s. 6d. but does not exceed 2s. a working day—

		A week.
To be paid by the employer	- - -	{ For men, 5d.
		{ „ women, 4d.
„ „ contributor	- - -	1d.
„ out of moneys provided by Parliament	-	1d.

Where the rate of remuneration exceeds 2s. but does not exceed 2s. 6d. a working day—

To be paid by the employer	- - -	{ For men, 4d.
		{ „ women, 3d.
„ „ contributor	- - -	3d.

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**Employer.**—*Vide* note (*supra*, p. 6).

**Payable at Weekly or other Prescribed Intervals.**—

The employer is the person primarily concerned with the date on which the contributions have to be paid, inasmuch as the obligation to pay both his own and the employed contributor's contribution rests upon him in the first instance. As to the times at which contributions have to be paid, *vide* National Health Insurance (Collection of Contributions) Regulation, 1912, paragraph (6), *infra*, p. 373.

**Employer shall Pay in the First Instance.**—In the compulsory insurance of employed contributors under this Act the employer is made the primary means of compulsion. Failure on the part of the employer to pay either his own or an employed contributor's contribution is an offence under sec. 69 (2) of the Act (*infra*, p. 247). An employer who fails or neglects to pay such contributions may be visited on summary conviction with a penalty not exceeding £10, and, in addition, may be compelled to pay to the Insurance Commissioners a sum equal to the contribution he has failed or neglected to pay.

Further by sec. 70 (*infra*, p. 247), where an employer has failed or neglected to pay any contributions which he is liable to pay in respect of a person being a member of an approved society in his employment, and that person has been deprived by reason thereof of any right to benefits, that person is entitled to take proceedings against the employer *for the value of the right* of which he has been so deprived. Proceedings under either sec. 69 or sec. 70 may be taken notwithstanding that proceedings have already been taken under the other section in respect of the same failure or neglect to pay contributions (sec. 70 (2)).

[NOTE.—Where a compulsory levy is made under sec. 38 (1) (b) (i) (*infra*, p. 143), and a society or branch gives notice to any



employer, the amount of the compulsory levy must be deducted by the employer from wages in the same way as contributions and all the provisions of Part I. of the Act relating to payment and recovery of contributions apply (sec. 38 (1) (c)).]

**Obligation of the Employed Contributor.**—*Quære* whether, if an employer fails to pay the whole contribution, there is an obligation on the employed contributor to pay his own contribution? It is submitted that, upon its true construction, the section now under consideration only imposes two obligations, viz. (a) on the employer to pay both his own and the employed contributor's contribution, and (b) on the employed contributor to allow the employer to recover from him by deduction or otherwise that part of the whole contribution which the employer has paid on the contributor's behalf. There is no further obligation on the employed contributor to pay contributions. The argument leading to this conclusion is fortified by the fact that there are no provisions in the Act for the recovery of the contributor's contributions, except by deduction, etc., by the employer, whereas there is elaborate provision (as has been shown above) for the recovery of contributions from the employer.

This section may, in this connection, be contrasted with sec. 85, *infra*, p. 288 (the corresponding section in Part II. of the Act). By subsec. (2) of that section an obligation is clearly cast upon the workman to pay his contribution in the event of the employer failing to do so in the first instance. Similarly, in Part II. failure by a workman to pay contributions is made an offence under sec. 101 (2), *infra*, p. 320.

It should, however, be borne in mind that the regulations dealing with collection of contributions require employed contributors to obtain a card which must be produced to the employer at any time during its currency on demand. Failure to comply with this requirement will be an offence under sec. 69.

**Rules set out in the Third Schedule.**—For convenience of reference, the Third Schedule is here printed.

#### Sect. 4.

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EMPLOYER  
SHALL PAY  
IN THE FIRST  
INSTANCE.

### THIRD SCHEDULE.

#### RULES AS TO PAYMENT AND RECOVERY OF CONTRIBUTIONS PAID BY EMPLOYERS ON BEHALF OF EMPLOYED CONTRIBUTORS UNDER PART I. OF THIS ACT RELATING TO HEALTH INSURANCE.

(1) A weekly contribution shall be payable for each calendar week during the whole or any part of which an employed contributor has been employed by an employer: Provided that, where one weekly contribution has been paid in respect of an employed contributor in any such week, no further contribution shall be payable in respect of him in the same week, and that, where no remuneration has been received and no services rendered by an employed contributor during any such week, or where no services have been rendered by an employed contributor during any such week and the employed contributor has been in receipt of sickness or disablement benefit during the whole or any part of that week, the employer shall not be liable to pay any contribution either on his own behalf or on behalf of the contributor in respect of that week.



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(2) The employer shall, except as herein-after provided, be entitled to recover from the employed contributor the amount of any contributions paid by him on behalf of the employed contributor.

(3) Except where the employed contributor does not receive any wages or other pecuniary remuneration from the employer, the amounts so recoverable shall, notwithstanding the provisions of any Act or any contract to the contrary, be recoverable by means of deductions from the wages or other remuneration, and not otherwise; but no such deductions may be made from any wages or remuneration other than such as are paid in respect of the period or part of the period in respect of which the contribution is payable, or in excess of the sum which represents the amount of the contributions for the period (if such period is longer than a week) in respect of which the wages or other remuneration are paid.

(4) Where a contribution paid by the employer on behalf of an employed contributor is recoverable from the contributor but is not recoverable by means of deductions as aforesaid, it shall (without prejudice to any other means of recovery) be recoverable summarily as a civil debt, but no such contribution shall be recoverable unless proceedings for the purpose are instituted within three months from the date when the contribution was payable.

(5) Where the contributor is employed by more than one employer in any calendar week, the first person employing him in that week or such other employer or employers as may be prescribed shall be deemed to be the employer for the purposes of the provisions of Part I. of this Act relating to the payment of contributions and of this schedule.

(6) Regulations of the Insurance Commissioners may provide that in any cases or any classes of cases where employed contributors work under the general control and management of some person other than their immediate employer, such as the owner, agent, or manager of a mine or quarry, or the occupier of a factory or workshop, such person shall, for the purposes of the provisions of Part I. of this Act relating to the payment of contributions and of this schedule, be treated as the employer, and may provide for allowing him to deduct the amount of any contributions (other than employer's contributions) which he may become liable to pay from any sums payable by him to the immediate employer, and for enabling the immediate employer to recover from the employed contributors the like sums and in the like manner as if he were liable to pay the contributions.

(7) Where the contributor is not paid wages or other money payments by his employer or any other person, the employer shall be liable to pay the contributions payable both by himself and the contributor, and shall not be entitled to recover any part thereof from the contributor.

(8) Notwithstanding any contract to the contrary, the employer shall not be entitled to deduct from the wages of or otherwise to recover from the contributor the employer's contribution.

(9) Any sum deducted by any employer from wages or other remuneration under this schedule shall be deemed to have been entrusted to him for the purpose of paying the contribution in respect of which it was deducted.

(10) The Insurance Commissioners may, by regulations, provide that in the case of outworkers the contributions to be paid may be



determined by reference to the work actually done, instead of by reference to the weeks in which work is done, and any such regulations may apply to all trades or to any specified classes or branches of trades, and may determine the conditions to be complied with by employers who adopt such a system of payment of contributions.

(11) For the purposes of this schedule the expression "calendar week" means the period from midnight on one Sunday to midnight on the following Sunday.

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*Note on para. (1).*—It is submitted that the effect of the last eight lines of this paragraph is, that in cases where a contract of service still subsists between an employer and an employee, and the employee (a) receives no remuneration in respect of and renders no services during any week, or (b) renders no services and has been in receipt of sickness or disablement benefit during any week, no contribution is payable either by the employer or by the employed contributor. Thus no contribution will be payable where the employee is away from work ill, notwithstanding that his contract of service subsists, whether he is, or is not, in receipt of remuneration. But when the employee is away from work on a holiday, in respect of which time he receives remuneration, contributions would appear to be payable both by him and by his employer. In cases where the contract of service no longer subsists, the employed contributor becomes unemployed, and different considerations apply (*vide infra*, Note on employed contributors becoming temporarily unemployed).

It should be noticed that wages paid in lieu of notice are damages for dismissal, and are not remuneration. Thus where a month's wages are given in lieu of notice there will be no obligation on the employer to stamp the card for the month after the termination of the employment.

*Note on para. (4), "Contribution not recoverable by deduction."*—This will arise in cases where the employed contributor is dependent for his remuneration on some person or persons other than his employer, e.g., a waiter in a hotel, whose remuneration consists of tips. The right to recover the employer's share of the contribution will, of course, not arise until that contribution has actually been paid by the employer. For the case where the employee receives no money payment at all, *vide para. (7)*.

*"Recoverable summarily as a civil debt."*—*Vide* Summary Jurisdiction Act, 1879 (42 & 43 Vict. c. 49), and, for procedure, Stone's Justices' Manual, 43rd ed., pp. 65, 66.

*Note on para. (5).*—For the regulations made under this paragraph, *vide* the National Health Insurance (Grouped Employers) Regulations (England, 1912), *infra*, p. 408.

*Note on para. (6).*—For the regulations made under this paragraph, *vide* the National Health Insurance (Intermediate Employers) Regulations (England), 1912, *infra*, p. 410.

*Note on para. (8).*—*Quære* whether it is an offence under the Act for the employer, after paying the full contribution, to deduct the full contribution (*i.e.* both his own and his employee's) from the employee's wages? It would seem that this would not be an offence inasmuch as the contribution would be paid, but, of course, the employee would be able to recover the employer's contribution



**Sect. 4.** by civil process for balance of wages due. The effect of this paragraph is merely to make the contract to allow such a deduction null and void.

*Note on para. (9), "Entrusted."*—The employer is, by these words, made the trustee of any contributions deducted by him.

*Note on para. (10).*—For the regulations made under this paragraph, *vide* the National Health Insurance (Outworkers) Regulations (England), 1912. The effect of these regulations is to give the employer the option to pay contributions in conformity with the regulations, *i.e.*, in respect of a unit of work instead of in respect of a week's employment. The Commissioners are to determine the amount of work which constitutes a unit, and in doing so are to have regard to the average amount of a full week's work done by outworkers in the employment in which the outworker is engaged.

NOTES ON  
SECTION 4.

**Contributions cease to be Payable at Age of Seventy.—**

A similar provision is made in respect of voluntary contributors by sec. 5 (2), *infra*. At this age a large number of employed contributors will be eligible for Old Age Pensions under the Old Age Pensions Act, 1908 (8 Ed. 7, c. 40). For the statutory provisions which require to be fulfilled for the receipt of an Old Age Pension, *vide* sec. 2 of that Act. It should be noticed that, although contributions cease to be payable at the age of seventy, all right to benefit does not cease. By sec. 8 (3) (*infra*, p. 59), the right to sickness and disablement benefit ceases at the age of seventy, but the right to medical, sanatorium, and maternity benefit seems to continue throughout life. As to additional benefits, *vide* Note to sec. 8 (3) (*infra*, p. 59).

**Mode of Payment of Contribution.**—*Vide* regulations made under sec. 7 (*infra*, p. 370), and the regulations made under sub-sec. (4) of this section with regard to contributions payable in respect of exempt persons and persons who, not having previously been insured persons, have become employed after attaining the age of 65 (*infra*, p. 364). The manner in which these latter contributions are to be dealt with does not as yet appear to have been prescribed by the Insurance Commissioners.

**Employed within the meaning of this Part of this Act.—**

*Vide* Note on "Employed Contributors" (*supra*, p. 3).

**Certificate of Exemption.**—*Vide* sec. 2 (*supra*, p. 31).

**Persons Employed after Attaining age of 65.**—*Cf.* sec. 49 (*infra*, p. 204), which only applies to persons between the ages of 65 and 70 at the commencement of the Act.

**Questions as to the Share of Contributions to be paid by Employer and Employee respectively.**—Sec. 66 (*infra*, p. 240) provides that such questions should be determined by the Insurance Commissioners in accordance with regulations made by them for the purpose.

**Employers' Provident Funds.**—*Vide* secs. 25 and 73 (*infra*, pp. 122 and 253). When under any Act or deed establishing such a fund any sum is payable by the employer towards benefits secured by the Act or deed the scheme to be made under sec. 73 may provide for



allowing the employer to deduct from any contributions payable by him under the Act or deed towards benefits of a nature similar to those under this Part of the Act an amount not exceeding the amount of the employer's contributions payable by him under this Part of this Act.

**Sect. 4.****EMPLOYERS' PROVIDENT FUNDS.**

**Employers' Contributions and Income Tax.**—It is submitted that, in estimating income for the purpose of Schedule D. of the income tax, an employer will be entitled to deduct the amount he has paid in contributions on his own behalf in respect of workmen employed for the trade, manufacture, etc., in respect of the profits of which the return is being made (*vide* Income Tax Act, 1842, 5 & 6 Vict. c. 35, sec. 100. Schedule (D) 1st and 2nd Cases, Rule 1).

**Employed Contributors Becoming Temporarily Unemployed.**—*Vide* sec. 79 (*infra*, p. 257), which provides that—"A person whose normal occupation is employment within the meaning of this Part of this Act shall for the purpose of reckoning the number and rate of contributions be deemed to continue to be an employed contributor, notwithstanding that he is temporarily unemployed, but if such period of unemployment extends beyond twelve months, he shall not continue to be an employed contributor unless the approved society of which he is a member or, if he is not a member of such a society, the committee, is satisfied that his unemployment is due to inability to obtain employment, and is not due to any change in his normal occupation." The effect of this provision is, it is submitted, that an employed contributor who is temporarily unemployed may continue to pay contributions at the employed rate, for the purpose of avoiding arrears. *Vide* also p. 375, *infra*.

**Contributions in the Case of Seasonal Trades.**—By sec. 50, *infra*, p. 208, the Insurance Commissioners may, by special order reduce the employed rate of contribution during the period when the trade is working short time, and increase the rate by a corresponding amount in the busy season.

**Reduced Rates of Contribution in Certain Cases.**—Rates of contribution are reduced in the case of the following persons:—

(1) Certain seamen, marines and soldiers, *vide* sec. 46 (2) (i) (*infra*, p. 172).

(2) Persons to whom the provisions of sec. 47 (*infra*, p. 185) apply.

(3) Masters, seamen and apprentices serving on foreign-going ships, or ships engaged in regular trade on foreign stations, *vide* sec. 48 (2) (*infra*, p. 194).

**5.**—(1) The contributions payable by voluntary contributors shall be at the rate appropriate to their age at the date of their entry into insurance ascertained in accordance with a table to be prepared by the Insurance Commissioners (herein-after referred to as the voluntary rate) and shall be paid by the voluntary contributors at weekly or other prescribed intervals:

**Sect. 5.**

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Rates and rules for contributions by voluntary contributors.



TABLE SHOWING EFFECT OF AGE AND DATE OF ENTRY INTO INSURANCE ON  
RATE OF CONTRIBUTIONS AND BENEFITS.

CLASS OF CONTRIBUTOR AND AGE AT DATE OF ENTRY INTO INSURANCE.	DATE OF ENTRY INTO INSURANCE.	RATE OF CONTRI- BUTION.	BENEFITS.
1. Employed contributor who has attained age of 16, but not that of 17.	Any date.	Ordinary em- ployed rate.	While under 21 and unmarried, he receives reduced rate of benefit set out in Fourth Schedule, Part I., Table B., <i>except</i> where, being a member of an approved society, he proves that one or more members of his family are wholly or mainly dependent upon him ( <i>vide</i> sec. 9 (1)).
2. Employed contributor aged 17 to 65.	Any date <i>within</i> one year from the commencement of this Act, viz. up to and including July 14, 1913.	Ordinary em- ployed rate.	Full benefits unless he is— (1) Under 21 and unmarried, when he receives reduced rate of benefit set out in Fourth Schedule, Part I., Table B., <i>except</i> where, being a member of an approved society, he proves that one or more members of his family are wholly or mainly dependent upon him ( <i>vide</i> sec. 9 (1)). (2) Over 50, and has paid less than 500 contributions, when he receives reduced rate of benefit set out in Fourth Schedule, Part I., Table C ( <i>vide</i> sec. 9 (3)).
3. Employed contributor over 17 years of age.	Any date <i>after</i> one year from the commencement of this Act, viz. after July 14, 1913.	Ordinary em- ployed rate.	Reduced sickness benefit (other benefits full rate) unless— (1) Time between 17 and date of entry into insurance spent in education, or, (2) Undertakes to pay difference between employed and voluntary rate, or, (3) Pays capital sum sufficient to entitle him to full benefits ( <i>vide</i> sec. 9 (4)).



4. Employed contributor aged 65 to 70 at date of commencement of this Act.	Any date until he attains age of 70.	Ordinary employed rate, <i>plus</i> 2 <i>d.</i> a week from the State.	(1) If member of approved society, such benefits as the society may determine. No reserve value credited to society. (2) If deposit contributor, such benefits as the Insurance Committee may determine. (3) In any event two-ninths of cost of benefits and administration not paid by State ( <i>vide</i> sec. 49).
5. Employed contributor who has been inmate of and supported by institution for charitable or reformatory purposes for more than six months, managers of which have obtained certificate of exemption under sec. 51.	Any date.	Ordinary employed rate.	(1) If below age of 16 on entering institution, full benefits (subject to sec. 9 (1)) : managers to pay sum sufficient to secure full benefits. (2) If over age of 16 on entering institution and (a) was at that time an insured person and a member of an approved society, full benefits : managers to pay sum equal to value of unpaid contributions, thus securing full benefits ; (b) was <i>not</i> at that time an insured person, dealt with under sec. 9 (4).
6. Voluntary contributor aged 16 to 45.	Any date <i>within</i> six months from the commencement of this Act, viz. up to and including January 14, 1913. Any date.	Ordinary employed rate.	Full benefits, unless under age of 21 and unmarried, when sec. 9 (1) applies ( <i>vide supra</i> ).
7. Voluntary contributor aged 45 to 65.	Any date.	Voluntary rate appropriate to his age.	Full benefits.
8. Voluntary contributor aged 16 to 45.	Any date <i>after</i> six months from the commencement of this Act, viz. after January 14, 1913.	Voluntary rate appropriate to his age.	Full benefits, unless under age of 21 and unmarried, when sec. 9 (1) applies ( <i>vide supra</i> ).

NOTE TO ABOVE TABLE.—(1) By sec. 79 (*infra*, p. 257), "A person shall be deemed according to the law in England, Wales, and Ireland, as well as according to the law in Scotland, not to have attained the age of seventeen until the commencement of the seventeenth anniversary of the day of his birth, and similarly with respect to other ages."

(2) The Act came into operation on July 15, 1912.

(3) The following special classes are dealt with separately, viz. :—

Married women (sec. 44, *infra*, p. 158).

Employed contributors to whom special order made under sec. 47 applies (*infra*, p. 185).

(4) For persons over the age of 65 who have not previously been insured, and who become employed after attaining that age, *vide* sec. 4 (4) and Note (*supra*, pp. 37, 42).

Naval and military forces (sec. 46, *infra*, p. 171).

Mercantile marine (sec. 48, *infra*, p. 194).



## Sect. 5.      Provided that—

- (a) In the case of a person who enters into insurance within six months after the commencement of this Act, the voluntary rate shall, if he is below the age of forty-five at the date of entering into insurance, be the same as the employed rate, and, if he is of the age of forty-five or upwards, be such rate, ascertained according to a table to be prepared by the Insurance Commissioners, as, having regard to his age at that date, will be sufficient to cover seven-ninths, or, in the case of a woman, three-fourths, of the benefits conferred by this Part of this Act;
- (b) Where a person, having been an employed contributor for five years or upwards, becomes a voluntary contributor, the rate of contribution payable by him shall continue to be the employed rate.

(2) Contributions by voluntary contributors shall cease to be payable on their attaining the age of seventy.

**Voluntary Contributors.**—*Vide* note, *supra*, p. 28.

**Rate of Contribution.**—As has been seen above (sec. 4), the rate for an employed contributor is a flat rate of 7*d.* in the case of men, and 6*d.* in the case of women, per week, which rate does not differ according to the age of the contributor. The same flat rate will also be paid by those voluntary contributors who are below the age of forty-five at the date of entry into insurance *and* who come into insurance within six months after the commencement of this Act (*viz.* July 15, 1912) (sec. 115), and by those voluntary contributors who become such after having been employed contributors for five years or upwards. Voluntary contributors who are over the age of forty-five at the date of entry into insurance, or who, being under that age, do not enter into insurance until after six months from the commencement of this Act, pay according to Tables prepared by the Insurance Commissioners, who, in preparing that table, must prescribe such rates as, having regard to the age of the contributor, will provide seven-ninths, or in the case of a woman, three-fourths of the benefits conferred by this Act.

These Tables are printed *infra*, p. 367.

[NOTE.—With regard to the age limits in this section, *vide* sec. 79, *infra*, which provides that “a person shall be deemed according to the law in England, Wales, and Ireland, as well according to the law in Scotland, not to have attained the age of seventeen until the commencement of the seventeenth anniversary of the day of his birth, and similarly with respect to other ages.”]



**Employed Rate.**—*Vide* Second Schedule (*supra*, p. 37).

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**Benefits conferred by this Part of this Act.**—*Vide* sec. 8, *infra*, p. 51.

**Having been an Employed Contributor for Five Years or Upwards.**—It is submitted that, in the absence of the word “continuously,” intermittent periods during which a person has been an employed contributor may be aggregated to make up the necessary five years. *Vide* also Note on sec. 6, *infra*, p. 49.

**Date of Entry into Insurance.**—There is no definition of this expression in the Act. Its precise meaning is, however, of great importance in view of the fact that the rate of contribution or of benefit varies in many cases according to the age of the person at the date of his entry into insurance.

It is submitted that the expression has a different meaning in the case of a person who becomes an employed contributor from that which it has in the case of a person who becomes a voluntary contributor. A person enters into insurance as an employed contributor by the mere fact of becoming employed within the meaning of this Part of this Act, but a voluntary contributor must take some active step in order to become so insured.

In the case of an employed contributor, it is submitted that he enters into insurance on the first day of his employment in the first week in respect of which a compulsory contribution is paid by or in respect of him.

In the case of a voluntary contributor, it is suggested that the expression means the first date on which a person makes application to become a voluntary contributor, provided that the application becomes effective, and that he pays contributions as from that date.

**Offence.**—Knowingly making a false statement for the purpose of obtaining any benefit or payment or for the purpose of obtaining a reserve value is an offence under sec. 69 (1) (*infra*, p. 246), and a person convicted of the last-mentioned offence will also be dealt with under sec. 55 (5) (*infra*, p. 214).

**Questions as to Rates of Contribution.**—By sec. 66 (*infra*, p. 240), such questions are to be determined by the Insurance Commissioners in accordance with regulations made by them for the purpose, provided that, in the case of any person who is or is about to become a member of an approved society, the regulations may provide for the question to be determined by the society. These questions will raise the question of the meaning of the expression, “date of entry into insurance.”

*Quære* whether the Insurance Commissioners have power to lay down the meaning of the expression in those regulations? It is submitted that they have not, and that the regulations made by the Insurance Commissioners under sec. 66 can only indicate the procedure by which such questions are to be determined.

**Contribution . . . ceasing to be payable at the Age of Seventy.**—A similar provision is made in respect to employed contributors (*vide* note to sec. 4, *supra*, p. 42).

**Employed Contributor becoming Voluntary Contributor.**—*Vide* sec. 6 (4), and Note (*infra*, p. 49).



**Sect. 5.**      **Payment of Contributions by Voluntary Contributor.—**  
— *Vide* National Health Insurance (Collection of Contributions)  
Regulations, 1912, paragraph 8, *infra*, p. 374.

**Sect. 6.**      **6.—**(1) Where an insured person has become a member  
Change from of an approved society as a voluntary contributor, the  
voluntary rate to em- rate of contributions payable in respect of him shall,  
ployed rate notwithstanding that he becomes employed within the  
and vice meaning of this Part of this Act, remain the voluntary  
versâ. rate, unless at any time after becoming so employed he  
gives notice in the prescribed manner of his wish to be  
transferred to the employed rate.

(2) Where he gives such notice, the rate payable in respect of him shall be the employed rate, but in such case the rate of sickness benefit payable in respect of him shall be such reduced rate as would have been payable had he not previously been insured, subject to such addition as may, according to tables prepared by the Insurance Commissioners, represent the value at that time of the contributions previously paid by him.

(3) Where he does not give such notice, and until he does so, the contributions payable by his employer in respect of him during any period of employment within the meaning of this Part of this Act shall be the same as if he had been transferred to the employed rate, and the contributions so paid by the employer shall be treated as in part satisfaction of the contributions at the voluntary rate payable by the contributor, and, if the contributor fails to pay the balance, he shall be deemed to be in arrear to that extent.

(4) Where an employed contributor within five years from his entry into insurance ceases to be employed within the meaning of this Part of this Act and becomes a voluntary contributor, he shall be deemed to be in arrear, as from the date when he so became a voluntary contributor, to the amount of the difference between the aggregate contributions paid by or in respect of him since his entry into insurance and the aggregate of the contributions which would have been payable by him had he



throughout been a voluntary contributor, and the difference between any reserve value which is credited to the approved society of which he is a member in respect of him and the reserve value (if any) which would have been credited to that society in respect of him had he originally become a voluntary contributor shall be cancelled.

**Object and Effect of Section.**—This section deals with transfer from voluntary to employed insurance and *vice versa*.

**(1) Voluntary Contributor becoming an employed Contributor.**—Two courses are open :—

- (a) He may give notice in a manner to be prescribed of his wish to be transferred to the employed rate, whereupon he is to pay that rate, but he will only be entitled to receive the amount of sickness benefit which would have been payable had he not previously been insured, subject to an allowance for the contribution previously paid by him. The amount of this reduced sickness benefit is to be calculated by reference to sec. 9 (*infra*), and to the allowance aforesaid.
- (b) If he does not give the said notice he remains liable to pay his original voluntary rate. Of this voluntary rate, his employer will have to pay the same amount as he would have had to pay if the rate had been the employed rate (*viz.* 3d., *vide* sec. 4, *supra*) and the remainder of the rate will have to be found by the contributor, failing which he will be deemed to be in arrears to that extent.

**(2) Employed Contributor becoming Voluntary Contributor.**—

- (a) *If he ceases to be employed within the meaning of this Part of this Act within five years from the date of his entry into insurance, he is to be treated as if he had been a voluntary contributor from the first, and will be in arrears to the extent of the difference between the aggregate contributions he has actually paid as an employed contributor, and the aggregate contributions he would have had to pay had he been a voluntary contributor from the first, and the difference between his existing reserve value (if any) and the reserve value (if any) his society would have had credited to it, had he originally become a voluntary contributor, will be cancelled (subsec. (4)).*
- (b) *If he has been an employed contributor for five years or upwards, the rate of contribution payable by him will continue to be the employed rate (sec. 5 (1) (b)).*

Neither this section nor sec. 5 appear to deal with the case which may arise of an employed contributor becoming a voluntary contributor at a time when he has not been an employed contributor for as many as five years, and when more than five years have elapsed from the date of his entry into insurance—*e.g.* X enters into insurance as a voluntary contributor on January 1, 1914, becomes



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an employed contributor on January 1, 1916, and on June 30, 1919, ceases to be employed and desires to become a voluntary contributor. Five and a half years will have elapsed since X's entry into insurance, but he will only have been an employed contributor for three and a half years. It would seem clear that, if X on his previous change on January 1, 1916, did not give notice to his employer and continued to pay the voluntary rate, no alteration in rate of contribution or of benefit would be necessary on his change in June, 1919. But if X had given notice and was paying the employed rate immediately before June 30, 1919, there would seem to be no indication in the Act as to how his case should be dealt with. *Quære* whether he reverts to his original voluntary rate?

[NOTE.—*Quære* whether an employed contributor, whose normal occupation is employment who becomes temporarily unemployed, is to be deemed to be an employed contributor during such period of temporary unemployment for the purpose of this section? The provision in sec. 79 (*infra*, p. 257) in respect to such a person is expressed to apply "for the purpose of reckoning the *number* and *rate of contributions*." It is submitted, therefore, that the answer to the question is in the affirmative. *Cf.* Note, *supra*, p. 29.]

**Voluntary Contributor.**—*Vide* Note, *supra*, p. 30.

**Employed within the Meaning of this Part of the Act.**—

*Vide* Note, *supra*, p. 3.

**Voluntary Rate. Employed Rate.**—*Vide supra*, pp. 37, 43, and *infra*, pp. 367—370.

**Reduced Rate of Benefit.**—*Vide* sec. 9 (4), *infra*, p. 67.

**Arrears.**—*Vide* sec. 10, *infra*, p. 71.

**Reserve Values.**—*Vide* sec. 55, *infra*, p. 213.

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Power to  
make regula-  
tions for the  
payment of  
contributions

7. Subject to the provisions of this Act, the Insurance Commissioners may make regulations providing for any matters incidental to the payment and collection of contributions payable under this Part of this Act, and in particular for—

(a) payment of contributions whether by means of adhesive or other stamps affixed to or impressed upon books or cards, or otherwise, and regulating the manner, times, and conditions in, at, and under which such stamps are to be affixed or impressed or payments are otherwise to be made;

(b) the entry in or upon books or cards of particulars of contributions paid and benefits distributed in the case of the insured persons to whom such books or cards belong;



- (c) the issue sale custody production and delivery up of books or cards and the replacement of books or cards which have been lost, destroyed, or defaced.

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**Regulations.**—*Vide* the National Health Insurance (Collection of Contributions) Regulations, 1912, *infra*, p. 370. These regulations deal with the contributions due from both voluntary and employed contributors.

For special regulations dealing with the payment and collection of contributions payable by or in respect of masters, seamen, or apprentices in the sea service, *vide* the National Health Insurance (Mercantile Marine), (Collection of Contributions), Regulations (England), 1912. These latter regulations apply the ordinary regulations with certain modifications to suit the special case of the mercantile marine and to conform with sec. 48, *infra*.

**Stamps.**—*Vide* sec. 108, *infra*, p. 333.

### *Benefits.*

**8.**—(1) Subject to the provisions of this Act, the benefits conferred by this Part of this Act upon insured persons are—

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—  
Benefits.

- (a) Medical treatment and attendance, including the provision of proper and sufficient medicines, and such medical and surgical appliances as may be prescribed by regulations to be made by the Insurance Commissioners (in this Act called “medical benefit”);
- (b) Treatment in sanatoria or other institutions or otherwise when suffering from tuberculosis, or such other diseases as the Local Government Board with the approval of the Treasury may appoint (in this Act called “sanatorium benefit”);
- (c) Periodical payments whilst rendered incapable of work by some specific disease or by bodily or mental disablement, of which notice has been given, commencing from the fourth day after being so rendered incapable of work, and continuing for a period not exceeding twenty-six weeks (in this Act called “sickness benefit”);



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- (d) In the case of the disease or disablement continuing after the determination of sickness benefit, periodical payments so long as so rendered incapable of work by the disease or disablement (in this Act called "disablement benefit");
- (e) Payment in the case of the confinement of the wife or, where the child is a posthumous child, of the widow of an insured person, or of any other woman who is an insured person, of a sum of thirty shillings (in this Act called "maternity benefit");
- (f) In the case of persons entitled under this Part of this Act to any of the further benefits mentioned in Part II. of the Fourth Schedule to this Act (in this Act called "additional benefits") such of those benefits as they may be entitled to.

**Object of the Section.**—This section, which should be read together with the Fourth Schedule, sets out the benefits which insured persons (*i.e.* both voluntary and employed contributors) are to receive under this part of this Act. It lays down (a) the conditions under which those benefits will be given, (b) the age at which the right to benefits will cease, (c) the geographical area within which they will be distributed, and, (d) the moment of time at which an insured person is entitled to them. The various benefits are—

- (1) Medical benefit.
- (2) Sanatorium benefit.
- (3) Sickness benefit.
- (4) Disablement benefit.
- (5) Maternity benefit.
- (6) Additional benefits.

**Medical Benefit.**—This covers not only the visits and attention of a duly qualified medical practitioner, but also the provision of drugs and such medical and surgical appliances as the Insurance Commissioners may, by regulation, prescribe. It does not include the right to treatment or attendance in respect of a confinement. But provision is made by sec. 18 for the payment of the prescribed fee as part of maternity benefit where, in pursuance of rules made under the Midwives Act, 1902, a medical practitioner is summoned in. The administration of medical benefit is to be in the hands of the Insurance Committees (sec. 14 (1)), and elaborate rules for their guidance are set out in sec. 15 (*infra*, p. 96). Regulations have been made by the Joint Committee under that section dealing with the arrangements to be made by the Insurance Committees for the provision of this benefit (*vide infra*, p. 423). Medical benefit does not cease at the age of seventy, but *semble* continues,



subject to the provisions of the Act, throughout life. The right to this benefit does not accrue during the first six months after the commencement of this Act (viz. until January 15, 1913). The right to this benefit is not suspended until the insured person is in arrears of more than twenty-six contributions a year on an average (sec. 10 (1), *infra*, p. 71).

*Ireland.*—By sec. 81 (9) (*infra*, p. 272), “An insured person in Ireland shall not be entitled to medical benefit . . . and the provisions with respect to medical benefit shall not apply.” Presumably this means that a person, wherever he may be insured, is not entitled to medical benefit when he is in Ireland. Rates of contribution are lower in Ireland in consequence.

**Sanatorium Benefit.**—This consists of treatment in sanatoria or other institutions or otherwise for insured persons suffering from tuberculosis or such other diseases as the Local Government Board with the approval of the Treasury may appoint. The benefit will be administered, as in the case of medical benefit, by Insurance Committees (sec. 14 (1), *infra*, p. 92). For this purpose Insurance Committees are to make arrangements, to the satisfaction of the Insurance Commissioners, with a view to providing treatment for insured persons suffering from tuberculosis or from any other disease which may be appointed:

- (1) in sanatoria or other institutions, with persons or local authorities having the management of sanatoria or other institutions approved by the Local Government Board;
- (2) *otherwise* than in sanatoria or other institutions, with persons and local authorities other than poor law authorities undertaking such treatment in a manner approved by the Local Government Board (sec. 16 (1) (a) and (b), *infra*, p. 105).

The words in (2) explain the meaning of the words “or otherwise” in the subsection now under consideration.

*Sanatoria or other institutions.*—Sanatorium is defined in Murray's Dictionary as “An establishment for the reception and medical treatment of invalids; in recent use chiefly either of convalescent patients or of consumptives undergoing the open-air treatment.” As regards the words “other institutions,” it is submitted that they must be institutions that provide treatment *ejusdem generis* as that provided in sanatoria. Treatment in sanatoria involves the removal of the patient from his home and immediate surroundings, and treatment in some building specially devoted to the reception and cure of persons suffering from disease, and includes a sojourn in such buildings during the period of convalescence. There does not appear to be in the Act any direct method of compelling an insured person to undergo this form of sanatorium benefit. It would seem that, if compulsion can be applied at all, it must be applied either by the rules of approved societies (which might stipulate, subject to penalty for disobedience, that their members should submit to the Insurance Committees' directions in the matter), or by rules of Insurance Committees to a similar effect, which would bind not only members of approved societies, but also deposit contributors. The power to make such rules exists, it is submitted, under sec. 14 (2) (*infra*, p. 92) in the case of approved societies, and in the next succeeding subsection of sec. 14, in the case of Insurance Committees

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MEDICAL  
BENEFIT.



**Sect. 8.** The Insurance Committees have power to defray the expenses of conveyance of an insured person to or from a sanatorium (sec. 16 (4), *infra*, p. 106).  
**SANATORIUM BENEFIT.**

*Treatment otherwise.*—It is submitted that this form of sanatorium benefit is only intended to differ from the above form of treatment in that the removal of the patient to a sanatorium from his home is not involved. The treatment will be similar, but the place in which the patient will undergo it will be his own home.

*Generally.*—An insured person is not entitled to sanatorium benefit as of right unless the Insurance Committee has recommended him for such benefit (sec. 16 (3), *infra*). There is consequently no provision post-dating the time when this benefit will first be given.

For provisions relating to payment of sickness and disablement benefit while an insured person is an inmate of a sanatorium, *vide* sec. 12, *infra*, p. 85.

The benefit is not suspended until arrears amount to more than twenty-six weekly contributions a year on an average (sec. 10 (1), *infra*, p. 71).

**Sickness Benefit.**—This is to be given for twenty-six weeks whilst the insured person is rendered incapable of work by some specific disease or by bodily or mental disablement of which notice has been given. Presumably this notice will have to be given to the appropriate approved society or to the Insurance Committee, as the case may be. This benefit commences to be given from the fourth day after the insured person has been rendered incapable of work. It should be observed that, although the giving of notice is a condition precedent to the receipt of sickness benefit and no benefit can be paid until such notice is given, the subsection is so worded that, on such notice being given, benefit becomes payable from the fourth day after the insured person has been rendered incapable of work, even though that day may be anterior to the date of the notice. In other words, it is possible for the payments of the benefit to be dated back to some time before the date on which the insured person gave the notice. For the waiting period for this benefit, *vide* subsec. (8) (b), p. 56.

*Incapable of work.*—This expression would appear to mean incapable of doing any work at all; and, consequently, a person who, though somewhat incapacitated, is still capable of doing light work will not receive the benefit. Contrast “capable of work,” sec. 86 (3) (*infra*, p. 291), and *cf.* *Ball v. Hunt & Sons, Ltd.*, [1912] A. C. 496, at p. 500, where Lord Macnaghten points out that “incapacity for work” is not the same thing as “incapacity to work.”

*Administration of sickness benefit.*—This benefit will be administered in the case of insured persons who are members of approved societies by their societies, and in the case of insured persons who are deposit contributors, by the appropriate Insurance Committees (*vide* sec. 14, *infra*, p. 92).

*Sickness benefit where paid.*—For the geographical limits within which sickness benefit is to be paid, *vide* subsec. (4), *infra*.

*Period during which Sickness Benefit is to be paid.*—In the normal case sickness benefit is to be paid for twenty-six weeks. But this subsection should be read in connection with subsec. (5), the effect of which is to cut down the twenty-six weeks by the number of



weeks during which an insured person has been in receipt of sickness benefit if he again becomes entitled to such benefit, whether owing to fresh disease or disablement or to a recurrence of the old disease or disablement, unless a period of twelve months has elapsed since his recovery from his former disease or disablement *and* he has paid at least fifty weekly contributions. This will in some cases make the insured person eligible for disablement benefit earlier than he otherwise would have been. It is submitted that the provision as to sickness benefit commencing on the fourth day after the insured person has been rendered incapable of work no longer holds good in such a case.

**Example:** A receives sickness benefit from January 1, 1914, to April 1, 1914 (say, thirteen weeks), when he recovers; on January 1, 1915, he again receives sickness benefit; this latter benefit will only be paid for thirteen weeks, and by April 1, 1915, if still sick, A will only be entitled to receive disablement benefit (*vide* also examples in note on subsec. (5), *infra*).

*Suspension of sickness benefit.*—The right to this benefit ceases at the age of seventy (subsec. (3)), and is suspended if a contributor is in arrears of more than thirteen weekly contributions a year on an average (sec. 10 (1), *infra*, p. 71).

**Disablement Benefit.**—This is to be given after an insured person has been in receipt of sickness benefit for twenty-six weeks, provided that, and for so long as, the conditions which entitle such person to sickness benefit continue.

*Administration of disablement benefit.*—As in the case of sickness benefit, disablement benefit is to be administered by approved societies in respect to insured persons who are members of approved societies, and by Insurance Committees in respect to insured persons who are deposit contributors.

*Time at which disablement benefit commences.*—*Vide* note on sickness benefit (*supra*), and subsec. (5), *infra*.

*Disablement benefit where paid.*—For the geographical limits within which disablement benefit is to be paid, *vide* subsec. (4), *infra*.

*Disablement benefit when paid.*—No insured person is entitled to disablement benefit unless and until 104 weeks have elapsed since his entry of insurance, and at least 104 weekly contributions have been paid by or in respect of him.

*Suspension of disablement benefit.*—The right to disablement benefit ceases at the age of seventy (sub-sec. (3)), and is suspended if a contributor is in arrears of more than thirteen weekly contributions a year on an average (sec. 10 (1), *infra*, p. 71).

**Maternity Benefit.**—This consists in the sum of thirty shillings payable in the case of the confinement of the wife or, where the child is a posthumous child, of the widow of an insured person, or of any other woman who is herself an insured person.

The principal difficulty raised with regard to this benefit is the difficulty of ascertaining when this benefit is payable. This difficulty is caused by the use of the word "confinement." This word is not a term of art amongst the members of the medical profession—indeed, Stormouth's Manual of Scientific Terms and Quain's Medical Dictionary do not even mention the word—it is really a polite euphemism which has passed into current usage to admit

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of discreet allusion to the process of birth and the consequential seclusion imposed on the woman. When a woman is delivered of a child at the natural term, no difficulty arises. The difficulty is to determine what point, if any, is to be fixed upon, during the pregnancy of a woman, and before the natural term is reached, at which the expulsion of the contents of her womb is to be deemed to be a confinement. That expulsion is known to the medical profession by three different terms corresponding with three different periods during which the expulsion may take place. "*Abortion*," which means the expulsion of the ovum before the placenta is formed, *i.e.* during the first three months of pregnancy; "*Miscarriage*," which means expulsion of the foetus between the fourth and the seventh month; "*Premature Labour*," when the expulsion takes place after the seventh month, and before the natural term is reached. Some practitioners refer to expulsion during any of the above periods as "confinement." The choice seems to lie between a meaning of the word which would cover the birth of a viable child — *i.e.* normally the birth of a child during the last two months of pregnancy, and a meaning which would cover any expulsion during pregnancy. If the first meaning is adopted, a suitable definition might be "the process of birth of a viable child," in which the word "viable" would be used as going to the development of the child and not to whether it had, or had not, a separate existence, for it is submitted with confidence that the intention of the Act cannot be to differentiate between still-birth and the birth of a living child.

In support of this definition it may be argued that the words "child" and "delivery" which are hardly applicable to the foetus before it is viable, are used in this Act in connection with the benefit now under discussion (*vide* sec. 8 (6), *infra*, and sec. 18 (1), *infra*, p. 100). The name, too, of the benefit, "maternity" would seem to suggest that a woman, to be entitled to it, must be in a state of maternity—a state which is only consonant with the fact of having given birth to a viable child.

Against this it may be said that where the word "child" is used in the Act, it is nearly always used as part of a convenient expression which does not mean more than confinement resulting from intercourse with a deceased husband, and that the word "delivery" is a purely neutral word. Further, it may be said that the word "maternity" is as applicable to a process as to a state, and that the process in question is spread over the whole period of pregnancy. Lastly, it may well be said that maternity benefit is perhaps even more necessary when expulsion takes place at the earlier stages of pregnancy than if it takes place at the later stages, and that the ultimate loss of health, due to insufficient treatment, is greater in the case of abortion or miscarriage than in the case of premature or timeous labour.

The title to the Act describes it as "an Act to provide for Insurance against Loss of Health and for the Prevention and Cure of Sicknes," and these words may be cited in aid of a wide construction.

On the whole, however, it is submitted that, having regard to the usual popular meaning of the word "confinement," the definition above suggested is correct. The point is not an easy one, and this conclusion is suggested with diffidence.



It should be noticed that in the model rules for approved societies issued by the Insurance Commissioners the definition adopted is "labour resulting in the issue of a living child, or labour after twenty-eight weeks pregnancy resulting in the issue of a child whether dead or alive." This definition closely approximates to that above suggested. It is submitted, however, that viability is more easily determined than length of pregnancy.

Maternity benefit is payable to a woman who is an insured person whether her confinement is the result of legitimate or illegitimate intercourse; but in the latter case she will not be entitled to sickness benefit during four weeks after her confinement, unless she is suffering from disease or disablement not connected directly or indirectly with her confinement (*vide* subsec. (6), *infra*).

[NOTE.—It is submitted that maternity benefit could not be given in a case of criminal abortion. It would be against public policy to do so, *cf. Amicable Society v. Bolland and another*, 2 Dow. & Cl. 1, and *Hatch v. Mutual Life*, 21 Am. 541.]

*Administration of maternity benefit, vide* sec. 18, *infra*, p. 110.

*Payment of sickness and maternity benefit simultaneously.—Vide* subsec. (6) (*infra*, p. 61).

*Geographical area within which maternity benefit is to be paid.—*Maternity benefit is payable—

1. Where the husband is the person entitled to the benefit, to any such husband,
  - (a) While he is resident in the United Kingdom.
  - (b) While he is temporarily resident in the Isle of Man or the Channel Islands.
  - (c) While resident anywhere outside the United Kingdom, if his wife is resident at the time of her confinement in the United Kingdom.
2. Where the woman is the person entitled to the benefit, only to such women as are, at the time of their confinement, resident in the United Kingdom or temporarily resident in the Channel Isles or the Isle of Man (*vide* subsec. 4, *infra*, p. 59).
3. In the case of seamen, marines, and soldiers maternity benefit is payable notwithstanding the fact that both husband and wife are resident outside the United Kingdom at the date of the confinement, (*vide* sec. 46 (2) (iii.) and (3) (f)).

[NOTE.—For the circumstances in which the husband or the wife are respectively entitled to maternity benefit, *vide* Note on persons entitled to maternity benefit (*infra*).]

*Time at which right to maternity benefit commences.—*Maternity benefit is not payable until twenty-six, or, in the case of a voluntary contributor, fifty-two weeks have elapsed since entry into insurance and until at least twenty-six, or, in the case of a voluntary contributor, fifty-two contributions have been paid by, or in respect of, the person claiming to be entitled (subsec. 8 (d)). The right to maternity benefit is not suspended until arrears amount to more than twenty-six weekly contributions a year, on an average (sec. 10 (1)).

*Arrears.—*In calculating arrears of contribution due in respect of a woman who is herself an insured person no account is taken of any arrears accruing during two weeks before and four weeks after confinement, *vide* sec. 10 (4) (b) (*infra*, p. 72).

## Sect. 8.

### MATERNITY BENEFIT.



**Sect. 8.** **Persons entitled to Maternity Benefit.**—The benefit is treated as a benefit for the woman in the case of—

- (a) Insured unmarried women ;
- (b) Insured widows whose husbands were not insured persons ;
- (c) Insured married women whose husbands are not insured persons.

In any other case the benefit is to be treated as a benefit for a woman's husband (*vide* sec. 18, *infra*, p. 110).

By sec. 19 (*infra*, p. 112), a husband to whom maternity benefit has been given or paid who neglects or refuses to make adequate provision for the maintenance and care of his wife during her confinement and four weeks after her delivery is liable, on summary conviction, to one month's imprisonment.

**Additional Benefits.**—By sec. 37 (*infra*, p. 139), additional benefits will be payable either by an approved society or by a branch of an approved society, which, after valuation, shows a surplus. A scheme is to be prepared for the distribution of such part of that surplus as may be distributed under this Act in benefits mentioned in Part II. of the Fourth Schedule. Additional benefits may also be payable in a case arising under sec. 9 (2).

(2) Subject to the provisions of this Part of this Act, the rates of sickness benefit and disablement benefit to which insured persons are entitled shall be the rates specified in Part I. of the Fourth Schedule to this Act.

**Rates of Sickness and Disablement Benefit.**—These are set out in Part I. of the Fourth Schedule, Table A (Ordinary Benefits), of which is printed here for convenience.

#### FOURTH SCHEDULE.

##### BENEFITS UNDER PART I. OF THIS ACT RELATING TO HEALTH INSURANCE.

##### PART I.

##### *Rates of Benefits.*

##### TABLE A.—*Ordinary Rates.*

Sickness benefit: for men, the sum of 10s. a week throughout the whole period of twenty-six weeks; for women, the sum of 7s. 6d. a week throughout the whole period of twenty-six weeks.

Disablement benefit: the sum of 5s. a week for men and women alike.

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*Unmarried minors.*—*Vide* sec. 9 (1) (*infra*, p. 64).

*Reduced rates for persons over fifty.*—*Vide* sec. 9 (3), *infra*.

*Other cases of reduced rates of sickness and disablement benefit.*—*Vide* sec. 6 (2), sec. 9 (2) and (4), sec. 10 (Arrears), sec. 11, and sec. 44 (2) (b) (ii.) (pp. 48, 64, 67, 71, 79, and 159 respectively).



(3) In the case of insured persons who have attained the age of seventy, the right to sickness benefit and disablement benefit shall cease.

*Seemle*, the right to medical, sanatorium, and maternity benefits will continue throughout the life of the insured person. Additional benefits may also be such as to continue throughout life.

(4) No insured person shall be entitled to any benefit during any period when he is resident either temporarily or permanently outside the United Kingdom ;

Provided that, if a person is temporarily resident in the Isle of Man or the Channel Islands, he shall not, whilst so resident, be disentitled to benefits other than medical benefit, and that, if with the consent of the society or committee by which the benefit is administered a person is temporarily resident outside the United Kingdom elsewhere than in the Isle of Man or the Channel Islands, the society or committee may allow him, whilst so resident, to continue to receive sickness or disablement benefit, and that a person resident out of the United Kingdom shall not be disentitled to maternity benefit in respect of the confinement of his wife, if his wife at the time of her confinement is resident in the United Kingdom.

**Effect of the Subsection.**—The general rule is that no insured person is entitled to any benefit when he is either temporarily or permanently resident outside the United Kingdom (this expression means Great Britain and Ireland, but does not include the Channel Islands or the Isle of Man). To this general rule there are four exceptions:—

- (1) A person *temporarily resident* in the Isle of Man or the Channel Islands, is not, whilst so resident, disentitled to benefits other than medical benefit, *i.e.* he can receive sickness, disablement, sanatorium, and maternity benefit.
- (2) A person *temporarily resident* with the consent of the society or committee by which the benefit is administered, outside the United Kingdom, elsewhere than in the Isle of Man or the Channel Islands, may, whilst so resident be allowed by the society to *continue* to receive sickness or disablement benefit. It should be noticed that the consent of the society or committee goes to the residence of the person and not to the question whether he is to receive benefits or not. It is submitted that once a society or committee has consented to such temporary residence the word “may” is to be construed as “must.” Any other construction would involve two discretions in the society or committee, which can hardly have been the intention of the section.

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The use of the word "continue" implies that the person so resident cannot commence to receive either sickness or disablement benefit for the first time. He must have been in receipt of one or the other at the time when he became so resident for it to be *intra vires* the society or committee to consent to continue paying.

Further, it is submitted, in a case where a person becomes resident as aforesaid while in receipt of sickness benefit and remains so resident after sickness benefit has, owing to lapse of time, ceased to be payable, it will be *ultra vires* the society or committee to give him disablement benefit, since in such a case he will not be *continuing* to receive such benefit. In support of this construction the use of the words "continue to receive" may be contrasted with the use of the word "disentitled" in the same subsection. The fact that there is no machinery under the Act for checking claims outside the United Kingdom affords a reason for the above suggested construction.

(3) A person resident outside the United Kingdom is not disentitled to maternity benefit in respect of the confinement of his wife, if his wife at the time of her confinement is resident in the United Kingdom. Such a person may be:—

- (1) The insured husband of an insured married woman.
- (2) The insured husband of a married woman who is not insured.

(4) Seamen, marines, and soldiers are entitled to maternity benefit notwithstanding the fact that both husband and wife are resident outside the United Kingdom at the date of the confinement (*vide* sec. 46 (2) (iii.) and (3) (f)).

**Resident.**—Residence is a question of fact (*vide* Note, *supra*, p. 18).

(5) Where an insured person, having been in receipt of sickness benefit, recovers from the disease or disablement in respect of which he receives such benefit, any subsequent disease or disablement, or a recurrence of the same disease or disablement, shall be deemed to be a continuation of the previous disease or disablement, unless in the meanwhile a period of at least twelve months has elapsed, and at least fifty weekly contributions have been paid by or in respect of him.

**Effect of Subsection.**—This subsection is of importance in determining when payments for sickness benefit end and payments for disablement benefit begin. Its effect is most clearly shown by two concrete examples.

*Example 1.*—A receives sickness benefit from April 1, 1913, to Sept. 24, 1913 (25 weeks), when he recovers. On Sept. 13, 1914, he again becomes incapable of work, whether owing to a fresh disease or disablement, or a recurrence of the same disease



or disablement. On that date he will be entitled to one week's sickness benefit, and on Sept. 20 to disablement benefit only.

*Example 2.*—A receives sickness benefit from Jan. 1, 1914, to June 24, 1914 (25 weeks), when he recovers. On Dec. 1, 1915, he again becomes incapable of work, whether owing to a fresh disease or disablement, or a recurrence of the same disease or disablement. Between June 24, 1914, and Dec. 1, 1915, he has only paid 49 weekly contributions. On Dec. 1 he will be entitled to one week's sickness benefit, and on Dec. 8 to disablement benefit.

[NOTE.—(1) In the above examples, in order to avoid confusion, no account is taken of the effect of arrears (*vide* sec. 10, *infra*), or of the effect of subsec. (8), *infra*.

(2) It is submitted, and assumed in the above examples, that the waiting period of four days before receipt of sickness benefit will not apply where the disease or disablement is deemed to be a continuation of the previous disease or disablement.]

*Period of twelve months.*—The subsection is governed by the words, "Where an insured person, having been in receipt of sickness benefit, recovers." It is submitted (and assumed in the foregoing examples) that the period is to run from the date of recovery.

(6) Where a woman confined of a child is herself an insured person, and is a married woman, or, if the child is a posthumous child, a widow, she shall be entitled to sickness benefit or disablement benefit (as the case may be) in respect of her confinement in addition to the maternity benefit to which she or her husband may be entitled, but, save as aforesaid, a woman shall not be entitled to sickness benefit or disablement benefit for a period of four weeks after her confinement unless suffering from disease or disablement not connected directly or indirectly with her confinement.

Medical benefit shall not include any right to medical treatment or attendance in respect of a confinement.

**Effect of the Subsection.**—But for the provisions of this subsection, any woman who was herself an insured person, would have been entitled to sickness or disablement benefit and medical benefit as well as maternity benefit during four weeks after her confinement. The effect of this subsection is to take away any such woman's right to medical treatment or attendance in respect of her confinement, and to confine the privilege of receiving sickness or disablement benefit and maternity benefit simultaneously to married women and widows (in respect of a posthumous child), who are themselves insured persons.

The subsection, however, expressly preserves the right of any insured woman to receive sickness or disablement benefit and medical treatment where the disease or disablement in respect of

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which she claims those benefits is unconnected with her confinement, even though such claim arises within four weeks of her confinement.

*Vide* sec. 18 as to payment of fees of a medical practitioner summoned in pursuance of rules under the Midwives Act, 1902.

(7) Where a pension or superannuation allowance is payable by an approved society in whole or in part as an additional benefit under this Part of this Act, or out of any fund to which contributions have been made in accordance with paragraph (10) of Part. II. of the Fourth Schedule to this Act, it may be made a condition of the grant of the pension or allowance that a member of the society shall, whilst in receipt of such pension or allowance, be excluded in whole or in part from his right to sickness benefit and disablement benefit, or to either of such benefits.

**Commencement of this Act.**—The Act came into operation on July 15, 1912. *Vide* sec. 115, *infra*, p. 341.

(8) Notwithstanding anything in this Part of this Act, no insured person shall be entitled—

- (a) to medical benefit during the first six months after the commencement of this Act;
- (b) to sickness benefit, unless and until twenty-six weeks have elapsed since his entry into insurance, and at least twenty-six weekly contributions have been paid by or in respect of him;
- (c) to disablement benefit, unless and until one hundred and four weeks have elapsed since his entry into insurance, and at least one hundred and four weekly contributions have been paid by or in respect of him;
- (d) to maternity benefit, unless and until twenty-six, or in the case of a voluntary contributor fifty-two weeks have elapsed since his entry into insurance, and at least twenty-six, or in the case of a voluntary contributor fifty-two, weekly contributions have been paid by or in respect of him.

**Entry into Insurance.**—*Vide* Note, *supra*, p. 47.



(9) As soon as the sums credited to approved societies as reserve values in respect of persons who enter into insurance within one year after the commencement of this Act have been written off in manner provided by this Part of this Act, the benefits payable to insured persons under this Part of this Act shall be extended in such manner as Parliament may determine.

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**Reserve Values.**—*Vide* sec. 55, *infra*, p. 213.

#### NOTE ON SECTION 8 GENERALLY.

**Substitution of Benefits,** *vide* sec. 13, *infra*, p. 90, for powers of an approved society to substitute any of the additional benefits for sickness and disablement benefit.

**Payment of Benefits while Employed Contributor is still Receiving Wages.**—Provided that the rate of the sickness or disablement benefit does not exceed two-thirds of the contributor's usual rate of wages or other remuneration (*vide* sec. 9 (2), *infra*, p. 64), there is no provision in the Act which prevents an employed contributor from receiving full sickness or disablement benefit in addition to his wages, if, either by his contract of service or by the kindness of his employer, he remains in receipt of wages while rendered incapable of work by sickness or disablement.

**Unemployment Benefit and Sickness or Disablement Benefit.**—No person can be in receipt of unemployment benefit at the same time as he is in receipt of sickness or disablement benefit. There is express provision in sec. 87 (4) (*infra*, p. 294), precluding a workman within the meaning of Part. II. of this Act from receiving unemployment benefit while he is in receipt of sickness or disablement benefit or allowance under Part I. of the Act; but that provision would hardly seem to be necessary. To be entitled to the former benefit he must be "capable of work" (sec. 86 (3), *infra*, p. 291), whereas to be entitled to either of the latter benefits he must be "incapable of work." In other words, a person entitled to sickness or disablement benefit could not satisfy the statutory conditions for the receipt of unemployment benefit.

**Benefits Inalienable.**—*Vide* sec. 111, *infra*, p. 336.

**Repayment of Benefits.**—*Vide* sec. 71, *infra*, p. 249, for provisions for the recovery of benefits improperly paid.

**Payment of Benefits to Persons Ceasing to be Insured.**—By sec. 1 (1) the persons entitled to benefits under this Part of this Act are insured persons and, *semble*, insured persons only. It would seem, therefore, that a person who ceases to be an insured person, *e.g.* an employed contributor who ceases to be employed, or a voluntary contributor whose total income from all sources exceeds £160 a year before he has been five years in insurance, will not be entitled to benefits, notwithstanding the fact that some time may have to elapse before he is suspended from benefits by the operation



**Sect. 8.** of arrears under sec. 10. Such a person will not, it is submitted, be entitled to draw benefits on a decreasing scale until his arrears amount to so much that he is suspended from benefits altogether.

PAYMENT OF  
BENEFITS TO  
PERSONS  
CEASING TO  
BE INSURED.

**Sect. 9.**  
Reduced  
rates of  
benefit in  
certain cases.

**9.**—(1) In the case of insured persons who are under the age of twenty-one years and unmarried, sickness benefit and disablement benefit shall be at the reduced rates specified in Table B. in Part I. of the Fourth Schedule to this Act :

Provided that, where any such person being a member of an approved society proves that one or more members of his family are wholly or mainly dependent upon him, the society shall dispense with such reduction.

**Insured Persons.**—Includes voluntary and employed contributors.

**Sickness Benefit.**—*Vide* sec. 8 (1) (c), and Note, *supra*, p. 54.

**Disablement Benefit.**—*Vide* sec. 8 (1) (d), and Note, *supra*, p. 55.

**Reduced Rate.**—Table B of Part I. of the Fourth Schedule is here set out for convenience.

TABLE B.—*Reduced Rates in the case of Unmarried Minors.*

**Sickness Benefit**—for males, the sum of 6s. a week during the first thirteen weeks and the sum of 5s. a week during the second thirteen weeks.

for females, the sum of 5s. a week for the first thirteen weeks and the sum of 4s. a week for the second thirteen weeks.

**Disablement Benefit**—for females, the sum of 4s. a week.

**Members of his Family.**—There is no definition of these words in the Act. In sec. 13 of the Workmen's Compensation Act, 1906, however, the words "member of a family" are defined as "wife or husband, father, mother, grandfather, grandmother, step-father, step-mother, son, daughter, grandson, granddaughter, step-son, step-daughter, brother, sister, half-brother, half-sister." It is submitted that the words "members of his family" have the same meaning, in so far as that meaning is applicable to a person under the age of twenty-one.

**Wholly or mainly Dependent.**—*Vide* Note, *supra*, p. 29.

(2) Where, in the case of any insured persons, the rate of sickness benefit or disablement benefit (as the case may be) exceeds two-thirds of the usual rate of wages or other remuneration earned by such persons, the rate of such benefit may be reduced to such an extent as the society



or committee administering the benefit, with the consent of the Insurance Commissioners, determines; but, where such reduction is made, provision shall be made by the society or committee, with the like consent for the grant of one or more additional benefits of a value equivalent to such reduction.

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**Object of Subsection.**—The object of this subsection is to prevent persons from receiving, in the form of sickness or disablement benefit, so large a sum as, in relation to their usual rate of wages or remuneration, would create an inducement to remain longer than necessary on the fund. The society or committee have a discretion as to putting into operation the provisions of this subsection. It is submitted that the subsection goes to *quantum* of benefit only, and does not affect the right of an employed contributor to receive sickness or disablement benefit if, while incapable of work, he is still paid wages.

**Usual rate of Wages, &c.**—*Semble*, the usual amount of wages or other remuneration of any given person are the wages or other remuneration which he has habitually received, and are not to be gauged entirely by the amount which he is receiving at the moment at which he becomes entitled to benefit. The use of the expression “rate of wages” should be observed. *Quære* whether, inasmuch as sickness benefit is calculated at a weekly rate, so wages should be similarly calculated; in other words, whether a man, whose rate of wages is say 3s. a day, and who is only employed two or three days a week, would be entitled to say, that his usual *rate* of wages, for the purpose of this section, is 18s. a week, and not 6s. or 9s. a week, as the case may be? It is submitted that he would not be so entitled and that some average of his earnings must be taken. If so presumably this average will have to be taken on the same basis as that used for computing average weekly earnings under the Workmen's Compensation Act, 1906, as to which, *vide Perry v. Wright*, [1908] 1 K. B. 441; *Anslow v. Cannock Chase Colliery Co., Ltd.*, [1909] 1 K. B. 352; *White v. Wiseman* (1912), 28 T. L. R. 542.

The words “other remuneration” will include such things as board and lodging, free clothes or uniform, free light and firing, etc. The value of these privileges will have to be estimated in money, *semble*, on the basis of their actual worth to the insured person, *cf. Dothie v. MacAndrew*, [1908] 1 K. B. 803; and *Rosenqvist v. Bowring & Co., Ltd.*, [1908] 2 K. B. 108. Reference may also be made to *Skailes v. Blue Anchor Line, Ltd.*, [1911] 1 K. B. 360.

**Grant of one or more Additional Benefits.**—It is submitted that the grant of an additional benefit under this subsection can only be to the person or persons whose benefits have suffered reduction under its provisions, and cannot be made to the members of the society in question at large. The drafting of this Act is by no means clear on the point, but the obvious justice of the above construction is, it is submitted, sufficient to make it the right one.

Additional benefits, *vide* sec. 8 (1) (f), and Part II. of the Fourth Schedule to the Act, p. 52, *supra*, and p. 351, *infra*.



**Sect. 9.** *Value equivalent.*—The Insurance Commissioners have issued a circular (A. S. 50 Table H), as a guide to Societies as to what additional benefits are of value equivalent to certain reductions. Other proposals may be submitted but must be accompanied by actuarial evidence of their soundness. The proposals in the circular are as follows:—

GRANT OF  
ONE OR MORE  
ADDITIONAL  
BENEFITS.

Reduction of benefit.	Equivalent Additional benefit.
2s. 6d. per week.	Repayment of contributions to the extent of a $\frac{1}{2}$ d. a week.
1s. 6d. per week (men) } 1s. per week (women) }	Payment of sickness benefit at the rate so reduced from the first day of sickness instead of from the fourth day.
1s. per week. [or if a greater reduction be made, the sum of 11d. per member named in the next column may be increased accordingly.]	Provision for medical treatment and attendance for any persons dependent on the labour of members of the class, or for the payment of the cost, or part thereof, of dental treatment for any such member, to such extent as will absorb a total sum of not more than 11d. per annum for the average of the number of members in the class at the beginning of the year and at the end of the year respectively.

(3) The rate of sickness benefit shall be reduced in accordance with Table C. in Part I. of the Fourth Schedule to this Act in the case of any insured person who becomes an employed contributor within one year after the commencement of this Act, and is at the date of so becoming an employed contributor of the age of fifty years or upwards and the number of weekly contributions paid by or in respect of him is at the date of any claim by him for such benefit, less than five hundred.

**Effect of Subsection.**—The reduced rate of sickness benefits set out in Table C in Part I. of the Fourth Schedule is applicable to any employed contributor who fulfils the three following conditions:—

- (1) That he became an employed contributor within one year after the commencement of this Act,
- (2) That he was, at the date of becoming an employed contributor, of the age of fifty or upwards,



(3) That he has not, at the date of any claim by him, paid at least 500 weekly contributions.

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It will therefore be over nine years and seven months (which is the minimum time it will take to pay 500 contributions) before an insured person, who became an employed contributor before July 15, 1913 (*i.e.* within one year after the commencement of this Act, *vide* sec. 115, *infra*, p. 341),<sup>1</sup> and who was over fifty years old when he became an employed contributor, can get full benefits under the Act. The reduced scale is printed here for convenience of reference.

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TABLE C.—*Reduced Rates for Persons over Fifty in certain cases.*

Where the insured person is over 50 and under 60 at the time of becoming an employed contributor—

For men, the sum of 7s. a week throughout the whole period of twenty-six weeks.

For women, the sum of 6s. a week throughout the whole period of twenty-six weeks.

Where the insured person is over 60 at the time of becoming an employed contributor—

For both men and women, the sum of 6s. a week for the first thirteen weeks, and 5s. a week during the second thirteen weeks.

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(4) In the case of every person who, not having been previously insured under this Part of this Act, becomes an employed contributor subsequently to the expiration of one year from the commencement of this Act, and is, at the time of so becoming an employed contributor, of the age of seventeen or upwards, the rate of sickness benefit to which he is entitled shall (unless he proves that his time since he attained the age of seventeen has been spent in a school or college, in indentured apprenticeship or otherwise under instruction without wages, or otherwise in the completion of his education, or unless he undertakes himself to pay the difference between the voluntary rate and the employed rate, or pays to the Insurance Commissioners, to be credited to the society, such capital sum as will be sufficient to secure him benefits at the full rate) be such reduced rate as may be fixed in accordance with tables to be prepared by the Insurance Commissioners, but not in any case less than five shillings a week :

Provided that, if at any time subsequently such person would become entitled to sickness benefit at a higher rate



**Sect. 9.** if he were treated as having become an employed contributor as from the time when he attained the age of seventeen, or as from the expiration of one year after the commencement of this Act, whichever date may be the later, and as being in arrear for all contributions which, had he become an employed contributor at that date, would have been payable in respect of him between that date and the date when he actually became an employed contributor, he shall, if he so elects, be entitled to be so treated.

**Effect of Subsection.**—The effect of this subsection is to reduce the rate of sickness benefit for any person of the age of seventeen or upwards, who, not having been previously insured, becomes an employed contributor more than a year after July 15, 1912 (the date of the commencement of this Act (*vide* sec. 115, *infra*)), except

(1) Where that person proves that, since he attained the age of sixteen, his time has been spent in education, or in indentured apprenticeship, or

(2) Where he undertakes to pay the difference between the voluntary and the employed rate, or pays to the Insurance Commissioners such capital sum as will be sufficient to secure him benefits at the full rates.

The reduced rates are to be fixed by the Insurance Commissioners.

“*Of the age of seventeen or upwards.*”—*Vide* sec. 79, *infra*, p. 257, “A person shall be deemed according to the law in England, Wales, and Ireland, as well as according to the law in Scotland, not to have attained the age of seventeen until the commencement of the seventeenth anniversary of the day of his birth, and similarly with respect to other ages.”

**Table.**—A table showing the rates of sickness benefit and reserve values applicable to men becoming employed contributors at the age of seventeen or upwards after July 15, 1913, has been prepared by the Insurance Commissioners and will be found *infra*, p. 378.

**Proviso.**—The proviso to this subsection is inserted in order to give employed contributors, who would otherwise receive reduced benefits in accordance with the subsection, the opportunity of availing themselves, if it would prove to their advantage to do so, of the provisions whereby arrears are calculated by averaging the number of weekly contributions in arrear over the number of years that have elapsed from the date of entry into insurance. These provisions, as is pointed out (*infra*, p. 76), have the effect of enabling an insured person who has got into arrears to ascend the scale of benefits proportionately to the length of time during which he pays his contributions regularly. The proviso will also in certain cases have the result of enabling an employed contributor to improve his position by taking effective advantage of the provisions of sec. 10 (5), *infra*, with regard to payment of arrears. Examples are given in order to make the matter clear. It should be noted that, in order



not to introduce another factor and so cause confusion, the average number of arrears is calculated in the following examples without reference to the methods prescribed in the Average Arrears Regulations. These regulations are printed on p. 379, *infra*.

*First example.*—A enters into insurance for the first time as an employed contributor on August 12, 1913 (*i.e.* 4 weeks subsequently to the expiration of one year from the commencement of this Act). A's age at the date of such entry into insurance is 25 years and 3 weeks. The reduced rate of sickness benefit fixed for persons over 25 is 6s. 6d. a week, while for persons of under 25 it is 7s. a week. Between August 12, 1913, and Feb. 12, 1915, A has paid his contributions with absolute regularity. On Feb. 12, 1915, he becomes entitled to sickness benefit. He is then entitled, if he so elects, to be treated as having become an employed contributor on July 15, 1913, *viz.* at a date when he was under the age of 25, and as being in arrear for all contributions which would have been payable, had he in fact become an employed contributor on July 15, 1913. Those arrears will only amount to 4 weekly contributions, *viz.* the contributions A did not pay between July 15, 1913, and August 12, 1913. On Feb. 12, 1915, A may elect to be treated as having been an employed contributor for  $1\frac{1}{2}$  years, and to have entered into insurance before he was 25. His arrears, calculated on an average since July 15, 1913, amount to less than 4 weekly contributions a year. The Table in the Fifth Schedule to the Act (*infra*, p. 76) shows that the fact that A is less than 4 weekly contributions in arrear entails no reduction of benefit. Hence A, if he so elects, is entitled on Feb. 12, 1915, to the rate of benefit applicable to persons of under 25, *viz.* 7s. a week, instead of to the reduced rate of 6s. 6d. applicable to persons over 25.

*Second example.*—B enters into insurance for the first time as an employed contributor on July 15, 1916 (*i.e.* 156 weeks subsequently to the expiration of one year from the commencement of this Act). (*Note.*—For this example, for the purpose of clearness and convenience, a year is taken to include exactly 52 weeks.) B's age at the date of his entry into insurance is 24. The maximum reduced rate of sickness benefit fixed for him is 7s. a week. Had B's age been 21, the maximum rate would have been 8s. a week. Between July 15, 1916, and July 15, 1936, B fails to pay 43 contributions. On July 16, 1936, he becomes entitled to sickness benefit. At that date B is entitled to say that his arrears amount to  $156 + 43 = 199$  contributions, *i.e.* 156 in respect of the period from July 15, 1913, to July 15, 1915, and 43 in respect of the subsequent period, and to be treated as having first entered into insurance on July 15, 1913. His arrears calculated on a yearly average since July 15, 1913, will amount to  $199 \div 23$  (23 years having elapsed between July 15, 1913, and July 15, 1936) =  $8\frac{1}{2}\frac{2}{3}$  contributions. This does not amount to 9 contributions a year on average, and B will therefore be entitled to the rate of benefit appropriate to an insured person who was 21 years of age at the date of entry into insurance, and whose arrears amount to 8 contributions a year on average, which reference to the Table in the Fifth Schedule shows is 5s. 6d. a week. But if B does *not* avail himself of the proviso his arrears will only amount to a fraction over 2 contributions a year on average, which entails no reduction of benefit. He will, therefore,

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*Third example.*—C enters into insurance for the first time as an employed contributor on Aug. 19, 1913 (*i.e.* 5 weeks after the expiration of one year from the commencement of this Act). His age at the date of entry into insurance is 22 and 2 weeks. The maximum reduced rate of benefit fixed for him is 7s. 6d. a week. Had his age been under 22 the maximum reduced rate would have been 8s. a week. Between Aug. 19, 1913, and April 13, 1915 (*viz.* 86 weeks) C fails to pay 8 contributions. On April 14, 1915, he becomes entitled to sickness benefit. On that date C is entitled to be treated as if he had entered into insurance for the first time on July 15, 1913, (*i.e.* on the scale of benefit applicable to persons under the age of 22), and as if he was in arrears from that date (*i.e.* in arrears of  $5 + 8 = 13$  contributions). His arrears will, therefore, calculated on a yearly average from July 15, 1913, to April 13, 1915, amount to  $13 \div 1\frac{3}{4}$  (91 weeks having elapsed between July 15, 1913, and April 13, 1915) =  $7\frac{3}{4}$ . This does not amount to 8 contributions a year on average, and C will, therefore be entitled to the rate of benefit appropriate to arrears amounting to 7 contributions a year on average which, the Table shows, is 6s. But, if C had *not* elected to be treated under the proviso, he would have been in arrears to the amount of a fraction over 4 and his reduced rate of 7s. 6d. would only have been reduced to 7s. *Primâ facie*, in this case C would not elect to be dealt with under the proviso. But C can go further and, if he chooses, can exercise his rights under sec. 10 (5) and pay off any arrears that have accrued during the calendar year current at the date of payment and the previous calendar year. Assuming that out of the 8 contributions for which he is in arrear during the period from Aug. 19, 1913, to April 13, 1915, 7 were payable in respect of the calendar years 1914 and 1915, C can pay off these arrears, which will cost him  $7d. \times 7 = 4s. 1d.$ , or, if C is a member of a society which under sec. 10 (6), *infra*, p. 73, excuses such part of arrears as would have been met by the employer's contribution,  $7 \times 4 = 2s. 4d.$  C will then be in arrears to the extent of 6 contributions only, which averaged over  $1\frac{3}{4}$  years will amount to something less than 4 contributions a year. The Table will show that C will then be entitled to the whole of the benefit at the rate applicable to a person who entered into insurance under the age of 22, *viz.* 8s. a week, which is, *ex hypothesi*, more than he could ever obtain, even if he had no arrears, so long as his maximum rate of benefit remained at 7s. 6d.

But it must be recollected that, if he becomes entitled to sickness benefit within a month of paying off such arrears, he will not become entitled to the advantage he has gained by so doing, until one month has expired from the date when he paid off the arrears. Supposing, therefore, that C wishes to pay off his arrears on April 14, it will be May 14 before he is entitled to the higher rate of sickness benefit.

*Fourth example.*—D was 16 years of age on July 1, 1915. He enters into insurance for the first time as an employed contributor on Sept. 29th, 1918. The maximum reduced rate of sickness benefit fixed for him is 8s. 6d. a week. During the next 43 years he only fails to pay his contributions on 12 occasions. On July 1, 1961, he can elect to be treated as having been 46 years



in insurance and as being 181 contributions in arrears (viz. 169 from July 1, 1915, to Sept. 29, 1918, and 12 from the latter date to July 1, 1961). His arrears will consequently amount to less than 4 contributions a year on average, and he will be entitled to full sickness benefit as if he had entered into insurance at the age of 16, viz. 10s. a week instead of 8s. 6d. a week.

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[NOTE.—In point of fact D will be entitled to 10s. a week a few days earlier than July 1, 1961; but the precise date is a matter of difficult calculation.]

**10.**—(1) Where an insured person being a member of an approved society is in arrear to an amount greater than thirteen weekly contributions a year on the average since his entry into insurance, his right to benefits under this Part of this Act other than medical benefit, sanatorium benefit, and maternity benefit shall be suspended, and, where he is in arrears to an amount greater than twenty-six weekly contributions a year on the average since his entry into insurance, his right to medical benefit, sanatorium benefit, and maternity benefit shall be suspended, and at the expiration of the calendar year next after the date when he becomes suspended from all benefits any sums credited to the society in respect of him, calculated in the prescribed manner, shall, if his right to benefits still continues to be suspended, be carried to such account and dealt with in such manner as may be prescribed for the benefit (except so far as such sums comprise sums in respect of a reserve value) of the society or any other society to which such person may subsequently be transferred:

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rates of  
benefits  
where con-  
tributions are  
in arrear.

Provided that, if at any time after suspension from any such benefits he becomes employed within the meaning of this Part of this Act, he shall be entitled to those benefits at such rate, after the lapse of such time and after the payment of such number of contributions, as would have been applicable to his case had he not previously been an insured person, but, if he so elects at any time, the benefits to which he is entitled shall be such as he would be entitled to, were the period from the time of his original entry into insurance taken as a whole.



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(2) Where an employed contributor claiming sickness benefit is at the date of such claim in arrears but the arrears are less than as aforesaid, then the rate of sickness benefit shall be reduced to a sum not less than five shillings a week, or the time when sickness benefit commences deferred, proportionately to the amount of arrears in accordance with the table in the Fifth Schedule to this Act.

(3) Where a voluntary contributor is in arrears, he shall be liable to such proportionate reduction of benefits as may be prescribed.

(4) In calculating arrears of contributions, no account shall be taken of any arrears accruing—

(a) during any period when the person in question has been, or but for this section or any other provision of this Act disentitling a person to such benefit, would have been, in receipt of sickness benefit or disablement benefit; or

(b) in the case of a woman who, being an insured person, is herself entitled to maternity benefit, during two weeks before and four weeks after her delivery, or in the case of maternity benefit payable in respect of the posthumous child of an insured person, during the period subsequent to the father's death; or

(c) in the case of an employed contributor, during the first twelve months after the commencement of this Act;

but, save as aforesaid, contributions shall be deemed to be payable in respect of every week from the date of entry into insurance.

(5) Where an insured person has paid any arrears of contributions payable by or in respect of him which accrued during the calendar year current at the date of payment and the previous calendar year, he shall be treated for the purposes of this section as if the arrears so paid had never become due:

Provided that, if such person is at the date of payment or subsequently within one month thereafter becomes



incapable of work by reason of disease or disablement, he shall, for the purposes of this section, be deemed to be still in arrear in respect of the amount so paid until after the expiration of one month from the date of such payment. Sect. 10.

(6) Any approved society may, if it thinks fit, excuse any part of the arrears which may have accrued due by or in respect of any member who is an employed contributor during any period of unemployment not exceeding such part as would have been payable by the employer had the member continued in his last employment, and in such case the amount of the arrears of that member shall be reduced accordingly.

(7) The average amount of arrears for the purposes of this section shall be calculated in such manner as the Insurance Commissioners may prescribe.

**Object and Effect of Section.**—This section deals entirely with the case of an insured person getting into arrears with his contributions. It will be observed that an *employed* contributor can only get into arrears, (a) if he ceases to be employed and does not keep up his contributions, (b) if his employer fails to pay the necessary contributions. The second case is very carefully guarded against by the provisions of the Act (*vide* sec. 4, and Note, *supra*, pp. 26 and 38), and is likely to occur extremely rarely. On the other hand, the first case will, in all probability, occur extremely often.

Put briefly, the main provisions of the section with reference to employed and voluntary contributors are as follows:—

**A.** *Provisions apply to BOTH employed and voluntary contributors who are members of an approved society (note, for deposit contributors, vide Note, infra).*

(1) Rights to sickness, disablement, and additional benefits are suspended on arrears being greater than thirteen weekly contributions a year on average since entry into insurance (subsec. (1)).

(2) Rights to medical, sanatorium, and maternity benefits are suspended on arrears being greater than twenty-six weekly contributions a year on average since entry into insurance (subsec. (1)).

(3) Where an insured person has been suspended from all benefits, at the end of the calendar year next after such suspension the sums credited to his society in respect of him are, provided his right to benefits continues to be suspended, to be carried to such account and dealt with as may be prescribed by the Insurance Commissioners for the benefit (except so far as such sums comprise sums in respect of a reserve value) of the society or any other society to which he may subsequently transfer. The reserve value will presumably be cancelled (subsec. (1)).



**Sect. 10.** (4) After suspension from any such benefits an insured person is entitled, if he becomes employed within the meaning of this Part of this Act, to those benefits at such rate, after the lapse of such time, and after the payment of such contributions, as if he had not previously been insured. In other words, he has to start afresh on the terms set out in sec. 9 (4), *supra*, p. 67, and sec. 8 (8) (b) (c) and (d), *supra*, p. 62.

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But if at any time it would be more profitable to him to reckon in all the time since his original entry into insurance, he may, if he elects, do so. This will admit of his taking advantage of the process of working up the scale of benefits in the manner more particularly described later on (subsec. (1) *proviso*).

*Example.*—A, after ten years in insurance, is 140 contributions in arrear, 14 on a yearly average, with the result that he is suspended from sickness and disablement benefit. He then obtains regular employment. He will only be entitled to reduced benefits under sec. 9 (4). At the end of 26 years (if he does not add to his arrears), his average number of contributions in arrear will be less than 4 and he can, if he elects, receive full benefits.

[NOTE.—As to arrears when contributions were payable at different rates, *vide* para. 3 (2) of the Regulations as to the mode of calculating average arrears, *infra*, p. 379.]

(5) Arrears accrued due during the current and previous calendar year may be paid up without interest, and as from the date of such payment the insured person is to be treated as if such arrears had never become due; but if he, at or within one month subsequently to that date, is rendered incapable of work by disease or disablement, he is to be deemed in arrear in respect of the sum so paid until after the expiration of a month from the date of such payment (subsec. (5)).

(6) Contributions are to be deemed payable in respect of every week from the date of entry into insurance (subsec. (4)).

(7) Arrears do not run—

(a) when an insured person has been, or but for this section or the provisions of any other section disentitling a person to such benefit would have been in receipt of sickness or disablement benefit;

(b) in the case of a woman who, being an insured person, is herself entitled to maternity benefit during two weeks before and four weeks after her confinement, or in the case of maternity benefit of the posthumous child of an insured person during the period subsequent to the father's death. For the cases in which women who are themselves insured persons are entitled to maternity benefit, *vide* Note on sec. 18 (*infra*, p. 110).

[NOTE.—For special provisions as to arrears of a married woman during coverture, *vide* sec. 44 (1) and (6) (*infra*, p. 158).]

**B. Provisions applying to employed contributors only.**

(1) Where an employed contributor claiming sickness benefit is, at the date of such claim, in arrears of less than thirteen weeks a year on average since entry into insurance, the rate of sickness benefit is reduced to a sum not less than five shillings a week or the date of commencement of payment of his sickness benefit is



deferred, in accordance with the table in the Fifth Schedule (subsec. (2)).

(2) Arrears do not run against an employed contributor during the first twelve months after the commencement of this Act, viz.—from the 15th July, 1912, to the 15th July, 1913.

(3) Any part of the arrears which may have accrued due by, or in respect of any member not exceeding such part as would have been payable by the employer had the member been in employment, may be excused by any approved society (subsec. (6)).

**C. Provisions Applying to Voluntary Contributors only.**—Where a Voluntary Contributor is in arrears, he is to be liable to such proportionate reduction of benefits as may be prescribed by the Insurance Commissioners (subsec. (3)). The tables prescribed by the Commissioners will be found, *infra*, p. 380.

[NOTE.—*Deposit Contributors* are included in the expression “employed contributors,” but it is submitted that none of the provisions of this section apply to deposit contributors in view of the nature of the insurance that is provided for them.]

**Insured Person.**—Includes voluntary and employed contributors (*vide supra*, p. 3).

**Entry into Insurance.**—*Vide supra*, p. 47.

**Benefits other than, &c.**—This means, sickness, disablement, and additional benefits.

**Employed within the meaning of this Part of this Act.**—*Vide supra*, p. 5.

**Suspension.**—*Vide sec. 79 (infra, p. 257).* “The suspension of a member of an approved society from benefits under this Part of this Act shall not be deemed to deprive the member of his membership; ‘Membership of an approved Society’ means membership for the purposes of this Part of this Act.”

**Employed Contributor.**—*Vide supra*, p. 3.

**Less than as Aforesaid,** *i.e.* less than thirteen contributions in a year on an average since his entry into insurance.

**Table in Fifth Schedule.**—This Table is printed here for convenience of reference.

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## FIFTH SCHEDULE.

REDUCTION OR POSTPONEMENT OF SICKNESS BENEFIT AND  
WHERE CONTRIBUTIONS ARE IN ARREARS.

TABLE.

(1)					(2)			
Where the arrears amount to					Rates of Sickness Benefit.			
					Men.		Women.	
					s.	d.	s.	d.
4 contributions a year on average					9	6	7	3
5	"	"	"	-	9	0	7	0
6	"	"	"	-	8	6	6	9
7	"	"	"	-	8	0	6	6
8	"	"	"	-	7	6	6	3
9	"	"	"	-	7	0	6	0
10	"	"	"	-	6	6	5	9
11	"	"	"	-	6	0	5	6
12	"	"	"	-	5	6	5	3
13	"	"	"	-	5	0	5	0
					5s. 0d. commencing 5th day after commencement of illness.			
For both Men and Women.					"	"	6th	" "
					"	"	7th	" "
					"	"	8th	" "
					"	"	9th	" "
					"	"	10th	" "
					"	"	11th	" "
					"	"	12th	" "
					"	"	13th	" "
					"	"	14th	" "

## Notes.

Where the insured person is, by virtue of any of the provisions of Part I. of this Act, other than those relating to arrears, entitled to sickness benefit at a rate lower than the full rate, this Table shall have effect as if the entries in the first column were so shifted down that the first entry therein was set opposite the entry in the second column next below the entry specifying the rate of sickness benefit to which the insured person is entitled.

When the rate of sickness benefit during the first thirteen weeks to which the insured person is entitled is, by virtue of any of the provisions of this Act, other than those relating to arrears, less than 5s. a week, this Table shall have effect as if such lower rate were therein substituted for the rate of 5s. a week.

This Table and the provisions of sec. 10 (1) with regard to calculating arrears on an average spread over the number of years since entry into insurance will have the effect of enabling an insured person, who has got into arrears, and who then is entitled to pay his contributions regularly, materially to improve his position. He will be able to ascend the scale of benefit proportionately to the



length of time during which he pays regularly after having once got into arrears. In other words, in calculating the average, the divisor will *increase* while the dividend remains constant, with a consequent proportionate *decrease* in the quotient. (For examples *vide supra*, pp. 68, 74.)

"Any provision other than those relating to arrears entitling to sickness benefit at a lower rate than the full rate." These provisions are to be found—

- (a) Under sec. 6 (2), *supra*, p. 48, in the case of a voluntary contributor becoming an employed contributor and giving notice of his wish to be transferred to the employed rate.
- (b) Under sec. 9 (1), *supra*, p. 64. In the case of insured persons under the age of twenty-one and unmarried.
- (c) Under sec. 9 (2), *supra*, p. 64. In cases where the rate of sickness benefit exceeds two-thirds of the usual rate of wages or other remuneration earned by the insured person.
- (d) Under sec. 9 (3), *supra*, p. 66. In the case of insured persons who become employed contributors within one year after the commencement of the Act, and are over fifty years of age, and have not paid at least five hundred weekly contributions.
- (e) Under sec. 9 (4), *supra*, p. 67. In the case of persons over the age of sixteen who, not having been previously insured, become employed contributors subsequently to the expiration of one year after the commencement of this Act.
- (f) Under sec. 11, *infra*, p. 79. In a case where an insured person has recovered compensation or damages under the Workmen's Compensation Act, 1906, the Employers' Liability Act, 1880, or at common law in respect of any injury or disease.
- (g) Under a scheme made under sec. 13, *infra*, p. 90.

The effect of the words as to shifting the entries in the first column may readily be understood if it is assumed that the maximum rate of sickness benefit payable in a given case is always to be paid, whenever the person receiving the benefit is less than four weekly contributions a year on an average in arrear, and that, for every such averaged contribution in arrear in excess of three, sixpence is to be deducted from the amount payable in sickness benefit until a sum of five shillings is reached, when the date, on which sickness benefit becomes payable, is postponed by one day for every such averaged contribution in arrear. Similarly, where the maximum rate is under five shillings, the date, on which sickness benefit becomes payable, is postponed by one day for every such averaged contribution in arrear in excess of three, while the sum payable remains at the maximum. The effect of these provisions is to increase very materially the percentage of decrease in benefit for persons whose maximum sickness benefit is under ten shillings in comparison with those who are entitled to the full rate as a maximum. Examples are given to make the matter clear.

*First example.*—The maximum sickness benefit which A can get is 7s. 6d. a week. He becomes entitled to sickness benefit at a moment when he is five contributions in arrear on a yearly average. Five contributions is two in excess of three, therefore, applying the method above suggested, A will get two sixpences less than his maximum, viz. 6s. 6d. a week.

*Second example.*—The maximum sickness benefit which B can

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get is 6s. a week. He becomes entitled to sickness benefit at a moment when he is eight contributions in arrear on a yearly average. Eight contributions is five in excess of three, therefore, applying the method above suggested, A will get two sixpences less than his maximum rate (thereby bringing it down to 5s. a week), beginning on the 7th day after notice (viz. three days later than he would have done had he only been two contributions in arrear in excess of three).

*Third example.*—The maximum sickness benefit which C can get is 4s. 6d. a week. He becomes entitled to sickness benefit at a moment when he is ten contributions in arrear on a yearly average. Ten contributions is seven in excess of three, therefore, applying the method above suggested, C will get 4s. 6d. a week on the 11th day after notice.

[*Note.*—In the case of women substitute threepence for sixpence.]

By the National Health Insurance (Voluntary Contributors' Arrears) Regulations, 1912 (*infra*, p. 380), a voluntary contributors' sickness benefit is to be reduced in accordance with the tables in the schedule to these regulations.

**Notes on Subsec. (4).**—Subsec. (4) (a) applies in the case of an insured person who, and during such period as he, is rendered incapable of work by some specific disease or by bodily or mental disablement of which notice has been given, *vide* sec. 8 (1), (c), (d), but who is disentitled to benefit owing to some other provision in this Act. The other provisions which may disentitle him to sickness or disablement benefit are—

- (1) Sec. 8 (4), *supra*, p. 59, which deals with residence out of the United Kingdom.
- (2) Sec. 8 (6), *supra*, p. 61, reference to which is rendered unnecessary by the provisions of para. (b) of this subsection.
- (3) Sec. 8 (8), (b), (c), *supra*, p. 62, which deals with the period of time to elapse and the number of contributions to be paid by contributors before sickness or disablement benefit is payable.
- (4) Sec. 11, *infra*, p. 79, which deals with insured persons who obtain compensation or damages under the Workmen's Compensation Act, 1906, &c.
- (5) Sec. 14 (2), *infra*, p. 92, where the Act gives power to approved societies to enforce their rules by suspension of benefits. But for this provision the societies would clearly have no power to suspend benefits, hence it is a provision which, if the power conferred by it is made use of, disentitles a person to benefit under the Act. On the other hand, it might give rise to the curious situation of a man, punished by his society by suspension of benefit, gaining thereby an advantage in that his arrears would not count against him. *Sed quære.*
- (6) *Quære* whether sec. 12 (1) is a provision disentitling an insured person from sickness or disablement benefit? This question is discussed, *infra*, p. 85.

*Women entitled to maternity benefit.*—*Vide* sec. 18 and Note thereon (*infra*, p. 110).

*Arrears during the time that a person is an inmate of an institution for charitable or reformatory purposes.*—*Vide* sec. 51 (2), *infra*, p. 207.

*Date of entry into insurance.* (*Vide supra*, p. 47.)



**Note on Subsec. 5.**—It has been submitted (*supra*, p. 39) that there is no obligation on the employed contributor to pay contributions when he is unemployed, but the provisions of this subsection permit him to pay up arrears, in order to keep in benefit or to obtain higher benefits than he would otherwise be entitled to. It will be observed that the right given by this section is confined to the payment of arrears which accrued due during the calendar year *current at the date of payment*, and the previous calendar year. It is submitted that there is nothing to prevent an insured person who is in a position to pay up a portion, but not the whole of his arrears, to allocate his payment to arrears which accrued due during the previous calendar year, in order to preserve his right to pay off arrears which accrued due during the then current calendar year at some future date.

*Proviso.*—It should be observed that the month, during which a person who has paid up arrears is deemed to be still in arrears, runs from the date of surrender of the arrears card and not from the date when he is rendered incapable of work. (*Vide* regulations, *infra*, p. 375.)

**Note on Subsec. 6.**—The words “had the member continued in his last employment” will give the member the benefit of being excused a larger amount than the normal employer’s contribution, if his last employment was one in which, by the Second Schedule (*infra*, p. 346), the employer was bound to pay more than the normal employer’s contribution. The right of the societies to excuse these arrears can only be exercised in respect of employed contributors.

[NOTE.—Arrears of members of a society chargeable with a compulsory levy, *vide* sec. 38 (1) (d) (*infra*, p. 143).]

**Note on sub-sec. 7.**—For the draft regulations made under this section, *vide* National Health Insurance (Average Arrears) Regulations, 1912, *infra*, p. 379.

**11.**—(1) Where an insured person has received or recovered or is entitled to receive or recover, whether from his employer or any other person, any compensation or damages under the Workmen’s Compensation Act, 1906, or any scheme certified thereunder, or under the Employers’ Liability Act, 1880, or at common law, in respect of any injury or disease, the following provisions shall apply:—

(a) No sickness benefit or disablement benefit shall be paid to such person in respect of that injury or disease in any case where any weekly sum or the weekly value of any lump sum paid or payable by way of compensation or damages is equal to or greater than the benefit otherwise payable to such person, and, where any such weekly sum or

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the weekly value of any such lump sum is less than the benefit in question, such part only of the benefit shall be paid as, together with the weekly sum or the weekly value of the lump sum, will be equal to the benefit:

(b) The weekly value of any such lump sum as aforesaid may be determined by the society or committee by which the sickness and disablement benefits payable to such person are administered, but, if the insured person is aggrieved by such determination, the matter shall be settled in manner provided by this Part of this Act for settling disputes between insured persons and societies or committees:

(c) Where an agreement is made as to the amount of such compensation as aforesaid, and the amount so agreed is less than ten shillings a week, or as to the redemption of a weekly payment by a lump sum, under the Workmen's Compensation Act, 1906, the employer shall, within three days thereafter, or such longer time as may be prescribed, send to the Insurance Commissioners, or to the society or committee concerned, notice in writing of such agreement giving the prescribed particulars thereof, and proviso (d) to paragraph (9) of the Second Schedule of the Workmen's Compensation Act, 1906 (which relates to the powers of registrars of county courts to refuse to record memoranda of agreements and to refer the matter to the judge) shall, in cases where the workman is an insured person, apply to agreements as to the amount of compensation in like manner as to agreements as to the redemption of weekly payments by lump sums.

(2) Where an insured person appears to be entitled to any such compensation or damages as aforesaid and unreasonably refuses or neglects to take proceedings to enforce his claim, it shall be lawful for the society or committee concerned, either—



- (a) at its own expense, to take in the name and on behalf of such person such proceedings, in which case any compensation or damages recovered shall be held by the society or committee as trustee for the insured person; or
- (b) to withhold payment of any benefit to which apart from this section such person would be entitled.

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In the event of the society or committee concerned taking proceedings as aforesaid and failing in the proceedings, it shall be responsible for the costs of the proceedings as if it were claiming on its own account.

(3) Nothing in this section shall prevent the society or committee paying to an insured person benefit by way of advance pending the settlement of his claim for compensation or damages, and any advance so made shall, without prejudice to any other method of recovery, be recoverable by deductions from or suspension of any benefits which may subsequently become payable to such person.

**Object of the Section.**—The object of this section is to relieve the insurance fund of the obligation to pay sickness or disablement benefit in regard to any injury or disease in respect of which the insured person may have received or recovered compensation or damages under the Workmen's Compensation Act, 1906 (6 Edw. 7, c. 58), or any scheme certified thereunder, or under the Employers' Liability Act, 1880 (43 & 44 Vict. c. 42), or at common law, and to give approved societies or Insurance Committees, as the case may be, the right to take proceedings in the name of any such insured person to enforce any claim to such compensation or damages when an insured person unreasonably refuses or neglects to take proceedings himself. Any compensation or damages so recovered are to be held by the society or committee in trust for the insured person.

The relief to the fund is absolute in cases where any weekly sum or the weekly value of any lump sum paid or payable in respect of any such compensation or damages is equal to or greater than the benefit otherwise payable; it is relative in cases where any such weekly sum or the weekly value of any such lump sum is less than the benefit otherwise payable, since in these latter circumstances it is confined to the amount of such weekly sum or of such weekly value. In other words, the difference between such weekly sum or such weekly value and the benefit otherwise payable is all that need be paid by way of benefit. In order to prevent an employer from settling a claim for compensation by agreement for an inadequate sum, provisions are inserted compelling an employer who settles



**Sect. 11.** a claim for compensation for less than 10s. a week, or who redeems a weekly payment under the Workmen's Compensation Act, 1906, by making an agreement to pay a lump sum, to send within three days, particulars of such agreement to the Insurance Commissioners or to the society or Insurance Committee concerned. And, further, in such a case, the registrar or judge of a county court is given power to refuse to record the memorandum sent to him for registration, if he thinks that he ought not to register it by reason of the inadequacy of the sum or amount, or by reason of the agreement having been obtained by fraud or undue influence or other improper means.

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**OBJECT OF  
THE SECTION.**

Lastly, the section gives power to societies and Insurance Committees to pay benefit to insured persons by way of advance pending the settlement of any such claim they may have for compensation or damages.

**"Where any Insured Person . . . receive or recover."**

—All the succeeding provisions of the subsection are governed by these words. Their precise meaning is therefore of some importance.

**"Recover."**—This word has a technical meaning, viz. to recover by action and by the judgment of the Court (*cf. Haines v. Welch* (1868), L. R. 4 C. P. 91, where the word is said often to be used in the larger sense of obtaining in any legal manner). It is submitted that the distinction between the words "receive" and "recover" in this section is that the former means obtaining *without* process of law, whereas the latter means obtaining *by* process of law.

Accordingly, the words "where any insured person has received or recovered" would appear to mean "where any insured person has actually obtained in cash, whether by process of law or not," and the words "where any insured person is entitled to receive or recover" would appear to mean "where any insured person has either obtained an admission of liability or a judgment without any payment of cash."

It would seem that where an insured person has so obtained an admission of liability or a judgment, he will not be entitled to sickness or disablement benefit, even though he does not in fact obtain any cash from the person who has made the admission of liability or against whom he has obtained judgment (*cf. the words used in subsec. (1) (a), "in any case where the weekly sum or the weekly value of any lump sum paid or payable"*).

**"Sickness or Disablement Benefit."**—Medical, sanatorium, and maternity benefit, and, *semble*, additional benefits, would still be payable.

**"That Injury or Disease."**—It will be observed that the benefit payable to an insured person to whom this section applies, is only reduced or suspended in respect to any claim for sickness or disablement benefit where that person has been rendered incapable of work by the same injury or disease as that for which he has obtained compensation or damages. Thus an insured person who is in receipt of say 10s. a week, under the Workmen's Compensation Act, and who gets light employment (thus becoming, perforce, an employed contributor) would still be able to claim sickness or disablement benefit up to the maximum in the event of his being rendered



unfit by any specific disease or by bodily or mental disablement other than that for which he is already being compensated.

A difficult case arises where an insured person recovering from an injury or disease for which he is in receipt of compensation, contracts some other specific disease, or becomes disabled owing to some other injury, which is quite unconnected with the disease or injury for which he is being compensated. He will then be rendered incapable of work within the meaning of sec. 8 (1) (c), by the fresh disease or disablement as well as by the specific disease or injury for which he is being compensated. A concrete example will show the position clearly:—A on January 1 commences to get 10s. a week compensation from his employers in respect of a broken leg; on January 3 he contracts scarlet fever. Can A, on January 7, claim sickness benefit as well as his compensation on the ground that he is rendered incapable of work by scarlet fever, inasmuch as scarlet fever is not the disease or injury in respect of which he is being compensated? It is submitted that he can, for he is rendered incapable of work by scarlet fever, and it is not *ad rem* that he is also rendered incapable of work by the fact that he has broken his leg.

#### **Determination of the Weekly Value of a Lump Sum.—**

It is submitted that there is an obligation on the society or committee to determine this value; in other words, that the word "may" means "must." Disputes as to this determination are to be settled in accordance with the provisions of this Part of this Act for settling disputes between insured persons and societies or Committees, viz. in the case of a society, in accordance with the rules of the society, subject to appeal to the Insurance Commissioners; in the case of a Committee, by the Insurance Commissioners (*vide* sec. 67, *infra*, p. 242).

#### **Power of Registrars to refuse to record Memoranda.—**

Proviso (d) to paragraph (9) of the Second Schedule to the Workmen's Compensation Act, 1906, is as follows:—

"When it appears to the registrar of the county court, on any information which he considers sufficient, that an agreement as to the redemption of a weekly payment by a lump sum, or an agreement as to the amount of compensation payable to a person under any legal disability, or to dependants, ought not to be registered by reason of the inadequacy of the sum or amount, or by reason of the agreement having been obtained by fraud or undue influence, or other improper means, he may refuse to record the memorandum of the agreement sent to him for registration, and refer the matter to the judge, who shall, in accordance with the rules of the Court, make such order (including an order as to any sum already paid under the agreement) as under the circumstances he may think fit."

**Effect of not Registering the Agreement.—***Vide* paragraph (10) of the Second Schedule to the Workmen's Compensation Act, 1906. "An agreement as to the redemption of a weekly payment by a lump sum if not registered in accordance with this Act shall not, nor shall the payment of the sum payable under the agreement, exempt the person by whom the weekly payment is payable from liability to continue to make that weekly payment, and an agreement as to the amount of compensation to be paid to a person under a legal disability or to dependants, if not so registered, shall

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"THAT  
INJURY OR  
DISEASE."



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 EFFECT OF  
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 REGISTERING  
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not, nor shall the payment of the sum payable under the agreement, exempt the person by whom the compensation is payable from liability to pay compensation, unless, in either case, he proves that the failure to register was not due to any neglect or default on his part."

**Lump Sum Agreement not in Redemption of Weekly Payment.**—In *Ryan v. Hartley*, [1912] 2 K. B. 150 the Court of Appeal held that there was nothing in the Workmen's Compensation Act, 1906, to prevent an adult workman, before entering a claim for an award and before payment of any weekly sum has been made to him, from coming to an arrangement by way of compromise with his employer to accept a lump sum in satisfaction of all claims in respect of an injury caused by an accident which has happened to him whilst in the employer's service, and such agreement, if entered into, would be valid although not registered under the Act. It was further held that clause 10 of the Second Schedule to the Act had no application to a case where no weekly payment had ever in fact been made.

It is submitted that the effect of this decision is to render nugatory the provisions of subsec. (1) (c) of this section in the case of a lump sum agreement made with a workman *sui juris* before a claim for an award has been entered and before payment of any weekly sum. If such an agreement can validly be made, and if there is no necessity to register it, the sanction provided by the latter part of para. (c) has no force. The insured person will be held to the agreement and, however much the Insurance Commissioners or the Society may think that the lump sum is inadequate, they will have no means of getting that sum increased. The whole section appears to have been drafted on the assumption (which must now be taken to have been erroneous) that compensation under the Workmen's Compensation Act, 1906, could only take the form of weekly payments or of a lump sum in redemption of such payments. It is questionable whether, in the case of an agreement such as is now under discussion, para. (c) has any application at all, and whether the employer who makes such an agreement is under the necessity of giving any notice thereof. The words are "where an agreement is made as to the amount of such compensation as aforesaid and the amount so agreed is less than ten shillings a week" clearly contemplating a weekly payment only, and "or as to the redemption of a weekly payment by a lump sum" equally clearly not including a lump sum not by way of redemption of a weekly payment. On the other hand, "such compensation as aforesaid" must refer back to the words in para. (a) "any weekly sum or the weekly value of any lump sum paid or payable by way of compensation" which are wide enough to cover the case of a lump sum not in redemption of a weekly payment. Until the point is settled it would appear to be safer for an employer who has made a lump sum agreement not in redemption of a weekly payment to give notice even though giving the notice cannot result in the Insurance Commissioners, society or committee, being able to take any effective steps to alter the agreement.

*Hartley v. Ryan* has not been taken to the House of Lords, and it would seem very possible that that House would take a different view from that taken by the Court of Appeal.



**Notice to be given by the Employer.**—The Act and the regulations made thereunder are carefully drawn so that the employer has no knowledge of the name of the society to which his employee may belong and consequently he will, in most cases, have to give notice to the Insurance Commissioners. Unless the Insurance Commissioners have any means of identifying the society to which the man belongs, it would seem that it will be for them to take such steps as they may think well to take in order to make sure that the compensation is adequate. It is submitted that the effect of para. (c) is to give the Insurance Commissioners, Society, or Committee a right to be heard before the registrar or judge on proceedings under para. (9) of the Second Schedule to the Workmen's Compensation Act. It would seem difficult for the Insurance Commissioners effectively to carry out the intention of para. (c).

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**Damages.**—Where an employed contributor has a claim for damages under the Employers' Liability Act or at common law, there would appear to be no means of questioning the adequacy of any sum for which he has agreed to settle the claim.

**"Where an Insured Person appears to be Entitled," &c.**—*Seem* this means "where an insured person has, in the opinion of the society or committee concerned, a good claim for compensation or damages."

**"Any Compensation or Damages recovered."**—*Quære* whether this means the whole amount of the damages or compensation recovered, or that amount less any sum which the society or committee may have had to pay in costs? *Seem*, the latter, as the society or Committee are expressly made liable for the costs if the proceedings fail, but nothing is said as to costs if they win.

**"Any other Method of Recovery."**—*Seem*, the advance of benefit under subsec. (2) would create a simple contract debt between the society or Committee and the person to whom the advance was made, and would be recoverable as such.

**12.**—(1) No payment shall be made on account of sickness disablement or maternity benefit to or in respect of any person during any period when the person to or in respect of whom the benefit is payable is an inmate of any workhouse, hospital, asylum, convalescent home, or infirmary, supported by any public authority or out of any public funds or by a charity, or voluntary subscriptions, or of a sanatorium or similar institution approved under this Part of this Act.

**Sect. 12.**

Provisions in the case of contributors who are inmates of hospitals, &c.

(2) During such period as aforesaid the sum which would otherwise have been payable on account of any such benefit to or in respect of such person—

(a) shall be paid to or applied in whole or in part for the relief or maintenance of his dependants (if



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any) in such manner as the society or committee by which the benefit is administered, after consultation whenever possible with such person, thinks fit; or

- (b) if such person, being a member of an approved society, is an inmate of a sanatorium or similar institution in which he is receiving treatment in accordance with the provisions of this Part of this Act, and has no dependants, shall be paid to the Insurance Committee towards the general purposes thereof; or
- (c) if such person, being a member of an approved society, is an inmate of a hospital, asylum, convalescent home, or infirmary supported by charity or by voluntary subscriptions and has no dependants, shall, if an agreement for the purpose has been made between the society or committee and the hospital, asylum, convalescent home, or infirmary, be paid, in whole or in part, according to such agreement, towards the maintenance of such person in the hospital, asylum, convalescent home, or infirmary:

Provided that—

- (i) any part of such sum which is not so applied as aforesaid may, if the society or committee thinks fit, be applied in the provision of any surgical appliances required for the insured person or otherwise for his benefit; and
- (ii) if such an inmate as aforesaid is a married woman or widow, and the sums so payable or applicable as aforesaid include the sums which would have been payable both on account of sickness or disablement benefit and on account of maternity benefit, no part of the sum which would otherwise be payable on account of maternity benefit shall be paid or applied for the relief or maintenance of her dependants, but such sum may be paid to the hospital, asylum, convalescent home, or infirmary of which she is an inmate



as aforesaid in like manner as if she had no dependants. Sect. 12.

- (iii) Where any person who is entitled to any benefit under this Part of this Act, or a woman whose husband is entitled to maternity benefit in respect of her confinement, applies for admission to any workhouse infirmary, admission thereto shall not be refused on the ground only of the right to such benefit.

**Object of the Section.**—The section provides that while contributors are inmates of workhouses, hospitals, etc., or sanatoria, no payment is to be made on account of sickness, disablement, or maternity benefit to or in respect of any such person. It then proceeds to direct what, in certain cases, is to be done with the money which would otherwise have been payable in such benefits.

*Quære* whether this section is a provision disentitling an insured person to benefit within the meaning of sec. 10 (4) (a) (*supra*, p. 72)? It is submitted that it is; proviso (i) does not give a right to sickness benefit, &c. Consequently arrears will not accrue.

**Maternity Benefit.**—This benefit is treated as a benefit to the husband in all cases except in the case of insured women who are not the wives or widows of insured persons (*vide* sec. 18, *infra*, p. 110). Thus this section will apply in the case of all married women except insured married women whose husbands are not insured persons while their husbands are inmates of any of the institutions mentioned. Further, the section will apply to all husbands who are entitled to maternity benefit in respect of their wives while their wives are inmates of the said institutions.

It is not easy to say definitely what will be the precise result of these provisions. The phraseology of the section—"during any period when"—is apt in the case of a payment which, as is the case with sickness and disablement benefit, is in respect of a period of time, but is not easy to construe with regard to single payment in respect of a definite occasion such as maternity benefit. Three different constructions may be suggested:—(1) That maternity benefit accrues due as a single payment at the moment of confinement and that the mere fact that the husband or wife is at that moment an inmate of an institution will be sufficient to deprive him or her of the whole sum; (2) that the benefit need not be paid at any particular moment and that the Society or Committee concerned can wait until the husband or wife has ceased to be inmates of the institution, and then pay him or her the benefit in full; (3) that maternity benefit should be considered as a divisible payment, and that the amount to be withheld should be proportionate to the time during which the husband or wife was an inmate of an institution. None of these constructions appears to be satisfactory. By sec. 18 it is provided that maternity benefit may be administered "in cash or otherwise." *Quære* whether this admits of payment partly in cash and partly



**Sect. 12.** otherwise? If so it would seem that the Act contemplates the divisibility of the benefit.\*

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BENEFIT.**

If the husband is entitled to the benefit and is an inmate of an institution the sum withheld will be paid to his dependants so that in most cases the wife will get some, if not all, of the money. If the woman is entitled to the benefit and is an inmate of an institution the sum withheld will be paid to her dependants. Where a married woman or widow is an inmate of an institution and she is entitled to sickness or disablement benefit and maternity benefit is payable to or in respect of her, the sum otherwise payable as maternity benefit is not to go to her dependants, but may be paid to the institution of which she is an inmate (*vide* proviso (ii) to subsec. (2)).

**"Supported by any Public Authority," &c.**—It is submitted that these words will cover the case of an institution mentioned therein which is supported partly by one and partly by another, or by any other of the sources indicated. The distinction between charity and voluntary subscriptions is not very clear. It would appear the words "voluntary subscriptions" have been inserted *ex abundanti cautela*, possibly in order to cover the case where part of the income of an institution is derived from voluntary contributions made by the inmates.

**Hospital.**—This word is defined in Murray's Dictionary as:

- (1) A house or hostel for the reception and entertainment of pilgrims, travellers, and strangers; a hospice.
- (2) A charitable institution for the housing and maintenance of the needy; an asylum for the destitute, infirm, or aged.
- (3) A charitable institution for the education and maintenance of the young. Now only in Sc. legal use, and in names of ancient institutions, such as Christ's Hospital, London, and Heriot's Hospital, Edinburgh.
- (4) A house for the corporate lodging of students in a university; a hostel or hall.
- (5) An institution or establishment for the care of the sick or wounded or of those who require medical treatment. (The current sense.)

There are numerous decisions on the word; the two extracts following are, perhaps, the most illuminating.

"Now there is no manner of difference between a college and an hospital, except only in degree; an hospital is for those that are poor and mean and low and sickly; a college is for another sort of indigent persons; but it hath another intent to study in, and breed up persons in the world that have not otherwise to live; but still it is as much within the reason of hospitals." *Per* Holt, C.J. *Philips v. Bury* (1788), 2 T. R. 353.

For the modern interpretation put upon the word hospital, *vide* *per* Channel, B., in *Colchester v. Kewney* (1866), 35 L. J. Ex. at p. 206, "The old authorities tend to shew that an hospital must be incorporated. But they shew something more, for Lord Coke says, in the case of *Sutton's Hospital*, 10 Rep. 1, that there is no legal hospital except where the poor persons benefited are themselves

\* Reference should be made to circular A. S. 73 issued by the Commissioners on Dec. 21, 1912. This circular appears to contemplate the divisibility of the benefit.



incorporated. It seems, however, tolerably clear that a legal hospital in that sense is not meant when the word hospital is used in this section (38 Geo. 3, c. 5, s. 25, a section exempting hospitals from land tax) . . . It seems rather more reasonable to hold that the word is used in a popular sense only . . . by which we understand rather an institution for the relief of the sick or aged, than for the maintenance and education of children."

It is submitted that the popular sense above indicated is that in which the word is used in this section.

Reference may also be made to *Ormskirk Union v. Chorlton Union*, [1903] 2 K. B. 498.

Statutes in which the word has been defined are—

Idiots Act, 1886 (49 & 50 Vict. c. 25), s. 17.

Lunacy Act, 1890 (53 Vict. c. 5), s. 341.

Public Health (London) Act, 1891 (54 & 55 Vict. c. 76), s. 141.

**Sanatorium or similar Institution Approved under this Part of this Act.**—*Vide* sec. 16 (1), *infra*, p. 105. *Semble*, these words do not bear a narrower meaning than the words "Sanatoria or other Institutions" used in sec. 16. *Quære* whether these words include a convalescent home. It is submitted that they do.

**Approved** was to seem to mean approved by the Local Government Board *cf.* sec. 16 (1) (a).

**Dependants.**—This expression is defined in sec. 79, *infra*, p. 257. "The expression 'dependants' in relation to any person, includes such person as the approved society or Insurance Committee shall ascertain to be wholly or in part dependent upon his earnings." For the meaning of the words "wholly or in part dependent" *vide* Note, *supra*, p. 24.

**Effect of Subsec. 2.**—It will be observed that the words are mandatory throughout. It is submitted that the governing provision is to be found in (a) and that the provisions of (b) and (c) and of the proviso are qualifications on that governing provision. The general rule is that, during the period referred to in subsec. (1), the sums otherwise payable by way of benefit are to be paid in whole or in part to dependants, but that

(1) Where a member of an approved society is

(a) an inmate of a sanatorium or similar institution

(b) in which he is receiving treatment according to the provisions of this Part of the Act, *and*

(c) has no dependants,

the sums aforesaid are to go to the Insurance Committee.

(2) Where a member of an approved society

(a) is an inmate of a hospital, convalescent, home or infirmary supported by charity or by voluntary subscriptions, *and*

(b) has no dependants, *and*

(c) if the society or committee has made an agreement with the hospital, convalescent home, or infirmary for the purpose,

the sums aforesaid are to be paid towards the maintenance of such member in the hospital, convalescent home, or infirmary.

(3) Where a married woman or a widow is entitled to sickness benefit in addition to maternity benefit (*vide supra*, p. 61), the sum

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**HOSPITAL.**



**Sect. 12.** payable on account of maternity benefit is not in any case to go to her dependants, but may be paid to the hospital, convalescent home, or infirmary of which she is an inmate.

**EFFECT OF  
SUBSEC. (2).**

(4) Any sums not so dealt with may, in the discretion of the society or committee, be applied in the provision of surgical appliances for the insured person or otherwise for his benefit.

(5) The mere fact that a person is entitled to benefit, or, in the case of a woman, that her husband is entitled to maternity benefit in respect of her, is not a ground on which admission to a work-house infirmary can be refused.

**"In Whole or in Part."**—*Seem*, that where there are dependants some part of the benefit money must go to them, but the question of the amount is left to the discretion of the society or Committee. The dependants seem to have a first charge on the benefit.

**"Hospital, Convalescent Home or Infirmary."**—It will be noticed that these words are qualified in subsec. (c) by the words "supported by charity or by voluntary subscriptions." A question arises whether these words include such an institution which is partly so supported and partly otherwise. It is submitted that they do, and that, to be within the words, the institution need not be wholly supported by charity or voluntary subscriptions.

**Deposit Contributors.**—It will be observed that subsecs. (b) and (c) do not apply to deposit contributors (*infra*, sec. 42), whose benefit money will be dealt with under the general rule, or under proviso (i).

**Sect. 13.**

**Power to vary  
benefits in  
certain cases.**

**13.**—(1) Any approved society may submit to the Insurance Commissioners a scheme for substituting any of the additional benefits for sickness benefit and disablement benefit or either of those benefits or any part thereof, and the scheme may provide as respects the members of the society to whom the scheme applies that any such benefits shall be abolished or the rate thereof reduced or, in the case of sickness benefit, the commencement thereof postponed; and the scheme may contain such incidental and consequential provisions as appear necessary for adapting the other provisions of this Part of this Act to the members to whom the scheme applies.

(2) The scheme shall apply either to all members of the society or to any specified class thereof or to any members of the society who may elect to come under the scheme, according as may be provided by the scheme.

(3) A scheme made under this section shall not have any effect unless and until confirmed by the Insurance Commissioners, and the Insurance Commissioners shall



not confirm any such scheme unless satisfied that the value of the additional benefits conferred by the scheme is equivalent to the value of the benefits for which they are substituted, and that, in view of the special circumstances of the members or class of members intended to come under the scheme, there is good reason for substituting the additional benefits conferred by the scheme for the benefits for which they are substituted.

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(4) Nothing in this section or in any scheme made thereunder shall affect the amount of any reserve value to be credited to a society in respect of a member, and such reserve values shall be calculated as if the scheme had not been made.

**Object of Section.**—This section enables approved societies to substitute any of the additional benefits for sickness and disablement benefit. It should be observed that it gives no power to substitute anything in the place of sanatorium, medical, or maternity benefit, and that the substituted benefits are confined to those set out in Part II. of Fourth Schedule to the Act (*infra*, p. 351). This power is exercised by drawing up a scheme for the purpose, which does not become operative until it has been confirmed by the Insurance Commissioners.

Such a scheme may deal either with sickness or disablement benefit only, or with both of these benefits, or with any part thereof. These benefits may—

- (1) be abolished, or
- (2) continue to be given at reduced rates, or
- (3) in the case of sickness benefit, the commencement thereof may be postponed (*i.e.* later than the fourth day after the insured person has been rendered incapable of work).

A scheme may apply—

- (1) to all the members of the Society, or
- (2) to any specified class of such members, or
- (3) to such members as may elect to come under the scheme.

A scheme is not to be confirmed by the Insurance Commissioners, unless they are satisfied—

- (1) that the value of the benefits substituted are equivalent to the value of the benefits for which they are substituted.
- (2) that in view of the special circumstances of the members or class of members intended to come under the scheme, there is good reason for making the proposed substitution of benefits.

In subsec. (4) there is special provision that nothing in this section or in the scheme is to affect reserve values.

A Memorandum and Report on substituted benefits under this section has been issued [Cd. 6292]. This document should be consulted by any society desirous of availing itself of the provisions of this section.



**Sect. 13.** **Members to whom such a Scheme applies.**—There is provision, as has already been seen, for making such a scheme as will admit of members choosing whether they will come under it or not. But there is no express provision enabling societies to make such a scheme as would admit of members afterwards going back to the ordinary benefits conferred by this Part of the Act. *Quære* whether once a member has elected to come under a scheme, he will be bound to remain under the scheme? Transfers of members to whom such a scheme applies, will, presumably, be provided for by the scheme under the power to make incidental and consequential provisions.

**Special Circumstances of Members.**—This section was inserted largely to meet the demand of persons who do not lose wages or employment on becoming ill and for whom, therefore, other benefits, such as pensions, would be a more suitable form of provision. *Vide* also sec. 47, *infra*, p. 185.

### *Administration of Benefits.*

**Sect. 14.** **14.**—(1) Sickness benefit, disablement benefit, and maternity benefit shall be administered, in the case of insured persons who are members of an approved society, by and through the society, or a branch thereof, and in other cases by and through the Insurance Committees; medical and sanatorium benefits shall in all cases be administered by and through the Insurance Committees, additional benefits shall be administered by the society or branch of which the persons entitled thereto are members, except where such benefits are in the nature of medical benefits, in which case they shall be administered by and through the Insurance Committees.

Administra-  
tion of  
benefits by  
approved  
societies or  
the Insurance  
Committee.

(2) Subject to the provisions of this Part of this Act, an approved society may, with the consent of the Insurance Commissioners, provide for the application of its existing rules or make new rules with regard to the manner and time of paying or distributing, and mode of calculating, benefits, suspension of benefits, notices and proof of disease or disablement, behaviour during disease or disablement, and the visiting of sick or disabled persons, and for the infliction and enforcement of penalties (whether by way of fines or suspension of benefits or otherwise) in the case of any member being



an insured person who is guilty of any breach of any such rule, or of any imposition or attempted imposition in respect of any benefit under this Part of this Act, and may, from time to time with the like consent, alter or repeal any such rules ; but—

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- (a) no fine imposed under any such rule shall exceed ten shillings or, in the case of repeated breaches of rules, twenty shillings ;
- (b) no such rule shall provide for the suspension of any benefit for a period exceeding one year ;
- (c) every such rule relating to the visiting of insured persons by visitors appointed by the society shall provide that women shall not be visited otherwise than by women ;
- (d) every such rule relating to behaviour during disease or disablement shall be in the prescribed form ;
- (e) no such rule shall prescribe any penalty, nor shall any insured person be subject to any penalty, whether by suspension of benefit or otherwise, on account of the refusal by any such person to submit to a surgical operation, or vaccination, or inoculation of any kind, unless such refusal in the case of a surgical operation of a minor character is considered by the society, or on appeal the Insurance Commissioners, unreasonable ;
- (f) no such rule shall provide for inflicting as a penalty for breach of rules or imposition or attempted imposition on the part of an insured person suspension of maternity benefit in respect of the confinement of his wife, where his wife has not herself been guilty of any such breach, imposition, or attempted imposition.

(3) The Insurance Committee shall, subject to the approval of the Insurance Commissioners, make rules in respect of any of the matters mentioned in the last preceding sub-section with regard to the administration of benefits by the committee ;



**Sect. 14.** — Provided that no such rule relating to anything to be done by, to, or through the Post Office shall be made without the consent of the Postmaster-General.

(4) Where, under any such rule as aforesaid, payment of sickness or disablement benefit is suspended on the ground that the disease or disablement has been caused by the misconduct of the person claiming the benefit, such person shall not thereby become disentitled to medical benefit.

(5) Where under any Act regulating the constitution of a society which becomes an approved society the rules of the society are required to be registered, any rules approved under this section by the Insurance Commissioners shall forthwith be registered, but till so registered shall have effect as if they had been duly registered.

**Object of Section.**—The object of the section is—

- (1) to distinguish between the functions of approved societies and Insurance Committees in regard to the administration of benefits, and
- (2) to define the powers of these bodies in respect to making rules for carrying out those functions.

**Administrative Functions.**—(1) *Approved societies*, or their branches, are charged with the administration of (i) sickness benefit, (ii) disablement benefit, (iii) maternity benefit, and (iv) additional benefits (in so far as such benefits are not in the nature of medical benefits), in the case of their own members. They never have anything to do with the administration of sanatorium or medical benefit.

(2) *Insurance Committees* are charged with the administration of (i) sanatorium, (ii) medical benefit, and (iii) additional benefits (in so far as such benefits are in the nature of medical benefit), in the case of *all* insured persons. They are also charged with the administration of (i) sickness, (ii) disablement, and (iii) maternity benefit in the case of deposit contributors. The provisions subject to which Insurance Committees are to administer medical and sanatorium benefit are to be found in sec. 15, *infra*, p. 96, and sec. 16, *infra*, p. 105, respectively. With regard to maternity benefit, the provisions subject to which it is to be administered by societies or Insurance Committees, as the case may be, will be found in sec. 18, *infra*, p. 110.

[NOTE.—Medical and sanatorium benefit of members of the Seamen's National Insurance Society are to be administered by the society and not by the Insurance Committee.]

**Rules of approved societies.**—The rules of societies, in so far as they already exist and apply to members who do not become insured under this Part of this Act, are left untouched. With regard to members who are insured persons, they may, with the consent of



the Insurance Commissioners, apply their existing rules (so far as these rules do not conflict with the provisions of this section), or make new rules in regard to the following matters\* :—

- (1) Manner and time of paying or distributing benefits ;
- (2) Mode of calculating benefits ;
- (3) Suspension of benefits ;
- (4) Notices and proof of disease and disablement ;
- (5) Behaviour during disease or disablement ;
- (6) Visiting of sick or disabled persons ;
- (7) Infliction and enforcement of penalties in the case of any member who is guilty of any breach of any such rule or of any imposition or attempted imposition in respect of any benefit under this Part of this Act.

With regard to (1). The payments for sickness and disablement benefit are expressed in sec. 8 (1), *supra*, p. 51, to be periodical. Except for this the society have a discretion as to the precise time and manner at or in which payments are to be made.

(2) It is a little difficult to see how the societies can have any discretion as to the mode of calculating benefits. The amount of benefits is fixed under the Act. Perhaps these words may refer to cases where (as, for example, under sec. 9 (2)) societies have got to calculate the value of a benefit, or some part of it, in which case they are to be allowed to choose their own mode of calculating the value.

(3) The cases in which benefit is to be suspended under the Act will be found set out on p. 78, *supra*. In the case of disease or disablement caused by the misconduct of the person claiming the benefit, medical benefit cannot be suspended (subsec. (4)).

(4) The principal cases where notice is required by the Act are : Sec. 6 (1) (*supra*, p. 48), (where the manner in which the notice is to be given is to be prescribed by the Insurance Commissioners); sec. 8 (1) (c) (*supra*, p. 51).

(5) There is no discretion in a society in regard to rules for behaviour during disease or disablement, for by subsec. (2) (d), such rules must be in the form prescribed by the Insurance Commissioners for which *vide* National Health Insurance (Behaviour during Disease) Regulations (England), 1912, *infra*, p. 381.

(6) By subsec. 2 (c). Every rule relating to visiting insured persons must provide that women are visited by women only.

(7) The power to make rules in respect of penalties are limited by the following provisions :—

- (a) No fine shall exceed ten shillings for an isolated or occasional breach of rules, or, in cases of repeated breaches of rules, twenty shillings (subsec. 2 (a)) ;
- (β) No such rule shall provide for suspension of benefits for a period exceeding one year (subsec. 2 (b)) ;
- (γ) No such rule shall prescribe any penalty, whether by way of suspension or otherwise, on account of the refusal by any insured person to submit to a surgical operation or vaccination or inoculation except in the case of an unreasonable refusal to undergo a surgical operation of a minor character (subsec. 2 (e)) ;

\* The Insurance Commissioners have issued model rules for approved societies.

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ADMINIS-  
TRATIVE  
FUNCTIONS.



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ADMINISTRATIVE  
FUNCTIONS.

(δ) No such rule shall provide for withholding maternity benefit from the wife of an insured person unless the said wife herself has been guilty of breach of any rule or of attempted imposition (subsec. (2) (f)).

*Rules of Insurance Committees.*—Insurance Committees are, subject to the approval of the Insurance Commissioners, to make rules in respect of the same matters as those in respect of which the approved societies may make rules, and *semble*, the same restrictions will apply. Besides the approval of the Insurance Commissioners the Insurance Committees will have to obtain the consent of the Postmaster-General to any rule relating to anything to be done by, to, or through the Post Office.

**Insured Persons** includes voluntary and employed contributors (sec. 1 (1), *supra*, p. 1).

**Approved Societies.**—*Vide* sec. 23, *infra*, p. 114.

**Insurance Committees.**—*Vide* sec. 59, *infra*, p. 221.

**Imposition or Attempted Imposition.**—*Cf.* sec. 69 (1), *infra*, p. 246, which makes a person who, for the purpose of obtaining any benefit under this Part of this Act, either for himself or for any other person, knowingly makes any false statement or false representation, liable, on summary conviction, to imprisonment for a term not exceeding three months with or without hard labour.

**Suspension of Benefit.**—*Quære* whether arrears accrue during suspension by a society? It is submitted that they do not, if the member, but for the suspension, would have been entitled to benefit, *vide supra*, p. 78.

**“Any Penalty . . . whether by Suspension of Benefit or Otherwise.”**—It is submitted that no penalty at all can be imposed upon an insured person who refuses to submit to a surgical operation other than a minor surgical operation; and that the words “whether by suspension of benefit or otherwise” are not to be construed as limiting the penalties to which such a person may be subjected for such refusal, to the penalty of suspension or penalties *ejusdem generis*, thus inferentially making it possible for a penalty of a fine to be incurred in a case of such refusal.

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Administra-  
tion of  
medical  
benefit.

**15.**—(1) Every Insurance Committee shall, for the purpose of administering medical benefit, make arrangements with duly qualified medical practitioners in accordance with regulations made by the Insurance Commissioners.

(2) The regulations made by the Insurance Commissioners shall provide for the arrangements made being subject to the approval of the Insurance Commissioners and being such as to secure that insured persons shall, save as herein-after provided, receive adequate medical attendance and treatment from the medical practitioners with whom arrangements are so made, and shall require



the adoption by every Insurance Committee of such system as will secure—

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- (a) the preparation and publication of lists of medical practitioners who have agreed to attend and treat insured persons whose medical benefit is administered by the committee ;
- (b) a right on the part of any duly qualified medical practitioner who is desirous of being included in any such list as aforesaid of being so included, but, where the Insurance Commissioners, after such inquiry as may be prescribed, are satisfied that his continuance in the list would be prejudicial to the efficiency of the medical service of the insured, they may remove his name from the list ;
- (c) a right on the part of any insured person of selecting, at such periods as may be prescribed, from the appropriate list the practitioner by whom he wishes to be attended and treated, and, subject to the consent of the practitioner so selected, of being attended and treated by him ;
- (d) the distribution amongst, and, so far as practicable, under arrangements made by, the several practitioners whose names are on the lists, of the insured persons who after due notice have failed to make any selection, or who have been refused by the practitioner whom they have selected ;
- (e) the provision of medical attendance and treatment, on the same terms as to remuneration as those arranged with respect to insured persons, to members of any friendly society which, or a separate section of which, becomes an approved society who were such members at the date of the passing of this Act, and who are not entitled to medical benefit under this Part of this Act by reason either that they are of the age of sixty-five or upwards at the date of the commencement of this Act, or that being subject to permanent disablement at that date they are not qualified to become insured persons ;



**Sect. 15.** Provided that, if the Insurance Commissioners are satisfied after inquiry that the practitioners included in any list are not such as to secure an adequate medical service in any area, they may dispense with the necessity of the adoption of such system as aforesaid as respects that area, and authorise the Committee to make such other arrangements as the Commissioners may approve ; or the Commissioners may themselves make such arrangements as they think fit, or may suspend the right to medical benefit in respect of any insured persons in the area for such period as they think fit, and pay to each such person a sum equal to the estimated cost of his medical benefit during that period, and, where the Commissioners take any such action themselves, they shall retain and apply for the purpose such part of the sums payable to the Insurance Committee in respect of medical benefit as may be required.

(3) The regulations made by the Insurance Commissioners shall authorise the Insurance Committee by which medical benefit is administered to require any persons whose income exceeds a limit to be fixed by the Committee, and to allow any other persons, in lieu of receiving medical benefit under such arrangements as aforesaid, to make their own arrangements for receiving medical attendance and treatment (including medicines and appliances), and in such case the Committee shall, subject to the regulations, contribute from the funds out of which medical benefit is payable towards the cost of medical attendance and treatment (including medicines and appliances) for such persons sums not exceeding in the aggregate the amounts which the Committee would otherwise have expended in providing medical benefit for them.

(4) The regulations shall provide that, in the case of persons who are entitled to receive medical attendance and treatment under any system or through any institution existing at the time of the passing of this Act and approved by the Insurance Committee and the Insurance Commissioners, such medical attendance and



treatment may be treated as, or as part of, their medical benefit under this Part of this Act, and may provide for the Committee contributing towards the expenses thereof the whole or any part of the sums which would be contributed in the case of persons who have made their own arrangements as aforesaid, so, however, that such regulations shall secure that no person be deprived of his right, if he so elects, of selecting the duly qualified medical practitioner by whom he wishes to be attended and treated, in accordance with the foregoing provisions of this section.

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(5) Every such Committee shall also make provision for the supply of proper and sufficient drugs and medicines and prescribed appliances to insured persons in accordance with regulations made by the Insurance Commissioners, which shall provide for the arrangements made being subject to the approval of the Insurance Commissioners and being such as to enable insured persons to obtain from any persons, firms, or bodies corporate with whom arrangements have been made such drugs, medicines, and appliances if ordered by the medical practitioner by whom they are attended, and shall require the adoption by every Insurance Committee of such a system as will secure—

- (a) The preparation and publication of lists of persons, firms, and bodies corporate who have agreed to supply drugs, medicines, and appliances to insured persons whose medical benefit is administered by the Committee, according to such scale of prices as may be fixed by the Committee;
- (b) A right on the part of any person, firm, or body corporate desirous of being included in any such list as aforesaid of being so included, for the purpose of supplying such drugs, medicines, and appliances as such person, firm, or body corporate is entitled by law and authorised by the Committee to supply, except in cases where the Insurance Commissioners after inquiry are satisfied that the inclusion or continuance of the



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person, firm, or body corporate in such list would be prejudicial to the efficiency of the service :

Provided that—

- (i) If the Insurance Commissioners are satisfied that the scale of prices fixed by the Committee is reasonable, but that the persons, firms, or bodies corporate included in any list are not such as to secure an adequate and convenient supply of drugs, medicines, and appliances in any area, they may dispense with the necessity of the adoption of such system as aforesaid as respects that area and authorise the Committee to make such other arrangements as the Commissioners may approve;
- (ii) Except as may be provided by regulations made by the Insurance Commissioners, no arrangement shall be made by the Insurance Committee with a medical practitioner under which he is bound or agrees to supply drugs or medicine to any insured persons ;
- (iii) Subject to the regulations made by the last foregoing proviso the regulations shall prohibit arrangements for the dispensing of medicines being made with persons other than persons, firms, or bodies corporate entitled to carry on the business of a chemist and druggist under the provisions of the Pharmacy Act, 1868, as amended by the Poisons and Pharmacy Act, 1908, who undertake that all medicines supplied by them to insured persons shall be dispensed either by or under the direct supervision of a registered pharmacist or by a person who, for three years immediately prior to the passing of this Act, has acted as a dispenser to a duly qualified medical practitioner or a public institution ;
- (iv) Nothing in this Act shall interfere with the rights and privileges conferred by the Apothecaries Act, 1815, upon any person qualified under that Act to act as an assistant to any apothecary in compounding and dispensing medicines.



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(6) There shall in each year be paid to the Insurance Committee for each county or county borough out of moneys credited to a society which has members resident in the county or county borough such sum in respect of the medical benefit of such members and the cost of administration thereof as may be agreed between the society and committee or, in default of agreement, may be determined by the Insurance Commissioners.

(7) If in any year the amount payable to an Insurance Committee in respect of all persons for the administration of whose medical benefit it is responsible is insufficient to meet the estimated expenditure thereon, the Committee may, through the Insurance Commissioners, transmit to the Treasury and to the council of the county or county borough an account showing the amount so payable and the estimated expenditure, and the Treasury and the county council or the council of the county borough may, if they think fit and if satisfied that the amounts so payable and the proposed expenditure are reasonable and proper in the circumstances, sanction the expenditure.

(8) The Treasury and the council of the county or county borough sanctioning any such expenditure as aforesaid shall thereupon each be liable to make good, in the case of the Treasury out of moneys provided by Parliament, and in the case of the council of a county or county borough, out of the county fund or borough fund or borough rate, as the case may be, one half of any sums so sanctioned by them and expended by the Insurance Committee on medical benefit in the course of the year in excess of the amounts so payable to the Insurance Committee as aforesaid.

**Object and Effect of Section.**—As has already been seen, the administration of medical benefit is in the exclusive charge of the Insurance Committees (sec. 14 (1), *supra*, p. 92). That benefit consists of medical treatment and attendance, including the provision of proper and sufficient medicines and such medical and surgical appliances as may be prescribed by regulations to be made by the Insurance Commissioners (*vide* sec. 8 (1) (a), *supra*, p. 51). This section lays down the manner in which Insurance Committees are to carry out this duty, and indicates the main sources of the income which will be at their disposal for this purpose.



**Sect. 15.** The *administration* of the benefit is divided into two parts :—

- OBJECT AND EFFECT OF SECTION. (a) the provision of treatment by medical practitioners,  
(b) the provision of medicines, etc.

In both these cases the Insurance Commissioners are to make regulations which shall provide for arrangements being made by Insurance Committees according to the system indicated in this section.

Regulations have been made under this section, *vide* National Health Insurance (Administration of Medical Benefit) Regulations, *infra*, p. 423.

*Provision of treatment by medical practitioners.*—Arrangements are to be made with such practitioners by the Insurance Committee, subject to the approval of the Insurance Commissioners. These arrangements must be such as to secure that insured persons shall, except in the cases expressly provided for in subsecs. (3) and (4) receive adequate medical attendance and treatment from the medical practitioner with whom the arrangements have been made. Insurance Committees must, in making these arrangements consult any local Medical Committee which has been recognised by the Insurance Commissioners (*vide* sec. 62, *infra*, p. 229).

The main provisions of the system on which the Insurance Committees must proceed are as follows :—

- (a) Preparation and publication of lists of practitioners within certain areas who have agreed to treat insured persons.
- (b) Right of any duly qualified practitioner to be included in such lists.
- (c) Right on the part of any insured person to select his medical practitioner, subject to the consent of that practitioner.
- (d) Distribution of those insured persons not provided for under (c) amongst the practitioners on the lists.
- (e) Provision of medical attendance and treatment to certain members of any friendly society which becomes an approved society on the same terms as are arranged in respect to insured persons.

This system may be dispensed with in any area if the Insurance Commissioners are satisfied that the practitioners included in the list for that area are not such as to secure adequate medical treatment. The Commissioners may then (a) authorise the Insurance Committee to make other arrangements to their approval, or (b) may make arrangements themselves, or (c) may suspend the right to medical benefits to any persons in the area for such period as they may think fit, paying to each person a sum equal to the estimated cost of his medical benefits.

*Provisions of medicines, etc.*—Arrangements are to be made by the Insurance Committees, subject to the approval of the Insurance Commissioners, such as to enable insured persons, except in the cases expressly provided for in subsecs. (3) and (4), to obtain such drugs, medicines, etc., as may be ordered by the medical practitioner by whom they are attended. The chief points of the system on which this is to be done are as follows :—

- (a) Preparation and publication of lists of persons, etc., who have agreed to supply drugs, etc., at the prices fixed by the Committee.

- (b) Right of any properly qualified person to be included on the list.

This system also may be dispensed with in any area if the Commissioners are satisfied that the persons, etc., on any such list are



not such as to secure an adequate and convenient supply of drugs, etc. The Commissioners may then authorise the Insurance Committee to make other arrangements to their approval, except as may be provided by regulations to be made by the Commissioners. No arrangements may be made by which any practitioner is bound to supply drugs, etc.

Arrangements for the supply of drugs, etc., may only be made with persons entitled to carry on the business of chemist and druggist under the Pharmacy Act, 1868, as amended by the Poisons and Pharmacy Act, 1908, and those persons must undertake that the medicines supplied by them to insured persons shall be dispensed either by a registered pharmacist or by a person who, for three years immediately before the passing of this Act, has acted as a dispenser to a duly qualified medical practitioner or to a public institution.

**Exceptions.**—Regulations of the Insurance Commissioners may provide as follows:—

- (1) Persons whose incomes exceed a limit to be fixed by the Insurance Committees may be required by the Insurance Committee to make their own arrangements for receiving medical attendance.
- (2) Any other persons may be allowed by the Insurance Committee to make their own arrangements for receiving medical attendance.
- (3) Persons who are receiving medical attendance under any system or through any institution existing at the time of the passing of this Act and approved both by the Insurance Commissioners and by the Insurance Committee, may also be allowed to continue their existing arrangements provided that the right of such person to choose their own doctor is preserved.

In both the first two cases the Committee is to contribute towards the cost of such persons' medical attendance and treatment, the amount which they would otherwise have expended in providing medical benefit for such persons.

In the last of these cases the Committee may contribute the whole or part of such amount towards the expenses of the system or organisation in question.

#### Sources of Income \*—

- (1) A sum of money to cover cost of medical benefit and expenses of administration in respect of insured persons who are members of approved societies in each county or county borough agreed upon between the society and the Insurance Committee, or, in default of agreement, fixed by the Commissioners.
- (2) Where this sum is insufficient to meet the estimated expenditure the balance is to come, half from the Treasury out of moneys provided by Parliament, and half from the county or county borough fund or rate, provided that both the Treasury and the council of the county or county borough think fit and are satisfied that the proposed expenditure is reasonable and proper and sanction the expenditure.

\* For the proposed new arrangements with regard to the finance of medical benefit, *vide* Introduction, *ante*.

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**Sect. 15.** In respect of deposit contributors it is provided by sec. 42 (*d*) (*infra*, p. 153) that "such sum as the Insurance Committee may, with the consent of the Insurance Commissioners, determine shall be payable in respect of each deposit contributor for the purposes of the cost of medical benefit."

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Further by sec. 61 (2) (*infra*, p. 227), one penny for each member of an approved society is to be paid by his society to the Insurance Committee to meet their administrative expenses under this and the preceding section. *Vide* also sec. 22 (*infra*, p. 113).

**Duly qualified Medical Practitioner.**—Under the Medical Act, 1858 (21 & 22 Vict. c. 90), s. 34, this expression means a person registered under that Act.

**Area**—There is no definition of area in the Act; *semble*, it is left to the Insurance Committees to divide the counties or county boroughs for which they are constituted into suitable areas.

**Removal of the Name of a Practitioner from List.**—This can only take place where the Commissioners are satisfied after such inquiry as may be prescribed that his *continuance* on the list would be prejudicial to the efficiency of the medical service of the insured. These words would seem to indicate that the Commissioners have no power to refuse to include any duly qualified medical practitioner from the list, and that he can only be removed after publication of the list. Contrast the words with those used in subsec. 5 (*b*).

**Distribution of Insured Persons not otherwise provided for.**—It would appear that under the provisions of subsec. 2 (*d*), a practitioner might be compelled to accept as a patient an insured person whom he did not wish to have to treat. In this and in the preceding paragraph there are two rights which are contradictory, viz. the right of selection in the patient, and the right of refusal to treat any given patient in the practitioner. Subsec. (*c*) would seem to show that the right of selection is subordinated to the right of refusal, but subsec. 2 (*d*) would seem to show that this is not always so. The words there used are "distribution amongst and so far as practicable, under arrangements made by, the several practitioners, etc." The words "so far as practicable" do not govern "distribution amongst." The following case might arise—

A, B, and C are the practitioners on the list in a given area; D, an insured person in that area, has selected A as his practitioner, but A has refused to have him. Similarly B and C refuse to have him, and A, B, and C are unable to arrange between themselves who is to take D. D would be one of the persons who would have to be distributed, and in the absence of arrangement between A, B, and C, it is submitted that D's right to select would revive, and he would be allocated to A who in fact had previously refused to have him. It is submitted that the exercise by a practitioner of his right to be placed on the list, must carry with it the possibility of the abrogation of his right to refuse to treat any given patient. *Sed quære* whether in such a case the practitioner is not entitled to persist in their refusal to treat the person in question. If so, *quære* whether the Commissioners may use their powers under the proviso and suspend the person's right to medical benefit?



**Persons entitled to carry on the business of a Chemist and Druggist.**—By sec. 1 of the Pharmacy Act, 1868 (31 & 32 Vict. c. 121), the persons entitled to assume or use the titles of chemist and druggist are Pharmaceutical chemists or chemists and druggists within the meaning of the Act (*vide* sec. 3 of the Act). They must be registered under the Act (or under the Pharmacy Act, 1852, (15 & 16 Vict. c. 56)). For firms and bodies corporate, *vide* Poisons and Pharmacy Act, 1908 (8 Ed. 7, c. 55), sec. 3.

(NOTE.—None of these Acts apply to Ireland, but this is not material inasmuch as medical benefit is not given in Ireland, *vide* sec. 81 (9), (*infra*, p. 272) ].

**16.**—(1) For the purpose of administering sanatorium benefit, Insurance Committees shall make arrangements, to the satisfaction of the Insurance Commissioners,—

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Administration of sanatorium benefit.

(a) with a view to providing treatment for insured persons suffering from tuberculosis or any other such disease as aforesaid in sanatoria and other institutions, with persons or local authorities (other than poor law authorities) having the management of sanatoria or other institutions approved by the Local Government Board, which treatment it shall be lawful for a local authority to provide as respects insured persons resident outside as well as respects those resident within their area ; and

(b) with a view to providing treatment for such persons otherwise than in sanatoria or other institutions, with persons and local authorities (other than poor law authorities) undertaking such treatment in a manner approved by the Local Government Board, which treatment (including the appointment of officers for the purpose) it shall be lawful for a local authority, if so authorised by the Local Government Board, to undertake.

(2) The sums available for defraying the expenses of sanatorium benefit in each year shall be—

(a) one shilling and threepence in respect of each insured person resident in the county or county borough, payable out of the funds out of which benefits are payable under this Part of this Act ;



Sect. 16. (b) one penny in respect of each such person payable out of moneys provided by Parliament:

Provided that the Insurance Commissioners may retain the whole or any part of the sums so payable out of moneys provided by Parliament to be applied, in accordance with regulations made by the Commissioners, for the purposes of research.

(3) An insured person shall not be entitled to sanatorium benefit unless the Insurance Committee recommends the case for such benefit.

(4) An Insurance Committee may, out of the sums available for defraying the expenses of sanatorium treatment, defray in whole or in part the expenses of the conveyance of an insured person to or from any sanatorium or institution to which he may be sent for treatment therein, or may make advances for the purpose.

**Object and Effect of Section.**—As has already been seen, the administration of sanatorium benefit is, as in the case of medical benefit, in the exclusive charge of the Insurance Committees (*vide* sec. 14 (1), *supra*, p. 92). Sanatorium benefit consists of treatment in sanatoria or other institutions or otherwise when suffering from tuberculosis or such other disease as the Local Government Board may appoint (sec. 8 (1) (b), *supra*, p. 51).

This section requires Insurance Committees to make arrangements for institutional treatment with persons or local authorities (other than poor law authorities), having the management of sanatoria or other institution approved by the Local Government Board. The persons or local authorities must, it is submitted, themselves manage the institutions in which the treatment is provided, and an arrangement whereby the person or local authority is free to provide the treatment in institutions managed by others cannot be entered into by the Insurance Committee. An arrangement could, however, it is submitted, be entered into with a local authority which managed an institution jointly with another local authority, but not, *semble*, if that other authority were a poor law authority also indicates the persons and local authorities with whom the Insurance Committees are required to make arrangements for providing treatment *otherwise* than in sanatoria or other institutions. It should be noticed that Insurance Committees cannot themselves provide treatment. Treatment must be provided by the persons or authorities with whom the committees are required to make arrangements.

The section also fixes the amount and sources of the income which are to be at the disposal of the Insurance Committees in order to meet the expenses of this benefit.

Finally it provides that Insurance Committees may pay or make advances for the conveyance of insured persons to or from the sanatoria.



**Treatment in Institutions.**—The words used are very wide. It would appear to be immaterial what person or local authority (other than a Poor Law authority) managed the institution, provided that it had the approval of the Local Government Board. The words “sanatoria or other institutions” (the use of which may be compared with the use of the words “sanatorium or similar institution” in sec. 12 (1), *supra*), should, it is submitted, be construed to mean sanatoria or other institutions *ejusdem generis*. In Murray’s Dictionary the word “sanatorium” is defined as “An establishment for the reception and medical treatment of invalids; in recent use chiefly either of convalescent patients or of consumptives undergoing the open-air treatment.”

Local authorities may treat persons residing outside as well as within their area.

**Treatment Otherwise.**—The persons or authorities with whom the Insurance Committee may make arrangements for this form of sanatorium benefit must undertake the treatment in a manner approved by the Local Government Board. Those persons or authorities are the same as those mentioned in the preceding paragraph.

It would seem that the treatment to which this paragraph refers is treatment which does not oblige the patient to leave his home.

The Local Government Board have issued an order as to the mode of domiciliary treatment approved by them, *vide* Statutory Rules and Orders, 1912, No. 1038, *infra*, p. 382.

**Treatment.**—It is not easy to say what this word covers. In order that a person suffering from tuberculosis should have the best chance of recovery, it may well be that he ought to have better housing accommodation, better food, and warmer clothes than he is able himself to provide. Again, the provision of a separate bedroom for a patient who is being treated at home may be highly desirable. The question then arises, how much an Insurance Committee may make arrangements to have provided. It is submitted that the word would cover accessories generally, such as additional food or clothing which a doctor considered necessary, but would not cover any alteration in the housing of a patient or the provision of his ordinary maintenance.

**Sanatorium Benefit Generally.**—An insured person has no *right* to sanatorium benefit; it is entirely at the discretion of the Insurance Committee to recommend a person for it or not. There is no appeal provided the discretion has been exercised.

There is no provision in the Act indicating which form of treatment is to be provided in a given instance, *semble*, it would also be in the discretion of the Insurance Committee to decide which form they would provide.

The question as to whether an insured person can be compelled to accept sanatorium benefit is discussed in the note on sanatorium benefit (*supra*, p. 53).

#### Sources of Income.

- (1) One shilling and threepence *per annum*\* in respect of each insured person resident in the county or county borough

\* For the proposed allocation of 6*d.* out of this sum towards the payment of doctors attending tuberculous insured persons, *vide* Introduction, *ante*.

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payable out of the funds out of which benefits are payable under this Part of this Act, and

(2) One penny in respect of each such person out of moneys provided by Parliament,

provided that out of these latter moneys the Insurance Commissioners may retain the whole or any part for the purposes of research. The moneys so retained will be applied in accordance with regulations made by the Insurance Commissioners.

It is submitted that the sum of one penny payable out of moneys provided by Parliament is not the only contribution the State is to make towards the cost of this benefit, and that the finance of this benefit, so far as the 1s. 3d. is concerned, is no exception to the general rule laid down in sec. 3 (*supra*, p. 33), viz. that two-ninths of the cost of providing and administering the benefits conferred by this Part of this Act are to be found out of moneys to be provided by Parliament.

**Expenses of Administration of Sanatorium Benefit.**—By sec. 42 (c) (*infra*, p. 153) such sum as may be prescribed shall in each year be payable in respect of each deposit contributor towards the expenses incurred by the Insurance Committee in the administration of benefits. This will be a sum which will cover the expenses of administering all benefits in respect of deposit contributors including sanatorium benefit. By sec. 61 (2) (*infra*, p. 227) there is to be paid to the Insurance Committee in every year by each approved society having members who are insured persons resident in the county or county borough, in respect of each such member, the sum of one penny towards the administrative expenses of the Committee. This sum may in certain circumstances be increased to a sum not exceeding twopence. This sum would seem (*cf.* sec. 61 (1)) to be for the expenses of administration of both medical and sanatorium benefit. Thus the Insurance Committee will have funds available for expenses of administration of sanatorium benefit both in respect to deposit and employed contributors and, it is submitted, that the whole of the 1s. 3d. made available by this section can be used for the provision of treatment.

**Research.**—*Quære* whether the Insurance Commissioners can devote the money which they are empowered to retain under this section to research in relation to any diseases which may affect the health of insured persons, or whether they must confine their research work to tuberculosis or such other diseases as the local Government may appoint? There are no words precisely limiting the field in which research may be undertaken, but inasmuch as the money available is, in a sense, a part of sanatorium benefit, it may well be argued that the Commissioners are restricted to research in relation to diseases coming under that benefit. On the whole, considering the objects of the Act, it is submitted that the wider construction is right and that the Commissioners may devote the money to research in relation to any disease which affects insured persons and, consequently, the insurance funds.

**Sect. 17.**

Power to  
extend

**17.**—(1) The Insurance Committee for any county or county borough may, if it thinks fit, extend sanatorium benefit to the dependants of the insured persons resident



in the county, or any part of the county, or in the county borough, or any class of such dependants, and in such case the arrangements to be made by the committee shall include arrangements for the treatment of such dependants, and the sums available for sanatorium benefit shall be applicable to the purpose. Sect. 17.  
—  
sanatorium  
benefit to  
dependants.

(2) If in any year the amount available for defraying the expenses of sanatorium benefit is insufficient to meet the estimated expenditure on sanatorium benefit for insured persons and such dependants, the Insurance Committee may, through the Insurance Commissioners, transmit to the Treasury and the council of the county or county borough an account showing the estimated expenditure for the purpose and the amount of the sums available for defraying the expenses of sanatorium benefit, and the Treasury and council may if they think fit sanction such expenditure.

(3) The Treasury and the council of the county or county borough sanctioning such expenditure as aforesaid shall thereupon each be liable to make good, in the case of the Treasury out of moneys provided by Parliament, and, in the case of the council of the county or county borough, out of the county fund or borough fund or borough rate, as the case may be, one-half of any sums so sanctioned by them and expended by the Insurance Committee on sanatorium benefit for insured persons and their dependants in the course of the year in excess of the amount available for defraying the expenses of the committee on sanatorium benefit.

**Object of Section.**—This section gives any Insurance Committees for any county or county borough, power, to be exercised at its discretion, to extend sanatorium benefit :—

- (1) to the dependants of insured persons resident in the county, or part of the county, or in the county borough, or
- (2) to any class of such dependants.

**Finance.**—The sums applicable for sanatorium benefit are made available for the purpose of this extension of the benefit. For these sums, *vide* sec. 16 (2), *supra*, p. 105.

If those sums are insufficient to meet the estimated expenditure on a sanatorium benefit for insured persons and their dependants, the excess is to be met in the same manner as any excess in the case



**Sect. 17.** of the administration of medical benefit (*cf.* sec. 15 (7) and (8), *supra*, p. 101).

**FINANCE.** By sec. 22 (*infra*, p. 113) there is also power given to councils of boroughs or urban or rural districts to agree to repay to county councils any part of the sum payable by those county councils towards the excess expenditure on sanatorium benefit.

**"Resident."**—For the meaning of this word, *vide supra*, p. 18. In this section it is not clear whether the word qualifies "dependants" or "insured persons." It is submitted that it qualifies the latter. Neither construction avoids the administrative difficulties caused by Insurance Committees having obligations towards persons resident outside their respective areas.

**"Dependants."**—This expression is defined by sec. 79, *infra*, p. 257. The expression "dependants" in relation to any person, includes such persons as the approved society or local Health Committee shall ascertain to be wholly or in part dependent upon his earnings. (For note on the word "dependent," *vide supra*, p. 29.)

**Sect. 18.** **18.**—(1) Where the mother of the child is herself an insured person, and is not the wife or, in the case of a posthumous child, the widow of an insured person, maternity benefit shall be treated as a benefit for her and shall be administered in cash or otherwise by the approved society of which she is a member, or, if she is not a member of any society, by the Insurance Committee; in any other case, the benefit shall be treated as a benefit for her husband and shall be administered in cash or otherwise by the approved society of which he is a member, or, if he is not a member of any such society, by the Insurance Committee, and shall be payable in respect of a posthumous child as if the husband were still alive:

Administra-  
tion of  
maternity  
benefit.

Provided always that the mother shall decide whether she shall be attended by a duly qualified medical practitioner or by a duly certified midwife, and shall have free choice in the selection of such practitioner or midwife, but if, in the case of a midwife being selected, a duly qualified medical practitioner is subsequently summoned in pursuance of the rules made under the Midwives Act, 1902, the prescribed fee shall, subject to regulations made by the Insurance Commissioners, be recoverable as part of the maternity benefit.

(2) In deciding whether or not they shall make an



order under the Bastardy Laws Amendment Act, 1872, for the payment of the expenses incidental to the birth of a child, the justices shall not take into consideration the fact that the mother of the child is entitled to receive maternity benefit under this Part of this Act. Sect. 18.

**Object and Effect of Section.**—This section provides for the manner in which maternity benefit is to be administered, viz. in the case of insured persons who are members of an approved society, by the society, and in the case of deposit contributors by the Insurance Committee. The section also, in effect, determines who is to be responsible for paying the benefit.

(1) Where the mother is herself an insured person, and is *not* the wife or, in the case of a posthumous child, the widow of an insured person, the benefit is to be treated as a benefit for her and is to be administered in cash or otherwise by *her* society or by the Insurance Committee, if she is a deposit contributor. Thus in the following cases the benefit is treated as a benefit for the woman:—

- (a) Insured unmarried women;
- (b) Insured widows whose husbands were not insured persons;
- (c) Insured married women whose husbands are not insured persons.

(2) *In any other case* the benefit is to be treated as a benefit for a woman's husband, and is to be administered in cash or otherwise by *his* society, or by the Insurance Committee, if he is a deposit contributor. Thus in the following cases the benefit is treated as a benefit for the husband:—

- (a) Insured married women whose husbands are insured persons;
- (b) Married women who are *not* insured persons and whose husbands are insured persons.

**Cash or Otherwise.**—The provision of medical attendance, nursing, extra food, clothing, etc., would appear to be contemplated. The meaning of the proviso would seem to be that if the society or committee decides to provide attendance the mother has the option of being attended by a medical practitioner or by a midwife. If the mother selects a midwife and a medical practitioner is subsequently called in in pursuance of the rules made under the Midwives Act, 1902, it would seem that the practitioner would have a right to recover his fee from the society or committee.

*Quære* whether the benefit can be administered partly in cash and partly otherwise? Though there is no express provision to this effect it is submitted that it can.\*

**Duly Qualified Medical Practitioner,** *vide supra*, p. 104.

**Duly Certified Midwife.**—In England these words mean a midwife certified under Midwives Act, 1902 (2 Edw. 7, c. 17). The words do not appear to have any statutory meaning as applied to Scotland or Ireland, but the expression is defined in sec. 80 (16), *infra*, in relation to Scotland, and in sec. 81 (20), *infra*, in relation to Ireland.

\* As to the administration of this section *vide* Circular A. S. 73 issued by the Commissioners. The circular contemplates the payment of the benefit partly in cash and partly otherwise.



**Sect. 18.**      **Sickness Benefit and Maternity Benefit paid simultaneously,** *vide supra*, p. 61.

**Bastardy Laws Amendment Act, 1872** (35 & 36 Vict. c. 65).

—For the power of justices to make the order referred to in subsec. (2), *vide* sec. 4 of that Act.

**Reinsurance by Approved Societies of Liability in respect of Maternity Benefit,** *vide* sec. 20, *infra*.

**Sect. 19.**      **19.** Without prejudice to any other legal liability, where, under the immediately foregoing section, which relates to the administration of maternity benefit, of this Act, maternity benefit is given or paid to the husband, it shall be the duty of the husband to make adequate provision to the best of his power for the maintenance and care of his wife during her confinement, and for a period of four weeks after her delivery, and if he neglects or refuses to do so he shall be liable upon summary conviction to imprisonment, with or without hard labour, for any term not exceeding one month.

Punishment  
of husband in  
certain cases  
of neglect.

**Sect. 20.**      **20.** For the purpose of the administration of maternity benefit, the Insurance Commissioners may, if they think fit, by special order provide for the reinsurance with them of the liabilities of all approved societies in respect of maternity benefit, and the order may provide for the method of calculating the premiums to be charged against the several societies in respect of such reinsurances and may contain such other incidental, consequential, and supplemental provisions as may appear necessary for the purpose.

Reinsurance  
for the pur-  
poses of  
maternity  
benefit.

**Object of Section.**—This section enables the Insurance Commissioners to pool the liabilities of all approved societies in respect to maternity benefit. The object of this would seem to be to prevent approved societies with a large number of unmarried members from gaining an advantage at the expense of societies which had a large number of married members, and similarly to equalise matters between societies whose members live in a district where the birth-rate is low, and societies whose members live in districts where that rate is high. The Insurance Commissioners can only use the power given to them by this section by means of a special order.

**Procedure on making of Special Orders,** *vide* sec. 113 (*infra*, p. 339), and the Ninth Schedule, *infra*, p. 357.



**21.** It shall be lawful for an approved society or Insurance Committee to grant such subscriptions or donations as it may think fit to hospitals dispensaries and other charitable institutions, or for the support of district nurses, and to appoint nurses for the purpose of visiting and nursing insured persons, and any sums so expended shall be treated as expenditure on such benefits under this Part of this Act as may be prescribed.

Sect. 21.

Power to  
subscribe to  
hospitals, &c.

**Effect of Section.**—This section enables approved societies or Insurance Committees to make such subscriptions or donations as they may think fit to hospitals, dispensaries, or other charitable institutions and for nursing purposes. No particular source of income is pointed to out of which these subscriptions are to come, but the Insurance Commissioners may prescribe the benefits under which such expenditure is to be regarded as having been made. It would seem that the effect of this would be to make the State liable for a proportion of the subscription under sec. 3, *supra*.

**Hospitals and other Charitable Institutions.**—It is submitted that the other charitable institutions must be *ejusdem generis* as hospitals. For the meaning of the word "hospitals," *vide supra*, p. 88, and of the word "charitable," *vide infra*, p. 207.

**22.**—(1) The council of any borough or urban or rural district may agree with the council of the county in which the borough or district is situate to repay to the latter council the whole or any part of the sums payable by that council in accordance with the provisions of this Part of this Act towards the excess expenditure on medical or sanatorium benefit so far as such excess is properly attributable to the borough or district, and any sums payable by the council of the borough or district in pursuance of such an agreement shall be payable, in the case of a borough, out of the borough fund or borough rate, and, in any other case, as part of the general expenses incurred by the council in the execution of the Public Health Acts.

Sect. 22.

Power of  
councils of  
boroughs and  
districts to  
contribute to  
certain ex-  
penditure on  
medical and  
sanatorium  
benefits.

(2) The agreement may provide that the county council shall not raise any sum on account of any expenditure incurred by them under this Part of this Act for the purpose to which the agreement relates within the borough or urban or rural district the council of which has entered into such agreement, during the continuance of such agreement.



**Sect. 22.**      **Effect of Section.**—This is an enabling section, and does not cast any obligation upon any borough or urban or rural district council unless it makes an agreement. Money may still be raised for medical benefit in a borough or urban or rural district notwithstanding that the council has entered into an agreement under this section with regard to sanatorium benefit, and *vice versâ*.

**Sums payable by . . . Council . . . towards Excess Expenditure.**—

- (1) For excess expenditure on medical benefit, *vide* sec. 15 (7) and (8) (*supra*, p. 10).
- (2) For excess expenditure on sanatorium benefit, *vide* sec. 17 (2) and (3) (*supra*, p. 109).

### *Approved Societies.*

**Sect. 23.**      **23.**—(1) Any society, that is to say, any body of persons, corporate or unincorporate (not being a branch of another such body), registered or established under any Act of Parliament, or by Royal Charter, or, if not so registered or established, having a constitution of such a character as may be prescribed, which complies with the requirements of this Act relating to approved societies, may be approved by the Insurance Commissioners, and, if so approved, shall be an approved society for the purposes of this Part of this Act :

Conditions  
for the  
approval of  
approved  
societies.

Provided that, where any society establishes for the purposes of this Part of this Act a separate section consisting of insured persons, whether with or without honorary members not being insured persons, and so constituted as to comply with the requirements of this Act relating to approved societies, such separate section may be approved by the Insurance Commissioners, and, if so approved, shall be an approved society, and the provisions of this Part of this Act relating to the conditions of approval of societies and to approved societies shall apply only to such separate section of the society.

(2) No society shall receive the approval of the Insurance Commissioners unless it satisfies the following conditions :—

- (i) It must not be a society carried on for profit ;



- (ii) Its constitution must provide to the satisfaction of the Insurance Commissioners for its affairs being subject to the absolute control of its members being insured persons or, if the rules of the society so provide, of its members whether insured persons or not, including provision for the election and removal of the committee of management or other governing body of the society, in the case of a society whose affairs are managed by delegates elected by members, by such delegates, and, in other cases, in such manner as will secure absolute control by its members ;
- (iii) If the society has honorary members, its constitution must provide for excluding such honorary members from the right of voting in their capacity of members of the society on all questions and matters arising under this Part of this Act.

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(3) Applications for approval under this section may be made and approval granted at any time before or after the commencement of this Act, and the Insurance Commissioners may grant approval either unconditionally or subject to the condition of the society taking within such time as the Commissioners may allow such steps as may be necessary to make the society comply with the requirements of this Part of this Act relating to approved societies.

**Object and Effect of Section.**—It is the intention of the Act that the administrative machinery for working the provisions relating to Health Insurance should, so far as possible, consist of the already existing bodies for promoting thrift, viz., the friendly and provident societies, collecting societies, and trades unions ; and, where such existing machinery is inadequate or unsuitable, that fresh machinery of a similar kind should be set up.

This section is one of the most important in the Act, in that it lays down what the nature of the societies, whether already existing or to be formed *ad hoc*, must be, and the conditions which such societies must fulfil, in order to be eligible to take part in the administration of the benefits conferred by this Part of this Act. The societies that are eligible may apply to the Insurance Commissioners for their approval at any time before or after the commencement of this Act, and, on the approval of the Commissioners



**Sect. 23.** being given, and not till then, such societies become approved societies within the meaning of the Act. Thenceforward, provided that they continue to comply with the conditions, provisions and requirements of the Act, such societies may take the part allotted to them by the Act in its administration.

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OBJECT AND  
EFFECT OF  
SECTION.

A society which may apply for approval is, any body or person, corporate or incorporate (not being a branch of any other such body) registered or established under any Act of Parliament, or by Royal Charter, or, if not so registered or established, having a constitution of such a character as may be prescribed by the Insurance Commissioners.

As a condition precedent to approval, the society must give the security demanded of it by sec. 26 (*infra*, p. 124).

A society which carries on business in more than one part of the United Kingdom will not have to apply for approval to the body of Commissioners established for each part in which the society carries on business, for by para. (8) of the Joint Committee Regulations (*infra*, p. 404) the power of approving and withdrawing approval has been placed in the hands of the Joint Committee.

The Insurance Commissioners are not entitled to approve any society which does not satisfy the following conditions:—

- (1) It must not be a society carried on for profit.
- (2) The Insurance Commissioners must be satisfied that the affairs of the society are in the absolute control of its members. These members may be insured persons only, or, if the rules of the society so provide, may include insured and other persons. Where the affairs of the society are managed by delegates elected by members, such delegates must in all cases have power to elect or remove the committee or management or other governing body of the society.
- (3) If the society has honorary members, such members must be excluded by its constitution from voting on any questions or matters arising under this Part of this Act.

The Insurance Commissioners cannot insist upon the second condition in the case of certain superannuation or provident funds (sec. 25, *infra*, p. 122).

This section further lays down that the society must be one which "complies with the requirements of this Act relating to an approved society." Subsec. (3) provides that the Insurance Commissioners may approve a society, either unconditionally, or subject to the condition of the society taking, within such time as the Commissioners may allow, such steps as may be necessary to make the society comply with the requirements of this Act relating to an approved society.

The Insurance Commissioners will still have control over a society which they have approved conditionally or unconditionally by the power which they have under sec. 29 (*infra*, p. 128), which provides that they may withdraw their approval from any approved society which fails to comply with the provisions and requirements of this Act relating to approved societies, or is convicted of any offence under any Act regulating the constitution of the society, or any other Act.

But once a society is approved it remains an approved society, even though it does not continue to comply with the provisions and



requirements of this Part of this Act, until the Commissioners withdraw their approval, whereupon the society ceases to be an approved society.

**Registered or Established under any Act.**—The majority of the existing societies which will be approved will probably be societies registered under the Trades Unions Act, 1871 (34 & 35 Vict. c. 31); the Trades Unions Act (1871) Amendment Act, 1876 (39 & 40 Vict. c. 24); the Friendly Societies Act, 1896 (59 & 60 Vict. c. 25); and the Collecting Societies and Industrial Insurance Act, 1896 (59 & 60 Vict. c. 26).

The only provisions in this Act exempting such societies from the provisions of any Act under which they may be established or registered are to be found in sec. 24, *infra*, p. 120, sec. 28, *infra*, p. 126, and in sec. 35 (3), *infra*, p. 135. The first of these sections only continues in force for one year from the commencement of this Act, but gives very wide powers of overriding the provisions of Acts under which societies may be established or registered, in order to enable such societies to undertake business under this Part of this Act. The second of these sections deals with secessions of branches and the dissolution of a society. The third of these sections substitutes the provisions of this Act relating to accounts, audit, valuation, and returns for such of the provisions of any Act regulating the constitution of the society or branch as deal with the like matters.

There is express provision by sec. 76 (*infra*, p. 254), that “except in so far as may be inconsistent with this Act any business transacted under this Part of this Act by any approved society shall be treated as part of the ordinary business transacted by societies of the class to which that society belongs, and any enactment applying to the society in relation to the transaction of such ordinary business shall apply accordingly in relation to the business transacted by the society under this Part of this Act.”

**“Established by Royal Charter.”**—These words were inserted chiefly in order to bring within the section the Royal Provident Society for Free Fishermen (*vide* Parl. Deb. vol. 30, No. 131, col. 76).

**“Having a Constitution of such a Character as may be Prescribed.”**—*Vide* National Insurance (Constitution of Unregistered Societies) Regulations, 1912, and National Insurance (Constitution of Sections) Regulations, 1912.

**“Which complies with the Requirements of this Act, &c.”**—The expression “Requirements of this Act” (which is also used in subsec. (3) of this section) refers, it is submitted, in this section to such provisions of this Act as can reasonably be complied with by a society before undertaking the transaction of business under this Act. Such provisions will include—

- (1) The establishment or alteration (if necessary) of a society's constitution, so as to comply with the conditions of this section;
- (2) The passing of rules (if necessary) for the administration of benefits in accordance with sec. 14 (2), *supra*, p. 92;
- (3) The passing of rules in order to comply with the requirements of sec. 27 (1) (*infra*, p. 125), sec. 30 (2), (*infra*, p. 129), and

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OBJECT AND  
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“WHICH  
COMPLIES  
WITH THE  
REQUIRE-  
MENTS OF  
THIS ACT, &c.

to provide for the settlement of disputes under sec. 67 (*infra*, p. 242);

- (4) The preparation, in the case of an existing registered friendly Society, of a scheme in accordance with sec. 72, *infra*, p. 250.

“May be approved by the Insurance Commissioners.”—

It is submitted that these words give the Insurance Commissioners a discretion as to whether they should, or should not, approve any society which applies for approval. But, if the Insurance Commissioners do not use their discretion and refuse arbitrarily to approve a society, it is submitted that *certiorari* and *mandamus* will lie to quash that refusal and to compel the Commissioners to exercise their discretion properly. (For note on *certiorari* and *mandamus*, *vide supra*, p. 32.)

**Separate Section.**—It is, presumably, by the establishment of separate sections that large industrial insurance corporations will seek to maintain their connection amongst those persons who become insured under this Part of this Act. The separate section, and not the society, will be approved and will become an “approved society.” For provisions as to funds of any society which establishes a separate section, *vide* sec. 35 (4), *infra*, p. 135.

**Number of Members of approved Societies.**—Any society, however large or however small, may be approved. Small societies will preserve their identity for the purpose of administration, but, for the purpose of valuation, any approved society which has less than five thousand insured persons as members for the purposes of this Act, will have to join an association of such societies, or be grouped with other unassociated societies carrying on business in the same county or county borough (*vide* sec. 39, *infra*, p. 147). Where branches of societies are grouped together in different geographical areas, and these branches have more than five thousand members who are insured persons, such group of branches may be treated, for the purpose of valuation, as if they formed a separate society (*vide* sec. 40 (1), *infra*, p. 151).

**New Societies.**—A new society which desires to become an approved society under this Act need not be registered or established under any Act of Parliament, but may be approved provided that it has a constitution of such a character as may be prescribed by the Insurance Commissioners (*supra*, p. 117), and that it complies with the requirements of this Act relating to approved societies.

Inasmuch as some new societies may desire, for other purposes, to register or establish themselves under some Act of Parliament, reference may, perhaps, usefully be made to the principal Acts under which it may be assumed that they will be established or registered. These Acts will probably be the Trade Union Acts (*ubi supra*) and the Friendly Societies Acts (*ubi supra*) and the Companies (Consolidation) Act, 1908 (8 Edw. 7, c. 69). A society, in order to be registered under the former Acts, must be by sec. 16 of the Trades Unions Act (1871) Amendment Act, 1876:—

“Any combination, whether temporary or permanent, for regulating the relations between workman and master, or between workman and workman, or between masters and masters, or for imposing restrictive conditions on the conduct of any trade or business, whether such combination would or would



not, if the Principal Act had not been passed, have been an unlawful combination by reason of some one or more of its purposes being in restraint of trade."

With regard to the Friendly Societies Act, 1896, approved societies are not societies within the meaning of subsecs. (2), (3) or (4) of sec. 8, but express provision is made by sec. 75 of this Act (*infra*, p. 254) whereby approved societies may be registered under the former Act. In order to be registered under the Friendly Societies Act, the following conditions, laid down in sec. 9, must be fulfilled—

- "(1) No society must be registered under this Act unless it consists of seven persons at least.
- (2) For the purpose of registry, there shall be sent to the Registrar an application of the society, signed by seven members and the secretary, and copies of the rules, together with a list of the names of the secretary and of every trustee or other officer intended to be authorised to sue and be sued on behalf of the society.
- (3) The rules of the society so sent shall, according to the class in which the society is to be registered, contain provisions in respect of the several matters mentioned in the first Schedule to this Act.
- (4) If the list is signed by the secretary and every trustee and other officer named therein, it shall be evidence that the persons so named have been duly appointed."

It is no part of this work to attempt to draft Memoranda or Articles of Association for societies which establish themselves under the Companies Act, 1908. Suffice it to say that these documents will have to provide for the company not being carried on for a profit, and for the absolute control of the company by its members being insured persons. This latter fact should be borne in mind by existing large industrial insurance companies who may consider the question of establishing approved societies as subsidiary companies. Such subsidiary companies must be under the unfettered control of the members and could break away from the parent company at any moment. This will not, however, prevent the parent company from making a contract for good consideration with such a subsidiary company whereby the subsidiary company binds itself to maintain its connection with the parent company. Such a society would, it is submitted, if its memorandum were drafted to that end, have power to make such contracts, and such contracts could, it is submitted, be enforced against the society.

**Provisions with regard to Existing Funds.**—(*Vide* sec. 72, *infra*, p. 250). It will be observed that sec. 72 only deals with registered friendly societies or their branches, which provide benefits similar to any of those conferred by this Act. There are no provisions as to the application of existing funds of other societies.

It should further be observed that existing societies which have members who do not become insured persons under this Act, will, with regard to these persons, continue to carry on business as before. Further, by sec. 34 (*infra*, p. 134) insured persons are not prohibited from becoming members of approved societies apart from this Act, and the right and liabilities of such members in

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NEW  
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**Sect. 23.** relation to their society, arising otherwise than under this Act, will not be affected by the passing of this Act.

PROVISIONS  
WITH REGARD  
TO EXISTING  
FUNDS.

**Dissolution of Societies ; Secessions of Branches.**—*Vide* sec. 28, *infra*, p. 126.

**County Societies.**—For the provisions relating to the establishment of county societies in Scotland and Ireland, *vide* sec. 80 (10) and sec. 81 (7) (*infra*, pp. 262, 270).

**Sect. 24.**

Power of  
societies to  
undertake  
business  
under Part I.

**24.**—(1) It shall be lawful for any body of persons, corporate or unincorporate, established before the passing of this Act which is desirous of transacting insurance business under this Part of this Act, or of making any amendments in its constitution, or administration, or contributions, or benefits, or otherwise which may be necessary or expedient in consequence of the passing of this Act, notwithstanding anything in the provisions of the Acts under which it is established or registered or carried on, or of its memorandum or articles of association, rules, or other instrument governing its constitution or defining its objects, to do all such acts and things (including the establishment of a separate section as aforesaid) as may be necessary for the purpose of enabling the body to undertake the transaction of such business as soon as may be after the passing of this Act and, if the instrument regulating the constitution of the body contains provisions requiring any interval to elapse before action can be taken, such provisions shall not apply to action taken for the purposes aforesaid.

(2) Subsections (3) and (4) of section seventy of the Friendly Societies Act, 1896, shall not apply to any resolutions for amalgamation or transfer of engagements when the resolution is made expressly for the purposes of this Part of this Act.

(3) This section shall come into operation on the passing of this Act, and shall not continue in force beyond the expiration of one year from the commencement of this Act, except so far as may be necessary to enable a society which has undertaken the transaction of insurance business under this Part of this Act to continue to transact such business.



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**Object of Section.**—This is an enabling section giving power to any body of persons established before the passing of this Act which is desirous of becoming an approved society to make amendments—

- (1) in its constitution, or
- (2) in its administration, or
- (3) in its contributions, or
- (4) in its benefits,

or to do anything else (including the establishment of a separate section) which may be necessary or expedient in consequence of the passing of this Act, or to enable it to undertake transaction of insurance business under this Act, notwithstanding the provisions of any Act or instrument, etc., under which it is established or carried on.

Further, if the instrument under which the society is established requires an interval to elapse before action is taken, the instrument need not be complied with in that respect.

Such societies are also exempted from the provisions of sec. 70 (3) and (4) of the Friendly Societies Act, 1896, in regard to resolutions for the transfer or amalgamation of engagements, where the resolution is made expressly for the purposes of this Part of this Act.

It is submitted that, except in so far as this section expressly provides, viz. in the case of resolutions for transfer and amalgamation, or in the case of intervals prescribed by the instrument under which the society is established, this section does not operate to do away with any forms under which a society usually carries out any of the matters therein referred to; *e.g.* amendments in the constitution of a society will still have to be made in accordance with the rules; alteration in the rules will still have to be made in the manner prescribed by the rules.

**“Desirous of Transacting Insurance Business, &c.”**—The only societies which can transact business under this Part of this Act are approved societies (s. 23, *supra*, p. 114), so that it would seem that the only societies to whom this section applies must be societies which are desirous of becoming approved societies. The powers given by this section can be made use of on the passing of this Act, and, consequently, may be made use of by a society before it becomes approved. If a society makes use of these powers and then fails to obtain approval, *quære* what is the validity of the action taken under these powers? It is submitted that, upon the true construction of the section, such action will only be valid if the society in question ultimately becomes approved.

**Alterations in Contributions or Benefits.**—In the case of a registered Friendly Society which provides benefits similar to those conferred by this Part of this Act, it is provided by sec. 72 (*infra*, p. 250), that these matters are to be dealt with by a scheme to be submitted to the Registrar of Friendly Societies.

**Establishment of a Special Section,** *vide supra*, sec. 23 (1), proviso.

**Friendly Societies Act, 1896** (59 & 60 Vict. c. 25).

Sec. 71 (3). “A special resolution by a registered friendly society for an amalgamation or transfer of engagements under this Act shall not be valid without—



**Sect. 24.**

FRIENDLY  
SOCIETIES  
ACT, 1896.

(a) the assent thereto of five-sixths in value of the members, given either at the meetings at which the resolution is, according to the provisions of this Act, passed and confirmed, or at one of them, or, if the members were not present thereat, in writing, and

(b) the written consent of every person receiving or entitled to any relief, annuity, or other benefit from the funds of the society unless the claim of that person is first duly satisfied, or adequate provision is made for satisfying that claim.

(4) Provided that on application of the trustees or committee of a registered Friendly Society desiring to amalgamate or transfer its engagements, and upon notice of that application being published in the *Gazette*, the chief registrar, after hearing the trustees or committee and any other persons whom he considers entitled to be heard upon application, may, with the consent of the Treasury, order that any of the assents, consents, and conditions required by this Act, or by any regulations made under this Act, be dispensed with, and may confirm the amalgamation or transfer."

**Commencement of this Act:**—The Act commenced on July 15, 1912. This section will cease, therefore, to be in force on July 15, 1913.

**Sect. 25.**

Special pro-  
visions for  
employers'  
provident  
funds, &c.

**25.**—(1) Where a society consists of persons entitled to rights in a superannuation or other provident fund established for the benefit of persons employed by one or more employers, the society may be approved, notwithstanding that the employer is entitled to representation on the committee or other body administering the fund to an extent not exceeding one quarter of the total number of the body, if the employer, in addition to the employer's contributions payable by him under this Part of this Act, is responsible for the solvency of the fund or for the benefits payable thereout, or is liable to pay a substantial part of, or to make substantial contributions to, or substantially to supplement, the benefits payable out of the fund:

Provided that no such society as aforesaid shall be approved unless by its constitution it is prohibited so far as concerns the benefits under this Part of this Act from refusing to allow a member to transfer to another approved society, and from refusing to allow a member who is discharged from or leaves the employment of the employer and is unable to obtain admission to another approved society on account of the state of his health to



continue a member, and unless its constitution provides for the election of the members of the committee of management (other than the employer's representatives) by ballot :

Sect. 25.  
—

Provided also that no such society shall be approved if the employer makes membership of such society a condition of employment.

(2) Where, for the purpose of enabling any such society to become an approved society, it is necessary to make any alteration in the existing rules or constitution of the society which it is not competent for the society under its existing constitution to make, a scheme for the purpose may be submitted for the approval of the Insurance Commissioners.

(3) Where such a scheme has been approved by the Insurance Commissioners, the Act or deed constituting the society shall have effect subject to the provisions of the scheme, but the Insurance Commissioners shall not approve any such scheme unless they are satisfied that the members of the society have been given an opportunity of voting by ballot thereon, and that the scheme makes proper provision for safeguarding existing rights and interests.

**Object of the Section.**—The object of this section is to permit existing superannuation provident funds, such as are carried on by railway companies and other large employers of labour, to become approved societies, and to give power to make any necessary alteration in the rules or constitution of the fund which it would not otherwise be competent to make.

**Conditions of Approval.**—These will be the same as for any society desirous of becoming an approved society, except that the condition relating to the control of the society is altered, and the employer may, in this case, be entitled to representation on the committee or other body administering the society, to an extent not exceeding one-quarter of the total number of the members of the society; but the employer is only entitled to have such representation where, in addition to the employer's contribution payable by him—

- (1) He is responsible for the solvency of the fund or for the benefits payable thereunder, *or*
- (2) He is liable to pay a substantial part of, or substantially to supplement the benefits payable out of the fund.



**Sect. 25.**

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CONDITIONS  
OF  
APPROVAL.

No society on the committee of which the employer is entitled to representation may be approved unless—

- (1) Its constitution provides for the election of a committee of management (other than the employer's representation) by ballot.
- (2) Unless it is prohibited by its constitution, so far as the benefits are concerned under this Part of this Act, (a) from refusing to allow a member to transfer from another approved society, and (b) from refusing to allow a member who is discharged, or who leaves the employment of his employer and is unable to obtain admission to another approved society on account of the state of his health, to continue to be a member.
- (3) The membership of such a society must not be made by the employer a condition of employment.

It should be noticed that the provisos to sub-sec. (2) only apply to a society on the committee or other administering body of which the employer is entitled to representation.

The approval of a provident fund will be in the discretion of the Insurance Commissioners, as in the case of any other society.

**Employer's Contribution** (*vide* sec. 73, *infra*, p. 253).—By that section the employer may be allowed to deduct the contribution payable by the employer, under this Part of the Act, from any sum payable by him, under any Act or deed establishing the fund, towards benefits secured by the Act or deed, provided that these benefits include benefits similar to those conferred by this Act.

**Existing Funds.**—These are dealt with on the same lines as the existing funds of Friendly Societies (*vide* sec. 73, *infra*, p. 253).

**Exemption of Superannuation Funds from Pooling Arrangements.**—The Insurance Commissioners may exempt these funds which have less than 5000 members from the provisions of sec. 39 in regard to pooling for valuation purposes (*vide* sec. 39 (7), *infra*, p. 149).

**Sect. 26.**

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Security to  
be given by  
approved  
societies.

**26.**—(1) Every approved society and every society desirous of becoming an approved society shall give such security as the Insurance Commissioners may consider sufficient to provide against any malversation or misappropriation by officers of the society of any funds coming to the hands of the society under this Part of this Act, and in determining the amount of the security to be required the Commissioners shall have regard to the amount of the funds so coming into the hands of the society :

Provided that no security shall be required from any society which proves to the Insurance Commissioners that the only funds coming into the hands of the society under this Part of this Act are such funds as are required



for reimbursing to the society sums previously expended by the society under this Part of this Act. Sect. 26.

(2) In the case of an approved society with branches having insured persons among their members, security shall be given in respect of each such branch by the society.

(3) The Insurance Commissioners may from time to time vary the amount of security to be given or maintained by an approved society as may be thought proper, and, where security is given by way of deposit of securities, the society which made the deposit may, with the consent of the Insurance Commissioners, substitute other securities for the securities for the time being deposited.

(4) Any dividends or interest arising from securities deposited by an approved society under this section shall be paid to the society.

**27.**—(1) Every approved society shall, as respects the administration of the affairs of the society under this Part of this Act, make proper provision by rules to the satisfaction of the Insurance Commissioners for the government of the society, and if a society with branches— Sect. 27.

Provisions as  
to approved  
societies.

- (a) for the government of the society and its branches;
- (b) for the determination of disputes arising between the society and any branch thereof, or between one such branch and another;
- (c) for the administration of benefits by the branches as respects insured persons who are members of such branches;
- (d) for the keeping of proper books of account by the branches in any case where separate accounts are usually kept by those branches;
- (e) for depriving of or suspending from the right of administering benefits under this Part of this Act any branch which is guilty of maladministration of those benefits, or is convicted of any offence under any Act, and for providing in such a case for their administration by the society or otherwise.



**Sect. 27.** (2) Every approved society and every branch thereof shall comply with any regulations made by the Insurance Commissioners as to the place in which meetings are to be held, and those regulations may provide for the use for such meetings, with or without payment, of any offices or other buildings under the control of a Government department (including offices or buildings occupied by or in connexion with a labour exchange) or belonging to or under the management of a local authority, but subject to the consent of the Government department or the local authority concerned.

(3) Where under any Act regulating the constitution of an approved society the rules of the society are required to be registered, any rules approved under this section by the Insurance Commissioners shall forthwith be registered, but until so registered shall have effect as if they had been duly registered.

**Object of Section.**—This section provides that approved societies should make rules to the satisfaction of the Insurance Commissioners for the administration of the affairs of the society under this Part of this Act, and for the government of the society. If the society is a society with branches it must provide in its rules for the matters set out in subsec. (1) (a) to (c). With regard to these latter matters, sec. 67 (1) (c) and (d) provides that the disputes referred to in para. (b) of this subsection should be decided in accordance with the rules of the society with an appeal to the Insurance Commissioners; while with regard to para. (d), *vide* sec. 35 (1) (a) (*infra*, p. 135), and the regulations referred to thereunder.

Rules made by the society must be registered if the society is established under, or regulated by any Act and that Act requires the registration of rules. But until such registry has taken place such rules are to be effective.

For other provisions as to rules, *vide* sec. 14 (2) (*supra*, p. 92), and sec. 24 (*supra*, p. 120).

Subject to the provisions of this Act, existing rules are to remain of effect as if this Act had not been passed (sec. 34, *infra*, p. 134).

This section further gives the Insurance Commissioners control over the place of meeting of approved societies and their branches. This control will be exercised by means of regulation.

**Society with Branches.**—*Vide* sec. 79 (*infra*, p. 257). "The expression 'branch' in relation to a society shall not include any branch of the society which is not itself separately registered."

*Labour exchange, vide infra*, p. 317.

**Sect. 28.** **28.**—(1) No branch of an approved society having insured persons among its members shall be entitled to  
 Secessions,  
 &c.



Sect. 28.  
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secede or withdraw from the society without the consent of the Insurance Commissioners; but such consent shall not be given unless the seceding or withdrawing branch complies with the conditions of approval requisite in the case of approved societies, and, on any such consent being given, the branch shall be subject in all respects to the provisions and requirements of this Part of this Act relating to approved societies:

Provided that such consent shall not be required if the branch makes provision to the satisfaction of the Insurance Commissioners for the transfer to other approved societies or to other branches of the society from which it is seceding or withdrawing of such of its members as are insured persons.

(2) An approved society or a branch thereof shall not be dissolved without the sanction of the Insurance Commissioners, and any such dissolution, so far as it affects members who are insured persons, shall be carried out in the prescribed manner.

(3) No branch of an approved society shall be expelled from the society, unless proper provision is made to the satisfaction of the Insurance Commissioners with respect to any members of the branch who are insured persons.

(4) This section shall have effect notwithstanding anything contained in any Act regulating the constitution of the society.

**Object and Effect of Section.**—This section deals with (a) secessions from and expulsions by a society of a branch of that society, and (b) with the dissolution of an approved society or of a branch of any such society.

*Secessions.*—A branch which desires to secede or withdraw cannot do so without first obtaining the consent of the Insurance Commissioners. The Commissioners are not entitled to give their consent unless the seceding branch complies with the conditions of approval requisite in the case of approved societies. These conditions (*cf. supra*, p. 116) are—

- (1) It must give the security required by sec. 26.
- (2) It must fulfil the conditions set out in sec. 23.
- (3) It must otherwise comply with the requirements of this Act relating to approved societies.

This consent will not, it is submitted, make the branch an approved society. The words in the subsection are, "on any such



**Sect. 28.**

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OBJECT AND  
EFFECT OF  
SECTION.

consent being given the branch shall be subject in all respects to the provisions and requirements of this Part of this Act relating to approved societies." The meaning of these words would seem to be that a branch which has obtained the consent of the Commissioners to secede, and which desires to become an approved society, must proceed to obtain approval.

*Dissolution.*—The Insurance Commissioners are to prescribe the manner in which dissolutions, so far as they affect members who are insured persons, are to be carried out. They must also give their sanction to any dissolution.

*Expulsion of a branch.*—It will be, presumably, for the society which expels a branch to make provision for the members of the branch who are insured persons.

**Branch.**—*Vide* sec. 79 (*infra*, p. 257) for the meaning of this word.

**Sect. 29.**

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Withdrawal  
of approval.

**29.** Where an approved society or a branch of any approved society fails to comply with any of the provisions or requirements of this Part of this Act relating to approved societies, or where such a society or branch or the body of which the society forms a separate section is convicted of any offence under any Act regulating its constitution or under any other Act, the Insurance Commissioners may withdraw their approval, and thereupon the society shall cease to be an approved society and the Insurance Commissioners shall make such provision as they may consider necessary with respect to members of the society who are insured persons.

**Object and Effect of Section.**—This section lays down the circumstances in which an approved society is to cease to be an approved society. It will be noticed that there is no provision in the Act, the breach of which, *ipso facto*, causes an approved society to cease to be an approved society. There must be a withdrawal of approval by the Insurance Commissioners. As drawn, the section gives power to the Commissioners to withdraw their approval from the whole society in the case of any failure to comply with the provisions and requirements of this Part of this Act relating to approved societies, or of any offence (for which it is convicted) by a single branch of the society. Similarly, the Commissioners may withdraw their approval from an approved society which is a separate section of another body, in the case of the conviction of that body of any offence under any Act of Parliament. For instance, a separate section might have approval withdrawn where its parent body had been convicted under the Companies Act for an offence totally unconnected with this Act. The construction of the section, however, gives, it is submitted, a discretion to the Commissioners, and presumably the use of that discretion will prevent such things happening.



*Membership of Approved Societies and Transfer of Members.*

**Sect. 30.**

Admission of insured persons to membership in approved societies.

**30.**—(1) Subject to the provisions of this Act, any insured person and any person entitled to become an insured person may apply to an approved society for membership therein.

(2) An approved society shall be entitled, in accordance with its rules, to admit or reject any such applicant, or to expel any of its members being insured persons: Provided that no such application shall be refused solely on the ground of the age of the applicant.

(3) This section shall come into operation on the passing of this Act.

**Person entitled to become an Insured Person.**—In view of the provisions of subsec. (3), it is submitted that this expression includes any person who has reasonable grounds for believing that he will, at the commencement of the Act, viz. July 15, 1912, be, either compelled to become an employed contributor, or qualified to become a voluntary contributor. *Cf.* sec. 66, *infra*, p. 240. Since that date it probably means a person who is qualified and intends to become a voluntary contributor. *Quære* whether it also means a person who has good ground for believing that he shortly will become an employed contributor?

**Age.**—There should be no advantage to an approved society to endeavour to exclude older persons, owing to the effect of sec. 55, *infra*, p. 213. This section will make all persons equally eligible so far as age is concerned.

**Expulsion of Members.**—Disputes as to the expulsion of members will be decided in accordance with the provisions of sec. 67 by the society, with right of appeal to the Insurance Commissioners.

**31.**—(1) If an insured person, being a member of an approved society, ceases to be a member of that society, whether voluntarily or by expulsion, and becomes a member of another approved society, there shall be transferred to such other society in respect of such person a sum representing the liability under this Part of this Act of the first-mentioned society in respect of him (in this Act called "transfer value") calculated in accordance with tables to be prepared by the Insurance Commissioners:

**Sect. 31.**

Transfer from one approved society to another.



**Sect. 31.** — Provided that such transfer value shall not be so transferred in any case where the first-mentioned society proves that the insured person voluntarily ceased to be a member of that society without the consent of the society, and that that consent was not unreasonably withheld.

(2) This section shall apply to transfers from one branch of an approved society to another branch of the same or any society in like manner as it applies to transfers from one society to another society.

**Object of Section.**—This section provides that an insured person may leave his approved society and join another approved society without loss of the value of any contributions he has already made to the first approved society. The liability to which the first approved society is subject in respect of the departing member is to be calculated in accordance with tables to be prepared by the Insurance Commissioners, and a sum representing that liability (called in this Act “transfer value”) is to be transferred to the new society which that member may join. Presumably such transfer will be made by debits and credits in the books kept by the Insurance Commissioners (*vide* sec. 56). It will be observed that this section only applies to insured persons who are transferring their membership from one approved society to another, and not to a deposit contributor who ceases to be a deposit contributor and becomes a member of an approved society, or to a member of an approved society who ceases to be a member of an approved society and becomes a deposit contributor. These cases are dealt with under sec. 43 (1), (2), *infra*, p. 156.

**Transfer Value of Women on Marriage.**—*Vide* sec. 44 (10).

**“Sum representing the Liability.”**—It should be observed that a transfer value will be a sum of money representing the future liability of the society in respect of the departing member. It will have no reference to what has happened in the past, except in so far as arrears may affect the prospective liability.

**Transfers from Societies Showing Deficiency.**—*Vide* sec. 38 (1), (b) (i), *infra*, p. 143. “Any insured person who having been a member of the society or branch at the date at which the valuation disclosing the deficiency was made is transferred to another society or to another branch of the same or any other society before the deficiency is made good, shall be liable to any levy or reduction of benefits which has been or may be made in respect of such deficiency in like manner in all respects as if he had not ceased to be a member, and if the transfer took place before the scheme imposing the levy or reduction of benefits was sanctioned, such adjustment in the amount of any transfer value paid in respect of him shall be made as the circumstances require.”

**Sect. 32.** — **32.**—(1) If an insured person ceases to be permanently resident in the United Kingdom and becomes a member of any society or institution established in a

Transfers to foreign and



British possession or foreign country, of a kind similar to an approved society, which is approved by the Insurance Commissioners, or of any branch established outside the United Kingdom of an approved society, the transfer value of such person, or, in the case of a deposit contributor, the amount standing to his credit in the Post Office fund, shall be paid to such society or institution or branch ; but no such payment shall be made, unless the Insurance Commissioners are satisfied that the society, institution, or branch in question gives corresponding rights to any of its members becoming resident in the United Kingdom. Sect. 32.  
colonial  
societies.

(2) Where an arrangement has been made with the Government of any British possession or with the Government of any foreign State, whereby insured persons may be transferred to a society or institution established in the British possession or foreign State similar to an approved society or the Post Office fund, and members of any such society or institution may be transferred to approved societies or to the Post Office fund, it shall be lawful for the Insurance Commissioners to make such arrangements as may be necessary for any such transfer as aforesaid, and for the determination of the amount to be transferred in any such case, and of the rights to which any person transferred is to be entitled ; so, however, that nothing in this section shall affect the rights of a society under this Part of this Act to refuse applications for membership.

**Object of Section.**—This section deals with the interchange of insured persons, and persons who are members of societies or institutions similar to approved societies in British possessions, or in foreign countries. This interchange is to be based upon reciprocity ; emigrants are dealt with under subsec. (1), and immigrants and emigrants under subsec. (2).

**Note on Subsec. (1).**—This subsection sets out the only circumstances in which an insured person can take his transfer value, or (in the case of a deposit contributor) the whole amount standing to his credit in the Post Office fund, out of the United Kingdom. In all other circumstances, except those set out in the next section, and in sec. 41 (g), an insured person who leaves the United Kingdom for good will lose the benefit of his previous contributions (except



**Sect. 32.**

NOTE ON  
SUBSEC. (1).

that maternity benefit will be paid in respect of his wife if she is, at the time of her confinement, resident in the United Kingdom (sec. 8 (4), *supra*, p. 59)). If he returns he will, unless he has kept up his contributions during the interval, be treated as being in arrears of all contributions not paid during such interval, and be dealt with under sec. 10 (1) and sec. 9 (4), *supra*, pp. 71, 67. The circumstances in which an insured person can take his transfer value, or, in the case of a deposit contributor, the amount standing to his credit in the Post Office fund, out of the United Kingdom, are as follows:—

- (1) The insured person must cease to be permanently resident in the United Kingdom;
- (2) He must become a member of a society or institution established in a British possession or foreign country of a kind similar to an approved society, or of any branch established outside the United Kingdom of an approved society;
- (3) Such foreign societies or institutions must be approved by the Insurance Commissioners;
- (4) The Insurance Commissioners must be satisfied that such societies, or institutions, or branches of approved societies give corresponding rights to any of their members becoming resident in the United Kingdom.

[*Note.*—The subsection is mandatory, and creates, it is submitted, an obligation on the societies to allow the transfer to be made.]

**Note on Subsec. (2).**—This subsection gives the Insurance Commissioners power to make the necessary arrangements for the transfer of insured persons to or from this country, in cases where reciprocal arrangements have been made with the government of any British possession, or with the government of any foreign state. It will be observed that the transfer of insured persons dealt with under the preceding subsection, is a right which any insured person may, in the proper circumstances, insist upon, but that the powers given by this subsection do not arise unless reciprocal arrangements with the governments of British possessions or of foreign states exist. Where such reciprocal arrangements exist the Insurance Commissioners may make the following arrangements:—

- (1) General arrangements necessary for such transfer;
- (2) For the determination of the amount to be transferred in any such case;
- (3) For the determination of the rights to which any person transferred is to be entitled;

But, in making these arrangements, the Insurance Commissioners may not interfere with the rights of an approved society to refuse applications for membership. It will be recollected that by sec. 30, *supra*, these rights are preserved intact, except that societies may not refuse applications solely on the ground of the age of the applicant.

*Quære* whether in making use of the powers given by this subsection the Insurance Commissioners will have to make their arrangements conform to the terms of any arrangements that may be made with any of the governments mentioned in the section, or whether these arrangements must be made subject to the arrangements which the Commissioners have power to make? The



answer would seem to be that the Commissioners will have to make their arrangements conform to the terms of the arrangements made with the foreign State subject, however, to compliance with the terms of this Act.

**Transfer Value.**—*Vide* sec. 31, *supra*.

**Sect. 32.**

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NOTE ON  
SUBSEC. (2).

**33.** If a person who has for not less than five years been a member of an approved society for the purposes of this Part of this Act has ceased permanently to reside in the United Kingdom, and does not join such a society, branch, or institution as is in the last foregoing section mentioned, and the approved society is willing to permit him to remain a member of the society and to become entitled to benefits independently of this Act, the society may, subject to regulations by the Insurance Commissioners, transfer from the account of the society under this Part of this Act to the credit of the society independently of this Act such sum as would have been transferred to the Post Office fund had the member ceased to be a member of the society and become a deposit contributor, and so much of any reserve value which may have been credited to the society in respect of him as would in such a case have been cancelled shall be cancelled.

**Sect. 33.**

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Transfer  
values of  
emigrants  
who remain  
members of  
approved  
societies.

**Object of the Section.**—This section is designed to prevent an insured person who leaves the United Kingdom for good, and who has not joined any society, branch or institution, such as is referred to in the preceding section, from losing all the benefit of his previous contributions.

The persons who can take advantage of this section are persons who have been members of approved societies as insured persons (*i.e.* either as voluntary or employed contributors) for not less than five years.

If the society is willing to allow such a person—

(1) to remain a member of the society, and

(2) to become entitled to benefits independently of this Act,

then the society may transfer from their accounts under this Part of this Act to their accounts independently of this Act the sum that would have been transferred, had the member become a deposit contributor. The reserve value will similarly be cancelled (*cf.* sec. 43 (1) (*a*)). It will be observed that this section does not allow the member to take any of the value of his contributions out of the United Kingdom. His society retains the money and presumably gives him benefits while he is out of the United Kingdom.



**Sect. 33.**     **Deposit Contributors.**—For provisions allowing a deposit contributor who permanently ceases to reside in the United Kingdom to be paid a part of the amount standing to his credit in the Post Office fund, *vide* sec. 42 (g), *infra*, p. 154.

**Sect. 34.**     **34.** A person shall not be or attempt to become a member for the purposes of this Part of this Act of more than one approved society at the same time, or, being a deposit contributor, to become at the same time a member for the purposes of this Part of this Act of an approved society, but nothing in this Act shall prevent any person who is a member of an approved society under this Part of this Act becoming a member of the same or any other society independently of this Act, or prevent a deposit contributor becoming a member of any society independently of this Act, or affect the right of an approved society to reject or expel from membership any person not being an insured person, or the rights or liabilities of an approved society or of any member thereof arising otherwise than under this Part of this Act; and, subject to the provisions of this Part of this Act, all rules made by a society which becomes an approved society or any branch thereof shall remain and be of the same force and effect as though this Act had not been passed.

Prohibition  
against  
double  
insurance.

**Object of Section.**—This section is framed to prevent double insurance under the Act, but to allow insured persons to become members of approved societies independently of the Act. The rights and liabilities of insured persons in respect to approved societies, and the rights and liabilities of such societies in respect to such persons arising otherwise than under the Act, remain unaffected. So long as approved societies make rules for insured persons which comply with the provisions of the Act, their existing rules are to remain and be of the same force as if the Act had not been passed. *Seem* such societies can also alter any of their existing rules from time to time for persons who are members independently of the Act, and can alter any existing rules so far as such rules do not clash with the provisions of the Act, both for such members and for members who are insured under the Act, provided that such alteration is made in the manner provided for in the rules.

**Offence.**—Becoming or attempting to become a member of more than one approved society at the same time for the purposes of this Part of this Act is, it is submitted, a contravention of one of the requirements of this Act, and is, therefore, an offence under sec. 69 (2) (*infra*, p. 247), which may be visited on summary conviction with a fine not exceeding £10.



**Liability of Societies arising otherwise than under this Part of this Act.**—*Vide* note on subsec. (4) of sec. 35, *infra*. **Sect. 34.**

*Accounts: Valuations: Surplus and Deficit.*

**35.**—(1) Every approved society and every branch of an approved society must— **Sect. 35.**

- (a) Keep its books and accounts under this Part of this Act separate from all other books and accounts of the society or branch, and in such form as may be prescribed by the Insurance Commissioners, and, when required, submit them to audit by auditors to be appointed by the Treasury;
- (b) Submit to have its assets and liabilities under this Part of this Act valued in accordance with the provisions of this Part of this Act;
- (c) In the event of a surplus or deficiency being shown upon any such valuation, comply with the provisions relating to surpluses and deficiencies herein-after contained;
- (d) Render such returns as the Insurance Commissioners may require.

Approved societies to keep proper accounts.

(2) Regulations made under this section shall provide for a separate account being kept showing the amount expended on administration, and for limiting the amount which may be carried to that account out of the contributions under this Part of this Act, and for requiring any deficiency in such account (if not otherwise defrayed) to be met forthwith by a special levy.

(3) The provisions of this Part of this Act relating to accounts audit valuation and returns shall, as respects the transactions of any approved society or branch thereof under this Part of this Act, be substituted for such of the provisions of any Act regulating the constitution of the society or branch as deal with the like matters.

(4) In the case of a society or branch transacting other business besides that of insurance business under this



**Sect. 35.** Part of this Act, all funds and credits of the society or branch under this Part of this Act shall be as absolutely the security of the members for the purposes of this Part of this Act as if they belonged to a society or branch carrying on no other business than such insurance business, and shall not be liable for any contracts of the society or branch for which they would not have been liable had the business of the society or branch been only that of such insurance, and shall not be applied directly or indirectly for any purposes other than those of insurance business under this Part of this Act.

Where a separate section of a society has been established and such separate section is an approved society under this Part of this Act, the expression "society" in this subsection means the society of which the separate section has been established and not the separate section.

**Object of the Section.**—This and the next three succeeding sections provide :—

- (1) for the method in which approved societies and their branches are to keep their accounts,
- (2) for the date and basis on which their assets and liabilities are to be valued,
- (3) for the disposal or extinction of any surplus or deficit shown in the branch or society, as the case may be, after such valuation.

Both societies and their branches will have to keep accounts of their transactions under this Part of this Act separate from any transactions which they may have independently of this Act. Similarly, both the society as a whole, and the branch as a separate unit, must submit to a valuation of its assets and liabilities arising under this Part of this Act and must comply with the provisions of this Act relating to surpluses and deficits.

**Books and Accounts to be kept.**—In the National Health Insurance (Accounts of Approved Societies) Regulations, 1912 (Statutory Rules and Orders, No. 867), the Joint Committee have prescribed the form and books in which every approved society shall keep its accounts. Approved societies who have among their members insured persons resident in more than one part of the United Kingdom must keep separate accounts for each such part of the United Kingdom. The books which approved societies are required to keep are (1) Membership Register; (2) Contribution Register or Registers showing separately the contributions paid in respect of men and women; (3) Cash Book; (4) Treasurer's Cash Book; (5) Ledger containing the following accounts, showing



separately the transactions relating to men and women respectively:—(a) Income and Expenditure Account and accounts subsidiary thereto; (b) Investment Account; (c) except in the case of a branch of an approved society, a Reserve Values Account; (d) Current account with Insurance Commissioners, or, in the case of a branch, with its head office; (e) Any other accounts that may be required; (6) A book for recording fines and levies due and paid; (7) A Minute Book.

**Sect. 35.**

BOOKS AND  
ACCOUNTS TO  
BE KEPT.

**Expenses of Administration.**—Subsec. (2) gives power to the Commissioners to lay down the amount which may be expended by an approved society for administration. If more than that amount is expended, the excess (if not otherwise defrayed) is to be met forthwith by a special levy. Some check on expenses is presumably necessary to safeguard the interests of the State which by sec. 3 (*supra*, p. 33) has to find  $\frac{2}{9}$  of the cost of administration.

The Commissioners have published draft regulations laying down the amounts to be expended on administration, *vide* National Health Insurance (Administration Expenses) Regulations, 1912, *infra*, p. 383.

**Special Levy.**—There is no provision for such a levy being paid by the employer on behalf of the member as in the case of a compulsory levy made under sec. 38 (1) (b) (i). *Quære* whether the provisions of sec. 38 (1) (d) with regard to members chargeable with a levy, who fall into arrears, apply to special levies under this section? It is submitted that they do.

**Note on Subsec. (3).**—The effect of this subsection is to release any approved society or branch thereof from any obligations under which it may be, by virtue of the Act under which its constitution is regulated, with regard to accounts, audit, valuation and returns. The provisions of this Act relating to such matters are to be applied in substitution. But for the provision of this subsection, certain approved societies would have had to have dealt with these matters twice over, *vide* sec. 76, *infra*, p. 254. This will affect principally societies which are registered or established under the Trade Union Acts or the Friendly Society Acts. It should be borne in mind, however, that this release only operates in so far as the society in question has transactions under this Part of this Act. Any society which carries on business other than business under this Act will still be under an obligation to comply with the provisions of the Act under which it is registered or established in respect of accounts, audit, valuation and returns of such business.

**Note on Subsec. (4).**—*Cf.* the words in sec. 34 (*supra*), “nothing in this Act shall . . . affect . . . the liabilities of an approved society . . . arising otherwise than under this Part of this Act.” It is submitted that the combined effect of these words and of the subsection now under consideration is to separate completely the funds of an approved society arising under this Part of this Act, and the funds of that society arising independently of this Act. The members of a society, independently of this Act, will not be able to fall back upon the funds of the society arising under this part of this Act, nor will the members of the society, who are insured persons under this Act, be able to fall back upon the funds of the society arising independently of the Act.



**Sect. 35.**

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NOTE ON  
SUBSEC. (4).

In the case of contracts made with other parties, the funds of an approved society arising under this Act can only be used to meet liabilities resulting from contracts which are directly connected with or for the purpose of transactions under this Part of this Act. The converse of this proposition would appear also to be true.

**Sect. 36.**

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Valuations of  
approved  
societies.

**36.**—(1) A valuation of the assets and liabilities arising under this Part of this Act of every approved society and of every branch of an approved society shall be made by a valuer, to be appointed by or with the approval of the Treasury, at the expiration of every three years dating from the commencement of this Act, or at such other times as the Insurance Commissioners appoint; the times so appointed may be at shorter or longer intervals than three years and at regular or irregular intervals, and may apply to all approved societies or any particular society or societies.

(2) Every such valuation shall be made on such basis as may be prescribed.

**Effect of this Section.**—The assets and liabilities of every approved society, and of every branch of an approved society, in so far as they arise under this Act, are to be valued at the end of every third year after the commencement of this Act (*i.e.* on July 15, 1915, July 15, 1918, and so on. These dates may be altered in the discretion of the Insurance Commissioners for all approved societies or for any particular society or societies. The basis on which the valuation is to be made is to be prescribed by the Insurance Commissioners.

**Valuation of Societies and Branches which have Members Resident in more than one part of the United Kingdom.**—The joint committee of the several bodies of Commissioners will make regulations for the valuation of such societies and branches. The regulations must require that the members resident in each such part should be treated as if they formed a separate society or branch. *Vide* sec. 83 (*infra*, p. 279).

**Valuers.**—This word is defined in sec. 79, *infra*, p. 257, as “a person possessing actuarial qualifications as may be approved by the Treasury.”

**Valuation of Societies in Association or Groups.**—*Vide* sec. 39, *infra*, p. 147.

**Branch.**—This expression means “a separately registered branch,” *vide* sec. 79, *infra*, p. 257. For cases where a branch may be treated as a separate society for the purpose of valuation, and for provisions relating to members who are not members of a branch, *vide* sec. 40, *infra*.

**Separation of Men's and Women's Funds.**—Sec. 41 gives power to societies not being societies with branches to provide by



their rules for the separation of men's and women's funds, and such a society is to be valued as if it consisted of two branches, viz. one branch comprising the male members and another branch the female members.

**Sect. 36.**

SEPARATION  
OF MEN'S  
AND WOMEN'S  
FUNDS.

**37.**—(1) If upon any such valuation a surplus (certified by the valuer to be disposable) is found, the following provisions shall apply :—

**Sect. 37.**

Surplus.

- (a) If the society is not a society with branches, the society may submit to the Insurance Commissioners a scheme for distributing out of such surplus any one or more additional benefits among insured persons who are members thereof for the purposes of this Part of this Act, and, upon any such scheme being sanctioned by the Insurance Commissioners, the society may distribute such additional benefit or benefits in accordance with the provisions thereof :
- (b) If the society is a society with branches, any surplus in the central fund of the society, including any surplus transferred from the branches to the society under the provisions of this section, shall, subject to the provisions of the next succeeding section of this Act, be applied in the first instance towards making good any deficiency shown by any of its branches ; and the society may distribute the balance of the surplus, after making good deficiencies as aforesaid, amongst such of its branches as have a surplus in proportion to the amounts of such surpluses, and the sum so apportioned to a branch shall be treated as an addition to the disposable surplus of that branch :
- (c) If, on the valuation of a branch of an approved society, a surplus is shown in respect of such branch, there shall be transferred to the central body or other central authority of the society of which it is a branch one-third of the surplus, and the branch may, with the approval of the society, submit to the Insurance Commissioners



Sect. 37.  
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a scheme for distributing out of the remaining two-thirds of such surplus, together with any such addition as aforesaid, any one or more additional benefits, and, upon any such scheme being sanctioned by the Insurance Commissioners, the branch may distribute such additional benefit or benefits in accordance with the provisions thereof :

(d) If, at any time after a scheme submitted by a society or branch has been so sanctioned as aforesaid, there is found to be a deficiency in the funds of the society or branch, no additional benefits shall be distributed under the scheme until such deficiency is extinguished and a surplus shown.

(2) A scheme made under this section may prescribe the conditions to be complied with as respects any additional benefit conferred by the scheme, and every such scheme shall, so far as practicable, provide for the reduction, suspension, or deprivation of the additional benefits conferred by the scheme in the case of members who are in arrears, and may make a corresponding reduction in the amount to which such members are to be deemed to be in arrears for the purpose of reckoning the rate of sickness benefit.

(3) No surplus and no part of any surplus shall be applied for the purpose of paying any benefits payable on death or any benefits other than one or more of the additional benefits specified in Part II. of the Fourth Schedule to this Act.

**Effect of this Section.**—This section is confined to dealing with cases where a surplus, either in a society or in a branch, is certified by the valuer to be disposable after making the valuation provided for in sec. 36.

A.—If the society has no branches it may, if it has a surplus, distribute that surplus in any one or more additional benefits among the members of the society who are insured persons (*i.e.* among voluntary and employed contributors) under this Part of the Act. This distribution must be in accordance with a scheme submitted by the society to the Insurance Commissioners and sanctioned



by them. No distribution can take place until such scheme has been so sanctioned.

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B.—If the society is a society with branches the following provisions apply—

EFFECT OF  
THIS SECTION.

- (1) If the central fund of the society shows a surplus, including any surplus transferred from the branches, while some of its branches show a deficiency, the surplus is to be used in the first instance to make good  $\frac{3}{4}$  or, if the society thinks fit, the whole of the deficiency of each such branch, unless the society is satisfied that the deficiency is due to maladministration on the part of the branch in question when, if the Insurance Commissioners consent, it may refuse to make good any part of the deficiency out of its surplus (see 38 (1) (a), *infra*).
- (2) If any branch of a society shows a surplus,  $\frac{1}{3}$  of that surplus in the case of each such branch, is to be transferred to the central body or other central authority of the society.
- (3) If the society has satisfied its obligations under (1), any balance of surplus remaining in the hands of the society is to be distributed amongst the branches which have a surplus in proportion to the amount of such surplus.
- (4) A branch, after satisfying its obligation under (2), may distribute the remaining two-thirds of its surplus, together with any sums received from the society under (3), in any one or more additional benefits in accordance with a scheme approved by the society and sanctioned by the Insurance Commissioners. There is no provision in the section directing to whom these additional benefits are to be distributed. It is submitted that the distribution should be confined to the members of the branch who are insured persons.

(Note.—For the purpose of the above provisions, and for the provisions of the next succeeding section relating to societies with branches, sec. 40 (3) (*infra*, p. 151) should be borne in mind. That section provides “where a society with branches has among its members insured persons who are not members of any branch, and the benefits of such members are administered by the society itself, such members shall be treated for the purposes of this Part of this Act relating to valuations, surpluses, and deficiencies as if they formed a separate branch.”)

#### Deficiency arising after the Scheme has been Submitted.—

(1) If at any time after a scheme submitted by a society has been sanctioned there is found to be a deficiency in the funds of the society, no additional benefits may be distributed under the scheme until such deficiency is extinguished and a surplus shown. Similarly, if, at any time after a scheme submitted by a branch has been sanctioned, there is found to be a deficiency in the funds of that branch no additional benefits may be distributed under the scheme until such deficiency is extinguished and a surplus shown.

(2) In any other case it would appear that the society or the branch is at liberty to continue with its distribution of additional benefits under its scheme, provided that the society or branch



**Sect. 37.** continued to fulfil their respective obligations under sec. 38 (1) (a) and subsec. (1) (c) of this section.

DEFICIENCY  
ARISING  
AFTER THE  
SCHEME  
HAS BEEN  
SUBMITTED.

**Scheme for Distributing Additional Benefits.**—By subsec. (2) a scheme made under this section may prescribe the conditions to be complied with as respects any additional benefits conferred by it, and must, as far as practicable, provide that members who are in arrears should have reduced additional benefits or be suspended therefrom. The subsection goes on to say that the scheme “may make a corresponding reduction in the amount to which such members are to be deemed to be in arrears for the purpose of reckoning the rate of sickness benefit.” *Semble* the general idea of these words is that, when a member is made to put up with reduced additional benefits because he is in arrears, the scheme may also provide, as a kind of solatium, that his arrears should be reduced for the purpose of reckoning rate of sickness benefit. It is not easy to see how there can be any correspondence between the two reductions.

The effect of the former reduction is in benefits and against the member, while the effect of the second reduction is in arrears and in his favour. *Quære* whether the meaning is that in so far as a member suffers reduction of additional benefit, he should be compensated therefor by a reduction of his arrears and a consequent increase in his sickness or disablement benefit rate?

**Branch.**—This expression means “a separately registered branch” (*vide* sec. 79, *infra*, p. 257). For cases where a branch may be treated as a separate society for the purpose of this section, *vide* sec. 40, *infra*.

**Additional Benefits.**—Subsec. (3) (it is submitted *ex abundanti cautela*) confines these benefits to the benefits enumerated in Part II. of the Fourth Schedule to the Act (*infra*, p. 351).

**Societies in an Association or Group.**—*Vide* sec. 39 (4) and (5), *infra*.

(4) “The provisions of this Part of this Act as to the application of surpluses of branches of societies with branches shall apply to such associated and grouped societies as if all the societies in any association or group were branches of a single society, subject to the following modifications:—

(a) A reference to the central finance committee or the Insurance Committee for the county or county borough shall, as the case may require, be substituted for the reference to the central authority of the society;

(b) The approval of the central financial committee or the Insurance Committee shall not be required to any scheme prepared by an associated or grouped society for the distribution of any surplus.

(5) Where an associated or grouped society is a society with branches, the provisions of this Part of this Act relating to surpluses or deficiencies of societies with branches shall not apply to the society, but each branch shall, for the purposes of this section, be deemed to be a separate society.”

**Power to separate Men's and Women's Funds.**—*Vide* sec. 41, *infra*, p. 152.



**38.**—(1) If upon any such valuation a deficiency is found, the following provisions shall apply :— **Sect. 38.**

Deficit.

- (a) If the deficiency is shown by a branch of an approved society, three-quarters, or, if the society thinks fit, the whole thereof, shall, in the first place, so far as possible, be made good out of any surplus available for that purpose in the hands of the central body or other central authority of the society :

Provided that the society may, if it is satisfied that the deficiency is due to any maladministration on the part of the branch in question, with the consent of the Insurance Commissioners, refuse to make good any part of the deficiency out of such surplus :

- (b) Subject as aforesaid, every deficiency shall be made good in accordance with a scheme for that purpose to be prepared by the society, or, in the case of a deficiency in a branch, by the branch subject to the approval of the society, and submitted to the Insurance Commissioners for their sanction ; such a scheme shall provide for making good the deficiency, within a period of three years from the date at which the valuation was made, in any one or more of the following ways :—

(i) By a compulsory levy, by way of increase of the weekly rate of contributions, upon members of the society or branch being insured persons ;

(ii) By reducing the rate of sickness benefit either for the whole period during which sickness benefit is payable or for any part thereof ;

(iii) By deferring the day as from which sickness benefit becomes payable ;

(iv) By reducing the period during which sickness benefit is payable ;

(v) By increasing the period which is required by this Part of this Act to elapse between two periods of disease or disablement to prevent



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the one being treated as a continuation of the other ;

(vi) By any other method approved by the Insurance Commissioners,

and, on the sanction of the Insurance Commissioners being given to the scheme, the society or branch shall proceed to make good the deficiency in accordance therewith :

- (c) Payment of the amount of any compulsory levy made in accordance with a scheme sanctioned under this section may be enforced in such manner as may be provided by the rules of the society or branch ; and, where those rules so provide, it shall be lawful for the society or branch in the case of any member to enforce payment of the amount of the levy by giving notice in the prescribed manner to the employer of such member requiring him to pay the amount of the levy, and, upon such notice being given, such amount shall be payable as if it were part of the contribution to be paid by the employer on behalf of the member, and all the provisions of this Part of this Act relating to the payment of such contributions and the recovery thereof from members shall apply accordingly :
- (d) If a member chargeable with a levy falls into arrears, his arrears shall reckon as though the total sum thereof, inclusive of the levy, consisted of the contributions payable by or in respect of him had no levy been made :
- (e) If within six months after the declaration of a deficiency, or, where an enquiry as to excessive sickness is pending under this Part of this Act, such longer period as the Insurance Commissioners determine, such scheme as aforesaid has not been submitted to and sanctioned by the Insurance Commissioners, or if at any time thereafter it appears to the Insurance Commissioners that the society or branch to which the



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scheme relates is not enforcing the provisions of the scheme, the Insurance Commissioners may take over the administration of the affairs of the society or branch under this Part of this Act, and shall, as soon as possible thereafter, take such steps as they may think necessary to make good the deficiency by any or all of the methods mentioned in paragraph (b) of this section, and for that purpose they shall be entitled to exercise all or any of the powers given to the society or branch by this Part of this Act :

- (f) The Insurance Commissioners after taking over the administration of the affairs of any society or branch shall within a reasonable time, not exceeding three years, make arrangements for the restoration to the society or branch of its powers of self-government or, failing that, for the transfer of the members of the society or branch, being insured persons, to other approved societies or branches or to the Post Office fund :
- (g) Any question or dispute arising between the Insurance Commissioners and the society or branch in respect of the amount of the deficiency, or as to the adequacy of any scheme proposed for making it good, shall be submitted to an independent valuer to be appointed by the Lord Chief Justice, and such valuer shall, subject to the provisions of this Act and of the regulations thereunder, act, so far as practicable, on his own knowledge and experience, and shall have power to determine how and by what parties the costs of proceedings, including his own remuneration, not exceeding such amount as the Treasury may prescribe, are to be defrayed, and his decision shall be final and conclusive :
- (h) A scheme made under this section shall not affect any person who becomes a member of the society or branch after the date as at which the



## Sect. 38.

valuation was made, or any member over seventy years of age :

- (i) Any insured person who, having been a member of the society or branch at the date as at which the valuation disclosing the deficiency was made, is transferred to another society or to another branch of the same or any other society before the deficiency is made good, shall be liable to any levy or reduction of benefits which has been or may be made in respect of such deficiency in like manner in all respects as if he had not ceased to be a member, and if the transfer took place before the scheme imposing the levy or reduction of benefits was sanctioned, such adjustment in the amount of any transfer value paid in respect of him shall be made as the circumstances require.

(2) Any member liable to a levy payable at intervals may relieve himself of the liability thereto, and a member subject to a diminution of benefits by virtue of any such scheme may, with the consent of the society or branch, acquire a right to undiminished benefits, on payment to the Insurance Commissioners of the capitalised value of the levy or diminution of benefits, as the case may be, ascertained in the prescribed manner.

**Effect of the Section.**—This section lays down what is to take place in the case of a society or a branch of an approved society showing a deficit after valuation has been made according to the provisions of sec. 36 (*supra*, p. 138).

As has already been seen (*vide* note to sec. 37, *supra*), three-quarters of any deficiency shown by a branch of any approved society, or the whole deficiency, if the society thinks fit, must, in the first place, be made good so far as possible out of any surplus in the hands of the central body or other central authority of the society. Subject to this provision any deficiency must be made good.

(1) In the case of a society, by a scheme prepared by the society and sanctioned by the Insurance Commissioners.

(2) In the case of a branch, by a scheme prepared by the branch, approved by the society, and sanctioned by the Commissioners.

The basis of the scheme must be to make good the deficiency within three years from the date on which the valuation was made upon which the deficiency was shown.

The various means by which such deficiency may be met are provided in subsec. (1), (b), ((i.) to (vi.) incl.).



The Insurance Commissioners may take over a society or branch, and take such steps as they may think necessary to make good any deficiency by all or any of the methods mentioned in para. (b) of the section—

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EFFECT OF  
THE SECTION.

(1) If the scheme has not been submitted to and approved by the Insurance Commissioners within six months of the declaration of a deficiency (or, where an inquiry as to excessive sickness is pending, such longer period as the Commissioners may determine); or,

(2) If after making a scheme a society or a branch appear to the Commissioners not to be enforcing the scheme.

But where the Commissioners avail themselves of this power, they must within three years either restore self-government to the society or branch, or make arrangements for the transfer of the members being insured persons to some other approved society or to the Post Office fund.

Disputes between the Insurance Commissioners and a society or branch—

(1) As to the amount of a deficiency,

(2) As to the adequacy of a scheme for making any deficiency good,

are to be decided by an independent valuer appointed by the Lord Chief Justice.

Provisions are also made in this section—

(1) For schemes made under the section not to affect persons who become members of the society or branch after the making of a scheme, or members over seventy years of age;

(2) For transfer of members from a society showing a deficiency;

(3) For permitting members to pay the capitalised value of any levy payable at intervals, or of any diminution of benefits imposed by a scheme, and thus to secure a right to the full benefits.

**Compulsory Levy under Subsec. (1) (c).**—For the provisions as to employers paying contributions on behalf of contributors, *vide* sec. 4 and the Third Schedule (*supra*, pp. 36, 39).

**Note on Subsec. (1) (d).**—The effect of this provision is that the sum total of a person's arrears calculated in pennies, including the arrears of compulsory levy, is to be divided by the amount of his ordinary weekly contribution, when the quotient will be the number of weekly contributions the member will be in arrears.

*Example.*—X, an employed contributor, is a member of a society which makes a compulsory levy of 1*d.* per week. He falls 14 weeks into arrears. Those arrears will amount to  $14 \times 7d.$  ( $7d.$  being the employed rate of contribution) =  $98d.$  +  $14d.$  (*viz.* 14 weeks at 1*d.*) =  $112d.$  He will be deemed to be in arrears of  $11\frac{2}{7} = 16$  weekly contributions.

**Inquiry as to Excessive Sickness.**—*Vide* sec. 63, *infra*, p. 229.

**Transfer to another Approved Society.**—*Vide* sec. 31, *supra*, p. 129.

**39.**—(1) Subject to the provisions of this section, all approved societies which at the date of any valuation have less than five thousand insured persons as members

**Sect. 39.**

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Pooling  
arrangements



**Sect. 39.** for the purposes of this Part of this Act shall, for the purposes of the valuation—  
in the case of small societies.

- (a) if they have joined an association formed under this section, be associated with the other societies in the same association; and
- (b) if they have not joined any such association, be grouped together according to the localities in which they carry on business.

(2) Any such societies may, with the consent of the Insurance Commissioners, form for the purposes of this section an association with a central financial committee, provided that the aggregate number of insured persons who are members of the associated societies is not less than five thousand, and the conditions on which a society shall be entitled or allowed to join, or having joined to secede from, an association, shall be such as may be prescribed.

(3) Any such society which has not joined any such association as aforesaid, and which carries on business in any county or county borough, shall, for the purposes of this section, be grouped with the other unassociated societies carrying on business in the same county or county borough.

(4) The provisions of this Part of this Act as to the application of surpluses of branches of societies with branches shall apply to such associated and grouped societies as if all the societies in any association or group were branches of a single society, subject to the following modifications:—

- (a) A reference to the central financial committee in the case of an association, and to the Insurance Committee for the county or county borough in the case of a group, shall be substituted for the reference to the central authority of the society;
  - (b) The approval of the central financial committee or Insurance Committee shall not be required to any scheme prepared by an associated or grouped society for the distribution of any surplus.
- (5) Where an associated or grouped society is a society



with branches, the provisions of this Part of this Act relating to surpluses and deficiencies of societies with branches (except those requiring the approval of a society to a scheme prepared by a branch as to the distribution of a surplus or the making good of a deficiency) shall not apply to the society, but each branch shall, for the purposes of this section, be deemed to be a separate society.

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(6) For the purposes of this section, a society shall be deemed to carry on business only in the county or county borough in which its registered office or other principal place of business is situate :

Provided that, where of the insured persons who are members of a grouped society at the date of any valuation more than one hundred or more than one-sixth reside in some county or county borough other than that in which the registered office or other principal place of business is situate, the proper proportion of any surplus or deficiency of the society shall, if application for the purpose is made by any of the Insurance Committees concerned, be apportioned to the Insurance Committee of that other county or county borough, such proportion to be determined, in default of agreement between the Insurance Committees concerned, by the Insurance Commissioners.

(7) The Insurance Commissioners may exempt from this section any society consisting of persons entitled to rights in a superannuation or other provident fund established for the benefit of persons employed by one or more employers, if the employer, in addition to the contributions payable by him under this Part of this Act, is responsible for the solvency of the fund, or for the benefits payable thereout, or is liable to pay a substantial part of, or to make substantial contributions to, or substantially to supplement the benefits payable out of the fund, and this section shall not apply to any society to which such an exemption has been granted.

(8) Except so far as relates to the power of refusing to make good any part of a deficiency due to maladministration on the part of any society, nothing in this



**Sect. 39.** section shall be construed as conferring on any central financial committee or Insurance Committee any powers of control over the administration of associated or grouped societies.

**Object of the Section.**—The object of this section is to give financial stability to small approved societies. The manner in which this end is effected is by provisions that all approved societies with, at the date of any valuation, less than five thousand members being insured persons should be grouped together for the purposes of valuation.

This grouping may be done in two ways—

- (1) The societies themselves may take the initiative, and, with the consent of the Insurance Commissioners, form an association with the central financial committee. The societies forming such an association must have in the aggregate not less than five thousand members who are insured persons.
- (2) Any societies who have not joined any such association will be grouped according to the county or county borough in which they carry on business. For the purpose of this grouping a society is to be deemed to carry on business only in the county or county borough in which its registered office or other principal place of business is situate. The Insurance Committees for the county or county boroughs will take the place occupied by the central financial committee in the case of an association of societies.

The association or group is then to be valued, and surpluses dealt with, as if all the societies in any association or group were branches of a single society, *i.e.* in accordance with secs. 36 and 37, *supra*, and, where those sections refer to the central authority of a society, a reference to the central financial committee of the association, or to the Insurance Committee for the county or county borough, is, as the case may require, to be substituted. For this purpose associated or grouped societies which are societies with branches are to be treated as if each branch were a separate society.

(NOTE.—There is no provision in subsec. (4) applying the provisions of sec. 38 as to deficits to association or groups of societies. *Quære* whether the inference to be drawn from the words “for the purposes of valuation” and from the provisions of subsecs. (5) and (8) is sufficient to make the provisions of sec. 38 apply?)

*Conditions for joining or seceding from an association.*—These conditions are to be prescribed by the Insurance Commissioners. There is no provision in the section for determining who is to group unassociated societies. *Semble* this duty will devolve upon the appropriate Insurance Committee.

*Grouped society with members being insured persons resident outside county or county borough in which society carries on business.*—In a case where a grouped society has, at the date of any valuation, more than one hundred, or more than one sixth of its members,



being insured persons, resident in some county or county borough other than that in which the society carries on business, the proper proportion of any surplus or deficiency of the society may be apportioned to the Insurance Committee of that other county or county borough. This apportionment will only be made on the application of any Insurance Committee concerned. If the proportion cannot be agreed, it is to be determined by the Insurance Commissioners.

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THE SECTION.

*Administration of associated or grouped societies.*—Such societies will retain to the full their powers of managing their own affairs. The only power of control possessed by central financial committees or Insurance Committees will be the power (*vide* sec. 38 (1) (a), proviso) to refuse to make good in whole or in part a deficiency due to maladministration.

“**Superannuation or other Provident Fund,**” *vide* sec. 25, *supra*, p. 122.

**40.**—(1) Where a society with branches is so organised that the branches in different geographical areas are grouped together for the purpose of this section, the branches in any such area may, if and to such extent as the rules of the society so provide, and if the number of members of the branches being insured persons in the area exceeds five thousand, be treated for the purposes of the provisions of this Part of this Act relating to valuations, surpluses, and deficiencies as if they formed a separate society.

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Special pro-  
visions with  
regard to  
societies with  
branches.

(2) The rules of any society with branches may provide for the branches reinsuring with the society their liabilities in respect of any of the benefits under this Part of this Act, or, if the society is so organised as aforesaid, for such reinsurance either with the society or with the group.

(3) Where a society with branches has among its members insured persons who are not members of any branch, and the benefits of such members are administered by the society itself, such members shall be treated for the purposes of this Part of this Act relating to valuations, surpluses, and deficiencies as if they formed a separate branch.

**Branch.**—By sec. 79, *infra*, this expression does not include any branch of a society which is not, itself, separately registered.



**Sect. 41.**  
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 Power to  
 separate  
 men's and  
 women's  
 funds.

**41.** Where an approved society, not being a society with branches, has amongst its members both men and women, and the rules of the society so provide, the provisions of this Part of this Act with respect to valuations, surpluses, and deficiencies shall apply to the society as if it were a society consisting of two branches, the one comprising the male members and the other comprising the female members.

**Note.**—The power to separate men's and women's funds is confined to societies *without* branches. *Quære* whether associated or grouped societies which have no branches, may also separate men's and women's funds? It would seem that they can not, as such societies are only to be treated as branches for the purpose of dealing with surpluses and (?) deficiencies.

### *Deposit Insurance.*

**Sect. 42.**  
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 Provisions as  
 to deposit  
 contributors.

**42.** Until the first day of January nineteen hundred and fifteen, the following provisions shall apply in the case of insured persons (in this Act referred to as deposit contributors) who have not joined an approved society within the prescribed time, or who, having been members of an approved society, have been expelled or have resigned therefrom and have not, within the prescribed time, joined another approved society:—

- (a) Contributions by or in respect of a deposit contributor shall be credited to a special fund to be called the Post Office fund:
- (b) The sums required for the payment of any sickness, disablement, or maternity benefit payable to a deposit contributor, except so far as they are payable out of moneys provided by Parliament, shall be paid out of the moneys standing to his credit in the Post Office fund, and his right to benefits under this Part of this Act shall be suspended on the sums standing to his credit in that fund being exhausted, except that his right to medical benefit and sanatorium benefit shall continue until the expiration of the then current year, and that the Insurance Committee, if it



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has funds available for the purpose and thinks fit so to do, may allow him to continue to receive medical benefit or sanatorium benefit or both such benefits after the expiration of such year :

- (c) Such sum as may be prescribed shall in each year be payable in respect of each deposit contributor towards the expenses incurred by the Insurance Committee in the administration of benefits :
- (d) Such sum as the Insurance Committee may, with the consent of the Insurance Commissioners, determine shall in each year be payable in respect of each deposit contributor for the purposes of the cost of medical benefit :
- (e) The sums payable in respect of a deposit contributor for the purposes of medical benefit and sanatorium benefit, and towards the expenses of administration, shall, except so far as they are payable out of moneys provided by Parliament, be deducted at the commencement of each year from the amount standing to his credit in the Post Office fund, and, if at the commencement of any year the amount so standing to his credit is insufficient to provide such sums, he shall not, unless the Insurance Committee consents, and except subject to such conditions as that committee may impose, be entitled to any benefits during that year :
- (f) Upon the death of a deposit contributor, four-sevenths (or in the case of a woman one-half) of the amount standing to his credit in the Post Office fund shall be paid to his nominee or, in default of a nomination, to the person entitled to receive the sum as if it were money payable on the death of a member of a registered friendly society, and the balance thereof shall be forfeited, and sections fifty-six to sixty-one of the Friendly Societies Act, 1896, as amended by any subsequent enactment, shall, subject to the prescribed adaptations, apply accordingly :



- Sect. 42. — (g) Where a deposit contributor proves to the satisfaction of the Insurance Committee that he has permanently ceased to reside in the United Kingdom, four-sevenths (or in the case of a woman one-half) of the amount standing to his credit in the Post Office fund may be paid to him.

**Object and Effect of this Section.**—This and the next succeeding section set out the provisions which are to apply in the case of insured persons, whether voluntary or employed contributors, (1) who have not joined an approved society within the time to be prescribed by the Insurance Commissioners (as to which *vide* the National Health Insurance (Time for Joining an Approved Society) Regulations, 1912, *infra*, p. 384), or, (2) who, having been members of an approved society, have been expelled or have resigned therefrom, and have not joined another approved society. These provisions are only to be in force until Jan. 1, 1915, before which date, presumably, they will be reconsidered in light of the reconstruction of the present Poor Law system, which it is anticipated will take place between now and then.

The method upon which this Act deals with deposit contributors is not insurance at all, but consists in an accumulation of their contributions and payment of benefits to them out of such accumulation until it is exhausted. Two-ninths (or in the case of women one quarter) of the cost of the benefits given to deposit contributors and of the administration of such benefit will be met out of the State contribution (sec. 3, *supra*, p. 33).

All contributions paid by or in respect of a deposit contributor are to be credited to a special fund called the Post Office Fund. This fund will consist in a number of individual accounts, the amount standing to the credit of each of which will depend upon the number of contributions paid by the individual deposit contributor. It should be observed that the equalisation of age of insured persons which is effected by the creation of appropriate reserve values under sec. 54 (*infra*) does not apply to insured persons who become deposit contributors, who will be *pro tanto* worse off than insured persons who become members of approved societies. The object of the Act is that as many persons as possible should become members of approved societies, and the absence of reserve value in the case of deposit contributors and the fact that deposit insurance affords but limited protection, should form a powerful inducement to every insured person to become a member of an approved society.

The Insurance Committees have complete charge of the administration of all benefits payable to deposit contributors, and may make rules for such administration under the power given to them by sec. 14 (*supra*, p. 92).

At the commencement of each year the sums payable in respect of a deposit contributor for the purposes of (a) medical benefit, (b) sanatorium benefit, (c) expenses of administration, except so far



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OBJECT AND  
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SECTION.

as such sums as are to be derived from the State contribution, are to be deducted from the amount standing to the individual deposit contributor's credit in the Post Office fund. If the funds standing to the credit of a deposit contributor are insufficient to provide these sums, that contributor is not entitled to any benefits at all that year, unless the Insurance Committee consents and subject to any condition it may impose. So far as concerns medical benefit, the amount of that sum is to be prescribed by the Insurance Commissioners; so far as concerns sanatorium benefit, the amount is fixed at 1s. 3d. by sec. 16 (2) (*supra*). With regard to expenses, the Insurance Commissioners are to prescribe the sum payable in respect of each deposit contributor for this purpose. It should be noticed that these expenses are confined to the expenses incurred by the Insurance Committee in the administration of benefits (*semble* this means benefits to deposit contributors), and do not include other expenses which Insurance Committees may incur.

As a natural corollary of the above provisions, a deposit contributor, whatever may be the state of his credit in the Post Office Fund, is entitled to medical benefit and sanatorium benefit until the expiration of the then current year; and there is further power in the Insurance Committee to give such benefits after the expiration of that year if it has funds available for the purpose. (Insurance Committees may also extend sanatorium benefit to the dependents of insured persons, *vide* sec. 17, *supra*.)

After providing for medical and sanatorium benefits and expenses of administration the amount left to the credit of the deposit contributor, is available until exhaustion for the payment of sickness, disablement or maternity benefit.

The payment of these latter benefits involves in the case of men 7-9ths of their cost coming from the contributor and 2-9ths from the State; thus, where the deposit contributor has 70s. standing to his credit in the Post Office fund, he will be able, with the assistance of the State contribution, to enjoy 90s. worth of benefits before his right to benefits ceases. But it would appear that on the complete exhaustion of his own funds the State contribution will cease to be payable in respect of him.

**Death of Deposit Contributor.**—*Vide* the provisions of para. (f) of this section, the Friendly Societies Act, 1896 (59 & 60 Vict. c. 25), secs. 56 to 61, and the Friendly Societies Act, 1908 (8 Ed. 7, c. 32), sec. 5.

**Deposit Contributor ceasing to reside in the United Kingdom.**—The provisions of para. (g) of this section only apply where a deposit contributor, on permanently ceasing to reside in the United Kingdom, does not join any of the societies, institutions, or branches mentioned in sec. 32 (*supra*, p. 130). In such cases the deposit contributor is entitled to have the whole amount standing to his credit in the Post Office fund transferred to the society, institution, or branch which he joins (*cf.* the provisions as to members of approved societies permanently ceasing to reside in the United Kingdom (sec. 33, *supra*, p. 133).

**Arrears.**—None of the provisions of sec. 10 (*supra*, p. 71), applicable to deposit contributors.

**Rates of Contribution. Rates of Benefit.**—These will be the same as for members of approved societies.



**Sect. 43.** **43.**—(1) If an insured person, being a member of an approved society, ceases to be a member of that society, whether voluntarily or by expulsion, and fails to become within the prescribed time a member of another approved society, then—

Transfer from approved society to deposit insurance and *vice versa*.

- (a) if he becomes a deposit contributor, his transfer value shall be carried to his credit in the Post Office fund: Provided that, if a reserve value has been credited to the society in respect of him, such part of that reserve value as is still outstanding (or if the amount so outstanding exceeds the transfer value such part of the reserve value as is equal to the transfer value) shall be cancelled, and the amount, if any, by which the transfer value exceeds the amount so cancelled shall be carried to the credit of the deposit contributor;
- (b) if he does not become a deposit contributor, his transfer value shall be carried to such account and dealt with in such manner as may be prescribed.

(2) If an insured person who is a deposit contributor subsequently becomes a member of an approved society for the purposes of this Part of this Act, there shall be transferred to the society the amount standing to his credit in the Post Office fund:

Provided that—

- (a) if that amount exceeds the value of the contributions paid by or in respect of him estimated on the assumption that he had been a member of an approved society since his entry into insurance, the excess shall not be transferred to the society but shall be carried to the credit of the Post Office fund;
- (b) if that amount is less than such value, the insured person shall be treated as being in arrear to the amount of the deficiency.

**Object and Effect of the Section.**—This section deals with transfers to approved societies from deposit insurance, and *vice versa*.

- (1) Where an insured person ceases to be a member of an approved society, and



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OBJECT AND  
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- (a) becomes a deposit contributor, his transfer value (sec. 31, *supra*) is to be carried to his credit in the Post Office fund. But in so far as reserve value (sec. 55, *infra*) is an element in such transfer value, that reserve value is to be cancelled, and the deposit contributor is only to be credited with the difference between the transfer value and the reserve value;
- (b) does not become a deposit contributor, his transfer value is to be dealt with as the Insurance Commissioners may prescribe. (*Quære* whether the transfer value in this latter case includes reserve value or not, *semble* the intention of the section is that it should not; the reserve value will, presumably, be written off.)
- (2) Where the deposit contributor becomes a member of an approved society, the amount standing to his credit in the Post Office fund is to be transferred to the society, but,
- (a) if that amount exceeds the value of the contributions paid by or in respect of him, estimated on the assumption that he had been a member of an approved society since his entry into insurance, the excess is not to be transferred to the society but is to be carried to the credit of the Post Office fund. It is a little difficult to see how this excess can arise before January 1, 1915, for a deposit contributor pays exactly the same contributions as a member of an approved society, and there are no provisions for crediting individual accounts in the Post Office fund with any sums other than those derived from individual contributions.
- (b) If that amount is less than such value the insured person is to be treated as being in arrear to the amount of the deficiency. These arrears will, it is submitted, be calculated by dividing the weekly amount of contributions payable by the deposit contributor into the deficiency, when the result will be the number of weeks contributions which the deposit contributor is to be deemed to be in arrears. It is submitted that such arrears will be arrears which have accrued due during the calendar year current at the time of his so becoming a member of an approved society, and that therefore the deposit contributor in question will have the right to pay them off under the powers given to him by sec. 10 (5), *supra*. *Quære* whether a deposit contributor who joins an approved society before July 15, 1913, can be treated as being in arrears at all under this provision in view of the fact that by sec. 10 (4) (c) no account is to be taken of arrears accruing in the case of an employed contributor within twelve months after the commencement of the Act?
- (3) In the case of a deposit contributor who ceases to be a deposit contributor otherwise than by death or permanent removal from the United Kingdom, there is no provision for dealing with the amount standing to his credit in the Post Office fund.



*Provisions as to Special Classes of Insured Persons.***Sect. 44.**

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Special provisions with respect to married women.

**44.**—(1) Where a woman who has before marriage been an insured person marries, she shall be suspended from receiving the ordinary benefits under this Part of this Act until the death of her husband, and, if she is a member of an approved society, one-third of her transfer value shall be carried to a separate account called the married women's suspense account, but, if at any time after the death of her husband she becomes an employed contributor, the period between her marriage and the expiration of one month from the death of her husband shall be disregarded for the purpose of reckoning arrears, and there shall be transferred from the married women's suspense account to the society of which she is a member the proper reserve value calculated according to tables to be prepared by the Insurance Commissioners:

Provided that, where a woman who has been employed within the meaning of this Part of this Act before marriage, proves that she continues to be so employed after marriage, she shall not be so suspended so long as she continues to be so employed, and that, where a married woman so suspended from the ordinary benefits becomes employed within the meaning of this Part of this Act before the death of her husband, contributions shall thereupon again become payable in respect of her, and she shall cease to be suspended from receiving the ordinary benefits, but, subject to regulations made by the Insurance Commissioners, she shall, for the purposes of those benefits, be treated as if she had not previously been an insured person.

(2) Where a married woman being a member of an approved society is so suspended from the ordinary benefits as aforesaid, she may, if she so elects within one month after such suspension, or, subject to the consent of the society, after the expiration of that month, and notwithstanding that she is not engaged in any regular occupation, become whilst so suspended a voluntary



contributor, subject to the following modifications, but not otherwise:— Sect. 44.

- (a) The rate of contributions payable by her shall be threepence a week ;
- (b) The benefits to which she shall be entitled shall be—
  - (i) medical benefit ; and
  - (ii) sickness benefit and disablement benefit at the rates and subject to the conditions specified in Table D. of Part I. of the Fourth Schedule to this Act ;
- (c) No part of her contributions shall be retained by the Insurance Commissioners for the purpose of discharging their liabilities to approved societies in respect of the reserve values created under this Act :

Provided that, where a married woman elects not to become such a voluntary contributor, she shall be entitled to have a sum equal to the remaining two-thirds of her transfer value applied in accordance with regulations of the Insurance Commissioners towards the payment of any of the benefits specified in Part III. of the Fourth Schedule to this Act until the same is exhausted, except that, where a reserve value was credited to the society in respect of such woman at the date of her entrance into insurance, so much of such sum as aforesaid as may be prescribed shall not be so applied but shall be written off the amount of the reserve values credited to the society.

(3) Where the husband of a married woman who has been so suspended from ordinary benefits as aforesaid and who is a member of an approved society dies, she may, if she is qualified to become a voluntary contributor, and elects to do so within one month after the death of her husband, become an ordinary voluntary contributor paying contributions at the rate which would have been applicable to the case had she become such a contributor at the date of her entry into insurance :

Provided that she may, whether or not so qualified,



**Sect. 44.** if she so elects within one month after the death of her husband, continue to be or become a voluntary contributor on the same terms and subject to the same conditions as above provided as respects married women.

In either such case there shall be transferred from the married women's suspense account to the society the proper reserve value calculated as aforesaid.

(4) Where a married woman who was at the date of her marriage a deposit contributor is by virtue of this section suspended from the ordinary benefits under this Part of this Act, two-thirds of the sum standing to her credit in the Post Office fund shall be applied in accordance with the regulations of the Insurance Commissioners towards the payment of any of the benefits specified in Part III. of the Fourth Schedule to this Act until the same is exhausted.

(5) Where a woman who was a married woman at the commencement of this Act at any time subsequently either before or within one year after the death of her husband becomes an employed contributor and a member of an approved society, she shall be entitled to full benefits, notwithstanding that at the time of so becoming she is of the age of seventeen or upwards.

(6) Where any arrears of contributions have accrued due in respect of a married woman during coverture such arrears shall, on the death of her husband, be disregarded and she shall be thenceforth entitled to benefits as if such arrears had never accrued due.

(7) Except as provided by this section, a married woman shall not be entitled to become a voluntary contributor, and, if a woman is before marriage a voluntary contributor, she shall on marriage not be entitled to continue to be such a contributor.

(8) If a woman, whilst a voluntary contributor at such reduced rates of benefit as are provided by this section, becomes employed within the meaning of this Part of this Act, she shall be entitled to a certificate (to be granted in manner herein-before provided) exempting her from liability to become an employed contributor so,



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however, that such exemption shall not exempt the employer from his liability to pay contributions in respect of her, or deprive him of his right to recover such part of those contributions as is payable on her behalf, but of each weekly contribution so paid by the employer threepence shall be treated as her contribution as a voluntary contributor and the balance shall be applied for her benefit in such manner as the society may determine.

(9) If at any time the married women's suspense account is insufficient to meet the liabilities imposed on it by this section, the deficiency shall be made good out of the sums retained by the Insurance Commissioners for discharging their liabilities in respect of the reserve values created by this Act.

(10) Transfer value for the purposes of this section shall be calculated in such manner as the Insurance Commissioners may prescribe.

(11) Where a woman is a member of an approved society at the time when she is entitled to exercise an option under this section, it shall be the duty of the society to give her full information as to the nature of her rights.

(12) Where a deficiency has been found in respect of the society or branch of which a woman is a member at a valuation previous to the time when she became suspended from ordinary benefits under this Part of this Act, and that deficiency has not been made good at the time of her marriage, or where a woman is in arrears at that time, such adjustments in the sums transferred to the married women's suspense account, and in the balance of her transfer value, and in the rates of benefit to which she is entitled under this section, shall be made as the Insurance Commissioners may prescribe.

(13) Save as aforesaid, the provisions of this Part of this Act shall apply to a woman who has been married, both during and after coverture, in like manner as if she had never been married.

(14) This section shall apply in the case of a woman whose marriage has been dissolved or annulled, or who



**Sect. 44.** has, for a period of not less than two years, been actually separated from or deserted by her husband, as if her husband had died at the date at which such dissolution or annulment took effect, or, as the case may require, at the expiration of such period of two years.

**Object and Effect of Section.**—This section sets out the provisions of the Act dealing with married women. In order to appreciate the position created by this section, it is necessary to refer briefly to the position of women in general under the Act. It will be remembered that all women, whether married or single, who are employed within the meaning of this part of the Act are bound to become employed contributors (*vide supra*, p. 3). Any single woman who fulfils the qualifications laid down by sec. 1 (3) (*supra*, p. 4) may become a voluntary contributor, but except so far as allowed by the section now under consideration, no married woman can become or continue to be a voluntary contributor.

The section now under consideration provides that a woman who was before marriage an insured person, should, on marriage, be suspended from receiving the *ordinary* benefits conferred by the Act (*semble* the benefits set out in sec. 8 (1), *supra*), until the death of her husband (for the extended meaning of "death," *vide subsec. (14)*). Where, however, a woman

- (1) was before marriage and continues after marriage to be employed within the meaning of this part of this Act, or
  - (2) becomes so employed during coverture,
- she is not suspended or ceases to be suspended as the case may be.

Certain classes of married women will, on the death of their husbands, be given very favourable terms of continuing in insurance either as voluntary or employed contributors. These classes and the nature of the terms given are dealt with in the table set out at the end of the note. This provision will of course involve considerable loss, and that loss will be met in part out of a new fund called the Married Women's Suspense Account. Women who have been insured persons before marriage will have, at the date of marriage, transfer values representing the contributions which they have made or which have been made in respect of them during spinsterhood. On marriage one third of the transfer value of such women, if they are members of approved societies, is to be carried to the Married Women's Suspense Account. These transfer values are not the same as the transfer values dealt with in sec. 31 (*supra*, p. 129), but are calculated in the manner prescribed by the Insurance Commissioners (*vide infra*, p. 385). Power is also given to the Insurance Commissioners to adjust the transfer value or the rates of benefit to which a woman may be entitled under this section in the following cases:—

- (1) Where the society or branch of which the woman in question is a member has a deficiency which, at the date of her marriage, has not been extinguished, or
- (2) Where the woman herself is in arrears.

The loss which will be made by giving the favourable terms above referred to will be met in most cases by giving the women



who are entitled to these terms on the death of their husbands reserve values, and these reserve values will be drawn from the Married Women's Suspense Account. If that account is insufficient to provide for the liability thus imposed upon it, the deficiency is to be made good out of the sums retained by the Insurance Commissioners for discharging their liabilities in respect of the reserve values created by this Act, that is to say, out of the sums retained by the Insurance Commissioners under sec. 55 (3), *infra*. This provision will make any additional charge, above and beyond what can be met out of the Married Women's Suspense Account, a charge on the general fund, and will have the effect of postponing the date on which benefits may be extended under this Act (*vide* sec. 8 (9), *supra*, p. 63).

It will be observed that two-thirds of such transfer values are not disposed of. The sums which that fraction represents will be used to finance one or other of the three forms of insurance which are provided by this section for married women during the period of suspension from ordinary benefits. These forms of insurance are as follows:—

(1) Where a married woman being a member of an approved society is suspended from the ordinary benefits conferred by the Act, she may, if she elects within one month after her suspension, or if later than that, subject to the consent of the society, become a voluntary contributor on the terms set out in subsec. (3). These terms are that she should in return for a contribution of threepence a week receive (a) medical benefit, (b) sickness benefit and disablement benefit, at the rates and subject to the conditions specified in Table D of Part I. of the Fourth Schedule to this Act. (Table D is printed on p. 164 for convenience of reference.)

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TABLE SHOWING HOW THE ACT AFFECTS MARRIED WOMEN.

BEFORE MARRIAGE.	ON MARRIAGE.	DURING COVERTURE.	ON DEATH OF HUSBAND.
Employed Contributor member of an approved society.	If she continues to be employed she is <b>not suspended</b> from ordinary benefits.	So long as she continues to be employed she is dealt with as an <b>ordinary employed contributor</b> .	(1) <b>Arrears accrued during coverture are disregarded.</b> Subsec. (6). (2) If she continues to be employed, no change. (3) If she ceases to be employed, she may (if qualified) become an <b>ordinary voluntary contributor</b> .
If she ceases to be employed— (1) She is <b>suspended</b> from ordinary benefits. (2) One-third of transfer value carried to Married Women's Suspense Account.	She may not become an ordinary voluntary contributor. She may elect— (1) To become a <b>special voluntary contributor</b> under subsec. (2), <i>or</i> (2) To have the remaining two-thirds of her transfer value applied in accordance with the proviso to subsec. (2). A.—If she elects the first of these alternatives and then becomes employed— (1) <b>Suspension</b> ceases and she is treated as if she had not previously been insured * (proviso to subsec. (1)), <i>or</i> (2) She may get a <b>certificate of exemption</b> under subsec. (8). B.—If she elects the second alternative and then becomes employed, she is dealt with as in A (1).	A.—If she has elected to become a <b>special voluntary contributor</b> and is not employed, she may either— (1) Become an <b>ordinary voluntary contributor</b> (if qualified) on terms of subsec. (3), <i>or</i> (2) Continue to be a <b>special voluntary contributor</b> as provided in the proviso to subsec. (3). B.—If she did not elect to become a special voluntary contributor and is not employed, she may, if qualified, become an ordinary voluntary contributor on ordinary terms. C.— <b>In any case</b> if she becomes employed at any time after the death of her husband, <b>arrears accrued due during coverture and one month afterwards</b> are to be disregarded.	The same provisions apply as in the case of an employed contributor who is a member of an approved society at the time of marriage and who
Voluntary contributor member of an approved society.	(1) <b>Suspended</b> from ordinary benefits. (2) One-third of transfer value is carried to	The same provisions apply to her as apply to an employed contributor who is a member of an approved society at the time of marriage who	



<p>Contributor.</p> <p>employed she is <b>not</b> suspended from ordinary benefits. If she ceases to be employed—</p> <p>(1) She is <b>suspended</b> from ordinary benefits.</p> <p>(2) One-third of the amount standing to her credit in the Post Office fund is left standing there and does not appear to be dealt with under this or any other section.</p> <p>(1) She is <b>suspended</b> from ordinary benefits.</p> <p>(2) One-third of the amount standing to her credit in the Post Office fund is left standing there and does not appear to be dealt with under this or any other section.</p>	<p><b>Voluntary deposit contributor.</b></p> <p>(1) She is <b>suspended</b> from ordinary benefits.</p> <p>(2) One-third of the amount standing to her credit in the Post Office fund is left standing there and does not appear to be dealt with under this or any other section.</p>	<p>she is dealt with as an <b>ordinary employed deposit contributor</b>. She can never become a voluntary contributor—</p> <p>A.—If she ceases to be employed, two-thirds of the amount standing to her credit in the Post Office fund is to be applied in accordance with subsec. (4).</p> <p>B.—If later she becomes employed, <b>suspension</b> ceases, and she is treated as if she had not previously been insured* (proviso to subsec. (1)). She cannot continue to be a voluntary contributor.</p> <p>A.—If she continues to be unemployed, two-thirds of the amount standing to her credit in the Post Office fund is to be applied in accordance with subsec. (4).</p> <p>B.—If she becomes employed, <b>suspension</b> ceases, and she is treated as if she had not previously been insured* (proviso to subsec. (1)). She can never become a voluntary contributor.</p> <p>A.—If employed, she is dealt with as an <b>ordinary employed contributor</b>.</p> <p>B.—If not employed, the Act does not affect her.</p> <p>C.—If she becomes employed and joins an approved society after commencement of Act, then subsec. (5) applies. She cannot become a voluntary contributor. If she becomes employed, she is dealt with as an ordinary employed contributor.</p>	<p>change.</p> <p>(2) If she ceases to be employed, she may, if qualified, become an <b>ordinary voluntary contributor</b>.</p> <p>A.—If she remains unemployed, she may, if qualified, become an <b>ordinary voluntary contributor</b>.</p> <p>B.—If she continues to be employed <b>no change</b>.</p> <p>A.—If she continues to be or becomes unemployed, she may, if qualified, become an ordinary voluntary contributor.</p> <p>B.—If she continues to be or becomes employed, <b>no change</b>.</p> <p>A.—<b>Arrears accrued due during cover- ture are disregarded</b>.</p> <p>B.—If she becomes an employed contributor and a member of an approved society within one year after husband's death, she receives full benefits, <b>what- ever her age</b>.</p> <p>C.—<b>Arrears accrued due during cover- ture are disregarded</b>.</p> <p>(1) She can (if qualified) become a voluntary contributor.</p> <p>(2) If employed, <b>arrears accrued due during cover- ture are disregarded</b>.</p>
<p><b>Married at the time of commencement of the Act.</b></p>	<p><b>Uninsured person married after commencement of Act.</b></p>		<p>NOTE.—It is assumed throughout the table that a woman who was a deposit contributor on marriage does not become a member of an approved society at any stage, and <i>vice versa</i>. If this assumption were not made the combinations would be almost endless. * "Treated as if she had not previously been insured," <i>vide</i> sec. 8 (7), <i>supra</i>, p. 61, and sec. 9 (4), <i>supra</i>, p. 67.</p>



**Sect. 44.****TABLE D.—Rates and Conditions for Married Women.**

OBJECT AND  
EFFECT OF  
SECTION.

Sickness benefit: during the first thirteen weeks, the sum of 5s. a week; during the second thirteen weeks, 3s. a week.

Disablement benefit: the sum of 3s. a week.

Sickness and disablement benefit shall not be payable during the two weeks before and four weeks after confinement, except in respect of a disease or disablement neither directly or indirectly connected with childbirth.

No part of the contributions of a married woman who has elected to come in under this form of insurance is to be retained by the Insurance Commissioners for the purpose of discharging their liabilities to approved societies in respect of the reserve values created under the Act.

(2) Where such a married woman does not elect to become a voluntary contributor under the above conditions, she may have a sum equal to the remaining two-thirds of her transfer value applied towards the payment of any of the benefits specified in Part III. of the Fourth Schedule to this Act, until such sum is exhausted. If that transfer value includes a reserve value the sum aforesaid is to be reduced by so much as may be prescribed, and the amount by which such sum is so reduced may not be drawn by her, but is to be written off the amount of the reserve values credited to her society.

(3) Where a married woman was at the date of her marriage a deposit contributor, and is suspended from ordinary benefits on marriage in accordance with this section, two-thirds of the sum standing to her credit in the Post Office fund is to be applied towards the payment of any of the benefits specified in Part III. of the Fourth Schedule to this Act until the same is exhausted.

Where a married woman elects to become a voluntary contributor under the first form of insurance above set out, and afterwards again becomes employed, she may, if she likes, get a certificate exempting her from becoming an employed contributor. This exemption, will not, however, have the effect of releasing her employer from his obligation to pay contributions in respect of, or of depriving the employer of his right to deduct from her wages such part of the contribution as is payable in respect of her.

The above sets out briefly the provisions of this section. In order, however, that the effect of it may be seen in detail a table is inserted which shows how different classes of women are affected.

**Insured Person** includes voluntary and employed contributors. These persons may be members of approved societies or deposit contributors.

**Employed within meaning of this Part of this Act.**—

*Vide* sec. 1 (2) (*supra*, p. 2).

**Ordinary or Full Benefits.**—*Vide* sec. 8 (1) (*supra*, p. 51).

**Ordinary Voluntary Contributor.**—For the qualifications necessary for becoming a voluntary contributor, *vide* sec. 1 (3) (*supra*, p. 2).

**Date of entry into Insurance.**—*Vide supra*, p. 47.



**Certificates of Exemption.**—The regulations made under sec. 2, *supra*, p. 31, do not apply to claims by a married woman.

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**Status of Married Woman during Coverture.**—*Quære* whether a married woman who has been suspended from benefits on marriage and who is not employed and does not elect to become a voluntary contributor ceases to be an insured person? It is submitted that she does not. She is an insured person with inchoate rights who pays no contributions, receives no benefits (except so far as benefits are paid out of the remaining two-thirds of her transfer value), and against whom no arrears accrue. The italic title to the section also supports this view. If this be the true view a married woman, upon her husband's death, may count in the years of her married life by way of qualification to become a voluntary contributor (*vide* sec. 1 (3) (b)) and can also, if she desires, and is in a position to do so, make use of these years as years during which no arrears accrued due for the purpose of the proviso to sec. 9 (4).

**Transfer Value for the Purposes of this Section.**—*Vide* National Health Insurance (Married Women's Transfer Value) Regulations, 1912, *infra*, p. 385.

**Married Women Electing not to become Voluntary Contributors.**—*Vide* National Health Insurance (Married Women's Special Benefits) Regulations, 1912, *infra*, p. 385, which deal with the amount by which the transfer value of married women is to be reduced under the proviso to subsec. (2) and the manner in which the balance is to be expended in benefits for her.

**45.**—(1) This Part of this Act shall apply to persons of the age of seventeen or upwards at the date of entry into insurance who are not British subjects, subject to the following modifications :—

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Special provisions as to aliens.

- (a) No such person shall be qualified to become a member of an approved society for the purposes of this Part of this Act, except upon the terms and subject to the conditions herein-after mentioned ;
- (b) No part of the benefits to which such persons may become entitled shall be paid out of moneys provided by Parliament ;
- (c) The rate of sickness, disablement, and maternity benefit shall, as respects a deposit contributor, be reduced, in the case of men, to seven-ninths, or in the case of women to three-quarters, of the rate to which they would otherwise be entitled under this Part of this Act ;



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(d) No part of the sums payable in respect of such persons for medical benefit and sanatorium benefit or towards the expenses of administration of benefits shall, in the case of such persons, be paid out of moneys provided by Parliament.

(2) Where such a person becomes a member of an approved society the following provisions shall have effect:—

(i) The contributions payable by or in respect of such person shall be credited to the society;

(ii) The society shall in each year pay to the Insurance Committee the whole of the sums payable in respect of such person for medical benefit and sanatorium benefit;

(iii) The rate and conditions of sickness benefit, and disablement benefit, and maternity benefit shall be such as may be determined by the society;

(iv) Such person shall not be deemed to have joined an approved society for the purposes of the provisions of this Part of this Act relating to reserve values, and no part of the contributions of such person shall be retained by the Insurance Commissioners towards the discharge of their liabilities in respect of reserve values.

(3) A woman who, having been a British subject before marriage, has ceased to be a British subject by reason of marriage with a person not being a British subject, shall not be subject to the provisions of this section if her husband is dead, or the marriage has been dissolved or annulled, or she has for a period of not less than two years been actually separated from or deserted by her husband.

(4) This section shall not apply to any person who, on the fourth day of May nineteen hundred and eleven, was a member of a society which, or a separate section of which, becomes an approved society, and had then been resident in the United Kingdom for five years or upwards, or to any person who is transferred to an approved society or the Post Office fund in pursuance of an arrangement with the Government of any foreign State.



**Object and Effect of Section.**—This section sets out the modifications, subject to which this part of this Act applies to certain classes of aliens. The section applies to all aliens who are of the age of seventeen or upwards at the date of their entry into insurance, *except*—

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- (1) Any alien who on May 4, 1911, was a member of a society which shall become an approved society, and who has been resident for five years in the United Kingdom (subsec. (4));
- (2) Any alien who is transferred to an approved society or to the Post Office fund, in pursuance of an arrangement with the Government of any foreign State under sec. 32 (*supra*, p. 130) (subsec. (2)).

It should be observed that aliens who are within the above exception are excluded from the operation of the section now under consideration. It would appear that such aliens will be dealt with in exactly the same way as British subjects. They will be eligible for membership of any approved society, and will receive the assistance of the State grant, with the consequent enjoyment of full benefits. Reserve values will also, if necessary, be created in respect of them.

With regard to the aliens with whom this section does deal, the following provisions apply:—

If such aliens are employed within the meaning of this Act they must become insured as employed contributors, and if they possess the qualifications stipulated for by sec. 1 (3) (*supra*, p. 2), they may, if they like, become voluntary contributors. In either case, two methods of insurance are open to them—

- (1) They may become members of an approved society, or
- (2) They may become deposit contributors.

A. If they adopt the first of these two methods the following provisions apply—

- (1) No part of the benefits to which they may become entitled, or of the expenses of administration, is to be paid out of moneys provided by Parliament;
- (2) The contributions payable by or in respect of them are to be credited to the society;
- (3) The society will have to pay to the appropriate Insurance Committee the sums payable in respect of such persons for medical and sanatorium benefit. These sums will presumably be the same as those payable in respect of an insured person of British nationality, and will be, in respect of the former benefit, the sum agreed or determined, as the case may be, under sec. 15 (6) (*supra*, p. 101), and, in respect of the latter benefit, the sum of one shilling and threepence for each such insured alien, as provided by sec. 16 (2) (a) (*supra*, p. 105);
- (4) The rates and conditions of sickness, disablement, and maternity benefit are left to the discretion of the society, and will, presumably, be such as the society can afford, having regard to its obligation in respect to medical and sanatorium benefit. It is submitted that the discretion in the society only goes to rates and conditions, and that it will have to make reasonable provision for all three benefits.



**Sect. 45.****OBJECT AND  
EFFECT OF  
SECTION.**

In other words, the society will not be able to devote the whole of the money to the payment of one or two of these benefits to the exclusion of the third;

(Note.—The Insurance Commissioners have issued a circular (No. A.S. 23 (Revised)) as a guide to the rates of benefit which approved societies may offer to aliens.)

(5) No reserve values (*vide* sec. 55, *infra*, p. 213) are to be credited to the society in respect of such aliens, and no sums are to be retained from their contributions for the discharge of any liabilities in respect of reserve values. The consequence of this is that the ages of such aliens will not be equalised, as will be the case for employed and voluntary contributors of British nationality who enter into insurance within the first year or the first six months, as the case may be, after the commencement of this Act, and any society which admits such aliens as members under the provisions of the section now under consideration, should adapt their scale of benefits to the ages of such aliens.

B. If they adopt the second of these two methods—

(1) No part of the benefits to which they may become entitled, or of the expenses of administration, is to be paid out of moneys provided by Parliament.

(2) Sickness, disablement, and maternity benefit is to be reduced in the case of men to seven-ninths, and in the case of women to three-quarters, of the ordinary rate of benefit.

**Aliens aged Sixteen.**—This section is expressed to apply to aliens “who are of the age of seventeen and upwards at the date of entry into insurance.” By sec. 1 (*supra*) “all persons of the age of sixteen and upwards” shall, or may be, insured under this Part of this Act. The result of these provisions is, that the section now under consideration does not apply to aliens who have attained their sixteenth, but not their seventeenth, birthday. But such aliens will be obliged, if they are employed, or will be at liberty, if they are qualified, to become insured under this part of this Act, since they are “persons of the age of sixteen or upwards.” Such aliens will, therefore, be entitled to be treated in exactly the same manner as British subjects, *viz.* to be insured for full benefits at the ordinary rates, and to have two-ninths of the cost of the benefits to which they may become entitled, and of the cost of administering these benefits, paid out of moneys provided by Parliament.

**Date of Entry into Insurance.**—*Vide supra*, p. 47.

**Aliens—British Subjects.**—*Vide note, supra*, p. 30.

**Note on Subsec. (1) (a) to (d).**—It is submitted that these provisions apply to the case of an alien, who becomes a member of an approved society, except in so far as those provisions are modified by the provisions of subsec. (2). For example, it is submitted, and assumed above, that the fact that an alien becomes a member of an approved society will not entitle him to have two-ninths of the cost of his benefit paid out of moneys provided by Parliament.

Paragraphs (b) and (d) would appear to overlap, except in so far as expenses of administration are dealt with in para. (d). It is submitted that para. (d) is inserted *ex abundanti cautela*, in order



that the Treasury should not have to pay out any money provided by Parliament in respect of aliens under the provisions of sec. 15 (7) and (8), or sec. 17 (2) and (3) (*supra*, pp. 101, 109). (*Sed quære.*)

**Aliens who become Naturalized.**—There are no provisions dealing with the position of aliens who, after entering insurance as aliens, subsequently become naturalized. “An alien to whom a certificate of naturalization is granted shall in the United Kingdom be entitled to all political and other rights, powers and privileges, and be subject to all obligations, to which a natural born British subject is entitled, or subject in the United Kingdom, . . .” Naturalization Act, 1870 (33 Vict. c. 14), s. 8. It is submitted that, as soon as an alien is granted a certificate of naturalization, he is entitled to be treated in the same manner as any British subject under this Part of this Act. If, at the time the certificate is granted, the alien is a member of an approved society subject to the provisions of this section, *quære* how the financial side of his transfer to full benefits will be effected? In the case of a deposit contributor it would seem that no difficulty would arise, but a member of an approved society, who was also an employed contributor, and who had entered into insurance within one year from the commencement of this Act, would, it is submitted, become entitled to full benefits, and a reserve value might be necessary in order to provide these benefits. The wording of sec. 55 as to the creation of reserve values is very wide, and, if the position of a naturalized alien is such as to require a reserve value, as it well may, if the above submission is correct, it would be within the power of the Insurance Commissioners to create the appropriate reserve value.

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NOTE ON  
SUBSEC. (1)  
(a) to (d).

**46.**—(1) For the purpose of providing seamen, marines, and soldiers with such benefits during their term of service and after their return to civil life as are herein-after in this section mentioned, there shall be deducted from the pay of every seaman and marine within the meaning of the Naval and Marine Pay and Pensions Act, 1865, and of every soldier of the regular forces (other than soldiers of His Majesty's Indian Forces, the Royal Malta Artillery, and native soldiers of any regiment raised outside the United Kingdom), the sum of one penny halfpenny a week, and there shall be contributed by the Admiralty and the Army Council respectively, out of moneys provided by Parliament for navy and army services, in respect of every such seaman, marine, and soldier who has joined an approved society in the manner hereafter mentioned, the sum of one penny halfpenny per week, and, in respect of every other such seaman, marine, and soldier, such sum per week as may be prescribed:

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Special provisions with regard to persons in the naval and military service of the Crown.



**Sect. 46.** Provided that no such deduction shall be made from the pay of a seaman, marine, or soldier who has completed the period of his first engagement and has re-engaged for pension unless he so elects within the prescribed time, and that no contribution shall be made by the Admiralty or Army Council in respect of any week in respect of which such a deduction is not made.

(2) A seaman, marine, or soldier—

- (a) who was at the date of his entry or enlistment an insured person and had joined and was at that date a member of an approved society ; or
- (b) who within six months from the date of his entry or enlistment, or, in the case of a seaman, marine, or soldier serving at the commencement of this Act, within six months after the commencement of this Act, or within such longer period as may be prescribed, joins an approved society for the purposes of this Part of this Act ;

shall, for the purposes of this Part of this Act, be treated as if he were an employed contributor, subject, until his discharge, to the following modifications :—

- (i) The employed rate shall be three pence, and the deductions made from his pay and the contributions made in respect of him by the Admiralty or Army Council shall be treated as the contributions paid in respect of him ;
- (ii) He shall not be entitled to medical benefit, sanatorium benefit, sickness benefit, or disablement benefit ;
- (iii) Maternity benefit shall be payable, notwithstanding that both he and his wife are resident outside the United Kingdom at the date of the confinement, and the society may arrange with the Admiralty or Army Council for the administration of the benefit through the Admiralty or Army Council ;
- (iv) The sum to be retained out of each weekly contribution by the Insurance Commissioners towards the discharge of their liabilities in respect of



reserve values shall be one penny, and the remaining five-ninths of a penny shall be paid out of the Navy and Army Insurance Fund here-in-after constituted. Sect. 46.  
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(3) With respect to seamen, marines, and soldiers who have not joined an approved society as aforesaid, the following provisions shall have effect:—

(a) The sums so deducted and the contributions so made as aforesaid in respect of such men shall be paid into the National Health Insurance Fund, and out of such sums there shall be retained by the Insurance Commissioners towards discharging their liabilities in respect of the reserve values created under this Part of this Act the like amount as if such men were members of approved societies, and the balance shall be credited to a special fund to be called the Navy and Army Insurance Fund:

(b) There shall also be paid into the Navy and Army Insurance Fund in each year out of moneys provided by Parliament a sum equal to two-ninths of the amount, calculated in the prescribed manner, which would have been payable in that year in respect of medical, sanatorium, sickness, and disablement benefits (including expenses of administration) had all seamen, marines, and soldiers from whose pay deductions are made under this section been members of approved societies and entitled to such benefits as employed contributors:

(c) The weekly contributions to be made by the Admiralty and Army Council in respect of such men shall be such as may from time to time be required to keep the Navy and Army Insurance Fund solvent:

(d) If any such man was at the date of his entry or enlistment a deposit contributor, he shall, for the purpose of dealings with the sum standing to his credit in the Post Office fund, be treated as if



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the Navy and Army Insurance Fund had been an approved society, and he had at the date of his entry or enlistment become a member of that society :

- (e) In the case of a seaman, marine, or soldier serving at the commencement of this Act, there shall be credited to the Navy and Army Insurance Fund such reserve value as would have been credited to an approved society had he at that date become a member of the society as an employed contributor : Provided that no such reserve value shall be credited to that fund if at the date aforesaid he had completed the period of his first engagement and had re-engaged for pension, unless he elects to have deductions made from his pay, or unless, not having so elected, he becomes on discharge entitled to benefits payable out of that fund as herein-after mentioned :
- (f) Every such man shall, until discharged, be entitled to maternity benefit payable out of the Navy and Army Insurance Fund, and shall be entitled to such benefit, notwithstanding that both he and his wife are at the date of the confinement resident outside the United Kingdom, and the benefit shall be administered by the Admiralty and Army Council either directly or through Insurance Committees :
- (g) On the discharge of a seaman, marine, or soldier, from whose pay deductions have been made and continue to be made up to the date of his discharge, there shall be debited to the Navy and Army Insurance Fund, and, if he becomes a member of an approved society within the prescribed time from his discharge, there shall be credited to that society, or, if he does not become a member of such a society within the prescribed time from his discharge, there shall, unless he becomes entitled to benefits out of the Navy and Army Insurance Fund as herein-after



mentioned, be carried to his credit in the Post Office fund the transfer value which would have been payable in respect of him had he been a member of an approved society throughout his period of service, or, in the case of a man serving at the date of the commencement of this Act, since that date, and, if he becomes a deposit contributor, so much of the reserve value, if any, credited to the Navy and Army Insurance Fund in respect of him shall be cancelled as would have been cancelled had he been transferred from an approved society to the Post Office fund :

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- (h) A man discharged from service as a seaman, marine, or soldier who proves that the state of his health is such that he cannot obtain admission to an approved society may, if he so elects, on making application to the Insurance Commissioners in the prescribed manner within three months of his discharge, or such longer time as may be prescribed, become, subject to regulations made by the Insurance Commissioners after consultation with the Admiralty and Army Council, entitled to benefits (other than additional benefits) provided under this Part of this Act at the full rate, the cost of which benefits shall be payable out of the Navy and Army Insurance Fund, and such benefits shall be administered by Insurance Committees or otherwise in such manner as may be prescribed by such regulations as aforesaid, and any contributions paid under this Part of this Act by or in respect of him shall be paid into that fund :

Provided that—

- (i) no deductions from benefits shall be made on account of any pension to which a man may be entitled ;
- (ii) the rate of sickness benefit shall be reduced, in the case of a man who entered



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into insurance when of the age of seventeen or upwards or who is in arrears, to the like extent as it would be reduced had he been an employed contributor and a member of an approved society who entered into insurance at the like age or who is in arrears to the like extent, so however that the rate of sickness benefit shall in no case be reduced below five shillings a week ;

(iii) there shall in each year be repaid to the Navy and Army Insurance Fund, out of moneys provided by Parliament, a sum equal to two-ninths of the amount expended out of the fund on such benefits as aforesaid, including the expenses of administration ;

(iv) if a man who is so entitled to benefits payable out of the Navy and Army Insurance Fund at any time becomes a member of an approved society for the purposes of this Part of this Act, he shall cease to be entitled to benefits payable out of that fund, and there shall be debited to that fund and credited to such society the transfer value which would have been so debited and credited if he had been at that time transferred from one approved society to another approved society.

(4) In the application of this Part of this Act to a man who is or has been a seaman, marine, or soldier, and to whom this section applies—

(i) the date of his entry or enlistment as a seaman, marine, or soldier, or, if he was serving at the commencement of this Act, the date of that commencement, shall, unless he was an insured person at the date of his entry or enlistment, be treated as the date of his entry into insurance ;

(ii) deductions from pay, with the corresponding contributions made by the Admiralty and Army



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Council, shall be treated as payments of contributions at the employed rate for the purpose of reckoning the number of contributions made in respect of him, arrears, and transfer value, and for the purpose of qualifications for becoming a voluntary contributor ;

- (iii) a seaman, marine, or soldier during his term of service shall, if he has joined an approved society as aforesaid before his entry or enlistment, be deemed to reside in that part of the United Kingdom in which he resided immediately before his entry or enlistment, or, if after his entry or enlistment, in the part of the United Kingdom in which the registered office or other principal place of business of the society or branch which he has joined is situate, and in any other case in England, and all persons entitled to benefits payable out of the Navy and Army Insurance Fund shall be deemed to reside in England.

(5) Discharge shall, in the case of a seaman, marine, or soldier who on the completion of any term of service is transferred to a reserve, include such transfer.

(6) This section shall not apply to a seaman, marine, or soldier who entered or enlisted before the age of sixteen until he attains that age, and on attaining that age shall apply to him as if he had entered or enlisted at the time when he attained that age.

(7) The foregoing provisions of this section shall, subject to such adaptations and modifications as may be prescribed, apply to men belonging to the Naval Reserves when employed on service during war or any emergency, and to men of the Army Reserve when called out on permanent service, and to men of the Territorial Force when called out on embodiment, but, except as aforesaid, shall not apply to any such men.

(8) Where a man of the Naval Reserves, the Army Reserve, or the Territorial Force is being trained and is in receipt of pay out of the moneys provided by Parliament for Navy or Army services, he shall, for the



**Sect. 46.** — purposes of this Part of this Act, be deemed, whilst so training, to be employed within the meaning of this Part of this Act and to be in the sole employment of the Crown. Provided that this subsection shall not apply to a man who was not immediately before the training an insured person, except in such cases and under such circumstances as may be specified in a special order made by the Insurance Commissioners.

**Object and Effect of Section.**—By para. (a) of Part II. of the First Schedule (*infra*, p. 244), employment in the naval or military service of the Crown, including service in Officers' Training Corps, except as otherwise provided in Part I. of this Act, is an employment which is excepted from the ordinary operation of the Act. This section supplies the meaning of the words "except as otherwise provided," and provides for the extent to which, and the means by which, such persons are to be insured during their period of service, and for their insurance on their return to civil life.

The persons to whom this section applies are—

- (1) Seamen and marines within the meaning of the Naval and Marine Pay and Pensions Act, 1865 (28 & 29 Vict. cap. 73). By sec. 2 of that Act "seaman or marine means a petty officer, or seaman, non-commissioned officer of marines, or marine, or other person forming part in any capacity of the complement of any of Her Majesty's vessels or otherwise belonging to Her Majesty's Naval or Marine Force (not being an officer within the meaning of the Act)";
- (2) Soldiers of the regular forces (other than soldiers of His Majesty's Indian forces, the Royal Malta Artillery, and the native soldiers of any regiment raised outside the United Kingdom). By the Army Act (44 & 45 Vict. c. 58) s. 190 (8) "regular forces" is defined as "officers and soldiers who by their commission, terms of enlistment, or otherwise, are liable to render continuously for a term military service to His Majesty in any part of the world. . . ." For the distinction between officers and soldiers *vide* ss. 175 and 176. Thus soldiers in British regiments of the regular forces serving anywhere outside the United Kingdom (*e.g.* at Gibraltar, in South Africa, or in India) will be included;
- (3) Men belonging to the Naval Reserves when employed on service during war or any emergency, and men of the Army Reserve when called out on permanent service;
- (4) Men of the Territorial Force when called out on embodiment.

The provisions of this section are applied compulsorily to the men forming all these four categories, *except* to seamen, marines, and soldiers who have completed their first engagement, and who have re-engaged for a pension. Such men have an option as to whether



they should avail themselves thereof or not. For the time within which such men must exercise their option *vide* the provisional regulations entitled National Health Insurance (Naval and Military Forces) (Time Limits) Regulations, 1912.

(Note.—Re-engagement should be distinguished from re-enlistment, *cf.* Army Act, ss. 84–88 and 93–100.)

To categories (3) and (4) the provisions of this section only apply subject to such adaptations and modifications as the Insurance Commissioners may prescribe.

Broadly speaking, the effect of this section is that the men to whom it applies are insured, *sub modo*, during their period of service. Their contribution will amount to threepence a week paid in both classes, payable as to three-halfpence in the case of men in class (1) (*infra*), and of an indeterminate amount in the case of men in class (2) (*infra*), by deduction from their pay, and as to the balance by their employers, the Admiralty or the Army Council, as the case may be. During their period of service they will only receive maternity benefit. The provision of maternity benefit will not, however, exhaust their contributions. These contributions will serve to enable them to re-enter the ordinary scheme of insurance on their discharge in as favourable a position as if they had been ordinary employed contributors throughout their period of service, or, if such re-entry is impossible to them on the ground of their health, will form the basis of a new fund called the Navy and Army Insurance Fund, which will, amongst other things, insure such men after their discharge.

The method by which this end will be attained is as follows:—

Seamen, marines, and soldiers will be divided into two classes:

- (1) Those who, at the date of entry or enlistment, are already members of approved societies, or who, within six months from the date of entry into the Navy, or enlistment in the Army, or, in the case of seamen, marines, or soldiers, who are in either of the services at the commencement of the Act, viz. July 15, 1912 (*vide* sec. 115), within six months from that date join an approved society for the purposes of this Part of this Act. This will include all persons, who, on entering either of the services, were either voluntary or employed contributors and were already insured as members of approved societies.
- (2) Those who have not joined an approved society as aforesaid. This will include all persons, who, entering either of the services, were either voluntary or employed deposit contributors, or who were not insured at all.

It should be noticed that both these classes may include men who have re-engaged for a pension, provided such men have elected to have deductions made from their pay.

(Note.—Deductions from pay.—*Vide* The Army Act (44 & 45 Vict. c. 58, s. 136).)

To a Man in Class (1) the following Provisions apply:—

- (a) His employed rate of contribution is to be threepence, paid as to three-halfpence by himself by deduction being made from his pay, and as to the remaining three-halfpence by the Admiralty or the Army Council, as the case may be, on their own behalf as employers;

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- (b) The only benefit he can receive is to be maternity benefit, and, if his society is in a position to give them, additional benefits. But there are to be no geographical limits within which maternity benefit is to be paid: he will receive it wherever he or his wife may be residing (contrast sec. 8 (4)). This benefit may be administered by the Admiralty or by the Army Council, if his society make arrangements to that end;
- (c) Only one penny out of each of his weekly contributions is to be retained by the Insurance Commissioners in respect of reserve values (sec. 55, *infra*), and the remaining five-ninths of a penny, which that section lays down that the Insurance Commission are to retain, is to be paid out of the Navy and Army Insurance Fund;
- (d) *In every other respect* he is to be treated as an ordinary employed contributor.

This last provision will have the following effects:—

- (i) He will continue to be a member of his society throughout his period of service, and on discharge can continue to be an insured member thereof as an employed contributor (if employed), or as a voluntary contributor (if qualified), as if he had been an employed contributor throughout his period of service.
- (ii) A reserve value will be created for him and credited to his society.
- (iii) The contributions paid in respect of him will be paid into the National Health Insurance Fund (sec. 54, *infra*, p. 210), and, subject to the retention of the penny by the Insurance Commissioners against his reserve values, will be credited to the approved society of which he is a member.
- (iv) Two-ninths of the cost of the maternity benefits and of its administration, &c., will be met by the State contribution (sec. 3, *supra*, p. 33).
- (v) All the other provisions of the Act dealing with employed contributors will apply during his period of service.

**To a Man in Class (2) the following Provisions apply:—**

- (a) Three-halfpence are to be deducted from his pay every week, and the Admiralty or Army Council, as the case may be, is to pay in respect of him such contributions every week as may be required to keep the Navy and Army Insurance Fund solvent. These contributions are to be credited to the Navy and Army Insurance Fund after the Insurance Commissioners have retained therefrom the ordinary amount, viz. one and five-ninths of a penny, in respect of reserve values.
- (b) If he is serving at the date of the commencement of this Act, the same reserve value as would have been credited to an approved society, had he at that date become a member of an approved society, is to be credited in respect of him to the Navy and Army Insurance Fund. But, if he is a man who has completed the period of his first engagement and has re-engaged for a pension, no such reserve value is to be so credited in respect of him,



unless he elects to have deductions of three-halfpence a week made from his pay; or, unless on his discharge he becomes entitled to benefits payable out of the Navy and Army Insurance Fund. In this latter case it is not clear whether the fund will be credited on his discharge with the sum with which it would have been credited had he elected to have deductions made from his pay—*i.e.* his reserve value as to the date of the commencement of this Act, or with a sum representing his true reserve value at the date of his discharge. It would seem that the construction of subsec. (3), (*e*), points to the former being the correct reserve value. *Sed quære.*

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- (c) During his period of service the only benefit to which he will be entitled is to be maternity benefit in respect of his wife. There will be no geographical limits within which such maternity benefit is to be paid; he will receive it wherever he or his wife may be residing. The benefit is to be administered by either the Admiralty or Army Council directly or through the local Health Committees.

**On Discharge.**—(*Note, by subsec. (6) discharge includes transfer to the reserve.*)

- (A) A man in class (1) will remain a member of his society either as a voluntary (if qualified) or an employed contributor.
- (B) To a man in class (2) the following provisions will apply:—
- (a) If he becomes a member of an approved society within the time from his discharge prescribed by the Insurance Commissioners, there is to be credited to such society the transfer value which would have been payable in respect of him had he been a member of an approved society during his period of service (*vide* sec. 31, *supra*, p. 129). This will presumably be the case whether he joins such society as a voluntary or as an employed contributor.
- (b) If he becomes a deposit contributor there is to be transferred to his credit in the Post Office Fund the transfer value which would have been payable in respect of him had he been a member of an approved society during his period of service, but the reserve value, if any, credited to the Navy and Army Insurance Fund in respect of him is to be cancelled. In other words, the transfer will be on the same lines as the transfer of a member of an approved society to deposit insurance under sec. 43 (1), (*a*) (*supra*, p. 156).
- (c) If he can prove that he is unable on discharge to obtain admission to an approved society owing to the state of his health, he may, if he applies to the Insurance Commissioners within three months of his discharge, become entitled to all the benefits (except additional benefits) provided by this Act at the full rate. The cost of such benefits is to be met out of the Navy and Army Insurance Fund. These benefits are to be administered by the Insurance Committees (or otherwise if the Insurance



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Commissioners by regulations so prescribe). Any contributions paid by or in respect of him under this part of the Act are to be paid into that fund.

(Note.—The form of insurance above referred to in (c) will also be available for men who have not become members of approved societies, and who have not elected to have deductions made from their pay.)

**The Navy and Army Insurance Fund.**—Out of this fund will be paid, as has already been seen, maternity benefit for men in Class (2) (viz. seamen, marines, and soldiers who have not joined an approved society) during their period of service. The fund will also have to pay out transfer values for such men as, on discharge, become members of approved societies or deposit contributors. Finally, it will have to provide full benefits for all such men who, on discharge, cannot obtain admission to an approved society on the ground of health, and who elect to be insured in it. In order to discharge the liabilities imposed upon it, it will be credited with the following sums:—

- (a) Two-ninths of the amount, calculated in the prescribed manner, which would have been payable out of moneys provided by Parliament in any given year in respect of medical, sanatorium, sickness and disablement benefit (including expenses of administration) had *all* seamen, marines, and soldiers from whose pay deductions are made under this section (*i.e.* men in Class (1) and in Class (2)) been members of approved societies and entitled to such benefits as employed contributors;
- (b) Any sum standing to the credit of a man in Class (2) in the Post Office Fund is to be dealt with on the date of his entry or enlistment as if the Navy and Army Insurance Fund were an approved society which he was leaving deposit insurance to join. In other words the Navy and Army Insurance Fund will receive the amount which, by sec. 42 (2), *supra*, would have been payable to an approved society if the man in question had been a deposit contributor and had joined such approved society at the date of his entry or enlistment in the Service;
- (c) Reserve values for all men in Class (2) serving at the date of the commencement of this Act who are compelled or who elect to have deductions made from their pay. In the case of men who have completed the period of their first engagement and have re-engaged for a pension a reserve value will be credited to the fund, even though they have elected not to have deductions made from their pay, if, on discharge, they become entitled to full benefits payable out of the fund owing to their state of health being such as to debar them from becoming members of approved societies;
- (d) The sums of three-halfpence a week deducted from the pay of men in Class (2);
- (e) Weekly contributions in respect of men in Class (2) made by the Admiralty or the Army Council, as the case may be, calculated at such rate as will ensure the solvency of the fund.



(Note.—Out of the sums mentioned in (d) and (e) the Insurance Commissioners before crediting such sums to the fund are to retain the same amount as they would retain for the purpose of discharging their liabilities in respect of reserve values as if the men in Class (2) were members of approved societies, viz. one penny and five-ninths a week in respect of each such man (*vide*, sec. 55, *infra*).)

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*Qualification for joining the Navy and Army Fund on discharge.*—It will be observed that there is no provision in this section limiting the entry into this form of insurance to men whose bad state of health is existing at the date of their discharge. *Quære* whether a man who, during the three months after his discharge, gets into a bad state of health from causes not connected with his military or naval service is still entitled, on making application, to become insured in the Navy and Army Fund?

*Time Limits.*—For the time limits mentioned in subsec. (3) (g) and (h) *vide* the Time Limits Regulations referred to on p. 179, *supra*.

**Insurance in the Navy and Army Fund after discharge.**

- (1) A person who is insured in this fund does not appear to pay any contributions unless he becomes an employed contributor; *quære*, however, whether if he does not pay contributions he will get into arrears. *Semble* he will, *vide* subsec. (3), (h), proviso (ii);
- (2) Such a person will be entitled to full benefits notwithstanding that he is in receipt of a pension;
- (3) If such a person (a) entered into insurance after the age of seventeen, or (b) is in arrears, his rate of sickness is to be reduced to the same extent as if he was an employed contributor (*vide* sec. 9, (4) *supra*, p. 67, and sec. 10, (2) *supra*, p. 72, respectively);
- (4) Two-ninths of the amount expended by the fund on benefits, including expenses of administration, will be provided by the State.
- (5) If such a person becomes a member of an approved society he will cease to be insured in the Army and Navy Insurance Fund, and the fund will be liable to the society for the same transfer value as if the person in question was being transferred from one society to another (*vide* sec. 31, *supra*, p. 129).
- (6) It would seem (*cf.* subsec. (3) (d)) that the Navy and Army Insurance Fund is not an approved society, and that in consequence the Insurance Commissioners will not be entitled to retain 1½d. from the weekly contributions of a discharged man insured in the fund for the purpose of reserve values under sec. 55 (3).

**Date of Entry into Insurance of Men to whom the Section applies.**

- (1) If the man was serving at the date of the commencement of the Act, the date of that commencement is the date of his entry into insurance.
- (2) If the man was not serving at the date of the commencement of this Act, and had not previously been insured, the



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date of his entry or enlistment as a seaman, marine, or soldier is the date of his entry into insurance.

- (3) If the man is already insured at the time of his entry or enlistment as a seaman, marine or soldier, the date of his entry into insurance is not affected by this section (*vide* Note on sec. 5, *supra*, p. 47, for the date).

**Contributions of Men to whom this Section applies.**

For the purpose of reckoning—

- (a) the number of contributions made in respect of such a man,
- (b) his arrears,
- (c) his transfer value,

deductions from pay with the corresponding contributions from the Admiralty or Army Council are to be treated as contributions at the employed rate. Deductions of pay are also to be treated as contributions for the purpose of qualifications for becoming a voluntary contributor. It is not easy to understand the force of this provision, as the qualification for becoming a voluntary contributor laid down in sec. 1 (3) (b) (*supra*) is "having been an *insured person* for a period of five years or upwards." *Quære* whether a man to whom this section applies is only to be considered an insured person so long as deductions are being made from his pay?

**Residence of Men to whom this Section applies.**—During the period of service a seaman, marine, or soldier will be deemed to reside—

- (1) If he has joined an approved society before entry or enlistment, in that part of the United Kingdom where he resided immediately before his entry or enlistment;
- (2) If he joins an approved society after entry or enlistment, in that part of the United Kingdom in which the registered office or other principal place of business of the society or branch which he has joined is situate;
- (3) In any other case, in England.

All persons entitled to benefit payable out of the Navy and Army Insurance Fund are to be deemed to reside in England.

*Semble*, these provisions will have the effect of putting all the men who, in accordance therewith, are to be treated as living in England, and the funds arising in respect of them, under the control of the Insurance Commissioners, and not under the control of the Scottish, Irish, or Welsh Commissioners, even if, in fact, they reside in Scotland, Ireland, or Wales. It would also seem that such men will be entitled to medical benefit even though they be resident, in fact, in Ireland (*vide* sec. 81 (9)).

**Naval Reserves, Army Reserves, Territorial Force.**—

Provisions are made so that the men of these Forces should be deemed, during training, to be employed within the meaning of Part I. of the Act, and to be in the sole employment of the Crown, unless they are men who were not insured persons immediately before the training. With regard to these latter men the Joint Committee have made a special order, *vide* the Reserves and Territorial Force (Training) Order, 1912, *infra*, p. 387.

**Exemption.**—*Quære* whether a soldier can claim a certificate of exemption under sec. 2. Exemption certificates under that section may be claimed by any person employed within the



meaning of this Part of this Act, that is to say any person who is an "employed contributor" (*vide* sec. 1 (2)). *Primâ facie* soldiers and sailors are not employed contributors as they are excluded from that class by Part II. of the First Schedule. The men referred to in subsec. (2) (a) and (b) of this section are, however, to be treated (subject to the modification there set out) as if they were employed contributors. It would seem therefore that such men could, if they satisfy the conditions laid down by sec. 2, claim certificates of exemption. No such provision is made in the case of the men referred to in subsec. (3), and it would seem therefore that they are not entitled to claim exemption certificates even if they satisfy the conditions laid down by sec. 2.

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**47.**—(1) The Insurance Commissioners shall from time to time make special orders specifying any classes of employment in which a custom or practice is shown to their satisfaction to prevail according to which the persons employed receive full remuneration during periods of disease or disablement, or any part thereof, and, where the custom or practice is confined to certain localities, the order shall also specify the localities in which the custom prevails, and, subject to the provisions of this section, the order may contain such incidental, supplemental, and consequential provisions as appear necessary for adapting the other provisions of this Part of this Act to cases under this section.

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Special provisions where employer liable to pay wages during sickness.

(2) It shall be lawful for any employer who employs persons in any class of employment specified in any such order, within a locality (if the custom is confined to certain localities) so specified, to give to the Insurance Commissioners the prescribed notice, and thereupon the employer shall, as respects all such persons, be subject to the liabilities, and this Part of this Act shall apply in respect of all such persons, subject to the modifications, herein-after mentioned.

(3) The employer shall be liable to pay full remuneration to every such person during any period or periods not exceeding six weeks in the aggregate in any one year during which such person may be suffering from any disease or disablement commencing while such person is in his employment, notwithstanding that such person may have left his employment before the expiration of that time;



**Sect. 47.** — Provided that, if any such person is engaged for a term of not less than six months certain, the employer shall be liable to pay full remuneration during any period of disease or disablement lasting less than six weeks, and for the first six weeks of any period of disease or disablement lasting more than six weeks, notwithstanding that the aggregate exceeds six weeks, but, where any such period extends beyond the term of the engagement, the employer shall not be liable to make any payment in respect of any part thereof after the expiration of such term.

(4) This Part of this Act shall apply in respect of persons so employed as aforesaid, subject to the following modifications :—

- (a) Sickness benefit shall not be payable in respect of any period during which full remuneration is payable by the employer under this section, but, for the purpose of calculating the rate and duration thereof, shall be deemed to have been paid for six weeks before the date as from which it becomes actually payable :
- (b) The employed rate shall be reduced by two pence (or, where the employed contributor is a woman, one penny halfpenny) :
- (c) The weekly contributions payable by the employer shall be reduced by one penny (or, where the employed contributor is a woman, one halfpenny), and the weekly contributions payable by the employed contributor shall be reduced by one penny :
- (d) There shall be credited to the approved society of which any such person is a member, or, if he is a deposit contributor, to his account in the Post Office fund, the difference between the amount of contributions at such reduced rate actually paid in respect of him and the amount which would have been paid if those contributions had been at the full rate, and the amount of that difference shall be treated as having been expended on



sickness benefit, and the proper proportion thereof shall accordingly be paid out of moneys provided by Parliament :

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(e) Contributions shall not be payable in respect of any period of disease or disablement during which full remuneration is payable under this section if the prescribed notice has been given :

(f) The rules of an approved society or Insurance Committee as to notices and proof of disease and disablement may extend to periods of disease and disablement during which full remuneration is payable under this section.

(5) Where a person on ceasing to be so employed becomes temporarily unemployed, paragraphs (b) and (d) of the last foregoing subsection shall continue to apply in respect of him, and sickness benefit shall not be payable in respect of the first six weeks of any period of disease or disablement commencing after he ceased to be so employed, but, for the purpose of calculating the rate and duration thereof, shall be deemed to have been paid during those six weeks, and notwithstanding anything in this Part of this Act a disease or disablement shall not, for the purposes of sickness benefit, be treated as a continuation of a previous disease or disablement unless the medical practitioner attending such person certifies that it in fact is so.

(6) Where such a person as aforesaid ceases to be employed within the meaning of this Part of this Act, and is entitled to become a voluntary contributor paying contributions at the employed rate, paragraphs (b) and (d) of subsection (4) shall, if he becomes a voluntary contributor, continue to apply in respect of him, and sickness benefit shall not be payable in respect of the first six weeks of any period of disease or disablement commencing after he became a voluntary contributor, but, for the purpose of calculating the rate and duration thereof, shall be deemed to have been paid during those six weeks, and, notwithstanding anything in this Part of this Act, a disease or disablement shall not, for the



**Sect. 47.** purposes of sickness benefit, be treated as a continuation of a previous disease or disablement unless the medical practitioner attending such person certifies that it in fact is so :

Provided that, if any such person at any time wishes to become an ordinary voluntary contributor, he may become such after the payment of twenty-six weekly contributions at the full rate, or, if the society of which he is a member consents, after the payment of such less number of such contributions as the society may appoint.

(7) Where any employers wish to avail themselves of the provisions of this section as respects the persons employed by them in a class of employment, or in a locality, in which no such custom or practice as aforesaid exists, they may apply to the Insurance Commissioners, and the Commissioners, if, after ascertaining the views of the persons so employed, they think fit, may make a special order extending the provisions of this section as respects the applicants to the class of employment or locality mentioned in the application as if it were a class of employment or locality in which such a custom or practice as aforesaid prevailed.

(8) Any question as to whether an employer is entitled to avail himself of the provisions of this section as respects any persons employed by him shall be determined by the Insurance Committee, subject to appeal to the Insurance Commissioners.

(9) The payment of contributions purporting to be at the reduced rate authorised by this section as respects any persons employed by an employer in any class of employment, shall be conclusive evidence that he is, as respects those persons and all other persons employed by him in the same class of employment in the same locality, under the liability imposed by this section.

(10) An employer who has given such notice as aforesaid may, by giving three months' previous notice to the insurance Committee, withdraw his notice as from the commencement of the next calendar year, and in such



case, as from that date, this section shall cease to apply in respect of the persons employed by him in the class of employment to which the notice of withdrawal relates.

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(11) None of the provisions of this section shall apply as respects any person employed at a rate of remuneration which is less than ten shillings a week.

(12) Nothing in this section shall relieve any employer from any legal liability to pay wages during sickness to any person employed by him in accordance with any established custom.

**Object and Effect of Section.**—The object of this section is to give employers of employees in certain classes of employment the option of paying reduced contributions and, in the case of the employees, of receiving reduced benefits from the Insurance Fund. The classes of employment in which this option is to be given are to be specified by the Insurance Commissioners by special order (to be made in the manner provided by sec. 113 and the Ninth Schedule, *infra*, pp. 339 and 357, respectively). In order that a class of employment may be so specified by the Insurance Commissioners, it must be one in which it is proved to their satisfaction that a custom prevails according to which persons employed receive full remuneration during periods of disease or disablement. The order may specify a particular class of employment without geographical limits, or, where the custom is a local one, may specify the localities in which the custom prevails. Persons whose rate of remuneration is less than 10s. a week cannot be dealt with under this section. As to what must be included in ascertaining the rate of remuneration, *vide supra*, p. 65.

The principal classes of employment in which such a custom prevails would appear to be—

- (1) Employment as an agricultural labourer in certain parts of Scotland, Northumberland, Durham, parts of Yorkshire, and parts of Wales;
- (2) Employment as a clerk;
- (3) Employment as a shop-assistant in certain cases;
- (4) Employment as a domestic servant.

Three provisional special orders have been made under this section, *vide infra*, p. 387—390.

In order fully to appreciate the provisions of the section now under consideration, the position of persons employed in such classes of employment should be considered as it stands under the Act apart from this section.

All such persons must be insured as employed contributors, and their employers are, in the first instance, responsible for paying the whole weekly contribution payable in respect of them (that is to say, 7d. in the case of men and 6d. in the case of women). This weekly contribution is ultimately to be paid partly by the employer and partly by the employee, in the proportion set out in the Second



**Sect. 47.** Schedule of the Act (*infra* p. 346), and the employer may deduct the employee's contribution from his wages. The manner in which such contributions are to be paid is by the employer affixing adhesive stamps to books or cards at weekly or other prescribed intervals (*vide* the Collection of Contributions Regulations, *infra*, p. 370). Doubtless the intervals prescribed by the Commissioners will, for convenience, correspond with the intervals at which wages are usually paid, *e.g.* monthly in the case of domestic servants.

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The employee will be entitled to all the benefits conferred by this Part of the Act (*vide* sec. 8 (1), *supra*, p. 51) as soon as the necessary number of contributions have been paid (*vide* sec. 8 (8) *supra*). Briefly, in the case of a domestic servant, for example, the result will be as follows:—

- (1) The servant will be attended by the doctor of his choice, and receive medicines and medical and surgical appliances at no further expense to himself or to his master;
- (2) If the servant gets consumption, he will, if recommended for such treatment by the Insurance Committee, be treated in a sanatorium, or in his own home, again at no further expense to himself or to his master. If the servant has dependants, they will receive the value of his sickness and disablement benefit while he is in the sanatorium, sec. 12 (2) (a).
- (3) The servant is entitled to maternity benefit;
- (4) If the servant is rendered incapable of work by some specific disease, or by bodily or mental disablement, he will be entitled to 10s. a week for 26 weeks, commencing on the fourth day after being so rendered incapable, and 5s. a week after such 26 weeks for so long as the disablement lasts (in the case of women, 7s. 6d. a week for 26 weeks, and then 5s. a week); if he goes to hospital his dependants may receive the money (sec. 12).
- (5) During the time that the disease or disablement lasts, and in the absence of any contract to the contrary, the master of such a servant can either—
  - (a) Dismiss the servant on the same notice as he would have had to give if this Act had not passed, but with the knowledge that some provision is made for him, or
  - (b) Continue to keep the servant, giving him board, lodging, and such reduced wages (provided that by giving reduced wages he does not violate any existing contract between himself and the servant) as he thinks fit.

[*Note.*—There is no provision in the Act which prevents any employed contributor from receiving any benefit while the whole or any part of his wages are still being paid. The only limitation which exists in the Act is that the *amount* of benefit which the employed contributor can receive from the Insurance Fund may not exceed two-thirds of his usual rate of wages or remuneration, and in calculating the rate, allowance must of course be made for board and lodging, *e.g.* a general servant receiving £18 a year and board and lodging would probably be reckoned to be earning at least double as much as £18.]

The above shows the position of master and domestic servant under the Act, without taking into account the provisions of this section. In order that the value of the option given by this section



may be gauged, it must be kept in mind that the cost to the master and servant of putting themselves in that position is 13s. *per annum* to the master whether his servant be a man or a woman, and 17s. 4d. *per annum* to the servant if he is a man, and 13s. *per annum* if she is a woman.

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**How Exercising the Option will Affect the Master.—**

- (1) The master will pay 1d. per week less contribution if his servant is a man, and  $\frac{1}{2}$ d. per week less if his servant is a woman. That is to say, he will save 4s. 4d., or 2s. 2d. *per annum* as the case may be;
- (2) Medical attendance, &c., will still be provided for the servant in the same way as if the master had not exercised the option;
- (3) Similarly, if the servant gets consumption, he can still (if recommended) receive sanatorium treatment.

The liabilities imposed upon him are as follows:—

- (1) If the servant is engaged for a term of not less than 6 months certain, the master will have to pay full wages to his servant,
  - (i) during the whole of any period of disease or disablement lasting less than 6 weeks,
  - (ii) for the first six weeks of any period of disease or disablement lasting more than 6 weeks,

even though the aggregate period during which he has to pay full wages exceeds 6 weeks. *But*, when the term of engagement comes to an end the master is under no further liability to pay wages even though the servant is disabled at that time.

*Example.*—A (a clerk) is engaged by B for the first 6 months of 1914. On January 14 he falls ill, and is away ill for 8 weeks. B will have to pay full wages to A during the first 6 weeks that he is ill. On April 2 A again falls ill and is away for 3 weeks. B will have to pay full wages during all those 3 weeks. On June 3 A again falls ill and does not recover till August 1. B will only have to pay full wages for 4 weeks, that is up to the end of the period for which A was engaged, viz. June 30.

- (2) If the servant is engaged for a term of less than 6 months certain (this includes the ordinary terms upon which domestic servants are engaged for although they are in law hired by the year, the hiring is not for that period certain as the hiring may be terminated at any time on a month's notice) the master will have to pay full wages for at least, but not more than, 6 weeks in the year while the servant is suffering from any disease or disablement commencing while the servant is in his employment. *This obligation does not cease when the servant leaves the master.*

*Example.*—X (a butler) has given notice to leave at the end of March. On March 17 he falls ill. Y (his master) will be liable to pay him full wages up to April 28 even though X leaves his service at the end of March.

(Note.—By sec. 79 “The expression ‘disease or disablement’ means such disease or disablement as would entitle an insured person to sickness or disablement benefit”; i.e. a disease or disablement rendering him incapable of work.



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“Full remuneration.” This expression includes, it is submitted, not only money wages but the value of board and lodging, &c., in any case where such things are, in fact, part of the servant’s remuneration.)

**How the Exercise of the Option will Affect the Servant.**

- (1) The servant will, whether a man or a woman, pay one penny per week less contribution; that is to say, he or she will save 4s. 4d. a year;
- (2) Sickness benefit will not be paid to the servant during any period when the master is bound, under this section, to pay full remuneration;
- (3) Contributions will not be payable in respect of any period of disease during which the master is bound, under this section, to pay full remuneration. This concession only takes effect if the prescribed notice is given (subsec. (4) (e)).

*If and while the servant becomes temporarily unemployed—*

- (1) The servant will be paid full remuneration while he has any disease or disablement which commenced while in service, for six weeks from the commencement of such disease or disablement, even if the servant has left his master’s service during the six weeks. (This rule applies when the servant has been engaged for less than six months certain; where the servant is engaged for six months certain, or more, no remuneration need be paid by the master after the termination of the period of service (*vide supra*));
- (2) The servant’s contribution will continue to be the reduced contribution, viz. 5d. a week in the case of men, and 4½d. a week in the case of women. These contributions the servant may continue to pay in order to keep out of arrears, for, by sec. 79 (*infra*, p. 257), he is still deemed to be an employed contributor, even though he is temporarily unemployed (*cf.* p. 43, *supra*).
- (3) No sickness benefit will be payable to the servant during the first six weeks of any period of disease or disablement;
- (4) After the first six weeks of any period of disease, sickness benefit will be paid to the servant. But instead of sickness benefit being paid for twenty-six weeks, as in the normal case, it will only be paid for twenty weeks. After the expiry of those twenty weeks, disablement benefit will, if the servant is still suffering from disease or disablement, become payable. Sickness benefit will be payable for twenty weeks, even though the servant has been suffering from disease or disablement for some period during the preceding twelve months, and has not paid fifty contributions since that time, notwithstanding the provisions of sec. 8 (5) (*supra*, p. 60), unless his doctor certifies that the second disease or disablement is, in fact, a continuation of the first disease or disablement. If his doctor does so certify, then the length of time during which the servant is entitled to sickness benefit and before he is entitled to disablement benefit, will be reduced by the length of time that the previous disease or disablement lasted, in accordance with sec. 8 (5).



*In a case where the servant—*

(1) *ceases to be employed within the meaning of this Part of this Act, vide sec. 1 (2) and First Schedule (supra, pp. 3, 6); and*

(2) *is entitled to and does become a voluntary contributor, paying the employed rate, vide sec. 5 (1) (supra, p. 43), the following provisions apply:—*

- (1) He will still pay the reduced rate of contribution, viz. 5*d.* in the case of a man, and 4½*d.* in the case of a woman;
- (2) As regards sickness benefit, he will be treated in exactly the same way as a servant who is temporarily unemployed;
- (3) If, however, he desires to become an ordinary voluntary contributor (*i.e.* paying full rates of contribution and receiving sickness benefit on the fourth day after the commencement of any disease or disablement), he may become such after the payment of twenty-six weekly contributions at the full rate, or, if the society of which he is a member consents, after the payment of such less number of contributions as the society may appoint.

**State Grant in relation to Persons coming under the Provisions of this Section.**—While such a person is—

- (1) in employment, or
  - (2) temporarily unemployed, or
  - (3) a special voluntary contributor after ceasing to be employed,
- the amount of the difference between the reduced rate of contribution and the full rate is to be credited to the approved society of which the person is a member, or, if he is a deposit contributor, to his account in the Post Office Fund. That amount is to be treated as if it had been expended in benefits and accordingly (*vide sec. 3, supra, p. 33*), two-ninths thereof is to be paid out of moneys provided by Parliament and presumably credited to the approved society or to the person's account in the Post Office Fund as the case may be.

**Manner in which the Option is to be Exercised.**—

An employer who employs a person in any of the classes of employment specified in the order of the Commissioners and who desires to avail himself of the option given by this section, must give the Commissioners notice in the prescribed form (*vide National Health Insurance (Special Customs Notice) Regulations (England), 1912, infra, p. 390*). He cannot give the notice in respect of individual servants; either all or none of his servants in the given class of employment must come under the provisions of this section. But it must also be borne in mind that the section provides that the mere fact that the employer has paid any contributions at the reduced rate permitted by this section in respect of *any* servant, is conclusive evidence that he is under the liabilities imposed by this section towards that servant and *all* other servants employed by him in the same class of the employment and in the same locality (subsec. (9)).

**Questions as to whether an Employer has this Option.**—

These questions are to be decided by the Insurance Committees subject to appeal to the Insurance Commissioners.

**Withdrawal after Exercise of Option.**—Once an employer has exercised his option, and placed himself and his servants under the provisions of this section, he can only withdraw by giving three months'

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**Sect. 47.** notice to the Insurance Commissioners to take effect at the end of the then current calendar year. The provisions of the section will cease to apply both to the employer and his servants at the end of the year.

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 WITHDRAWAL AFTER EXERCISE OF OPTION.

**Special order as to Employment in which no Custom Exists.**—*Vide* subsec. (7).

**Application of the Provisions of this Section to Persons in the Service of the Crown.**—*Vide* sec. 53 (2) (*infra*, p. 209) and Provisional Special Order No. 3 made under this section.

**Sect. 48.** **48.** In the application of this Part of this Act to masters, seamen, and apprentices to the sea service and the sea fishing service, the following provisions shall have effect:—

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 Special provisions as to the mercantile marine.

(1) Neither sickness benefit nor disablement benefit shall be paid to a master, seaman, or apprentice suffering from any disease or disablement in respect of any period during which the owner of the ship is under the Merchant Shipping Act, 1894, as amended by any subsequent enactment, or otherwise, liable to defray the expense of the necessary surgical and medical advice and attendance and medicine, and of his maintenance, but, for the purpose of calculating the rate and duration of sickness benefit, such benefit shall be deemed to have been paid from the commencement of the disease or disablement until the determination of such liability as aforesaid, and he shall not be entitled to medical benefit during such period:

(2) In the case of masters, seamen, and apprentices serving on foreign-going ships or ships engaged in regular trade on foreign stations, the employed rate and the employers' contributions shall each be reduced by one penny a week, and every four weekly contributions paid in any calendar year by a master, seaman, or apprentice whilst serving on such a ship shall, for the purposes of determining the number of contributions to be paid by him in that year and for the purposes of calculating arrears, be treated as five such contributions:



Provided that—

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(a) nothing in this provision shall affect the number of employer's contributions to be paid in respect of such a master, seaman, or apprentice, but no employer's contributions paid in respect of any week in respect of which no contribution is payable by the master, seaman, or apprentice shall be taken into account in reckoning the amount of his arrears ;

(b) there shall be credited to the approved society of which the master, seaman, or apprentice is a member, or, if he is a deposit contributor, to his account in the Post Office fund, a sum equal to two-fifths of the amount of the contributions actually paid in respect of him, and an equal sum shall be treated as having been expended on sickness benefit, and the proper proportion thereof shall accordingly be paid out of moneys provided by Parliament :

- (3) A master, seaman, or apprentice who is neither domiciled nor has a place of residence in the United Kingdom shall not be deemed to be employed within the meaning of this Part of this Act, but the employer shall be liable to pay the same contributions in respect of him as would otherwise have been payable by him as employer's contributions, except in cases where the ship is engaged in regular trade on foreign stations :
- (4) The Board of Trade shall, as soon as may be after the passing of this Act, cause a society to be formed, to be called the Seamen's National Insurance Society, of which any masters, seamen, and apprentices to the sea service and the sea fishing service who are employed within the meaning of this Part of this Act shall be entitled to become members, but nothing in this



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section shall prevent any such person joining another approved society instead of the society so formed:

- (5) The affairs of the Seamen's National Insurance Society shall be managed by a committee constituted in accordance with a scheme to be prepared by the Board of Trade with the approval of the Insurance Commissioners, comprising representatives of the Board of Trade, of ship-owners, and of members of the society in equal proportions, and the society shall, notwithstanding anything in this Part of this Act, become an approved society:
- (6) All contributions paid by employers in respect of masters, seamen, or apprentices who are neither domiciled nor have a place of residence in the United Kingdom, and consequently deemed not to be employed within the meaning of this Part of this Act, shall be credited to the Seamen's National Insurance Society:
- (7) In addition to medical, sanatorium, sickness, disablement, and maternity benefits, members of the Seamen's National Insurance Society shall be entitled to such other benefits as may be provided under a scheme to be prepared by the committee of management, with the approval of the Board of Trade and the Insurance Commissioners, and such other benefits shall include pensions for masters and seamen with long sea service, and the scheme may provide for preference being given to masters and seamen who have served in foreign-going ships or ships engaged in foreign trade over those who have served in the coasting and home trade ships, and such preference may be proportionate to the length of time spent in the first-mentioned service: Provided that—
  - (a) the scheme shall provide for making a proper proportion of the sums credited to



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the Seamen's National Insurance Society under the last foregoing subsection applicable towards the payment of pensions or superannuation allowances granted by other approved societies to members with such sea service that, had they been members of the Seamen's National Insurance Society, they would have been entitled to pensions under the scheme; and

(b) in the case of the transfer of a member of the society to another approved society, the transfer value payable in respect of him shall be calculated with reference to the liabilities of the society for benefits other than such pensions as aforesaid:

- (8) The rules of the Seamen's National Insurance Society shall provide for allowing a member who leaves the sea service and is unable to obtain admission to another approved society on account of the state of his health to continue a member of the Seamen's National Insurance Society for the purposes of this Part of this Act, and the rules of that society may provide that a member of the society who has fulfilled the conditions entitling him to such pension as aforesaid shall not be deprived of his right to the pension by reason only that he has ceased to be a member of the society at the time when the pension first becomes payable or ceases so to be at any subsequent time:
- (9) Where a master, seaman, or apprentice is at the commencement of this Act a member of a society which becomes an approved society he may, if that society and the Seamen's National Insurance Society so agree, continue to be a member of the first-mentioned society for the purposes of benefits under this Part of this Act other than pension, and become a member of the last-mentioned society for the purposes of pension



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only, and in such case the balance of the contributions payable in respect of him (after deducting the sums to be retained by the Insurance Commissioners towards discharging their liabilities in respect of reserve values) shall be divided between the two societies in such proportion as they may agree :

- (10) Expressions in this section have the same meaning as in the Merchant Shipping Acts, 1894 to 1907, but the expressions "foreign-going ships" and "home-trade" ships include ships engaged in the sea fishing service, and the expression "ship engaged in regular trade on foreign stations" means a ship engaged regularly in trade between ports outside the British Islands when trading between such ports, but, for the purposes of this provision, a ship shall not be deemed not to be engaged in such a trade by reason only that she puts into a port in the United Kingdom for the purpose of survey or repair :
- (11) The provisions of this Part of this Act affecting the employed rate and the rates of contributions of employers and contributors in Ireland, and depriving insured persons in Ireland of medical benefit, shall not apply to any such master, seaman, or apprentice, unless he has a permanent place of residence in Ireland and is not a member of the Seamen's National Insurance Society ; and, in the case of a master, seaman, or apprentice serving on a foreign-going ship or a ship engaged in foreign trade to whom such provisions do apply the amount by which the employed rate and the employer's contributions are to be reduced shall be one halfpenny a week :
- (12) Members of the Seamen's National Insurance Society shall, for the purposes of this Part of this Act, be deemed to reside in England, and the medical benefit and sanatorium benefit of such members shall be administered by the society



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instead of by the Insurance Committee, and the provisions of this Part of this Act relating to the administration of those benefits shall apply accordingly subject to such modifications as may be prescribed; but nothing in this provision shall prevent the society agreeing with Insurance Committees for the administration of those benefits by the Committees in relation to individual members of the society.

**Object of Section.**—The object of this section is to provide a special form of insurance for masters, seamen, and apprentices to the sea service and the sea fishing service.

**Interpretation.**—By subsec. (10) the expressions used in this section are to have the same meaning as in the Merchant Shipping Acts, 1894 to 1907. A list follows of the principal expressions used in this section which are defined or used in those Acts.

**Master.**—Merchant Shipping Act, 1894 (57 & 58 Vict. c. 60), sec. 742, “includes every person (except a pilot) having command or charge of any ship.”

**Seaman.**—Merchant Shipping Act, sec. 742, “includes every person (except masters, pilots, and apprentices duly indentured and registered) employed or engaged in any capacity on board any ship.”

Merchant Shipping Act, 1906 (6 Ed. 7, c. 47), sec. 49: “For the purposes of this Part of this Act” (*i.e.* Part IV., Provisions as to the relief and repatriation of distressed seamen and seamen left behind abroad). “. . . (2) The expression ‘seamen’ includes not only seamen as defined by the principal Act, but also apprentices to the sea service.”

(For decisions, *vide* Temperley’s Merchant Shipping Acts, 2nd ed., p. 418.)

**Apprentice to the sea service.**—This expression is not defined in the Merchant Shipping Acts, but such apprenticeship is dealt with in sec. 105 *et seq.* of the Merchant Shipping Act, 1894. *Vide* also the definition of “seamen” (*supra*). It would appear from secs. 106 and 107 of the Merchant Shipping Act, 1894, that boys aged 12 years or over may become such apprentices.

**Apprentice to sea fishing service.**—This expression is not defined in the Merchant Shipping Acts, but such apprenticeship is dealt with in the Merchant Shipping Act, 1894, sec. 392 *et seq.* It would appear from those sections that boys aged 13 years or over may become such apprentices. The expression “sea fishing service” is not defined in the Merchant Shipping Acts. Reference may be made to Sea Fisheries Act, 1868 (31 & 32 Vict. c. 45), sec. 5, where “sea fish” are defined.

**Foreign-going ship.**—Merchant Shipping Act, 1894, sec. 742, “includes every ship employed in trading or going between some place or places in the United Kingdom and some place or places situate beyond the following limits: that is to say, the coasts of the United Kingdom, the Channel Islands, and Isle of Man, and the continent of Europe between the river Elbe and Brest inclusive.”



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*Home-trade ship.*—Merchant Shipping Act, 1894, sec. 742, "includes every ship employed in trading or going within the following limits: that is to say, the United Kingdom, the Channel Islands, and Isle of Man, and the continent of Europe between the river Elbe and Brest inclusive."

[*Note.*—The two last-mentioned expressions include ships engaged in the sea-fishing service (subsec. 10).]

*Coasting Trade.*—This expression is not defined in the Merchant Shipping Act, 1894, *vide* sec. 625 and the cases cited thereunder in Temperley's Merchant Shipping Acts, 2nd ed., p. 361.

**Effect of Section—**

(1) **As to Benefits.**—Masters, seamen and apprentices are entitled to all the benefits conferred by the Act (*vide* sec. 8, *supra*) with the exception of—

- (a) Sickness benefit,
- (b) Disablement benefit,
- (c) Medical benefit,

in respect of any period during which the owner of the ship is, under the Merchant Shipping Act, 1894, as amended by any subsequent enactment, or otherwise, liable to defray the expense of the necessary surgical and medical attendance, and medicine, and of their maintenance. But sickness benefit is to be deemed to have been paid from the commencement of any disease or disablement for the purpose of reckoning the rate and duration of such benefit after the period has ended.

*Example.*—If X (a seaman) becomes ill on February 1, and is attended and maintained by the owner of his ship until March 28 (*viz.* eight weeks), he will only be entitled to sickness benefit for eighteen weeks from that date. On the expiry of those eighteen weeks, X will, if still entitled to benefit, receive disablement benefit instead of sickness benefit.

(*Note.*—The provisions of sec. 81 (9), by which no medical benefit is given in Ireland, do not apply to any such master, seaman or apprentice, unless—

- (1) he has a permanent residence in Ireland, *and*
- (2) is not a member of the Seamen's National Insurance Society.)

*Period during which the owner is under liability as aforesaid, vide Merchant Shipping Act, 1906, sec. 34.*

"(1) If the master of, or a seaman belonging to, a ship receives any hurt or injury in the service of the ship, or suffers from any illness (not being venereal disease, or an illness due to his own wilful act or default, or his own misbehaviour), the expense of providing the necessary surgical and medical advice and attendance and medicine, and also the expenses of the maintenance of the master or seaman until he is cured, or dies, or is returned to a proper return port, and of his conveyance to the port, and in the case of death the expense (if any) of his burial shall be defrayed by the owner of the ship, without any deduction on that account from his wages.

"(2) If the master or a seaman is on account of any illness temporarily removed from his ship for the purpose of preventing infection, or otherwise for the convenience of the ship, and subsequently returns to his duty, the expense of the removal and of providing the necessary advice and attendance and medicine, and of



his maintenance while away from the ship, shall be defrayed in like manner.

"(3) The expense of all medicines, surgical and medical advice, and attendance, given to a master or seaman whilst on board his ship shall be defrayed in like manner.

"(4) In all other cases any reasonable expenses duly incurred by the owner for any seaman in respect of illness, and also any reasonable expenses duly incurred by the owner in respect of the burial of any seaman who dies whilst on service, shall, if duly proved, be deducted from the wages of the seaman."

For special benefits in the case of seamen, etc., who join the Seamen's National Insurance Society, *vide infra*.

**(2) As to Contributions.**—Special Provisional Regulations have been made dealing with the payment and collection of contributions payable by and in respect of the persons to whom this section refers, *vide* National Health Insurance (Mercantile Marine) (Collection of Contributions) Regulations (England), 1912.

The rate and number of contributions will only be altered in the case of masters, seamen, and apprentices serving on a foreign-going ship, or on a ship engaged in regular trade on foreign stations. The meaning of the latter expression is defined in subsec. 10—

"The expression 'ship engaged in regular trade on foreign stations' means a ship engaged regularly in trade between ports outside the British Islands when trading between such ports, but for the purposes of this provision a ship shall not be deemed not to be engaged in such a trade by reason only that she puts into a port in the United Kingdom for the purpose of survey or repair."

(a) The employed rate is to be reduced by one penny a week.

This reduction is to take place entirely in the contribution payable by the employer on his own behalf; that is to say, he will pay twopence a week instead of threepence, while the seaman will continue to pay fourpence.

(b) The employer will have to pay twopence a week for every week that the seaman is in his service.

(c) The seaman will have to pay fourpence a week, but in any calendar year, four of such weekly contributions paid by the seaman are to be treated as five contributions for the purpose of determining the number of contributions to be paid by him in that year, and for the purpose of calculating arrears. This provision will have the following effect. If a seaman serves on such a ship for a calendar year, the employer will pay  $52 \times 2d. = 8s. 8d.$ , while the seaman will pay  $42 \times 4d. = 14s.$ , for, by paying 42 contributions, he will be deemed to have paid 52 contributions, which is the

maximum payable in one year  $\frac{5 \times 42}{4} = 52\frac{1}{2}$ . Similarly,

a seaman, who serves on such a ship for 36 weeks only during a given calendar year, will be deemed to have paid

$\frac{36 \times 5}{4} = 45$  contributions, and will be 7 contributions

only in arrear on that year. In calculating the amount of arrears of such a seaman, no employer's contribution, payable in respect of any week in respect of which no contribution is payable by the seaman, is to be taken into account

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in reckoning the amount of his arrears. The effect of this would seem to be that the seaman cannot reduce the amount of his arrears by counting in the number of contributions paid by his employer in weeks in which no contribution was paid by himself.

*Example.*—In 1914 X (a seaman) serves for 52 weeks. In 1915 X serves for 32 weeks.

In 1914 X will be deemed to have paid 52 weeks' contributions, but, in fact, will only have paid 42 weeks' contributions. X's employer will have paid 52 week's contributions, viz. 10 more than X.

In 1915 X will be deemed to have paid 40 weeks' contributions, but in fact will only have paid 32 weeks' contributions. The amount of X's arrears will be  $(52 - \frac{40 + 52}{2}) = 6$  contributions.

X will not be able to reduce that figure by taking into account the extra 10 contributions paid by his employer in 1914.

(*Note.*—The provisions of the Act as to the employed rate of contribution in Ireland (*vide* Part II. of the Second Schedule) do not apply to any master seaman or apprentice unless—

- (1) he has a permanent place of residence in Ireland, and
- (2) he is not a member of the Seamen's National Insurance Society.

In the case of masters, etc., to whom the rates of contribution payable in Ireland still apply, and who are serving on a foreign-going ship, the employed rate and the employed contribution is to be reduced by  $\frac{1}{2}d.$  per week.)

*State contribution.*—*Vide* subsec. (2) proviso (b), the effect of which is that seamen on foreign-going ships do not lose their proper share of the State contribution for any period during which the employer is under a liability to, and does, provide medical attendance and maintenance.

**Retention of Sums for Reserve Values.**—*Semble* that four contributions will not be treated as five contributions for the purpose of the retention of  $1\frac{1}{2}d.$  by the Insurance Commissioners under sec. 55 (3).

(3) **Foreigners.**—Masters, seamen, and apprentices who are neither domiciled in, nor have a place of residence in, the United Kingdom are not to be deemed to be employed within the meaning of this Part of this Act. They will not therefore have to pay contributions. But their employer will have to pay the employer's contributions in respect of them; such contributions are to be carried to the credit of the Seamen's National Insurance Society.

(4) **The Seamen's National Insurance Society.**—Any of the persons dealt with under this section may join any approved society they choose, but the section establishes the above society expressly for them.

*Formation of the Society.*—The society is to be formed by the Board of Trade as soon as possible after the passing of this Act.

*Membership of the Society.*—Any master, seaman or apprentice to the sea service and the sea-fishing service who is employed within the meaning of this Act (*vide supra*, p. 3) is eligible for membership.



(*Note.*—As will have been seen above, apprentices may be under sixteen years of age, but it is submitted that they will not be entitled to join the society till they are sixteen.)

*Management of Society.*—The society is to be managed by a committee constituted according to a scheme to be prepared by the Board of Trade with the approval of the Insurance Commissioners. The Committee is to be made up in equal proportions of—

- (1) representatives of the Board of Trade,
- (2) shipowners,
- (3) members of the society.

*Status of the Society.*—Notwithstanding anything in this Part of this Act the society is to be an approved society. This will relieve the society from the obligation to comply with the provisions of sec. 23 (*supra*, p. 114), and will also result in reserve values being credited to it under sec. 55 (*infra*, p. 213).

*Benefits given by the Society.*—The society will give the ordinary benefits conferred by this Part of this Act, viz. medical, sanatorium, sickness, disablement, and maternity benefits (*vide* sec. 8 (1), *supra*, p. 51); but other benefits are to be provided as well, in accordance with a scheme to be prepared by the committee of management and approved by the Board of Trade and the Insurance Commissioners. These other benefits must include pensions for masters and seamen with long sea service, and preference may be given to masters and seamen who have served in foreign-going ships or ships engaged in the foreign trade over those who have served in coasting or home-trade ships. The scheme is also to provide that a proper proportion of the sums credited to the society in respect of contributions paid by employers in respect of foreigners (under subsec. (6)) should be applied towards the payment of pensions granted by other approved societies to members whose sea-service would, if they had been members of the Seamen's Society, have entitled them to pensions. A member of the society will not be deprived of his right to this pension by reason only that he has ceased to be a member of the society at the time when the pension first becomes payable, or that he ceases to be a member at any later date.

*Medical and sanatorium benefit and residence of members.*—Members of the society are to be deemed to reside in England, and their medical and sanatorium benefits are to be administered by the society instead of by Insurance Committees. The effect of this provision as to residence will be that the Insurance Commissioners (as opposed to the Scottish, Irish, or Welsh Commissioners) will alone be concerned with the funds, &c., of the society.

*Membership of Society for pension only.*—Masters, seamen, or apprentices who are, at the commencement of this Act, already members of a society which becomes an approved society may join the Seamen's National Insurance Society for the purpose of the pension scheme only, without giving up their membership of the other society. The contributions of such persons (after deducting the 1½ths of a penny for reserve values (*vide* sec. 55, *infra*)) will be divided between the two societies in such proportion as they may agree.

*Transfers.*—It would appear from the section that, when the persons eligible for membership of the Seamen's National Insurance

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Society cease to go to sea, they will have to give up their membership of the society (*vide* subsecs. (4) and (8)). But the rules of the society must provide that a member who leaves the sea service and is unable to obtain admission to another approved society on account of the state of his health should be allowed to continue to be a member of the society.

The transfer value (*vide* sec. 31, *supra*, p. 129) of a member who leaves the Seamen's Society is to be calculated with reference to the liabilities of the society for benefits other than the pensions provided by the society. This is because such a member will, even after leaving, still be entitled to his right to, or to, his pension from the Seamen's Society (*vide supra*).

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Provisions as  
to persons  
over sixty-five  
at commence-  
ment of Act.

**49.**—(1) If any person who is of the age of sixty-five or upwards and under the age of seventy at the commencement of this Act is employed within the meaning of this Part of this Act, the like contributions shall, until he attains the age of seventy, be payable by his employer in respect of him as in the case of employed contributors, and the provisions of this Part of this Act relating to the payments of contributions and the recovery thereof shall apply accordingly.

(2) For every weekly contribution made by or in respect of such a person, there shall be contributed out of moneys provided by Parliament the sum of two pence.

(3) If such a person becomes a member of an approved society for the purposes of this section all contributions payable in respect of him under this section (including contributions out of moneys provided by Parliament) shall be credited to the society, and he shall become entitled to such benefits as the society may determine, but no reserve value shall be credited to the society in respect of him and no part of the contributions payable in respect of him shall be retained by the Insurance Commissioners towards the discharge of their liabilities in respect of reserve values.

(4) If such a person does not become a member of an approved society as aforesaid he shall become a deposit contributor, and accordingly all contributions payable in respect of him (including contributions out of moneys provided by Parliament) shall be carried to his credit in the Post Office fund, but the benefits to which he



becomes entitled shall be such as may be determined by the Insurance Committee. Sect. 49.

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(5) No part of the cost of benefits under this section shall be payable out of moneys provided by Parliament.

**Object of Section.**—The object of the section is to provide a form of insurance for employed persons who are between the ages of 65 and 70 at the commencement of this Act, viz. July 15, 1912, (sec. 115, *infra*). But for this provision, ordinary insurance under this Part of this Act would not be open to such persons (*cf.* sec. 1 (4), *supra*, p. 2, and sec. 4 (4), *supra*, p. 37). The form of insurance provided by this section is confined to such of these persons as are employed within the meaning of this Part of this Act, (*vide* sec. 1 (2), *supra*); no such persons can become voluntary contributors.

The principal features of this form of insurance are :—

- (1) The ordinary employed rate of contribution is payable by or in respect of such persons in the ordinary way (*vide* sec. 4, *supra*, p. 36);
- (2) For every such weekly contribution paid, the State will further contribute twopence, in lieu of contributing two-ninths of the cost of benefits;
- (3) The benefits such a person receive are :—
  - (a) If he becomes a member of an approved society, such benefits as the society may determine,
  - (b) If he becomes a deposit contributor such benefits as the Insurance Committee may determine;
- (4) In no case will reserve values be credited in respect of such a person, nor will any deduction be made (under sec. 55 *infra*, p. 213), in respect of reserve values.

**50.** Where it is proved to the satisfaction of the Insurance Commissioners that a trade or business carried on by any employers is of a seasonal nature and subject to periodical fluctuation, and that those employers systematically employ persons throughout the year and work short time during the season when the trade or business is depressed, the Insurance Commissioners may make a special order reducing, as respects such persons, the employed rate and the contributions payable by the employers and contributors to such extent and for such period in the year as may be specified in the order, and increasing such rate and contributions to a corresponding extent and for a corresponding period during the remainder of the year, and the order may contain such incidental, supplemental, and consequential provisions Sect. 50.

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Special provisions as to seasonal trades.



**Sect. 50.** as may appear necessary for adapting the other provisions of this Part of this Act to cases under this section.

**Object of Section.**—The object of this section is to allow employers and employed contributors whose trade or business is of a seasonal nature to pay higher contributions during the period of the year when that trade is busy and correspondingly lower contributions during the period when the trade is slack. The Insurance Commissioners are to make these increases and reductions by means of a special order. The section is not intended to apply to occasional abnormal fluctuations, but only to trades, the normal condition of which is that the persons engaged therein are busy at one time of the year and slack at another time of the year.

The phraseology of the section may be contrasted with that of sec. 96 (*infra*).

**Trade or Business.**—*Vide supra*, p. 24.

**Procedure on Making a Special Order.**—*Vide* sec. 113 and the Ninth Schedule (*infra*, pp. 339, 357).

**Sect. 51.** **51.**—(1) Where the managers of any institution carried on for charitable or reformatory purposes prove that the persons who are inmates of and supported by the institution receive maintenance and medical attendance when sick, the Insurance Commissioners may grant a certificate of exemption to those managers, and, where such a certificate of exemption is granted, any such inmates who are employed by the managers of the institution shall not, in respect of such employment, be deemed to be employed within the meaning of this Part of this Act:

Special provisions as to inmates of charitable homes, &c.

Provided that it shall be a condition of such exemption that the managers shall be liable to pay in respect of any such inmate who, having been an inmate of the institution for more than six months, leaves the institution, the following sums:—

(a) In the case of a person who was at the time of entering the institution below the age of sixteen, such capital sum as will be sufficient to secure him benefits under this Part of this Act at the full rate;

(b) In the case of a person who was at the time of entering the institution of the age of sixteen or



upwards, and who was at that time an insured person and a member of an approved society, a sum equal to the value, calculated in the prescribed manner, of the contributions which, apart from this section, would have been payable in respect of him during the time he was in the institution. Sect. 51.

(2) Every such inmate as aforesaid shall, if he was an insured person before entering the institution, be suspended from benefits whilst he is such an inmate, and, if he was at such time a member of an approved society and has been an inmate of the institution for a period exceeding six months, the time during which he is in the institution shall be disregarded for the purpose of reckoning arrears.

**Institution Carried on for Charitable Purposes.**—For the meaning of the expression “charitable purposes,” *vide*, *Commissioners for special purpose of the Income Tax v. Pemsel*, [1891] A. C. 531, where a majority of the House of Lords held that the words “charitable purposes” in the Income Tax Acts, and, *semble*, in any Act, unless the contrary intention appears, were not restricted to the meaning of relief from poverty, but must be construed according to the technical meaning given to them in the expression “trust for charitable purposes” by the Courts of Chancery.

The Courts of Chancery consider those purposes charitable which are enumerated in the preamble to the Statute of Elizabeth (43 Eliz. c. 4), or which, by analogies, are deemed to be within its spirit and intendment, *vide per* Grant, M.R., in *Morris v. Bishop of Durham* (1804), 9 Ves. Jun. 399, at p. 405. In the same case on appeal ((1805), 10 Ves. Jun. 522), Romilly (afterwards M.R.), *arguendo*, says at p. 532, “There are four objects within one of which all charity to be administered by the Court must fall: first, relief of the indigent; in various ways: money, provisions, education, medical assistance, etc.: second, the advancement of learning: thirdly, the advancement of religion; and, fourthly, which is the most difficult, the advancement of objects of general public utility.” Romilly’s division of the preamble to the Statute of Elizabeth into the above four heads is adopted by Lord Macnaghten in *Pemsel’s Case* (*ubi supra*), at p. 583. Reference may also be made to *A.-G. v. Heelis*, (1824) 2 S. & S. 67, *per* Leach, V.C., at p. 76, “It is not material that the particular public or general purpose is not expressed in the Statute of Elizabeth, all other legal, public, or general purposes being within the equity of that Statute”; and *In re Foreaux*, [1895] 2 Ch. 501, where at p. 504 Chitty, J., says, “Charity in law is a highly technical term. The method employed by the Court is to consider the enumeration of charities in the Statute of Elizabeth, bearing in mind that the enumeration is not



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exhaustive. Institutions whose objects are analogous to those mentioned in the Statute are admitted to charities, and, again, institutions which are analogous to those already admitted by reported decisions are held to be charities. The pursuit of these analogies obviously requires caution and circumspection. After all, the best that can be done is to consider each case as it arises upon its own special circumstances." *Vide* also Tudor on Charities, 1906 ed. pp. 36-61, where the cases are collected.

**Reformatory Purposes.**—The principal institutions for reformation would appear to be—

(1) Borstal institutions established under the Prevention of Crimes Act, 1908 (8 Edw. 7, c. 59).

(2) Prisons set apart by the Secretary of State for the purpose of confining persons undergoing preventive detention under sec. 13 of the last cited Act (*Quære*).

(3) Reformatory and Industrial Schools within the meaning of sec. 44 of the Children Act, 1908 (8 Edw. 7, c. 67).

It is submitted that any other institutions whose purpose is the reformation of morals and character will be within this section.

**"Inmates of and Supported by the Institution."**—It is submitted that this expression refers to persons who are recipients of the charity or subjects of the reformatory influence which the institution provides, and not to persons who are engaged by the managers of the institution to do the work of the institution and who receive board and lodging in the institution as part of the remuneration; *e.g.* a hospital nurse would not be within the section (*cf.* the use of the word "inmate" in sec. 12 (*supra*, p. 85)).

(*Note.*—The expressions "charitable and reformatory purposes" and "inmates of and supported by" occur in sec. 5 of the Factory and Workshop Act, 1907 (7 Edw. 7, c. 39). The manner in which the latter expression is used in that section supports, it is submitted, the meaning suggested for it in the above note.)

*Quære* whether the period of six months must be continuous or not? *Semble* that it must.

**Schools.**—*Quære* whether the provisions of sec. 9 (4) will not operate so as to make it unnecessary for managers of institutions of this kind to pay any sum to secure full benefits for departing inmates who were below the age of sixteen when they entered the institution?

**Value of Contributions.**—For the method prescribed for calculating the sum payable to an approved society, *vide* National Health Insurance (Value of Contributions, Exempted Institution) Regulations, 1912, *infra*, p. 391.

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 Special pro-  
 vision as to  
 persons be-  
 coming certi-  
 ficated  
 teachers.

**52.** Where a person who has been employed to teach in a public elementary school ceases to be employed within the meaning of this Part of this Act by reason of becoming a teacher to whom the Elementary School Teachers (Superannuation) Act, 1898, applies and does not become a voluntary contributor, there shall be paid



to the Board of Education by the approved society of which he is a member or, if he is not a member of an approved society, out of the amount standing to his credit in the Post Office fund, a sum equal to the value calculated in the prescribed manner of the contributions paid by or in respect of him under this Part of this Act since he first began to teach in a public elementary school, or, if the amount standing to his credit is less than that sum, then the whole amount so standing to his credit; and the sum so paid to the Board of Education shall be placed by them to his credit in the Deferred Annuity fund in accordance with the rules for the time being applicable thereto.

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*Elementary School Teachers (Superannuation) Act, 1898* (61 & 62 Vict. c. 57). Certificated teachers are deemed not to be employed within the meaning of this Act by such employment being placed among the excepted employments, *vide* paragraph (d) of Part II. of the First Schedule (*infra*, p. 344). The provisions of this section will prevent a person who was previously employed as a teacher in a public elementary school, and who then becomes an uncertificated teacher, from losing the value of his previous contributions.

*Deferred Annuity Fund.*—*Vide* sec. 3 of the above Act.

*Public Elementary School.*—Sec. 12 (2) of the above Act. The meaning of this expression in Scotland is, "a public or other school in receipt of annual parliamentary grant," *vide* also the Elementary Education Act, 1870 (33 & 34 Vict. c. 75), sec. 7.

*Scotland.*—*Vide* sec. 80 (17), *infra*, p. 266.

*Ireland.*—*Vide* sec. 81 (17), *infra*, p. 275.

*Value of Contributions.*—For the manner prescribed for calculating the sum payable under this section, *vide* National Health Insurance (Value of Contributions, Teachers) Regulations, 1912.

**53.**—(1) This Part of this Act shall apply to persons employed by or under the Crown, other than those with respect to whom special provision is made by this Part of this Act, in like manner as if the employer were a private person :

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Application  
to other  
persons in  
the service of  
the Crown.

Provided that, in the case of a person employed in the private service of the Crown, the head of the department of the Royal Household in which he is employed shall be deemed to be his employer.

(2) The provisions of this Act relating to reduced insurance in cases where the employer is liable to pay



**Sect. 53.** wages during sickness shall extend in respect of persons employed by or under the Crown to cases where two-thirds only of the full remuneration are payable during periods, or parts of periods, of disease or disablement, if such remuneration is so payable for not less than three months in any year, and those provisions shall apply accordingly as if two-thirds of the full remuneration were substituted for the full remuneration and as if three months were substituted for six weeks as the maximum amount of time during any year such remuneration is payable.

**Object and Effect of Section.**—This section is inserted in order to bind the Crown which, but for its enactment, would not be bound by the Act. All persons employed by the Crown within the meaning of Part I. of the First Schedule will be dealt with as ordinary employed contributors employed by private persons, except those who are excepted by the certification of the Insurance Commissioners under paragraph (b) of Part II. of the First Schedule.

**Provisions relating to Reduced Insurance.**—*Vide* sec. 47 (*supra*, p. 185) and the Special Customs Provisional Order No. 3.

### *Financial Provisions.*

**Sect. 54.** **54.**—(1) All sums received in respect of contributions under this Part of this Act and all sums paid out of moneys provided by Parliament under this Part of this Act in respect of the benefits thereunder and the expenses of administration of such benefits shall be paid into a fund, to be called the National Health Insurance Fund, under the control and management of the Insurance Commissioners, and the sums required to meet expenditure properly incurred by approved societies and insurance committees for the purposes of the benefits administered by them and the administration of such benefits shall be paid out of that fund.

(2) The sums payable to the said fund out of moneys provided by Parliament shall be paid in such manner and at such times as the Treasury may determine.

(3) The Insurance Commissioners shall ascertain periodically what sums standing in the National Health



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Insurance Fund to the credit of the several societies and of the Post Office fund and of the Navy and Army Insurance Fund are available for investment, and the amount so ascertained shall, so far as not required under the provisions of this Part of this Act to be paid over to societies for investment, or to be retained for investment on their behalf, or for the discharge of liabilities of societies, be carried to a separate account, called the Investment Account, and shall be paid over to the National Debt Commissioners and by them invested in accordance with regulations made by the Treasury in any securities which are for the time being authorised by Parliament as investments for Savings Banks funds, but those Commissioners shall, in making the investment, give preference to stock or bonds issued under the provisions of the Acts relating to borrowing for raising capital for the purposes of the local loans fund where the purposes for which such capital is required is the making of advances for the purposes of the Housing of the Working Classes Acts, 1890 to 1909 :

Provided that nothing in this provision shall prevent the Insurance Commissioners paying over to the National Debt Commissioners for temporary investment, pending the ascertainment of the amount available for investment as aforesaid, any sums in the National Health Insurance Fund not required to meet current liabilities.

(4) There shall be credited to the Post Office fund and to the Navy and Army Insurance Fund interest at the prescribed rate per annum on the sums from time to time standing to the credit of those funds in the Investment Account.

(5) The accounts of the National Health Insurance Fund shall be audited by the Comptroller and Auditor-General in such manner as the Treasury may direct.

(6) The National Debt Commissioners shall present to Parliament annually an account of the securities in which moneys forming part of the said fund are for the time being invested.



## Sect. 54.

**Object and Effect of Section.**—This Section establishes a central fund, under the control and management of the Insurance Commission, called the National Health Insurance Fund. Similar funds are established in Scotland, Ireland, and Wales respectively (*vide* secs. 80 (2), 81 (2), and 82 (2), *infra*. pp. 259, 267, 277, respectively). The effect of the establishment of these three latter funds is to turn the fund established by this section into a purely English fund.

The sums to be paid into the National Health Insurance Fund consist of—

- (1) All sums received from contributions under this Part of this Act in respect of insured persons resident in England ;
- (2) All sums paid out of moneys provided by Parliament in respect of the benefits imposed by this Part of this Act upon insured persons resident in England, and in respect of the expenses of administration of those benefits.

(*Note.*—In addition to these sums it is submitted that all sums for the credit of the Navy and Army Insurance Fund (*vide* sec. 46, *supra*, p. 171), and for the credit of the Seaman's National Insurance Society (*vide* sec. 48, *supra*, p. 194), will also be paid into the National Health Insurance Fund.)

The sums so received will be credited—

- (1) to the several approved societies (*cf.* sec. 56 (1) (a), *infra*, p. 216);
- (2) to the Post Office fund (*cf.* sec. 42 (a), *supra*, p. 152);
- (3) to the Army and Navy Insurance Fund (*cf.* 46 (3) (a), *supra*, p. 173);

Out of the fund will be paid—

- (1) To the several approved societies, the sums required for the payment of expenses of administration and of sickness, disablement and maternity benefit in respect of their members being insured persons. To the Seamen's National Insurance Society sums required to pay for sanatorium and medical benefit will also be paid (*vide* sec. 48 (12)).
- (2) To the several Insurance Committees—
  - (a) The sums required for the payment of expenses of administration and of sickness, disablement and maternity benefit in respect of deposit contributors (*vide* sec. 42, *supra*).
  - (b) The sum required for the administration of sanatorium and medical benefit in respect of all insured persons (except members of the Seamen's National Insurance Society), (*vide* sec. 16 (2) and sec. 15 (6), *supra*, pp. 105, 101, respectively).

The section further provides—

- (1) for the establishment of an Investment Account for the investment of funds by the National Debt Commissioners and for the presentation of an annual account of the securities to Parliament;
- (2) for interest to be credited to the Post Office fund and to the Navy and Army Insurance Fund ;
- (3) for the audit of the Fund's accounts according to the direction of the Treasury.



**Amount to be paid over to Societies for Investment.— Sect. 54.**

*Vide* sec. 56 (1) (b) (*infra*, p. 216).

**Securities authorised for the Investment of Savings Banks Funds.—***Vide* Trustee Savings Bank Act, 1863 (26 & 27 Vict. c. 87), sec. 15, and sec. 19. The securities enumerated in the latter section are, "bank annuities or Exchequer bills or Parliamentary securities of whatsoever kind created or issued, or which may hereafter be created or issued under the authority of any Act or Acts of Parliament for the interest on which provision is made by Parliament, or any stock or debenture or other securities expressly guaranteed by authority of Parliament."

For the power of Savings Banks to make special investments, *vide* Trustee Savings Bank Act, 1863, sec. 16, Savings Bank Act, 1891 (54 & 55 Vict. c. 21), sec. 10, where these special investments are confined to investments authorised by law in the case of investment by trustees (for these investments *vide infra*, p. 218), and Savings Bank Act, 1904 (4 Edw. 7, c. 8), sec. 6 (2), which extends special investments to "securities issued under the Local Loans Act, 1875, and . . . loans secured on the security of any local rate levied, under the authority of any Act of Parliament, by any local authority authorised to borrow money on that security." It is submitted that the Commissioners have power to invest in these latter securities as well as in the securities mentioned in sec. 19 of the 1863 Act. This would seem clear from the fact that they must give preference to stock issued for the purposes of the Housing of the Working Classes Acts, 1890 to 1909.

**Regulations made under this Section.—**The Treasury have made regulations under subsec. (3) as to sums paid over by the Insurance Commissioners to the National Debt Commissioners for investment, *vide* Statutory Rules Orders, 1912, No. 1201.

**55.—(1)** The Insurance Commissioners shall cause **Sect. 55.**  
tables to be prepared showing, in cases in which such  
provision is necessary, the capital sums (in this Part of <sup>Reserve</sup>  
this Act referred to as "reserve values") which it is <sub>values.</sub>  
necessary to provide in respect of members entering into  
insurance at ages over the age of sixteen to meet the  
estimated loss (if any) arising through the acceptance  
by an approved society of such persons as members upon  
the terms and conditions as regards contributions and  
benefits prescribed by this Part of this Act.

(2) On a person of the age of seventeen or upwards joining an approved society for the purposes of this Part of this Act, there shall be credited to the society the reserve value (if any) appropriate to such person in accordance with such tables.

The sum so credited to a society in respect of reserve



**Sect. 55.** values shall carry interest at the rate of three per centum per annum.

(3) Out of each weekly contribution paid by or in respect of an insured person who is a member of an approved society (other than a voluntary contributor who entered into insurance within six months after the commencement of this Act and at the date of that entry was of the age of forty-five years or upwards) there shall be retained by the Insurance Commissioners the sum of one penny and five-ninths (or in the case of women one penny halfpenny), and the amounts so retained shall, together with any other moneys available for the purpose, be applied in manner provided by this Part of this Act towards discharging the liabilities of the Insurance Commissioners to approved societies in respect of the reserve values created by this section.

(4) The Insurance Commissioners shall periodically apportion amongst the several societies, including the Navy and Army Insurance Fund, the sums retained by them, and the sums, if any, otherwise available for the discharge of such liabilities as aforesaid, in proportion to the amount of reserve values for the time being credited to the several societies, and shall credit to each society the amount so apportioned, and any balance of the sums so credited to a society, after providing for interest on the reserve values for the time being credited to the society, shall be written off the amount of the reserve values so credited.

(5) If any person is convicted of the offence of knowingly making any false statement as to his age in any declaration made for the purpose of obtaining a reserve value to be credited to an approved society in respect of him, the reserve value shall be cancelled, and the member of the society in respect of whom it was credited shall be treated as if he had entered into insurance after the expiration of one year from the commencement of this Act.

**Object of Section.**—The employed rate of contribution fixed by this Part of the Act is what may be called a "flat rate," *i.e.* the



same rate is to be paid by all insured persons who are entitled to be insured at the employed rate, irrespective of their age at date of entry into insurance. Similarly the benefits conferred by the Act are, with certain exceptions, payable at a flat rate to all such insured persons irrespective of their age. Such insured persons may be any age between sixteen and sixty-five at the date of their entry into insurance. It is a well-known fact that the liability of a person to sickness increases directly with the increase of his age. Hence, apart from special provision, a flat rate of contribution should produce comparatively large benefits for young persons, and very much smaller benefits for older persons, or, conversely, a flat rate of benefits should be produced by comparatively small contributions from young persons and very much larger contributions from older persons. This section makes the special provision by which both flat rate of contributions and of benefits are simultaneously retained, and yet the insurance fund is kept actuarially sound. It is assumed, in the absence of special provision dealing with the case, that all insured persons paying this employed rate were sixteen years of age at the date of their entry into insurance. Actuarial calculations are then made of the amount, having regard to their actual age and taking interest at 3 per cent. per annum, which a society ought to be holding as a reserve in respect of them had they actually been insured for the benefits conferred by this Part of this Act during the years between sixteen and their actual age. This amount is to be calculated and set out in tables to be prepared by the Insurance Commissioners, and is termed a "reserve value." A paper credit is created therefor and credited through the insurance fund to approved societies in respect of each insured member of the age of seventeen or upwards to whom the flat rate of benefit and of contribution applies. But, inasmuch as this paper credit has got eventually to be liquidated in cash by the payment of benefits, provision has to be made so that that cash should be forthcoming. This is done under this section by the power given to the Insurance Commissioners to retain one penny and five-ninths (or in the case of women, three halfpence) out of each weekly contribution paid by or in respect of an insured person who is a member of an approved society. These sums are calculated to produce the whole amount of the reserve values which it will be necessary to create within some eighteen or nineteen years.

The sums retained by the Insurance Commissioners are to be apportioned periodically among the several societies, and any balance of such sum so apportioned to any society after providing for interest on the reserve values credited to the society, is to be written off the reserve values with which the society is credited.

It will, obviously, not be necessary to create these reserve values for deposit contributors, since they are only entitled to benefits so long as their accumulated contributions last (*vide* sec. 42, *supra*).

It would seem that reserve values will be necessary for all employed contributors of the age of seventeen and upwards who join an approved society within one year from the commencement of this Act, for voluntary contributors of the age of seventeen and upwards who come into insurance under sec. 5 (1) (a) (*supra*), and for the special cases dealt with in secs. 44 and 46 (*supra*).

Where an insured person who is a member of an approved society

## Sect. 55.

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OBJECT  
OF SECTION.



**Sect. 55.** becomes a deposit contributor, his reserve value is to be cancelled (sec. 43 (1) (a)).

**OBJECT  
OF SECTION.**

**Effect of Section.**—The effect of the section will be to throw the burden created by giving these favourable rates of benefit and of contribution to older persons on young persons entering into insurance now and for the next few years. In other words, the actuarial calculations show that persons under a certain age will pay too much for the benefits conferred by the Act in direct ratio to their increasing youth, while persons over that age will receive too great benefits in return for their contributions in direct ratio to their increasing age.

**Tables of Reserve Values.**—*Vide infra*, p. 391.

**Offence.**—Knowingly making a false statement for the purpose of obtaining the crediting of a reserve value is an offence under sec. 69 (1) (*infra*, p. 246).

**“Treated as if he had entered into Insurance, etc.”**—For the effect of these words, *vide* secs. 8 (8), 9 (4), *supra*, pp. 62, 67.

**Sect. 56.**

Transactions  
between the  
Insurance  
Commis-  
sioners and  
societies.

**56.**—(1) The Insurance Commissioners shall, subject to the approval of the Treasury, make regulations with respect to crediting and debiting to the several societies sums received and paid by the Insurance Commissioners on behalf of and to societies and as to the payments to be made by and to the Commissioners to and by societies, and those regulations shall, amongst other things—

- (a) provide for crediting to each society the contributions paid by or in respect of the members of the society after deducting the amounts retained thereout for discharging the liabilities of the Insurance Commissioners in respect of reserve values;
- (b) require the Insurance Commissioners, on carrying any sum to the credit of an approved society in the investment account, to pay over to the society for investment, or, at the request of the society, to retain for investment on behalf of the society, four-sevenths, or, so far as the sums are attributable to women, one-half, of the amount so credited to the society;
- (c) provide for crediting to each society interest at the prescribed rate per annum on the sums for the time being standing to the credit of the society in the investment account;



- (d) provide for the discharge of debit balances in such manner as the Insurance Commissioners determine, either by the reduction of the reserve values credited to the society or out of the proceeds of the realisation of securities held by the society or by the Commissioners on behalf of the society, and out of the sums standing to the credit of the society in the investment account, proportionately : Sect. 56.

Provided that, in the case of any society which gives notice to that effect to the Insurance Commissioners, no part of the sums carried to the credit of the society in the investment account shall be paid over to the society or retained by the Commissioners for investment on its behalf, but the whole amount shall remain to the credit of the society in the investment account, and in such case the regulations made under the foregoing provisions shall apply to the society subject to the prescribed modifications.

(2) Every approved society shall invest any sums paid to the society for investment, and shall for the purpose have power to invest in any securities in which trustees are for the time being by law empowered to invest trust funds, or in any stocks, mortgages, or other securities issued by any local authority within the meaning of the Local Loans Act, 1875, and charged on any rates levied by or on the order or precept of such authority, or in any other securities for the time being approved by the Insurance Commissioners.

(3) Where, at the request of a society, the Insurance Commissioners instead of paying over any sum to the society retain such sum for investment on behalf of the society, they shall invest such sum in accordance with the directions of the society in any securities in which the society might have invested it had it been paid over to the society, and shall from time to time vary such investments in accordance with the like directions, and shall pay over to the society all sums received by way of interest or dividend on the investments held by them on behalf of the society.



**Sect. 56.** (4) Every approved society shall apply the sums received by way of interest or dividend on investments held by the society or by the Insurance Commissioners on behalf of the society towards the cost of the benefits under this Part of this Act of the members of the society and the cost of the administration of those benefits, or otherwise, as the Insurance Commissioners may prescribe.

**Object of Section.**—Under this section the Insurance Commissioners are to make regulations for the crediting and debiting of approved societies' accounts with the proper sums and for permitting such societies themselves to invest certain sums of money.

**Investments by Approved Societies.**—

A. The Insurance Commissioners, on carrying any sum to the credit of a society in the Investment Account (*vide* sec. 54 (3), *supra*), may be required by any approved society to pay over to the society four-sevenths (or, so far as the sums are attributed to women one-half) of the amount standing to the credit of the society in that account. These fractions are chosen presumably because they represent the proportion of the amount which has actually come out of the pockets of the contributors themselves in the case of employer contributors who are paying the employed rate.

The sums paid to a society under these provisions may be invested by the society—

- (1) In securities in which trustees may invest trust funds. A complete list of such securities would occupy too much space to be set out here. *Vide* Trustee Act, 1893 (56 & 57 Vict. c. 53), secs. 1 to 7. Colonial Stock Act, 1900 (63 & 64 Vict. c. 62), sec. 2. Metropolis Water Act, 1902 (2 Edw. 7, c. 41), sec. 17 (4).
- (2) In securities issued by any local authority within the meaning of the Local Loans Act, 1875 (38 & 39 Vict. c. 83). By sec. 34 of that Act "local authority means the justices of any county, liberty, riding, parts or division of a county in general or quarter sessions assembled, the council of any municipal borough, also any authority whatsoever having power to levy a rate, as in this Act defined, also any prescribed authority." "Rate" is defined in the same section.
- (3) In any other securities for the time being approved by the Insurance Commissioners.

B. The whole of the sums standing to the credit of a society in the Investment Account may remain there to the credit of the society and be invested by the Commissioners in the securities mentioned in sec. 54 (3), *supra*, if the society gives notice to the Commissioners to that effect.

C. The societies may request the Commissioners to retain any sums which might have been paid over to them for investment. The Commissioners will then be bound to follow the directions of the society as to the investment of those sums, but the society can only direct that they should be invested in such securities as the



society might have invested them had they been paid over for investment, *i.e.* in the securities mentioned in A., *supra*. **Sect. 56.**

**Dividends and Interest.**—The dividends and interest arising from securities whether invested by the Insurance Commissioners or societies can only be applied to the costs of benefits and administration under this Act, or otherwise as the Insurance Commissioners may prescribe. **INVESTMENTS BY APPROVED SOCIETIES.**

*Insurance Commissioners: Advisory Committee.*

**57.**—(1) As soon as may be after the passing of this Act there shall be constituted for the purposes of this Part of this Act Commissioners (to be called the Insurance Commissioners), with a central office in London, and with such branch offices as the Treasury may think fit, and the Commissioners shall be appointed by the Treasury, and of the Commissioners so appointed one at least shall be a duly qualified medical practitioner who has had personal experience of general practice. **Sect. 57.**

Constitution of Insurance Commissioners, appointment of inspectors, &c.

(2) The Insurance Commissioners may sue and be sued, and may for all purposes be described by that name, and shall have an official seal which shall be officially and judicially noticed, and such seal shall be authenticated by any Commissioner or the secretary to the Commissioners, or some person authorised by the Commissioners to act on behalf of the secretary.

(3) The Insurance Commissioners may appoint such officers, inspectors, referees, and servants, for the purposes of this Part of this Act as the Commissioners, subject to the approval of the Treasury as to number, may determine, and there shall be paid out of moneys provided by Parliament to the Commissioners and to such officers, inspectors, referees, and servants, such salaries or remuneration as the Treasury may determine; and any expenses incurred by the Treasury (including the remuneration of valuers and auditors appointed by the Treasury) or the Commissioners in carrying this Part of this Act into effect, to such extent as the Treasury may sanction, shall be defrayed out of moneys provided by Parliament.



**Sect. 57.**

(4) Every document purporting to be an order or other instrument issued by the Insurance Commissioners and to be sealed with the seal of the Commissioners authenticated in manner provided by this section, or to be signed by the secretary to the Commissioners or any person authorised by the Commissioners to act on behalf of the secretary, shall be received in evidence and be deemed to be such order or instrument without further proof, unless the contrary is shown.

(5) The Insurance Commissioners may empower any inspector appointed by them to exercise in respect of any approved society or any branch of an approved society all or any of the powers given by section seventy-six of the Friendly Societies Act, 1896, to an inspector appointed thereunder :

Provided that any complaint or report as to any such branch as aforesaid made by an inspector under this subsection shall be communicated to the central body or other central authority of the society.

**Object of Section.**—This section establishes a central insurance authority for the purpose of this Part of this Act. Similar authorities are established for Scotland, Ireland, and Wales, *vide* secs. 80 (1), 81 (1), and 82 (1) (*infra*, pp. 258, 266, 276), respectively. The authorities so established are known as the Scottish, Irish, and Welsh Insurance Commissioners respectively. The powers and duties of all four authorities would appear to be the same, with the exception that the Insurance Commissioners (*i.e.* the authority established for England) will have control over the funds, etc., of the Army and Navy Insurance Fund (*vide* sec. 46 (3) (a) and (4) (iii) (*supra*, pp. 173, 177), and of the Seamen's National Insurance Society (*vide* 47 (12), *supra*, p. 198).

*Joint committee of several bodies of commissioners, vide* sec. 83 (*infra*, p. 278).

**Duly Qualified Medical Practitioner.**—*Vide supra*, p. 104.

**Powers of an Inspector.**—Friendly Societies Act, 1896 (59 & 60 Vict. c. 25), s. 76 (5). The powers of an inspector appointed under this section are as follows. He may require the production of all or any of the books and documents of the society, and may examine on oath its officers, members, agents, and servants, in relation to its business, and may administer such oaths accordingly.

**Expenses of the Insurance Commissioners.**—These will be provided in the case of all four bodies of Insurance Commissioners out of moneys provided by Parliament, thus forming an exception to the general rule laid down in sec. 3 (*supra*), that the funds for defraying expenses of administration are to be derived partly from contributions and partly from moneys provided by Parliament.



**Powers and Duties of Insurance Commissioners.**—*Vide* Introduction.

**Authentication of Orders and other Instruments.**—It would seem that the effect of subsec. (4) is to make production of a copy of any regulations which appears to be duly sealed and authenticated evidence of those regulations. There is no similar provision in the case of regulations made by the Joint Committee or by that Committee acting jointly with the Commissioners. Further, there is no provision entitling the Joint Committee to a seal. It would appear, therefore, that these latter regulations will have to be formally proved.\*

**58.** The Insurance Commissioners shall, as soon as may be after the passing of this Act, appoint an Advisory Committee for the purpose of giving the Insurance Commissioners advice and assistance in connexion with the making and altering of regulations under this Part of this Act, consisting of representatives of associations of employers and approved societies, of duly qualified medical practitioners who have personal experience of general practice, and of such other persons as the Commissioners may appoint, of whom two at least shall be women.

**Sect. 58.**

Appointment  
of Advisory  
Committee.

**Regulations.**—For a list of the regulations to be made by the Insurance Commissioners under this Act, *vide* Introduction.

**Duly Qualified Medical Practitioner.**—*Vide supra*, p. 104.

### *Insurance Committees.*

**59.**—(1) An Insurance Committee shall be constituted for every county and county borough.

(2) Every such committee shall consist of such number of members as the Insurance Commissioners, having regard to the circumstances of each case, determine, but in no case less than forty or more than eighty, of whom—

**Sect. 59.**

Appointment  
of Insurance  
Committees.

(a) three-fifths shall be appointed in such manner as may be prescribed by regulations of the Insurance Commissioners so as to secure representation of the insured persons resident in the county or county borough who are members of approved societies, and who are deposit contributors, in

\* This point was raised in *Morris v. Ashton* (1912), 29 T. L. R. 135. It was not, however, decided, as the Court held that it was not open to appellants in those proceedings.



## Sect. 59.

proportion, as nearly as may be, to their respective numbers ;

- (b) one-fifth shall be appointed by the council of the county or county borough ;
- (c) two members shall be elected in manner provided by regulations made by the Insurance Commissioners, either by any association of duly qualified medical practitioners resident in the county or county borough which may have been formed for that purpose under such regulations, or, if no such association has been formed, by such practitioners ;
- (d) one member or, if the total number of the committee is sixty or upwards, two members, or, if the total number of the committee is eighty, three members, shall be duly qualified medical practitioners appointed by the council of the county or county borough ;
- (e) the remaining members shall be appointed by the Insurance Commissioners :

Provided that—

- (i) The regulations with respect to the appointment of members to represent insured persons shall provide for conferring on the approved societies which have members resident in the county or county borough the power of appointing the representatives of such members, and, where an association of the deposit contributors resident in the county or county borough has been formed under such regulations as aforesaid, for conferring on such association the power of appointing the representatives of the deposit contributors ;
  - (ii) Of the members appointed by the council of the county or county borough two at least shall be women, and of the members appointed by the Insurance Commissioners one at least shall be a duly qualified medical practitioner and two at least shall be women.
- (3) The Insurance Commissioners may, where any part



of the cost of medical benefit or sanatorium benefit is defrayed by the council of the county or county borough, increase the representation of the council and make a corresponding diminution in the representation of the insured persons.

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(4) The Insurance Commissioners may make regulations as to the appointment, quorum, term of office, and rotation of members and proceedings generally (including the appointment of sub-committees consisting wholly or partly of members of the committee) of the committee, and the employment of officers and the provision of offices by the committee, including the use by the committee, with or without payment, of any offices of a local authority, but subject to the consent of such authority, and any such regulations may provide for the constitution of district insurance committees, and for apportioning amongst the several district insurance committees any of the powers and duties of the Insurance Committee and regulating the relations of district insurance committees to the Insurance Committee and to one another :

Provided that the regulations so made shall require the Insurance Committee of every county (except in cases where, owing to special circumstances, the Commissioners consider it unnecessary) within six months after the commencement of this Act to prepare after consultation with the county council and submit for approval to the Commissioners a scheme for the appointment of district insurance committees for the county and prescribing the area to be assigned to each such committee, and in particular the scheme shall provide for the appointment of a district insurance committee for each borough (including the City of London and a metropolitan borough) within the county having a population of not less than ten thousand, and for each urban district within the county with a population of not less than twenty thousand, but, if the Insurance Committee or, on appeal, the Insurance Commissioners consider it expedient in the case of any such borough (outside London) or urban district, any adjoining areas may be grouped



**Sect. 59.** with such borough or urban district for the purpose of the appointment of a district insurance committee.

(5) Any Insurance Committee may, and shall if so required by the Insurance Commissioners, combine with any one or more other Insurance Committees for all or any of the purposes of this Part of this Act, and, where they so combine, the provisions of this Part of this Act shall apply with such necessary adaptations as may be prescribed.

**Object and Effect of the Section.**—This section provides for the establishment of an Insurance Committee for every county and county borough. These committees are to consist of not less than forty, or of not more than eighty members. The precise number is left to the discretion of the Insurance Commissioners. Of these members—

- (1) Three-fifths, viz. not less than twenty-four or more than forty-eight are to represent the insured persons resident in the county or county borough who are members of approved societies and who are deposit contributors, in proportion to their respective numbers.
- (2) One-fifth are to be appointed by the council of the county or county borough. Of these members two at least must be women.
- (3) Two members are to be elected by any association of duly qualified medical practitioners resident in the county or county borough, or, if no such association exists, by such practitioners.
- (4) If the numbers of the Insurance Committee are under 60, one member, over 60 and under 80, two members, 80, three members, must be duly qualified medical practitioners appointed by the council of the county or county borough.
- (5) The remaining members are to be appointed by the Insurance Commissioners. Of these members one must be a duly qualified medical practitioner and two at least must be women.\*

By subsec. (3) the Commissioners may increase the representation of the council of the county or county borough and make a corresponding diminution in the representation of insured persons where such council defrays any part of the cost of medical benefit or sanatorium benefit (*cf.* sec. 15 (7) and (8), *supra*, p. 101, and sec. 17 (2) and (3), *supra*, p. 109).

*Appointment of representatives of insured persons.*—Regulations of the Insurance Commissioners are to prescribe the manner in which such persons are to be appointed, and must be so made that the approved societies who have members resident in the county or county borough or associations of deposit contributors resident in the county or county boroughs formed under those regulations, should have the power of making such appointments. There are no provisions for apportioning among approved societies, so entitled

\* The Government have acceded to the request of the British Medical Association that the medical members of each Insurance Committee should be not less than one-tenth of the whole Committee, [Cd. 6520], p. 33.



to appoint representatives, power according to the number of members which they may have in the county or county borough, but it is submitted that the Insurance Commissioners, in order to provide that the persons so appointed should really be representative, will have to frame their regulations in such a way as to apportion the power of appointment among approved societies in accordance with the membership of such societies in the area in question.

*Election by medical practitioners.*—This is to be done in accordance with regulations to be made by the Insurance Commissioners.

*Proceedings of the Committee.*—These are to be governed by regulations made by the Insurance Commissioners. Provisional Regulations have been made, *vide* National Health Insurance (Insurance Committees) Regulations (England), 1912 (*infra*, p. 396).

*District insurance committees.*—The regulations of the Insurance Commissioners above referred to shall also require the Insurance Committee of every county (unless, owing to special circumstances, the Commissioners consider it unnecessary) to prepare a scheme for the appointment of district insurance committees for different areas in accordance with the proviso to subsec. (5). The scheme must provide for the appointment of a district insurance committee for each borough (including the City of London and a metropolitan borough) within the county having a population of not less than 10,000; and for each urban district within the county with a population of not less than 20,000. The Insurance Committee may, if they, or, on appeal, the Insurance Commissioners, consider it expedient in the case of any such borough (outside London) or urban district, group any adjoining areas for the purpose of the appointment of a district insurance committee. It would seem, however, that the Insurance Committee cannot, by such grouping, deprive any such borough or urban district of its right to have a district insurance committee. The regulations may provide for any of the powers and duties of Insurance Committees being apportioned amongst the several district insurance committees, and for regulating the relation of district insurance committees to the Insurance Committee and to one another.

The Provisional Regulations dealing with the constitution, powers and duties of district committees have been issued, *vide* District Insurance Committees Regulations (England), 1912 (*infra*, p. 446).

*Combination of Insurance Committees.*—The Insurance Commissioners may require an Insurance Committee to combine with any one or more other Insurance Committees for all or any of the purposes of this Part of this Act. Power is also given to Insurance Committees to combine on their own initiative.

**Insurance Committees and District Committees in Ireland and Scotland.**—In Scotland the minimum number of an Insurance Committee is reduced to twenty-five, and the constitution may, within certain limits, be varied (sec. 80 (6)); no medical practitioner (except in the case of women) may be a member unless he is a member of a local authority within the county or of a town council (sec. 80 (7)); and, before submitting for approval a scheme prescribing the areas to be assigned to district committees, the Insurance Committee of a county must consult with the county council or any committee thereof appointed for the purpose (sec. 80 (8)). For the modifications in the case of Ireland, *vide* sec. 81 (8).

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OBJECT  
AND EFFECT  
OF THE  
SECTION.



**Sect. 59.** Powers and Duties of Insurance Committees.—*Vide* Introduction for complete list. Their principal duty is to administer sanatorium and medical benefits for all insured persons, and all benefits for deposit contributors.

**Income of Insurance Committees.**—*Vide* sec. 61, *infra*.

**Insurance Committees to Consult Local Medical Committees.**—*Vide* sec. 61, *infra*, p. 227.

**Duly qualified Medical Practitioner.**—*Vide supra*, p. 105.

**Sect. 60.** **60.**—(1) The Insurance Committee of a county or county borough shall, in addition to the other powers and duties conferred and imposed on it by this Part of this Act, have the following powers and duties:—

Powers and duties of Insurance Committees.

(a) It shall make such reports as to the health of insured persons within the county or county borough as the Insurance Commissioners, after consultation with the Local Government Board, may prescribe, and shall furnish to them such statistical and other returns as they may require, and may make to them such other reports on the health of such persons and the conditions affecting the same, and may make such suggestions with regard thereto as it may think fit, and the Insurance Commissioners shall forward to the councils of the counties, boroughs, and urban and rural districts, which appear to them to be affected by or interested in any such reports, returns, or suggestions, copies of such reports, returns, and suggestions, and the reports and returns so made shall include such reports and returns as will enable an analysis and classification to be made of the persons who are deposit contributors:

(b) It shall make such provision for the giving of lectures and the publication of information on questions relating to health as it thinks necessary or desirable, and may, if it thinks fit, for that purpose make arrangements with local education authorities, universities and other institutions:



- (c) It shall keep proper books and accounts in the prescribed form and shall, when required, submit such accounts to audit by auditors appointed by the Treasury. Sect. 60.  
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(2) For the purpose of assisting Insurance Committees in the exercise and performance of their powers and duties under this Part of this Act, and with a view to promoting co-operation between such committees and the councils of counties, boroughs, and urban and rural districts, any medical officer of health may, at the request of an Insurance Committee and with the consent of the council by whom he is appointed, attend meetings of the committee and give such advice and assistance as is in his power.

(3) For the purposes of this section, the council of a borough includes the mayor, aldermen, and commons of the City of London in common council assembled, and the council of a metropolitan borough.

**Other powers and duties of Insurance Committees.**—  
For a list of the powers and duties of Insurance Committees, *vide* Introduction.

**61.**—(1) All sums available for sanatorium benefit in a county or county borough, and all sums payable in respect of the members of approved societies and deposit contributors resident in the county or county borough for the purposes of medical benefit and administrative expenses in any year, shall be paid or credited to the Insurance Committee at the commencement of that year. Sect. 61  
Income.

(2) There shall also be paid to the Insurance Committee in every year by each approved society having members who are insured persons resident in the county or county borough, in respect of each such member, the sum of one penny towards the administrative expenses of the committee :

Provided that, if the special circumstances of any county are such that the Insurance Commissioners consider that the travelling expenses of the members of



**Sect. 61.** the committee should be repaid to them by the committee, the Insurance Commissioners may authorise such repayment, and in such case may increase the said sum of one penny to such sum, not exceeding twopence, as they may determine.

(3) It shall be lawful for any local authority, out of any fund or rate out of which the expenses of the authority are payable, to subscribe such sums as it may think fit towards the general purposes of the Insurance Committee.

**Sums available for Sanatorium Benefit.**—*Vide* sec. 16 (2), *supra*, p. 105.

(1) One shilling and threepence in respect of each insured person resident in the county or county borough out of funds out of which benefits are payable, and

(2) One penny in respect of each such person payable by the State (this sum *may* be retained by the Commissioners).

**Sums payable for purposes of Medical Benefit.**

(1) In respect of members of approved societies, such sum as may be agreed by the society and the Insurance Committee, or, in default of agreement, determined by the Commissioners. *Vide* sec. 15 (6), *supra*, p. 101.

(2) In respect of deposit contributors, such sum as the Insurance Committee may, with the consent of the Commissioners, determine. *Vide* sec. 42 (d), *supra*, p. 153.

**Excess Expenditure on Sanatorium and Medical Benefit.**—*Vide* secs. 17 (2) and (3), *supra*, p. 109, and 15 (7) and (8), *supra*, p. 101.

**Travelling Expenses.**—It would seem that payments under this head must be confined to bare travelling expenses and cannot include any allowance for subsistence or loss of time.

**Resident in the County or County Borough.**—The provisions of this section would appear to indicate that the liability of an Insurance Committee to provide sanatorium or medical benefit to an insured person will depend upon whether that person was resident within the County or County Borough at the commencement of the year. This liability would seem to continue throughout the year, and, if the insured person goes to reside in an area under the administration of another Insurance Committee, the original Insurance Committee will still be under an obligation to pay for sanatorium and medical benefit for him. In the case of medical benefit the original Committee will presumably make arrangements with the Committee for the area in which the insured person is residing and will pay them a proper proportion of the cost of providing the benefit. In the case of sanatorium benefit, for which an insured person must be recommended, it would seem that the original Committee must retain the power of recommendation. It would not seem practicable for one Committee to recommend and for another to pay.



**62.** Where a local medical committee has been formed **Sect. 62.**  
 for any county or county borough or for any area for Local medical committees.  
 which a district committee has been formed and the Insurance Commissioners are satisfied that such committee is representative of the duly qualified medical practitioners resident in the county or county borough or such area as aforesaid, they shall recognise such committee, and, where a local medical committee has been so recognised, it shall, subject to regulations made by the Insurance Commissioners, be consulted by the Insurance Committee or district committee, as the case may be, on all general questions affecting the administration of medical benefit, including the arrangements made with medical practitioners giving attendance and treatment to insured persons, and shall perform such other duties, and shall exercise such powers, as may be determined by the Insurance Commissioners.

*Duly qualified medical practitioner, vide supra, p. 101.*

*Insurance Committee or district Committee, vide sec. 59 (4) (supra, p. 223).*

*Administration of medical benefit and arrangements . . . for attendance, vide sec. 15, supra, p. 96.*

*Application of this section to Ireland.*—*Quære* whether, in view of the fact that there is no medical benefit in Ireland, this section applies to Ireland. It would seem that it does, as local medical committees may be required to perform other duties and exercise other powers besides being consulted on questions affecting the administration of medical benefit. It is submitted that these other duties cannot be limited to duties, *ejusdem generis* as those relating to the administration of medical benefit. And, further, medical benefit may come into existence in Ireland as an additional benefit.

### *Excessive Sickness.*

**63.**—(1) Where it is alleged by the Insurance Com- **Sect. 63.**  
 missioners or by any approved society or Insurance Committee that the sickness which has taken place Inquiries into causes of excessive sickness, &c.  
 among any insured persons, being, in the case where the allegation is made by a society or committee, persons for the administration of whose sickness and disablement benefits the society or committee is responsible, is excessive, and that such excess is due to the



**Sect. 63.** conditions or nature of employment of such persons, or to bad housing or insanitary conditions in any locality, or to an insufficient or contaminated water supply, or to the neglect on the part of any person or authority to observe or enforce the provisions of any Act relating to the health of workers in factories, workshops, mines, quarries, or other industries, or relating to public health, or the housing of the working classes, or any regulations made under any such Act, or to observe or enforce any public health precautions, the Commissioners or the society or committee making such allegation may send to the person or authority alleged to be in default a claim for the payment of the amount of any extra expenditure alleged to have been incurred by reason of such cause as aforesaid, and, if the Commissioners, society, or committee and such person or authority fail to arrive at any agreement on the subject, may apply to the Secretary of State or the Local Government Board, as the case may require, for an inquiry, and thereupon the Secretary of State or Local Government Board may appoint a competent person to hold an inquiry.

(2) If, upon such inquiry being held, it is proved to the satisfaction of the person holding the inquiry that the amount of such sickness has—

(i) during a period of not less than three years before the date of the inquiry; or

(ii) If there has been an outbreak of any epidemic, endemic or infectious disease, during any less period;

been in excess of the average expectation of sickness by more than ten per cent., and that such excess was in whole or in part due to any such cause as aforesaid, the amount of any extra expenditure found by the person holding the inquiry to have been incurred under this Part of this Act by any societies or committees where the allegation is made by the Insurance Commissioners, or, if the allegation is made by a society or committee, by the society or committee in question,



by reason of such cause shall be ordered by him to be made good in accordance with the following provisions :— Sect. 63.

(a) Where the excess or such part thereof as aforesaid is due to the conditions or nature of the employment or to any neglect on the part of any employer to observe or enforce any such Act or regulation as aforesaid, it shall be made good by the employer :

(b) Where such excess or such part thereof as aforesaid is due to bad housing or insanitary conditions in the locality, or to any neglect on the part of any local authority to observe or enforce any such Act or regulation or such precautions as aforesaid, it shall be made good by such local authority as appears to the person holding the inquiry to have been in default, or, if due to the insanitary condition of any particular premises, shall be made good either by such authority or by the owner, lessee, or occupier of the premises who is proved to the satisfaction of the person holding the inquiry to be responsible :

(c) Where the excess or such part thereof as aforesaid is due to an insufficient or contaminated water supply, it shall be made good by the local authority, company, or person by whom the water is supplied, or who having imposed upon them the duty of affording a water supply have refused or neglected to do so, unless the local authority, company, or person prove that such insufficiency or contamination was not due to any default on the part of the authority, company, or person, but arose from circumstances over which they had no control.

(3) Where any such inquiry as aforesaid is held in respect of bad housing or insanitary conditions in any locality, it shall be lawful for the local authority to serve notice upon the owner, lessee, or occupier of any premises which are the subject-matter of the inquiry,



**Sect. 63.** and, where it is proved that such a notice has been served and that any such extra expense as aforesaid, or any part thereof, has been caused by the act or default of such owner, lessee or occupier, the person holding the inquiry may order the owner, lessee, or occupier to repay to the local authority the amount of the extra expenditure or part thereof which has been so caused.

(4) For the purpose of this section, the average expectation of sickness shall be calculated in accordance with the tables prepared by the Insurance Commissioners for the purpose of valuations under this Part of this Act, but any excessive sickness attributable to any disease or disablement which is due to any disease or injury in respect of which damages or compensation are payable under the Employers' Liability Act, 1880, or the Workmen's Compensation Act, 1906, or at common law, shall not be taken into account.

(5) The Insurance Commissioners shall make regulations as to the procedure on inquiries under this section, and a person holding an inquiry under this section shall have all such powers as an inspector of the Local Government Board has for the purposes of an inquiry under the Public Health Acts, and shall have power to order how and by what parties costs, including such expenses as the Secretary of State or Local Government Board may certify to have been incurred by them, are to be paid, and an order made by such person under this section may, by leave of the High Court, be enforced in the same manner as a judgment or order of the Court to the same effect:

Provided that a society or committee shall not be ordered to pay the costs of the other party to the inquiry if the person holding the inquiry certifies that the demand for an inquiry was reasonable under the circumstances, and, when he so certifies, the Treasury may repay to the society or committee the whole or any part of the costs incurred by it.

(6) Without prejudice to any other method of recovery, any sum ordered under this section to be paid by a local



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authority may, in accordance with the regulations of the Local Government Board with the approval of the Treasury, be paid out of the Local Taxation Account and deducted from any sums payable either directly or indirectly out of that account to the local authority.

(7) For the purposes of this section, any expenditure on any benefit administered by an Insurance Committee shall be deemed to be expenditure of that Committee, but any sums paid to any such Committee under this section to meet extra expenditure on sickness benefit or disablement benefit shall be dealt with for the benefit of deposit contributors in accordance with regulations made by the Insurance Commissioners.

(8) Where under this section any sum is paid to the Insurance Commissioners, the Insurance Commissioners shall apply the same in discharge of any expenses incurred by the Commissioners under this section and shall distribute the balance amongst the societies and committees which appear to the Commissioners to have incurred extra expense on account of the excessive sickness in such proportions as the Commissioners think just.

(9) Where an association of deposit contributors resident in any county or county borough has been formed under regulations made by the Insurance Commissioners, the Insurance Committee for the county or county borough shall, if so required by the association, take proceedings under this section on behalf and at the expense of the association.

**Object of Section.**—The object of this section is to give power to the Insurance Commissioners, approved societies and Insurance Committees to recover from persons or local authorities whose acts or defaults have occasioned excessive sickness among the insured persons for the administration of whose benefits the society or committee is responsible, the extra expenditure incurred by reason of such excessive sickness. Where a claim of this nature is made, and is not settled by agreement, the Commissioners, society or committee making the claim may apply to the Secretary of State or to the Local Government Board for an inquiry. The Secretary of State or the Local Government Board is thereupon to appoint a competent person to hold an inquiry under the conditions set out in subsec. (5).



**Sect. 63.****OBJECT OF  
SECTION.**

In order to succeed the Insurance Commissioners, society or committee making the claim must prove—

(1) that the sickness in the particular locality in respect of which the claim is being made has been more than ten per cent. in excess of the average expectation of sickness during a period of not less than three years before the date of the inquiry; or, in the case of sickness due to an outbreak of any epidemic, endemic, or infectious disease, during any less period. For the method by which the average expectation of sickness is arrived at *vide infra*.

(2) That such excessive sickness is due to any one or more of the following causes—

- (a) The condition or the nature of the employment of the persons in respect of whom the claim is made;
- (b) Bad housing or insanitary conditions in any locality;
- (c) Defective or contaminated water supply;
- (d) Failure or neglect of any person or local authority to observe or enforce any public health precautions or the provisions of or the regulations made under any Act relating to

(i) The health of workers in factories, workshops, mines, quarries or other industries (*vide* Factory and Workshop Acts, 1901 and 1907 (1 Edw. 7, c. 22 and 7 Edw. 7, c. 39), the Metalliferous Mines Regulation Act, 1872 (35 & 36 Vict. c. 77), the Coal Mines Regulation Act, 1887 (50 & 51 Vict. c. 58), the Quarries Act, 1894 (57 & 58 Vict. c. 42), Shop Hours Act, 1892, and 1904 (55 & 56 Vict. c. 62 and 4 Edw. 7, c. 31), Alkali Works Regulation Acts, 1881, and 1892 (44 & 45 Vict. c. 37 and 55 & 56 Vict. c. 30)).

(ii) Public health (*vide* the Public Health Acts of 1875, 1890, 1896, and 1904 (38 & 39 Vict. c. 55, 53 & 54 Vict. c. 59, 59 & 60 Vict. c. 19, 4 Edw. 7, c. 16), the Public Health (Water) Act, 1878 (41 & 42 Vict. c. 25), the Infectious Diseases Prevention Act, 1890 (53 & 54 Vict. c. 34), the Rivers Pollution Prevention Act, 1876-1893 (39 & 40 Vict. c. 75 and 56 & 57 Vict. c. 31)).

(iii) The housing of the working classes (*vide* the Housing of the Working Classes Acts, 1890-1903 (53 & 54 Vict. c. 70 and 3 Edw. 7, c. 39), the Housing and Town Planning Act, 1909 (9 Edw. 7, c. 44)).

(Note.—*Observance of public health precautions.*—*Quære* whether this means anything more than the observance of the provision of the Public Health Acts? Perhaps creating a nuisance at common law might, in certain cases, be held to be a failure to observe “public health precautions.”)

The persons against whom the person holding the inquiry may make an order for the payment of the extra expenditure incurred are—

(1) The employer, where the excess is due to —

- (a) the conditions or nature of the employment,
- (b) the employer's neglect to observe or enforce any Act or regulation above referred to;



- (2) Any local authority, where the excess is due to—
- (a) bad housing or insanitary conditions in the locality,
  - (b) neglect to observe or enforce any of the Acts or regulations above referred to, and the person holding the inquiry finds that such local authority was in default,
  - (c) insufficient or contaminated water supply where such local authority supplies the water, or having imposed upon it the duty of supplying water has neglected or refused to do so, unless the local authority can prove that the insufficiency or contamination of the water is due to circumstances over which it had no control, and not to its own default.
- (3) The owner, lessee, or occupier of any particular premises, where the excess is due to the insanitary condition of such premises, and the owner or occupier is proved to be responsible ;
- (4) Water companies, where the excess is due to insufficient or contaminated water supply, in the same circumstances as a local authority supplying water might be held responsible (*vide* (2) (c), *supra*).

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## OBJECT OF SECTION.

*Recovery of extra expenditure by local authority, due to bad housing or insanitary conditions, from owners or occupiers of premises.*—A local authority may, when an inquiry is held in respect of bad housing or insanitary conditions, serve a notice on the owner, lessee, or occupier of the premises, the subject matter of the inquiry, and any part of the extra expenditure to which the local authority may be put, which has been caused by the Act or default of such owner or occupier, may be ordered by the person holding the inquiry to be repaid by such owner or occupier to the local authority.

The effect of this provision will be to simplify matters for the bodies making claims under this section. Where, in a given locality, there is excessive sickness due to the bad housing or insanitary conditions, they need not consider too closely the respective delinquencies of the local authority or the owners or the occupiers of the premises in question, but can claim against the local authority with the knowledge that such authority can protect itself by using the powers above referred to.

*Average Expectation of Sickness.*—By subsec. (4) this is to be calculated in accordance with the tables prepared by the Insurance Commissioners for the valuation under sec. 36, but no account is to be taken of excessive sickness attributable to disease or disablement due to any disease or injury in respect of which damages or compensation are payable under the Employer's Liability Act, 1880 (43 & 44 Vict. c. 42), or The Workmen's Compensation Act, 1906 (6 Edw. 7, c. 58), or at common law. The diseases for which compensation can be obtained under the Workmen's Compensation Act, 1906, are at present: anthrax, ankylostomiasis, lead poisoning, mercury poisoning, phosphorus poisoning, arsenic poisoning and their respective sequelæ.

It should be observed that these tables will deal with the average expectation of sickness throughout the areas included under the Act. The effect of this section will, therefore, be to create a standard sickness rate; any excess of more than 10 per cent. over which, if due to any of the causes aforesaid, may give rise to proceedings for the recovery of the extra expenditure entailed



**Sect. 63.****OBJECT OF  
SECTION.****PROCEDURE.**

thereby. It would seem that each of the bodies of Commissioners will be entitled to prepare tables, and, therefore, a different standard may be set up for the different parts of the United Kingdom.

*Procedure on inquiry.*—This is to be governed by regulations to be made by the Insurance Commissioners.

The person holding the inquiry is to have the powers that an inspector of the Local Government Board has for the purposes of an inquiry under the Public Health Act. These powers are as follows: He may summon any person to be examined before him, or to produce any books, contracts, agreements, accounts, or copies of the same. He may examine witnesses on oath, or require the party examined to make and subscribe a declaration of the truth of his evidence. Persons wilfully giving false evidence before inspectors are punishable as for perjury, and persons refusing to attend his summons or give evidence, or, who alter, suppress, or destroy documents required to be produced are guilty of a misdemeanour (*vide* sec. 296, The Public Health Act, 1875 (38 & 39 Vict. c. 55), and secs. 21, 26, Poor Law Board Act, 1847 (10 & 11 Vict. c. 109)).

*Costs.*—The person holding the inquiry may also make orders as to how and by what parties costs, including such expenses as the Secretary of State or Local Government Board may certify to have been incurred by them, are to be paid. If the person holding the inquiry certifies that the demand for an inquiry was reasonable in the circumstances, he can make no order on any society or committee to pay the costs of the other party to the inquiry. In such circumstances the Treasury, at their discretion, may repay to the society or committee any costs which they have incurred. It would appear that these latter provisions do not apply where the Insurance Commissioners are the party demanding the inquiry.

Any order made by the person holding the inquiry may, by leave of the High Court, be enforced in the same manner as a judgment or order of the Court.

*Money ordered to be paid by a local authority, how recovered.*—When a local authority has been ordered to pay any sum under this section, that sum may in accordance with regulations made by the Local Government Board with the approval of the Treasury be paid out of the Local Taxation Account, and deducted from any sums payable directly or indirectly out of that account to such local authority.

This provision is without prejudice to any other method of recovery.

*Money recovered under this Section: how dealt with—*

- (1) Where an approved society receives or recovers any sum under the provisions of this section, it would seem that it will be at liberty to deal with such sum as it thinks fit;
- (2) Where an Insurance committee receives or recovers any such sum, the sum is to be dealt with for the benefit of deposit contributors in accordance with regulations made by the Insurance Commissioners;
- (3) Where the Insurance Commissioners receive or recover any such sum, they may first repay themselves thereout any expenses which they have incurred, and then they must distribute the balance amongst the societies and committees who have incurred extra expenses owing to the excessive sickness, in such proportion as they may think just.



*Supplementary Provisions.*

**64.**—(1) If under any other Act of the present session **Sect. 64.**  
 any sum is made available for the purposes of the pro-  
 vision of or making grants in aid to sanatoria and other Provision of  
 sanatoria, &c.  
 institutions for the treatment of tuberculosis or such  
 other diseases as the Local Government Board with the  
 approval of the Treasury may appoint, such sum shall  
 be distributed by the Local Government Board with the  
 consent of the Treasury in making grants for those  
 purposes, and the Treasury before giving their consent  
 shall consult with the Insurance Commissioners :

Provided that such sum shall be apportioned between  
 England, Wales, Scotland, and Ireland in proportion to  
 their respective populations ascertained in accordance  
 with the returns of the census taken in the year nineteen  
 hundred and eleven.

(2) If any such grant is made to a county council, the  
 Local Government Board may authorise the county  
 council to provide any such institution, and, where so  
 authorised, the county council shall have power to erect  
 buildings and to manage and maintain the institution  
 and for that purpose to enter into agreements and make  
 arrangements with the Insurance Committees and other  
 authorities and persons, and to do all such things as  
 may be necessary for the purposes aforesaid, and any  
 expenses of the county council, so far as not defrayed  
 out of the grant, shall be defrayed out of the county fund  
 as expenses for general county purposes, or, if the order  
 of the Local Government Board so directs, as expenses for  
 special county purposes charged on such part of the  
 county as may be provided by the order.

(3) For the purpose of facilitating co-operation amongst  
 county councils, county borough councils, and other local  
 authorities (not being Poor Law authorities) for the pro-  
 vision of such sanatoria and other institutions as aforesaid,  
 the Local Government Board may by order make such  
 provisions as appear to them necessary or expedient, by  
 the constitution of joint committees, joint boards, or



**Sect. 64.** otherwise, for the joint exercise by such councils and authorities of their powers in relation thereto, and any such order may provide how, in what proportions, and out of what funds or rates the expenses of providing such institutions, so far as they are not defrayed out of grants under this section, are to be defrayed, and may contain such consequential, incidental, and supplemental provisions as may appear necessary for the purposes of the order, and an order so made shall be binding and conclusive in respect of the matters to which it relates.

(4) An Insurance Committee may, with the consent of the Insurance Commissioners, enter into agreements with any person or authority (other than a Poor Law authority) that, in consideration of such person or authority providing treatment in a sanatorium or other institution or otherwise for persons recommended by the Committee for sanatorium benefit, the Committee will contribute out of the funds available for sanatorium benefit towards the maintenance of the institution or provision of such treatment, such annual or other payment, and subject to such conditions and for such period as may be agreed, and any such agreement shall be binding on the Committee and their successors, and any sums payable by the Committee thereunder may be paid by the Insurance Commissioners and deducted from the sums payable to the Committee for the purposes of sanatorium benefit.

**Object of Section.**—This section provides—

- (1) For the distribution in grants of the sum of £1,500,000 made available by the Finance Act, 1911 (1 & 2 Geo. 5, c. 48), sec. 16 (1) (b), for the provision of sanatoria, etc. This sum is to be apportioned between England, Wales, Scotland, and Ireland in proportion to the respective populations of those countries as shown by the census of 1911.
- (2) For the authorisation by the Local Government Board of county councils to whom grants out of the £1,500,000 are made :—
  - (a) to erect, manage, and maintain sanatoria;
  - (b) to enter into agreements with Insurance Committees and with other authorities and persons for the erection, management and maintenance of such sanatoria;



- (c) to defray any expenses so incurred, so far as not defrayed out of the grant, out of the county fund as expenses for general county purposes, or if the order of the Local Government Board so directs, as expenses for special county purposes charged on such part of the county as may be provided by the order.
- (3) For the Local Government Board to have power, in order to facilitate co-operation among local authorities, to make by order such provision as may seem to them necessary
  - (a) for joint committees, &c., and for the joint exercise of the powers of such local authorities;
  - (b) for laying down in what proportion, and out of what funds or rates the expenses of providing sanatoria, so far as not defrayed out of grants under this section, are to be defrayed;
  - (c) for such consequential, incidental, and supplemental matter as may appear necessary for the order.

Orders made by the Local Government Board under this section are to be binding and conclusive in respect of the matters to which they relate.

- (4) For Insurance Committees being authorised to enter into agreements with any person or authority for the provision of sanatorium treatment over a number of years in return for annual or other payments. Such agreements are to be binding on the committee and their successors, and the sums payable under any such agreement may be paid by the Insurance Commissioners and deducted from the sums payable to the committee for the purposes of sanatorium benefit. (For these latter sums, *vide* secs. 16 and 61, *supra*, pp. 105, 227.)

It should be observed that there is no obligation in this section put upon local authorities to build sanatoria, nor, if they do so, is there any obligation put upon the Local Government Board to give such authorities any part of the grant. But in order to obtain a share of the grant, local authorities will have to build sanatoria.

**Provision of Sanatoria in Wales.**—As respects the part of any sum available for grants apportioned to Wales, the Welsh Commissioners are to exercise the powers of the Local Government Board under this section, *vide* sec. 82 (3) (*infra*, p. 277). *Quære* whether this provision absolves Welsh institutions from the necessity of obtaining the approval of the Local Government Board before they can be utilized for the purpose of sanatorium benefit (*cf.* sec. 16, *supra*)? It is submitted that it does not and that Welsh institutions will have to obtain that approval and are not in that respect in a position different from English, Scotch or Irish institutions.

**65.** The Insurance Commissioners may make regulations for any of the purposes for which regulations may be made under this Part of this Act or the schedules therein referred to, and for prescribing anything which under this Part of this Act or any such schedules is to be prescribed, and generally for carrying this Part of

**Sect. 64.**

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OBJECT OF  
SECTION.

**Sect. 65.**

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Power to  
Insurance  
Commis-  
sioners to  
make regula-  
tions, &c.



**Sect. 65.** this Act into effect, and any regulations so made shall be laid before both Houses of Parliament as soon as may be after they are made, and shall have effect as if enacted in this Act :

Provided that, if an address is presented to His Majesty by either House of Parliament within the next subsequent twenty-one days on which that House has sat next after any such regulation is laid before it, praying that the regulation may be annulled, His Majesty in Council may annul the regulation, and it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder.

**Object of Section.**—This section gives power to the Insurance Commissioners to make regulations, where regulations are required, and to prescribe, what is expressed to be prescribed, under this Part of this Act or the Schedules therein referred to. The regulations are to have effect as if enacted in the Act; thus non-compliance with the requirements of regulations will be equivalent to a non-compliance with the requirements of this Act.\* This is also expressly enacted in sec. 69, *infra*.

**Sect. 66.**

Determina-  
tion of ques-  
tions by  
Insurance  
Commis-  
sioners.

**66.** If any question arises—

- (a) as to whether any employment or any class of employment is or will be employment within the meaning of this Part of this Act or as to whether a person is entitled to become a voluntary contributor; or
- (b) as to the rate of contributions payable by or in respect of any insured person; or
- (c) as to the rates of contributions payable in respect of an employed contributor by the employer and the contributor respectively;

the question shall be determined by the Insurance Commissioners, in accordance with regulations made by them for the purpose: Provided that—

- (i) if any person feels aggrieved by the decision of the Insurance Commissioners on any question arising under paragraph (a), he may appeal therefrom to the county court, with a further right of appeal upon any question of law to such judge

\* Provisional Regulations made by the Joint Committee acting jointly with the Insurance Commissioners have been held to be valid, *Hurlock v. Shinn*, (1912), 29 T. L. R. 133.



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- of the High Court as may be selected for the purpose by the Lord Chancellor, and the decision of that judge shall be final;
- (ii) the regulations of the Insurance Commissioners may provide for questions under paragraph (b) being determined, in the case of any person who is or is about to become a member of an approved society, by the society;
- (iii) the Insurance Commissioners may, if they think fit, instead of themselves deciding whether any class of employment is or will be employment within the meaning of this Part of this Act, submit the question for decision to the High Court in such summary manner as subject to rules of court may be directed by the court, and the court, after hearing such parties and taking such evidence (if any) as it thinks just, shall decide the question, and the decision of the court shall be final.
- (2) This section shall come into operation on the passing of this Act.

**Questions under para. (a).—**These questions will be difficult questions of mixed law and fact. In the case of the liability of a person to be insured as an employed contributor the answer to the question depends on whether the person is employed within the meaning of Part I. of the First Schedule to the Act (*vide* note on employed contributors, *supra*, p. 3). The question as to whether a person is entitled to become insured as a voluntary contributor depends upon whether he is within the ambit of sec. 1 (3) (*supra*, p. 2). An appeal is allowed from the decision of the Insurance Commissioners on these questions to the county court and, from the county court on a point of law *only*, to a judge of the High Court. "Any person aggrieved" will include an employer.

The Commissioners may submit any question as to whether any employment is an employment within the meaning of Part I. of the Act direct to the High Court. The section is so drafted that rulings may be obtained before the commencement of the Act.

**Questions under paras. (b) and (c).—**The determination of these questions may be delegated by the Insurance Commissioners in the case of a person who is or who is about to become a member of an approved society to the society. Under para. 2 of the National Health Insurance (Decisions of Questions) Regulations (England), 1912 (*infra*, p. 397), have provided that questions as to the rate of contributions payable by or in respect of any person who is or is about to become a member of an approved society shall (with certain exceptions) be decided by the society. It is submitted



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QUESTIONS  
UNDER  
PARA. (b)  
AND (c).

that, in a proper case, *Mandamus* or *Certiorari* will lie to the Commissioners or to the society in respect of the judicial function in regard to these questions which the section imposes upon them (*vide supra*, p. 32).

**Decision of the Commissioners.**—A selection of cases decided by the commissioners will be found in the Appendix (*infra*, p. 460).

**County Court Rules under the Section.**—*Vide* Order XLII A, Rules 1-5 (inclusive). Statutory Rules and Orders, 1912, No. 1224.

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**Sect. 67.**

Disputes.

**67.**—(1) Subject to the provisions of the foregoing section every dispute between—

(a) An approved society or a branch thereof and an insured person who is a member of such society or branch or any person claiming through him ;

(b) An approved society or branch thereof, and any person who has ceased to be a member for the purposes of this Part of this Act of such society or branch, or any person claiming through him ;

(c) An approved society and any branch thereof ;

(d) Any two or more branches of an approved society ; relating to anything done or omitted by such person, society, or branch (as the case may be) under this Part of this Act or any regulation made thereunder, shall be decided in accordance with the rules of the society, but any party to such dispute may, in such cases and in such manner as may be prescribed, appeal from such decision to the Insurance Commissioners.

(2) Every dispute between an insured person and the Insurance Committee, relating to anything done or omitted by such person or the Insurance Committee under this Part of this Act, or any regulation made hereunder, shall be decided in the prescribed manner by the Insurance Commissioners.

(3) The Insurance Commissioners may authorise referees appointed by them to decide any appeal or dispute submitted to the Insurance Commissioners under this section.

(4) The Insurance Commissioners may make regulations as to the procedure on any such appeal or dispute,



and such regulations may apply any of the provisions of the Arbitration Act, 1889, but, except so far as it may be so applied, the Arbitration Act, 1889, shall not apply to proceedings under this section, and any decision given by the Insurance Commissioners or a referee under this section shall be final and conclusive. Sect. 67.

**Object of Section.**—This section provides the method by which disputes between the persons or bodies and the persons or bodies mentioned in subsec. (1) (a) to (d) and in subsec. (2) *relating to anything done or omitted by such persons or bodies are to be decided*. These words are very wide and should cover every imaginable form of dispute, and the section consequently becomes of very great importance. For example, any question as to whether a claim by an insured person for benefits is or is not to be recognised will be decided by the machinery provided by this section. These disputes are, where an approved society is concerned, to be decided according to the rules of the society, and where a deposit contributor and an Insurance Committee are concerned in the manner prescribed by the Insurance Commissioners. An appeal lies in the case of a decision according to the rules of a society to the Insurance Commissioners, who may authorise referees to decide any such appeal or dispute. For the procedure on such appeal or dispute *vide* the regulations made by the Insurance Commissioners, *infra*, p. 449. The regulations may in the discretion of the Commissioners apply any of the provisions of the Arbitration Act, 1889 (52 & 53 Vict. c. 49). The decision of the Insurance Commissioners or the referee is conclusive. Notwithstanding this, in a proper case, a further remedy will be open by *Mandamus* or *Certiorari* (*vide supra*, p. 32).

**68.**—(1) Where the medical practitioner attending on any insured person in receipt of sickness benefit certifies that the levying of any distress or execution upon any goods or chattels belonging to such insured person and being on premises occupied by him, or the taking of any proceedings in ejectment or for the recovery of any rent or to enforce any judgment in ejectment against such person, would endanger his life, and such certificate has been sent to the Insurance Committee and has been recorded in manner herein-after provided, it shall not be lawful during any period named in the certificate for any person to levy any such distress or execution or to take any such proceedings or to enforce any such judgment against the insured person : Sect. 68.

Protection  
against dis-  
tress and  
execution in  
certain cases.



**Sect. 68.** — Provided that, if any person desirous of levying such distress or execution or taking such proceedings or enforcing such judgment disputes the accuracy of the certificate, he may apply to the registrar of the county court, who, if he is of opinion that the certificate should be cancelled or modified, may make an order cancelling or modifying it, and no appeal shall lie against any such order or a refusal to make any such order.

(2) A certificate granted for the purpose of this section shall continue in force for one week or such less period as may be named in the certificate, but may be renewed from time to time for any period not exceeding one week, up to but not beyond the expiration of three months from the date of the grant of the original certificate, but no such renewal shall have effect unless sent to the Insurance Committee and recorded as aforesaid :

Provided that the protection conferred by this section shall not extend beyond the expiration of one month from such date if, on demand being made by the person desirous of levying such distress or execution, or taking such proceedings, or enforcing such judgment, proper security is not given for payment of rent thereafter to become due from the insured person or the amount of the judgment debt, as the case may be, and any dispute as to the sufficiency of the security shall be determined by the registrar of the county court whose decision shall be final and not subject to appeal.

(3) If any person knowingly levies or attempts to levy any such distress or execution or takes any such proceedings or enforces or attempts to enforce any such judgment in contravention of this section, he shall be liable on summary conviction to a fine not exceeding fifty pounds.

(4) A certificate or renewal thereof granted under this section shall forthwith be sent to the Insurance Committee, and the Committee shall, unless it has reason to suspect its genuineness, record it in a special register without fee, and such register shall, at all reasonable times, be open to inspection ; and, where so recorded, its



genuineness shall not be questioned in any proceedings against a sheriff or other officer for failure to levy any distress or execute any warrant.

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(5) Where the time within which a warrant may be executed is limited, any period during which the warrant cannot be executed by reason of the provisions of this section shall be disregarded in computing the time within which the warrant may be executed.

**Object of Section.**—The object of this section is to prevent the lives of insured persons (*i.e.* voluntary or employed contributors) who are in receipt of sickness benefit being endangered by distress, execution on the premises which they occupy, or by the taking of proceedings in ejectment or for the recovery of rent or to enforce any judgment in ejectment.

In order to enjoy this protection the following conditions must be satisfied :—

- (1) The person in question must be in receipt of sickness benefit.  
The section does not apply when the person is in receipt of any other benefit.
- (2) The medical practitioner attending that person must certify that—
  - (a) the levying of any distress or execution upon any goods or chattels belonging to such insured person and being on premises occupied by him, or
  - (b) the taking of any proceedings in ejectment, or
  - (c) the taking of any proceedings for the recovery of any rent, or
  - (d) the taking of any proceeding to enforce any judgment in ejectment against such person, would endanger his life.

[*Note.*—It would seem that the certificate may mention all or any of the above, and that the protection will extend to such of the proceedings as are mentioned in the certificate.]

- (3) The certificate should mention the period during which it is to be in force if that period does not exceed one week.  
After one week the certificate must be renewed.
- (4) The certificate and any renewals thereof must be recorded forthwith in a special register to be kept by the Insurance Committee.
- (5) If the protection is to last beyond one month after the date of the grant of the original certificate, on the application of the landlord or creditor, security must be given, the sufficiency of which is to be determined by the registrar of the county court, for the rent or debt in respect of which the landlord or creditor desires to take any of the proceedings mentioned in this section.

The protection exists throughout any period mentioned in the certificate. Disputes as to the accuracy of the certificates are to be settled by the registrar of the county court, who has power to cancel or modify the certificate. His decision is expressed to be



**Sect. 68.** final, but it is submitted that in a proper case *certiorari* and *mandamus* will lie as a method of redress.

**OBJECT OF SECTION.** Contravention of this section will entail, on summary conviction, a fine not exceeding £50.

The register of certificates is to be open to inspection; and the fact that a certificate is registered will protect a sheriff or other officer from proceedings for failure to levy any distress or to execute any warrant.

**"Premises Occupied by Him."**—It is submitted that "occupied" is here used in the popular sense, and that an insured person, in order to obtain the protection of this need not be the tenant of the premises.

**"Recovery of any Rent."**—*Quære* whether the word "rent" is to be construed strictly or whether it would include payments for board and lodging. It is submitted that it must be construed strictly.

**"Goods or Chattels belonging to such Insured Person."**—There can be no protection when the goods or chattels, on which distress or execution is levied, are not the property of the person in question. *Quære* whether goods on a hire-purchase agreement made with the tenant, which are excluded from the operation of the Law of Distress Amendment Act, 1908 (8 Edw. 7, c. 53), sec. 4, may be distrained upon, notwithstanding that a certificate under this section is in force? The answer to this question would seem to depend upon whether levying a distress is "taking proceedings for the recovery of rent." Strictly speaking, distress is the taking, without legal process, of goods to compel the payment of rent. The expression "taking proceedings, &c.," appears to imply resort to legal process. But it would seem very doubtful whether distress would not be held to be within the above expression.

There is nothing in the section to prevent hire-purchase traders from recovering possession of their goods from persons in respect of whom a certificate is in force, if instalments are in arrear, and if they can do so without recourse to the courts and execution.

**Medical Practitioner.**—*Quære* whether this means a duly qualified medical practitioner? *Vide* Medical Act, 1858 (21 & 22 Vict. c. 90), sec. 34, and contrast p. 104, *supra*.

**County Court Rules under this Section.**—*Vide* Order XLII A, Rules 6, 7 and 8. Statutory Rules and Orders, 1912, No.  $\frac{1224}{L. 25}$ .

**Sect. 69.** **69.**—(1) If, for the purpose of obtaining any benefit or payment or the crediting of a reserve value under this Part of this Act, either for himself or for any other person, any person knowingly makes any false statement or false representation, he shall be liable on summary conviction to imprisonment for a term not exceeding three months with or without hard labour.

**Offences.**



(2) If any employer has failed to pay any contributions which under this Part of this Act he is liable to pay in respect of an employed contributor, or if any such employer, any insured person, or any other person is guilty of any other contravention of or non-compliance with any of the requirements of this Part of this Act or the regulations made thereunder in respect of which no special penalty is provided, he shall for each offence be liable on summary conviction to a fine not exceeding ten pounds, and where the offence is failure or neglect on the part of the employer to make any such contributions, to pay to the Insurance Commissioners a sum equal to the amount of the contributions which he has so failed or neglected to pay, which sum when paid shall be treated as a payment in satisfaction of such contributions:

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Provided that no person shall be liable to any penalty in respect of any matter if he has acted in conformity with any decision in respect thereto by the Insurance Commissioners, or, if the matter is one which the Insurance Committee is competent to decide, in conformity with its decision.

**Obtaining the Crediting of a Reserve Value.**—For the treatment of a person (for insurance purposes) under this Act who is convicted under this section in connection with reserve values, *vide* sec. 55 (5), *supra*.

**Imprisonment for a Term not Exceeding Three Months.**—This will have the effect of depriving any person accused under subsec. (1) of this section of a trial by jury, *vide* Summary Jurisdiction Act, 1879 (42 & 43 Vict. c. 49), sec. 17.

**Employer's Contributions.\***—*Vide* sec. 4 (*supra*), p. 36, and Second Schedule (*infra*), p. 346.

**70.**—(1) Where an employer has failed or neglected to pay any contributions which under this Part of this Act he is liable to pay in respect of a person being a member of an approved society in his employment, and by reason thereof that person has been deprived in whole or in part of his right to any benefits which would otherwise have been payable to him, he shall be entitled to take proceedings against the employer for the value of

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Civil proceedings against employer for neglecting to pay contributions.

\* *Vide* as to sec. 69 (2), *Hurlock v. Shinn* (1912), 29 T. L. R. 133, and note *supra*, p. 27.



**Sect. 70.** the right of which he has been so deprived, and in any such proceedings the employer may be ordered to pay to the Insurance Commissioners a sum equal to the value so ascertained, which sum when paid shall be carried to the credit of the society of which such person is a member, and thereupon such person shall thenceforth be entitled to receive from the society benefits at the same rate as he would have been entitled to had the contributions been properly paid, together with the difference between the amount of the benefits (if any) he has actually received and the benefits he would have received had the contributions been properly paid.

(2) Proceedings may be taken under either this or the last preceding section notwithstanding that proceedings have also been taken under the other section in respect of the same failure or neglect to pay contributions.

**Object and Effect of Section.**—This section provides that—

- (1) Where an employer has failed or neglected to pay contributions which he is liable to pay in respect of *an employed member of an approved society*; and
- (2) By reason of such failure or neglect that person has been deprived of any right to any benefits which would otherwise have been payable to him,

such person may take civil proceedings against the employer in question *for the value of the right of which he has been so deprived*. In such proceedings the employer may be ordered to pay a sum equal to such value to the Insurance Commissioners, which sum is to be carried by them to the credit of the approved society of which the person is a member. Thereupon such person will receive the benefits he would have received if his contribution had been properly paid, together with the difference (if any) between the amount of the benefits he has actually received and the benefits he would have received if the contribution had been properly paid.

It is submitted that proceedings can only be taken under this section where the person taking those proceedings has actually suffered reduction of or suspension from benefits owing to the fact that his employer has failed or neglected to pay contributions in respect of him. No proceedings can be taken where the allegation is merely that, if the person in question had become entitled to benefits, the rate would have been reduced, or suspended owing to the non-payment of contributions.

**Effect of this Section and the Preceding Section.**—Proceedings may be taken under either of these sections notwithstanding that proceedings have already been taken under the other section. The result of proceedings being taken under both sections will, if they are successful, result in the employer being not only



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finer but also having to pay twice over for reinstating the person in respect of whom he has failed to pay contributions. If, under sec. 69, the employer pays up the contributions he has failed to pay, such payment should put the society in a position to pay benefits as if such contribution had been properly paid from whatever date the payment of benefits may commence. But under sec. 70 the employer will also have to pay up the value of the benefits of which the person has been deprived, which value will already have been provided for by the payment he has made under sec. 69. It will therefore be to the advantage of the society to take proceedings under both sections, with, if the member in question is receiving benefits, as much delay as possible.

An example is given to show the working of the section.

*Example.*—A has been three years in insurance (1914, 1915, 1916) as an employed member of an approved society. During that time he has fallen thirty-six contributions in arrears. All these arrears are due to failure or neglect of his employer to pay the contributions. A has not been entitled to benefits during those years, but on January 1, 1917, becomes so entitled. Inasmuch as he is in arrears to the extent of twelve contributions in a yearly average his sickness benefit will be reduced from 10s. to 5s. 6d. (*vide* Fifth Schedule, *infra*, p. 353). If proceedings are taken at once and the amount of the contributions not paid, viz.  $36 \times 7d. = 21s.$ , is recovered from the employer this sum is to be treated in satisfaction of the unpaid contributions. A will thereupon be entitled to full benefits and will have no ground for proceeding under sec. 70. But assuming that A's illness in respect of which he is entitled to receive benefits lasts 10 weeks, and that no proceedings are taken until after he has recovered, then proceedings may be taken under both sections, which, if successful, will result in the society receiving 21s. as aforesaid, and in A's receiving  $10 \times 4s. 6d. = £2\ 5s.$  Thus A will suffer no loss and the society will gain by not having had to pay full benefits during A's illness.

[*Note.*—Proceedings under sec. 70 can only be brought against an employer in regard to unpaid contributions due in respect of an employed member of an approved society. Deposit contributors have only the remedy provided by sec. 69.]

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**71.** If it is found at any time that a person has been in receipt of any payment or benefit under this Part of this Act without being lawfully entitled thereto he, or in the case of his death his personal representatives, shall be liable to repay to the Insurance Commissioners the amount of such payment or benefit, and any such amount may be recovered as a debt due to the Crown and when so recovered shall be carried to the credit of the society of which such person was a member, or if he was not a member of any approved society, of the Post Office fund.

Repayment  
of benefits  
improperly  
paid.



**Sect. 72.**  
 Provisions as  
 to application  
 of existing  
 funds of  
 friendly  
 societies.

**72.—**(1) Every registered friendly society which provides benefits similar to any of those conferred by this Part of this Act, shall submit to the Registrar of Friendly Societies a scheme for continuing, abolishing, reducing, or altering such benefits as respects members who become insured persons and for continuing, abolishing, or reducing the contributions of such members, so, however, that the combined effect of the alteration of the benefits and contributions shall not prejudicially affect the solvency of the society, and, if the scheme or a supplementary scheme shows on an actuarial valuation that, owing to the alterations in the benefits and contributions effected by the scheme, any part of the existing funds of the society is set free as not being required to meet the liabilities of the society, the scheme or the supplementary scheme shall provide for the application of the part of the funds so set free in any one or more of the following ways:—

- (a) towards the cost of the provision of other or increased benefits payable by the society independently of this Part of this Act to existing members whether insured persons or not;
- (b) in reduction of the contributions payable by such members in respect of the benefits payable by the society independently of this Part of this Act;
- (c) towards the payment or repayment of contributions payable under this Part of this Act by such of its existing members as are entitled and elect to receive benefits under this Part of this Act through the society.

(2) This section shall apply to branches of registered societies in like manner as to societies: Provided that a society with branches may, if it so desires (subject always to the exercise of any right of a branch, expressly conferred by the rules of the society, to dispose of any of its funds for the benefit solely of the members of the branch), submit a scheme applicable to all its branches, and it shall be competent for the society to provide by its scheme or supplementary scheme for the application of



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the whole or any part of any sums so set free towards the discharge of any deficiencies in any of its branches which may be found to exist on such actuarial valuation as aforesaid.

(3) Any scheme adopted by a society or branch of a society in accordance with its rules when confirmed by the Registrar of Friendly Societies shall be deemed to be incorporated in the registered rules of the society or branch and may be amended accordingly, so, however, that no amendment shall be inconsistent with the provisions of this section.

(4) This section shall apply to seamen, marines, and soldiers, from whose pay deductions are made under this Part of this Act as if they were insured persons, and for the purposes of this section "existing" means existing at the passing of this Act.

(5) This section shall come into operation on the passing of this Act.

**Object of Section.**—The operation of this section is not confined to registered friendly societies and their branches which become approved societies. *All* registered Friendly Societies which confer benefits similar to those conferred by this Part of the Act were required on the passing of the Act (December 16, 1911) to proceed to make and submit to the Registrar of Friendly Societies a scheme—

- (1) for continuing, abolishing, reducing, or altering the existing benefits in so far as they are similar to the benefits conferred by this Part of this Act as respects members who become insured persons, and
- (2) for continuing, abolishing or reducing the contributions of such members.

The schemes to be made and submitted under this section are to be made in view of the fact that a large number of members will probably become insured persons under the Act. These members will not require exactly the benefits for which they have hitherto been insuring, nor, in view of the contributions they will have to make under the Act, will they desire to continue to make the contributions which they have made hitherto. The schemes will first of all deal with the state of things created by these facts in the manner above set out, but they must be such as to ensure that the society remains solvent, having regard to its liabilities towards members who do not become insured persons, and to the liabilities and income for which the schemes themselves provide. At this point a scheme may, of course, account for all the existing funds of the society, but, assuming that, on an actuarial valuation (which



**Sect. 72.** must be made in any case to test the solvency of the society in light of the scheme), there are funds left over and so set free, the funds so set free are to be dealt with in one of the ways set out in subsec. (1) (a) to (c).

—  
**OBJECT OF SECTION.**

These ways may be divided into two classes—

- (1) Those which apply to existing (*i.e.* existing at the time of the passing of the Act) members, whether they become insured persons or not, and which relate to benefits and contributions payable independently of the Act, *viz.* subsec. (1) (a) and (b).
- (2) That which applies to members who are entitled and elect to receive benefits under this Part of the Act through the society and which relates to contributions payable by such members under this Part of the Act, *viz.* subsec. (1) (c).

With regard to class (1), the scheme may provide for "other or increased benefits." These words enlarge the scope of the scheme. In what may be called the first stage of the scheme the only benefits affected are those which are similar to the benefits conferred by this Part of the Act, but in the later stage of the scheme provision may be made for giving or increasing any other benefit which it is within the competence of the society to give.

By subsec. (3), before a scheme is valid it must—

- (1) be adopted by a society or branch of a society by a vote of members taken in accordance with its rules,
- (2) be confirmed by the Registrar of Friendly Societies.

A scheme so adopted and confirmed is to be deemed to be incorporated in the registered rules of the society or branch, and may be altered according to those rules, provided that no alteration is made which is inconsistent with the provisions of this section.

The adoption by vote of the members and the necessity of obtaining the confirmation of the registrar should be sufficient safeguard against a scheme being put into force which does not deal fairly with the interests of the various classes of members concerned.

*Seamen, Marines, and Soldiers (vide sec. 46, supra).*—The schemes will apply to such of these persons as have deductions made from their pay as if they were insured persons. It should be noticed that under sec. 46 the only benefit to which such persons are entitled under this part of the Act is maternity benefit, but it is submitted that this provision will not prevent such persons from receiving any of the benefits which their societies may be able to give in accordance with the scheme they may make. Such benefits will be payable independently of the Act.

**Societies with Branches.**—The section is to apply to registered branches of registered friendly societies in like manner as to the societies. The effect of this provision is that branches may, if they choose, make their own schemes, but it will be unnecessary for a branch to make a scheme if the society makes use of the power given to it by subsec. (2) to make a scheme applicable to all its branches. In such a case the scheme may provide for funds set free after valuation to be applied in discharging any deficiency which any particular branch may show upon such valuation. If the rules of the Society expressly confer to a branch the right to dispose of any of its funds for the benefit solely of the members of the branch, the Society may only use its powers under subsec. (2)



subject to the exercise of that right. The effect of this provision is, it is submitted, to make it possible for a society to submit a scheme applicable to such of its branches as do not exercise that right.

**Sect. 72.**

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SOCIETIES  
WITH  
BRANCHES.

**73.**—(1) Where at the passing of this Act a superannuation or other provident fund has been established for the benefit of the persons employed by one or more employers, the provisions of the last foregoing section shall apply with the necessary adaptations and with this modification that, where under the Act, deed, or other instrument establishing the fund or otherwise any sum is payable by the employer towards benefits secured by the Act or deed, and those benefits include benefits similar to any of those conferred by this Part of this Act, the scheme may provide for allowing the employer to deduct from any contributions payable by him as aforesaid towards benefits of a nature similar to those under this Part of this Act an amount not exceeding the amount of the employer's contributions payable by him under this Part of this Act.

**Sect. 73.**

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Provisions  
to existing as  
employers'  
provident  
funds.

(2) Where the fund is one out of which pensions or superannuation allowances are payable, and it is proved to the satisfaction of the Insurance Commissioners that the rearrangements required in consequence of this Part of this Act will, upon a valuation under the existing rules of the fund, affect prejudicially the sum available for the payment of pensions or superannuation allowances, the Insurance Commissioners may grant a certificate authorising the value of the prospective extension of benefits under this Part of this Act when the reserve values have been written off as herein-before provided, to be brought into account in the valuation of the assets available for the discharge of the liabilities of the fund in respect of pensions and superannuation allowances.

**Object of Section.**—This section applies the preceding section with any necessary adaptations to provident funds (*cf.* sec. 24, *supra*, p. 120), and further enables the scheme made under the section to provide for the employer being at liberty to deduct from any contributions he may be under a liability under the Act or deed establishing the fund to make towards benefits similar to those



**Sect. 73.** conferred by this part of this Act, an amount equivalent to the employers' contributions he will have to pay under sec. 4 and the Second Schedule (*supra*, p. 36).

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OBJECT OF  
SECTION.

**Prospective Extension of Benefits.**—*Vide* sec. 8 (9), *supra*, p. 63.

**Sect. 74.** **74.** Any member of an approved society who is a minor may execute all instruments and give all acquittances necessary to be executed or given under the rules of such society, but shall not be a member of the committee, or a trustee, manager, or treasurer of such society or any branch thereof.

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Provisions as  
to minors who  
are members  
of approved  
societies.

**Sect. 75.** **75.** Any society for the purpose of carrying on business under this Act, either alone or together with any purpose mentioned in section eight, subsection (1), of the Friendly Societies Act, 1896, may, after the passing of this Act, be registered as a friendly society under the Friendly Societies Act, 1896, notwithstanding that the contributions under this Act are not voluntary.

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Power for  
societies to  
register under  
Friendly  
Societies Act,  
1896.

*Friendly Societies Act*, 1896 (59 & 60 Vict. c. 25), sec. 8.—“The following societies may be registered under this Act:—

“(1) Societies (in this Act called friendly societies) for the purpose of providing by voluntary subscriptions of the members thereof, with or without donations, for. . . .”

But for the provisions of this section, no new society which desired to become an approved society could have been registered under the Friendly Societies Act.

*Quære* whether a separate section which has been approved can be registered independently of its parent body? It would seem that it can as it is a “society for the purpose of carrying on business under this Act.”

**Sect. 76.** **76.**—(1) Except in so far as may be inconsistent with this Part of this Act, any business transacted under this Part of this Act by any approved society shall be treated as part of the ordinary business transacted by societies of the class to which that society belongs, and any enactment applying to the society in relation to the transaction of such ordinary business shall apply accordingly in relation to the business transacted by the society under this Part of this Act.

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Application  
to Acts of  
Parliament  
to approved  
societies and  
sections.

(2) This section shall apply to an approved society



which is a separate section of another body, subject to the necessary adaptation. Sect. 76.

*Note.*—*Cf.* note on sec. 23 (*supra*, p. 117).

**77.**—(1) The Local Government Board may, for the purposes of their powers and duties under this Part of this Act, hold such local inquiries and investigations as they may think fit, and the Board and their inspectors shall have for the purposes of such an inquiry the same powers as they respectively have for the purposes of an inquiry under the Public Health Acts, and the expenses incurred by the Board in respect of such inquiries and other proceedings under this Part of this Act (including the salary of any inspector or officer of the Board engaged in the inquiry or proceedings, not exceeding three guineas a day) shall be paid by such authorities and persons and out of such funds and rates as the Board may by order direct, and the Board may certify the amount of the expenses so incurred, and any sum so certified and directed by the Board to be paid by the authority or person shall be a debt from that authority or person to the Crown: Provided that this provision shall not apply to inquiries with respect to responsibility for excessive sickness. Sect. 77.

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Powers of  
the Local  
Government  
Board.

(2) Any approval given by the Local Government Board under this Part of this Act may be given for such term, and subject to such conditions as the Board may think fit, and the Board shall have power to withdraw any approval which they have given.

(3) The Local Government Board may make it a condition of any approval to be given, or grant of money to be made under this Part of this Act, that the Board shall have such powers of inspection as may be agreed.

**Duty of the Local Government Board.**—The most important duty which the Board have to perform under Part I. of the Act is the duty of distributing the £1,500,000 made available by the Finance Act, 1911, for the erection of sanatoria, *vide* sec. 64, *supra*. The Board also has to approve the institutions in which insured persons are to be treated for tuberculosis and the manner in which domiciliary treatment for that disease is to be given



- Sect. 77** under sec. 16, *supra*. The Board may also appoint other diseases (besides tuberculosis) in connection with sanatorium benefit (sec. 8 (1) (b), *supra*).
- DUTY OF  
THE LOCAL  
GOVERNMENT  
BOARD.
- Power of Board and Inspectors under Public Health Acts.**  
— *Vide* the Public Health Act, 1875 (38 & 39 Vict. c. 55), Part IX. secs. 293–296, and the Poor Law Board Act, 1847 (10 & 11 Vict. c. 109), secs. 21 and 26.

- Sect. 78.** **78.** If any difficulty arises with respect to the constitution of Insurance Committees, or the advisory committee, or otherwise in bringing into operation this Part of this Act, the Insurance Commissioners, with the consent of the Treasury, may by order make any appointment and do anything which appears to them necessary or expedient for the establishment of such committees or for bringing this Part of this Act into operation, and any such order may modify the provisions of this Act so far as may appear necessary or expedient for carrying the order into effect: Provided that the Insurance Commissioners shall not exercise the powers conferred by this section after the first day of January nineteen hundred and fourteen.
- Power to  
remove  
difficulties.

**Object of Section.**—This section gives very wide powers to the Insurance Commissioners in the event of any difficulty arising—

- (1) With respect to the constitution of Insurance Committees (sec. 59), or
- (2) With respect to the constitution of the Advisory Committee (sec. 58), or
- (3) Otherwise in bringing into operation this Part of this Act.

Any order made by the Insurance Commissioners under this section may “modify the provisions of this Act so far as may appear necessary or expedient for carrying the order into effect.” It is a little difficult to see how an order in respect to a difficulty in bringing into operation this Part of this Act can modify the provisions of the Act, because *ex hypothesi* the operation of the Act depends upon its provisions. *Quære* whether the meaning of the section is that the Commissioners should be judges of what are the governing ideas of this Part of the Act, and should have power to modify the provisions of the Act so far as those provisions create difficulties in matters of detail?

The powers of the Commissioners under this section only last until January 1, 1914.

With a view to avoiding delay in the making of special orders the Joint Committee have made the National Health Insurance (Special Orders Acceleration) Orders, 1912 (*vide infra*, pp. 399, 448). Orders have also been made with regard to the Advisory Committee and the preliminary expenses of approved societies (*infra*, p. 401).



**79.** For the purposes of this Part of this Act, unless the context otherwise requires,— Sect. 79.

The expression “branch,” in relation to a society, shall not include any branch of the society which is not itself separately registered; Interpretation.

The expression “disease or disablement” means such disease or disablement as would entitle an insured person to sickness or disablement benefit;

The expression “dependants,” in relation to any person, includes such persons as the approved society or Insurance Committee shall ascertain to be wholly or in part dependent upon his earnings;

A person whose normal occupation is employment within the meaning of this Part of this Act shall, for the purpose of reckoning the number and rate of contributions, be deemed to continue to be an employed contributor notwithstanding that he is temporarily unemployed, but, if such period of unemployment extends beyond twelve months, he shall not continue to be an employed contributor unless the approved society of which he is a member or, if he is not a member of such a society, the Insurance Committee, is satisfied that his unemployment is due to inability to obtain employment, and is not due to any change in his normal occupation;

The suspension of a member of an approved society from benefits under this Part of this Act shall not be deemed to deprive the member of his membership;

Membership of an approved society means membership for the purposes of this Part of this Act;

The expression “valuer” means a person possessing actuarial qualifications as may be approved by the Treasury;

The expression “county” means administrative county;

The Scilly Isles shall be deemed to be a county and the council of those Isles the council of a county, but the Insurance Committee for the Scilly Isles shall be constituted in such manner as the Insurance Commissioners prescribe;



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Monmouthshire shall be deemed to form part of Wales ;  
A person shall be deemed according to the law in England, Wales, and Ireland, as well as according to the law in Scotland, not to have attained the age of seventeen until the commencement of the seventeenth anniversary of the day of his birth, and similarly with respect to other ages.

**Sect. 80.**

Application  
to Scotland.

**80.** This Part of this Act in its application to Scotland shall be subject to the following modifications :—

- (1) For the purpose of carrying this Part of this Act into effect in Scotland, there shall be constituted, as soon as may be after the passing of this Act, Commissioners for Scotland (to be called the Scottish Insurance Commissioners) with a central office in Edinburgh, and with such branch offices in Scotland as the Treasury may think fit, and the Scottish Insurance Commissioners, of whom one at least shall be a duly qualified medical practitioner, shall be appointed by the Treasury, and may appoint such officers, inspectors, referees, and servants for the purposes aforesaid as the Scottish Insurance Commissioners, subject to the approval of the Treasury, may determine, and the provisions of this Part of this Act with respect to the payment of the salaries and remuneration of the Insurance Commissioners, and the officers, inspectors, referees, and servants appointed by them, and with respect to the payment of the expenses incurred by the Treasury or the Insurance Commissioners in carrying this Part of this Act into effect shall, with the necessary modifications, apply to the payment of the salaries and remuneration of the Scottish Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them and to the payment of expenses incurred by the Treasury or the Scottish Insurance Commissioners in carrying this Part of this Act into



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effect in Scotland, and for the purpose aforesaid the Scottish Insurance Commissioners, and the officers, inspectors, referees, and servants appointed by them shall respectively have all the like powers and duties as are, by the provisions of this Act, conferred and imposed on the Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them, and references in those provisions to the Insurance Commissioners shall be construed as references to the Scottish Insurance Commissioners :

- (2) All sums received from contributions under this Part of this Act in respect of insured persons resident in Scotland, and all sums paid out of moneys provided by Parliament in respect of benefits under this Part of this Act to such persons, and the expenses of administration of such benefits shall be paid into a fund to be called the Scottish National Health Insurance Fund, under the control and management of the Scottish Insurance Commissioners, and the sums required to meet expenditure properly incurred by approved societies and Insurance Committees for the purposes of such benefits and the administration of such benefits shall be paid out of that fund, and the foregoing provisions of this Act, with respect to the National Health Insurance Fund, shall, with the necessary modifications, apply to the Scottish National Health Insurance Fund accordingly :

**Resident in Scotland.**—By para. 4 (3) (a) of the regulations dealing with the collection of contributions (*infra*, p. 372), it is provided that, “where during the currency of a card a person to whom a card has been issued . . . changes his place of residence from one part of the United Kingdom to another . . . that person shall make an application . . . for the issue to him of a new card . . .” and para. 7 (2) (d) of the same regulations requires every employed contributor to surrender his card upon changing his place of residence from one part of the United Kingdom to another. Thus the Insurance Fund for the part of the United Kingdom will receive the contributions of the insured persons



**Sect. 80.** resident therein. It is submitted that the use of the expression  
— “place of residence” indicates that an insured person will not be  
RESIDENT compelled to get a new card during a short temporary sojourn.  
IN SCOTLAND.

(3) The expression “Local Government Board” means the Local Government Board for Scotland (in this section referred to as the Board): Provided that, as regards the making of regulations respecting sums payable out of the Local Taxation (Scotland) Account, the said expression means the Secretary for Scotland; the expression “Local Taxation Account” means the Local Taxation (Scotland) Account; and the expression “inspector of the Local Government Board” includes a person acting under section seven or section eight of the Public Health (Scotland) Act, 1897:

(4) The expression “county borough” means a burgh or police burgh within the meaning of the Local Government (Scotland) Act, 1889 (in this section referred to as the Act of 1889), containing within the police boundaries thereof according to the census of nineteen hundred and eleven a population of twenty thousand or upwards, and includes the burgh of Dumfries and the police burgh of Maxwelltown, as if they were a single burgh, and all other burghs and police burghs shall, for the purposes of this Part of this Act, be held to be within the county, and unless already represented on the county council shall, for the purposes of this Part of this Act, be represented thereon as may be determined by the Secretary for Scotland: Provided that references to the council of a county borough shall, in the case of Dumfries and Maxwelltown, be construed as references to a joint committee of the town councils thereof which shall from time to time be appointed subject to the provisions of section seventy-six of the Act of 1889:



- (5) References to a county and the county council thereof shall, as regards— Sect. 80.

(a) the counties of Kinross and Clackmannan ;  
and

(b) the counties of Elgin and Nairn ;

be construed in each case as references respectively to a combination of the two recited counties and to a joint committee of the county councils thereof which shall from time to time be appointed subject to the provisions of section seventy-six of the Act of 1889 :

- (6) The minimum number of an insurance committee for any area containing a population of less than forty thousand shall be twenty-five instead of forty ; and, where a number less than forty is fixed the constitution of the committee may be varied as may be prescribed, so, however, that the proportion of members to be appointed by insured persons and by a county or town council and the number of members possessing a medical qualification shall not be altered :

*Proportion of members.*—Vide sec. 59 (2), *supra*, p. 221.

- (7) No person, except a medical practitioner qualified as such, shall be qualified for appointment as member of an Insurance Committee by a county or town council unless he is a member of a local authority within the county under the Public Health (Scotland) Act, 1897, or of the town council, as the case may be ; but this requirement shall not apply to women if women so qualified are not available :
- (8) Before submitting for approval a scheme prescribing areas to be assigned to district committees, the Insurance Committee of a county shall consult with the county council, or any committee thereof appointed for the purpose, and shall consider any representation received from them :

*District Committees.*—Vide sec. 59 (4), *supra*, p. 223.



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(9) Where, owing to sparseness of population, difficulties of communication, or other special circumstances, they consider it desirable, an Insurance Committee shall have power, with the consent of the Scottish Insurance Commissioners, to modify or suspend any benefits for the administration of which they are responsible; but, where such modification or suspension takes place, provision shall be made by the Committee, with the like consent, for the increase of other benefits or the grant of one or more additional benefits to an amount equivalent to the value of the modification or suspension :

(10)—(a) If it appears to any county council that, having regard to the number of employed contributors resident in the county who are not members of any society approved under the foregoing provisions of this Act, it is desirable that steps should be taken for the establishment under the council of an approved society for the county (in this section referred to as a county society) the council may, at any time before the expiration of one year from the commencement of this Act, submit to the Scottish Insurance Commissioners a scheme for the establishment of a county society ;

(b) The scheme may provide for —

- (i) the representation of the council on the committee of management of the society ;
- (ii) the appointment of officers subject to the approval of the council ;
- (iii) the delegation of powers to committees ;
- (iv) the giving of security by means of a charge upon the general purposes rate or otherwise ;



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- (v) the restriction of membership to insured persons resident in the county not being members of any other approved society;
  - (vi) the reduction of benefits below the minimum rates fixed by this Part of this Act; and
  - (vii) such other matters as may appear necessary, and in particular such further modifications of the provisions of this Part of this Act with respect to approved societies as may be required for the purpose of adapting those provisions to the case of a county society;
- (c) Where such a scheme has been approved by the Scottish Insurance Commissioners, the provisions of the scheme shall have effect, notwithstanding anything to the contrary in this Part of this Act; and subject to those provisions, the county society shall be an approved society for all the purposes of this Part of this Act:
- (d) A county council desirous of submitting a scheme under this section may, at any time after the passing of this Act, take such steps as appear necessary with a view to ascertaining what insured persons resident in the county are eligible and willing to become members of the proposed county society, and generally for the formation of the society;

*Security.*—There would appear to be no obligation to give security under this subsection; Para. (b) of the subsection is governed by the words “may provide” and the other matters dealt with in that para. are clearly matters of such a nature that it is impossible to construe “may” as “must.” As the Insurance Commissioners have to approve the scheme it would seem that they could require the provision of security by withholding their approval until it was provided. If, however, the Commissioners do not require



**Sect. 80.** security, there would seem to be no obligation on the society to give security under sec. 26, as, by para. (c) although the society is an approved society for all purposes the provisions of the scheme, once it has been approved, are to take effect notwithstanding anything to the contrary in this Part of the Act.

The security would appear to be for the same purpose as that for which security is required by sec. 26. There could be no question of the Council being required to guarantee in any way the solvency of the society. Indeed it would no doubt be *ultra vires* for a Council to do so.

*Reduction of benefits.*—*Quære* whether this means a reduction of benefits to all members alike or whether the reduction may be confined to certain classes of members, *e.g.*, bad lives? There does not appear to be anything in the subsection to suggest the correct answer to this question, but it is submitted that if it had been intended to allow differentiation between different classes of members that such a power would have been unequivocally expressed and that, therefore, the reduction must be made to all members alike. There is no provision allowing reduction of contributions either in amount or number.

- (11) A person appointed in terms of the section of this Act relating to excessive sickness to hold an inquiry shall report to the authority appointing him, and any further action following on such inquiry which, in accordance with the provisions of that section, is to be or may be taken by the person making the inquiry, shall not be taken by him, but may be taken by that authority after consideration of the report, and that section shall be read and construed accordingly :

*Excessive sickness.*—*Vide* sec. 63, *supra*, p. 229.

- (12) Expenses incurred by a county council under this Part of this Act shall be defrayed out of the general purposes rate ; provided that, notwithstanding anything contained in the Act of 1889, the ratepayers of a police burgh shall not be assessed by the county council for any such expenses unless the police burgh is, for the purposes of this Part of this Act, held to be within the county ; and provided further that, with respect to every burgh within the meaning of the Act of 1889, which is, for the purposes of



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—

this Act, held to be within the county, subsection (3) and subsection (4) of section sixty, and section sixty-six, of the Act of 1889, shall, so far as applicable, have effect as if such expenses were expenditure therein mentioned :

- (13) Expenses incurred by a town council under this Part of this Act (whether under requisition from the county council or otherwise) shall be defrayed out of the public health general assessment, but shall not be reckoned in any calculation as to the statutory limit of that assessment; and references to the borough fund or borough rate shall be construed accordingly :
- (14) The expression "borough" and the expression "urban district" mean a burgh or police burgh within the meaning of the Act of 1889, and the expressions "rural district" and "council of a rural district," unless inconsistent with the context, mean respectively a district of a county within the meaning of the said Act and the district committee thereof: Provided that the population limit prescribed for boroughs and urban districts in the subsection of this Act relating to the appointment of district committees for these areas shall not apply :
- (15) The expression "Lord Chief Justice" means the Lord President of the Court of Session :
- (16) The expression "county court" means the sheriff court; and, in lieu of an appeal from the county court upon any question of law, there shall be substituted an appeal from the sheriff upon any question of law in terms of subsection (17) (b) of the Second Schedule to the Workmen's Compensation Act, 1906: Provided that the decision of either division of the Court of Session on such appeal shall be final :
- (17) The expression "workhouse" means poorhouse; "coverture" means marriage; "levy any distress or execution" means use any diligence;



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“ejectment” means removing; “amount of judgment debt” means amount decerned for; “registrar of the county court” means court exercising jurisdiction in the proceedings; “certified midwife” means any midwife possessing such qualifications as may be prescribed; “public elementary school” means public school; “Public Health Acts” means the Public Health (Scotland) Acts, 1897 and 1907; “Local Loans Act, 1875,” means the Local Authorities Loans (Scotland) Acts, 1891 and 1893; and “High Court” means Court of Session:

- (18) Unless inconsistent with the context, references to the Elementary School Teachers’ Superannuation Act, 1898, to the deferred annuity fund under that Act, and to the Board of Education, shall be construed, respectively, as references to section fourteen of the Education (Scotland) Act, 1908, and a scheme thereunder, to the Scottish Teachers’ Superannuation Fund, and to the Scottish Education Department.

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Application  
to Ireland.

**81.** This Part of this Act, in its application to Ireland, shall be subject to the following modifications:—

- (1) For the purpose of carrying this Part of this Act into effect in Ireland, there shall be constituted, as soon as may be after the passing of this Act, Commissioners for Ireland (to be called the Irish Insurance Commissioners), with a central office in Dublin, and with such branch offices in Ireland as the Treasury may think fit, and the Irish Insurance Commissioners, of whom one at least shall be a duly qualified medical practitioner, shall be appointed by the Treasury, and may appoint such officers, inspectors, referees, and servants for the purposes aforesaid as the Irish Insurance Commissioners, subject to the approval of the Treasury, may determine, and the provisions of this Part of this Act with respect to the payment



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of the salaries and remuneration of the Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them, and with respect to the payment of the expenses incurred by the Treasury or the Insurance Commissioners in carrying this Part of this Act into effect shall, with the necessary modifications, apply to the payment of the salaries and remuneration of the Irish Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them and to the payment of expenses incurred by the Treasury or the Irish Insurance Commissioners in carrying this Part of this Act into effect in Ireland, and for the purpose aforesaid the Irish Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them shall respectively have all the like powers and duties as are by the provisions of this Act conferred and imposed on the Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them, and references in those provisions to the Insurance Commissioners shall be construed as references to the Irish Insurance Commissioners :

- (2) All sums received from contributions under this Part of this Act in respect of insured persons resident in Ireland and all sums paid out of moneys provided by Parliament in respect of benefits under this Part of this Act to such persons and the expenses of administration of such benefits shall be paid into a fund to be called the Irish National Health Insurance Fund, under the control and management of the Irish Insurance Commissioners, and the sums required to meet expenditure properly incurred by approved societies and Insurance Committees for the purposes of such benefits and the administration of such benefits shall be paid out of that fund and the foregoing provisions of this



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Act with respect to the National Health Insurance Fund shall, with the necessary modifications, apply to the Irish National Health Insurance Fund accordingly :

*Resident in Ireland.*—*Vide note supra*, p. 259.

(3) The provisions of this Part of this Act conferring a right to exemption shall extend to any person employed in harvesting or other agricultural work who proves—

(a) that he is an Irish migratory labourer, that is to say, a person who, having a permanent home at some place in Ireland, has temporarily removed to some other place in Ireland or to Great Britain for the purpose of obtaining such employment; and

(b) that he ordinarily resides at such permanent home for not less than twenty-six weeks in the year and is not employed within the meaning of this Part of this Act whilst so resident;

and any contributions paid in Great Britain by the employer of a person holding a certificate of exemption by virtue of this provision shall be transferred to the Irish Insurance Commissioners for the purpose of being carried to such account and being dealt with in such manner as may be prescribed by the regulations made in that behalf by the Irish Insurance Commissioners;

**Irish Migratory Labourers.**—For the provisions conferring a right to exemption, *vide* sec. 2 and the regulations made thereunder. Presumably the regulations made by the Irish Insurance Commissioners will, as is the case in the regulations made by the English Commissioners, provide that, if during the currency of the certificate, the circumstances of the holder alter in such a way as to disentitle him to exemption, the certificate shall thereupon become void. Thus a labourer who has received a certificate and who becomes employed otherwise than in harvesting, etc., will have to pay contributions in the ordinary way.

“*Temporarily removed to some other place.*”—These words would seem to mean removal to some place at such a distance from his



permanent home that the labourer would be unable to continue to reside at his permanent home.

"*Ordinarily resides.*"—These words would seem to indicate that a labourer who, as a general rule, resided at his permanent home for not less than twenty-six weeks in the year, but who, in a given year, did not reside for so long a period, is not on that account to be disqualified from obtaining a certificate of exemption.

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THE  
MIGRATORY  
LABOURERS.

- (4) Employment in Ireland as an outworker, where the wages or other remuneration derived from the employment are not the principal means of livelihood of the person employed, shall be deemed to be included amongst the excepted employments specified in Part II. of the First Schedule to this Act :

*Principal Means of Livelihood.*—In order to ascertain whether out-working is the principal means of livelihood, it would seem that the total wages or earnings from out-working, whether under one or several firms, will have to be lumped together and then compared with all the other sources of income which the outworker may have.

- (5) The reference to the Lord Chancellor shall be construed as a reference to the Lord Chancellor of Ireland ;

The reference to the Lord Chief Justice shall be construed as a reference to the Lord Chief Justice of Ireland ;

The reference to the Local Government Board, as regards the making of regulations with respect to payments out of the Local Taxation Account, shall be construed as a reference to the Lord Lieutenant, and other references to the Local Government Board shall be construed as references to the Local Government Board for Ireland, and the reference to the Local Taxation Account shall be construed as a reference to the Local Taxation (Ireland) Account :

- (6) A reference to the Housing of the Working Classes (Ireland) Acts, 1890 to 1908, shall be substituted for the reference to the Housing of the Working Classes Acts, 1890 to 1909, a reference to the Public Health (Ireland) Acts, 1878 to 1907, shall



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be substituted for the reference to the Public Health Acts and a reference to the rate or fund applicable to the purposes of the Public Health (Ireland) Acts, 1878 to 1907, shall be substituted for any reference to the borough rate or borough fund :

(7)—(a) If it appears to any county council that, having regard to the number of employed contributors resident in the county who are not members of any society approved under the foregoing provisions of this Act it is desirable that steps should be taken by the council for the establishment of an approved society for the county under the council (in this section referred to as a county society), the council may, at any time before the expiration of one year from the commencement of this Act, submit to the Irish Insurance Commissioners a scheme for the establishment of a county society ;

(b) The scheme may provide for—

(i) the representation of the council on the committee of management of the society ;

(ii) the appointment of officers subject to the approval of the council ;

(iii) the delegation of powers to committees ;

(iv) the giving of security by means of a charge upon the county fund or otherwise ;

(v) the restriction of membership to insured persons resident in the county not being members of any other approved society ;

(vi) the reduction of benefits below the minimum rates fixed by this Part of this Act ; and

(vii) such other matters as may appear necessary, and in particular such further modifications of the provisions of this Part of this Act with respect to approved societies as may



be required for the purpose of adapting those provisions to the case of a county society; Sect. 81.  
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- (c) Where such a scheme has been approved by the Irish Insurance Commissioners, the provisions of the scheme shall have effect, notwithstanding anything to the contrary in this Part of this Act; and, subject to those provisions, the county society shall be an approved society for all the purposes of this Part of this Act;
- (d) A county council desirous of submitting a scheme under this section may, at any time after the passing of this Act, take such steps as appear necessary with a view to ascertaining what insured persons resident in the county are eligible and willing to become members of the proposed county society, and generally for the formation of the society :

*Security.*—*Vide note supra*, p. 263.

*Reduction of Benefits.*—*Vide note supra*, p. 264.

- (8) The provisions with respect to the appointment of Insurance Committees shall have effect, subject to the following modifications, namely :—

The number of members of an Insurance Committee shall be twenty-four, and of that number—

- (a) twelve shall be appointed in such manner as may be prescribed by regulations of the Irish Insurance Commissioners so as to secure representation of the insured persons resident in the county or county borough who are members of approved societies, and who are deposit contributors, in proportion, as nearly as may be, to their respective numbers, and the regulations so made shall provide for conferring on the approved societies which have members resident in the county or county borough the power of appointing representatives of



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such members, and, where an association of deposit contributors resident in the county or county borough has been formed under such regulations as aforesaid, for conferring on such association the power of appointing the representatives of the deposit contributors ;

(b) eight (of whom at least one shall be a member of a local sanitary authority and at least two shall be women) shall be appointed by the council of the county or county borough ; and

(c) four (of whom at least two shall be duly qualified medical practitioners) shall be appointed by the Irish Insurance Commissioners :

Provided that the Irish Insurance Commissioners may, where any part of the cost of sanatorium benefit is defrayed by the council of the county or county borough, increase the representation of the council and make a corresponding diminution in the representation of the insured persons :

*Provisions with respect to Insurance Committees.—Vide sec. 59, supra, p. 221.*

- (9) An insured person in Ireland shall not be entitled to medical benefit under this Part of this Act, and the provisions with respect to medical benefit shall not apply :

Provided that medical benefit for an insured person being a member of an approved society shall be deemed to be included amongst the additional benefits specified in Part II. of the Fourth Schedule to this Act, and that such medical benefit when provided shall be administered by the Insurance Committee in accordance with the provisions of this Part of this Act, unless the Irish Insurance Commissioners otherwise direct :



- (10) As respects employed contributors in Ireland, Sect. 81.  
the employed rate shall be the rate specified in  
Part II. of the Second Schedule to this Act, and  
the contributions by the contributors and con-  
tributions by the employers shall be at the  
rates specified in Part II. instead of the rates  
specified in Part I. of that schedule, and there  
shall be credited to the society of which any  
employed contributor in Ireland is a member or,  
if he is a deposit contributor, to his account in  
the Post Office fund, the difference between the  
amount of contributions actually paid by or in  
respect of him at the rate specified in Part II. of  
the Second Schedule to this Act and the amount  
which would have been paid if those contribu-  
tions had been at the rate specified in Part I. of  
that schedule, and the amount of that difference  
shall be treated as having been expended on  
benefits and the proper proportion thereof shall  
accordingly be paid out of moneys provided by  
Parliament :

- (11) The foregoing provisions of this section as to the  
crediting of differences shall apply in the case of  
voluntary contributors resident in Ireland, with  
the modification that, where the voluntary rate is  
not the same as the employed rate, the difference  
to be credited shall be the difference between the  
amount of contributions actually paid at the  
voluntary rate and the amount which would  
have been paid if the contributor had been a  
voluntary contributor resident in Great Britain :

Provided that, in the case of a married woman  
resident in Ireland becoming a voluntary con-  
tributor at reduced rates of benefit under the  
special provisions with respect to married women,  
the rate of contributions payable by her shall  
be one penny half-penny a week instead of  
three pence a week, and the difference to be



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credited shall be one penny half-penny a week accordingly :

*Married Woman as Voluntary Contributor.*—Vide sec. 44 (1), *supra*, p. 158.

- (12) In ascertaining the voluntary rate applicable to voluntary contributors in Ireland in cases where that rate is not the same as the employed rate, regard shall be had both to the provisions of this section as to the crediting of differences and to the proportion of benefits to be paid out of the contributions payable by or in respect of such contributors :
- (13) Rules of an approved society or Insurance Committee under this Part of this Act may provide for the inspection of medical relief registers by officers of the society or Committee at all reasonable times, and for the furnishing to the society or Committee of such medical certificates as may be necessary for the purposes of the administration of the benefits administered by the society or Committee, and for the payment by the society or Committee to duly qualified medical practitioners of such remuneration in respect of the furnishing of those certificates as the Irish Insurance Commissioners may sanction, and all payments so made by the society or Committee shall be treated as expenses of administering the benefits aforesaid :
- (14) If a grant is made to a county council or county borough council out of any sum made available under any other Act of the present session for the purposes of the provision of or making grants in aid to sanatoria and other institutions for the treatment of tuberculosis or such other diseases as the Local Government Board may, with the approval of the Treasury, appoint, the council may, subject to the sanction of the Local Government Board, exercise for all or any of those



purposes the powers given to them by Part II. of the Tuberculosis Prevention (Ireland) Act, 1908, in like manner as if those purposes were purposes authorised by that Part of that Act, and any expenses of the council so far as not defrayed out of the grant shall be defrayed in manner provided by that Part of that Act: Sect. 81.

*Tuberculosis Prevention (Ireland) Act, 1908 (8 Ed. 7 cap. 56).—* It would seem that the powers conferred by this Act are to be exercised in substitution for the powers conferred by sec. 64 (*supra*).

- (15) For the purposes of proceedings in Ireland under the provisions of this Part of this Act relative to disputes, regulations of the Irish Insurance Commissioners may apply all or any of the provisions of the Common Law Procedure (Ireland) Act, 1856, with respect to arbitration:
- (16) The special provisions with respect to the reduction of contributions in cases where the employer is liable to pay wages during sickness shall have effect, subject to the modification that, where the rate of contributions payable by the employed contributor is one halfpenny a week, the weekly contributions payable by the employer shall be reduced by one penny halfpenny (or, if the employed contributor is a woman, one penny), and the weekly contributions payable by the employed contributor shall be reduced by one halfpenny:

*Special Provisions with respect to Reduction of Contribution.—* Vide sec. 47, *supra*, p. 185.

- (17) In the special provisions as to persons becoming certificated teachers, references to the Board of Education, to the Elementary School Teachers (Superannuation) Act, 1898, and to a public elementary school shall respectively be construed as references to the Superintendent of the Teachers' Pension Office, to the National



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School Teachers (Ireland) Act, 1879, and to a national school, and any sums paid to the Superintendent of the Teachers' Pension Office in pursuance of those provisions shall be carried to the Pension Fund established under the last-mentioned Act and shall be dealt with in accordance with rules under that Act :

- (18) As respects insured persons in Ireland, "six-elevenths" shall be substituted for "four-sevenths" and (in the case of women) "four-ninths" shall be substituted for "one-half" :
- (19) For the reference to the registrar of the county court, there shall be substituted a reference to a magistrate appointed under the Constabulary (Ireland) Act, 1836 :
- (20) For references to a duly certified midwife, there shall be substituted references to a midwife having such qualifications as may be prescribed.

## Sect. 82.

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Establish-  
ment of Com-  
missioners  
for Wales.

**82.**—(1) For the purpose of carrying this Part of this Act into effect in Wales, there shall be constituted, as soon as may be after the passing of this Act, Commissioners for Wales (to be called the Welsh Insurance Commissioners) with a central office in such town in Wales as the Treasury may determine, and with such branch offices in Wales as the Treasury may think fit, and the Welsh Insurance Commissioners, of whom one at least shall be a duly qualified medical practitioner, shall be appointed by the Treasury, and may appoint such officers, inspectors, referees, and servants for the purposes aforesaid as the Welsh Insurance Commissioners, subject to the approval of the Treasury, may determine, and the provisions of this Part of this Act with respect to the payment of the salaries and remuneration of the Insurance Commissioners, and the officers, inspectors, referees, and servants appointed by them, and with respect to the payment of the expenses incurred by the Treasury or the Insurance Commissioners in carrying this Part of this Act into effect shall, with the necessary



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modifications, apply to the payment of the salaries and remuneration of the Welsh Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them, and to the payment of expenses incurred by the Treasury or the Welsh Insurance Commissioners in carrying this Part of this Act into effect in Wales, and for the purpose aforesaid the Welsh Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them shall respectively have all the like powers and duties as are by the provisions of this Act conferred and imposed on the Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them, and references in those provisions to the Insurance Commissioners shall be construed as references to the Welsh Insurance Commissioners.

(2) All sums received from contributions under this Part of this Act in respect of insured persons resident in Wales, and all sums paid out of moneys provided by Parliament in respect of benefits under this Part of this Act to such persons, and the expenses of administration of such benefits shall be paid into a fund to be called the Welsh National Health Insurance Fund, under the control and management of the Welsh Insurance Commissioners, and the sums required to meet expenditure properly incurred by approved societies and Insurance Committees for the purposes of such benefits and the administration of such benefits shall be paid out of that fund, and the foregoing provisions of this Act, with respect to the National Health Insurance Fund, shall, with the necessary modifications, apply to the Welsh National Health Insurance Fund accordingly.

*Resident in Wales.—Vide note, supra, p. 259.*

(3) The powers of the Local Government Board with respect to the distribution of any sum available for the purpose of the provision of or making grants in aid to sanatoria and other institutions shall, as respects the part thereof apportioned to Wales, be exercised by the Welsh Insurance Commissioners.



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(4) If before or within twelve months after the commencement of this Act there is established for Wales by royal charter an association for the purpose of providing sanatoria and other institutions for the treatment and prevention of tuberculosis or such other diseases as the Local Government Board, with the approval of the Treasury, may appoint, the Welsh Insurance Commissioners in making and the Treasury in approving grants from any such sum as is in the last preceding subsection mentioned shall have regard to the provision of such institutions which may have been made, or may be proposed to be made, by the association.

**Sums available for the Provision of Sanatoria.**—*Vide* sec. 64 (*supra*, p. 237).

**Sect. 83.**

Joint committee of Commissioners.

**83.**—(1) There shall be constituted as soon as may be after the passing of this Act, in accordance with regulations to be made by the Treasury, a joint committee of the several bodies of Commissioners appointed for the purposes of this Part of this Act, consisting of such members of each such body selected in such manner as may be provided by the regulations and of a chairman and other members (not exceeding two in number) to be appointed by the Treasury, and the chairman shall not by reason of his office be incapable of being elected to or voting in the Commons House of Parliament.

(2) The joint committee may make such financial adjustments as may be necessary between the several funds under the control and management of the several bodies of Commissioners, and shall exercise and perform such powers and duties of the several bodies of Commissioners under this Part of this Act, either alone or jointly with any of those bodies, as may be provided by such regulations.

(3) Amongst the powers so exerciseable by the joint committee shall be included a power of making regulations as to the valuation of societies and branches which have amongst their members persons resident in England, Scotland, Ireland, and Wales, or any two or any three of



such parts of the United Kingdom, and the regulations so made shall require that, for the purposes of the provisions of this Part of this Act relating to valuations, surpluses, deficiencies and transfers, the members resident in each such part shall be treated as if they formed a separate society.

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(4) Regulations made by the Treasury under this section shall be laid before Parliament as soon as may be after they are made, but, if an Address is presented to His Majesty by either House of Parliament within the next subsequent twenty-one days on which that House has sat next after any such regulation is laid before it, praying that the regulation may be annulled, His Majesty in Council may annul the regulation and it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder.

**Powers and Duties of the Joint Committee.**—*Quære* whether the Joint Committee can only exercise powers in relation to financial adjustments between the several National Health Insurance Funds (including matters in relation to valuations of, and transfers to and from, the societies mentioned in subsec. (3)), and whether the other powers and duties of the Commissioners will have to be exercised separately by each body of Commissioners?

The construction of subsec. (2) seems to point to the conclusion that the Committee may exercise *any* of the powers and duties of the Commissioners. This construction would, however, have the effect of giving the Treasury such powers as would enable them to render nugatory the appointment of separate bodies of Commissioners for the separate parts of the United Kingdom.

The Regulations made by the Treasury (*vide infra*, p. 401) proceed on the assumption that this construction is correct.

*Provisions relating to valuation, vide secs. 36-41.*

*Provisions relating to transfer, vide secs. 31, 38 (i), and 43.*



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## PART II.

### UNEMPLOYMENT INSURANCE.

**84.** Every workman who, having been employed in a trade mentioned in the Sixth Schedule to this Act (in this Act referred to as "an insured trade"), is unemployed, and in whose case the conditions laid down by this Part of this Act (in this Act referred to as "statutory conditions") are fulfilled, shall be entitled, subject to the provisions of this Part of this Act, to receive payments (in this Act referred to as "unemployment benefit") at weekly or other prescribed intervals at such rates and for such periods as are authorised by or under the Seventh Schedule to this Act, so long as those conditions continue to be fulfilled, and so long as he is not disqualified under this Act for the receipt of unemployment benefit:

**Sect. 84.**

Right of  
workmen in  
insured trades  
to unemploy-  
ment benefit.

Provided that unemployment benefit shall not be paid in respect of any period of unemployment which occurs during the six months following the commencement of this Act.

**Object and effect of Section.**—This section read together with the Schedules therein referred to sets out (a) the persons who are to be the beneficiaries of the scheme of unemployment insurance established by this Act, (b) the amount of the benefits which the Act will provide, and (c) the length of time during which those persons are entitled to recover such benefit.

Those persons consist of every *workman*—

- (1) who, having been employed in an insured trade, is unemployed,
- (2) who fulfils the statutory conditions,
- (3) who is not disqualified from receiving unemployment benefit.

In point of form the drafting of the section would appear to be modelled upon the form adopted in the Old Age Pension Act, 1908 (8 Edw. 7, c. 40).

**Workman.**—The expression is defined in sec. 107 (1) (*infra*, p. 330) as meaning "any person of the age of sixteen or upwards employed wholly or mainly by way of manual labour, who has entered into or works under a contract of service with an employer, whether the contract is expressed or implied, is oral or in writing, and in relation to a person whilst unemployed means a person who, when employed, fulfilled the conditions aforesaid, but does not include an indentured apprentice." For the meaning of the expressions "employed wholly or mainly by way of manual labour" and



**Sect. 84.** "contract of service" *vide supra*, pp. 6 and 22 respectively. The Board of Trade has power by sec. 103 (*infra*, p. 324), with the consent of the Treasury and by Special order (*vide* sec. 113, *infra*, p. 339), to vary this definition in respect to age.

WORKMAN.

**Having been Employed.**—*Cf.* the first statutory condition for the receipt of unemployment benefit (sec. 86 (1)). Before obtaining any such benefit the workman in question must prove "that he has been employed as a workman in an insured trade in each of not less than twenty-six calendar weeks in the preceding five years."

**Insured Trade.**—A list of the insured trades is given in the Sixth Schedule to the Act, which is here printed for convenience.

### SIXTH SCHEDULE.

LIST OF INSURED TRADES FOR THE PURPOSES OF PART II. OF THIS ACT RELATING TO UNEMPLOYMENT INSURANCE.

(1) Building; that is to say, the construction, alteration, repair, decoration, or demolition of buildings, including the manufacture of any fittings of wood of a kind commonly made in builders' workshops or yards.

(2) Construction of works; that is to say, the construction, reconstruction, or alteration of railroads, docks, harbours, canals, embankments, bridges, piers or other works of construction.

(3) Shipbuilding; that is to say, the construction, alteration, repair or decoration of ships, boats or other craft by persons not being usually members of a ship's crew, including the manufacture of any fittings of wood of a kind commonly made in a shipbuilding yard.

(4) Mechanical engineering, including the manufacture of ordnance and firearms.

(5) Ironfounding, whether included under the foregoing headings or not.

(6) Construction of vehicles; that is to say, the construction, repair, or decoration of vehicles.

(7) Sawmilling (including machine woodwork) carried on in connection with any other insured trade or of a kind commonly so carried on.

[NOTE.—It is not within the scope of this book to enter into a lengthy discussion as to what occupations are within the above Schedule, though, of course, many difficult cases on the border line may be suggested. The following observations are submitted by way of general commentary.]

(1) In order to ascertain whether a given workman is employed in an insured trade or not, the rule laid down in sec. 107 (2) (*infra*, p. 331) must be borne in mind. The rule is that "in determining any question as to whether any trade in which a workman is or has been employed is an insured trade, regard shall be had to the nature of the work in which the workman is engaged rather than to the business of the employer by whom he is employed."

(2) By sec. 107 (*infra*, p. 330): "Temporary work provided by a central body or distress committee under the Unemployed Workmen Act, 1905, or towards the provision of which any such central body or distress committee has contributed under that Act, shall not be deemed to be employment in an insured trade."



(3) Under sec. 104 (*infra*, p. 325) the Board of Trade may exclude, by special order, subsidiary occupations.

(4) The wording of sec. 104 (*b*) would seem to suggest that, in general, the occupation of making parts or preparing of materials for use in connection with an insured trade is intended, in the absence of exclusion, to be within the insured trades.

(5) It is submitted, on the other hand, that the occupation of making of accessories for use in connection with an insured trade is not intended to be within the insured trade.

(6) The Board of Trade have made regulations for permitting workmen who are employed under the same employer partly in an insured trade and partly not in an insured trade to be treated, with the consent of the employer, as if they were wholly employed in an insured trade (*vide* sec. 91 (1) (*a*), *infra*, p. 301, and para. 35 of the Regulations, *infra*, p. 421).

(7) Regulations made by the Board of Trade (*vide* Umpire Regulations, *infra*, p. 422) give employers, workmen, or the Board of Trade an opportunity of obtaining a decision\* by the umpire (appointed by His Majesty under sec. 89, *infra*) as to whether contributions are payable in respect of any workman or class of workmen (*vide* sec. 91 (1) (*b*), *infra*, p. 301).

(8) Workmen occasionally employed in an insured trade in a district which is rural in character whose usual occupations are not insured trades are excluded, unless the employers and workmen agree to pay contributions (*vide* sec. 97, *infra*, p. 314).

(9) It will be observed that the different trades set out in the several paragraphs of the Schedule overlap in some cases. This is immaterial at present inasmuch as the rate of contribution and benefit is the same for all the employed trades. It will become material if and when the Board of Trade use the powers given them by sec. 102 or 103 (*infra*, pp. 322, 324) or under the Seventh Schedule to make different rates for different trades.

(10) *Construction of works*.—It is suggested that the construction of drainage works, reservoirs and roads are within the meaning of para. (2). The maintenance of roads would seem not to be included.

(11) *Mechanical engineering*.—This expression is very wide, and it is not easy to set limits to its application. It is submitted that it does not include electrical engineering though casting in connection therewith (*e.g.* casting for a dynamo) would probably be included. It would seem to include the making of all forms of machinery, and possibly the making of any articles included by the Board of Trade in their Annual Statement of Trade of the U. K. (p. 44) under the heading of machinery come within the meaning of the expression.

(12) *Construction of vehicles*.—It is submitted that the expression "vehicle" includes carriages, carts, railway coaches, trucks and waggons, motor-cars, bicycles, bath-chairs, and perambulators. *Quære* whether it includes aeroplanes?

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SIXTH  
SCHEDULE.

\* *Decisions of the Umpire*.—The decisions of the umpire appear weekly in the Board of Trade Journal. The majority of these decisions down to Sept. 1912 have been collected and published with an index in two volumes entitled "Decisions Given by the Umpire." These volumes may be purchased at the usual places for obtaining government publications. A third volume is expected shortly.



**Sect. 84. Statutory Conditions.**—*Vide* sec. 86 (*infra*, p. 291).

**Disqualifications.**—*Vide* sec. 87 (*infra*, p. 293).

**Unemployed.**—*Vide* the definition of "workman" (*supra*) and sec. 108 (1): "A workman shall not be deemed to be unemployed whilst he is following any remunerative occupation in an insured trade or whilst he is following any other occupation from which he derives any remuneration or profit greater than that which he would derive from the receipt of unemployment benefit under this Part of this Act."

**Unemployment Benefit.**—The rates at which and the periods during which this benefit is to be paid are laid down in the Seventh Schedule which is here printed for convenience.

## SEVENTH SCHEDULE.

### RATES AND PERIODS OF UNEMPLOYMENT BENEFIT.

In respect of each week following the first week of any period of unemployment, seven shillings, or such other rates as may be prescribed either generally or for any particular trade or any branch thereof:

Provided that, in the case of a workman under the age of eighteen, no unemployment benefit shall be paid while the workman is below the age of seventeen, and while the workman is of the age of seventeen or upwards but below the age of eighteen, unemployment benefit shall only be paid at half the rate at which it would be payable if the workman was above the age of eighteen.

No workman shall receive unemployment benefit for more than fifteen or such other number of weeks as may be prescribed either generally or for any particular trade or branch thereof within any period of twelve months, or in respect of any period less than one day.

No workman shall receive more unemployment benefit than in the proportion of one week's benefit for every five contributions paid by him under this Act:

Provided that for the purpose of the foregoing paragraph—

(a) in the case of a workman who satisfies the Board of Trade that he is over the age of twenty-one and has habitually worked at an insured trade before the commencement of this Act, there shall be deemed to be added to the number of contributions which he has actually paid five contributions for each period of three months or part of such period during which he has so worked before the commencement of this Act, up to a maximum of twenty-five contributions; and

(b) where, owing to the fact that the wages or other remuneration of a workman are paid at intervals greater than a week, or for any other like reason contributions are paid under Part II. of this Act in respect of any workman at intervals greater than a week, that workman shall be entitled to treat each of such contributions as so many contributions as there are weeks in the period for which the contribution has been paid.

Any time during which a workman is, under Part II. of this Act, disqualified for receiving unemployment benefit shall be



excluded in the computation of periods of unemployment under this schedule.

A period of unemployment shall not be deemed to commence till the workman has made application for unemployment benefit in such manner as may be prescribed.

The power conferred by this schedule on the Board of Trade to prescribe rates and periods of unemployment benefit shall not be exercised so as to increase the rate of benefit above eight shillings per week or reduce it below six shillings per week, or to increase the period of unemployment benefit above fifteen weeks, or to alter the proportion which the period of benefit bears to the number of contributions paid, except by rules confirmed by an order made in accordance with the provisions of this Act relating to special orders.

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**Power of Board of Trade to extend Schedule.**—The Board of Trade have by sec. 103 (*infra*, p. 324), with the sanction of the Treasury, power to extend the provisions of this Part of this Act to workmen in any trade not being an insured trade. The extension must be made by special order (*vide* sec. 105, *infra*, p. 326) and cannot be made if the person holding the inquiry in relation to the order reports that the order should not be made or if the effect of the order would be, in the opinion of the Treasury, to increase the contribution to the unemployment fund out of moneys provided by Parliament to more than £1,000,000 per annum within three years of making the order.

**Period of Unemployment.**—Sec. 84 provides that payments of unemployment benefit should be made during such periods as are authorised by the Seventh Schedule. But the Schedule must be read subject to the proviso to that section, viz. that no unemployment benefit is to be paid during the first six months after the commencement of the Act, viz. until January 15, 1913.

There are four limitations in the schedule upon the length of that period, viz. :—

- (1) The period does not commence until one week after the workman has made application for unemployment benefit;
- (2) Time during which a workman is disqualified from receiving unemployment benefit by the operation of sec. 87 (*infra*, p. 293) is excluded from the period.
- (3) Unemployment benefit is only to be paid for fifteen weeks within any period of twelve months;
- (4) Unemployment benefit is only to be paid in the proportion of one week's benefit for every five contributions paid by the workman under the Act. This rule is referred to later on in the notes as the "one to five" rule.

An example shows clearly the working of the above limitations.

*Example.*—In 1913 X pays 46 contributions and receives benefit during 5 weeks. In 1914 he pays 39 contributions and receives benefit during 7 weeks. In 1915 he pays 41 contributions and receives benefit during 8 weeks, and those 8 weeks are in August and September of that year. On January 1, 1916, he again becomes unemployed. Applying the third limitation, it will be seen that, inasmuch as he has received benefit during 8 weeks in the previous August and September, it will be August, 1916, before he is entitled



**Sect. 84.** to 15 weeks' benefit, and that on January 8, 1916, he can only obtain 7 weeks' benefit.

PERIOD OF  
UNEMPLOY-  
MENT.

But the application of the "one to five" rule will further cut down the period during which he can receive benefit. He has paid  $46 + 39 + 41 = 126$  contributions. This entitles him to  $126 \div 5 = 25\frac{1}{5}$  weeks' benefit. But he has already received  $5 + 7 + 8 = 20$  weeks' benefit, therefore, on January 1, 1916, he will only be entitled to benefit during a fraction over five weeks.

#### Reckoning of Contributions.—

A. A workman who—

- (1) Is over the age of twenty-one, and
- (2) Has habitually worked at an insured trade before the commencement of the Act,

will start under the scheme with five contributions to his credit for each period of three months that he has so worked up to a maximum of twenty-five contributions.

*Example.*—X has worked as an ironfounder regularly from 1908 to 1912 inclusive. From the commencement of the Act (viz. July 15, 1912 (sec. 114)) to February 1, 1913, he has paid twenty-five contributions. On February 1, 1913, he becomes unemployed. He will begin receiving benefit on February 8. But for the proviso to the fourth paragraph of the Schedule he would only be entitled, applying the "one to five rule," to five weeks' unemployment benefit. But the proviso allows him to count in the time that he was working from 1908 to 1912 before July 15, 1912, at the rate of five contributions for each period of three months up to twenty-five contributions. Therefore, on February 8, instead of being reckoned as having paid twenty-five contributions only, X will be entitled to say that he has paid  $25 + 25 = 50$  contributions, and, again applying the one in five rule, will be entitled to ten weeks' unemployment benefit.

B. The fact that contributions are not paid weekly but in a lump sum at greater intervals than a week will not prejudice the workman. He will be entitled to reckon the payment of the lump sum as a payment of so many contributions as there are weeks in respect of which the lump sum is paid, *e.g.* if X is employed for ten weeks during a quarter by an employer who pays contributions quarterly, and that employer pays 4s. 2d. in respect of him, X will be entitled to reckon that payment as the payment of ten contributions.

C. It is provided in the Eighth Schedule (*infra*, p. 356) that if a workman is employed for one day the employer and workman are bound to contribute twopence (viz. one penny each), if for two days fourpence (viz. twopence each), and for the purpose of reckoning the number of contributions, a contribution of twopence is to count as two-fifths of a contribution, and a contribution of fourpence as four-fifths of a contribution. For employment lasting more than two days in a week the full contribution of fivepence is to be paid. The result of this provision is that if a workman is employed by a different employer on every day of the week he will be entitled to reckon that he has paid  $6 \times \frac{2}{5} = 2\frac{2}{5}$  contributions during that week. Where, however, an employer enters into an arrangement with a labour exchange, the periods of employment of different workmen may be treated as the continuous employment of a single workman (*vide* sec. 99, *infra*).



D. It is further provided in the Eighth Schedule that the weekly contribution in respect of a workman under the age of eighteen is to be twopence (paid in equal proportions by the employer and the workman). That twopence is to be reckoned as one contribution for the purpose of payment of unemployment benefit before he reaches the age of eighteen, but as only two-fifths of a contribution for the purpose of payment of unemployment benefit after he has reached that age.

*Example.*—Thirty-five weekly contributions of twopence are paid in respect of X during the nine months immediately succeeding his seventeenth birthday. If at the end of that time X becomes unemployed, he will be entitled to 3s. 6d. a week for seven weeks.

But, if those thirty-five contributions had been paid during the nine months immediately preceding his eighteenth birthday, and X had become unemployed after reaching the age of eighteen, he would only have been entitled to reckon each of his contributions at twopence as two-fifths of a contribution. Consequently X would have had only  $\frac{2}{5} \times 35 = 14$  contributions to his credit, and could only have obtained benefit for  $2\frac{1}{5}$  weeks.

(*Note.*—By sec. 107 (1), *infra*, “Contributions made by an employer on behalf of a workman shall be deemed to be contributions by the workman.”)

**Power to Prescribe Rates.**—By the Schedule the Board of Trade have power to vary the rates and periods of unemployment benefit either generally or for any particular trade or any branch thereof. This power must be carefully distinguished from the power given under sec. 93 (*infra*, p. 306) “to modify rates of contribution or rates and periods of unemployment benefit.”

The power given by this schedule is a power of which the Board of Trade can make use at any time in their own discretion. The Board can—

- (1) raise rates of benefit to 8s. or reduce them to 6s. a week;
- (2) differentiate between trades or branches of trades within those limits,
- (3) dispense with the waiting period of a week before giving benefits;

without any precedent formality.

For changes involving—

- (1) a greater increase or reduction of rate of benefit than is above indicated, or
- (2) an increase in the period during which unemployment benefit is to be paid above 15 weeks in any 12 months, or
- (3) any alteration of the one in five rule,

the procedure of a special order must be adopted.

(For that procedure *vide* sec. 113, and the Ninth Schedule, *infra*, pp. 339, 357, respectively.)

The power given by sec. 93 can only be used—

- (1) when the unemployment fund is in debt to the Treasury, and is insolvent;
- (2) on the direction of the Treasury;
- (3) as a temporary measure.

Special order procedure is not necessary for the use of this power.

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### RECKONING OF CONTRI- BUTIONS.



## Sect. 84.

**Unemployment Benefit and Benefits under Part I.**—There is express provision in sec. 87 (4) making it impossible for a workman to receive sickness or disablement benefit at the same time that he is receiving unemployment benefit. But it would seem that this provision was inserted *ex abundanti cautela*, inasmuch as sickness and disablement benefit are only payable to persons who are "incapable of work," whereas the third statutory condition which must be fulfilled in order that a workman should obtain unemployment benefit is "that he is capable of work but unable to obtain suitable employment."

There is nothing to prevent a workman from receiving medical and maternity benefit at the same time as unemployment benefit. Where a workman is receiving sanatorium benefit, it would seem that the test whether he can also receive unemployment benefit depends largely upon the meaning of the expression "capable of work." If that expression refers to the workman's physical capacity, he might well be held to be capable of work even though he was in a sanatorium or receiving domiciliary treatment. But it is submitted that the expression means something more than that, and that to be capable of work a man must be so situated that he can do work if it is offered. If this be correct, a workman could not be in receipt of institutional treatment and unemployment benefit at the same time. In this connection reference may also be made to the third disqualification in sec. 87, which disqualifies a workman from receiving unemployment benefit while he is an inmate of "any . . . other institution supported wholly or partly out of public funds." *Sed quære* whether institution in that section should not be limited to institution *ejusdem generis* as prisons or workhouses? If so, a sanatorium would not, it is submitted, be an institution within the meaning of that section.

## Sect. 85.

Contributions  
by workmen,  
employers,  
and the  
Treasury.

**85.**—(1) The sums required for the payment of unemployment benefit under this Act shall be derived partly from contributions by workmen in the insured trades and partly from contributions by employers of such workmen and partly from moneys provided by Parliament.

(2) Subject to the provisions of this Part of this Act, every workman employed within the United Kingdom in an insured trade, and every employer of any such workman, shall be liable to pay contributions at the rates specified in the Eighth Schedule to this Act.

(3) Except where the regulations under this Part of this Act otherwise prescribe, the employer shall, in the first instance, be liable to pay both the contribution payable by himself, and also on behalf of and to the exclusion of the workman, the contribution payable by such workman, and subject to such regulations, shall be



entitled, notwithstanding the provisions of any Act or any contract to the contrary, to recover from the workman by deductions from the workman's wages or from any other payment due from him to the workman the amount of the contributions so paid by him on behalf of the workman.

(4) Notwithstanding any contract to the contrary, the employer shall not be entitled to deduct from the wages of or other payment due to the workman, or otherwise recover from the workman by any legal process the contributions payable by the employer himself.

(5) Subject to the provisions of this Part of this Act, the Board of Trade may make regulations providing for any matters incidental to the payment and collection of contributions payable under this Part of this Act, and in particular for—

- (a) payment of contributions by means of adhesive or other stamps affixed to or impressed upon books or cards, or otherwise, and for regulating the manner, times and conditions in, at and under which such stamps are to be affixed and impressed or payments are otherwise to be made;
- (b) the issue, sale, custody, production, and delivery up of books or cards and the replacement of books or cards which have been lost destroyed or defaced.

(6) A contribution shall be made in each year out of moneys provided by Parliament equal to one-third of the total contributions received from employers and workmen during that year, and the sums to be contributed in any year shall be paid in such manner and at such times as the Treasury may determine.

**Object of Section.**—This section sets out—

- (1) The sources from which the sums required for the payment of unemployment benefit under this Act are to be derived, viz.—

- (a) Contributions by employers in respect of workmen employed in insured trades ( $2\frac{1}{2}d.$  a week for each such workman employed).
- (b) Contributions by such workmen ( $2\frac{1}{2}d.$  a week for each week so employed).



**Sect. 85.****OBJECT OF  
SECTION.**

(c) Moneys provided by Parliament (one-third of the total contributions received from employers and workmen during any given year).

(2) The manner in which such contributions are to be paid and collected.

As to (1) (a) and (b), the respective rates of contribution payable by employers and workmen are specified in the Eighth Schedule to the Act (*vide infra*, p. 356). Both these contributions are, as in the case of the contributions payable by or in respect of an employed contributor under Part I. of the Act (*vide supra*, sec. 5), payable in the first instance by the employer, and, notwithstanding any contract to the contrary, the employer may recover from the workman, by deductions from his wages or otherwise, the amount of the contributions so paid by him on behalf of the workman. It must be observed, however, that the rules as to payment and recovery of contributions paid by employers on behalf of employed contributors under Part I. of the Act (*vide* Third Schedule to the Act) are not applicable to this Part of the Act. Presumably the regulations to be made by the Board of Trade will provide rules for the payment and recovery of such contributions. Apart from such regulations it would appear that a contribution paid by an employer on behalf of a workman and not deducted from his wages would be recoverable from such workman in the same manner as any ordinary debt. In a case where a workman does not receive remuneration, notwithstanding that he is still in the employment of his employer (*i.e.* his contract of service still subsists), he is not to be deemed to be employed, and no contributions are payable.

In no case may the employer deduct from the wages of, or otherwise recover from, a workman the contributions payable by the employer himself. It is submitted that this provision will not prevent the incidence of the contribution falling where the higgling of the market places it. In other words this provision will not prevent an employer, if he can do so, from entering into fresh contracts with his workmen at rates of wages lower by the amount of the employer's contribution. Similarly workmen, if they can do so, are at liberty to enter into fresh contracts at rates of wages higher by the amount of the workman's contribution.

As to (2), *vide* paras. 3-9 of the Unemployment Regulations, *infra*, p. 413.

**Unemployment Benefit.**—*Vide* sec. 84.

**Workman.**—*Vide* sec. 107 (1), *infra*, p. 330.

**Insured Trades.**—*Vide* sec. 84, *supra*, and the Sixth Schedule to this Act, *infra*, p. 354.

**Employer.**—*Vide supra*, p. 6, and sec. 91 (1) (f), *infra*, p. 302.

**Obligation of Workman to pay Contribution.**—It is submitted that subsec. (2) imposes an obligation on any workman, whose employer has failed to pay any contribution on his behalf, to pay such contributions himself. The section may be contrasted with the corresponding section in Part I. of the Act (sec. 4, *supra*, p. 36), which, it is submitted, puts no such obligation upon an employed contributor. *Vide* also sec. 101 (2), *infra*, p. 320, where failure to pay contributions is made an offence in the case of a workman as well as in the case of an employer.



**Refund of Contributions to Employer.**—(1) By sec. 94 (*infra*, p. 308) it is provided that when an employer has employed the same workman continuously during a year, and has paid at least forty-five contributions in respect of him, he may obtain a refund of one-third of the employer's contributions. **Sect. 85.**

(2) By sec. 96 (*infra*, p. 311) in certain cases of working short time an employer, who has paid both his own and his workmen's contributions without recovering the latter from the workmen, may be refunded the whole of such contributions.

**Return of Contributions paid by Mistake.**—*Vide* sec. 100 (2), *infra*, p. 318.

**Employers' Contributions and Income Tax.**—It is submitted that in estimating income for the purposes of Schedule D of the income tax, the employer will be entitled to deduct the amount he has paid in contributions on his own behalf under this Part of this Act (*vide* Income Tax Act, 1842 (5 & 6 Vict. c. 35), sec. 100, Sched. (D), 1st and 2nd cases, rule 1).

**Employers' and Labour Exchanges.**—*Vide* sec. 99, *infra*, p. 315, for arrangements which an employer may make whereby the contributions he is liable to pay may be paid through Labour Exchanges.

**86.** The statutory conditions for the receipt of unemployment benefit by any workman are— **Sect. 86.**

- (1) that he proves that he has been employed as a workman in an insured trade in each of not less than twenty-six separate calendar weeks in the preceding five years ;
- (2) that he has made application for unemployment benefit in the prescribed manner, and proves that since the date of the application he has been continuously unemployed ;
- (3) that he is capable of work but unable to obtain suitable employment ;
- (4) that he has not exhausted his right to unemployment benefit under this Part of this Act :

Statutory conditions for receipt of unemployment benefit.

Provided that a workman shall not be deemed to have failed to fulfil the statutory conditions by reason only that he has declined—

- (a) an offer of employment in a situation vacant in consequence of a stoppage of work due to a trade dispute ; or
- (b) an offer of employment in the district where he was last ordinarily employed at a rate of wage



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lower, or on conditions less favourable, than those which he habitually obtained in his usual employment in that district, or would have obtained had he continued to be so employed; or

- (c) an offer of employment in any other district at a rate of wage lower or on conditions less favourable than those generally observed in such district by agreement between associations of employers and of workmen, or, failing any such agreement, than those generally recognised in such district by good employers.

**Object of Section.**—This section sets out the statutory conditions which a workman in an insured trade must fulfil before he can receive unemployment benefit.

**Application for Unemployment Benefit.**—This must be made in the manner prescribed by the Board of Trade under the powers given them by the Seventh Schedule (*infra*, p. 354). *Vide* Unemployment Regulations, para. 10 (*infra*, p. 416).

**Continuously Unemployed.**—(*Vide* sec. 107 (1), *infra*.) “Two periods of unemployment of not less than two days each, separated by a period of not more than two days, during which the workman has not been employed for more than twenty-four hours or two periods of unemployment of not less than one week each, separated by an interval of not more than six weeks, shall be treated as a continuous period of unemployment, and the expression ‘continuously unemployed’ shall have a corresponding meaning.”

**Suitable Employment.**—It is submitted that these words mean suitable to the capacity and antecedents of the workman; *vide* also proviso to this section and sec. 100 (1) (*infra*, p. 317). It is submitted that apart from the provisions of the last-mentioned section, the competence of the workman must be a factor in determining what is suitable employment.

**Exhaustion of Right to Benefit.**—*Vide* Seventh Schedule, *supra*, p. 284, and the third and fourth limitation on periods of unemployment discussed in the note, p. 285.

**Note on Proviso.**—The proviso, as has been above suggested, is one of the tests of what is to be considered unsuitable employment. Employment may be considered unsuitable on two grounds—

- (1) That the employment comes into existence by reason of a trade dispute.
- (2) That the employment offers a rate of wages or conditions lower or less favourable than those which the workman usually obtained in his own district, or than the standard rate in any other district.

The words of paragraph (b) of the proviso (which deal with an offer



of employment in the district where the workman was last ordinarily employed) are framed to include the cases of a man—

- (1) Who is rising in the scale of wages by reason, for example, of his increasing capability, or—
- (2) Who is falling in the scale of wages by reason, for example, of increasing age or any other disability.

In the former case a man may be entitled to stand out for higher wages than he had habitually earned; in the latter case a workman may find that he has failed to fulfil the statutory conditions because he has refused an offer of employment at lower wages than those which he habitually earned.

The words of paragraph (c) of the proviso (which deal with an offer of employment in any district other than that in which the workman was last ordinarily employed) do not set up the workman's habitual or prospective earnings as a test. The only test under this paragraph is what may comprehensively be termed standard wages. *Semble*, standard wages means—

- (1) Trade Union wages, if generally observed in the district by agreement, or, (if there is no such agreement)
- (2) The standard generally recognised by good employers.

The expression "good employers" would appear to be taken from the resolution as to fair wages in Government contracts passed by the House of Commons on March 10, 1909 (*vide* Parliamentary Debates, 5th Series, Vol. 2, cols. 415-458: "The contractor shall, under the penalty of a fine or otherwise, pay rates of wages and observe hours of labour not less favourable than those commonly recognised by employers and trade societies (or, in the absence of such recognised wages and hours, those which in practice prevail amongst good employers) in the trade in the district when the work is carried out" (*vide* Amendment to original motion proposed by the Postmaster-General (Mr. Sydney Buxton) at col. 425 and carried at col. 458)).

The expression is ambiguous; but the conjecture may be hazarded that the qualifications for virtue will consist rather in the payment of high wages than in the possession of high moral character.

**Trade Dispute.**—This expression is defined in sec. 107, *infra*, p. 331, as "any dispute between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment, or the terms of employment, or with the conditions of labour, of any persons, whether workmen in the employment of the employer with whom the dispute arises or not."

## Sect. 86.

NOTE ON  
PROVISO.

**87.**—(1) A workman who has lost employment by reason of a stoppage of work which was due to a trade dispute at the factory, workshop, or other premises at which he was employed, shall be disqualified for receiving unemployment benefit so long as the stoppage of work continues, except in a case where he has, during the stoppage of work, become bona fide employed elsewhere in an insured trade.

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Disqualifica-  
tions for un-  
employment  
benefit.



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Where separate branches of work which are commonly carried on as separate businesses in separate premises are in any case carried on in separate departments on the same premises, each of those departments shall, for the purposes of this provision, be deemed to be a separate factory or workshop or separate premises, as the case may be.

(2) A workman who loses employment through misconduct or who voluntarily leaves his employment without just cause shall be disqualified for receiving unemployment benefit for a period of six weeks from the date when he so lost employment.

(3) A workman shall be disqualified for receiving unemployment benefit whilst he is an inmate of any prison or any workhouse or other institution supported wholly or partly out of public funds, and whilst he is resident temporarily or permanently outside the United Kingdom.

(4) A workman shall be disqualified for receiving unemployment benefit while he is in receipt of any sickness or disablement benefit or disablement allowance under Part I. of this Act.

**Object of the Section.**—This section indicates the circumstances in which, and the length of time for which, a workman is disqualified from receiving unemployment benefit.

**Note on Subsec. (1)**—The meaning of this subsection is not very clear, but it is submitted that, upon its true construction, the subsection only operates to disqualify a workman from receiving unemployment benefit when—

- (1) there is a stoppage of work due to a trade dispute; and
- (2) the trade dispute to which the stoppage of work is due takes place at the factory, workshop, or other premises at which the workman was employed,

and the workman by reason thereof loses his employment. In other words, unless there is a trade dispute at the factory where the workman was employed, no stoppage of work at that factory due to a trade dispute elsewhere will bring the subsection into operation.

*Trade Dispute* is defined in sec. 107, *infra*, as “any dispute between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment, or the terms of employment, or with the conditions of labour, of any persons, whether workmen in the employment of the employer with whom the dispute arises or not.” This definition would include a sympathetic strike.

The special meaning given to the words “factory, workshop, or other premises” should also be borne in mind. There may be



carried on under the same roof or on the same premises several separate branches of work which, as a general rule, are carried on as separate businesses in different buildings or on different premises. In such a case, for the purposes of this section, each such separate branch or department of any business, though carried on under the same roof or on the same premises, is to be reckoned as a separate factory or workshop or separate premises as the case may be. The words used are very general, and it is difficult to suggest their meaning with precision. They will raise questions of fact for the insurance officer to decide in each case. It may, however, be suggested that the test will be whether the branch constitutes what is commonly carried on as a separate business. The grading of the workmen employed will not provide any test.

Some concrete examples of how the section will affect a workman are given—

*Example I.*—X is employed at a shipbuilding yard where a stoppage of work takes place because the employer is unable to get his materials owing to a railway strike. X, on losing his employment, will not be disqualified from receiving employment benefit.

*Example II.*—Y is employed at a motor-car factory. A strike takes place at other such factories in the district. Y comes out in sympathy. Y will then be disqualified from receiving unemployment benefit until his late employer has settled the sympathetic strike.

*Example III.*—Z is employed as a painter and decorator at a house which is being built. The bricklayers engaged in building that house strike, there is no work for Z to do and he loses his employment. Z is not disqualified from receiving unemployment benefit until the bricklayers' strike is settled.

The last words of the first paragraph of the subsection ("except in a case where," &c.) are not easy to construe. It is submitted that they go to the length of time during which a workman may be disqualified and not to the main provision of the subsection. A concrete example is given to show the effect of the suggested construction.

*Example IV.*—W is employed as a navvy on the construction of a harbour. He and his fellow workmen are locked out. W thereupon goes and obtains employment on the construction of a neighbouring canal. The canal is completed and he becomes unemployed before the strike at the harbour is settled. W is not disqualified from receiving unemployment benefit.

But if, whether the lock-out at the harbour has ended or not, W strikes while employed on the canal, and so loses his employment, he will be disqualified from receiving unemployment benefit.

**Note on Subsec. (2) and (3).**—Among the circumstances in which a workman is disqualified from receiving unemployment benefit under these subsections are—

- (1) where he has lost his employment through misconduct;
- (2) where he is in prison.

In the first of these cases the disqualification lasts for six weeks, and in the second case for so long as the workman remains in prison. The same misconduct may be the cause of the workman's losing his employment and of his going to prison, but it is not necessarily so. When the imprisonment is for a period of less

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NOTE ON  
SUBSEC. (1).



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NOTE ON  
SUBSEC. (2)  
AND (3).

than six weeks, it is submitted that the disqualification only lasts during the period of imprisonment, unless the misconduct for which the workman was imprisoned or some other misconduct was the proximate cause of the loss of employment.

Where a workman is not specifically dismissed for misconduct, but is unable to continue in his employment because he has committed an offence for which he is sent to prison, the proximate cause of the loss of employment is the fact that he was sent to prison, and not the fact that he misconducted himself.

**Note on Subsec. (4).**—This provision would seem to have been inserted *ex abundanti cautela*; to be entitled to receive sickness or disablement benefit under Part I. a person must be “incapable of work,” and the third statutory condition (sec. 86 (3)) for the receipt of unemployment benefit is that a workman should be capable of work, but unable to obtain suitable employment.

**Determination of Questions arising under this Section.**—

*Vide* sec. 88, *infra*.

**Period of Unemployment and Disqualification.**—The Seventh Schedule provides that in computing periods of unemployment any time during which a workman is disqualified is to be excluded. The Schedule further provides that benefit is only payable after the first week of any period of unemployment. The result of a combination of these provisions is that a workman will have to wait for a week after he has ceased to be disqualified before he can obtain benefit.

*Example.*—X loses his employment on January 1 owing to misconduct. He is therefore disqualified for six weeks. Those six weeks will expire on February 11, but X will not be able to obtain benefit until after February 18.

**Sect. 88.**

Determina-  
tion of claims.

**88.**—(1) All claims for unemployment benefit under this Part of this Act, and all questions whether the statutory conditions are fulfilled in the case of any workman claiming such benefit, or whether those conditions continue to be fulfilled in the case of a workman in receipt of such benefit, or whether a workman is disqualified for receiving or continuing to receive such benefit, or otherwise arising in connection with such claims, shall be determined by one of the officers appointed under this Part of this Act for determining such claims for benefit (in this Act referred to as “insurance officers”):

Provided that—

- (a) in any case where unemployment benefit is refused or is stopped, or where the amount of the benefit allowed is not in accordance with the claim, the workman may require the



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—

insurance officer to report the matter to a court of referees constituted in accordance with this Part of this Act, and the court of referees after considering the circumstances may make to the insurance officer such recommendations on the case as they may think proper, and the insurance officer shall, unless he disagrees, give effect to those recommendations. If the insurance officer disagrees with any such recommendation, he shall, if so requested by the court of referees, refer the recommendation, with his reasons for disagreement, to the umpire appointed under this Part of this Act, whose decision shall be final and conclusive ;

- (b) the insurance officer in any case in which he considers it expedient to do so may, instead of himself determining the claim or question, refer it to a court of referees, who shall in such case determine the question, and the decision of the court of referees shall be final and conclusive.

(2) Nothing in this section shall be construed as preventing an insurance officer or umpire, or a court of referees, on new facts being brought to his or their knowledge, revising a decision or recommendation given in any particular case, but, where any such revision is made, the revised decision or recommendation shall have effect as if it had been an original decision or recommendation, and the foregoing provisions of this section shall apply accordingly, without prejudice to the retention of any benefit which may have been received under the decision or recommendation which has been revised.

(3) The Arbitration Act, 1889, shall not apply to proceedings under this section, except so far as it may be applied by regulations under this Part of this Act.

(4) For the purposes of proceedings under this section in Ireland, regulations may apply all or any of the provisions of the Common Law Procedure (Ireland) Act, 1856, with respect to arbitration.



**Sect. 88.**      **Object and Effect of Section.**—This section indicates the tribunal which will hear and decide certain matters under this Part of this Act. The matters which will have to be decided by that tribunal are—

- (1) All claims for unemployment benefit under this Act;
- (2) Any question as to whether the statutory conditions (*vide* sec. 86, *supra*, p. 291) are fulfilled in the case of a workman claiming benefit;
- (3) Any question as to whether the statutory conditions continue to be fulfilled by a workman already in receipt of benefit;
- (4) Any question as to whether a workman is disqualified for receiving or continuing to receive benefit (*vide* sec. 87, *supra*, p. 293);
- (5) Any other matters arising in connection with claims for benefit.

The tribunal is to be, in the first instance, an insurance officer (appointed by the Board of Trade under sec. 89, *infra*); from the insurance officer an appeal lies, in certain cases, to a court of referees (constituted under sec. 90, *infra*), and, in a case of a disagreement between the insurance officer and the court of referees, to an umpire (appointed by His Majesty under sec. 89).

Where—

- (1) benefit is refused or stopped, or,
- (2) the amount of the benefit is not in accordance with the claim,

The workman may require the insurance officer to report the matter to a court of referees. Thereupon the matter is to be considered by the referees who may make such recommendations as they think fit.

These recommendations are to be acted upon by the insurance officer unless he disagrees with them. If the insurance officer does so disagree,

- (1) he need not, at that stage, give effect to the recommendations, but,
- (2) if the referees so request, he must refer the recommendation with his reasons for disagreeing therewith to an umpire.

The decision of the umpire is to be conclusive. It will thus be seen that the right of appeal lies, in the first instance, in the workman; but that right is exhausted when the matter has been considered by the referees. The further right of appeal lies in the intermediate tribunal, *viz.*—The referees, in a case where its decision is not accepted by the lower tribunal, *viz.*—the insurance officer.

Any of these three tribunals may revise a decision or a recommendation where new facts are brought to the knowledge of the tribunal. Such revised decision or recommendation is to be treated as if it was an original decision or recommendation and the rights of appeal will apply accordingly.

**Regulations dealing with matters arising under this Section.**—*Vide* paras. 10–13 of the Unemployment Regulations, *infra*, p. 416. These regulations are made under the powers given by sec. 91 (1) (c), (d), and (e). Para. 13 of these regulations provides that the workman shall, subject always to the provisions of sec. 101 (5) (which provides for the repayment of unemployment



benefit improperly obtained) be entitled to receive unemployment benefit as from the date of the recommendation until the claim is finally determined by the umpire, as if the insurance officer had not disagreed with the recommendation.

**Sect. 88.**

REGULATIONS  
DEALING  
WITH  
MATTERS  
ARISING  
UNDER THIS  
SECTION.

**Sect. 89.**

Appointment  
of umpire,  
insurance  
officers,  
inspectors,  
&c.

**89.**—(1) For the purposes of this Part of this Act, an umpire may be appointed by His Majesty, and insurance officers shall be appointed by the Board of Trade (subject to the consent of the Treasury as to number) and the insurance officers shall be appointed to act for such areas as the Board direct.

(2) The Board of Trade may appoint such other officers, inspectors, and servants for the purposes of this Part of this Act as the Board may, with the sanction of the Treasury, determine, and there shall be paid out of moneys provided by Parliament to the umpire and insurance officers and to such other officers, inspectors, and servants, such salaries or remuneration as the Treasury may determine; and any expenses incurred by the Board of Trade in carrying this Part of this Act into effect to such amount as may be sanctioned by the Treasury shall be defrayed out of moneys provided by Parliament:

Provided that such sum as the Treasury may direct, not exceeding one-tenth of the receipts, other than advances by the Treasury, paid into the unemployment fund on income account shall, in accordance with regulations made by the Treasury, be applied as an appropriation in aid of money provided by Parliament for the purpose of such salaries, remuneration, and expenses.

**Object of Section.**—This section provides—

- (1) for the appointment of an umpire by His Majesty;
- (2) for the appointment of insurance officers, other officers, inspectors and servants for the purpose of this Part of the Act by the Board of Trade;
- (3) for the remuneration of such persons;
- (4) for the payment of the expenses of the Board of Trade in carrying this Part of this Act into effect, to such amount as may be sanctioned by the Treasury.

The money necessary to pay such remuneration and expenses is to be provided by Parliament subject to an appropriation in aid not exceeding one-tenth of the income, excluding advances from the Treasury (under sec. 93, *infra*) paid into the unemployment fund.



**Sect. 89.** **Umpire.**—By sec. 91 (1) (*d*), *infra*, p. 302, the Board of Trade have power to appoint a deputy umpire in the unavoidable absence or incapacity of the umpire.

The most important duty of the umpire would seem to be that of deciding whether contributions are payable in respect of any workman or class of workman (*vide* sec. 91 (1) (*b*), *infra*).

**Decisions of the Umpire.**—Two volumes of decisions as to whether certain persons are workmen within the meaning of this Act have been issued by the Stationery Office and a third volume is expected shortly.

**Insurance Officers.**—The principal duty of such officers will be to hear and determine claims for unemployment benefit under sec. 88, *supra*.

**Inspectors.**—For the powers of inspectors appointed under this Act, *vide* sec. 112, *infra*, p. 336.

**Sect. 90.**  
Courts of  
referees.

**90.**—(1) A court of referees for the purposes of this Part of this Act shall consist of one or more members chosen to represent employers, with an equal number of members chosen to represent workmen, and a chairman appointed by the Board of Trade.

(2) Panels of persons chosen to represent employers and workmen respectively shall be constituted by the Board of Trade for such districts and such trades or groups of trades as the Board may think fit, and the members of a court of referees to be chosen to represent employers and workmen shall be selected from those panels in the prescribed manner.

(3) Subject as aforesaid, the constitution of courts of referees shall be determined by regulations made by the Board of Trade.

(4) The regulations of the Board of Trade may further provide for the reference to referees chosen from the panels constituted under this section, for consideration and advice, of questions bearing upon the administration of this Part of this Act, and for the holding of meetings of referees for the purpose.

(5) The Board of Trade may pay such remuneration to the chairman and other members of a court of referees and such travelling and other allowances (including compensation for loss of time) to persons required to attend before any such court, and such other expenses in



connection with any referees, as the Board, with the sanction of the Treasury, determine, and any such payments shall be treated as expenses incurred by the Board of Trade in carrying this Part of this Act into effect. Sect. 90.

**Object of Section.**—This section provides for the constitution and establishment of Courts of Referees. They will consist of an equal number of persons chosen to represent employers and workmen respectively and a chairman appointed by the Board of Trade. These persons will be selected from panels chosen to represent employers and workmen for such districts and such trades or groups of trades as the Board of Trade may think fit.

The only functions of a court of referees will be—

- (1) To act as a quasi court of appeal from decisions of the Insurance officer under sec. 88 (*supra*, p. 296);
- (2) To consider and advise on questions dealing with the administration of the Act (subsec. (4)).

**Constitution of Panels.**—The constitution of panels to represent employers and workmen is dealt with in para. 20 of the Unemployment Regulations, *infra*, p. 418. The constitution and procedure of Courts of Referees is dealt with in para. 21 of these regulations.

**91.**—(1) The Board of Trade may make regulations for any of the purposes for which regulations may be made under this Part of this Act and the Schedules therein referred to, and for prescribing anything which under this Part of this Act or any such Schedules is to be prescribed, and— Sect. 91.  
Regulations.

(a) for permitting workmen who are employed under the same employer partly in an insured trade and partly not in an insured trade to be treated with the consent of the employer as if they were wholly employed in an insured trade; and

(b) for giving employers, and workmen, and the Board of Trade an opportunity of obtaining a decision by the umpire appointed under this Part of this Act on any question whether contributions under this Part of this Act are payable in respect of any workman or class of workmen, and for securing that a workman in whose case contributions have been paid in accordance with



Sect. 91.  
—

any such decision, shall, as respects any unemployment benefit payable in respect of those contributions, be treated as a workman employed in an insured trade, and for securing that employers and workmen shall be protected from proceedings and penalties in cases where, in accordance with any such decision, they have paid or refrained from paying contributions; and

- (c) for prescribing the evidence to be required as to the fulfilment of the conditions and qualifications for receiving or continuing to receive unemployment benefit, and for that purpose requiring the attendance of workmen at such offices or places and at such times as may be required; and
- (d) for prescribing the manner in which claims for unemployment benefit may be made and the procedure to be followed on the consideration and examination of claims and questions to be considered and determined by the insurance officers, courts of referees, and umpire, and the mode in which any question may be raised as to the continuance, in the case of a workman in receipt of unemployment benefit, of such benefit, and for making provision with respect to the appointment of a deputy umpire in the case of the unavoidable absence or incapacity of the umpire; and
- (e) with respect to the payment of contributions and benefits during any period intervening between any application for the decision of any question or any claim for benefit, and the final determination of the question or claim; and
- (f) for providing that, where any workmen are employed in or for the purposes of the business of any person, but are not actually employed by that person, that person may be treated for the purposes of this Part of this Act as their



employer instead of their actual employer, and for allowing that person to deduct from any payments made by him to the actual employer any sums paid by him as contributions on behalf of the workmen, and for allowing the actual employer to recover the like sums from the workmen; and

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generally for carrying this Part of this Act into effect, and any regulations so made shall have effect as if enacted in this Act.

Any regulations made under this section for giving an opportunity of obtaining a decision of the umpire may be brought into operation as soon as may be after the passing of this Act.

(2) The regulations may, with the concurrence of the Postmaster-General, provide for enabling claimants of unemployment benefit to make their claims for unemployment benefit under this Act through the Post Office, and for the payment of unemployment benefit through the Post Office.

(3) All regulations made under this section shall be laid before each House of Parliament as soon as may be after they are made, and, if an address is presented to His Majesty by either House of Parliament within the next subsequent forty days on which that House has sat next after any such regulation is laid before it, praying that the regulation may be annulled, it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder, or to the making of any new regulation.

**Object of Section.**—This section gives power to the Board of Trade to make regulations and to prescribe where, under this Part of this Act, any regulations are to be made or any matters are to be prescribed, and, in particular, to deal by regulation or prescription with the matters set out in paragraphs (a) to (e) of subsec. (2). Any regulations so made are to have effect as if enacted in the Act.

**Note on Paragraph (a).**—*Quære* whether under this paragraph the Board of Trade have power to permit a workman whose occupation has been excluded by them from the occupations which are to be deemed to be employment in an insured trade under sec. 104, *infra*, to be treated, with the consent of the employer, as if



**Sect. 91.** he was employed in an insured trade. *Seemle*, they cannot, for a workman to be within this paragraph must be employed partly in an insured trade and partly in an uninsured trade. It is not sufficient that he is employed in an occupation which is common to insured and uninsured trades, which has *ex hypothesi* been excluded the list of insured trades.

NOTE ON  
PARAGRAPH  
(a).

**Note on Paragraph (b).**—This paragraph provides for three matters, viz.—

(1) For giving to employers and workmen an opportunity of obtaining a decision by the umpire on any question whether contributions under this Part of this Act are payable in respect of any workman or class of workmen. The regulations to be made in respect of this matter may be brought into operation as soon as may be after the passing of the Act. This has been of use to employers and workmen who were uncertain as to whether they were within the ambit of this Part of the Act or not. They have been enabled to obtain a decision on the question before contributions became payable.

These questions may be extremely difficult and important. Their difficulty consists in the fact that the umpire will have to decide a question of mixed law and fact which involves the following considerations:—

(a) Whether the person is a workman or not (*vide* sec. 107, *infra*, p. 330). This will involve consideration as to whether—

(i) The person in question is employed “wholly or mainly by way of manual labour” (*vide supra*, p. 22);

(ii) The person is “under a contract of service” (*vide supra*, p. 6).

(b) Whether the person in question is employed in an “insured trade” (*vide* sec. 84 and the Sixth Schedule to the Act, *supra*, p. 282).

Effect must also be given to the rule laid down in sec. 107 (2), viz. “In determining any question as to whether any trade in which a workman is, or has been, employed is an insured trade or not, regard shall be had to the nature of the work in which the workman is engaged rather than to the business of the employer by whom he is employed.

(2) For securing that a workman, in whose case contributions have been paid in accordance with any decision (*i.e.* by an umpire under (1), *supra*), should, as respects unemployment benefit payable in respect of such contributions, be treated as a workman in an insured trade.

(3) For securing that employers and workmen should be protected from proceedings and penalties in cases where, in accordance with any such decision, they have paid or refrained from paying contributions.

**Note on Para. (c).**—This paragraph gives a very wide discretion to the Board of Trade. It would seem to be within the Board’s competence to make a new code of evidence admitting hearsay, the oral proof of the contents of documents, &c. It will be observed that there is no power to compel a witness to give evidence on oath.



**Note on Para. (d) and (e).**

*Claims for benefit, vide sec. 88, supra, p. 296.*

*Questions to be determined by insurance officers, vide sec. 88.*

*Questions to be determined by courts of referees, vide sec. 90. supra, p. 300.*

*Questions to be determined by umpire, vide also sec. 88, and 101 (6), supra, p. 296; infra, p. 320.*

**Regulations.**—For the regulations made under the powers contained in this section, *vide* the Unemployment Insurance Regulations, 1912, *infra*, p. 411.

**Sect. 91.**

**92.**—(1) For the purposes of this Part of this Act, there shall be established under the control and management of the Board of Trade a fund called the unemployment fund, into which shall be paid all contributions payable under this Part of this Act by employers and workmen and out of moneys provided by Parliament, and out of which shall be paid all claims for unemployment benefit and any other payments which under this Part of this Act are payable out of the fund.

**Sect. 92.**

Unemploy-  
ment fund.

(2) The accounts of the unemployment fund shall be audited by the Comptroller and Auditor-General in such manner as the Treasury may direct.

(3) Any moneys forming part of the unemployment fund may from time to time be paid over to the National Debt Commissioners and by them invested in accordance with regulations made by the Treasury in any securities which are for the time being authorised by Parliament as investments for savings banks moneys.

(4) The National Debt Commissioners shall present to Parliament annually an account of the securities in which moneys forming part of the said fund are for the time being invested.

**Object of Section.**—This section establishes a general fund called the “unemployment fund.” This fund is to be managed and controlled by the Board of Trade.

The income of this fund will be—

(1) The contributions payable in respect of workmen in insured trades (*vide* sec. 85, *supra*, p. 288) and the Eighth Schedule to the Act (*infra*, p. 356).

(2) The moneys to be provided by Parliament under sec. 85 (6).

(3) *Semble*, any money advanced under sec. 93, *infra*.



**Sect. 92.**

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OBJECT OF  
SECTION.

The outgoings from the fund will be—

- (1) the payment of unemployment benefits in accordance with the Seventh Schedule, (*infra*, p. 354).
- (2) Payment of one-tenth of the receipts towards expenses of administration (*vide* sec. 89 (2) proviso).
- (3) Payments to association, under sec. 106 (*infra*, p. 329).
- (4) Return of contributions to workmen under sec. 95 (*infra*, p. 310).
- (5) Refund of contributions to employers under secs. 94 and 96 (*infra*, pp. 308, 311).
- (6) Repayment to the treasury of moneys advanced under sec. 93, *infra*.

**Investment.**—Any moneys forming part of the unemployment fund may be paid over to the National Debt Commissioners who may invest such moneys in any securities which are for the time being authorised as investments for savings bank moneys. For these investments *vide supra*, p. 213.

**Sect. 93.**

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Treasury  
advances.

**93.**—(1) The Treasury may out of the Consolidated Fund or the growing produce thereof advance on the security of the unemployment fund any sums required for the purpose of discharging the liabilities of that fund under this Part of this Act: Provided that the total amount of advances outstanding at any time shall not exceed three million pounds.

(2) If, whilst any part of any such advance is outstanding, it appears to the Treasury that the unemployment fund is insolvent, the Board of Trade shall, if the Treasury so direct, by order, make such temporary modifications in any of the rates of contribution, or the rates or periods of unemployment benefit, and during such period, as the Board of Trade think fit, and as will on the whole, in the opinion of the Treasury, be sufficient to secure the solvency of the unemployment fund:

Provided that no order made under this subsection shall reduce the weekly rate of unemployment benefit below the sum of five shillings, or shall increase the rates of contribution from employers or workmen by more than one penny per workman per week, or increase those rates unequally as between employers and workmen, and no such order shall remain in force more than three months after all the advances and interest thereon have been repaid, or come into force until one month after it is made.



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(3) An order under this section shall not be made so as to be in force at any time while any previous order made under this section is in force.

(4) On any such order being made, the Board of Trade shall cause the order, together with a special report as to the reasons for making the order, to be laid before Parliament.

(5) The Treasury may, for the purpose of providing for the issue of sums out of the Consolidated Fund under this section, or for the repayment to that fund of all or any part of the sums so issued, or for paying off any security issued under this section, so far as that payment is not otherwise provided for, borrow money by means of the issue of Exchequer bonds or Treasury bills, and all sums so borrowed shall be paid into the Exchequer.

(6) The principal of and interest on any Exchequer bonds issued under this section shall be charged on and payable out of the Consolidated Fund of the United Kingdom, or the growing produce thereof.

(7) Notwithstanding anything in any other Act, money in the hands of the National Debt Commissioners for the reduction of the National Debt shall not be applied to purchasing, reducing, or paying off any Exchequer bonds or Treasury bills issued under this section.

**Object and Effect of Section.**—This section provides two powers—

- (1) To the Treasury to make advances from the consolidated fund to the unemployment fund to an extent not exceeding £3,000,000;
- (2) To the Board of Trade, by order, (a) to raise the rate of contributions, or (b) to lower the rate of benefit, or (c) to lessen the period during which the benefit is to be paid.

**First Power.**—The exercise of this power is in the discretion of the Treasury. It may presumably be exercised at any time that the unemployment fund is incapable of meeting its obligations under this Part of the Act (*vide* note on sec. 92, *supra*). There is no express provision for the repayment of such advances out of the unemployment fund.

**Second Power.**—There are checks on the use of this power by the Board of Trade—

- (1) The Board must be directed by the Treasury to use the power;



**Sect. 93.****SECOND  
POWER.**

- (2) There must be an advance or part of an advance made under the first power outstanding ;
- (3) It must appear to the Treasury that the unemployment fund is insolvent ;
- (4) The modifications made by the Board of Trade must be such as the Treasury may consider necessary to secure the solvency of the fund ;
- (5) No reduction of benefit below 5s. a week is allowed ;
- (6) No increase of contributions from employers and workmen may exceed one penny per week per workman ;
- (7) No increase of such contributions may divide the increased rate to be paid unequally as between employers and workmen ;
- (8) No order made by Board of Trade may remain in force for more than three months after any advances made under the first power have been repaid ;
- (9) Two or more orders made under this section cannot be in force concurrently.

This second power may be termed an emergency power, and must be carefully distinguished from the power given to the Board of Trade (sec. 102, *infra*) to revise rates of contributions seven years after the commencement of this Act and that given by the Seventh Schedule to prescribe rates of benefit and periods of unemployment (*vide supra*, p. 287).

The power of the Board of Trade under this section is absolutely limited, in regard to modifications of rates of contribution, to raising the rate by one penny. The Board cannot add successive pennies to the rate of contribution. It is expressly provided that two orders made under this section cannot be in force at the same time. The effect of this provision is that, assuming that the power had been exercised and the rate raised to 6d., before the power can again be used, the previous order must expire, thus automatically reducing the rate of contribution to its original figure, above which the new order can only raise the rate by one penny.

Special order procedure is not necessary for the exercise of this power. It is a power which will necessarily be used in an emergency and at short notice, and the delay necessary for an inquiry under the special order procedure would make that form of procedure unsuitable.

**Sect. 94.**

Refund of  
part of  
contributions  
paid by em-  
ployer in the  
case of  
workmen  
continuously  
employed.

**94.**—(1) The Board of Trade shall, on the application of any employer made within one month after the termination of any calendar year, or other prescribed period of twelve months, refund to such employer out of the unemployment fund a sum equal to one-third of the contributions (exclusive of any contributions refunded to him under any other provisions of this Part of this Act) paid by him on his own behalf during that period in respect of any workman who has been continuously



in his service through the period, and in respect of whom not less than forty-five contributions have been paid during the period.

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(2) For the purpose of meeting any change in the period for which any refund of contributions is to be made under the foregoing provisions of this section, or for the purpose of making provision for any period which may elapse between the date on which contributions commence to be payable under this Part of this Act and the date on which the first period for the refund of contributions under the foregoing provisions of this section commences, the Board of Trade may, so far as necessary for the purpose, apply the provisions of this section to any period less than twelve months, subject to such proportionate reduction of the number of contributions required as they direct, and this section shall take effect as regards any such period of less than twelve months as so applied.

**Object and Effect of Section.**—This section is intended to give an inducement to employers to employ their workmen regularly, by allowing an employer

(1) in whose service a workman has been continuously throughout the year, or any other prescribed period of twelve months, and—

(2) in respect of whom not less than forty-five contributions have been paid during the year,

to be given a refund of one-third of the contributions paid by him on his own behalf in respect of such workmen. This refund will be exclusive of any refund of contributions to which the employer may be entitled under sec. 96, *infra*. The same individual workman must be continuously employed in order that the employer should be able to claim the refund.

The continuous employment of different workmen under an arrangement made with the Labour Exchange (*vide* sec. 99, *infra*) will not be reckoned as continuous employment of a single workman for the purposes of this section, though it may be so reckoned for the purpose of the amount of the employer's contribution.

The provisions of subsec. (2) are inserted in order to provide for refunds for periods of less than twelve months, if the Board of Trade alter the period for which refunds may be given, *e.g.* from a calendar year to a period of twelve months from the 15th July to the 14th July.

The main object of the section would appear to be to encourage the continuous employment of labour and by making continuous employment the least onerous form of employment to an employer so far as contributions under this Part of the Act are concerned.



**Sect. 94.****OBJECT AND  
EFFECT OF  
SECTION.**

Other provisions in the Act, *e.g.* secs. 96 and 99, and the rates of contribution tend to have the same effect (*vide* Introduction, where the question is discussed).

**Prescribed Period.**—By para. 23 of the Unemployment Regulations (*infra*, p. 419) the Board of Trade have prescribed the period of twelve months ending on July 14 in any year.

**Sect. 95.****Repayment  
of part of  
contributions  
by workmen  
in certain  
cases.**

**95.**—(1) If it is shown to the satisfaction of the Board of Trade by any workman or his personal representatives that the workman has paid contributions in accordance with the provisions of this Part of this Act in respect of five hundred weeks or upwards, and that the workman has reached the age of sixty, or before his death had reached the age of sixty, the workman or his representatives shall be entitled to be repaid the amount, if any, by which the total amount of such contributions have exceeded the total amount received by him out of the unemployment fund under this Act, together with compound interest at the rate of two and a half per cent. per annum calculated in the prescribed manner.

(2) A repayment to a workman under this section shall not affect his liability to pay contributions under this Part of this Act, and, if after any such repayment he becomes entitled to unemployment benefit, he shall be treated as having paid in respect of the period for which the repayment has been made the full number of contributions which is most nearly equal to five-eighths of the number of contributions actually paid during that period.

**Object of Section.**—The object of this section is to allow workmen who have been continuously in employment, to obtain on or after attaining the age of 60 a repayment of the contributions they have paid. This repayment is to be paid to the workman, if he is living, or to his personal representatives, if he is dead.

A repayment will only be paid to or in respect of a workman who fulfils the following conditions :—

- (1) That he has paid contributions under this Part of this Act for 500 weeks;
- (2) That he has reached the age of sixty.

The amount of the repayment will be the total amount of the workman's contributions *less* the total amount received by him in benefit. Interest will be calculated on the amount of the repayment at 2½ per cent. The amount of the employer's and the State contributions will be disregarded in making the calculations and will remain in the unemployment fund.



**Note on Subsec. (2).**—This part of the section deals with the case of a workman who has received a repayment and then continues to work in an insured trade. Such a workman

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- (1) Must continue to pay contributions (and *semble* the obligation on his employer to pay contributions is unaffected);
- (2) Is to be treated, if he becomes entitled to benefit, as if, in respect of the period for which the repayment has been made, he had paid the number of full contributions which is most nearly equal to  $\frac{5}{8}$  of the number of contributions he has actually paid during such period.

The reason for the insertion of these last words is that a workman who has drawn a repayment has only taken from the fund the amount of his *own* contributions, viz.  $2\frac{1}{2}d.$  a week.

During the time that he has been paying contributions  $2\frac{1}{2}d.$  has been paid in each week by his employers and  $1\frac{3}{4}d.$  by the State, in addition to his own  $2\frac{1}{2}d.$  a week. Thus a full contribution amounts to  $6\frac{3}{4}d.$  a week. Now  $2\frac{1}{2}d.$  a week is  $\frac{5}{8}$  of the full contribution. Therefore, when a workman withdraws in the shape of a repayment his own contributions consisting of  $2\frac{1}{2}d.$  a week, there remains in the fund  $\frac{5}{8}$  of a full contribution for every week for which the workman has paid contributions. This sum has been paid in respect of the workman and is in a sense standing to his credit. The words now under discussion give him the benefit of that credit, inasmuch as he is treated as having made the number of full contributions which that sum represents, viz.  $\frac{5}{8}$  of the number of contributions that he has actually made.

**Double Repayment.**—It is submitted that a workman who receives a repayment and continues to work after the age of sixty will be entitled, if he again fulfils the conditions, to a second repayment.

**96.**—(1) If any employer satisfies the Board of Trade that during any period of depression in his business workmen employed by him have been systematically working short time, and that during such period he has paid contributions under this Part of this Act on behalf of such workmen, as well as on his own behalf, without recovering such contributions from such workmen either by way of deductions from wages or otherwise, there shall be refunded to him out of the unemployment fund, in accordance with regulations made by the Board of Trade, the contributions so paid by him in respect of those workmen (including those paid on behalf of the workmen as well as those paid on his own behalf), for the period or such part thereof as in the circumstances may seem just:

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Refund of contributions paid in respect of workmen working short time.

Provided that, except in a case where the working of



**Sect. 96.** short time has been effected by stopping the work for some day in the week which has been usually recognised as a working day of at least four hours in the trade and district, no such refund shall be made in respect of any workmen for any week in which the hours of work have exceeded five-sixths of the number usually recognised as constituting a full week's work at that time in the trade and district.

(2) Any employer who desires to take advantage of this section may make an application to the Board of Trade with a view to obtaining their ruling as to the circumstances under which, and the means by which, he proposes to effect a reduction of working hours, and the Board of Trade may, if they think fit, on the necessary information being supplied, give their ruling as to whether the circumstances are such, and the proposed means of reducing working hours are such, as to satisfy the requirements of this section.

**Object and Effect of Section.**—This section lays down conditions under which an employer, who pays out of his own pocket both his own and his workmen's contributions, may obtain a refund from the Board of Trade of the money so paid. The section is far from being clearly drafted, and numerous points of ambiguity and difficulty arise.

In order to have a right to a refund an employer must satisfy the Board of Trade—

(1) That there has been a period of depression in his business.

(2) That workmen employed by him have been systematically working short time.

As to (1) two questions arise—

(a) What is the meaning of "a period of depression"?

(b) What is meant by the words "period of depression in his business"?

To deal with question (a), it would appear at first sight that a period of depression must be a period during which business is below its normal level. The normal level of business is, presumably, an average between good and bad times. If this be correct, then a "period of depression" is any time when business goes down below that level, and includes all periods of what may be called "cyclical depression."

A second interpretation of the phrase is that a "period of depression" means those periods in the year when seasonal slackening of business takes place in certain trades. The use of the word "depression" may be compared with its use in sec. 50 (*supra*, p. 205), where it is definitely stated to apply to seasonal trades.



A third interpretation is that the words may mean only an abnormal depression in business. In that case the normal level of a business would include both good and bad times, and would not be an average between the two. In other words, if the level of a business were to be represented by a fluctuating line on a chart, the normal level of depression of the business could be represented by a straight line running somewhere between the highest of the low points and lowest of the low points of the fluctuating line. A "period of depression" would, it is suggested, be something below that straight line.

It is submitted that the whole section really contemplates abnormality (*e.g.* the payment by the employer of both his own and the workmen's contributions will presumably be abnormal), and that on the true construction the third suggested interpretation is correct. The question is, however, far from being easy, and the conclusion is submitted with diffidence.

To deal with question (b), there would seem to be two possible different meanings of the words as used in the section—

(1) It may refer to a period of depression all over the country, or in certain districts, in the business which the employer happens to carry on; or

(2) It may refer to a period of depression in the actual factories or workshops which the individual employer is carrying on.

It is submitted, again with diffidence, that the intention of the section is to deal with the individual employer and his individual business, and not to bring into consideration the state of affairs in that business outside. If this be correct, it should be observed that the depression may be brought about by causes over which the employer has no control, or by his own faulty methods of business. It is submitted, however, that the Board of Trade will not be entitled to go into the causes of the depression.

But the difficulties of construction do not end here. Assuming that the above submission is correct, the question then arises—what is the employer's business? In other words, can the employer be taken to be carrying on several businesses at the same time and in the same place in respect of some of which there may be a period of depression and in others not? And, if so, how far can he subdivide his business into compartments, for the purpose of this section. It is submitted that such subdivision can be made, and that an employer may claim a refund in respect of workmen in one compartment of his business while other compartments are working full time. This view may be supported by the fact that the phrase "workmen employed by him" is used instead of "*the* workmen employed by him." These words would appear to indicate that a group of workmen engaged in one particular compartment of the business may be taken by the employer as a basis on which to found a claim under this section. How far this subdivision can go it is very difficult to say. It may be suggested that any part of a business that is habitually considered as a distinct and separate compartment of that business may be dealt with as a separate unit under this section. (*Cf.* the provisions of 87 (1), *supra*, as to separate branches of work.)

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As to (2); it is submitted that the word "systematically" goes both to time and to number of workmen. In other words, in order to support a claim under this section, an employer must show—

- (1) That the workmen in question have been working short time continuously and not spasmodically;
- (2) That all the workmen in the particular compartment of the business which is the subject of the claim, have been working short time, and not some of them only.

[NOTE.—The length of the period of time for which an employer is to get a refund is in the discretion of the Board of Trade.

*Short time.*—This phrase is defined in the proviso to the section as meaning—

- (1) Hours of work in a week which do not exceed five-sixths of the number usually recognised as constituting a full week's work at that time in the particular trade and district.
- (2) Work during a week of five days only where the short time has taken the form of stopping work on one day in the week, and that particular day is not one which has been usually recognised as a working day of less than four hours.

Practically the effect is that short time means stoppage of work in one day a week provided that day is not a half-holiday on which it is not the usual custom to work as much as four hours.

**Ruling of the Board of Trade.**—Provision is made by subsec. (2) whereby employers, who see bad times coming, may obtain a ruling from the Board of Trade as to whether, in the event of their paying both contributions, and working short time, they will be entitled to a refund. This provision will be of considerable advantage to an employer who does not desire to run the risk of not obtaining the refund, after he has paid both contributions.

**Appeals.**—An employer who has been refused a refund under this section may, in a proper case, have a remedy by *certiorari* or *mandamus*. The circumstances in which these writs will lie are discussed (*supra*, p. 32).

**Regulations.**—For the regulations dealing with applications for refunds under this section, *vide* paras. 24–26 of the Unemployment Regulations, *infra*, p. 419.

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Saving for occasional employment in rural neighbourhoods.

**97.** Where a workman is employed in a district which is rural in its character, and the workman usually follows in that district some occupation other than an insured trade, and is employed in an insured trade occasionally only, contributions under this Part of this Act shall not be payable in respect of the workman, except in cases where the employer and the workman agree that contributions shall be payable notwithstanding this provision.



**Object of Section.**—This section makes the payment of contributions under this Part of this Act unnecessary in respect of workmen occasionally employed in an insured trade—

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(1) Where the workman is employed in a district which is rural in character, and

(2) Where the workman usually follows some occupation other than an employed trade,

*unless* the employer and the workman agree that contributions shall be payable. In a case where employer and workman make such an agreement it would appear, from the form of the section, that the payment of contributions will become *ipso facto* compulsory, and the provisions of this Part of the Act as to such contributions will apply. There is no provision for notifying or recording any such agreement, or for regulating the length of time during which such an agreement is to be valid. If disputes arise as to whether contributions are payable under this section, it would appear that they will have to be decided by the umpire (*vide* sec. 101 (6)), who will have to decide (if it be necessary) whether or not any such agreement has been entered into.

*District Rural in Character.*—*Seem*, the question whether a workman is employed in such a district would seem to be a question of fact to be decided by the umpire.

**98.** Where a man of the Naval Reserves, the Army Reserve, or the Territorial Force, is being trained and is in receipt of pay out of the moneys provided by Parliament for Navy or Army services, and immediately before the training was employed in an insured trade, he shall, for the purposes of this Part of this Act, be deemed, whilst so training, to be in the employment of the Crown in an insured trade.

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Payment of contributions in case of Reservists or Territorials during training.

**Employed in an Insured Trade.**—*Vide supra*, p. 281.

**Deemed to be in the Employment of the Crown.**—By sec. 107 (3), *infra*, this Part of the Act is expressed to apply to the Crown. The effect of this provision will be that workmen who are members of any of the above forces will not lose anything by undergoing their period of training.

**99.**—(1) The Board of Trade may, in such cases and on such conditions as the Board may prescribe, make an arrangement with any employer liable to pay contributions under any part of this Act, whereby, in respect of workmen engaged by him through a labour exchange, or in his employ at the date of such arrangement, the performance of all or any of the duties required under any Part of this Act to be performed by the employer in respect of

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Provisions with respect to workmen engaged through labour exchanges.



Sect. 99. — those workmen, whether on his own behalf or on behalf of the workmen, shall be undertaken on behalf of the employer by the labour exchange, and whereby in respect of such workmen different periods of employment, whether of the same workmen or different workmen, may, for the purposes of the employer's contributions under this Part of this Act, but not for the purposes of a refund of any part of the employer's contributions, be treated as a continuous employment of a single workman.

(2) Where any such arrangement has been made, all the periods of employment during which a workman engaged through a labour exchange is employed by one or more employers with whom such an arrangement has been made, may, subject to regulations made by the Board of Trade, on the application of the workman, be treated for the purposes of his contributions under this Part of this Act as a continuous period of employment under one employer, and those regulations may provide for the refund of part of his contributions under this Part of this Act accordingly.

**Object and Effect of Section.**—This section enables the Board of Trade to make arrangements with employers whereby, in respect of certain of the employer's workmen, labour exchanges may perform on behalf of the employer all or any of the duties required by this Part of the Act to be performed by the employer in respect of such workmen, whether on his own behalf or on behalf of these workmen.

Such an arrangement may be made in respect of—

- (1) Workmen engaged by the employer through a labour exchange; or
- (2) Workmen in the employer's employ at the date of such arrangement.

The effect of making such an arrangement is that periods of employment, whether of the same or different workmen may, *for the purposes of the employer's contribution only*, be treated as a continuous employment of a single workman. Thus an employer who has made such an arrangement will only have to pay  $2\frac{1}{2}d.$  a week in respect of the number of workmen comprised under the agreement, irrespective of whether the workman employed is the same individual or not, instead of having to pay according to the short time rate set out at the end of the Eighth Schedule (*infra*, p. 356). The workman will be similarly treated.

But it would seem that the workman will, in the first instance, have to pay according to the short time rates if he is employed for short periods, and the employer will have to make the appropriate



deductions. The following provisions will, however, have the effect of placing him in as good a position as the employer in this respect.

A workman engaged through a labour exchange, and employed by one or more employers, with whom such an arrangement has been made, may, subject to regulations, apply to the Board of Trade to have all his periods of employment treated, for the purposes of his contributions, as a continuous period of employment. The regulations may provide for a refund of part of his contributions accordingly. This provision will give the workman, as in the case of the employer, the advantage of only paying  $2\frac{1}{2}d.$  a week instead of the short time rates in the Eighth Schedule above referred to.

*Method of working the section.*—The principal duty which an employer will be bound to perform in respect of his workmen will be that of keeping and affixing stamps to their insurance books. He will, presumably, be relieved of this task by the Labour Exchange, under the arrangements made. Inasmuch as the workmen, in respect of whom the arrangement is made, will be engaged through the Labour Exchange, the officials at the Exchange will be able to keep account of contributions which should be paid in respect of such workmen. They will, presumably, keep such an account and present it from time to time to the employer for payment. But the employer will have to make deductions from the workmen's wages, unless he wishes to pay their contributions out of his own pocket, or to rely upon other methods of recovery. He will, therefore, have to keep an account of such deductions in order to check the account presented by the Labour Exchange. If he had not entered into any such arrangement he would not be under any obligation to keep any such account. It will be for the employer to weigh the advantages of having insurance books stamped for him and the pecuniary advantage of not being obliged to pay short time rates against the expense of keeping such an account.

**Labour Exchanges.**—These are established and maintained by the Board of Trade under the Labour Exchanges Act, 1909 (9 Ed. 7, c. 7).

**Regulations.**—For the regulations with regard to the arrangements contemplated by this section, *vide* Unemployment Regulations, paras. 32–34, *infra*, pp. 421, 449.

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**100.**—(1) If the repeated failure of any insured workman to obtain or retain employment appears to the insurance officer to be wholly or partly due to defects in skill or knowledge, the insurance officer may, if he thinks fit, for the purpose of testing the skill or knowledge of the workman, offer to arrange for the attendance of the workman at a suitable place for the purpose, and may, out of the unemployment fund, pay all or any of the expenses incidental to such attendance.

## Sect. 100.

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Subsidiary  
provisions.



**Sect. 100.** If the workman fails or refuses either to avail himself of the offer, or to produce satisfactory evidence of his competence, or if as a result of the test the insurance officer considers that the skill or knowledge of the workman is defective, and that there is no reasonable prospect of such defects being remedied, such facts shall be taken into consideration in determining what is suitable employment for the workman.

If in any case as a result of the test the insurance officer considers that the skill or knowledge of the workman is defective, but that there is a reasonable prospect of the defects being remedied by technical instruction, the insurance officer may, subject to any directions given by the Board of Trade, pay out of the unemployment fund all or any of the expenses incidental to the provision of the instruction, if he is of opinion that the charge on the unemployment fund in respect of the workman is likely to be decreased by the provision of the instruction.

(2) The regulations of the Board of Trade made under this Part of this Act shall provide for the return to a workman who is not a workman in an insured trade and to his employer of any contributions paid by them respectively under the belief that the workman was a workman in an insured trade, subject, in the case of the workmen's contributions, to the deduction of any amount received by him in respect of unemployment benefit under a similar belief.

(3) Where under regulations made by the Board of Trade any sum has been paid out of the unemployment fund by way of reward for the return of a book or card which has been lost, the person responsible for the custody of the book or card at the time of its loss shall be liable to repay the sum so paid, not exceeding one shilling in respect of any one occasion.

**Object and Effect of Section.**—The object of the first subsection of this section is to protect the unemployment fund from constant demands made upon it by workmen who repeatedly fail to obtain or retain employment, owing to their lack of skill or knowledge. In the case of such a workman the insurance officer may



arrange for his attendance at a suitable institution, *semble*, for technical instruction, and may pay, out of the fund, the expenses of such attendance. This preliminary attendance is in the nature of a test as to whether the skill or knowledge of the workman is capable of improvement under a course of such instruction. If, as a result of the test, the insurance officer considers that the skill and knowledge of the workman is defective, but that there is a reasonable prospect of a course of technical instruction remedying the defects, the insurance officer, if he thinks that he will thereby make a saving to the fund, may arrange for such a course of instruction to be given to the workman, and may pay the expenses thereof out of the unemployment fund.

If, on the other hand, as a result of the test, the insurance officer considers that the skill or knowledge of the workman is defective, and that there is no prospect of improvement in skill or knowledge, this fact is to be taken into account by the insurance officer in determining what is suitable employment for the workman (*cf.* sec. 86 (3), *supra*, p. 291).

*Refusal of Workman.*—If a workman fails or refuses to undergo the preliminary test, or to produce satisfactory evidence of his competence, these facts may also be taken into account by the insurance officer in determining what is suitable employment for the workman (*vide* sec. 86 (3), *supra*).

It is submitted that if a workman, after the preliminary test has resulted in the insurance officer forming an opinion favourable to his capability of improvement, is offered and refuses to take the course of instruction, that fact, without any express statutory provision to that effect, should be taken into account in determining what is suitable employment for that workman. Employment which is unsuitable for a competent workman may well be suitable for a workman who is incompetent and unwilling to improve, though capable of improvement.

**Note on Subsection (2).**—This subsection provides that employers and workmen may be repaid any contributions paid by them under a mistake of fact or law as to their liability to pay contributions. A decision as to this liability may be obtained at any time under regulations to be made by the Board of Trade under sec. 91 (1) (b) (*supra*, p. 301). For the regulations made under this subsection, *vide* Unemployment Regulations, para. 31, *infra*, p. 420.

**Note on Subsection (3).**—For the regulations made under this subsection, *vide* Unemployment Regulations, para. 7 (4), *infra*, p. 414.

**Sect. 100.**

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OBJECT AND  
EFFECT OF  
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**101.**—(1) If for the purpose of obtaining any benefit or payment under this Part of this Act, either for himself or for any other person, or for the purpose of avoiding any payment to be made by himself under this Part of this Act, or enabling any other person to avoid any such payment, any person knowingly makes any false statement or false representation, he shall be liable on summary

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Offences and  
proceedings  
for recovery  
of contribu-  
tions, &c.



**Sect. 101.** conviction to imprisonment for a term not exceeding three months, with or without hard labour.

(2) If any employer or workman has failed to pay any contributions which he is liable under this Part of this Act to pay, or if any employer or workman or any other person refuses or neglects to comply with any of the requirements of this Part of this Act, or the regulations made thereunder, he shall, for each offence, be liable on summary conviction to a fine not exceeding ten pounds, and also, where the offence is failure or neglect to make any contribution under this Part of this Act, to pay to the unemployment fund a sum equal to three times the amount which he has refused or neglected to pay (not exceeding five pounds), which sum, when paid, shall be treated as a payment in satisfaction of the contributions which he has so refused or neglected to pay.

(3) Proceedings under the foregoing provisions of this section shall not be instituted except by, or with the consent of, the Board of Trade, and may be commenced at any time within three months of the date at which the offence comes to the knowledge of the Board of Trade.

(4) Nothing in this section shall be construed as preventing the Board of Trade from recovering any sums due to the unemployment fund by means of civil proceedings, and all such sums shall be recoverable in such proceedings as debts due to the Crown.

(5) If it is found at any time that a person has been in receipt of unemployment benefit under this Part of this Act whilst the statutory conditions were not fulfilled in his case, or whilst he was disqualified for receiving unemployment benefit, he shall be liable to repay to the unemployment fund any sums paid to him in respect of unemployment benefit whilst the statutory conditions were not fulfilled, or whilst he was disqualified for receiving the benefit, and the amount of such sums may be recovered as a debt due to the Crown.

(6) In any proceedings under this section, or in any proceedings involving any question as to the payment



of contributions under this Part of this Act, or for the recovery of any sums due to the unemployment fund, the decision of the umpire appointed under this Part of this Act on any question arising, whether the trade in which the workman is or has been employed is an insured trade or not shall be conclusive for the purpose of these proceedings, and, if no such decision has been obtained and the decision of the question is necessary for the determination of the proceedings, the question shall be referred, in accordance with the regulations made under this Part of this Act, to the umpire for the purpose of obtaining such a decision. Sect. 101.

**Object and Effect of Section.**—This section deals with—

- (1) Criminal proceedings for offences under this Part of the Act;
- (2) Civil proceedings for the recovery of unpaid contributions, or of sums wrongly paid by way of benefit.

**Criminal Proceedings.**—Offences under this Part of this Act are divided into three classes :

- (a) Knowingly making any false statement or representation for the purpose (i) of obtaining any benefit or payment, or (ii) of avoiding any payment under this Part of this Act ;
- (b) Failure on the part of an employer or of a workman to pay any contributions which he is liable under this Part of this Act to pay ;
- (c) Refusal or neglect in an employer or in a workman or in any other person to comply with any of the requirements of this Part of this Act, or of the regulations made thereunder.

*With regard to (a).*—A person who commits this offence is liable, on summary conviction, to imprisonment for a term not exceeding three months, with or without hard labour. This will have the effect of depriving the person accused of this offence of the right to be tried by jury (*vide* Summary Jurisdiction Act, 1879 (42 & 43 Vict. c. 49), s. 17).

*With regard to (b).*—A person who commits this offence is liable, for each contribution he has failed or neglected to pay, on summary conviction to a fine not exceeding £10. Besides this such a person will be liable to pay to the unemployment fund a sum equal to three times the amount which he has refused or neglected to pay not exceeding £5. This sum when paid is to be treated as payment in satisfaction of the contributions which he has refused or neglected to pay. These criminal proceedings do not bar recovery of the unpaid contributions by civil proceedings unless the person against whom the criminal proceedings have been brought has, in such proceedings, been ordered to pay, and has paid, the sum aforesaid in satisfaction of the unpaid contributions. The provision of this section in this respect may be compared with the



**Sect. 101.** provisions of secs. 69, 70 in Part I. of this Act (*vide supra*, p. 246). Knowledge is not necessary for the commission of the offence; mere inadvertence is sufficient.

CRIMINAL  
PROCEED-  
INGS.

*With regard to (c).*—A person who commits this offence is liable, on summary conviction, to a fine not exceeding £10.

*With regard to (a), (b), and (c)*—

(1) No proceedings with regard to these offences may be taken except by or with the consent of the Board of Trade (subsec. 3). This subsection goes on to say that such "proceedings may be commenced at any time within three months of the date at which the offence comes to the knowledge of the Board of Trade." It is submitted that "may" here means "must," and that it would be a good defence to any such proceedings to prove that they were commenced more than three months after the offence had come to the Board of Trade's knowledge.

(2) By subsec. (6). If, in any proceedings in which it is alleged that any of these offences have been committed, the decision of the question whether the trade in which a workman is or has been employed is an insured trade or not, is necessary to the determination of the proceedings, the decision of that question by an umpire (appointed by His Majesty under sec. 89 (1), *supra*, p. 299) is to be conclusive. If no such decision has been obtained that question is to be referred to the umpire for the purpose of obtaining such a decision. The effect of this provision is to take out of the Court's jurisdiction, even in criminal proceedings, any question as to the meaning of the expression "workman" under this Part of the Act, or as to the meaning of the Sixth Schedule.

#### Civil Proceedings.

(1) Any sums due to the unemployment fund may be recovered by the Board of Trade as debts due to the Crown.

(2) The amount of any unemployment benefit paid to a person whilst the statutory conditions (*vide* sec. 86, *supra*, p. 291) were not fulfilled, may be recovered, at any time, from that person as a debt due to the Crown.

(3) The amount of any unemployment benefit paid to a person whilst he was disqualified from receiving unemployed benefit (*vide* sec. 87, *supra*, p. 293) may be recovered at any time from that person as a debt due to the Crown.

[*Note.*—The provisions of subsec. (6) as to obtaining a decision of the umpire apply to civil proceedings in the same manner as they apply in the case of criminal proceedings.]

**Sect. 102.** 102. If at any time after the expiration of seven years from the commencement of this Act it appears to the Board of Trade that the unemployment fund is insufficient or more than sufficient to discharge the liabilities imposed upon the fund under this Part of

Periodical  
revision of  
rates of con-  
tribution.



this Act, or that the rates of contribution are excessive or deficient as respects any particular insured trade, or any particular branch of any such trade, the Board may, with the sanction of the Treasury, by special order made in manner herein-after provided revise the rates of contribution of employers and workmen under this Part of this Act, and any such order may, if the Board think fit, prescribe different rates of contribution for different insured trades or branches thereof, and, where any such order is made the rates prescribed by the order shall, as from such date as may be specified in the order, be substituted as respects trades or branches thereof to which it relates for the rates prescribed by this Act: Sect. 102.

Provided that, where such a revision has been made, no further revision under this section shall be made before the expiration of seven years from the last revision, and that no order under this section shall increase the rates of contribution from employers or workmen by more than one penny per workman per week above the rates specified in the Eighth Schedule to this Act, or shall vary such rates unequally as between employers and workmen.

**Object and Effect of Section.**—This section gives power to the Board of Trade at any time after the expiration of seven years from the commencement of this Act to revise, by special order, the rates of contribution under this part of this Act. This power must not be confused with the emergency power given to the Board of Trade under sec. 93 (2), *supra*, p. 306.

This revision may be upwards or downwards according as the unemployment fund appears to the Board to be sufficient or insufficient to discharge its liabilities. It may also prescribe different rates of contribution for different trades or branches thereof, according as the existing rates of contribution appear to be excessive or deficient in any particular insured trade or branch thereof. Thus the order may increase the rates for some trades or branches of trades and decrease it for others according to the average amount of unemployment in those trades or branches.

*Conditions limiting the making of orders for revision :—*

- (1) No order may increase the rates of contribution by more than one penny per workman per week above the rates specified in the Eighth Schedule (*infra*, p. 356);
- (2) No order may vary rates unequally between employers and workmen ;



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(3) Where an order for revision has once been made, no further revision may be made before the expiration of seven years from the last revision. *Quære* whether this provision applies to prevent a revision of rates in a trade or branch of a trade the rates in which were unaffected by the previous revision. *Semble* it does, and that any revision, however small and however few workmen and employers it affects, exhausts the power of the Board under this section for the next seven years.

**Special Order.**—*Vide* sec. 113 and Ninth Schedule, *infra* pp. 339, 357.

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Power to  
extend to  
other trades.

**103.** If it appears to the Board that it is desirable to extend the provisions of this Part of this Act to workmen in any trade other than an insured trade, or to vary the definition of "workman" with respect to the age of the persons included therein, either generally or for any particular insured trade, or any particular branch of any such trade, the Board may, with the consent of the Treasury, make, in manner herein-after provided, a special order extending this Part of this Act to such workmen or so varying the definition of "workman," as the case may be, either without modification or subject to such modifications of rates of contribution or rates or periods of benefit as may be contained in the order, and, on any such order being made, this Part of this Act shall, subject to the modifications (if any) contained in the order, apply as if the trade mentioned in the order were an insured trade, or as if the definition of "workman" were varied in accordance with the order, as the case may be, and as if the rates of contribution and the rates and periods of benefit mentioned in the order were the rates of contribution and the rates and periods of benefit provided by this Part of this Act in respect of such trade :

Provided that no such order shall be made if the person holding the inquiry in relation to the order reports that the order should not be made, or if the order would, in the opinion of the Treasury, increase the contribution to the unemployment fund out of moneys provided by Parliament to a sum exceeding one million pounds a year before the expiration of three years from the making of



the order, and that the rates of contribution mentioned in the order shall not exceed the rates specified in the Eighth Schedule to this Act, and shall be imposed equally as between employers and workmen. Sect. 103.

**Object and Effect of the Section.**—This section gives power to the Board of Trade to extend, by special order, the provisions of this part of this Act to workmen in any trade other than an insured trade

- (a) without modification or,
- (b) subject to such modification of (i) rates of contribution, (ii) rates of benefit, (iii) periods of benefit, as may be contained in the order.

The special order may also vary the definition of workman (*vide* sec. 107, *infra*) as respects age.

The conditions limiting the power of the Board to make such an order are :—

- (1) That the Board has obtained the consent of the Treasury to the making of the order ;
- (2) That the person holding the inquiry under the provisions for making special orders reports in favour of making the order ;
- (3) That the Treasury are of opinion that the order would not increase the contribution to the unemployment fund out of moneys provided by Parliament to a sum exceeding £1,000,000 a year before the expiration of three years from the making of the order ;
- (4) That the rates of contribution mentioned in the order do not exceed the rates specified in the Eighth Schedule (*infra*, p. 356) ;
- (5) That the rates mentioned in the order are imposed equally as between employers and workmen.

**Special Orders.**—*Vide* sec. 113 and the Ninth Schedule (*infra*, pp. 339, 357).

**104.** The Board of Trade may, if in any case they consider that it is desirable, by special order exclude from the occupations which are to be deemed employment in an insured trade for the purpose of this Part of this Act— Sect. 104.

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Exclusion of  
subsidiary  
occupations.

- (a) Any occupation which appears to them to be common to insured and uninsured trades alike, and ancillary only to the purposes of an insured trade ; and
- (b) Any occupation which appears to them to be an occupation in a business which, though concerned with the making of parts or the preparation of



**Sect. 104.**

materials for use in connection with an insured trade, is mainly carried on as a separate business or in connection with trades other than insured trades ;

and, on any such order being made, the occupation to which the order relates shall not be treated as employment in an insured trade for the purposes of this Part of this Act.

Any special order made under this section may be made so as to cover one or more occupations. The provisions of this Part of this Act as to the laying of regulations before Parliament and the presentation of an Address thereon shall apply to special orders made under this section.

**Sect. 105.**

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Arrangements with associations of workmen in insured trade who make payments to members whilst unemployed.

**105.**—(1) The Board of Trade may, on the application of any association of workmen the rules of which provide for payments to its members, being workmen in an insured trade, or any class thereof, whilst unemployed, make an arrangement with such association that, in lieu of paying unemployment benefit under this Part of this Act to workmen who prove that they are members of the association, there shall be repaid periodically to the association out of the unemployment fund such sum as appears to be, as nearly as may be, equivalent to the aggregate amount which such workmen would have received during that period by way of unemployment benefit under this Part of this Act if no such arrangement had been made, but in no case exceeding three-fourths of the amount of the payments made during that period by the association to such workmen as aforesaid whilst unemployed.

(2) The council or other governing body of any association of workmen which has made such an arrangement as aforesaid shall be entitled to treat the contributions due from any of its members to the unemployment fund under this Part of this Act, or any part thereof, as if such contributions formed part of the subscriptions payable by those members to the association, and, notwithstanding anything in the rules of the



association to the contrary, may reduce the rates of Sect. 105. subscription of those members accordingly.

(3) For the purpose of determining whether a workman has exhausted his right to unemployment benefit under this Part of this Act, the amount of any sum which, but for this section, would have been paid to him by way of unemployment benefit shall be deemed to have been so paid.

(4) The Board of Trade may make regulations for giving effect to this section, and for referring to the umpire appointed under this Part of this Act any question which may arise under this section.

(5) The fact that persons other than workmen can be members of an association shall not prevent the association being treated as an association of workmen for the purposes of this section, if the association is substantially an association of workmen.

**Object and Effect of Section.**—This section is designed to provide for the administration of unemployment benefit through associations of workmen (*e.g.* trade unions). It should be observed that *any* association of workmen may make the arrangements contemplated by the section provided that by its rules it provides for payments to its members, being in an insured trade, or in any class thereof, whilst unemployed.

If, or where, existing associations of workmen are inadequate, fresh associations may be formed in order to obtain the advantage of this and the next succeeding section. The only conditions which such an association will have to fulfil are the conditions that it is an association of workmen, and that its rules make the above provision.

(*Note.*—In determining what associations are entitled to make arrangements under this section, the provisions of subsec. (5) must be borne in mind. The fact that a certain number of the members of an association are not workmen within the meaning of sec. 107, will not prevent an association from being an association of workmen within the meaning of this section. The reason for this provision is, presumably, that the definition of "workmen" in sec. 108 only includes such workmen as are employed "wholly or mainly by way of manual labour," and that trade unions include among their membership persons, such as foremen, who are not so employed. But for that provision, a strict interpretation of the expression "association of workmen" might have resulted in excluding from the operation of the section most of the trade unions in the country.

It should be observed that the associations referred to in this section are not the same as the associations referred to in sec. 106. But it is submitted that any association within



**Sect. 105.****OBJECT AND  
EFFECT OF  
SECTION.**

the meaning of this section will probably also be an association within the meaning of sec. 106, whereas the converse of this proposition will not be true.)

*The arrangements.*—The Board of Trade may make arrangements with any such association on its application to the following effect:—

- (1) The Board of Trade will cease to pay unemployment benefit to workmen who prove that they are members of the association;
- (2) The workmen will look to the association for the payment of any unemployment benefit to which they are entitled;
- (3) At the end of whatever period is fixed by the arrangement, the Board of Trade will repay to the association, out of the unemployment fund, such sum as appears to be approximately equivalent to the aggregate amount which the workmen who are members of the association would have received during that period in unemployment benefit from the unemployment fund, if the arrangement had not been made;
- (4) The sum so repaid cannot in any case exceed three-quarters of the amount of the payments made by the association in unemployment benefit to its members who are workmen in insured trades.

Thus it will be seen that it will not be to the advantage of any such association to enter into these arrangements, unless it is prepared to give unemployment benefit at a rate not less than 9s. 4d. a week, since three-quarters of that sum is exactly 7s., which is the amount of the benefit provided by this Part of the Act.

*Contributions under the Act, and subscriptions to such association.*—By subsec. (2) the governing body of any association which has entered into the foregoing arrangements with the Board of Trade may treat the contributions of its members who are workmen in insured trades due under this Part of this Act, as if such contributions formed part of the subscriptions to the association. The rates of subscription of such members may, notwithstanding anything in the rules of the association to the contrary, be reduced accordingly. An example will show how this provision will work in a concrete case. Assuming that the subscription to the association is 1s. a week, the payment of which entitles a member to unemployment benefit of 10s. a week (amongst other things). If a member is a workman in an insured trade his subscription may be reduced by 2½d. a week to 9½d., which is the amount of the contribution due by him under this Part of the Act.

*Exhaustion of right to benefit.*—In order to test whether a workman has exhausted his right to benefit, the calculations must be made as if no arrangements had been made under this section with his association—i.e. the rules in the Seventh Schedule (*vide supra*, p. 284) as to the period during which unemployment benefit may be paid must be observed (*e.g.* the “one to five” rule will apply).

*Questions arising under this section.*—Any question which may arise under this section is to be referred, in accordance with regulation to be made by the Board of Trade, to the umpire (appointed by the Board of Trade under sec. 89, *infra*).

**Administration of Section.**—*Vide* Unemployment Regulations, paras. 14–19, *infra*, p. 417.



**106.**—(1) The Board of Trade may, with the consent of the Treasury, and on such conditions and either annually or at such other intervals as the Board may prescribe, repay out of moneys provided by Parliament to any association of persons not trading for profit the rules of which provide for payments to persons whilst unemployed, whether workmen in an insured trade or not, such part (in no case exceeding one-sixth) as they think fit, of the aggregate amount which the association has expended on such payments during the preceding year or other prescribed period, exclusive of the sum (if any) repaid to the association in respect of such period in pursuance of an arrangement under the last foregoing section, and exclusive, in the case of payments which exceed twelve shillings a week, of so much of those payments as exceeds that sum.

**Sect. 106.**

Repayments to associations who make payments to persons whether workmen in insured trade or not, whilst unemployed.

(2) No repayment shall be made under this section in respect of any period before the expiration of six months from the commencement of this Act.

(3) The Board of Trade may make regulations for giving effect to this section, and for determining the mode in which questions arising under this section shall be settled.

**Object and Effect of Section.**—The object of this section is to encourage voluntary associations for insurance against unemployment by giving the Board of Trade power to repay to such associations a part (not exceeding one-sixth) of the sum they may have expended upon unemployment benefit up to 12s. a week.

The section does not create any charge on the unemployment fund; the moneys for repayments under this section will be provided by Parliament.

It will be observed that the associations who may benefit by the provisions of this section are not the same as the associations with which arrangements may be made under the preceding section. The preceding section is confined in its application to "associations of workmen, the rules of which provide for payments to their members, being workmen in an insured trade, or any class thereof, whilst unemployed," whereas the section now under consideration applies to "any association of persons not trading for profit, the rules of which provide for payments to persons whilst unemployed whether workmen in an insured trade or not." The latter expression is much the wider of the two; and it includes any association under the preceding section, provided that that association does not trade for a profit.



**Sect. 106.**

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OBJECT AND  
EFFECT OF  
SECTION.

The exercise of this power by the Board of Trade is limited in the following ways:—

- (1) The Board must obtain the consent of the Treasury before making any repayment;
- (2) The amount of the repayment is limited to one-sixth of any unemployment benefit up to but not exceeding 12s. a week. In calculating the amount of the repayment any payments which exceed 12s. a week are to be ignored. *Quære* whether, in the case of an association which pays varying rates of benefits, some of which are over and some of which are under 12s. a week, the repayment is to consist of one-sixth of the aggregate amount so paid in so far as that amount represents an average of 12s. a week or under, or whether the repayment is to consist of one-sixth of the aggregate amount paid, taking the weekly payments at rates under 12s. a week at their actual figures, and weekly payments at over 12s. a week as if they had been made at 12s. a week? *Semle*, the latter would be the correct method.

**Application of Section to Associations making arrangements under Sec. 105.**—Where an association has made an arrangement with the Board of Trade under sec. 105, the sum which had been repaid to it by the Board cannot be reckoned in when calculating the aggregate amount of unemployment benefit. The aggregate amount of unemployment benefit should be calculated on the amount paid out by the association before any repayment is made.

**Sect. 107.**

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Interpreta-  
tion and  
application.

**107.**—(1) For the purposes of this Part of this Act—

The expression “workman” means any person of the age of sixteen or upwards employed wholly or mainly by way of manual labour, who has entered into or works under a contract of service with an employer, whether the contract is expressed or implied, is oral or in writing, and in relation to a person whilst unemployed means a person who, when employed, fulfilled the conditions aforesaid, but does not include an indentured apprentice;

Contributions made by an employer on behalf of a workman shall be deemed to be contributions by the workman;

Two periods of unemployment of not less than two days each, separated by a period of not more than two days, during which the workman has not been employed for more than twenty-four hours or two periods of unemployment of not less than one week each, separated by an interval of not more



than six weeks, shall be treated as a continuous period of unemployment, and the expression "continuously unemployed" shall have a corresponding meaning; Sect. 107.

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Temporary work provided by a central body or distress committee under the Unemployed Workmen Act, 1905, or towards the provision of which any such central body or distress committee has contributed under that Act, shall not be deemed to be employment in an insured trade;

A workman shall not be deemed to be unemployed whilst he is following any remunerative occupation in an insured trade, or whilst he is following any other occupation from which he derives any remuneration or profit greater than that which he would derive from the receipt of unemployment benefit under this part of this Act.

A workman shall not, for the purposes of contributions, be deemed to be employed in any period in respect of which he receives no remuneration from his employer, notwithstanding that he continues during such period in his employment.

The expression "trade dispute" means any dispute between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment, or the terms of employment, or with the conditions of labour, of any persons, whether workmen in the employment of the employer with whom the dispute arises or not.

(2) In determining any question as to whether any trade in which a workman is or has been employed is an insured trade or not, regard shall be had to the nature of the work in which the workman is engaged rather than to the business of the employer by whom he is employed.

(3) This Part of this Act shall apply to workmen employed by or under the Crown to whom this Act would apply if the employer were a private person,



**Sect. 107** — except to such of those workmen as are serving in an established capacity in the permanent service of the Crown, subject, however, to such modifications as may be made therein by Order in Council for the purpose of adapting the provisions of this Part of this Act to the case of such workmen.

(4) If the Board of Trade are satisfied that any class of workmen are, having regard to their claim to pension or to the other terms of their service, in as permanent a position as that of persons serving in an established capacity in the permanent service of the Crown, the Board of Trade may exempt that class of persons from the provisions of this Part of this Act, and any persons so exempt shall not be deemed to be workmen.

**Employed wholly or mainly by Way of Manual Labour.**—

*Vide supra*, p. 22.

**Contract of Service.**—*Vide supra*, p. 6.

**Employer.**—*Vide supra*, pp. 7-14.

**Note on Subsec. (3).**—This subsection is necessary in order to bind the Crown, which, without such express provision, would not be bound by this Part of the Act. For similar provision in Part I. of the Act, *vide supra*, p. 209.

*Workmen serving in an established capacity in the permanent service of the Crown.*—*Cf.* Superannuation Act, 1859 (22 Vict. c. 26), sec. 17, and Superannuation Act, 1887 (50 & 51 Vict. c. 67), sec. 12.



## PART III.

### GENERAL.

**108.** Stamps required for the purposes of this Act **Sect. 108.**  
shall be prepared and issued in such manner as the <sup>Provisions as</sup> Commissioners of Inland Revenue, with the consent of <sup>to stamps.</sup> the Treasury, may direct, and the said Commissioners may, by regulations in accordance with the provisions of Part I. of this Act relating to regulations by the Insurance Commissioners, provide for applying, with the necessary adaptations, as respects such stamps, all or any of the provisions (including penal provisions) of the Stamp Duties Management Act, 1891, as amended by any subsequent Act, and section sixty-five of the Post Office Act, 1908, and may with the consent of the Postmaster-General provide for the sale of such stamps through the Post Office.

For the provisions of this Act which have been applied, *vide* Regulations made by the Treasury.

**The Post Office Act, 1908** (8 Ed. 7, c. 48), sec. 65, provides that—

- (1) A person shall not—
  - (a) make, knowingly utter, deal in, or sell any fictitious stamp, or knowingly use for any postal purpose any fictitious stamp; or
  - (b) have in his possession, unless he shows a lawful excuse, any fictitious stamp; or
  - (c) make, or, unless he shows a lawful excuse, have in his possession, any die, plate, instrument, or materials for making any fictitious stamp.
- (2) If any person acts in contravention of this section, he shall be liable, on summary conviction, on a prosecution by order of the Commissioners of Inland Revenue, to a fine not exceeding twenty pounds, subject of the like right of appeal as in the case of a penalty under the Acts relating to the Excise.
- (3) Any stamp, die, plate, instrument or materials found in the possession of any person in contravention of this section may be seized and shall be forfeited.
- (4) For the purposes of this section, "fictitious stamp" means any facsimile or imitation or representation, whether on paper or



**Sect. 108.** otherwise, of any stamp for denoting a rate of postage of any British possession or of any foreign country.

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THE POST OFFICE ACT, 1908. The regulations made by the Treasury apply this section as though the words "fictitious stamps" included any facsimile or imitation or representation, whether on paper or otherwise, of an Insurance Stamp, and as though the words "postal purpose" included the purpose of the payment of contributions under the National Insurance Act, 1911.

**Sect. 109.** **109.** In granting outdoor relief to a person in receipt of or entitled to receive any benefit under this Act, a board of guardians shall not take into consideration any such benefit, except so far as such benefit exceeds five shillings a week.

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Outdoor relief.

**Outdoor Relief.**—*Vide* The Poor Law Amendment Act, 1834 (4 & 5 Will. 4, c. 76), ss. 52-54, the Outdoor Relief Prohibitory Order of 1844, and the Outdoor Relief Regulation Order of 1852.

[*Note.*—This section follows the lines of The Outdoor Relief (Friendly Societies) Act, 1904 (4 Ed. 7, c. 32), s. 1 (2).]

**Sect. 110.** **110.**—(1) There shall be included among the debts which, under section one of the Preferential Payments in Bankruptcy Act, 1888, and section two hundred and nine of the Companies (Consolidation) Act, 1908, are, in the distribution of the property of a bankrupt and in the distribution of the assets of a company being wound up, to be paid in priority to all other debts, all contributions payable under this Act by the bankrupt or the company in respect of employed contributors or workmen in an insured trade during the four months before the date of the receiving order, or, as the case may be, the commencement of the winding-up or the winding-up order, and those Acts shall have effect accordingly, and formal proof of the debts to which priority is given under this section shall not be required except in cases where it may otherwise be provided by rules made under the Bankruptcy Act, 1883, or the Companies (Consolidation) Act, 1908.

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Priority of claims for contributions due by bankrupt employers.

(2) In the case of the winding up of a company within the meaning of the Stannaries Act, 1887, such contributions as aforesaid shall, if payable in respect of



a miner, have the like priority as is conferred on wages of miners by section nine of that Act, and that section shall have effect accordingly. Sect. 110.  
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(3) This section shall not apply where a company is wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company.

(4) In the application of this section to Scotland, a reference to section three of the Bankruptcy (Scotland) Act, 1875, and the respective dates therein mentioned shall be substituted for the reference to section one of the Preferential Payments in Bankruptcy Act, 1888, and the date of the receiving order; and an Act of Sederunt under the Bankruptcy Amendment (Scotland) Act, 1856, shall be substituted for Rules under the Bankruptcy Act, 1883.

(5) In the application of this section to Ireland a reference to section four of the Preferential Payments in Bankruptcy (Ireland) Act, 1889, shall be substituted for the reference to section one of the Preferential Payments in Bankruptcy Act, 1888; and a reference to general orders made under the first-mentioned Act shall be substituted for the reference to rules made under the Bankruptcy Act, 1883; and any reference to a bankrupt shall include a reference to an arranging debtor; and the reference to the receiving order shall be construed as a reference to the order of adjudication in the case of a bankrupt, or to the filing of the petition for arrangement in the case of an arranging debtor.

**The Preferential Payments in Bankruptcy Act** (51 & 52 Vict. c. 62), s. 1, and **The Companies (Consolidation) Act, 1908** (8 Ed. 7, c. 69), s. 209, enact that, in the case of a receiving order, or, in the case of a company, of a winding up or winding-up order, certain debts are to rank equally among themselves and abate in proportion, but are to be paid in priority to all other debts.

**All Contributions payable under this Act.**—This includes the contributions for health insurance under Part I. of this Act, and the contributions for unemployment insurance under Part II. of this Act. In the former case, *quære* who is the creditor entitled to prove? In the latter case, it would appear that contributions may be recovered by the Board of Trade, *vide* sec. 101 (4), *supra*,



**Sect. 110.** p. 320). There is no similar provision to this in Part I. of the Act. It is submitted that the Insurance Commissioners are the creditors for contributions under that Part of this Act (*cf.* sec. 71 *supra*, p. 249). *Sed quære?*

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ALL CON-  
TRIBUTIONS  
PAYABLE  
UNDER THIS  
ACT.

**Rules made under the Bankruptcy Act, 1883, or the Companies (Consolidation) Act, 1908.**—For the rules as to proof, *vide* Rules 219-231 the Bankruptcy Rules, 1886-1890, and Schedule 2 of the Bankruptcy Act, 1883 (46 & 47 Vict. c. 52), also Rules 88-114 Companies Act (Winding-up Rules), 1909.

**A Company within the Meaning of the Stannaries Act, 1887.**—By (50 & 51 Vict. c. 43), s. 2, "The term 'company' means any persons or partnership body, joint stock company, company constituted under the Companies Act, 1862, or any statutory modification thereof, and whether corporate or unincorporate, and whether limited or unlimited, engaged in or formed for working mines within the stannaries. The term 'the stannaries' means the stannaries of Cornwall and Devon. The Act extends only to metalliferous mines and tin-streaming works within the stannaries."

Sec. 9 enacts: "If at the commencement of the winding-up of any company, whether by the court or otherwise, any wages (not exceeding such an amount as under the fourth section of the Act would be made a first charge), are unpaid, the same shall be paid by the liquidator forthwith in priority to all other costs except costs of and incidental to the making of the order for the winding up . . . and subject to the tenth section of the Act, to all claims, whether by mortgages, execution creditors, or any other person whatsoever; but subject as aforesaid the court may by order charge the whole or any part of the assets of the company, in absolute priority to all claims and to all existing mortgages or charges thereon with the payment of a sum sufficient to discharge the said wages. . . ."

[*Note.*—Bankruptcy (Scotland) Act, 1875 (38 & 39 Vict. c. 26), s. 3. Preferential Payments in Bankruptcy (Ireland Act), 1889 (59 & 60 Vict. c. 60), s. 4.]

**Sect. 111.** **111.** Every assignment of, or charge on, and every agreement to assign or charge, any of the benefits conferred by this Act shall be void, and, on the bankruptcy of any person entitled to any such benefit, the benefit shall not pass to any trustee or other person acting on behalf of his creditors.

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Benefits to be  
inalienable.

[*Note.*—This section follows the wording of sec. 6 of the Old Age Pensions Act, 1908 (8 Ed. 7. c. 40).]

**Sect. 112.** **112.**—(1) An inspector appointed under this Act shall, for the purposes of the execution of this Act, have power to do all or any of the following things, namely:—

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Powers of  
inspectors.



- (a) to enter at all reasonable times any premises or place, other than a private dwelling-house not being a workshop, where he has reasonable grounds for supposing that any employed contributors or workmen in an insured trade are employed; Sect. 112.  
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- (b) to make such examination and inquiry as may be necessary for ascertaining whether the provisions of this Act are complied with in any such premises or place;
- (c) to examine, either alone or in the presence of any other person, as he thinks fit, with respect to any matters under this Act, every person whom he finds in any such premises or place, or whom he has reasonable cause to believe to be or to have been an employed contributor or workman in an insured trade, and to require every such person to be so examined, and to sign a declaration of the truth of the matters in respect of which he is so examined;
- (d) to exercise such other powers as may be necessary for carrying this Act into effect.

(2) The occupier of any such premises or place and any other person employing any employed contributor or workman in an insured trade, and the servants and agents of any such occupier or other person, and any employed contributor or workman in an insured trade shall furnish to any inspector all such information and shall produce for inspection all such registers, books, cards, and other documents as the inspector may reasonably require.

(3) If any person wilfully delays or obstructs an inspector in the exercise of any power under this section or fails to give such information or to produce such documents as aforesaid, or conceals or prevents or attempts to conceal or prevent any person from appearing before or being examined by an inspector, he shall be liable on summary conviction to a fine not exceeding five pounds;



**Sect. 112.** Provided that no one shall be required under this section to answer any question or give any evidence tending to incriminate himself.

(4) Where any such premises or place are liable to be inspected by inspectors or other officers, or are under the control, of some other Government department, the Insurance Commissioners or Board of Trade may make arrangements with that other Government department for any of the powers and duties of inspectors under this section being carried out by inspectors or other officers of such other Government department, and, where such an arrangement is made, such inspectors and officers shall have all the powers of an inspector under this section.

(5) Every inspector shall be furnished with the prescribed certificate of his appointment, and on applying for admission to any premises for the purposes of this Act shall, if so required, produce the said certificate to the occupier.

**Private Dwelling-house not being a Workshop.**—The expression “private dwelling-house” is used in sec. 91 (7) of the Public Health Act, 1875 (38 & 39 Vict. c. 55), and in a similar section in the Public Health (London) Act, 1891 (54 & 55 Vict. c. 76), sec. 24 (b). Under the latter of these Acts it was held in *McNair v. Baker*, [1904] 1 K. B. 208, that a club with bedrooms was not a private dwelling-house within the meaning of the section. The expression is frequently used in restrictive covenants in leases, *vide* the cases collected in Stroud’s Judicial Dictionary, p. 1554.

“Workshop” is defined in the Factory and Workshops Act, 1901 (1 Ed. 7, c. 22), sec. 149, as

- (a) Any premises or places named in Part II. of the Sixth Schedule to the Act, which are not a factory; and
- (b) Any premises, room, or place, not being a factory, in which premises, room, or place, or within the close, or curtilage, or precincts of which premises any manual labour is exercised by way of trade, or for purposes of gain in, or incidental to, any of the following purposes, namely:—
  - (i) The making of any article or part of any article; or
  - (ii) The altering, repairing, ornamenting, or finishing of any article; or
  - (iii) The adapting for sale of any article, and to, or over, which premises, room, or place the employer of the persons working therein has the right of access or control.

(For decisions on this section, *vide Fullers, Ltd. v. Squire*, [1901] 2 K. B. 209; and *Hoare v. Robert Green, Ltd.*, [1907] 2 K. B. 315.)



It is submitted that the expression "private dwelling-house not being a workshop" does not mean more than premises used solely as a private dwelling-house.

**Incriminating Evidence.**—The proviso to subsec. (3) would seem to make it extremely difficult for the inspector to obtain any relevant information. It is not easy to suggest any question that he might ask or any evidence that he might require which could not be met with a refusal on the grounds set out in the proviso. There are numerous decisions on the rule of evidence embodied in these words. Reference may be made to Taylor on Evidence, 10th Edition, vol. ii, § 1453, and to the following cases:—*Claridge v. Hoare*, (1807), 14 Ves. 59; *Paxton v. Douglas*, (1812), 19 Ves. 225, where, at p. 226, Lord Eldon, V.C., says: "In no stage of the proceedings can a party be compelled to answer any question accusing himself, or any one in a series of questions that has a tendency to that effect; the rule in these cases being, that he is at liberty to protect himself against answering not only the direct question whether he did what was illegal, but also every question fairly appearing to be put with a view to drawing from him an answer, containing nothing to affect him, except as a link in a chain of proof that is to affect him," and at p. 227, "I have looked into all the cases; and I find the distinction between questions, supposed to have a tendency to criminate, and questions, to which it is supposed answers may be given, as having no connection with the other questions, so very nice, that I can only say, the strong inclination of my mind is to protect the party against answering any question, not only that has a direct tendency to criminate him, but that forms one step towards it . . ."; (*Maccallum v. Turton*, (1828), 2 Y. & J. 183; *Garbett's Case*, (1847), 1 Den. C. C. 236. As to this latter case, *vide* the cases cited in support of the following passage at p. 247 in the argument. "The rule is also applicable, not only to answers directly criminating, but to those which have a tendency to criminate or form a link in the chain or step in the process."

**Employed Contributors.**—*Vide* sec. 1, *supra*, p. 3.

**Workmen in Insured Trades.**—*Vide* sec. 84, *supra*, p. 281.

**113.**—(1) Sections eighty and eighty-one of the Factory and Workshop Act, 1901, relating to the making of regulations under that Act, as set out and adapted in the Ninth Schedule to this Act, shall apply to special orders made under this Act.

(2) Before a special order (other than a special order excluding any occupation from the occupations which are to be deemed employment in an insured trade) comes into force, it shall be laid before each House of Parliament for a period of not less than thirty days during which the House is sitting, and, if either of those Houses before the expiration of those thirty days presents an Address to

## Sect. 112.

PRIVATE  
DWELLING-  
HOUSE NOT  
BEING A  
WORKSHOP.

## Sect. 113.

Procedure for  
making  
special orders.



**Sect. 113.** His Majesty against the order or any part thereof, no further proceedings shall be taken thereon without prejudice to the making of any new order.

**Note.**—A. The following are the principal cases in which, under Part I. of the Act, the Insurance Commissioners must resort to special order procedure:—

- (1) The inclusion among persons employed within the meaning of this Part of this Act of any persons engaged in any of the excepted employments specified in Part II. of the First Schedule (*vide* sec. 1 (2) proviso);
- (2) Provisions for reinsurance with the Commissioners of the liabilities of approved societies for maternity benefit (*vide* sec. 19);
- (3) For the application of sec. 46 (8) to certain men in the Naval Reserves, the Army Reserve, or the Territorial Force.
- (4) For the specification of classes of employment in which the employer is, by custom, liable to pay wages during sickness for the purpose of the provisions of sec. 47, and the extension of such provisions to classes of employment where such custom does not exist (*vide* sec. 47 (1) and (7));
- (5) Increase or reduction of contributions in seasonal trades (sec. 50);
- (6) Exclusion of employment as an outworker from employments within the meaning of this Part of this Act (*vide* First Schedule, Part I. para. (c)).
- (7) For the specification of employments which are subsidiary only and not the principal means of livelihood (*vide* First Schedule, Part II., para. (i)).
- (8) For the exclusion from compulsory insurance of certain share-fishermen (*vide* First Schedule, Part II., para. (k)).

B. The following are the cases in which, under Part II. of the Act, the Board of Trade must resort to special order procedure:—

- (1) For revising rates, &c., of contributions after seven years under sec. 102.
- (2) For extending the provisions of Part II. of the Act to workmen in other than insured trades under sec. 103.
- (3) For excluding ancillary, &c., occupations from insured trades under sec. 104.
- (4) For the exercise of the Board's power to prescribe rates of benefit, &c., under the last paragraph of the Seventh Schedule.

**Sect. 114.** **114.** Where, for the purposes of this Act, the age of any person is required to be proved by the production of a certificate of birth, any person shall, on presenting a written requisition in such form and containing such

Provisions as  
to birth  
certificates.



particulars as may be from time to time prescribed by the Local Government Board for England, Scotland, or Ireland, as the case may be, and, on payment of a fee of sixpence, be entitled to obtain a certified copy of the entry of the birth of that person in the birth register, under the hand of the registrar or superintendent registrar having the custody thereof, and forms for such requisition shall on request be supplied without any charge by every registrar of births and deaths and by every superintendent registrar. Sect. 114.

*Form Prescribed.*—*Vide* Statutory Rules and Orders, 1912, No. 261.

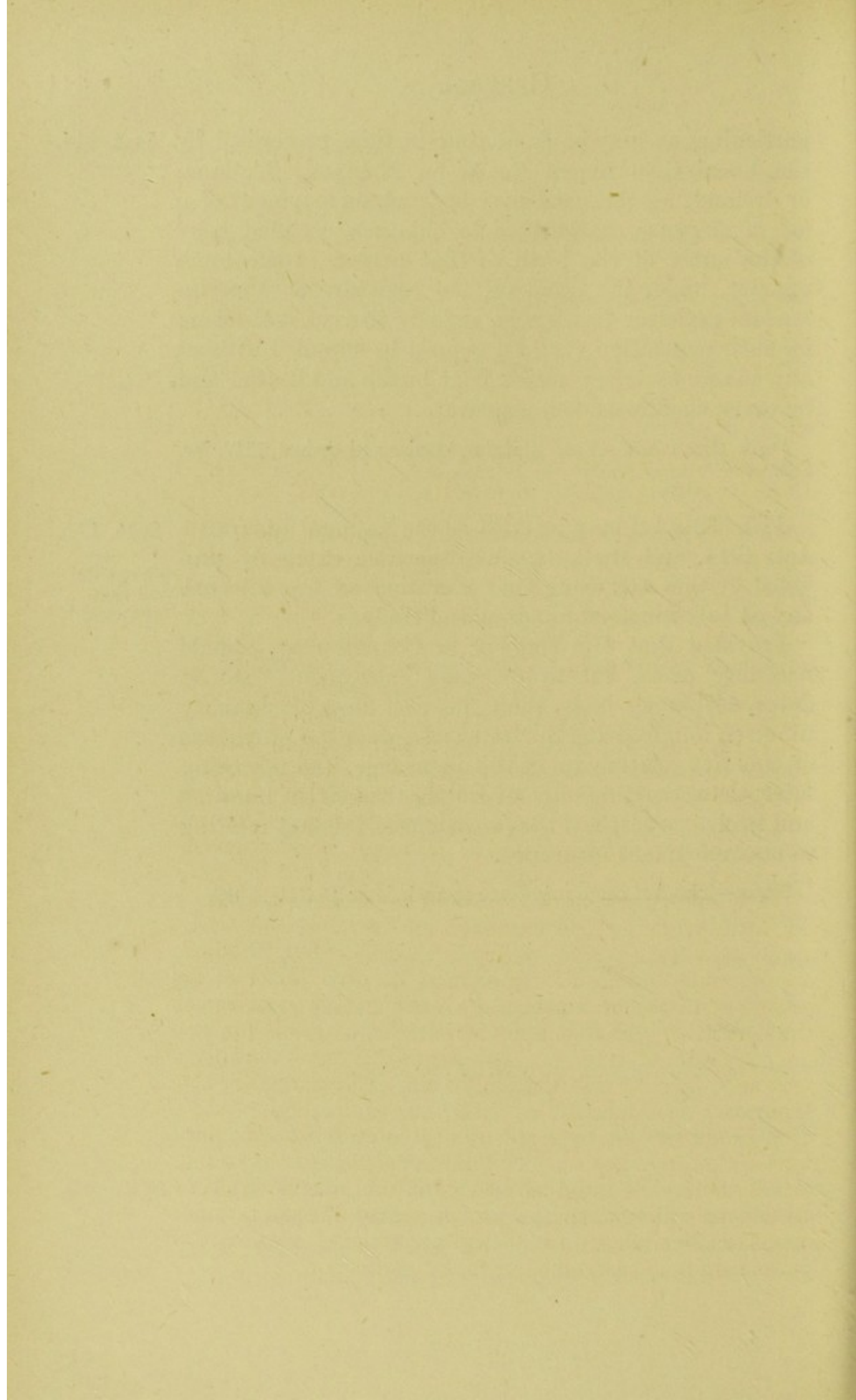
**115.** This Act may be cited as the National Insurance Act, 1911, and shall, save as otherwise expressly provided by this Act, come into operation on the fifteenth day of July nineteen hundred and twelve : Sect. 115.

—  
Short title  
and com-  
mencement.

Provided that His Majesty in Council may, should necessity arise, substitute some subsequent date or dates not being later than the first day of January nineteen hundred and thirteen as respects the provisions of this Act relating to health insurance, and not being later than the first day of October nineteen hundred and twelve as respects the provisions of this Act relating to unemployment insurance.

**Note.**—The Act came into force as a whole on 15 July, 1912.







## SCHEDULES.

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### FIRST SCHEDULE.

Sections 1  
and 81.

#### PART I.

#### EMPLOYMENTS WITHIN THE MEANING OF PART I. OF THIS ACT RELATING TO HEALTH INSURANCE.

(a) Employment in the United Kingdom under any contract of service or apprenticeship, written or oral, whether expressed or implied, and whether the employed person is paid by the employer or some other person, and whether under one or more employers, and whether paid by time or by the piece or partly by time and partly by the piece, or otherwise, or, except in the case of a contract of apprenticeship, without any money payment.

(b) Employment under such a contract as aforesaid as master or a member of the crew of any ship registered in the United Kingdom or of any other British ship or vessel of which the owner, or, if there is more than one owner, the managing owner or manager, resides or has his principal place of business in the United Kingdom.

(c) Employment as an outworker (that is to say, a person to whom articles or materials are given out to be made up, cleaned, washed, altered, ornamented, finished, or repaired, or adapted for sale in his own home or on other premises not under the control or management of the person who gave out the articles or materials for the purposes of the trade or business of the last-mentioned person), unless excluded by a special order made by the Insurance Commissioners, and any such order may exclude outworkers engaged in work of any class, or outworkers of any class or description specified in the order, or may defer the commencement of this Act as respects all outworkers, and the person who gave out the articles or materials shall, in relation to the person to whom he gave them out, be deemed to be the employer.



(d) Employment in the United Kingdom in plying for hire with any vehicle or vessel the use of which is obtained from the owner thereof under any contract of bailment (or in Scotland any contract of letting to hire) in consideration of the payment of a fixed sum or a share in the earnings or otherwise, in which case the owner shall, for the purposes of Part I. of this Act, be deemed to be the employer.

## PART II.

### EXCEPTIONS.

(a) Employment in the naval or military service of the Crown, including service in Officers' Training Corps, except as otherwise provided in Part I. of this Act.

(b) Employment under the Crown or any local or other public authority where the Insurance Commissioners certify that the terms of the employment are such as to secure provision in respect of sickness and disablement on the whole not less favourable than the corresponding benefits conferred by Part I. of this Act.

(c) Employment as a clerk or other salaried official in the service of a railway or other statutory company, or of a joint committee of two or more such companies, where the Insurance Commissioners certify that the terms of employment, including his rights in such superannuation fund as is herein-after mentioned, are such as to secure provision in respect of sickness and disablement, on the whole, not less favourable than the corresponding benefits conferred by Part I. of this Act, and the person so employed is entitled to rights in a superannuation fund established by Act of Parliament for the benefit of persons in such employment, or in Ireland is entitled to rights in any such superannuation fund or in any railway superannuation fund which may be approved by the Insurance Commissioners.

(d) Employment as a teacher to whom the Elementary School Teachers Superannuation Act, 1898, or a scheme under section fourteen of the Education (Scotland) Act, 1908, or the National School Teachers (Ireland) Act, 1879, applies, or, in the event of any similar enactment being hereafter passed as respects teachers or any class of teachers (other than teachers in public elementary schools), as a teacher to whom such enactment applies.



(e) Employment as an agent paid by commission or fees or a share in the profits, or partly in one and partly in another such ways, where the person so employed is mainly dependent for his livelihood on his earnings from some other occupation, or where he is ordinarily employed as such agent by more than one employer, and his employment under no one of such employers is that on which he is mainly dependent for his livelihood.

(f) Employment in respect of which no wages or other money payment is made where the employer is the occupier of an agricultural holding and the employed person is employed thereon, or where the person employed is the child of, or is maintained by, the employer.

(g) Employment otherwise than by way of manual labour and at a rate of remuneration exceeding in value one hundred and sixty pounds a year, or in cases where such employment involves part-time service only, at a rate of remuneration which in the opinion of the Insurance Commissioners, is equivalent to a rate of remuneration exceeding one hundred and sixty pounds a year for whole-time service.

(h) Employment of a casual nature otherwise than for the purposes of the employer's trade or business, and otherwise than for the purposes of any game or recreation where the persons employed are engaged or paid through a club, and in such case the club shall be deemed to be the employer.

(i) Employment of any class which may be specified in a special order as being of such a nature that it is ordinarily adopted as subsidiary employment only and not as the principal means of livelihood.

(j) Employment as an outworker where the person so employed is the wife of an insured person and is not wholly or mainly dependent for her livelihood on her earnings in such employment.

(k) Employment as a member of the crew of a fishing vessel where the members of such crew are remunerated by shares in the profits or the gross earnings of the working of such vessel in accordance with any custom or practice prevailing at any port if a special order is made for the purpose by the Insurance Commissioners, and the particular custom or practice prevailing at the port is one to which the order applies.

(l) Employment in the service of the husband or wife of the employed person.



Sections 4  
and 81.

## SECOND SCHEDULE.

### RATES OF CONTRIBUTION UNDER PART I. OF THIS ACT RELATING TO HEALTH INSURANCE.

#### PART I.

##### *Employed Rate.*

In the case of men	- - - - -	7d. a week.
„ „ women	- - - - -	6d. „

##### *Contributions by Employers and Employed Contributors.*

To be paid by the employer	- - - - -	3d. a week.
„ „ contributor	- { Men, 4d. „	
	{ Women, 3d. „	

In the case of employed contributors of either sex of the age of 21 or upwards whose remuneration does not include the provision of board and lodging by their employer, and the rate of whose remuneration does not exceed 2s. 6d. a working day, the following shall be the rates of contribution :—

Where the rate of remuneration does not exceed 1s. 6d. a working day—

		A week.
To be paid by the employer	- - - { For men, 6d.	
	„ „ women, 5d.	
„ out of moneys provided by Parliament	1d.	

Where the rate of remuneration exceeds 1s. 6d. but does not exceed 2s. a working day—

		A week.
To be paid by the employer	- - - { For men, 5d.	
	„ „ women, 4d.	
„ „ contributor	- - - - - 1d.	
„ out of moneys provided by Parliament	1d.	

Where the rate of remuneration exceeds 2s. but does not exceed 2s. 6d. a working day—

To be paid by the employer	- - - { For men, 4d.	
	„ „ women, 3d.	
„ „ contributor	- - - - - 3d.	



## PART II.

*Employed Rate in Ireland.*

In the case of men - - - - -  $5\frac{1}{2}d.$  a week.  
 „ „ women - - - - -  $4\frac{1}{2}d.$  „

*Contributions by Employers and Employed Contributors.*

To be paid by the employer - - - - -  $2\frac{1}{2}d.$  a week.  
 „ „ contributor -  $\left\{ \begin{array}{l} \text{Men, } 3d. \\ \text{Women, } 2d. \end{array} \right.$  „

In the case of employed contributors of either sex of the age of 21 or upwards whose remuneration does not include the provision of board and lodging by their employer, and the rate of whose remuneration does not exceed  $2s. 6d.$  a working day, the following shall be the rates of contribution :—

Where the rate of remuneration does not exceed  $1s. 6d.$  a working day—

A week.

To be paid by the employer - - -  $\left\{ \begin{array}{l} \text{For men, } 4\frac{1}{2}d. \\ \text{„ women, } 3\frac{1}{2}d. \end{array} \right.$   
 „ out of moneys provided by Parliament  $1d.$

Where the rate of remuneration exceeds  $1s. 6d.$  but does not exceed  $2s.$  a working day—

A week.

To be paid by the employer - - -  $\left\{ \begin{array}{l} \text{For men, } 4d. \\ \text{„ women, } 3d. \end{array} \right.$   
 „ „ contributor - - - - -  $\frac{1}{2}d.$   
 „ out of moneys provided by Parliament  $1d.$

Where the rate of remuneration exceeds  $2s.$  but does not exceed  $2s. 6d.$  a working day—

To be paid by the employer - - -  $\left\{ \begin{array}{l} \text{For men, } 3\frac{1}{2}d. \\ \text{„ women, } 2\frac{1}{2}d. \end{array} \right.$   
 „ „ contributor - - - - -  $2d.$

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## Section 4.

## THIRD SCHEDULE.

RULES AS TO PAYMENT AND RECOVERY OF CONTRIBUTIONS  
PAID BY EMPLOYERS ON BEHALF OF EMPLOYED CON-  
TRIBUTORS UNDER PART I. OF THIS ACT RELATING  
TO HEALTH INSURANCE.

(1) A weekly contribution shall be payable for each calendar week during the whole or any part of which an employed contributor has been employed by an employer: Provided that, where one weekly contribution has been paid in respect of an employed contributor in any such week, no further contribution shall be payable in respect of him in the same week, and that, where no remuneration has been received and no services rendered by an employed contributor during any such week, or where no services have been rendered by an employed contributor during any such week and the employed contributor has been in receipt of sickness or disablement benefit during the whole or any part of that week, the employer shall not be liable to pay any contribution either on his own behalf or on behalf of the contributor in respect of that week.

(2) The employer shall, except as herein-after provided, be entitled to recover from the employed contributor the amount of any contributions paid by him on behalf of the employed contributor.

(3) Except where the employed contributor does not receive any wages or other pecuniary remuneration from the employer, the amounts so recoverable shall, notwithstanding the provisions of any Act or any contract to the contrary, be recoverable by means of deductions from the wages or other remuneration, and not otherwise; but no such deductions may be made from any wages or remuneration other than such as are paid in respect of the period or part of the period in respect of which the contribution is payable, or in excess of the sum which represents the amount of the contributions for the period (if such period is longer than a week) in respect of which the wages or other remuneration are paid.

(4) Where a contribution paid by the employer on behalf of an employed contributor is recoverable from the contributor but is not recoverable by means of deductions as aforesaid, it shall (without prejudice to any other means of recovery) be recoverable summarily



as a civil debt, but no such contribution shall be recoverable unless proceedings for the purpose are instituted within three months from the date when the contribution was payable.

(5) Where the contributor is employed by more than one employer in any calendar week, the first person employing him in that week or such other employer or employers as may be prescribed shall be deemed to be the employer for the purposes of the provisions of Part I. of this Act relating to the payment of contributions and of this schedule.

(6) Regulations of the Insurance Commissioners may provide that in any cases or any classes of cases where employed contributors work under the general control and management of some person other than their immediate employer, such as the owner, agent, or manager of a mine or quarry, or the occupier of a factory or workshop, such person shall, for the purposes of the provisions of Part I. of this Act relating to the payment of contributions and of this schedule, be treated as the employer, and may provide for allowing him to deduct the amount of any contributions (other than employer's contributions) which he may become liable to pay from any sums payable by him to the immediate employer, and for enabling the immediate employer to recover from the employed contributors the like sums and in the like manner as if he were liable to pay the contributions.

(7) Where the contributor is not paid wages or other money payments by his employer or any other person, the employer shall be liable to pay the contributions payable both by himself and the contributor, and shall not be entitled to recover any part thereof from the contributor.

(8) Notwithstanding any contract to the contrary, the employer shall not be entitled to deduct from the wages of or otherwise to recover from the contributor the employer's contribution.

(9) Any sum deducted by any employer from wages or other remuneration under this schedule shall be deemed to have been entrusted to him for the purpose of paying the contribution in respect of which it was deducted.

(10) The Insurance Commissioners may, by regulations,



provide that in the case of outworkers the contributions to be paid may be determined by reference to the work actually done, instead of by reference to the weeks in which work is done, and any such regulations may apply to all trades or to any specified classes or branches of trades, and may determine the conditions to be complied with by employers who adopt such a system of payment of contributions.

(11) For the purposes of this schedule the expression "calendar week" means the period from midnight on one Sunday to midnight on the following Sunday.

Sections 8, 9,  
37, 44, and 81.

#### FOURTH SCHEDULE.

##### BENEFITS UNDER PART I. OF THIS ACT RELATING TO HEALTH INSURANCE.

##### PART I.

##### *Rates of Benefits.*

##### TABLE A.—*Ordinary Rates.*

Sickness benefit: for men, the sum of 10s. a week throughout the whole period of twenty-six weeks; for women, the sum of 7s. 6d. a week throughout the whole period of twenty-six weeks.

Disablement benefit: the sum of 5s. a week for men and women alike.

##### TABLE B.—*Reduced Rates in the case of Unmarried Minors.*

Sickness benefit—for males, the sum of 6s. a week during the first thirteen weeks and the sum of 5s. a week during the second thirteen weeks.

for females, the sum of 5s. a week for the first thirteen weeks and the sum of 4s. a week for the second thirteen weeks.

Disablement benefit—for females, the sum of 4s. a week.



TABLE C.—*Reduced Rates for Persons over Fifty in certain cases.*

Where the insured person is over 50 and under 60 at the time of becoming an employed contributor—

For men, the sum of 7s. a week throughout the whole period of twenty-six weeks.

For women, the sum of 6s. a week throughout the whole period of twenty-six weeks.

Where the insured person is over 60 at the time of becoming an employed contributor—

For both men and women, the sum of 6s. a week for the first thirteen weeks, and 5s. a week during the second thirteen weeks.

TABLE D.—*Rates and Conditions for Married Women.*

Sickness benefit: during the first thirteen weeks, the sum of 5s. a week; during the second thirteen weeks, 3s. a week.

Disablement benefit: the sum of 3s. a week.

Sickness and disablement benefit shall not be payable during the two weeks before and four weeks after confinement, except in respect of a disease or disablement neither directly nor indirectly connected with childbirth.

## PART II.

### *Additional Benefits.*

(1) Medical treatment and attendance for any persons dependent upon the labour of a member.

(2) The payment of the whole or any part of the cost of dental treatment.

(3) An increase of sickness benefit or disablement benefit in the case either of all members of the society or of such of them as have any children or any specified number of children wholly or in part dependent upon them.

(4) Payment of sickness benefit from the first, second, or third day after the commencement of the disease or disablement.

(5) The payment of a disablement allowance to members though not totally incapable of work.



(6) An increase of maternity benefit.

(7) Allowances to a member during convalescence from some disease or disablement in respect of which sickness benefit or disablement benefit has been payable.

(8) The building or leasing of premises suitable for convalescent homes and the maintenance of such homes.

(9) The payment of pensions or superannuation allowances whether by way of addition to old age pensions under the Old Age Pensions Act, 1908, or otherwise.

(10) The payment, subject to the prescribed conditions, of contributions to superannuation funds in which the members are interested.

(11) Payments to members who are in want or distress, including the remission of arrears whenever such arrears may have become due.

(12) Payments for the personal use of a member who, by reason of being an inmate of a hospital or other institution, is not in receipt of sickness benefit or disablement benefit.

(13) Payments to members not allowed to attend work on account of infection.

(14) Repayment of the whole or any part of contributions thereafter payable under Part I. of this Act by members of the society or any class thereof.

### PART III.

#### *Benefits for Married Women who do not become Voluntary Contributors at reduced Rates.*

Payment of the sum of 5s. a week on confinement during a period not exceeding four weeks on any one occasion.

Payments during any period of sickness or distress, subject to regulations made by the Insurance Commissioners and to the discretion of the society or committee administering the benefit.

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## FIFTH SCHEDULE.

Section 10.

REDUCTION OR POSTPONEMENT OF SICKNESS BENEFIT AND  
WHERE CONTRIBUTIONS ARE IN ARREAR.

TABLE.

(1)				(2)			
Where the arrears amount to				Rates of Sickness Benefit.			
				Men.		Women.	
				s.	d.	s.	d.
4 contributions a year on average				9	6	7	3
5	"	"	"	9	0	7	0
6	"	"	"	8	6	6	9
7	"	"	"	8	0	6	6
8	"	"	"	7	6	6	3
9	"	"	"	7	0	6	0
10	"	"	"	6	6	5	9
11	"	"	"	6	0	5	6
12	"	"	"	5	6	5	3
13	"	"	"	5	0	5	0
For both Men and Women.				5s. 0d. commencing 5th day after commencement of illness.			
				"	"	6th	" "
				"	"	7th	" "
				"	"	8th	" "
				"	"	9th	" "
				"	"	10th	" "
				"	"	11th	" "
				"	"	12th	" "
				"	"	13th	" "
				"	"	14th	" "

## Notes.

Where the insured person is, by virtue of any of the provisions of Part I. of this Act, other than those relating to arrears, entitled to sickness benefit at a rate lower than the full rate, this Table shall have effect as if the entries in the first column were so shifted down that the first entry therein was set opposite the entry in the second column next below the entry specifying the rate of sickness benefit to which the insured person is entitled.

When the rate of sickness benefit during the first thirteen weeks to which the insured person is entitled



is, by virtue of any of the provisions of this Act, other than those relating to arrears, less than 5*s.* a week, this Table shall have effect as if such lower rate were therein substituted for the rate of 5*s.* a week.

Section 84.

#### SIXTH SCHEDULE.

##### LIST OF INSURED TRADES FOR THE PURPOSES OF PART II. OF THIS ACT RELATING TO UNEMPLOYMENT INSURANCE.

(1) Building; that is to say, the construction, alteration, repair, decoration, or demolition of buildings, including the manufacture of any fittings of wood of a kind commonly made in builders' workshops or yards.

(2) Construction of works; that is to say, the construction, reconstruction, or alteration of railroads, docks, harbours, canals, embankments, bridges, piers or other works of construction.

(3) Shipbuilding; that is to say, the construction, alteration, repair or decoration of ships, boats or other craft by persons not being usually members of a ship's crew, including the manufacture of any fittings of wood of a kind commonly made in a shipbuilding yard.

(4) Mechanical engineering, including the manufacture of ordnance and firearms.

(5) Ironfounding, whether included under the foregoing headings or not.

(6) Construction of vehicles; that is to say, the construction, repair, or decoration of vehicles.

(7) Sawmilling (including machine woodwork) carried on in connection with any other insured trade or of a kind commonly so carried on.

Section 84.

#### SEVENTH SCHEDULE.

##### RATES AND PERIODS OF UNEMPLOYMENT BENEFIT.

In respect of each week following the first week of any period of unemployment, seven shillings, or such other rates as may be prescribed either generally or for any particular trade or any branch thereof:



Provided that, in the case of a workman under the age of eighteen, no unemployment benefit shall be paid while the workman is below the age of seventeen, and while the workman is of the age of seventeen or upwards but below the age of eighteen, unemployment benefit shall only be paid at half the rate at which it would be payable if the workman was above the age of eighteen.

No workman shall receive unemployment benefit for more than fifteen or such other number of weeks as may be prescribed either generally or for any particular trade or branch thereof within any period of twelve months, or in respect of any period less than one day.

No workman shall receive more unemployment benefit than in the proportion of one week's benefit for every five contributions paid by him under this Act:

Provided that for the purpose of the foregoing paragraph—

- (a) in the case of a workman who satisfies the Board of Trade that he is over the age of twenty-one and has habitually worked at an insured trade before the commencement of this Act, there shall be deemed to be added to the number of contributions which he has actually paid five contributions for each period of three months or part of such period during which he has so worked before the commencement of this Act, up to a maximum of twenty-five contributions; and
- (b) where, owing to the fact that the wages or other remuneration of a workman are paid at intervals greater than a week, or for any other like reason contributions are paid under Part II. of this Act in respect of any workman at intervals greater than a week, that workman shall be entitled to treat each of such contributions as so many contributions as there are weeks in the period for which the contribution has been paid.

Any time during which a workman is, under Part II. of this Act, disqualified for receiving unemployment benefit shall be excluded in the computation of periods of unemployment under this schedule.

A period of unemployment shall not be deemed to commence till the workman has made application for



unemployment benefit in such manner as may be prescribed.

The power conferred by this schedule on the Board of Trade to prescribe rates and periods of unemployment benefit shall not be exercised so as to increase the rate of benefit above eight shillings per week or reduce it below six shillings per week, or to increase the period of unemployment benefit above fifteen weeks, or to alter the proportion which the period of benefit bears to the number of contributions paid, except by rules confirmed by an order made in accordance with the provisions of this Act relating to special orders.

Sections 85,  
102, and 103.

## EIGHTH SCHEDULE.

### CONTRIBUTIONS FOR THE PURPOSES OF PART II. OF THIS ACT RELATING TO UNEMPLOYMENT INSURANCE.

#### RATES OF CONTRIBUTION FROM WORKMEN AND EMPLOYERS.

From every workman employed in an insured  
trade for every week he is so employed -  $2\frac{1}{2}d.$

From every employer by whom one or more  
workmen are employed in an insured trade,  
in respect of each workman, for every week  
he is so employed - - - - -  $2\frac{1}{2}d.$

Provided that, in the case of a workman below the age of eighteen,  $1d.$  shall be substituted for  $2\frac{1}{2}d.$  as the contribution from the workman and from the employer, but, for the purpose of reckoning the number of contributions in respect of such a workman except as regards the payment of unemployment benefit before he reaches the age of eighteen, the  $1d.$  shall be treated as two-fifths of a contribution.

Every such period of employment of less than a week shall, for the purposes of this schedule, be treated as if it were employment for a whole week, except that, where the period of employment is two days or less, the contributions both of the employer and of the workman shall be reduced to one penny if the period does not exceed one day and to twopence if it exceeds one day;



and, in such case, in reckoning the number of contributions under Part II. of this Act and the schedules therein referred to, contributions at such reduced rates shall be treated as two-fifths or four-fifths of a contribution as the case may require.

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### NINTH SCHEDULE.

Section 113.

#### PROVISIONS OF THE FACTORY AND WORKSHOP ACT, 1901, APPLIED TO SPECIAL ORDERS MADE UNDER THIS ACT.

80.—(1) Before the authority empowered to make special orders make any special order under this Act, they shall publish, in such manner as they may think best adapted for informing persons affected, notice of the proposal to make the order, and of the place where copies of the draft order may be obtained, and of the time (which shall be not less than twenty-one days) within which any objection made with respect to the draft order by or on behalf of persons affected must be sent to the authority.

(2) Every objection must be in writing and state—

- (a) the draft order or portions of draft order objected to ;
- (b) the specific grounds of objection ; and
- (c) the omissions, additions, or modifications asked for.

(3) The authority shall consider any objection made by or on behalf of any persons appearing to them to be affected which is sent to them within the required time, and they may, if they think fit, amend the draft order, and shall then cause the amended draft to be dealt with in like manner as an original draft.

(4) Where the authority does not amend or withdraw any draft order to which any objection has been made, then (unless the objection either is withdrawn or appears to them to be frivolous) they shall, before making the order, direct an inquiry to be held in the manner hereinafter provided.

81.—(1) The authority may appoint a competent and impartial person to hold an inquiry with regard to any draft order, and to report to them thereon.

(2) The inquiry shall be held in public, and any



objector and any other person who, in the opinion of the person holding the inquiry, is affected by the draft order, may appear at the inquiry either in person or by counsel, solicitor, or agent.

(3) The witnesses on the inquiry may, if the person holding it thinks fit, be examined on oath.

(4) Subject as aforesaid, the inquiry and all proceedings preliminary and incidental thereto shall be conducted in accordance with rules made by the authority.

(5) The fee to be paid to the person holding the inquiry shall be such as the authority may direct and shall be deemed to be part of the expenses of the authority in carrying this Act into effect.

(6) For the purposes of this schedule, the expression "authority" means the Insurance Commissioners or the Board of Trade, as the case may be.



## APPENDIX I.

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### INTERPRETATION.

The following provisions of the Interpretation Act, 1889 (52 & 53 Vict. c. 63), (a), would appear to be material.

1. (1) . . . unless the contrary intention appears—

(a) words importing the masculine gender shall include females; and

(b) words in the singular shall include the plural, and words in the plural shall include the singular.

2. (1) In the construction of every enactment relating to an offence punishable on indictment or on summary conviction, whether contained in an Act passed before or after the commencement of this Act, the expression "person" shall, unless the contrary intention appears, include a body corporate.

12. (2) The expression "the Treasury" shall mean the Lord High Treasurer for the time being or the Commissioners for the time being of Her Majesty's Treasury.

12. (4) The expression "the Admiralty" shall mean the Lord High Admiral of the United Kingdom for the time being, or the Commissioners for the time being for executing the office of Lord High Admiral of the United Kingdom.

12. (8) The expression "the Board of Trade" shall mean the Lords of the Committee for the time being of the Privy Council appointed for the consideration of matters relating to trade and foreign plantations.

12. (11) The expression "Postmaster General" shall mean Her Majesty's Postmaster General for the time being.

12. (17) The expression "National Debt Commissioners" shall mean the Commissioners for the time being for the Reduction of the National Debt.

15. . . . (1) The expression "municipal borough" shall mean, as respects England and Wales, any place for the time being subject to the Municipal Corporations Act, 1882, and any reference to the mayor, aldermen, and burgesses of a borough shall include reference to the mayor, aldermen, and citizens of a city, and any reference to the powers, duties, liabilities, or property of the council of a borough shall be construed as a reference to the powers, duties, liabilities, or property of the mayor, aldermen, and burgesses of the borough acting by this council.

15 (4) The expression "borough" when used in relation to local government shall mean a municipal borough as above defined.

18 . . . (1) The expression "British Islands" shall mean the United Kingdom, the Channel Islands, and the Isle of Man.



18. (2) The expression "British possession" shall mean any part of Her Majesty's dominions exclusive of the United Kingdom, and where parts of such dominions are under both a central and a local legislature, all parts under the central legislature shall, for the purposes of this definition, be deemed to be one British possession.

32. (1) Where an Act passed after the commencement of this Act confers a power or imposes a duty, then, unless the contrary intention appears, the power may be exercised and the duty shall be performed from time to time as occasion requires.

32. (3) Where an Act passed after the commencement of this Act confers a power to make any rules, regulations, or bye-laws, the power shall, unless the contrary intention appears, be construed as including a power exercisable in the like manner and subject to the like consent and conditions, if any, to rescind, revoke, amend, or vary the rules, regulations, or bye-laws.

36. (1) In this Act, and in every Act passed either before or after the commencement of this Act, the expression "commencement" where used with reference to an Act, shall mean the time at which the Act comes into operation.

36. (2) Where an Act passed after the commencement of this Act, or any Order in Council, order, warrant, scheme, letters patent, rules, regulations, or bye-laws made, granted, or issued, under a power conferred by any such Act, is expressed to come into operation on a particular day, the same shall be construed as coming into operation immediately on the expiration of the previous day.

37. Where an Act passed after the commencement of this Act is not to come into operation immediately on the passing thereof, and confers power to make any appointment, to make, grant, or issue any instrument, that is to say, any Order in Council, order, warrant, scheme, letters patent, rules, regulations, or bye-laws, to give notices, to prescribe forms, or to do any other thing for the purposes of the Act, that power may, unless the contrary intention appears, be exercised at any time after the passing of the Act, so far as may be necessary or expedient for the purpose of bringing the Act into operation at the date of the commencement thereof, subject to this restriction, that any instrument made under the power shall not, unless the contrary intention appears in the Act, or the contrary is necessary for bringing the Act into operation, come into operation until the Act comes into operation.



## APPENDIX II.

### REGULATIONS, ORDERS, TABLES, ETC.

[NOTE.—In order to economize space, the formal parts of the regulations are in most cases omitted. These consist, as a rule, of a recital of the powers under which the regulations are made, a paragraph giving a short title by which the regulations may be cited, and a paragraph dealing with interpretation.

The regulations are referred to in the body of the book by their short title, and a reference to the page where the power to make the regulations is to be found is appended in every case.]

#### STATUTORY RULES AND ORDERS, 1912.

No. 921.

PROVISIONAL SPECIAL ORDER, DATED JULY 13, 1912, MADE BY THE JOINT COMMITTEE, UNDER SUB-SECTION (2) OF SECTION 1, OF THAT ACT, AS TO OUTWORKERS WHO ARE MARRIED WOMEN.—(*Supra*, p. 2; *vide* also Part II. (j), p. 6.)

1. A married woman engaged in employment as an outworker shall be deemed to be a person employed within the meaning of Part I. of the Act, notwithstanding that she is the wife of an insured person and that she is not wholly or mainly dependent for her livelihood on her earnings as an outworker.

2. This Order shall not apply to Ireland.

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#### STATUTORY RULES AND ORDERS, 1912.

No. 915.

PROVISIONAL SPECIAL ORDER (No. 1) MADE BY THE JOINT COMMITTEE AND BY THE INSURANCE COMMISSIONERS, THE SCOTTISH INSURANCE COMMISSIONERS, THE IRISH INSURANCE COMMISSIONERS, AND THE WELSH INSURANCE COMMISSIONERS, ACTING JOINTLY, AS TO SUBSIDIARY EMPLOYMENT, DATED 13TH JULY, 1912.—(Made under s. 1 (2), p. 2, and First Sched., Part II. (i), *supra*, p. 6.)

1. The employments of the classes set forth in the Schedule to this Order are specified as being of such a nature that they are ordinarily adopted as subsidiary employment only and not as the principal means of livelihood.

#### SCHEDULE.

Employment involving part-time service only in or about a cathedral, church, or other place of religious worship in any of the following capacities :—



Organist or other musician, member of the choir, acolyte, beadle, organ blower, sacristan or verger, sexton, bell ringer.

Employment involving part-time service only in any of the following capacities :—

Probation officer under the Probation of Offenders Act, 1907, member of a fire brigade, temporary drill instructor in the Territorial Force, member of a town band, political agent, water bailiff, lay preacher or scripture reader.

Employment involving part-time service only in or about a theatre, music-hall, or other place of public entertainment in any of the following capacities :—

Money taker, check taker, stage hand, property man, fly man, dresser, usher, linkman, programme seller, { if not otherwise ordinarily engaged in the employment bar attendant, { of the person to whom the service is rendered.

Employment involving occasional attendance only as secretary or clerk of a society, club, philanthropic institution, school, local pension committee, or other similar body.

Employment in Great Britain as a milker, that is to say the employment of a person engaged in milking and not otherwise ordinarily engaged in the employment of the person to whom the service is rendered.

Employment in the delivery of milk or newspapers, where the employment is not continued later than 9 a.m., and the person employed is not otherwise ordinarily engaged in the employment of the person to whom the service is rendered.

Employment in any of the following capacities :—

Member of the crew of a lifeboat, special constable, town crier, hop tyer, caretaker where no wages are paid or other money payments are made, deliverer of postal letters under allowance giving not more than 18 hours' service weekly.

## STATUTORY RULES AND ORDERS, 1912.

### No. 916.

#### THE NATIONAL HEALTH INSURANCE (SUBSIDIARY EMPLOYMENTS) PROVISIONAL ORDER, 1912, (No. 2).

The employments of the classes set forth in Schedule A hereto annexed are specified as being of such a nature that they are ordinarily adopted as subsidiary employment only and not as the principal means of livelihood.

Persons engaged in any of the employments mentioned in the said Schedule A shall be included amongst the persons employed within the meaning of Part I. of the Act, if they satisfy the condition specified in Schedule B hereto annexed.

#### SCHEDULE A.

Employment in any of the following capacities :—

Hop-picker, fruit-picker, pea-picker, potato-picker, flower-puller.

#### SCHEDULE B.

##### *Condition.*

If the person engaged in the employment was immediately before the employment an insured person or the holder of a certificate of exemption granted in pursuance of sub-section (3) of Section 81 of the Act.



## STATUTORY RULES AND ORDERS, 1912.

No. 917.

## THE NATIONAL HEALTH INSURANCE (SUBSIDIARY EMPLOYMENTS) PROVISIONAL ORDER, 1912 (No. 3).

1. The employments of the classes set forth in the Schedule to this Order are specified as being of such a nature that they are ordinarily adopted as subsidiary employment only and not as the principal means of livelihood.

## SCHEDULE.

Employment involving part-time service only in any of the following capacities:—

Chapel-keeper, Bible-woman.

Employment as collector of postal letters under allowance giving not more than 18 hours' service weekly.

Employment as secretary or clerk of a Society, club, philanthropic institution, school, local pension committee, or otherwise in the performance of clerical duties, where the employment involves only occasional service or service outside the ordinary hours of work.

Employment as a sub-postmaster in a shop or other place in which the person so employed carries on another business.

Employment as an Assessor of Taxes or as a Collector of Taxes under the Acts relating to Income Tax, Inhabited House Duty, and Land Tax, unless the employment, or where the employment is in both such capacities the employment in both capacities, involves whole-time service.

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PROVISIONAL REGULATIONS MADE BY THE INSURANCE COMMISSIONERS UNDER SECTION 2, AS TO CLAIMS FOR EXEMPTION, DATED 22ND MAY, 1912. (*Supra*, p. 31.)

The Insurance commissioners (hereinafter called "the Commissioners") appointed for the purposes of Part I. of the National Insurance Act, 1911 (hereinafter called "the Act"), hereby certify under Section 2 of the Rules Publication Act, 1893, that on account of urgency the following Regulations should come into operation immediately, and in pursuance of Sections 2 and 65 of the Act, hereby make the following Regulations to come into operation forthwith as provisional Regulations:—

1.—(1) These Regulations may be cited as the National Health Insurance (Claims for Exemption) Regulations (England), 1912.

(2) These Regulations shall come into operation forthwith.

(3) In these Regulations a "Certificate of Exemption" means a certificate exempting the holder from liability to become or to continue to be insured under the Act, and does not include a certificate exempting a married woman who has elected to become a voluntary contributor upon the terms mentioned in sub-section (2) of Section 44 of the Act from liability to become an employed contributor.

(4) The Interpretation Act, 1889, applies to the interpretation of these Regulations as it applies to the interpretation of an Act of Parliament.

2. A Certificate of Exemption shall be in such form as the Commissioners may direct.

3. A claim for exemption shall be in the form set out in the Schedule to these Regulations, or in such other form, providing for substantially the same particulars, as the Commissioners may direct, and shall be addressed to the Commissioners, either directly or through such officer or person as the Commissioners may direct.

4. A Certificate of Exemption shall remain in force for such period not exceeding







"Exempt person" means a person who has obtained and still holds a certificate of exemption within the meaning of the National Health Insurance (Claims for Exemption) Regulations (England), 1912.

"Exemption card" means a card issued in accordance with these regulations for the purpose of having affixed to it stamps in payment of contributions payable in respect of an exempt person or any other person in respect of whom an employer is liable to pay contributions by virtue of sub-section (4) of section (4) of the Act.

"Exemption book" means a book issued by the Commissioners under these Regulations for the purpose of recording the payment of contributions in respect of an exempt person.

"Stamp" means a stamp issued under and for the purposes of the Act.

"Week" means the period from midnight on one Sunday to midnight on the following Sunday.

"Period of currency" means, in relation to any card or book, the period during which under these Regulations the card or book is available for the purpose of recording the payment of contributions.

"Postmaster" means any postmaster or sub-postmaster.

(2) The Interpretation Act, 1889, applies to the interpretation of these Regulations as it applies to the interpretation of an Act of Parliament.

#### *Exempt Persons.*

3.—(1) The employer shall pay the contribution payable in respect of an exempt person by affixing a stamp in the appropriate place upon a proper exemption card, and shall thereupon, or as soon as may thereafter, record the payment in the exemption book issued to that person by making the necessary entry in that book.

(2) Exemption cards shall be supplied by a postmaster to any employer upon his application, and the employer of an exempt person shall, upon the production to him of an exemption book, take steps as soon as may be to procure an exemption card.

(3) Every employer who has procured an exemption card in accordance with this Regulation shall be responsible for the custody of the card during the period of its currency, and shall forward it to the Commissioners within fourteen days after the expiration of that period.

(4) No exemption card shall be deemed to be a proper exemption card for the purpose of the payment of contributions unless it is a card current at the time and unless the employer has inscribed upon it the name of the exempt person in respect of whom the contributions are payable, and the number of the exemption certificate issued to that person.

(5) The provisions of the National Health Insurance (Collection of Contributions) Regulations, 1912, relating to the stamping of cards (including the provisions as to cancellation of stamps) shall apply to exemption cards as if they were cards within the meaning of those Regulations.

4.—(1) The Commissioners shall issue to every person to whom a certificate of exemption is granted or renewed an exemption book to be current for the period of validity of the certificate so granted or renewed.

(2) No exemption book shall be valid until the person to whom it is issued has inscribed his signature in the place provided for the purpose in the book.

(3) The provisions of the National Health Insurance (Collection of Contributions) Regulations, 1912, relating to the production and delivery of cards to the employer and to their custody and return by him, shall apply to the production and delivery of exemption books as if they were cards within the meaning of those Regulations.

In addition to his liability under the foregoing provision, an exempt person shall be liable to produce his exemption book to his employer immediately after the issue of the book to him, and subsequently, whenever he enters the employment of a new employer, immediately after the commencement of the employment.

Provided that an exempt person shall not be liable to any penalty for failure to comply with this provision if he shows that there was reasonable cause for the failure.



*Persons other than exempt persons in respect of whom an employer is liable to pay contributions under Section 4 (4).*

5. The employer shall pay the contribution payable in respect of any person (not being an exempt person) in respect of whom he is liable to pay contributions under sub-section (4) of section 4 of the Act (in these Regulations referred to as an excluded person) by affixing a stamp in the appropriate place upon a proper exemption card, and no exemption card shall be deemed to be a proper exemption card for the purpose of the payment of any such contribution unless it is a card current at the time, and unless the employer has inscribed upon it the name of the excluded person in respect of whom the contribution is payable.

6. An excluded person may apply to the Commissioners in such form as they may direct for the issue to him of an exemption book, and the Commissioners may issue an exemption book to him accordingly.

Where an exemption book is issued to an excluded person the provisions of these Regulations relating to exemption books issued to exempt persons shall have effect as if references in those provisions to exempted persons included a reference to excluded persons.

#### *Miscellaneous.*

7.—(1) All exemption cards and books for the purpose of these Regulations shall be issued without charge by the Commissioners, and when issued shall remain the property of the Commissioners, and shall be in the forms set out in the Schedules to these Regulations, or in such forms to the like effect as may from time to time be approved by the Commissioners.

(2) All directions and instructions appearing upon the forms set out in the Schedules to these Regulations shall be deemed to be incorporated in these Regulations.

(3) If an exemption book has been lost, destroyed, or so damaged as to be useless the Commissioners may, at any time upon the production of such evidence as they may require of the loss, destruction, or damage of the book, issue to the person to whom the exemption book was issued a new exemption book to be current for the period during which the book so lost, destroyed, or damaged would have been current.

8. These Regulations shall not apply to outworkers in respect of whom, by virtue of any Regulations made under paragraph (10) of the Third Schedule to the Act, contributions are payable by reference to work actually done instead of by reference to the weeks in which the work is done, except in so far as these Regulations may be expressly applied by any Regulations so made to any such outworkers.

9. Any person having in his possession an exemption card or book shall produce it at any reasonable time when required by an inspector or other officer appointed under the Act or duly authorised to act in the execution of the Act.

10. Upon the death of any exempt person any person having, or thereafter obtaining, possession of his exemption book shall as soon as may be deliver the book to the Commissioners.

11. No person shall assign or charge, or agree to assign or charge, any exemption card or book, and any sale, transfer, or assignment of, or any charge on, any such card or book shall be void and of no effect.

12. When by these Regulations anything is required to be done by any postmaster the Regulations shall have effect only in so far as His Majesty's Postmaster-General may concur therein.

#### SURRENDER OF BOOK.

##### ON BECOMING AN INSURED PERSON.

If the person to whom this Book is issued *becomes an insured person*, he (she) must surrender this Book to his (her) Society or to the Post Office when taking up his (her) Contribution Card.



## ON CEASING TO BE ENTITLED TO EXEMPTION.

If the person to whom this Book is issued ceases to be entitled to exemption and *does not become an insured person* he (she) must return it to the Insurance Commissioners, London, S.W., within 14 days.

## ON EXPIRY OF BOOK.

This Book must be sent to the Insurance Commissioners, London, S.W., within 14 days of its expiry.

## RENEWAL OF EXEMPTION CERTIFICATE.

If the person to whom this Book is issued desires to obtain a renewal of the certificate of exemption he (she) should, not more than one month before 13th July, 1913, apply to the Insurance Commissioners, London, S.W., for a form of claim for the renewal of the certificate.

If a renewal of the certificate is granted a new book will be issued to him (her) in exchange for the expired book.

If the person in respect of whom this Book is issued changes his (her) address during the currency of the Book, the new address should be entered on page 2 in the space provided.

Except as herein provided, no mark of any kind may be made in this Book, nor may anything be affixed to it by the Employer or any other person. If the Book is accidentally so damaged or defaced as to become useless for the purpose for which it was issued, it should be returned to the Insurance Commissioners, London, S.W.

In the event of Death, this Book must be returned to the Insurance Commissioners, London, S.W.

VOLUNTARY RATE FOR MALE INSURED PERSONS ENTERING INTO INSURANCE BEFORE  
THE 15TH DAY OF JANUARY, 1913. (Made under s. 5. (1) *supra*, p. 43.)

*England, Scotland, and Wales.*

Male Voluntary Contributors.

Age.	Weekly Contribution.	Age.	Weekly Contribution.
	<i>s. d.</i>		<i>s. d.</i>
45 and under 46 . . . .	0 9	55 and under 56 . . . .	1 0½
46     "     47 . . . .	0 9	56     "     57 . . . .	1 1
47     "     48 . . . .	0 9½	57     "     58 . . . .	1 1½
48     "     49 . . . .	0 10	58     "     59 . . . .	1 2
49     "     50 . . . .	0 10	59     "     60 . . . .	1 2½
50     "     51 . . . .	0 10½	60     "     61 . . . .	1 2½
51     "     52 . . . .	0 10½	61     "     62 . . . .	1 3
52     "     53 . . . .	0 11	62     "     63 . . . .	1 3½
53     "     54 . . . .	0 11½	63     "     64 . . . .	1 3½
54     "     55 . . . .	1 0	64     "     65 . . . .	1 3½



*Ireland.*

Age.	Weekly Contribution.	Age.	Weekly Contribution.
	<i>s. d.</i>		<i>s. d.</i>
45 and under 46 . . . .	0 7	55 and under 56 . . . .	0 10½
46 „ 47 . . . .	0 7	56 „ 57 . . . .	0 10½
47 „ 48 . . . .	0 7½	57 „ 58 . . . .	0 11
48 „ 49 . . . .	0 8	58 „ 59 . . . .	0 11½
49 „ 50 . . . .	0 8	59 „ 60 . . . .	1 0
50 „ 51 . . . .	0 8½	60 „ 61 . . . .	1 0
51 „ 52 . . . .	0 8½	61 „ 62 . . . .	1 0½
52 „ 53 . . . .	0 9	62 „ 63 . . . .	1 0½
53 „ 54 . . . .	0 9½	63 „ 64 . . . .	1 0½
54 „ 55 . . . .	0 10	64 „ 65 . . . .	1 0½

## STATUTORY RULES AND ORDERS, 1912.

No. 530.

TABLE, PREPARED BY THE NATIONAL HEALTH INSURANCE JOINT COMMITTEE, DATED MAY 29, 1912, UNDER SECTION 5 (1) OF THE NATIONAL INSURANCE ACT, 1911 (1 & 2 GEO. 5, c 55), SHOWING THE VOLUNTARY RATE FOR FEMALE INSURED PERSONS ENTERING INTO INSURANCE BEFORE THE 15TH DAY OF JANUARY, 1913. (*Supra*, p. 43.)

*England, Scotland, and Wales.*

## Female Voluntary Contributors.

Age.	Weekly Contribution.	Age.	Weekly Contribution.
	<i>s. d.</i>		<i>s. d.</i>
45 and under 46 . . . .	0 8	55 and under 56 . . . .	0 11
46 „ 47 . . . .	0 8½	56 „ 57 . . . .	0 11½
47 „ 48 . . . .	0 8½	57 „ 58 . . . .	1 0
48 „ 49 . . . .	0 9	58 „ 59 . . . .	1 0½
49 „ 50 . . . .	0 9	59 „ 60 . . . .	1 1
50 „ 51 . . . .	0 9½	60 „ 61 . . . .	1 1
51 „ 52 . . . .	0 9½	61 „ 62 . . . .	1 1½
52 „ 53 . . . .	0 10	62 „ 63 . . . .	1 1½
53 „ 54 . . . .	0 10½	63 „ 64 . . . .	1 1½
54 „ 55 . . . .	0 11	64 „ 65 . . . .	1 1½



*Ireland.*

Age.	Weekly Contribution.	Age.	Weekly Contribution.
	<i>s. d.</i>		<i>s. d.</i>
45 and under 46 . . . .	0 6	55 and under 56 . . . .	0 9
46     "     47 . . . .	0 6½	56     "     57 . . . .	0 9½
47     "     48 . . . .	0 6½	57     "     58 . . . .	0 9½
48     "     49 . . . .	0 7	58     "     59 . . . .	0 10
49     "     50 . . . .	0 7	59     "     60 . . . .	0 10
50     "     51 . . . .	0 7½	60     "     61 . . . .	0 10½
51     "     52 . . . .	0 7½	61     "     62 . . . .	0 10½
52     "     53 . . . .	0 8	62     "     63 . . . .	0 10½
53     "     54 . . . .	0 8½	63     "     64 . . . .	0 10½
54     "     55 . . . .	0 8½	64     "     65 . . . .	0 10½

VOLUNTARY RATE FOR MALE<sup>1</sup> INSURED PERSONS ENTERING INTO INSURANCE  
ON OR AFTER THE 15TH DAY OF JANUARY, 1913 (made under s. 5 (1), *supra*, p. 43).

*England, Scotland, and Wales.*

Age.	Weekly Contribution.	Age.	Weekly Contribution.
	<i>s. d.</i>		<i>s. d.</i>
16 and under 17 . . . .	0 7	40 and under 41 . . . .	0 9½
17     "     18 . . . .	0 7	41     "     42 . . . .	0 9½
18     "     19 . . . .	0 7½	42     "     43 . . . .	0 10
19     "     20 . . . .	0 7½	43     "     44 . . . .	0 10
		44     "     45 . . . .	0 10½
20     "     21 . . . .	0 7½	45     "     46 . . . .	0 10½
21     "     22 . . . .	0 7½	46     "     47 . . . .	0 11
22     "     23 . . . .	0 7½	47     "     48 . . . .	0 11
23     "     24 . . . .	0 7½	48     "     49 . . . .	0 11½
24     "     25 . . . .	0 7½	49     "     50 . . . .	0 11½
25     "     26 . . . .	0 8	50     "     51 . . . .	1 0
26     "     27 . . . .	0 8	51     "     52 . . . .	1 0½
27     "     28 . . . .	0 8	52     "     53 . . . .	1 0½
28     "     29 . . . .	0 8	53     "     54 . . . .	1 1
29     "     30 . . . .	0 8	54     "     55 . . . .	1 1½
30     "     31 . . . .	0 8	55     "     56 . . . .	1 2
31     "     32 . . . .	0 8½	56     "     57 . . . .	1 2½
32     "     33 . . . .	0 8½	57     "     58 . . . .	1 3
33     "     34 . . . .	0 8½	58     "     59 . . . .	1 3½
34     "     35 . . . .	0 8½	59     "     60 . . . .	1 4
35     "     36 . . . .	0 9	60     "     61 . . . .	1 4½
36     "     37 . . . .	0 9	61     "     62 . . . .	1 4½
37     "     38 . . . .	0 9	62     "     63 . . . .	1 5
38     "     39 . . . .	0 9½	63     "     64 . . . .	1 5
39     "     40 . . . .	0 9½	64     "     65 . . . .	1 5

(<sup>1</sup>) The corresponding table for females has not yet been issued (Jan. 1, 1913).



*Ireland.*

Age.		Weekly Contribution.	Age.		Weekly Contribution.
		s. d.			s. d.
16 and under 17 . . . .		0 5½	40 and under 41 . . . .		0 7½
17 " 18 . . . .		0 5½	41 " 42 . . . .		0 8
18 " 19 . . . .		0 6	42 " 43 . . . .		0 8
19 " 20 . . . .		0 6	43 " 44 . . . .		0 8
			44 " 45 . . . .		0 8½
20 " 21 . . . .		0 6			
21 " 22 . . . .		0 6	45 " 46 . . . .		0 8½
22 " 23 . . . .		0 6	46 " 47 . . . .		0 9
23 " 24 . . . .		0 6	47 " 48 . . . .		0 9
24 " 25 . . . .		0 6	48 " 49 . . . .		0 9½
			49 " 50 . . . .		0 9½
25 " 26 . . . .		0 6			
26 " 27 . . . .		0 6½	50 " 51 . . . .		0 10
27 " 28 . . . .		0 6½	51 " 52 . . . .		0 10½
28 " 29 . . . .		0 6½	52 " 53 . . . .		0 10½
29 " 30 . . . .		0 6½	53 " 54 . . . .		0 11
			54 " 55 . . . .		0 11½
30 " 31 . . . .		0 6½			
31 " 32 . . . .		0 6½	55 " 56 . . . .		1 0
32 " 33 . . . .		0 6½	56 " 57 . . . .		1 0
33 " 34 . . . .		0 7	57 " 58 . . . .		1 0½
34 " 35 . . . .		0 7	58 " 59 . . . .		1 1
			59 " 60 . . . .		1 1½
35 " 36 . . . .		0 7			
36 " 37 . . . .		0 7	60 " 61 . . . .		1 2
37 " 38 . . . .		0 7	61 " 62 . . . .		1 2
38 " 39 . . . .		0 7½	62 " 63 . . . .		1 2
39 " 40 . . . .		0 7½	63 " 64 . . . .		1 2
			64 " 65 . . . .		1 2

PROVISIONAL REGULATIONS MADE BY THE JOINT COMMITTEE ESTABLISHED UNDER THE NATIONAL INSURANCE ACT, 1911, AND THE INSURANCE COMMISSIONERS ESTABLISHED UNDER THE SAID ACT, ACTING JOINTLY, AS TO THE PAYMENT AND COLLECTION OF CONTRIBUTIONS, DATED 22ND MAY, 1912 (made under s. 7, *supra*, p. 50).

The Joint Committee of the several bodies of Commissioners appointed for the purposes of Part I. of the National Insurance Act, 1911, acting jointly with the Insurance Commissioners constituted under that Act, hereby certify under Section 2 of the Rules Publication Act, 1893, that on account of urgency the following Regulations should come into operation immediately, and in pursuance of the powers conferred on them by the National Insurance Act, 1911, and by the National Insurance (Joint Committee) Regulations 1912, hereby make the following Regulations to come into operation forthwith as Provisional Regulations.

## GENERAL.

1. These Regulations may be cited as the National Health Insurance (Collection of Contributions) Regulations, 1912.



2.—(1.) In these Regulations, unless the context otherwise requires :—

“ The Act ” means Part I. of the National Insurance Act, 1911 :

“ The Commissioners ” means the Joint Committee of the several bodies of Commissioners appointed for the purposes of the Act, or the Insurance Commissioners, or the Joint Committee and the Insurance Commissioners acting jointly, as the case may require :

“ Society ” means any society, or a separate section of any society, approved by the Commissioners for the purposes of the Act, and includes a branch of an approved society :

“ Employer ” means the person with whom any insured person has entered into a contract of service or apprenticeship, or any person who, in accordance with the provisions of the Act, is to be deemed to be or treated as an employer :

“ Employed person ” means any person employed within the meaning of the Act :

“ Contributor ” means any employed person by or in respect of whom contributions are payable under the Act, or any person who not being an employed person is entitled to be and becomes insured under the Act :

“ Employment ” means employment within the meaning of the Act :

“ Card ” means a card issued in accordance with these Regulations for the purpose of having stamps affixed to it in payment of contributions under the Act, and includes an emergency card where the context so requires :

“ Emergency card ” means a card issued in accordance with these Regulations for the purpose of having a stamp affixed to it in payment of a contribution payable in respect of an employed contributor who fails to deliver a card to his employer in accordance with these Regulations :

“ Stamp ” means a stamp issued under and for the purposes of the Act :

“ Contribution ” means the contribution payable under the Act by or in respect of a contributor for any week :

“ Week ” means the period from midnight on one Sunday to midnight on the following Sunday :

“ Period of currency ” means, in relation to any card or book, the period during which that card or book is available for the purpose of recording the payment of contributions under these Regulations :

“ Insurance Book ” means a book issued in accordance with these Regulations for the purpose of recording particulars of contributions paid, and benefits distributed, in the case of the insured person to whom the book is issued :

“ Postmaster ” means any postmaster or any sub-postmaster.

(2.) For the purposes of these Regulations, separate periods of employment in the service of one employer with intervening periods of employment in the service of another employer shall be deemed to be separate employments.

(3.) The Interpretation Act, 1889, applies to the interpretation of these Regulations as it applies to the interpretation of an Act of Parliament.

3. Every contribution payable under the Act shall, except as otherwise provided in these Regulations, be paid by means of affixing a stamp to the card of the contributor in the space indicated for that purpose upon the card.

#### EMPLOYED CONTRIBUTORS.

4.—(1.) Every person who is about to enter upon an employment by reason of which he will be liable to become an insured person, shall, before entering upon that employment, apply to the approved society of which he is a member, or, if he is not a member of an approved society, apply to the postmaster, for the issue to him of a card, and every society or postmaster to whom any such application is made shall inscribe upon a card appropriate to the case the name and address of that person and issue the card to him accordingly :

Provided that—

(a) in the case of a person who is in employment at the date on which he attains the age of sixteen or at the date the commencement of the Act, that person shall make the application directed by this Regulation on or before the date on which he attains that age or the commencement of the Act, as the case may be ; and



- (b) where for any reason it is impracticable for any such person to make the application directed by this Regulation within the time so directed, he shall make that application as soon thereafter as is practicable in the circumstances.

(2.) Every employed contributor shall on or before the expiration of the period of currency of his card apply to his approved society or to the postmaster as the case may require, for the issue to him of a card for the next succeeding period, and the society or postmaster shall issue such a card accordingly, inscribed with the name and address of the member.

(3.) Where during the period of currency of a card—

- (a) a person to whom a card has been issued is transferred from one society or branch of a society to another society or branch, or changes his place of residence from one part of the United Kingdom to another, or being a member of an approved society becomes a deposit contributor, or, being a deposit contributor becomes a member of an approved society; or

- (b) the card issued to any person is lost or destroyed, or so damaged as to become useless for the purpose for which it is issued;

that person shall make an application to the society or postmaster as the case may require for the issue to him of a new card, and upon the receipt of that application together with the card intended to be replaced, or a declaration of its loss or surrender, the society or postmaster shall issue to him a new card inscribed with his name and address and having a period of currency terminating at the same date as that for which it is substituted.

(4.) Any employed contributor being a member of an approved society who has not obtained a card from his society may make an application to the postmaster for the issue to him of a card, and the card shall be issued accordingly.

(5.) Where an employed person changes his employment during the period of currency of a card he may, if he thinks fit, make such an application as is directed in this Regulation, and thereupon the preceding paragraphs of this Regulation shall have effect accordingly.

(6.) Emergency cards shall be supplied by the postmaster to any employer upon his application.

(7.) At any time after the commencement of these Regulations up to the expiration of six months after the commencement of the Act, the Commissioners may upon such terms and conditions as they think fit supply cards to any employer, and the employer to whom cards are so supplied may on application by any person employed by him issue a card to that person if that person has not obtained a card from his society or from the postmaster:

Provided that before so issuing a card the employer shall inscribe upon the card the name and address of the person to whom the card is issued.

(8.) Where a person who has been a voluntary contributor becomes an employed person, he may, as he thinks fit, either retain the card issued to him as a voluntary contributor and treat it as having been duly issued to him under this Regulation, or surrender that card and apply for the issue to him of a card under this Regulation.

5.—(1.) Every employer of any employed contributor may at any time require from that person the production to him of the card then current, and it shall be the duty of the contributor to produce that card.

(2.) Every employed contributor shall deliver up his card to his employer at such times as the employer may reasonably require it for the purpose of stamping in accordance with these Regulations:

Provided that a person shall not be liable to any penalty for failure to comply with this provision if he shows that there was reasonable cause for failure.

(3.) The employer shall keep in safe custody any card in his possession for the purpose of stamping until the date upon which a contribution next becomes payable under the Act and these Regulations, or, if the employer and employed person so agree, until the expiration of the period of currency of the card, and shall thereupon return the card to the insured person duly stamped in accordance with these Regulations:

Provided that the employer may, if he thinks fit, affix to the card a number of



stamps corresponding to the number of contributions which will become payable during the remainder of the period of currency of the card or any less number and may thereupon return the card to the insured person.

(4.) Every employer of an employed contributor shall require from that person delivery to him of the card then current whenever required so to do by any inspector or other officer appointed under the Act or authorised to act in the execution of the Act, either in person or by notice under his hand, and the card shall be delivered accordingly and shall be forthwith returned to the contributor when no longer required for the purpose for which it was delivered.

(5.) The employer shall return any card in his possession to the contributor, duly stamped in accordance with these Regulations, at each of the times following, that is to say—

- (a) upon the termination of the employment ;
- (b) upon the expiration of the period of currency of the card ; and
- (c) where the contributor requests the return of the card, not later than forty eight hours after the receipt of the request.

6.—(1.) The times for affixing a stamp or stamps to the card of a contributor in respect of contributions payable under the Act shall be the time following, that is to say :—

- (a) where money payment is made by the employer in respect of any employment—before the money payment in respect of the period for which the contribution is payable, so, however, that before the expiration of the period of currency of the card, or before the termination of the employment, or at any time if the contributor so demands and gives to the employer twenty-four hours' notice of his demand, the employer shall affix to the card a sufficient number of stamps to make payment for all the weekly contributions payable in respect of the period ending at the date of that expiration, termination, or demand ; and
- (b) where no money payment is made by the employer,—on the first day of employment in each week :

Provided that if an unemployed contributor fails to deliver to his employer a card in accordance with these Regulations, the employer shall pay the contribution payable in respect of him by affixing a stamp to an emergency card and shall forthwith deliver that card to the contributor duly stamped in accordance with these Regulations.

(2.) An employer shall immediately after affixing any stamp to a card cancel the stamp by writing in ink or stamping with a metallic die with black indelible ink or composition across the face of the stamp the date upon which it is affixed, and in the case of an emergency card shall in addition write across the face of the stamp the name of the contributor, but, save as expressly provided in these Regulations and in Regulations made under Section 108 of the Act, no writing or other mark shall be made at any time upon the card or stamp until after the surrender of the card to the approved society or postmaster.

(3.) The Commissioners may, if they think fit, approve any arrangement<sup>1</sup> whereby stamps are affixed at times, or contributions paid, in a manner other than those prescribed by this Regulation, so however, that no such arrangement shall authorise the payment of any contribution at a date later than that upon which the wages for the period in respect of which the contribution is payable are paid, and in particular in the case of any employer who employs any employed contributors regularly and by agreement with them retains their cards during the period of currency, the Commissioners may (subject to such terms and conditions as they think fit to impose) allow that employer, if he deposits with them a sum equal to the estimated amount of contributions payable by him in respect of those contributors during the current period of the currency of the cards, to stamp the cards on the expiration of the period of currency, and where such a deposit is made the employer shall be deemed

(<sup>1</sup>) *Vide* Circular No.  $\frac{105}{A. G. D.}$  (3) as to arrangements which the Commissioners are prepared to approve for the quarterly stamping of cards.



to have duly affixed the necessary stamps to the cards of those contributors in the manner hereinbefore prescribed by this Regulation:

Provided that—

- (i.) If the Commissioners so think fit they may allow any sum which is to be deposited with them under the foregoing provision to be paid to them at weekly intervals during the period instead of being paid to them in one sum at the commencement of the period; and
- (ii.) Notwithstanding that any such deposit has been made, the employer shall be liable to stamp before the termination of the employment the card of any contributor whose employment terminates before the end of the period of currency of his card, and if at any time a contributor so demands and gives to the employer twenty-four hours' notice of his demand shall be liable to stamp the card of that contributor on the expiration of the period of twenty-four hours.

7.—(1.) Upon making any claim for benefit an employed contributor shall if so required produce his card to the approved society of which he is a member, or, in the case of a deposit contributor, to the postmaster or to the Insurance Committee.

(2.) Every employed contributor shall surrender his card to his approved society, or, in the case of a deposit contributor, to the postmaster, at the times following, that is to say:—

- (a) upon joining an approved society;
- (b) upon transferring from one approved society or branch to another approved society or branch;
- (c) upon ceasing to be a member of an approved society;
- (d) upon changing his place of residence from one part of the United Kingdom to another;
- (e) upon the card becoming defaced in any manner not authorised by these Regulations;
- (f) within fourteen days after the expiration of the period of currency of the card;
- (g) upon becoming a voluntary contributor; and
- (h) in the case of a woman, who before marriage was an insured person, upon ceasing on or after marriage to be employed.

#### VOLUNTARY CONTRIBUTORS.

8. The provisions of these Regulations relating to employed contributors shall apply to voluntary contributors, subject to the following modifications:—

- (a) upon any person becoming a voluntary contributor the approved society or Insurance Committee, as the case may require, shall forthwith issue to him the appropriate card;
- (b) the duties imposed by these Regulations upon the employer of an employed contributor with respect to the stamping of cards shall be performed by the voluntary contributor, except that where the contributor is himself unable legibly to write the date across the face of the stamp he may instead of himself cancelling a stamp immediately after affixing a stamp deliver his card to the postmaster for the purpose of the stamp being cancelled by the postmaster by stamping with the official date stamp.
- (c) the contribution of a voluntary contributor shall be payable on the first day of each week unless the contributor is on that day incapable of work through some specific disease or bodily or mental disablement of which notice has been given, and in that case the contribution shall be payable on the first day of that week after the termination of the incapacity:

Provided that where a contributor has been rendered incapable of work by disease or disablement for a continuous period extending over parts of two weeks, and those parts taken together amount to more than six days, no contribution shall be payable by the contributor in respect of the second week;

- (d) the Insurance Committee for the area in which the contributor resides shall be substituted for the postmaster as the authority to whom in the case of



a deposit contributor application is to be made for the issue of a card, and no card shall be issued in respect of any voluntary contributor by the postmaster:

Provided that at any time before the expiration of three months from the commencement of the Act, such an application may, if so desired, be made to, and a card may be issued by any head postmaster;

- (e) the authority by whom the card is issued to the voluntary contributor shall inscribe thereon, in addition to the particulars required in the case of an employed contributor, such further particulars as may from time to time be required by the Commissioners;
- (f) seven days shall be substituted for fourteen days as the period after the expiration of the period of currency of a card within which it is to be delivered up to the approved society or postmaster as the case may require;
- (g) where a card has been issued to a voluntary contributor no further card shall be issued to that contributor except upon the surrender of the card for the period of currency then last terminated, or upon a declaration of its loss or surrender;
- (h) a voluntary contributor shall produce his card whenever required to do so by the approved society of which he is a member, or, in the case of a deposit contributor, by the Insurance Committee.

#### PAYMENT OF ARREARS.

9.—(1.) Any contributor desirous of paying any arrears of contributions may apply to the approved society of which he is a member for an arrears card, and the society shall inscribe thereon such particulars as may from time to time be required by the Insurance Commissioners, and shall issue to him a card so inscribed.

(2.) The contributor may affix to the arrears card so issued stamps in payment of any weekly contributions payable by him which are in arrear.

(3.) Every person affixing a stamp to an arrears card shall immediately cancel it by writing the date in ink across the face of the stamp:

Provided that where the person so affixing a stamp is himself unable legibly to write the date across the face of the stamp he may instead of himself cancelling the stamp deliver his arrears card to the postmaster for the purpose of the stamp being cancelled by the postmaster by stamping with the official date stamp.

(4.) Every contributor who has affixed any stamp to an arrears card shall surrender the arrears card to the approved society of which he is a member not later than the time prescribed for the surrender of the contribution card current at the time when the stamp is affixed, and the approved society shall thereupon, if required and upon production of his insurance book, enter therein the date and the amount.

(5.) Arrears shall be deemed to have been paid at the time of the surrender of the arrears card bearing the appropriate stamps to the approved society of which the person paying arrears is a member.

#### PERSONS OVER THE AGE OF 65.

10. The provisions of these Regulations relating to employed contributors shall apply to persons of the age of 65 or upwards and under the age of 70 at the commencement of the Act who are employed within the meaning of the Act, as if they were employed contributors.

#### EMPLOYED CONTRIBUTOR TEMPORARILY UNEMPLOYED.

11. An employed contributor may, but shall not be required to, pay any contribution in respect of any period during which he is temporarily unemployed or during which his employer is not liable to pay contributions in respect of him, but for the purpose of reckoning his arrears, contributions shall be deemed to be payable during any such period on the first day of each week unless the contributor is on that day incapable of work through some specific disease or bodily or mental disablement, of



which notice has been given, and in that case the contribution shall be deemed to be payable on the first day of that week after the termination of the incapacity :

Provided that where a contributor has been rendered incapable of work by disease or disablement for a continuous period extending over parts of two weeks, and those parts taken together amount to more than six days, no contribution shall be deemed to be payable in respect of the second week unless the contributor has in that week rendered services to an employer.

#### INSURANCE BOOKS.

12.—(1.) Every approved society upon issuing a card to any member not previously a contributor, or upon accepting any contributor as a member within the time prescribed by Regulations of the Commissioners for joining an approved society, and every Insurance Committee upon receiving an insurance card surrendered by a contributor who has entered into insurance during the period of currency of the card shall thereupon cause to be entered in an insurance book such particulars as may from time to time be required by the Commissioners, and shall issue that book to the person to or in respect of whom the card is so issued or by whom it is so surrendered.

(2.) An approved society may insert in the insurance book of any member of the society pages containing such matter relating to the affairs of the society or to any transactions between the member and the society as it may think fit.

(3.) Every contributor shall deposit his insurance book with the approved society or Insurance Committee, as the case may require, when giving notice of disease or disablement, or when required by the society or Insurance Committee to do so in pursuance of a request from any inspector or other officer appointed under the Act or empowered to act in the execution of the Act, and shall produce it when making any claim for maternity benefit or when making application to the postmaster for a new card, and at all reasonable times when required to do so by the approved society of which he is a member, or by the Insurance Committee or the postmaster as the case may be.

The society or Insurance Committee to whom an insurance book is delivered with notice of disease or disablement shall retain the book until the termination of the disease or disablement.

(4.) Every contributor shall, upon surrendering his contribution card, deposit his insurance book with the approved society of which he is a member or with the postmaster for the purpose of transmission to the Insurance Committee, as the case may require, and the approved society or the Insurance Committee, as the case may be, shall return the book to the contributor within twenty-one days after the deposit, or in the case of a contributor requiring his insurance book for the purpose of claiming unemployment benefit under Part II. of the National Insurance Act, 1911, within seven days after application made by him.

(5.) Every contributor shall deposit his insurance book with the approved society of which he is a member, or with the Insurance Committee, as the case may be, upon the expiration of the period of currency of the book, or whenever the book is so defaced as to be rendered useless for the purpose for which it is issued, and the approved society or Insurance Committee, as the case may be, shall issue to him a new insurance book and shall return the book deposited within twenty-one days after the deposit, or in the case of a contributor requiring an insurance book for the purpose of claiming unemployment benefit under Part II. of the National Insurance Act, 1911, within seven days after application made by him.

(6.) When during the currency of an insurance book a contributor is transferred from one society or branch to another society or branch, or becomes a deposit contributor or, in the case of a deposit contributor, becomes a member of a society, he shall surrender his insurance book to the approved society from which he is transferred or to the Insurance Committee of the district, and the society to which he is transferred or of which he becomes a member or the Insurance Committee of the district shall cause to be entered in a new insurance book such particulars as may from time to time be required by the Commissioners, and shall issue to him that book :



Provided that in the case of a member of a society transferred from one society or branch to another society or branch, the society or branch to which he is transferred may, if it sees fit, re-issue the surrendered insurance book with such alterations as may be necessary instead of issuing a new book.

(7.) Every approved society and Insurance Committee shall, at such times as the Commissioners may require, enter in every insurance book coming into its possession such particulars as the Commissioners may from time to time require.

(8.) A contributor losing his insurance book shall forthwith make application to the society or Insurance Committee, as the case may require, and upon the receipt of that application the society or Insurance Committee shall issue to him a new book containing the particulars required by these Regulations.

(9.) If the Commissioners are satisfied on the application of any approved society that for any reason it is desirable that insurance books should not be issued by that society to its members, the Commissioners may exempt that society from its obligation to issue books to its members, and where any society is so exempted the provisions of this Regulation shall not apply to the members of the society so exempted.

#### MISCELLANEOUS.

13.—(1.) All cards and insurance books for the purposes of the Act and these Regulations shall be supplied by the Commissioners and shall be in the forms set out in the First and Second Schedules to these Regulations, or in such forms substantially to the like effect as may from time to time be approved by the Commissioners, and shall be issued to insured persons without charge.

(2.) The forms set out in the Third Schedule to these Regulations or forms to the like effect supplied by the Commissioners shall be used in all cases to which those forms are applicable.

(3.) All directions and instructions appearing upon the cards and insurance books issued by the Commissioners in accordance with this Regulation shall be deemed to be incorporated in these Regulations.

14.—(1.) No person shall assign or charge or agree to assign or charge any card or insurance book, and any sale, transfer, or assignment of, or any charge on, any card or insurance book shall be void and of no effect.

(2.) Every employed person surrendering a card shall sign the same, and every employed person, being a person of the age of 21 or upwards whose remuneration does not include the provision of board and lodging by his employer, surrendering a card bearing stamps representing contributions paid or purporting to be paid in any period in which his rate of remuneration does not exceed 2s. per working day shall make and sign a declaration as to the rate of his remuneration.

(3.) Upon the death of any contributor, any person having possession or thereafter obtaining possession of his card or insurance book shall as soon as may be deliver the same to the approved society or Insurance Committee, as the case may require, or to the Commissioners.

(4.) Any person having in his possession the card or insurance book of an insured person shall produce it at any reasonable time when required by an inspector or other officer appointed under the Act, or duly authorised to act in the execution of the Act.

(5.) Any employer who is unable to return the card or insurance book of any insured person to him on the termination of the employment shall return the card or book forthwith to the Commissioners.

15. These Regulations shall not apply to seamen, marines, or soldiers in the naval or military service of the Crown, or to masters, seamen, or apprentices to the sea service, nor to any person in respect of whom Regulations have been made under paragraph (6) of the Third Schedule to the Act, or to whom a certificate of exemption has been granted under the Act, or who is not insured by reason that not having previously been insured he has become employed after attaining the age of sixty-five, or to outworkers in respect of whom contributions are payable by reference to work actually done by them, except in so far as these Regulations may in any such case or cases be expressly applied by the Regulations of the Commissioners.



16. Where by these Regulations anything is required to be done by any postmaster the Regulations shall have effect only in so far as His Majesty's Postmaster-General may concur therein.

[NOTE. The schedules are omitted as being too bulky to print in this volume.]

# STATUTORY RULES AND ORDERS, 1912.

No. 609.

TABLE PREPARED BY THE NATIONAL HEALTH INSURANCE JOINT COMMITTEE, DATED JUNE 19TH, 1912, UNDER SECTION 9 (4) AND SECTION 55 (1) OF RATES OF SICKNESS BENEFIT AND OF RESERVE VALUES APPLICABLE, SAVE AS PROVIDED IN THAT ACT, TO MEN BECOMING EMPLOYED CONTRIBUTORS AT THE AGE OF SEVENTEEN OR UPWARDS SUBSEQUENTLY TO THE EXPIRATION OF ONE YEAR FROM THE COMMENCEMENT OF THE ACT (*supra*, pp. 67, 213).

Age.			Rate of Sickness Benefit.	Reserve Value.					
				England, Scotland, and Wales.			Ireland.		
				£	s.	d.	£	s.	d.
17 and under	18	. . . . .	9 6	—			—		
18	19	. . . . .	9 0	—			—		
19	20	. . . . .	8 6	—			—		
20	21	. . . . .	8 0	—			—		
21	22	. . . . .	8 0	—			—		
22	23	. . . . .	7 6	—			—		
23	24	. . . . .	7 0	—			—		
24	25	. . . . .	7 0	—			—		
25	26	. . . . .	6 6	—			—		
26	27	. . . . .	6 6	—			—		
27	28	. . . . .	6 0	—			—		
28	29	. . . . .	6 0	—			—		
29	30	. . . . .	5 6	—			—		
30	31	. . . . .	5 0	—			—		
31	32	. . . . .	5 0	—			—		
32	33	. . . . .	5 0	0	5	6	0	1	0
33	34	. . . . .	5 0	0	10	6	0	5	6
34	35	. . . . .	5 0	0	15	6	0	10	6
35	36	. . . . .	5 0	1	1	0	0	15	6
36	37	. . . . .	5 0	1	6	6	1	0	6
37	38	. . . . .	5 0	1	12	0	1	6	0
38	39	. . . . .	5 0	1	18	0	1	11	6
39	40	. . . . .	5 0	2	4	6	1	17	6
40	41	. . . . .	5 0	2	11	0	2	3	6
41	42	. . . . .	5 0	2	17	6	2	10	0
42	43	. . . . .	5 0	3	4	6	2	16	6
43	44	. . . . .	5 0	3	12	0	3	3	6
44	45	. . . . .	5 0	3	19	0	3	10	0
45	46	. . . . .	5 0	4	6	6	3	17	0
46	47	. . . . .	5 0	4	14	6	4	4	6
47	48	. . . . .	5 0	5	2	0	4	11	6
48	49	. . . . .	5 0	5	9	6	4	18	6



Age.	Rate of Sickness Benefit.	Reserve Value.	
		England, Scotland, and Wales.	Ireland.
	s. d.	£ s. d.	£ s. d.
49 and under 50 . . . . .	5 0	5 16 6	5 5 0
50 " 51 . . . . .	5 0	6 3 6	5 11 6
51 " 52 . . . . .	5 0	6 10 6	5 18 0
52 " 53 . . . . .	5 0	6 16 6	6 3 6
53 " 54 . . . . .	5 0	7 2 6	6 8 6
54 " 55 . . . . .	5 0	7 7 6	6 13 0
55 " 56 . . . . .	5 0	7 12 0	6 16 6
56 " 57 . . . . .	5 0	7 15 6	6 19 6
57 " 58 . . . . .	5 0	7 17 6	7 1 0
58 " 59 . . . . .	5 0	7 18 6	7 1 0
59 " 60 . . . . .	5 0	7 17 6	6 19 6
60 " 61 . . . . .	5 0	7 14 0	6 15 0
61 " 62 . . . . .	5 0	7 8 0	6 8 0
62 " 63 . . . . .	5 0	6 18 6	5 18 0
63 " 64 . . . . .	5 0	6 5 6	5 4 0
64 " 65 . . . . .	5 0	5 7 6	4 5 6

DRAFT REGULATIONS MADE BY THE JOINT COMMITTEE AS TO THE MANNER OF CALCULATING THE AVERAGE AMOUNT OF ARREARS, DATED 16TH JULY, 1912 (made under Section 10 (7), *supra*, p. 73).

3.—(1) The average amount of arrears of an insured person for the purposes of Section 10 of the Act shall, subject to the provisions of that section, be calculated as follows:—

- (a) There shall be first ascertained the total number of the weekly contributions in respect of which the insured person is in arrears from the time of his entry into insurance down to the expiration of the quarter immediately preceding the date at which the amount of arrears is to be ascertained;
- (b) There shall be next ascertained the total number of quarters contained in the period from the time of the entry into insurance of the insured person down to expiration of the said immediately preceding quarter;
- (c) The total number of weekly contributions ascertained as aforesaid shall be divided by the total number of quarters ascertained as aforesaid and an amount equal to four times the number ascertained by that division shall be the average amount of arrears:

Provided that where four quarters have not elapsed since the date of the entry of a person into insurance, the average amount of arrears in his case shall be deemed to be the total number of weekly contributions in respect of which he was actually in arrears at the expiration of the quarter immediately preceding the date at which the average amount of arrears is to be ascertained.

(2) For the purpose of these Regulations the total number of weekly contributions in respect of which an insured person is in arrears shall be the number ascertained by dividing the number of pence contained in those weekly contributions by a number equal to the weekly rate in pence of the contribution: Provided that—

- (a) Where the contributions in arrear were as to one part of them payable at one weekly rate and as to others of them payable at another weekly rate,



the contributions payable at the one weekly rate and the contributions payable at the other weekly rate respectively shall for the purpose of the foregoing calculation be treated separately; and

(b) Any part of a contribution remaining over after the division required to be made under this provision has been made shall be treated as a whole contribution.

(3) Where the insured person entered into insurance after the expiration of the first week of a quarter any arrears which accrued during that quarter shall be disregarded, and that quarter shall not be deemed to be a quarter for the purpose of these Regulations.

DRAFT REGULATIONS MADE BY THE JOINT COMMITTEE ESTABLISHED AS TO THE REDUCTION OF BENEFITS PAYABLE TO A VOLUNTARY CONTRIBUTOR WHEN HE IS IN ARREARS, DATED 16TH JULY, 1912 (made under Section 10 (3), *supra*, p. 72).

2. Where a voluntary contributor claiming sickness benefit is in arrears at the date of the claim, but is not in arrears to an amount greater than thirteen weekly contributions a year on the average, the rate of sickness benefit shall be reduced to a sum not less than five shillings a week, or the time when sickness benefit commences deferred, proportionately to the amount of arrears in accordance with the Tables in the Schedule to these Regulations.

SCHEDULE.

TABLES.

TABLE I.—General.

(1) Where the Arrears amount to	(2) Rates of Sickness Benefit.	
	Men.	Women.
	<i>s. d.</i>	<i>s. d.</i>
2 contributions a year on average	9 6	7 3
3       "       "       "	9 0	7 0
4       "       "       "	8 6	6 9
5       "       "       "	8 0	6 6
6       "       "       "	7 6	6 3
7       "       "       "	7 0	6 0
8       "       "       "	6 6	5 9
9       "       "       "	6 0	5 6
10       "       "       "	5 6	5 3
	<i>s. d.</i>	
11       "       "       "	5 0	
12       "       "       "	5 0	commencing 6th day after commencement of illness
13       "       "       "	5 0	8th       "       "       "
	5 0	10th       "       "       "
	5 0	12th       "       "       "
	5 0	14th       "       "       "
	5 0	16th       "       "       "
	5 0	18th       "       "       "
	5 0	20th       "       "       "
	5 0	22nd       "       "       "
	5 0	24th       "       "       "
	5 0	26th       "       "       "
	5 0	28th       "       "       "



TABLE II.—*Married Women Voluntary Contributors.*

Where the Arrears amount to (1)				Rate of Sickness Benefit during first 13 weeks. (2)			
2 contributions a year on average				4	9		
3	"	"	"	4	6		
4	"	"	"	4	3		
5	"	"	"	4	0		
6	"	"	"	3	9		
7	"	"	"	3	6		
8	"	"	"	3	3		
9	"	"	"	3	0		
10	"	"	"	3	0	commencing 6th day after commencement of illness	
11	"	"	"	3	0	8th	"
12	"	"	"	3	0	10th	"
13	"	"	"	3	0	12th	"
				3	0	14th	"
				3	0	16th	"
				3	0	18th	"
				3	0	20th	"
				3	0	22nd	"
				3	0	24th	"

NOTE.—Where the voluntary contributor is entitled to sickness benefit at a rate lower than the full rate, these Tables shall have effect as if the entries in the first column were so shifted down that the first entry therein was set opposite the entry in the second column next below the entry specifying the rate of sickness benefit to which the contributor is entitled.

REGULATIONS OF THE INSURANCE COMMISSIONERS (ENGLAND) CONSTITUTED UNDER THE NATIONAL INSURANCE ACT, 1911, AS TO BEHAVIOUR DURING DISEASE OR DISABLEMENT, DATED 25TH JUNE, 1912 (made under Section 14 (2) (d) *supra*, p. 93).

3. Every Rule of an Approved Society with regard to the behaviour during disease or disablement of a member entitled to benefit under the Act shall be in the form set out in the Schedule to these Regulations.

#### THE SCHEDULE.

A member in receipt of sickness or disablement benefit:—

- (a) Shall obey the instructions of the doctor attending him;
- (b) Shall not be absent from home between the hours of <sup>(1)</sup> and shall not be absent at any time without leaving word where he may be found, provided that the <sup>(2)</sup> may, if they think fit, exempt the member from the operation of this rule upon such conditions as they may impose;
- (c) Shall not leave the <sup>(3)</sup> where he resides without the consent of <sup>(4)</sup>;
- (d) Shall not be guilty of conduct which is likely to retard his recovery;
- (5)

(1) Insert such hours of the evening and morning as may be desired. Different hours should be inserted for Summer and Winter.

(2) Insert the desired authority, *e.g.* Committee of Management.

(3) Insert the place, town, or other desired area.

(4) Insert the desired authority.

(5) Add any further instructions desired by the Society.



## STATUTORY RULES AND ORDERS, 1912.

No. 1038.

ORDER OF THE LOCAL GOVERNMENT BOARD, DATED JULY 26, 1912, UNDER SECTION 16 (1) (b) AS TO THE DOMICILIARY TREATMENT OF TUBERCULOSIS (*supra*, p. 105).

Article I.—In these Regulations, unless the contrary intention appears :—

The expression "Sanitary District" means the City of London, any Metropolitan Borough, Municipal Borough or other Urban District, or any Rural District ;

The expression "Sanitary Authority" means any Local Authority entrusted with the execution of the Public Health Act, 1875, or in the case of London the Public Health (London) Act, 1891 ;

The expression "Medical Practitioner" means a registered Medical Practitioner ;

The expression "Consulting Officer" means the Consulting Officer of a Dispensary approved by Us under the National Insurance Act, 1911, for the treatment of tuberculosis in the City of London, any County Borough, or Metropolitan Borough, or any Administrative County (other than the Administrative County of London) or until such Officer has been appointed, the Medical Officer of Health of the City of London, County Borough, or Metropolitan Borough, or Administrative County, or such other Medical Practitioner as We may, on the application of an Insurance Committee, from time to time approve for the purposes of these Regulations.

Article II.—The treatment shall be carried out under the care and direction of a Medical Practitioner, subject to the following conditions, and to such other conditions as We may in any case from time to time approve ; that is to say :—

- (1) That the Medical Practitioner attend each patient at such intervals as may be necessary in the interest of the patient.
- (2) That the Medical Practitioner give the patient such instructions as are required as to his mode of living, diet, rest and work, and as to precautions necessary to protect the patient against re-infection.
- (3) That the Medical Practitioner keep on a card or sheet in the form set out in the Schedule hereto, a continuous record of the clinical history of the illness of each patient and particulars of the treatment given to the patient under his direction.
- (4) That the Medical Practitioner submit the said card or sheet to the Consulting Officer at such times as may be arranged between them.
- (5) That the Medical Practitioner prepare and transmit to the Consulting Officer at such times as may be arranged between them, not being less often than once in three months, a report in regard to each patient, given particulars as to :—
  - (a) the progress of the patient ;
  - (b) whether the conditions under which the patient is living and receiving the treatment are satisfactory ;
  - (c) the behaviour of the patient in carrying out instructions given to him ; and
  - (d) whether in the opinion of the Medical Practitioner any form of institutional treatment has become desirable.
- (6) That the Medical Practitioner confer with the Consulting Officer at such times and in such circumstances as may be arranged between them in regard to patients under the care of the Medical Practitioner.
- (7) That the Medical Practitioner from time to time inform the Medical Officer of Health of the Sanitary District in which the patient resides, of any circumstances known to the Medical Practitioner which may affect adversely the sanitary conditions under which the patient is living, and in respect to which action by the Medical Officer of Health or of the



Sanitary Authority would, in the opinion of the Medical Practitioner, be necessary or desirable.

Article III.—These Regulations shall come into operation on the date hereof and shall apply and have effect throughout England and Wales.

DRAFT REGULATIONS MADE BY THE JOINT COMMITTEE AS TO THE ADMINISTRATION ACCOUNT OF AN APPROVED SOCIETY, DATED 24TH MAY, 1912 (made under s. 35 (2), *supra*, p. 135).

2. Every approved society shall keep a separate account (in these Regulations called the "Administration Account") showing the amount expended in every year by the society on the administration of benefits for which contributions under the Act are available and the amounts paid by the society to any Insurance Committee under sub-section (2) of section 61 of the Act.

3. The amount which may be carried by a society to the Administration Account out of the contributions under the Act shall not exceed the sum specified as the maximum sum in the Schedule to these Regulations.

4. The Administration Account shall be kept so as to enable the amount expended for the purpose of the administration of benefits in respect of—

- (a) male insured persons who are British subjects;
- (b) female insured persons who are British subjects;
- (c) persons of the age of 65 or upwards and under the age of 70 on the 15th July, 1912, who are employed within the meaning of the Act; and
- (d) insured persons not being British subjects;

to be ascertained at such times as the Commissioners may require.

5. Any surplus shown in the Administration Account of any society for any one year may be carried forward to the Administration Account for the following year, or otherwise expended for providing the benefits conferred by the Act as the society may think fit.

6. If a deficiency is shown in the Administration Account for any year, then, unless the deficiency is made good within two months after the end of the year, or such longer period as may in any special case be approved by the Commissioners on an application made within the two months, the Committee of Management or other governing body of the society shall forthwith cause a special levy, payable within one month, to be made on all members of the society (other than seamen, marines, and soldiers in the naval or military service of the Crown, insured persons over the age of 70, and married women suspended from benefits on account of marriage), and shall carry to the Administration Account for the said year the proceeds of that levy.

7.—(1) For the purposes of these Regulations—

"The Commissioners" means the Joint Committee of the several bodies of Insurance Commissioners appointed for the purposes of the Act acting alone or jointly with any one of the several bodies of Insurance Commissioners or any one of the several bodies of Insurance Commissioners as the case may require;

"The Act" means Part I. of the National Insurance Act, 1911.

"Year" means any yearly period for which separate accounts are required by the Commissioners to be kept;

"Quarter" means any period for which separate contribution cards are issued by the Commissioners;

"Member of the society" means a member of the society for the purposes of the Act;

(2) The Interpretation Act, 1889, applies to the interpretation of these Regulations as it applies to the interpretation of an Act of Parliament.

#### *Schedule.*

1. The maximum sum shall, as respects the period from the 15th day of July, 1912, to the 12th day of January, 1913, both inclusive, be the sum of amounts computed in manner following, that is to say:—



- (a) Out of each contribution paid during the said period by a member of the society surrendering a stamped contribution card to the society, the amount of 9/10ths of a penny or, in the case of an insured person towards the cost of whose benefits under the Act a contribution is made out of moneys provided by Parliament, 7/9ths of that amount if that person is a man, and 3/4ths of that amount if that person is a woman.
  - (b) For each member of the society, not being a member transferred from another approved society, who enters into insurance during the said period, and who surrenders to the society a contribution card stamped in respect of any part of the said period, the amount of 1s. or, in the case of an insured person towards the cost of whose benefits under the Act a contribution is made out of moneys provided by Parliament, 7/9ths of that amount if that person is a man, and 3/4ths of that amount if that person is a woman.
2. The maximum sum shall, as respects any quarter after the 12th January, 1913, be the sum of amounts computed in manner following, that is to say:—
- (a) For every member of the society during that quarter (not being a voluntary contributor at the special rates applicable to married women) the amount of 11*d.* or, in the case of an insured person towards the cost of whose benefits under the Act a contribution is made out of moneys provided by Parliament, 7/9ths of that amount if that person is a man, and 3/4ths of that amount if that person is a woman.
  - (b) For every member of the society during that quarter who is a voluntary contributor at the special rates applicable to married women, the amount of 8*d.* or, in the case of such a member towards the cost of whose benefits under the Act a contribution is made out of moneys provided by Parliament, the amount of 6*d.*

The number of persons of any class who were members of an approved society during any quarter shall be ascertained by adding the number of persons of that class surrendering contribution cards to the society at the close of that quarter to the number of those persons who so surrendered cards at the close of the preceding quarter and dividing the total by two.

3. For the purposes of this Schedule—

- (i.) persons over 70 years of age and women suspended from benefits on account of marriage shall not be deemed to be members of the society; and
- (ii.) in the case of a member of the society who is a seaman, marine, or soldier in the service of the Crown, there shall be substituted, as respects that member, for the amounts mentioned in paragraph 1 (a) and paragraph 2 (a) respectively of this Schedule, the amount of 1½*d.* in respect of the quarter.

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## STATUTORY RULES AND ORDERS, 1912.

No. 964.

THE NATIONAL HEALTH INSURANCE (TIME FOR JOINING AN APPROVED SOCIETY) REGULATIONS 1912, DATED JULY 18, 1912, MADE BY THE JOINT COMMITTEE (made under s. 42, *supra*, p. 152).

2. For the purposes of Section 42 of the Act the time within which a person may join an Approved Society shall be—

- (i.) in the case of a person being a person of the age of sixteen and upwards and under the age of sixty-five or being a person to whom Section 49 applies who was employed at the commencement of the Act, any time before the expiration of three months and fourteen days from the commencement of the Act:—



- (ii.) In the case of a person being a person of the age of sixteen and upwards and under the age of sixty-five or being a person to whom Section 49 applies who becomes employed after the commencement of the Act, any time before the expiration of three months and fourteen days from the time of his so becoming employed :
- (iii.) In the case of an employed person who attains the age of sixteen after the commencement of the Act, any time before the expiration of three months and fourteen days from the date of his attaining that age :
- (iv.) In the case of a person who if he becomes insured will become a voluntary contributor and who becomes insured after the expiration of three months from the commencement of the Act, any time before the date on which he becomes insured, and in the case of any such person who becomes insured before the expiration of three months from the commencement of the Act, any time before the expiration of that period :
- (v.) In the case of a person who has been expelled or has resigned from an Approved Society, any time before the expiration of three months from the date on which he ceases to be a member of the Society :

Provided that if at any time after the expiration of three months from the commencement of the Act any person makes a claim for benefit under the Act before the expiration of the time within which he may by virtue of the foregoing provisions of this Regulation join an Approved Society, the time expiring on the day immediately preceding the day on which the claim is made shall be deemed to have been the time allowed in his case for joining an Approved Society instead of the time which would otherwise have been allowed.

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DRAFT REGULATIONS MADE BY THE JOINT COMMITTEE AS TO THE TRANSFER VALUE OF A MARRIED WOMAN SUSPENDED FROM BENEFITS, DATED 10TH SEPTEMBER, 1912.—(Made under s. 44, *supra*, p. 158.)

2. For the purposes of Section 44 of the National Insurance Act, 1911, the transfer value of a married woman shall be a sum one and a half times as great as the sum which, in the opinion of the Joint Committee, represents the liability which the approved society to which the woman belongs will be under in respect of her by reason of her electing (if she does so elect) to become a voluntary contributor on the terms set out in sub-section (2) of the said section.

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PROVISIONAL REGULATIONS MADE BY THE INSURANCE COMMISSIONERS, AS TO THE APPLICATION OF THE TRANSFER VALUE OF A MARRIED WOMAN ELECTING NOT TO BECOME A VOLUNTARY CONTRIBUTOR, DATED 19TH SEPTEMBER, 1912.—(Made under s. 44, *supra*, p. 158.)

3. Where a married woman, in respect of whom a reserve value has been credited to an Approved Society at the date of her entry into insurance, has been suspended from the ordinary benefits under Section 44 of the Act, and elects not to become a voluntary contributor under sub-section (2) of that section, there shall be written off the amount of the reserve values credited to the Society an amount to be ascertained in manner following :—

There shall be deducted from an amount equal to two-thirds of the reserve value so credited to the Society the sum of  $\frac{1}{4}d.$  for every weekly contribution paid by or in respect of the contributor of which any part has been retained by the Insurance Commissioners under Section 55 (3) of the Act, and the residue of the said amount shall be the amount to be written off the said reserve values.

For the purpose of this Regulation—

(i.) The number of weekly contributions paid by or in respect of a contributor shall be calculated as follows :—



- (a) There shall first be ascertained the total number of the weekly contributions in respect of which the contributor is in arrears from the time of her entry into insurance down to the date of her suspension.
  - (b) There shall be next ascertained the total number of quarters contained in the period from the time of the entry into insurance of the contributor down to the expiration of the quarter immediately preceding the date of her suspension.
  - (c) The number of quarters so ascertained shall be multiplied by twelve and a half, and where the product contains a fraction, that fraction shall be treated as a whole number. To the product so obtained there shall be added the number of weeks from the beginning of the quarter in which the contributor is suspended from the ordinary benefits to the date of her suspension, and from the sum so obtained there shall be deducted the total number of weekly contributions in respect of which the contributor is in arrears, and the residue shall be deemed the number of weekly contributions paid by or in respect of the contributor.
- (ii.) The total number of the weekly contributions in respect of which a contributor is in arrears shall be the number ascertained by dividing the number of pence contained in those weekly contributions by a number equal to the weekly rate in pence of the contribution :
- Provided that—
- (a) Where the contributions in arrear were as to one part of them payable at one weekly rate and as to others of them payable at another weekly rate, the contributions payable at the one weekly rate and the contributions payable at the other weekly rate respectively shall for the purpose of the foregoing calculation be treated separately; and
  - (b) Any part of a contribution remaining over after the division required to be made under this provision has been made shall be treated as a whole contribution.
- (iii.) Where the contributor entered into insurance after the expiration of the first week of a quarter any arrears which accrued during that quarter shall be disregarded, and that quarter shall not be deemed to be a quarter for the purpose of this Regulation.
- (iv.) The date of entry into insurance shall, in the case of a woman who was a British subject at the date of her first joining an Approved Society, be deemed to be that date, and, in the case of a woman who became a British subject subsequently to her joining an Approved Society, be deemed to be the date upon which she became a British subject.
4. The sum to be applied in the case of any married woman under the proviso to sub-section (2) of Section 44 of the National Insurance Act, 1911, towards the payment of any of the benefits specified in Part III. of the Fourth Schedule to that Act shall be carried to her credit in an account to be called the "Married Women's Credits Account," and shall be applied towards the payment of the said benefits in manner hereinafter provided.
5. No benefit shall be payable before the expiration of the period ending on the 12th day of January, 1913, or unless and until twenty-six weeks have elapsed since the entry into insurance of the married woman.
6. An Approved Society may, with the approval of the Insurance Commissioners, make rules with respect to the payments during any period of sickness or distress by way of benefits under Part III. of the said Fourth Schedule, and any such benefits shall be payable in accordance with those rules and not otherwise.
- 7.—(1.) The Society, or in the case of a Society with Branches, the Branch of the Society, shall debit to the married woman in the Married Women's Credits Account all sums expended for benefits in respect of her under these Regulations.
- (2.) Upon the death of the married woman, any sum remaining to her credit in the Married Women's Credits Account shall be written off that account and transferred to the Benefit Fund Account of the Society.
- (3.) If the married woman is transferred to another Approved Society or to another Branch of her Society, there shall be transferred to that other Society or



Branch in respect of her, the sum standing to her credit in the Married Women's Credits Account, and that sum shall be written off that account accordingly and shall be credited to her in the Married Women's Credits Account of the other Society or Branch.

8. Articles 5 and 6 of these Regulations shall apply to a married woman suspended from ordinary benefits who is a deposit contributor as if the Insurance Committee administering benefits to her were an Approved Society.

SPECIAL ORDER MADE UNDER SECTION 46 (8) (*supra*, p. 177) BY THE JOINT COMMITTEE.

1.—(1.) Sub-section (8) of section 46 of the Act shall apply to every man who is being trained at the date of the commencement of the Act or at any time within one month after that date, notwithstanding that he was not immediately before the training an insured person, unless he has obtained a certificate of exemption under section 2 of the Act or unless he makes a declaration in such form as the joint Committee may direct to the effect that, in the event of his not having come out for training, he would not have been employed within the meaning of the Act during any part of the period from the commencement of the Act or of the training as the case may be, to the termination of the training.

(2.) In this order the expression "man" means a man of the Naval Reserves, the Army Reserve, or the Territorial Force.

STATUTORY RULES AND ORDERS, 1912.

No. 918.

THE NATIONAL HEALTH INSURANCE (SPECIAL CUSTOMS) PROVISIONAL ORDER, 1912 (No. 1), DATED JULY 13TH, 1912, MADE BY THE JOINT COMMITTEE AND BY THE INSURANCE COMMISSIONERS, THE SCOTTISH INSURANCE COMMISSIONERS, THE IRISH INSURANCE COMMISSIONERS, AND THE WELSH INSURANCE COMMISSIONERS, ACTING JOINTLY.—(Made under s. 47, *supra*, p. 185.)

1. The employments set forth in the First Schedule to this Order are specified as being classes of employment in which a custom or practice prevails according to which the persons employed receive full remuneration during periods of disease or disablement, or some part thereof.

2. For the purpose of adapting the other provisions of Part I. of the Act to cases under section 47 of the Act, the provisions set out in the Second Schedule to this Order shall have effect.

FIRST SCHEDULE.

Employment as a clerk ... ..	If by the terms of the employment the person employed is entitled as of right to not less than one week's notice of the termination of his employment.
Employment as a shop assistant ... ..	
Employment as a warehouseman ... ..	
Employment as a resident tutor or governess...	
Employment as a journalist ... ..	
Employment as an assistant minister in any religious body ... ..	
Employment as a teacher ... ..	
Employment as a domestic servant ... ..	
Employment by the High Bailiff of a County Court as process server or warrant officer ...	
Employment by the Judge or Registrar of a County Court as usher or messenger ...	

SECOND SCHEDULE.

(1.) In the application of the Act to any person in whose case contributions are payable at the reduced rate mentioned in sub-section (4) of Section 47 of the Act







lower than the full rate, this Table shall have effect as if the entries in the first column were so shifted down that the first entry therein was set opposite the entry in the second column specifying the rate of sickness benefit next below the rate to which the insured person is entitled.

Provided that, as respects an insured person in whose case the normal rate of sickness benefit is the sum of 5s. a week, this Table shall have effect as if the entries in the first column were so shifted down that the first entry therein was set opposite the sixth entry in the second column.

(2.) Where the insured person is a voluntary contributor, this Table shall have effect as if the figures 2 and 3 were inserted at the top of the first column and the numbers 4 to 13 were accordingly shifted down two places in each case.

## STATUTORY RULES AND ORDERS, 1912.

### No. 919.

PROVISIONAL SPECIAL ORDER, NATIONAL HEALTH INSURANCE (SPECIAL CUSTOMS) PROVISIONAL ORDER (No. 2), DATED JULY 13TH, 1912, MADE BY THE JOINT COMMITTEE AND BY THE INSURANCE COMMISSIONERS AND THE WELSH INSURANCE COMMISSIONERS, ACTING JOINTLY, UNDER SECTION 47 (*supra*, p. 185).

1. The employments set forth in the First Schedule to this Order are specified as being classes of employment in which a custom or practice prevails in the localities specified in the second column of that Schedule, according to which the persons employed receive full remuneration during periods of disease or disablement, or some part thereof.

### FIRST SCHEDULE.

<i>Class of Employment.</i>	<i>Locality.</i>
1. Employment as any kind of farm servant under a contract of not less than six months' duration (male persons only).	1. Northumberland. Durham. Yorks, North Riding (North and North-Eastern parts).
2. Employment as a farm servant in charge of animals (male persons only).	2. Berks. Cambridgeshire (North). Dorset (East and South), Gloucestershire. Hampshire. Kent. Lincolnshire. Nottinghamshire. Oxfordshire. Rutlandshire. Warwickshire. Wiltshire. Worcestershire. Yorks, East Riding.
3. Employment as a farm servant (male unmarried persons only).	3. Cumberland. Parts of Lancashire, viz., the rural districts of Fylde, Garstang, Lancaster, Lunesdale, and Ulverston. Westmoreland.



<i>Class of Employment.</i>	<i>Locality.</i>
4. Employment as a farm servant under a contract of not less than six months' duration where the terms of service include board and lodging in the farm-house (male unmarried persons only).	4. Cheshire. Derbyshire. Hereford (West). Shropshire. Staffordshire.
5. Employment as a farm servant under a contract of not less than one year's duration (male unmarried persons only).	5. Wales.

## SECOND SCHEDULE.

(Vide Second Schedule to foregoing Order.)

## APPENDIX.

(Vide Appendix to foregoing Order.)

## STATUTORY RULES AND ORDERS, 1912.

No. 920.

THE NATIONAL HEALTH (SPECIAL CUSTOMS) PROVISIONAL ORDER, 1912 (No. 3), DATED JULY 13TH, 1912, MADE BY THE JOINT COMMITTEE AND BY THE INSURANCE COMMISSIONERS, THE SCOTTISH INSURANCE COMMISSIONERS, THE IRISH INSURANCE COMMISSIONERS, AND THE WELSH INSURANCE COMMISSIONERS, ACTING JOINTLY, UNDER SECTION 47, WITH REFERENCE TO PERSONS EMPLOYED BY OR UNDER THE CROWN (*supra*, p. 185).

This Order contains a long list of persons employed by or under the Crown to whom a special custom as to remuneration applies. The Fourth Schedule and Appendix are in the same form as the Second Schedule and Appendix to the Special Customs Order No. 1 (*supra*).

PROVISIONAL REGULATIONS MADE BY THE INSURANCE COMMISSIONERS UNDER SECTION 47 (2), AS TO NOTICES BY EMPLOYERS UNDER THAT SECTION, DATED 11TH JULY, 1912 (*supra*, p. 185).

2. The notice to be given by an employer under sub-section (2) of Section 47 of the National Insurance Act, 1911, shall be in the form set out in the Schedule to these Regulations or in such form substantially to the like effect as may from time to time be approved by the Insurance Commissioners.

## SCHEDULE.

*Notice by Employer under Section 47 (2).*

## NATIONAL HEALTH INSURANCE.

To the Insurance Commissioners.

I (a) of (b) being an employer within the meaning of Part I. of the National Insurance Act, 1911, employing persons in (c)

(a) Insert Name.

(b) Insert Address.

(c) Specify locally.



as (d) hereby give notice pursuant to sub-section (2) of section 47 of the National Insurance Act, 1911, that I propose to pay contributions at the reduced rate authorized by that section, and—

(i) As respects all persons employed by me in the  $\frac{\text{class (e)}}{\text{classes}}$  of employment specified above under an engagement terminable at not less than one week's notice but for less than six months certain, I take note that I shall be subject to the liabilities specified in sub-section (3) of that section (f);

(ii) As respects all persons employed by me in the said  $\frac{\text{class (e)}}{\text{classes}}$  under an engagement for not less than six months certain, I take note that I shall be subject to the liabilities specified in the proviso to the said sub-section (3) (f).

(d) Specify employment or employments if more than one, which must be among those included in a Special Order.

(e) Strike out "Class" if the notice applies to more than one class of employment, and strike out "classes" if the notice applies only to one class.

(f) Strike out (i.) or (ii.) if inapplicable.

DRAFT REGULATIONS MADE BY THE JOINT COMMITTEE ESTABLISHED UNDER THE NATIONAL INSURANCE ACT, 1911, AS TO THE VALUE OF THE CONTRIBUTIONS FOR THE PURPOSES OF SECTION 51 OF THE SAID ACT, DATED 17TH SEPTEMBER, 1912 (*supra*, p. 206).

2. For the purpose of Section 51 of the National Insurance Act, 1911, the value of the contributions which, apart from that Section, would have been payable in respect of an inmate of an Institution during the time he was in the Institution shall be calculated as follows:—

There shall be deducted from the sum of those contributions a sum equal to the cost to his Society calculated by the Joint Committee in accordance with Tables prepared by the Committee of the benefits to which he would have been entitled during the time during which he was employed by the managers of the institution if he had not been suspended from benefits, and the sum remaining after the deduction shall be deemed to be the value of the contributions.

TABLE OF RESERVE VALUES FOR MALE INSURED PERSONS.—(Made under s. 55, *supra*, p. 213.)

*England, Scotland, and Wales.*

Age.	Reserve Value.	Age.	Reserve Value.
Employed and Voluntary Contributors.	£ s. d.	Employed and Voluntary Contributors— <i>cont.</i>	£ s. d.
16 and under 17 . . . .	Nil.	26 and under 27 . . . .	3 12 0
17     "     18 . . . .	0 9 0	27     "     28 . . . .	3 17 6
18     "     19 . . . .	0 17 6	28     "     29 . . . .	4 2 6
19     "     20 . . . .	1 6 6	29     "     30 . . . .	4 8 0
20     "     21 . . . .	1 15 0	30     "     31 . . . .	4 13 0
21     "     22 . . . .	2 2 0	31     "     32 . . . .	4 18 0
22     "     23 . . . .	2 9 6	32     "     33 . . . .	5 3 0
23     "     24 . . . .	2 15 6	33     "     34 . . . .	5 8 6
24     "     25 . . . .	3 1 0	34     "     35 . . . .	5 14 0
25     "     26 . . . .	3 6 6	35     "     36 . . . .	5 19 6



Age.	Reserve Value.	Age.	Reserve Value.
Employed and Voluntary Contributors— <i>cont.</i>		Employed Contributors only— <i>cont.</i>	
36 and under 37 . . . . .	£ s. d. 6 5 0	49 and under 50 . . . . .	10 9 6
37 „ 38 . . . . .	6 11 0	50 „ 51 . . . . .	9 5 0
38 „ 39 . . . . .	6 16 6	51 „ 52 . . . . .	9 9 6
39 „ 40 . . . . .	7 2 6	52 „ 53 . . . . .	9 13 0
40 „ 41 . . . . .	7 9 0	53 „ 54 . . . . .	9 15 6
41 „ 42 . . . . .	7 15 6	54 „ 55 . . . . .	9 17 6
42 „ 43 . . . . .	8 2 0	55 „ 56 . . . . .	9 18 6
43 „ 44 . . . . .	8 9 0	56 „ 57 . . . . .	9 18 0
44 „ 45 . . . . .	8 16 0	57 „ 58 . . . . .	9 16 6
Employed Contributors only.		58 „ 59 . . . . .	9 13 0
45 and under 46 . . . . .	9 3 0	59 „ 60 . . . . .	9 7 0
46 „ 47 . . . . .	9 10 0	60 „ 61 . . . . .	8 2 0
47 „ 48 . . . . .	9 16 6	61 „ 62 . . . . .	7 15 6
48 „ 49 . . . . .	10 3 0	62 „ 63 . . . . .	7 5 0
		63 „ 64 . . . . .	6 11 0
		64 „ 65 . . . . .	5 12 6

*Ireland.*

Age.	Reserve Value.	Age.	Reserve Value.
Employed and Voluntary Contributors.		Employed and Voluntary Contributors— <i>cont.</i>	
16 and under 17 . . . . .	£ s. d. Nil.	42 and under 43 . . . . .	7 15 6
17 „ 18 . . . . .	0 9 0	43 „ 44 . . . . .	8 2 0
18 „ 19 . . . . .	0 17 6	44 „ 45 . . . . .	8 8 6
19 „ 20 . . . . .	1 6 6	Employed contributors only.	
20 „ 21 . . . . .	1 15 0	45 and under 46 . . . . .	8 15 0
21 „ 22 . . . . .	2 2 0	46 „ 47 . . . . .	9 1 6
22 „ 23 . . . . .	2 8 6	47 „ 48 . . . . .	9 8 0
23 „ 24 . . . . .	2 14 6	48 „ 49 . . . . .	9 14 0
24 „ 25 . . . . .	3 0 0	49 „ 50 . . . . .	9 19 6
25 „ 26 . . . . .	3 5 6	50 „ 51 . . . . .	8 15 0
26 „ 27 . . . . .	3 10 6	51 „ 52 . . . . .	8 19 0
27 „ 28 . . . . .	3 15 6	52 „ 53 . . . . .	9 2 0
28 „ 29 . . . . .	4 0 6	53 „ 54 . . . . .	9 3 6
29 „ 30 . . . . .	4 5 6	54 „ 55 . . . . .	9 5 0
30 „ 31 . . . . .	4 10 6	55 „ 56 . . . . .	9 5 6
31 „ 32 . . . . .	4 15 0	56 „ 57 . . . . .	9 4 6
32 „ 33 . . . . .	5 0 0	57 „ 58 . . . . .	9 2 0
33 „ 34 . . . . .	5 5 0	58 „ 59 . . . . .	8 17 6
34 „ 35 . . . . .	5 10 0	59 „ 60 . . . . .	8 11 0
35 „ 36 . . . . .	5 15 0	60 „ 61 . . . . .	7 5 0
36 „ 37 . . . . .	6 0 6	61 „ 62 . . . . .	6 17 6
37 „ 38 . . . . .	6 6 0	62 „ 63 . . . . .	6 6 6
38 „ 39 . . . . .	6 11 6	63 „ 64 . . . . .	5 12 0
39 „ 40 . . . . .	6 17 0	64 „ 65 . . . . .	4 12 6
40 „ 41 . . . . .	7 3 0		
41 „ 42 . . . . .	7 9 0		



## STATUTORY RULES AND ORDERS, 1912.

No. 512.

TABLE PREPARED BY THE NATIONAL HEALTH INSURANCE JOINT COMMITTEE, DATED MAY 24TH, 1912, UNDER SECTION 55 (1) OF THE NATIONAL INSURANCE ACT, 1911 (1 & 2 GEO. V. C. 45) OF RESERVE VALUES FOR FEMALE INSURED PERSONS (*supra*, p. 213).

*England, Scotland, and Wales.*

## RESERVE VALUES.

Under age 45.

Age.				Employed and Voluntary Contributors. Spinsters and Widows.	Employed Contributors. Married Women.
				£ s. d.	£ s. d.
16 and under	17	.	.	Nil	Nil
17	"	18	.	0 5 0	7 12 6
18	"	19	.	0 10 0	7 4 6
19	"	20	.	0 15 6	6 16 6
20	"	21	.	1 0 6	6 10 6
21	"	22	.	1 5 0	6 6 0
22	"	23	.	1 9 0	6 3 0
23	"	24	.	1 13 0	6 1 6
24	"	25	.	1 17 6	6 0 6
25	"	26	.	2 2 6	6 0 0
26	"	27	.	2 7 6	6 0 6
27	"	28	.	2 13 0	6 1 6
28	"	29	.	2 19 0	6 3 0
29	"	30	.	3 5 0	6 4 6
30	"	31	.	3 12 0	6 6 6
31	"	32	.	3 19 0	6 9 0
32	"	33	.	4 6 0	6 11 6
33	"	34	.	4 13 6	6 14 6
34	"	35	.	5 1 0	6 17 6
35	"	36	.	5 9 0	7 1 0
36	"	37	.	5 17 0	7 4 6
37	"	38	.	6 4 6	7 8 6
38	"	39	.	6 12 6	7 12 6
39	"	40	.	7 0 0	7 17 0
40	"	41	.	7 8 0	8 2 0
41	"	42	.	7 16 0	8 7 0
42	"	43	.	8 3 6	8 13 0
43	"	44	.	8 11 0	8 19 0
44	"	45	.	8 19 0	9 5 0



*England, Scotland, and Wales.*

## RESERVE VALUES.

Over age 45. Employed Contributors only.

Age.			Spinsters and Widows.			Married Women.		
			£	s.	d.	£	s.	d.
45 and under 46	.	.	9	6	6	9	11	6
46	„	47	9	13	6	9	18	0
47	„	48	10	0	6	10	4	6
48	„	49	10	7	0	10	10	6
49	„	50	10	12	6	10	16	0
50	„	51	10	3	6	10	6	0
51	„	52	10	7	6	10	10	0
52	„	53	10	11	0	10	13	0
53	„	54	10	13	6	10	15	0
54	„	55	10	15	0	10	16	6
55	„	56	10	15	6	10	17	0
56	„	57	10	15	0	10	16	0
57	„	58	10	12	0	10	13	0
58	„	59	10	7	6	10	8	0
59	„	60	10	0	6	10	1	0
60	„	61	9	7	6	9	8	0
61	„	62	8	16	6	8	17	0
62	„	63	8	2	0	3	2	0
63	„	64	7	3	6	7	3	6
64	„	65	6	0	0	6	0	0

*Ireland.*

## RESERVE VALUES.

Under age 45.

Age.			Employed and Voluntary Contributors. Spinsters and Widows.			Employed Contributors. Married Women.		
			£	s.	d.	£	s.	d.
16 and under 17	.	.	Nil.			Nil		
17	„	18	0	5	0	7	11	6
18	„	19	0	10	0	7	3	6
19	„	20	0	15	6	6	15	6
20	„	21	1	0	0	6	9	6
21	„	22	1	4	0	6	5	0
22	„	23	1	8	0	6	2	0
23	„	24	1	12	0	6	0	0
24	„	25	1	16	6	5	19	0
25	„	26	2	1	0	5	18	6
26	„	27	2	6	0	5	18	6
27	„	28	2	11	6	5	19	6
28	„	29	2	17	6	6	0	6
29	„	30	3	3	6	6	2	0
30	„	31	3	10	0	6	4	0



Age.				Employed and Voluntary Contributors. Spinsters and Widows.	Employed Contributors. Married Women.
				£ s. d.	£ s. d.
31 and under	32	.	.	3 16 6	6 6 0
32	33	.	.	4 3 6	6 8 0
33	34	.	.	4 10 6	6 10 6
34	35	.	.	4 18 0	6 13 6
35	36	.	.	5 5 6	6 16 6
36	37	.	.	5 13 0	7 0 0
37	38	.	.	6 0 0	7 3 6
38	39	.	.	6 7 6	7 7 0
39	40	.	.	6 15 0	7 11 6
40	41	.	.	7 2 6	7 16 0
41	42	.	.	7 9 6	8 1 0
42	43	.	.	7 17 0	8 6 0
43	44	.	.	8 4 0	8 11 6
44	45	.	.	8 11 0	8 17 6

Over age 45. Employed Contributors only.

Age.				Spinsters and Widows.	Married Women.
				£ s. d.	£ s. d.
45 and under	46	.	.	8 18 0	9 3 0
46	47	.	.	9 4 6	9 9 0
47	48	.	.	9 11 0	9 15 0
48	49	.	.	9 17 0	10 0 6
49	50	.	.	10 2 0	10 5 0
50	51	.	.	9 12 6	9 15 0
51	52	.	.	9 16 0	9 18 0
52	53	.	.	9 18 6	10 0 6
53	54	.	.	10 0 6	10 2 0
54	55	.	.	10 1 6	10 2 6
55	56	.	.	10 1 0	10 2 0
56	57	.	.	9 19 6	10 0 6
57	58	.	.	9 16 0	9 16 6
58	59	.	.	9 10 6	9 11 0
59	60	.	.	9 3 0	9 3 6
60	61	.	.	8 9 0	8 9 6
61	62	.	.	7 17 6	7 17 6
62	63	.	.	7 2 0	7 2 0
63	64	.	.	6 2 6	6 2 6
64	65	.	.	4 18 0	4 18 0



PROVISIONAL REGULATIONS MADE BY THE INSURANCE COMMISSIONERS AS TO THE PROCEEDINGS OF INSURANCE COMMITTEES, DATED THE 5TH JULY, 1912.—(Made under Section 59 (4) *supra*, p. 223.)

2.—(1) The Committee shall appoint some member of the Committee to be chairman of the Committee, and the person so appointed shall, if he so long remains a member of the Committee, hold office for such period as may be specified in the resolution of the Committee under which he is appointed.

(2) At every meeting of the Committee the chairman if present shall preside.

If the chairman is absent from any meeting, the members present at the meeting shall elect from among themselves some person to act as chairman as respects that meeting.

3. The time and place of holding the first meeting of the Committee shall be fixed by the Commissioners, and the subsequent meetings of the Committee shall be held at such times and places as the Committee may from time to time appoint :

Provided that a meeting of the Committee shall be held at least once in every three months.

4. Notices of all meetings of the Committee shall be delivered or sent by post so as to reach the last known place of abode or business in England of each member of the Committee three clear days before the day of meeting.

5. Every question at a meeting of the Committee shall be determined by a majority of the votes of the members of the Committee present and voting on the question, and, in case of an equal division of votes, the chairman of the meeting shall have a second or casting vote.

6. The proceedings of a Committee shall not be invalidated by any vacancy in their number or by any defect in the appointment of any member of the Committee.

7.—(1) The Committee shall appoint some fit person to act as clerk to the Committee, and may, with the consent of the Commissioners, appoint such other officers or servants as may be necessary, to hold office during the pleasure of the Committee.

(2) The Committee may, with the consent of the Commissioners, pay to the clerk and to their other officers and servants such remuneration as the Committee think fit.

(3) The clerk of every Committee shall immediately upon his appointment notify the appointment, together with his name and address, to the Commissioners.

8.—(1) Minutes of the proceedings at every meeting of the Committee and a record of the attendance of the members of the Committee shall be duly kept by the clerk.

(2) Unless and until the contrary is proved, every meeting in respect of the proceedings whereof a minute has been made in accordance with the above provision shall be deemed to have been duly convened and held, and all the members present at the meeting shall be deemed to have been duly qualified.

9. The Committee may, for the purposes of their duties under the Act, provide themselves with offices, and for that purpose may use any offices belonging to a local authority, subject to the consent of the authority, with or without payment, as may be agreed :

Provided that the Committee, before taking any steps to acquire premises, shall satisfy themselves that the use of the offices of a local authority cannot be obtained on reasonable terms and conditions.

10.—(1) Subject to the provisions of the Act and of these Regulations, the Committee may appoint such sub-committees as they may think expedient and may delegate to any sub-committee so appointed any of the powers and duties of the Committee :

Provided that—

(i.) No expenditure shall be incurred by the sub-committee without the consent of the Committee ; and

(ii.) Every sub-committee shall report its proceedings to the Committee at such times and in such manner as the Committee appoint.

(2) Sub-committees may consist wholly or partly of members of the Committee as the Committee may, in their discretion, determine.



(3) Subject as aforesaid, the provisions of these Regulations relating to the constitution, chairman, and proceedings of Committee shall apply to sub-committees as they apply to Committees, with the substitution of the sub-committee for the Committee.

11. Subject to the provisions of the Act and of Regulations made by the Commissioners, the Committee may make, vary, and revoke Standing Orders for the regulation of their proceedings and business.

12. Subject to the provisions of these Regulations, the quorum, proceedings, and place of meeting of the Committee shall be such as the Committee determine:

Provided that the quorum shall in no case be less than one-third of the whole number of the Committee.

13. Subject to the provisions of any Regulations which may be hereafter made by the Commissioners all the members of the Committee in office on the 15th day of July, 1914, shall go out of office on that date, and their places shall be filled by new appointments to be made at such time and in such manner as may be prescribed by Regulations made by the Commissioners.

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PROVISIONAL REGULATIONS MADE BY THE INSURANCE COMMISSIONERS UNDER SECTION 66 OF THE NATIONAL INSURANCE ACT, 1911, DATED THE 5TH DAY OF JUNE, 1912 (*supra*, p. 240).

2. Any question as to the rate of contributions payable by or in respect of any insured person who is or is about to become a member of an approved Society shall, instead of being determined by the Commissioners, be determined by the Society unless the question is a question the decision on which—

(a) may affect the interest of an employer; or

(b) may involve the payment of a portion of any contribution out of monies provided by Parliament; or

(c) may affect the amount of any reserve value to be credited to any Society.

3. Any person who desires to obtain the decision of the Commissioners on any question may make an application for the purpose by delivering or sending to the Commissioners, or to such person as they may appoint for the purpose of receiving applications, an application in such one of the forms set out in the First Schedule to these Regulations as is appropriate to the case, or in a form to a like effect.

4.—(1) In any case where the question to which an application relates is not a question whether a class of employment is or will be employment within the meaning of the Act, the Commissioners, or such person as they may appoint for the purpose of sending notices under this Regulation, shall, subject to the provisions of these Regulations, as soon as may be after the receipt of the application, deliver or send to any person appearing to be interested a notice that the application has been made, together with a copy of the application and a blank form of particulars in the form set out in the Second Schedule to these regulations.

The notice shall also state that the person to whom a notice is delivered or sent must fill up the form and before the date specified in the notice deliver it or send it to the person specified in that behalf in the notice, and that if he fails so to do he will not be entitled to be heard by the Commissioners before the determination of the question.

(2) As soon as may be after the expiration of the period specified in the notice for the submission of particulars by the interested parties, the Commissioners shall proceed to fix a date for the hearing of the application and shall send seven days' notice of the date so fixed to the applicant and to such of the persons to whom notice of the application was given as have filled up and returned the form of particulars within the prescribed time.

5.—(1) If the question to which the application relates is a question whether a class of employment is or will be employment within the meaning of the Act, the Commissioners shall, subject to the provisions of these Regulations, as soon as may be after the receipt of the application, unless they determine to submit the question for



decision to the High Court in accordance with the provisions of Proviso (iii.) to subsection (1) of section 66 of the Act, proceed to fix a date for the hearing of the application.

(2) Not less than two weeks before the date fixed by the Commissioners for the hearing of the application they shall give public notice of the application having been made and of the date and place fixed for the hearing.

Every such notice shall be given in such manner as the Commissioners think best adapted for bringing the matter to the notice of persons interested.

(3) In the event of the Commissioners determining to submit the question for decision to the High Court they shall send notice in writing of their determination to the applicant, and shall in addition either send notice of the application having been made and of their determination to any person appearing to them to be interested or (if they think the case is one in which public notice ought to be given) give notice to that effect publicly in such manner as they think fit.

6. The Commissioners may at any time, before giving their decision on any application, refer the application for consideration and report to any officer of the Commissioners or other person appointed for the purpose, and, if they think fit, may direct that the hearing (if any) shall take place before the person so appointed, and where the Commissioners so direct, the notice of the date fixed for the hearing required to be sent or published by the Commissioners under the two last preceding Regulations shall include a statement that the Commissioners have so directed and of the name and address of the person appointed.

7.—(1) The hearing of an application shall be held at the head office of the Commissioners, unless the Commissioners specially appoint some other place for the purpose.

(2) The applicant may attend and be heard at the hearing of the application, and if any other person desires so to attend and be heard, he may, not less than three days before the date fixed for the hearing, make an application in that behalf to the Commissioners or the person before whom the hearing is to take place, and the Commissioners, or that person, if satisfied that the person so desiring to attend and be heard is interested in the application, may authorise him to attend and be heard accordingly.

(3) Any person entitled to attend or to be heard at the hearing of any application may appear in person, or, with the consent of the Commissioners or the person before whom the hearing takes place,—

(a) by counsel or by solicitor;

(b) by any member of his family;

(c) by any person in his permanent or exclusive employment;

(d) in the case of a company or corporation, by any director or officer of the company or corporation; or

(e) by any officer or member of any society or other body of persons of which the person in question is a member or with which he is connected.

(4) The Commissioners or person before whom the hearing takes place, as the case may be, may adjourn the hearing from time to time as seems fit to them or him.

(5) Subject as aforesaid, the procedure on the hearing of any application shall be such as the Commissioners or the person before whom the hearing takes place may determine.

8.—(1) If at any time before the conclusion of the hearing, any representations with reference to the application are made to the Commissioners in writing by or on behalf of any person appearing to them to be interested, the Commissioners shall take those representations into their consideration.

(2) The Commissioners may at any time before giving their decision require any person appearing to them to be interested in the determination of the question to supply to them such information in writing as they think necessary for the purpose of enabling them to give a decision and as it is in his power to give, and the Commissioners or the person before whom any hearing takes place may, if it seems desirable, require the attendance of any such person at the hearing in order to give oral information on the subject of the application.



9. If on the consideration of any application it appears to the Commissioners for any reason either that the giving of notice of the application or the holding of a hearing can properly be dispensed with, then (notwithstanding anything in these Regulations) the Commissioners shall not be bound to give notice of the application or to hold a hearing of the application as the case may be, and in any case in which they decide to dispense with the giving of notice they may give their decision on the application forthwith, and in any case in which they decide to dispense with the holding of a hearing they may give their decision after receiving and considering any particulars or any representations with reference to the application which may be received from any persons.

10.—(1) As soon as may be after the determination of any question, the Commissioners shall cause a memorandum in writing of their decision to be drawn up in the form set out in the Third Schedule to these Regulations, and shall send a copy of the memorandum to the applicant.

The Commissioners shall also take such other steps, either by giving public notice of their decision or by sending a copy of the memorandum to any persons, as appear to them to be necessary for the purpose of making the decision known to all persons interested.

(2) The Commissioners shall not be obliged to give any reasons for their decision on any application.

11. Any notice or other document required or authorised to be sent to any person for the purpose of these Regulations shall be deemed to be duly sent if sent by post addressed to that person at his ordinary address.

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## STATUTORY RULES AND ORDERS, 1912.

### No. 723.

ORDER MADE UNDER SECTION 78 OF THE NATIONAL INSURANCE ACT, 1911, BY THE JOINT COMMITTEE ESTABLISHED UNDER THAT ACT, ACTING ALONE AND ALSO ACTING JOINTLY WITH THE SEVERAL BODIES OF COMMISSIONERS CONSTITUTED UNDER THAT ACT WITH REFERENCE TO THE PROCEDURE FOR MAKING SPECIAL ORDERS UNDER THE ACT (*supra*, p. 256).<sup>1</sup>

Whereas by Section 78 of the National Insurance Act, 1911 (in this Order called "the Act"), it is amongst other things enacted that if any difficulty arises with respect to bringing into operation Part I. of the Act, the Insurance Commissioners with the consent of the Treasury may by Order do anything which appears to them necessary or expedient for bringing that Part of the Act into operation, and that any such Order may modify the provisions of the Act so far as may appear necessary or expedient for carrying the Order into effect:

And whereas by virtue of various provisions of the Act and of the National Insurance (Joint Committee) Regulations, 1912, the Joint Committee of the several bodies of Commissioners established under the Act acting either alone or jointly with those bodies have power to make Special Orders for various purposes of the Act;

And whereas by virtue of Section 113 of the Act and the Ninth Schedule to the Act it is not possible for a draft Special Order under the Act to come into force before the expiration of a period of at least fifty-one days after the publication of the draft Order:

And whereas the said Joint Committee acting either alone or jointly as aforesaid have published notice of their proposal to make certain Special Orders under the Act and are about to publish notice of their proposal to make certain further Special Orders under the Act, but unless special provision is made in manner provided by this Order the Special Orders in respect of which notice has been or will be published cannot come into force until after the commencement of the Act:

And whereas it is expedient for bringing Part I. of the Act into operation that the Joint Committee acting either alone or jointly as aforesaid, as the case may be,

(<sup>1</sup>) *Vide also infra*, p. 448.



should in any case in which they have given notice of their proposal to make a Special Order be enabled to make the Order to come into operation on or before the commencement of the Act as a provisional Order :

And whereas by the National Insurance (Joint Committee) Regulations, 1912, it is amongst other things provided that the said Joint Committee shall exercise and perform either alone or jointly with the several bodies of Commissioners as the case may require such of the powers and duties of those bodies under section 78 of the Act as may be necessary to enable the Joint Committee to exercise and perform the several powers and duties of the Joint Committee under the Act and those Regulations :

Now, therefore, the Joint Committee acting alone and also acting jointly with the Insurance Commissioners, the Scottish Insurance Commissioners, the Irish Insurance Commissioners, and the Welsh Insurance Commissioners, in pursuance of the powers conferred on them by Section 78 of the Act and by the National Insurance (Joint Committee) Regulations, 1912, with the consent of the Treasury hereby order as follows :

1.—(1) In any case in which the Joint Committee acting either alone or jointly with the several bodies of Commissioners or with any one or more of those bodies have published notice of their proposal to make a Special Order under the Act, they may, if they certify that for the purpose of bringing into operation Part I. of the Act it is expedient that the Special Order should come into operation on or before the commencement of the Act, make the Order to come into operation on or before the commencement of the Act as a Provisional Special Order, but such a Provisional Special Order shall only continue in force until the Special Order has been made in accordance with the provisions of Section 113 of the Act and the Ninth Schedule to the Act.

(2) Any Provisional Special Order made in pursuance of this Order shall be laid before both Houses of Parliament as soon as may be after it is made, and if an address is presented to His Majesty by either House of Parliament within the next subsequent twenty-one days on which that House has sat next after any such Provisional Special Order is laid before it, praying that the Order may be annulled, His Majesty in Council may annul the Order, and it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder.

2. This Order may be cited as the National Health Insurance (Special Orders Acceleration) Order, 1912.

## STATUTORY RULES AND ORDERS, 1912.

No. 1147.

THE NATIONAL HEALTH INSURANCE (SANATORIUM BENEFIT, &c.) ORDER, 1912, DATED AUGUST 3, 1912, MADE UNDER SECTION 78 BY THE INSURANCE COMMISSIONERS WITH REFERENCE TO THE ADMINISTRATION OF SANATORIUM BENEFIT DURING THE FIRST THREE MONTHS AFTER THE COMMENCEMENT OF THE ACT IN THE CASE OF PERSONS WHO ARE NOT MEMBERS OF APPROVED SOCIETIES, WITH REFERENCE TO THE PROVISION OF FUNDS FOR SANATORIUM BENEFIT DURING THE PERIOD ENDING 13TH JANUARY, 1913, AND PRESCRIBING AS RESPECTS THE YEAR 1913 THE DATE WHICH FOR CERTAIN PURPOSES IS TO BE DEEMED TO BE THE COMMENCEMENT OF THE YEAR.

1. All persons, not being members of Approved Societies, in respect of whom contributions under the Act are paid in accordance with the provisions of the Act at any time not later than the 12th day of January, 1913, shall for the purpose of the provisions of the Act relating to the administration of sanatorium benefit be deemed, if they subsequently join an Approved Society at any date within the time prescribed for the purpose by the National Health Insurance (Time for Joining an Approved Society) Regulations, 1912, not being a date later than the 12th day of January, 1913, to have



been members of an Approved Society as from the date of their entry into insurance, and shall for that purpose in any other case be deemed to have been deposit contributors as from that date.

2.—(1) For the purpose of defraying the expenses of sanatorium benefit during the period between the 15th day of July, 1912, and the 12th day of January, 1913, both inclusive, there shall be deducted, at such times and in such manner as the Commissioners may direct, from the several amounts from time to time standing to the credit of persons who are deposit contributors and from the respective amounts standing to the credit of Approved Societies, such sums as may be determined by the Commissioners to be necessary for the purpose of meeting the expenditure incurred in connection with the provision of sanatorium benefit during the said period, not exceeding in the case of a deposit contributor 1*d.* for every four contributions paid in respect of him during the said period and not exceeding in the case of an Approved Society  $\frac{1}{4}$ *d.* for every contribution credited to the Society in respect of the said period, and all sums so deducted shall be transferred to the proper Insurance Committees:

Provided that no deductions shall be made under the foregoing provisions from the amounts standing to the credit of any deposit contributor being a person not entitled to sanatorium benefit, and contributions paid by any person not entitled to sanatorium benefit shall not be taken into account in calculating the amount to be deducted from the amount standing to the credit of an Approved Society.

(2) In the application of this paragraph to aliens, three shall be substituted for four and  $\frac{1}{4}$ *d.* shall be substituted for  $\frac{1}{4}$ *d.*

(3) For the purpose of this paragraph—

The expression "deposit contributor" includes a person who by virtue of the preceding paragraph of this Order is deemed to be a deposit contributor;

The expression "person not entitled to sanatorium benefit" means an insured person whom the Insurance Committee have no power to recommend for sanatorium benefit;

The expression "alien" means a person of the age of 17 years or upwards who is not a British subject and to whom Section 45 of the Act applies.

(4) For the purpose of calculating the sums to be deducted from the amounts standing to the credit of deposit contributors any three or less number of contributions in excess of any multiple of four contributions shall be deemed to be four contributions.

3. As respects the year 1913 the commencement of the year shall for the purposes of Section 42 (e) and Section 61 of the Act be taken to be the 13th day of January.

#### PRELIMINARY EXPENSES ORDER.

ORDER MADE UNDER SECTION 78 OF THE NATIONAL INSURANCE ACT, 1911, BY THE NATIONAL HEALTH INSURANCE COMMISSION (ENGLAND) (*supra*, p. 256).

1. Any expenses incurred by an approved society in repaying to any person expenses incurred by him before approval is given to the society in getting up or obtaining approval for the society may, if the society think fit, be treated by the society as though they were expenses incurred by the society in the administration of the benefits conferred by the Act after approval has been obtained.

#### STATUTORY RULES AND ORDERS, 1912.

No. 175.

THE NATIONAL INSURANCE (JOINT COMMITTEE) REGULATIONS, 1912, DATED FEBRUARY 21, 1912, MADE BY THE TREASURY UNDER SECTION 83 (*supra*, p. 279).

In pursuance of the powers conferred upon them by section 83 of the National Insurance Act, 1911, and of every other power enabling them in this behalf, the

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Lords Commissioners of His Majesty's Treasury hereby without prejudice to any further exercise of such powers make the following Regulations:—

1. These Regulations may be cited as the National Insurance (Joint Committee) Regulations, 1912.

2.—(1) Expressions used in these Regulations have the same meaning as in Part I. of the National Insurance Act, 1911 (in these Regulations called "the Act") and

"The several bodies of Commissioners" means the Insurance Commissioners, the Scottish Insurance Commissioners, the Irish Insurance Commissioners and the Welsh Insurance Commissioners, appointed for the purposes of Part I. of the Act, or such one or more of such bodies as in any particular case may be concerned.

"The Joint Committee" means the Joint Committee of the several bodies of Commissioners to be constituted under section 83 of the Act.

"Part of the United Kingdom" means England, Scotland, Ireland, or Wales.

(2) The Interpretation Act, 1889, shall apply to the interpretation of these Regulations in like manner as it applies to the interpretation of an Act of Parliament.

3.—(1) The Joint Committee shall consist of—

(a) the chairmen for the time being of the several bodies of Commissioners (who shall be *ex officio* members of such committee);

(b) such other members (if any) of each such body as the Treasury shall from time to time by warrant appoint;

(c) so many and such other persons (not exceeding two in number) as the Treasury shall in like manner appoint, and

(d) a chairman to be appointed by the Treasury in like manner.

(2) The Treasury may from time to time by warrant appoint any member of the Joint Committee to be vice-chairman thereof, and such vice-chairman shall preside at any meeting of the Joint Committee which the chairman shall be unable to attend. If both the chairman and vice-chairman are absent, the members present at the meeting shall elect from among themselves a chairman for that meeting.

(3) If the chairman of any of the several bodies of Commissioners shall be unable to attend at any meeting of the Joint Committee, the deputy chairman of that body or, if he is unable to attend, such other member of that body as the body shall appoint, shall for the purpose of such meeting be a member of the Joint Committee in his place.

(4) At every meeting of the Joint Committee four shall form a quorum and every member present shall have one vote, but in case of an equality of votes, the chairman of the Joint Committee or, in his absence, the vice-chairman (if present), shall have a casting vote.

(5) Subject as aforesaid, the Joint Committee may regulate the procedure of its meetings and the manner in which and the times at which meetings are to be called.

4. The Joint Committee may, under sub-section (2) of section 83 of the Act, make such financial adjustments as may be necessary between the several funds under the control and management of the several bodies of Commissioners, and shall exercise alone the power conferred by sub-section (3) of that section of making regulations as to the valuation of societies and branches which have amongst their members persons resident in more than one part of the United Kingdom.

5. For the purposes of the provisions of the Act relating to contributions, the Joint Committee shall exercise jointly with the several bodies of Commissioners the following powers, namely:—

(a) under sub-section (1) of section 4 and sub-section (1) of section 5 of the Act, the power of prescribing the intervals at which contributions payable in respect of employed contributors and voluntary contributors respectively are to be payable.

(b) under paragraph (4) of section 4 of the Act, the power of prescribing the account to which contributions which an employer is liable to pay under that sub-section are to be carried and the manner in which the same are to be dealt with,



- (c) under section 7 of the Act, the power of making regulations for matters incidental to the payment and collection of contributions.
- (d) under paragraph (5) of the Third Schedule to the Act, the power of prescribing the employer or employers who shall be deemed to be the employer for the purposes of the provisions of Part I. of the Act relating to the payment of contributions and of that Schedule in cases where a contributor is employed by more than one employer in any calendar week.
- (e) under paragraph (6) of the said Third Schedule the power of making regulations with reference to the cases and classes of cases of employment referred to in that paragraph.
- (f) under paragraph (10) of the said Third Schedule, the power of making regulations providing for the determination of the contributions to be paid in the case of outworkers by reference to the work actually done.

6. For the purposes of section 10 of the Act (which relates to insured persons whose contributions are in arrears), the Joint Committee alone shall exercise the power :—

- (a) of prescribing the manner in which a sum credited to an approved society in respect of an insured person who is suspended from all benefits under sub-section (1) of that section is to be calculated, the account to which such sum is to be carried, and the manner in which the same is to be dealt with ;
- (b) of prescribing under sub-section (3) of that section the proportionate reduction of benefits to which a voluntary contributor who is in arrears is to be liable ;
- (c) of prescribing under sub-section (7) of that section the manner in which the average amount of arrears for the purposes of that section is to be calculated.

7. For the purposes of section 15 and paragraph (d) of section 42 of the Act (which relate to medical benefit) the Joint Committee shall exercise jointly with the several bodies of Commissioners the following powers, namely :—

- (a) under sub-section (1) of section 15, the power to make regulations governing arrangements for administering medical benefit ;
- (b) under paragraph (a) of sub-section (2) of section 15, the power of removing names from the list of medical practitioners and of prescribing the inquiry to be made before such removal is effected ;
- (c) the power of dispensing with the necessity of the adoption of such system as is mentioned in sub-section (2) of section 15 and of authorising Insurance Committees to make other arrangements and of approving such arrangements and the power of making arrangements or of suspending the right to medical benefit in manner mentioned in that sub-section ;
- (d) under sub-section (5) of section 15, the power to make regulations governing arrangements for the supply of drugs, medicines, and appliances ;
- (e) under paragraph (b) of sub-section 5 of section 15, the power of determining whether the inclusion or continuance of a person, firm, or body corporate in such list as is mentioned in that sub-section would be prejudicial to the efficiency of the service ;
- (f) under paragraph (i) of the lastly mentioned sub-section, the power of dispensing with the necessity of the adoption of such system as in that sub-section is mentioned and of authorising Insurance Committees to make other arrangements and of approving such arrangements ;
- (g) under paragraph (ii) of the lastly mentioned sub-section, the power to make regulations permitting arrangements to be made by Insurance Committees with medical practitioners for the supply of drugs or medicines to insured persons ;
- (h) under sub-section (6) of section 15, the power of determining, in default of agreement between an approved society and an Insurance Committee,



the sum to be paid in any year to such Committee in respect of medical benefit and the cost of administration thereof ;

- (i) under paragraph (d) of section 42, the power of consenting to any determination by an Insurance Committee of the sum payable in any year in respect of deposit contributors for the purposes of the cost of medical benefit.

8.—(1) For the purposes of the provisions of the Act relating to approved societies, the Joint Committee alone shall, in the case of any society and any separate section of a society which has among its members insured persons resident in more than one part of the United Kingdom, exercise the following powers, namely :—

- (a) the power of approving and of withdrawing approval, and, where approval has been withdrawn from a society, of making provision with respect to members thereof who are insured persons ;
- (b) the power of approving any scheme submitted under section 25 of the Act ;
- (c) if the Joint Committee shall so require, the powers given by section 26 of the Act of determining what security is sufficient to be given, of dispensing with security, of varying the amount of security, and of consenting to a substitution of securities ;
- (d) the power of approving rules providing for any of the matters mentioned in sub-section (1) of section 27 of the Act ;
- (e) under section 28 of the Act the power of consenting to the secession or withdrawal of branches, of approving any provision made by a seceding or withdrawing branch for the transfer of such of its members as are insured persons, of sanctioning the dissolution of societies and branches, and of approving, in the case of a branch which it is proposed to expel, any provision made with respect to any members thereof who are insured persons.

(2) The power of prescribing the character of the constitution which a society not registered or established under any Act of Parliament or by Royal Charter must have before it can be approved by the several bodies of Commissioners or the Joint Committee shall be exercisable by the Joint Committee alone.

(3) Where a society or separate section of a society has been approved by the body of Commissioners concerned, and such approval has not been withdrawn, such society or section may apply to the Joint Committee for its approval, and the Joint Committee may grant the same, and thereafter the society or section shall, but without prejudice to any subsequent withdrawal of approval, continue to be an approved society notwithstanding that it subsequently have among its members insured persons resident in more than one part of the United Kingdom.

9. For the purposes of the provisions of the Act relating to the accounts and valuations of and surpluses and deficiencies shown by approved societies and branches of approved societies, the Joint Committee alone shall exercise the following powers, namely :—

- (a) under sub-section (1) of section 35 of the Act, the power of making regulations prescribing the form in which the books and accounts under Part I. of the Act of such societies and branches are to be kept and of requiring such societies and branches to render returns, and of providing in such regulations for the matters referred to in sub-section (2) of that section ;
- (b) under section 36 of the Act, the power of appointing the times at which and of prescribing the basis on which valuations of the assets and liabilities arising under Part I. of the Act of such societies and branches are to be made ;
- (c) under sub-section (2) of section 38 of the Act, the power of prescribing the manner in which the capitalised value of levies and diminution of benefits is to be ascertained ;

and the Joint Committee shall exercise jointly with the several bodies of Commissioners the following powers, namely :—



- (i) under section 37 of the Act, the power of sanctioning schemes for distributing additional benefits out of any such surplus ;
- (ii) under section 38 of the Act, the power of sanctioning schemes for making good any such deficiency :

Provided, that in exercising the powers mentioned in paragraphs (i) and (ii) hereof, the Joint Committee shall be concerned only with the actuarial soundness of such schemes.

10. For the purposes of section 44 of the Act (which relates to married women) the Joint Committee alone shall exercise the following powers, namely :—

- (a) under sub-section (1) of that section, the power of making regulations subject to which a married woman ceasing to be suspended from receiving the ordinary benefits under that sub-section is for the purposes of those benefits to be treated as if she had not previously been an insured person ;
- (b) under sub-section (10) of that section, the power of prescribing the manner in which transfer values are to be calculated for the purposes of that section ;
- (c) under sub-section (12) of that section, the power of prescribing the adjustments to be made under that sub-section ;

11. For the purposes of section 48 of the Act (which relates to the mercantile marine), the Joint Committee alone shall exercise the following powers, namely :—

- (a) under sub-section (5) of that section, the power of approving any scheme prepared by the Board of Trade for the management of the affairs of the Seamen's National Insurance Society.
- (b) under sub-section (7) of that section, the power of approving, with the Board of Trade, any scheme prepared by the committee of management under that sub-section ;
- (c) under sub-section (12) of that section, the power of prescribing the modifications subject to which the provisions of Part I. of the Act relating to the administration of medical benefit and sanatorium benefit are to apply in the case of members of the Seamen's National Insurance Society.

12.—(1) The Joint Committee alone shall exercise the following powers relating to financial matters, namely :—

- (a) under sub-section (4) of section 54 of the Act, the power of prescribing the rate per annum at which interest is to be credited to the Post Office fund and to the Navy and Army Insurance Fund ;
- (b) under sub-section (1) of section 56 of the Act, the power of making regulations with respect to crediting and debiting sums to the several societies and as to the payments to be made by and to the Commissioners to and by societies, the power of prescribing the rate per annum at which interest is to be credited to societies, the power of receiving notices from societies, and the power of prescribing the modifications subject to which the regulations made under that sub-section are to apply to a society giving such notice ;
- (c) under sub-section (4) of section 56 of the Act, the power of prescribing the manner in which sums received by way of interest or dividend on investments are to be applied by approved societies.

(2) The Joint Committee shall exercise jointly with the several bodies of Commissioners the power under sub-section (2) of section 56 of the Act, of approving securities in which approved societies may invest sums paid to them for investment.

13. The Joint Committee alone shall exercise the power of making the following tables, namely :—

- (a) under sub-section (1) of section 5 of the Act, the tables in accordance with which the voluntary rate is to be ascertained ;
- (b) under sub-section (2) of section 6 of the Act, the tables in accordance with which additions are to be made to the reduced rate of sickness benefit payable under that sub-section ;
- (c) under sub-section (4) of section 9 of the Act, tables in accordance with which the reduced rate payable in the case of the persons referred to in that sub-section is to be fixed ;



- (d) under sub-section (1) of section 31 of the Act, tables in accordance with which transfer values are to be calculated ;
- (e) under sub-section (1) of section 44 of the Act, tables according to which reserve values are to be calculated for the purposes of that sub-section.
- (f) under sub-section (1) of section 55 of the Act, tables showing reserve values.

14. For the purpose of the provisions of the Act relating to the making of special orders, the Joint Committee alone shall exercise the power of making such orders:—

- (a) under sub-section (2) of section 1 of the Act, providing for the inclusion amongst the persons employed within the meaning of Part I. of the Act of any persons engaged in any of the excepted employments specified in Part II. of the First Schedule to the Act ;
- (b) under section 20 of the Act, providing for the reinsurance of the liabilities of approved societies in respect of maternity benefit ;
- (c) under sub-section (8) of section 46 of the Act, specifying the cases in and the circumstances under which that sub-section is to apply to a man who was not immediately before the training therein mentioned an insured person.

And the Joint Committee shall exercise jointly with the several bodies of Commissioners the power of making such orders:—

- (i) under sub-section (1) of section 47 of the Act, specifying any such classes of employment as are therein mentioned ;
- (ii) under sub-section (7) of section 47 of the Act, extending the provisions of that section to other classes of employment ;
- (iii) under section 50 of the Act, for any matter in respect of which a special order may be made under that section ;
- (iv) under paragraph (c) of Part I. of the First Schedule to the Act, for excluding outworkers or deferring the commencement of the Act as respect outworkers ;
- (v) under paragraph (k) of Part II. of the said First Schedule, for the purpose of excluding employment as a member of the crew of a fishing vessel in such cases as are referred to in that sub-section ;
- (vi) under paragraph (i) of Part II. of the said First Schedule, for the purpose of excluding any class of employment of such a nature that it is ordinarily adopted as subsidiary employment only.

15. The Joint Committee alone shall exercise the following further powers, namely:—

- (a) under sub-section (1) of section 32 of the Act, the power of approving societies and institutions established in a British possession or foreign country and so that the satisfaction of the Joint Committee alone shall be required with regard to the matters in respect of which the several bodies of Commissioners are required to be satisfied by that sub-section ;
- (b) under sub-section (2) of section 32 of the Act, the power of making arrangements for transfers of persons to and from societies and institutions established in a British possession or foreign state from and to approved societies or the Post Office Fund and for the determination of the amount to be transferred, and of the rights to which persons transferred are to be entitled ;
- (c) under section 33 of the Act, the power of making regulations subject to which an approved society may transfer from its account under Part I. of the Act to its credit independently of the Act any sum which by that section it is entitled so to transfer ;
- (d) under section 42 of the Act, the power of prescribing the time allowed to an insured person to join an approved society or, in the case of any such person who has been expelled or has resigned from an approved society, the time allowed to him to join another approved society ;
- (e) under paragraph (b) of sub-section (1) of section 43 of the Act, the power of prescribing the account to which transfer values are to be carried and



the manner in which the same are to be dealt with under that sub-section ;

- (f) under sub-section (1) of section 46 of the Act, the power of prescribing the weekly sums to be contributed by the Admiralty and the Army Council respectively in respect of seamen, marines and soldiers who have not joined approved societies ;
- (g) under paragraph (b) of sub-section (3) of section 46 of the Act, the power of prescribing the manner in which sums to be paid into the Navy or Army Insurance Fund under that paragraph are to be calculated.
- (h) under paragraph (b) of sub-section (1) of section 51 of the Act, the power of prescribing the manner in which sums payable under that paragraph by the managers of institutions carried on for charitable or reformatory purposes are to be calculated ;
- (i) under section 52 of the Act, the power of prescribing the manner in which sums payable under that section to the Board of Education, the Scotch Education Department, or the Superintendent of the Teachers' Pension Office (as the case may be), are to be calculated ;
- (j) under paragraph (c) of sub-section (1) of section 60, the power of prescribing the form in which the books and accounts of Insurance Committees are to be kept ;
- (k) under paragraph (10) of Part II. of the Fourth Schedule to the Act, the power of prescribing the conditions subject to which contributions may be made to superannuation funds by way of additional benefit.

16. The Joint Committee shall exercise jointly with the several bodies of Commissioners the following further powers, namely :—

- (a) under sub-section (2) of section 9 of the Act, the power of consenting to reductions of the rate of sickness benefit or disablement benefit, and to provisions made for the grant of additional benefits under that sub-section ;
- (b) under section 13 of the Act, the power of confirming a scheme for substituting benefits under that section ;
- (c) under sub-section (2) of section 39 of the Act, the power of consenting to the formation by societies of an association under that section and of prescribing the conditions on which a society shall be entitled or allowed to join or to secede from an association ;
- (d) under section 62 of the Act, the power of recognising local medical committees, of making regulations subject to which such committees shall be consulted by Insurance Committees and district committees, and of determining the powers to be exercised by local medical committees ;
- (e) under section 73 of the Act, the power of granting certificates under that section ;
- (f) under paragraphs (b) and (c) of Part II. of the First Schedule to the Act, the powers conferred on the several bodies of Commissioners by those paragraphs respectively :

Provided, that in exercising the powers mentioned in paragraphs (a), (b), (c), (e), and (f), hereof the Joint Committee shall, except in the case of the powers conferred by paragraph (b) of Part II. of the First Schedule to the Act with regard to persons in employment under the Crown, be concerned with actuarial matters alone.

17. The Joint Committee shall exercise and perform, either alone or jointly with the several bodies of Commissioners, as the case may require, such of the powers and duties of such bodies under sections 57, 58, and 78 of the Act, and otherwise as may be necessary to enable the Joint Committee to exercise and perform the several powers and duties of the Joint Committee under the Act and these Regulations, but without prejudice to the exercise and performance by the several bodies of Commissioners of all or any of their powers and duties under the Act with regard to matters falling to be dealt with by them under the Act and these Regulations.

18. These regulations shall be deemed to have had effect as from the twenty-eighth day of December, 1911.

Provided that anything done in pursuance of the Provisional Regulations made



under the Act on the twenty-eighth day of December, 1911, shall, notwithstanding anything in these Regulations, be deemed to have been validly done and have full effect accordingly.

Dated this twenty-first day of February, 1912.

Wedgwood Benn,

William Jones,

Two of the Lords Commissioners  
of His Majesty's Treasury.

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PROVISIONAL REGULATIONS MADE BY THE JOINT COMMITTEE ESTABLISHED UNDER THE NATIONAL INSURANCE ACT, 1911, AND THE INSURANCE COMMISSIONERS ESTABLISHED UNDER THE SAID ACT, ACTING JOINTLY, AS TO THE EMPLOYER OF A CONTRIBUTOR EMPLOYED BY MORE THAN ONE PERSON IN A CALENDAR WEEK, DATED 2ND JULY, 1912.—(Made under Third Schedule, para. 5, *supra*, pp. 40, 349.)

3.—(1) Where any persons are ordinarily employed by two or more employers in a week, the employers, or any class or group of the employers, of those persons may, if they think fit, submit to the Commissioners a scheme for the payment of contributions under the Act in respect of those persons.

(2) Where the Commissioners are satisfied that any scheme so submitted to them secures the due payment of the contribution payable under Part I. of the Act in respect of every employed contributor to whom the scheme applies for every week during any part of which he is employed by any employer who is a party to the scheme, they may, if they think fit, approve the scheme.

(3) Any such scheme may make such modifications in any Regulations made by the Commissioners with respect to the payment of contributions under Part I. of the Act as may be necessary to give effect to the arrangements made under the scheme.

(4) Where a scheme has been approved by the Commissioners, the parties to the scheme who have employed any person to whom the scheme applies in the course of a week shall in respect of that week be deemed jointly to be the employer of that person for the purposes of the provisions of Part I. of the Act relating to the payment of contributions and of the Third Schedule to the Act.

4. In the case of a person employed as an agent by two or more employers and paid by commission or fees or a share in the profits, or partly in one and partly in another of those ways, the employer in the employment on which the person employed is mainly dependent for his livelihood shall be deemed to be the employer of that person for the purposes of the provisions of Part I. of the Act relating to the payment of contributions and of the Third Schedule of the Act.

5. If an outworker, not being an outworker to whom any Regulations made under paragraph (10) of the Third Schedule to the Act apply, has in his possession, during any week, work given out to him by an employer, that employer shall, for the purpose of the provisions of Part I. of the Act relating to the payment of contributions and of the Third Schedule to the Act, be deemed to be the employer of the outworker for that week if at the time of the return of the work to the employer a contribution under Part I. of the Act has not already been paid in respect of the outworker for that week, but, save as aforesaid, that employer shall not be deemed to be the employer of the outworker for the purpose of the said provisions as to payment of contributions.

6. Where any person is employed by two or more employers in any week and no one of those employers is the first person employing him in that week within the meaning of the Act, then, unless the case is one for which other provision is expressly made by these Regulations, that one of the employers who first makes a money payment to the person employed in respect of his employment in that week shall be deemed to be the employer of that person for the purpose of the provisions of



Part I. of the Act relating to the payment of contributions and of the Third Schedule to the Act.

7.—(1) Notwithstanding anything in these Regulations where any one person is ordinarily employed by more than one employer in the week, the employers of that person may enter into an agreement for the payment of contributions in respect of that person in the form set out in the Schedule to these Regulations, and where any such agreement is entered into between any such employers the following provisions shall have effect :—

- (a) Where in any week the person in respect of whom the agreement is made is before any contribution has been paid in respect of him for that week, employed by an employer who is not a party to the agreement, that employer shall, for the purposes of the provisions of Part I. of the Act relating to the payment of contributions and of the Third Schedule to the Act, be deemed to be the employer of that person for that week :
- (b) If in any week a contribution is payable by the employers who are parties to the agreement or by any of them, that contribution shall in the first such week be paid by that one of the parties to the agreement employing the contributor during that week whose signature to the agreement appears first in order, and in any subsequent week by that one of the parties to the agreement employing the contributor during that week whose signature to the agreement is next in succession to that of the person who paid the last weekly contribution payable by the parties to the agreement, and for this purpose the signatures of the parties shall be read in rotation, the first signature being deemed to be next in succession to the last and the signature of any person who does not employ the contributor during that week being disregarded :
- (c) The employer whose duty it is to pay the contribution for any week shall be deemed to be the employer of the contributor for the purpose of the provisions of Part I. of the Act relating to the payment of contributions and of the Third Schedule to the Act :
- (d) Any one of the parties to the agreement may, immediately after paying a contribution, but not at any other time, strike out his signature to the agreement and write his initials with the date opposite his signature, and upon so doing he shall cease to be a party to the agreement, and the contributor may, upon ceasing to be employed by any person who is a party to the agreement, strike out from the agreement the signature of that person, and on so doing shall write his own initials with the date opposite the signature so struck out :
- (e) If at any time any other person employing or about to employ the contributor desires to become a party to the agreement, he may, subject as hereinafter provided, affix his signature, with the date, at the end of the signatures appended to the agreement, and these Regulations shall thenceforth apply to him in like manner as if he had been an original party to the agreement :

Provided that where a contribution would be payable in any week in respect of the contributor by any such other person if that person did not become a party to the agreement, that person shall not be entitled to affix his signature as aforesaid unless and until he pays the contribution so payable.

(2) Employers desiring to enter into an agreement for the purposes of this Regulation must sign their names and enter a statement of their respective addresses in a book to be issued for the purpose by the Commissioners, and every such book shall be signed in each week by the employer paying the contribution in respect of that week. Any person having possession of a book issued for the purposes of this Regulation shall produce it when required by any inspector or other officer appointed under the Act or duly authorised to act in the execution of the Act.

(3) Upon the termination of the periods specified in any such book, the agreement shall cease to be binding upon the employers, and any person having possession of the book shall forthwith return it to the Commissioners.



## SCHEDULE.

We, the undersigned, employers of \_\_\_\_\_ hereby agree to pay in rotation all contributions due from us or any of us in respect of him under the National Insurance Act, 1911, in the manner and upon the conditions set out in the Regulations of the Insurance Commissioners and printed in this book.

PROVISIONAL REGULATIONS MADE BY THE JOINT COMMITTEE, AND THE INSURANCE COMMISSIONERS, ACTING JOINTLY, AS TO EMPLOYED CONTRIBUTORS WORKING UNDER THE GENERAL CONTROL AND MANAGEMENT OF SOME PERSON OTHER THAN THEIR IMMEDIATE EMPLOYER, DATED 27TH JUNE, 1912.—(Made under Third Schedule, para. (6), *supra*, pp. 40, 349.)

2. Where a contributor engaged in any of the employments specified in the first column of the Schedule to these Regulations works under the general control and management of the person specified in the corresponding entry in the second column of the Schedule, that person (in these Regulations called the principal employer) shall, notwithstanding that he is not the immediate employer of the contributor, be deemed to be the employer for the purpose of the provisions of Part I. of the Act relating to the payment of contributions and for the purposes of the provisions of the Third Schedule to the Act, and those provisions and the National Health Insurance (Collection of Contributions) Regulations, 1912, shall be construed and have effect as if that person were the immediate employer of the contributor.

3. The principal employer shall be entitled to deduct the amount of any contribution paid by him on behalf of any contributor whose employer he is deemed to be by virtue of these Regulations from any sums payable by him to the immediate employer in respect of the period or any part of the period for which the contribution has been paid, and upon any such contribution being so paid by the principal employer the immediate employer shall be entitled to recover from the employed contributor the like sum and in the like manner as if he had paid the contribution.

## SCHEDULE.

*Employment.*

1. Employment in a coal mine within the meaning of the Coal Mines Act, 1911.

2. Employment in a metalliferous mine within the meaning of the Metalliferous Mines Regulation Acts, 1872 and 1875.

3. Employment in a quarry under the Quarries Act, 1894.

4. Employment in a factory or workshop within the meaning of the Factory and Workshop Act, 1901 (not being a tenement factory or workshop, or a factory or workshop within which an insured trade within the meaning of Part II. of the Act is carried on, or a quarry under the Quarries Act, 1894).

5. Employment in an insured trade within the meaning of Part II. of the Acts (other than the trade of building or of the construction of works) where the immediate employer of the contributor himself works wholly or mainly by way of manual labour in or for the business of the principal employer.

*Principal Employer.*

1. The owner of the mine within the meaning of the said Act.

2. The owner of the mine within the meaning of the said Acts.

3. The owner of the quarry for the purposes of the said Act.

4. The occupier of the factory or workshop.

5. The person in whose business or for the purposes of whose business the contributor is employed.



6. Employment in the trade of building or of the construction of works (within the meaning of the Sixth Schedule to the Act) where the immediate employer of the contributor himself works wholly or mainly by way of manual labour in or for the business of the principal employer and where the principal employer has a right to the exclusive services of the immediate employer of the contributor.

7. Employment in a tenement factory or workshop within the meaning of the Factory and Workshop Act, 1910, where the owner of the factory or workshop has a right to the exclusive services of the immediate employer of the contributor.

6. The person in whose business or for the purposes of whose business the contributor is employed.

7. The owner of the factory or workshop.

## STATUTORY RULES AND ORDERS, 1912.

No. 458.

THE UNEMPLOYMENT INSURANCE REGULATIONS, 1912, DATED MAY 6, 1912, MADE BY THE BOARD OF TRADE UNDER PART II. OF THE ACT.

### ARRANGEMENT OF REGULATIONS.

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2. Interpretation and general.

#### *Unemployment Insurance Books, Stamping, etc.*

3. Provisions as to obtaining and custody of books, etc.
4. Right of workman to inspect book in custody of employer.
5. Disposal of book on termination of employment otherwise than by death of workman, etc.
6. Disposal of book on death of workman.
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#### *Claims for Unemployment Benefit, Proof of Unemployment, and Payment of Benefit.*

10. Workman desiring to obtain unemployment benefit or payment from an association of workmen to make application in proper form and to lodge book at local office.
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#### *Arrangements with Associations of Workmen under Section 105.*

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17. Notice to association of members having lodged books.
18. Provisions as to repayments to associations.
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20. Constitution of panels to represent employers and workmen.
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22. Reference of questions by Board of Trade to referees under section 90 (4).

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31. Return of contributions paid under erroneous belief that workman was workman in insured trade.

*Arrangement with Employers with respect to Workmen engaged through Labour Exchanges.*

32. Employer to deposit with Board sum sufficient to cover estimated amount of contributions.
33. Right of workmen to inspect book in custody of labour exchange under an arrangement.
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35. Workmen employed by same employer partly in insured trade and partly not.
  36. Workmen employed by one person for purposes of business of another.
  37. Workmen in service of Crown.
- SCHEDULES.

APPENDIX.

Reprint of the Regulations made by the Board of Trade on the 26th day of March, 1912, under section 91 of the National Insurance Act with respect to decisions by the umpire on questions whether contributions are payable. (Statutory Rules and Orders, 1912, No. 313.)

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REGULATIONS MADE BY THE BOARD OF TRADE UNDER PART II. OF THE NATIONAL INSURANCE ACT, 1911.

The Board of Trade in pursuance of section 91 of the National Insurance Act, 1911, hereby make the following Regulations.



*General.*

1.—(1) These Regulations may be cited as the Unemployment Insurance Regulations, 1912.

(2) These Regulations shall come into operation on the fifteenth day of July, 1912.

2.—(1) In these Regulations, unless the context otherwise requires or admits—

The expression "the Act" means the National Insurance Act, 1911:

The expression "the Board" means the Board of Trade:

The expression "unemployment book" or "book" means any book or card issued in accordance with these Regulations to or upon which stamps are to be affixed or impressed for the purpose of the payment of contributions under Part II. of the Act:

The expression "unemployment insurance stamp" or "stamp" means a stamp to be affixed to or impressed upon an employment book for the purpose of payment of contributions under Part II. of the Act:

The expression "local office" means a labour exchange or other office appointed by the Board as a local office for the purposes of Part II. of the Act and of these Regulations:

The expression "day" means any period of twenty-four hours, but does not include any part of a day being a Sunday, except in relation to a workman who when in employment is employed on Sundays:

The expression "week" means any six consecutive days, whether separated by a Sunday or not, or, in relation to a workman who when in employment is employed on Sundays, any seven consecutive days.

(2) Where under these Regulations the Board are empowered to give directions on any matter, the directions may be given either generally or as regards any special case or any special class or district.

(3) Any of the powers conferred on the Board under these Regulations may be exercised by, and anything required by these Regulations to be done to or before the Board may be done to or before, such officer as the Board may appoint for the purpose.

(4) The Interpretation Act, 1889, applies for the purpose of the interpretation of these Regulations as it applies for the purpose of the interpretation of an Act of Parliament.

*Unemployment Insurance Books, Stamping, etc.*

3.—(1) Every workman employed or about to be employed in an insured trade shall obtain from a local office, or in such other way as the Board may direct, an unemployment book.

(2) Every employer on engaging a workman for employment in an insured trade shall, as soon as may be after the date of the engagement, or in the case of a workman employed in an insured trade at the date of the commencement of Part II. of the Act, as soon as may be after that date, obtain from the workman a book then current, and it shall be the duty of the workman to deliver or cause to be delivered his book to the employer accordingly.

(3) The employer on obtaining the book shall become responsible for the custody of the book so long as the employment continues, or till the book is returned to the workman or delivered to the local office in accordance with these Regulations.

4. If any workman desires to inspect his book while it is in the custody of the employer, the employer shall, subject as herein-after mentioned, give him a reasonable opportunity of so doing either within or immediately before or after working hours:

Provided that no workman shall be entitled by virtue of this provision to inspect his book more than once in any one month nor except at such time as may be fixed by the employer for the purpose.

5.—(1) On the termination of the employment of any workman for any cause other than his death the employer shall forthwith return the book to the workman without any note or mark of any kind made in, affixed to, or impressed on it, other



than any such mark as is required for the purpose of cancelling in accordance with these Regulations any stamp affixed to the book.

(2) The workman on the termination of his employment shall apply to the employer for the return of his book, and on the book being returned to him, shall give to the employer, if he demands it, a receipt for the book.

(3) An employer shall comply with any directions which may be given by the Board as to the return to a workman of his book at any other time than on the termination of his employment.

(4) Subject to any directions of the Board to the contrary, the workman to whom a book is returned under the foregoing provisions shall, if he is unemployed, forthwith deliver it to a local office, there to be retained till the workman again obtains employment in an insured trade.

(5) If for any reason the book is not returned to the workman in accordance with this Regulation on the termination of his employment, the employer shall, as soon as may be, deliver the book to a local office.

6. On the death of a workman the employer, if the book is then in the custody of the employer, or if the book is not then in the custody of the employer, the workman's representative, whether legally so constituted or not, shall forthwith deliver the book to a local office.

7.—(1) A book shall be issued without charge to a workman properly applying for a book, and when issued shall remain the property of the Board.

(2) A book shall be in such form as the Board direct, and shall be current only during such period, not exceeding fifty-three weeks from the date of the issue thereof, as may be specified thereon, and shall within seven days, or such longer time as the Board in any special case allow, after the date in which it ceases to be current be returned by the workman, or by the employer on his behalf, to a local office, and a fresh book shall thereupon be issued without charge to the person so returning the book :

Provided that, where the book on the date on which it ceases to be current is in the custody of the employer, he shall, if the workman so requires, instead of returning it to a local office, return it to the workman to be by him returned to a local office.

(3) If a book is destroyed, is lost so as to be irrecoverable, or is defaced in any material particular, a new book may be issued in substitution for it at a charge of one shilling, to be paid by the person for the time being responsible for the custody of the original book, and such number of contributions as are shown to the satisfaction of the Board to have been paid by the affixing or impressing of stamps to or upon the book so destroyed, lost, or defaced, shall be credited to the workman on the new book.

Save as aforesaid, no charge shall be made by the Board in connection with the issue, custody, delivery up, exchange, or replacement of any book.

(4) Where any book is lost the Board, if they think fit, may pay out of the unemployment fund any sum not exceeding one shilling by way of reward to the person by whom the book is returned to the local office, and may refuse to restore the book to the person responsible for its custody until that person has repaid to the Board any sum which has been so paid by the Board by way of reward and which he is liable to repay under sub-section (3) of section 100 of the Act.

8.—(1) For the purpose of making the proper payments required to be made by an employer in respect of contributions under Part II. of the Act, the employer shall, on or before the first payment of wages to a workman, and on or before each subsequent payment of wages in respect of the employment, affix to the book stamps of such value as may be necessary to make the total value of all stamps so affixed equal to the following amounts :—

(i) In the case of a workman not below the age of eighteen—

For every period of employment in respect of which wages are payable

If exceeding two days but not exceeding one week . . . . .	5d.
Exceeding one day but not exceeding two days . . . . .	4d.
Not exceeding one day . . . . .	2d.



(ii) In the case of a workman below the age of eighteen—

For every period of employment in respect of which wages are payable not exceeding one week . . . . . 2d.

Provided that—

- (a) on the termination of employment, whether or not any wages are then paid, stamps shall be affixed by the employer in respect of any part of the period of employment in respect of which stamps have not already been affixed; and
- (b) where the first payment of wages takes place before the completion of a week of employment but the employment is a continuing one, the employer may, at his option, either treat the period of employment in respect of which the first payment of wages is made as a separate period of employment or may affix stamps as for a full week's employment; and
- (c) where wages are paid to a workman at intervals shorter than a week, the employer shall not after the first payment of wages (subject always to his obligation to affix stamps on the termination of employment) be required to affix stamps more frequently than at weekly intervals; and
- (d) where the employer employs any workmen regularly, he may deposit with the Board a sum equal to the estimated amount of the contributions payable by him during a period of three months, or such less period as may be agreed between him and the Board, in respect of those workmen both on his own behalf and on behalf of those workmen.

On making such a deposit the obligation of the employer to stamp the books of those workmen on the occasions or at the intervals herein-before specified shall cease, and in lieu thereof he shall be liable as follows:—

- (i) In case the employment of any of those workmen terminates before the expiration of any period of three months, the employer shall be liable to stamp forthwith the book of the workman whose employment so terminates: and
- (ii) In case of any workman whose employment does not so terminate, the employer shall be liable either to stamp the book of that workman at intervals of three months, or to pay the contributions payable in respect of that workman through the Board at intervals of three months in such manner as the Board may direct.

Where a deposit has been made under the foregoing provision, the employer shall be deemed to have duly affixed the necessary stamps to the books of the workmen at the several dates on which he would have been bound to affix them if no such deposit had been made.

(2) No stamp shall be affixed to or impressed upon a book otherwise than in respect of employment in an insured trade, and any stamp affixed or impressed otherwise than in respect of such employment shall not be deemed to be a payment of a contribution under Part II. of the Act.

(3) Every adhesive stamp affixed to a book by an employer shall be cancelled by him in the same manner in which stamps affixed to a book or card for the purpose of the payment of contributions under Part I. of the Act are required to be cancelled by any Regulations made under that Part of the Act and for the time being in force, or if for the time being there is no provision in force for the cancellation of stamps so affixed to a book or card under Part I. of the Act, then in such manner as the Board may direct.

9. The employer shall be entitled, notwithstanding the provisions of any Act or any contract to the contrary, to recover from the workman, by deductions from the workman's wages or from any other payment due from him to the workman, an amount equal to one-half of the value of any stamps which have been, or which by virtue of these Regulations are deemed to have been, affixed by him to the workman's book.



*Claims for Unemployment Benefit, Proof of Unemployment, and Payment of Benefit.*

10.—(1) Where a workman desires to obtain unemployment benefit, or to obtain any payment in respect of unemployment from an association of workmen with which an arrangement has been made under section 105 of the Act, he shall

- (a) make an application or give notice, as the case requires, to the Board in writing in the form set forth in the First Schedule to these Regulations, or in such other form as the Board may direct; and
- (b) lodge his unemployment book at a local office; and
- (c) if required, produce to the Board his insurance book as defined by the Regulations made under Part I. of the Act, or furnish such other evidence as the Board may require that he is not in receipt of sickness or disablement benefit or disablement allowance under that Part of the Act.

(2) Notice that the book has been lodged at the local office under this Regulation shall, unless it is not practicable to do so, forthwith be given by the Board to the person appearing, from the particulars furnished by the workman, to be his last employer.

(3) Where the workman desires to obtain payment from any such association as aforesaid, the local office shall deliver to him such a receipt for the book lodged by him as may be necessary to enable him to claim from the association any payment due to him from the association while unemployed.

11.—(1) A workman desiring to obtain unemployment benefit shall attend at the local office at which his book is lodged on every working day between such hours as the Board may direct, and shall there as evidence of being unemployed on that day sign a register to be kept at the office for the purpose :

Provided that—

- (a) a workman residing at a distance of more than three miles, but not more than five miles, from the local office nearest or most convenient to his place of residence shall be required to attend only on alternate days, and on each attendance may sign the register in respect of the preceding day as well as in respect of the actual day of attendance; and
- (b) a workman residing more than five miles from the local office nearest or most convenient to his place of residence shall attend at such longer intervals, or furnish such other evidence of being unemployed as the Board may direct, and on each attendance may sign the register in respect of all days on which he was unemployed since his last attendance as well as in respect of the actual day of attendance; and
- (c) a workman may, for special cause approved by the Board in each case, and subject to such conditions as the Board may impose, be excused from personal attendance and signature of the register on any day on which he would otherwise have been liable to attend and sign the register.

(2) The Board may in any particular case require a workman, notwithstanding that he has duly signed the register in accordance with these Regulations, to furnish further evidence that he was unemployed on all or any of the days in respect of which he has signed the register.

(3) Subject to the provisions of these Regulations as to excuse from signing the register, a workman shall not be deemed to have been unemployed on any day in respect of which he has not signed the register in accordance with these Regulations.

12.—(1) Subject to any directions of the Board, unemployment benefit shall be paid at the local office at which the book of the workman concerned is lodged, and at weekly intervals on such day or days of the week, and at such hours, as the Board may direct.

(2) The amount paid on any occasion shall be the amount of unemployment benefit due up to and including the day next but one preceding the day on which the payment is made.

13. Where a Court of Referees have recommended that a claim for unemployment benefit should be allowed and the recommendation has been referred by the insurance officers to the umpire, the workman shall, subject always to the provisions of sub-



section (5) of section 101 of the Act, be entitled to receive unemployment benefit as from the date of the recommendation until the claim is finally determined by the umpire, as if the insurance officer had not disagreed with the recommendation.

*Arrangements with Associations of Workmen under Section 105.*

14. Every application by an association of workmen for an arrangement under section 105 of the Act shall be made in the form set forth in the Second Schedule to these Regulations or in such other form as the Board may direct, and shall be accompanied by a copy of the rules of the association.

15. The Board may at any time, by notice in writing to that effect, cancel as from the date of the notice or any later date specified in the notice any arrangement made with an association under section 105 of the Act if, in their opinion, the association ceases to comply with any of the conditions contained in the arrangement or in these Regulations, without prejudice, however, to any right of the association to receive under sub-section (1) of that section a proper repayment in respect of any payments made to members of the association before the date as from which the arrangement is cancelled.

16. It shall be a condition of every arrangement made with an association under section 105 of the Act that the association—

(i) shall have a system, which in the opinion of the Board is reasonably effective for the purpose, of notifying to their unemployed members opportunities for employment; and

(ii) shall, so far as is necessary for the purpose of enabling the Board to determine the sum which ought to be repaid to the association under sub-section (1) of section 105 of the Act, allow the Board to inspect any books of account, vouchers, and other documents relating to the payment by the association of benefits in respect of unemployment.

17.—(1) As soon as may be after any members of the association have lodged their books in accordance with these Regulations at a local office with a view to claiming from the association payment in respect of unemployment, the Board shall send to the association a notice stating the names of those members, and the amount (if any) of unemployment benefit which in the opinion of the Board each of those members is entitled to receive, and if in the case of any such member the Board are not satisfied that he would be entitled to receive any unemployment benefit under the Act, if he applied for it, the notice shall contain a statement to that effect:

Provided that the Board shall not be bound to send notice under this Regulation to the association more often than once in any one week.

(2) The association shall, from time to time, at such intervals as may be provided by the arrangement made with the association, send to the Board a notice containing a statement of all payments made by the association in respect of unemployment to any members of the association being workmen in an insured trade, in respect of which it is proposed by the association to claim repayment under section 105 of the Act.

Every such statement shall be made up in such a manner as to show separately the payments made in each week of the period covered by the statement, and the payments made to each workman in each week.

(3) In the case of an association with branches the notice required under this Regulation to be sent to the association shall, if the association so require, be sent to a specified branch of the association instead of to the association, and the notice so required to be sent by the association may as respects the members belonging to any branch of the association be sent by that branch instead of by the association.

18.—(1) The first repayment by the Board under sub-section (1) of section 105 of the Act to an association with which an arrangement has been made shall be made on such date (not being less than three months from the date on which the arrangement comes into force) as may be specified in the arrangement, and subsequent repayments shall be made at intervals of three months or at such longer intervals as may be specified in the arrangement.

(2) In determining for the purposes of section 105 of the Act the aggregate



amount which a workman would have received during any period by way of unemployment benefit no payment shall be taken into account if made during—

- (a) any period during which the workman's book was not lodged at a local office; or
- (b) any period in respect of which the workman has not furnished evidence that he was unemployed either by signing a register in accordance with the arrangement, or in such other manner as may be specified in the arrangement; or
- (c) any other period during which the workman would not have been entitled to receive unemployment benefit if he had applied for it.

(3) If it is found that the amount of any such repayment is in excess of the amount which ought properly to have been repaid, the Board may (without prejudice to any other remedy) deduct the amount of the excess from any repayments to which the association may be subsequently entitled.

19. If any question arises between the Board and an association as to the amount of any repayment which ought to be, or which has been, made to the association under sub-section (1) of section 105 of the Act, the question shall, if either the association or the Board so require, be referred to the umpire for determination.

#### *Courts of Referees.*

20. The following provisions shall have effect with respect to the constitution of the panels of persons to represent employers and workmen respectively required to be constituted by the Board under sub-section (2) of section 90 of the Act:—

- (i) The number of the members of the panel shall be such as the Board think fit.
- (ii) The members of the panel to represent the employers in a trade or group of trades in a district shall be appointed by the Board, and the Board before making the appointment shall take into consideration the names of any persons suggested for appointment by or on behalf of any of those employers or any associations of those employers who appear to the Board to be interested.
- (iii) The members of the panel to represent the workmen in a trade or group of trades in a district shall be elected by those workmen.

The election shall be by ballot and shall be conducted by the Board, and, in the case of the election of the first panel, no workman shall be entitled to vote at the election except at the local office at which his unemployment book was issued and unless he satisfies the Board that he has worked at the insured trade for more than twelve months before the commencement of the Act, and is accordingly entitled to be credited with additional contributions under the Seventh Schedule to the Act, and, in the case of the election of any subsequent panel, no workman shall be entitled to vote at the election unless he satisfies the Board that he has paid at least thirty contributions under the Act.

- (iv) The term of office of the members of a panel shall in the case of the first panels constituted under the Act be such term, not being less than one year or more than three years, as the Board may direct, and in the case of panels subsequently constituted be three years.
- (v) Casual vacancies on a panel representing either employers or workmen may be filled by the Board, and any person appointed to fill a vacancy shall hold office until the expiration of a period during which the person in whose place he is appointed would have held office:

Provided that the Board shall not be bound to fill any casual vacancy unless they think fit so to do, and a panel shall not be deemed to be improperly constituted by reason only that a casual vacancy on the panel has not been filled.

21.—(1) A court of referees shall consist of the chairman of the court, and of one person drawn from the employers' panel and one person drawn from the workmen's panel and duly summoned to serve on the court.



(2) Each member of a panel shall, so far as practicable, be summoned to serve in turn upon a court of referees from a rota prepared in advance.

(3) The chairman of a court of referees shall be appointed by the Board, and no person who is either an employer or a workman in the trade or group of trades represented on the panels from which the other members of the court are drawn shall be qualified for appointment as chairman.

(4) The decision of a majority of a court of referees shall be the decision of the court, but any member dissenting from any decision of the court may record his dissent and the reasons therefor, and a statement that the member so dissented and of the reasons recorded by him for so dissenting shall be transmitted to the insurance officer with the recommendation of the court.

(5) Where a workman in any trade has required the insurance officer to report any matter to a court of referees, the chairman of the court may at any time before the matter has been taken into consideration by the court, refer the matter for previous examination and report to two persons, who are persons resident in the neighbourhood in which the workman resides, and of whom one shall be drawn from the employers' panel and the other from the workmen's panel.

(6) Subject as aforesaid the procedure of a court of referees (including the procedure for summoning the court) shall be such as the Board may determine.

*References to Referees under Section 90 (4).*

22.—(1) The Board may, if they think fit, under sub-section (4) of section 90 of the Act refer any such question as is mentioned in that sub-section for consideration and advice to the persons who constitute the panels representing employers and the panels representing workmen in any district, and the Board may do all things necessary for summoning a meeting of those persons for the purpose.

(2) The chairman of the court of referees for the district shall, unless the Board otherwise direct, be chairman of the meeting.

(3) At the request of the majority of the persons representing either employers or workmen present at any meeting, voting on any particular question shall be so conducted that there shall be an equality of votes as between the persons representing employers and the persons representing workmen, notwithstanding the absence of any member of a panel, but save as aforesaid every question shall be decided by a majority of the persons present and voting on that question.

(4) On any question on which equality of voting power has been claimed under the preceding provision, the Chairman shall have no vote, but in case of the votes recorded being equal he shall make a report to that effect to the Board and may also, if he thinks fit, state his own opinion on the merits of the question.

(5) Subject as aforesaid the procedure of any meeting under this Regulation shall, subject to any directions of the Board, be determined by the meeting.

*Miscellaneous Refunds and Repayments.*

23. The period of twelve months within one month of the termination of which an application under section 94 must be made shall be the period of twelve months ending on the 14th day of July in any year.

24.—(1) An employer desiring to obtain under section 96 of the Act a refund of contributions paid by him in respect of workmen employed by him who have been systematically working short time may make an application to the Board for the purpose, and every such application shall be in the form set out in the First Part of the Third Schedule to these Regulations, or in such other form as the Board may direct.

(2) The Board shall take every such application into their consideration, and shall, if satisfied that the circumstances are such as to justify a refund under the said section, take such steps as are necessary for refunding to the employer the contributions so paid by him or such part of those contributions as may seem just.

25. An employer desiring to obtain a ruling of the Board under sub-section (2) of section 96 of the Act may make an application to the Board for the purpose, and every such application shall be in the form set out in the Second Part of the Third Schedule to the Regulations, or in such other form as the Board may direct.



26. An employer who has made an application for a refund or a ruling under section 96 of the Act shall furnish to the Board such information as the Board may require for the purpose of enabling them to deal with the application, and shall, so far as is necessary for that purpose, allow the Board to inspect any material books of account, vouchers, or other documents.

27.—(1) An association which intends to claim under section 106 of the Act a repayment of part of its expenditure on payments to persons whilst unemployed shall give notice of that intention to the Board in the form set out in the Fourth Schedule to these Regulations, or in such other form as the Board may direct.

(2) Every such notice shall be accompanied by a copy of the rules of the association, and a full statement of the system adopted by the association for—

(a) requiring their unemployed members to furnish evidence of the fact that they are unemployed, either by signing a register or otherwise; and

(b) notifying to their unemployed members opportunities for employment.

(3) The Board, after taking into consideration the notice and the accompanying rules and statement, shall notify to the association whether, in the opinion of the Board, the association satisfies the conditions required for the repayment under section 106 of the Act.

28.—(1) No repayment under section 106 of the Act shall be made to any association—

(a) in respect of payments made to any member otherwise than in respect of unemployment;

(b) in respect of payments made to a member while unemployed by reason of being engaged in a trade dispute, or while sick or superannuated, or while temporarily suspended from employment for disciplinary reasons;

(c) in respect of payments made to any member for the purpose of providing him with tools or enabling him to travel to or in search of a situation.

(2) No such repayment shall be made to any association unless the association—

(a) have a system, which in the opinion of the Board is reasonably effective for the purpose, of notifying to their unemployed members opportunities for employment; and

(b) allow the Board, so far as is necessary for the purpose of enabling the Board to determine the sum which ought to be repaid to the association, to inspect any books of account, vouchers, and other documents relating to payments by the association to unemployed members; and

(c) comply with the provisions of these Regulations relating to such a repayment.

29. Within three months of the end of every calendar year, or at such other times as may be agreed upon between the Board and the association, the association shall furnish a return to the Board showing in such form as the Board may require the payments made to the members of the association in respect of which a repayment is claimed, and the Board shall repay to the association an amount equal to one-sixth of such of the payments so made as, in the opinion of the Board, can properly be taken into account, having regard to the provisions of the Act and of these Regulations.

30. If any question arises between the Board and an association as to the amount of any repayment which ought to be made to the association under section 106 of the Act, the question shall, on the application of the association, be referred to the umpire for determination.

31.—(1) Any person who has paid contributions under the erroneous belief that he was a workman in an insured trade, or was the employer of such a workman, may make an application to the Board for a return of the contributions so paid by him, and the Board, if satisfied that the contributions in respect of which the application is made were paid by the applicant and that the person by or in respect of whom the contributions were paid was not a workman in an insured trade, shall pay to the applicant in accordance with his application a sum equal to the amount of the contributions paid, after deducting from that amount, where the application relates to contributions paid by a workman, the amount (if any) paid to that workman by way of unemployment benefit in respect of those contributions as being a workman in an insured trade.



(2) An application for the purpose of this Regulation shall be made in the form set out in the Fifth Schedule to these Regulations, or in such other form as the Board may direct.

*Arrangements with Employers with respect to Workmen engaged through Labour Exchanges.*

32. Every arrangement made by the Board with an employer under section 99 of the Act for the performance of any of the duties of the employer under Part II. of the Act shall provide that the employer shall deposit with the Board a sum sufficient to cover the estimated amount of the contributions payable by the employer during a period of three months or such less period as may be agreed between him and the Board, both on his own behalf and on behalf of the workmen in respect of whom the arrangement is made, and that the employer shall not, unless such a deposit is made, be entitled to make deductions under sub-sections (3) of section 85 of the Act from any wages or other payments due by him to any of those workmen.

33. Every workman shall have the same right of inspecting his book while it is in the custody of a labour exchange by virtue of an arrangement under section 99 of the Act as he would have had if the book had been in the custody of the employer, and the provisions of these Regulations relating to the right of a workman to inspect his book shall apply accordingly with the substitution of the Board for the employer.

34. Where a workman engaged through a labour exchange is employed by one or more employers with whom an arrangement under section 99 of the Act has been made, each of those employers shall, unless the arrangement otherwise provides, be entitled under sub-section (3) of section 85 of the Act to make the same deductions from any wages or other payments due by him to the workman as he would have been entitled to make if no such arrangement had been made, but where it is shown to the satisfaction of the Board that by reason of this provision the aggregate amount of the deductions made in the case of any workman is in excess of the amount which would have been deducted if he had during the period in respect of which the deductions were made been continuously employed under one employer, the workman shall be entitled on making application for the purpose to a local office at such times and intervals as the Board may fix to be repaid the amount of the excess:

Provided that no workman shall be entitled to any repayment under this Regulation in respect of any contributions which have already been taken into account for the purpose of determining the amount of unemployment benefit to which he may be entitled, or the amount which may be repayable under section 105 to an association in respect of that workman.

*Miscellaneous Provisions.*

35. Where during any period a workman has been employed by one employer partly in an insured trade and partly not in an insured trade, and contributions have by arrangement between the employer and the workman been paid as if the whole employment of that workman were in an insured trade, those contributions shall be deemed to have been duly paid in respect of employment in an insured trade.

36. Where any workmen employed in an insured trade are employed in or for the purposes of the business of any person (in this Regulation referred to as the substantial employer) by some other person who himself works wholly or mainly by way of manual labour in that business (in this Regulation referred to as the immediate employer), the substantial employer shall, unless the Board direct to the contrary, be treated for the purposes of Part II. of the Act as the employer of those workmen instead of the immediate employer, and shall be liable accordingly to perform the duties and pay the contributions required under the Act or these Regulations to be performed and paid by the employer of a workman in an insured trade:

Provided that—

- (a) the substantial employer may deduct from any payments due from him to the immediate employer any sums paid by him as contributions on behalf



of the workmen, and the immediate employer may deduct from the workmen's wages or from any other payments due from him to the workmen any sums deducted from payments due to him by the substantial employer; and

- (b) any direction given by the Board under this Regulation shall not come into force until the expiration of seven days from the date thereof or such later date as may be specified in the direction.

37. As respects workmen employed by or under the Crown, these Regulations are subject to any Order in Council that may hereafter be made under sub-section (3) of section 107 of the Act.

Signed by order of the Board of Trade this 6th day of May, 1912.

*H. Llewellyn Smith,*  
Secretary to the Board of Trade.

[Schedules omitted.]

#### APPENDIX.

#### STATUTORY RULES AND ORDERS, 1912.

#### No. 313.

THE UNEMPLOYMENT INSURANCE (UMPIRE) REGULATIONS, 1912, DATED MARCH 26, 1912, MADE BY THE BOARD OF TRADE UNDER SECTION 91 OF THE NATIONAL INSURANCE ACT, 1911 (1 & 2 GEO. 5, C. 55), WITH RESPECT TO DECISIONS BY THE UMPIRE ON QUESTIONS WHETHER CONTRIBUTIONS ARE PAYABLE.

The Board of Trade, in pursuance of section 91 of the National Insurance Act, 1911, hereby make the following regulations:—

1.—(1) If any workman or the employer of any workman desires to obtain a decision by the umpire appointed under Part II. of the National Insurance Act, 1911 (in these Regulations referred to as the Act), of the question whether contributions under that Part of the Act are payable in respect of that workman or of the class of workmen to which that workman belongs, or if the Board of Trade desire to obtain such a decision as respects any workman or any class of workmen, the workman or the employer, or the Board, as the case may be, may make an application for the purpose by sending or delivering to the umpire an application in the form set out in the Schedule to these Regulations.

(2) An application under these Regulations may be made on behalf of any workman or employer by any association of workmen or any association of employers of which he is a member, and may be made on behalf of the Board of Trade by any officer of the Board authorised by the Board in that behalf.

(3) An application may be made to the umpire at any time for the revision of any decision previously given by him on any application under these Regulations.

Any such application must be made by some person by whom the original application could have been made, and shall contain a statement of any new facts or other grounds on which the applicant claims that the decision ought to be revised.

2. If the umpire on the consideration of any application under these Regulations is of opinion that the application is frivolous or raises a question which does not admit of reasonable doubt, he shall give his decision on the application forthwith; but if he is not so of opinion, he shall reserve his decision, and, subject as hereinafter provided, give public notice in the Board of Trade Journal and in such other manner as he thinks fit of the nature of the application and of the date, not being less than fourteen days after the date of the notice, on or after which he proposes to give his decision on the application:

Provided that where the only question raised in the application is whether any particular workman belongs to a class of workmen with respect to whom it has been decided, or with respect to whom, in the opinion of the umpire, there is no reasonable doubt, that contributions are payable, it shall be sufficient if, in lieu of public notice, notice is given to the workman and his employer and the Board of Trade.



3. If before the date specified in the notice any representations with reference to the application are made in writing to the umpire by or on behalf of any workman or employer appearing to him to be interested or the Board of Trade, the umpire shall take those representations into his consideration, and the umpire may at any time before the said date require any persons to supply to him such information in writing as he thinks necessary for the purpose of enabling him to give a decision.

All such representations and information shall be open to inspection by any employer or workman appearing to the umpire to be interested or any persons authorised in that behalf by any such employer or workman or the Board of Trade.

4. Any persons claiming to be interested may apply to the umpire to be heard by him orally in reference to any application under these Regulations, and the umpire may, in any case in which he thinks it desirable, require the attendance of any person before him to give oral information on the subject of any application.

5. The umpire shall give notice of his decision to the applicant and to the Board of Trade, and the Board shall publish the decision in such manner as they think fit.

6. Subject to the provisions of these Regulations, the umpire may determine his own procedure.

7. Where any question is required to be referred to the umpire under sub-section (6) of section 101 of the Act, the question shall be referred to the umpire by means of an application for the purpose made by the Court before whom the proceedings in which the question arises are pending, and in any such case the foregoing provisions of these Regulations shall apply as if the application were an application by a workman or an employer.

8. The umpire may, with the consent of the Board of Trade, appoint any person to act as deputy umpire in the case of the unavoidable absence of the umpire, and the Board of Trade may in the case of the incapacity of the umpire appoint any person to act as deputy umpire during the incapacity of the umpire.

9.—(1) These Regulations may be cited as the Unemployment Insurance (Umpire) Regulations, 1912.

(2) These Regulations shall come into operation forthwith.

(3) As respects workmen employed by or under the Crown, these Regulations are subject to any Order in Council that may hereafter be made under sub-section (3) of section 107 of the Act.

Signed by order of the Board of Trade this 26th day of March, 1912.

*H. Llewellyn Smith,*  
Secretary to the Board of Trade.

Board of Trade,  
Whitehall Gardens, S.W.

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## STATUTORY RULES AND ORDERS, 1912.

No. 1719.

THE NATIONAL HEALTH INSURANCE (ADMINISTRATION OF MEDICAL BENEFIT) REGULATIONS, 1912, DATED DECEMBER 5, 1912, MADE BY THE JOINT COMMITTEE ACTING JOINTLY WITH THE INSURANCE COMMISSIONERS AND THE WELSH INSURANCE COMMISSIONERS. (Made under Sec. 15, *supra*, p. 96.)

### ARRANGEMENT OF REGULATIONS.

#### PART I.

##### *General.*

1. Short title.
2. Interpretation.



## PART II.

*Provision of Medical Attendance.*

3. Duty of Committee to make arrangements.
4. Power to make provisional arrangements.
5. Negotiations with Societies.
6. List of deposit contributors.
7. Conditions of service of practitioners.
8. Submission of arrangements.
9. Preparation and submission of rules.
10. Income limit.
11. Approval by Commissioners.
12. Invitation to practitioners.
13. Preparation of medical list.
14. Power to require or allow persons to make their own arrangements for treatment.
15. Approval of institutions.
16. Publication of medical list.
17. Distribution under capitation system.
18. Distribution under system of payment by attendance.
19. Choice of methods of obtaining treatment.
20. Preparation of lists.
21. Revision of lists.
22. Insured person applying during year.
23. Practitioner applying during year.
24. Notice of changes in lists.
25. Notice of suspension of medical benefit to insured person.
26. Changes during year.

## PART III.

*Provision of Drugs and Appliances.*

27. Prescribed appliances.
28. Prices of drugs and appliances.
29. Conditions of dispensing medicines.
30. Arrangements for supply by practitioners of drugs and appliances.
31. Submission of arrangements.
32. Notice to persons desirous of undertaking supply.
33. List of persons undertaking supply.
34. Right of insured persons to obtain drugs and appliances.
35. Revision of prices of drugs and appliances.
36. Right to discontinue supply.
37. Inclusion in revised list.
38. Inclusion during currency of list.

## PART IV.

*Financial.*

39. Panel Fund.
40. Calculation of remuneration under single system.
41. Calculation of remuneration under combined system.
42. Practitioners' accounts to be rendered quarterly.
43. Drug Fund.
44. Accounts of drugs to be rendered quarterly.
45. Allocation of Funds.
46. Excessive ordering of drugs.
47. Capitation fee for supply of drugs by practitioner.
48. Institutions Fund.
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## PART V.

*Special Provisions.*

50. Mileage.
51. Old and disabled Members of Friendly Societies.
52. Medical Service Sub-Committee.
53. Duty of Local Medical Committee to consider complaints.
54. Enquiry as to practitioner.
55. Decision as to range of Medical Services.
56. Enquiry as to person supplying drugs or appliances.
57. Approval of forms by Commissioners.
58. Seamen's National Insurance Society.
59. District Committees.
60. Application to Wales.
61. Regulations subject to powers reserved to Commissioners.

The Joint Committee of the several bodies of Insurance Commissioners appointed for the purpose of Part I. of the National Insurance Act, 1911, acting jointly with the Insurance Commissioners and the Welsh Insurance Commissioners, in pursuance of the powers conferred on them by the said Act and by paragraphs 7 and 16 of the National Insurance (Joint Committee) Regulations, 1912, hereby make the following Regulations:—

## PART I.

*General.*

1. These Regulations may be cited as the National Health Insurance (Administration of Medical Benefit) Regulations, 1912.

2.—(1.) In these Regulations, unless the context otherwise requires:—

“The Act” means the National Insurance Act, 1911.

“The Commissioners” means the Insurance Commissioners or, where by virtue of the National Insurance (Joint Committee) Regulations, 1912, any power is exercisable by the Joint Committee or by the Joint Committee acting jointly with the Commissioners, means the Joint Committee, or the Joint Committee acting jointly with the Commissioners, as the case may require.

“Committee” means the Insurance Committee for any County or County Borough.

“County” includes County Borough.

“Society” means an Approved Society and includes the Navy and Army Insurance Fund.

“Member” means a member of a Society who is an insured person under the Act entitled to medical benefit.

“Insured Person” means an insured person under the Act entitled to medical benefit.

“Practitioner” means a duly qualified medical practitioner, and, where the Regulations refer to a practitioner attending an insured person, includes a practitioner attending the insured person in lieu of the practitioner in accordance with the terms of the latter's agreement with the Committee.

“Chemist” means any person, firm, or body corporate, entitled to carry on the business of a chemist or druggist under the provisions of the Pharmacy Act, 1868, as amended by the Poisons and Pharmacy Act, 1908.

“Treatment” means medical attendance and treatment of insured persons.

“Drugs” includes medicines.

“Local Medical Committee” means a Local Medical Committee formed for any County and recognised by the Commissioners under Section 62 of the Act, and any references to a Local Medical Committee shall have effect only where a Local Medical Committee has been so formed and recognised.

“Institution” means a system or institution existing on the 16th December, 1911, and providing medical attendance and treatment.



"Year" means "medical year."

"Medical year" means the period ending on the 14th day of January, 1914, and any successive similar period fixed by the Commissioners for the purpose.

(2.) The Interpretation Act, 1889, applies to the interpretation of these Regulations as it applies to the interpretation of an Act of Parliament.

## PART II.

### *Provision of Medical Attendance and Treatment.*

3. Every Committee shall as soon as may be make arrangements for securing the treatment of insured persons resident in the County by such practitioners as are willing to undertake the treatment, and shall submit those arrangements for the approval of the Commissioners.

4. Notwithstanding anything contained in these Regulations, in the event of any difficulty arising in completing or bringing into operation any arrangements proposed to be adopted by the Committee, the Committee may, subject to the approval of the Commissioners, make provisional arrangements to extend over a period of three months or such further period as the circumstances of the case may require and where any such provisional arrangements are made any of the provisions of these Regulations shall have effect subject to such modifications and conditions as the Commissioners may approve.

5.—(1.) Every Society having members resident in any County shall as soon as may be supply to the Committee a list showing the name of every member so resident, specifying the full postal address of the usual residence of the member.

(2.) The Committee shall cause to be furnished to each Society supplying a list of members, and to every other Society which in the belief of the Committee has members resident in the County, a statement of the amount estimated to be necessary in respect of the cost of the medical benefit of the members of that Society and of the administration of that benefit, and the Committee and the Society shall enter into an agreement accordingly, but any agreement so made shall have effect only if and so far as the arrangements made by the Committee in accordance with the Act and these Regulations are approved by the Commissioners.

(3.) Where the Commissioners are satisfied, upon such evidence as they think sufficient, that the Committee and any Society are unable to enter into any agreement as aforesaid, the Commissioners shall determine the amount to be paid by the Society to the Committee in such manner as they think fit, after a consideration of any representations made by either party.

6. The Committee shall cause to be prepared as soon as may be a list showing, in respect of each deposit contributor in the County, his name and the full postal address of his usual residence.

7.—(1.) With a view to making arrangements with practitioners for the purpose of administering medical benefit, the Committee shall, after consulting the Local Medical Committee, determine the conditions of service upon which it is proposed to invite practitioners to undertake treatment, and the method and rate of remuneration for that treatment, and shall embody particulars of those matters in draft agreements.

(2.) Every such draft agreement shall include the conditions specified in Part I. of the First Schedule to these Regulations, and one of the methods of remuneration specified in Part II. of that Schedule, provided that the Committee may, if they think fit, subject to the approval of the Commissioners, make any modifications in any of those conditions and methods of remuneration, whether in the case of any one or more practitioners, or combine any of the methods of remuneration and, where payment is to be made to the practitioner, out of the proceeds of any Parliamentary grant, shall include such conditions as are necessary to be complied with as conditions of that grant.

(3.) The Committee shall determine the form and manner in which notice of the terms and conditions including the method and rate of remuneration offered by the Committee is to be given to practitioners, and the form and manner in which a



practitioner may intimate his acceptance of those terms and conditions and his desire to be included in the list of practitioners undertaking treatment, which practitioners are in these Regulations collectively referred to as "the panel."

8. As soon as the Committee have determined the matters specified in the last preceding Regulation, they shall submit for the approval of the Commissioners the arrangements proposed to be made accordingly, and in particular:

- (a) the draft agreements with practitioners determined by the Committee;
- (b) the form and manner of notification to and acceptance by, practitioners of the terms and conditions of service;
- (c) the agreements proposed to be entered into with Societies, showing separately the amounts proposed to be paid in respect of the cost of medical benefit and the administration thereof;
- (d) in respect of any Society with which no agreement has been entered into, the amount proposed by the Committee as sufficient, and the amount, if any, offered by the Society;
- (e) the amount which, in the opinion of the Committee, is properly payable in respect of each deposit contributor for the purposes of the cost of his medical benefit;
- (f) the method proposed to be adopted by the Committee for the distribution amongst, and assignment to, the practitioners on the panel, of the insured persons who have failed to select a practitioner, or who have been refused by the practitioner whom they have selected;
- (g) the arrangements proposed to be made by the Committee in respect of persons entitled under Section 15 (2) (e) of the Act to the provision of medical attendance and treatment, on the same terms as to remuneration as those arranged with respect to insured persons.

9. The Committee shall, after consultation with the Local Medical Committee, prepare Rules to be submitted for the approval of the Commissioners, with regard to the administration of medical benefit by the Committee in accordance with Section 14 of the Act, and shall submit them for the approval of the Commissioners.

10. The Committee shall furnish for the information of the Commissioners a statement of the income limit, if any, proposed to be fixed by the Committee under these Regulations.

11. Before approving any arrangements submitted to them in accordance with these Regulations, the Commissioners shall consider any representations made to them by the Local Medical Committee, and, subject to any alterations made in pursuance of the requirements of the Commissioners, any arrangements so made by the Committee and approved by the Commissioners shall have effect for such period may be specified in the approval.

12. The Committee shall, as soon as the Commissioners have notified their approval of the arrangements submitted by the Committee and their decision in respect of any questions arising in relation thereto, give notice, in the form and manner approved in accordance with these Regulations, of the terms and conditions upon which practitioners are invited to undertake treatment, and of the form and manner in which acceptance may be notified, and the notice shall specify a period, not being less than 14 or more than 21 days, within which a practitioner is entitled to make application to be included in the list first to be issued of practitioners on the panel.

13.—(1.) After the expiration of the period specified in the notice, the Committee shall prepare a list of the medical practitioners who have signified their desire to undertake treatment.

(2.) Each list so prepared (in these Regulations referred to as "the medical list,") shall contain, in addition to the names of practitioners—

- (a) the private address, and the address of any surgery, dispensary, or other place, at which any practitioner undertakes to attend for the purpose of treating insured persons;
- (b) particulars of the days and hours at which he undertakes to be in attendance at each place; and
- (c) where two or more practitioners practising in partnership have signified



their desire to undertake treatment, the name of the firm or partnership;

and may, if the Committee think fit, be so arranged as to show the area in the County in which each practitioner undertakes treatment and the medical list shall have effect for the year for which it is prepared.

(3.) The Committee shall fix by its rules, and give public notice of, a date, not being earlier than the 1st November or later than the 1st December in any year, for revision of the medical list which date is in these Regulations referred to as "the date of revision."

14.—(1.) The Committee may fix an income limit for the purpose of the administration of medical benefit, and may require any persons whose income exceeds that limit, in lieu of receiving medical benefit under the arrangements to be made by the Committee under these Regulations, to make their own arrangements for receiving treatment (including medicines and appliances), provided that, in fixing that limit, the Committee may exempt from the necessity of making their own arrangements any insured persons who ought in the opinion of the Committee to be exempted whether by reason of the occupation or method of remuneration of the class to which they belong or of their circumstances or residence or otherwise.

(2.) The Committee before fixing, varying, or abolishing an income limit, shall give public notice of their intention so to do and shall consult the Local Medical Committee, and shall consider representations made to them by any Society, or association of deposit contributors, having members resident in the County.

(3.) An insured person, whose income exceeds the income limit and who is not exempted by the Committee, shall not be entitled to receive medical benefit under the arrangements made by the Committee.

(4.) Any Society or association of deposit contributors, having members resident in the County, or the Local Medical Committee, or where no Local Medical Committee exists, any practitioner on the panel, or any chemist or other person, firm or body corporate undertaking the supply of drugs or appliances under these Regulations may at any time, by notice in writing to the Committee, dispute the right of any insured person to receive medical benefit under the arrangements made by the Committee, on the ground that the income of that person exceeds the income limit and that he is not entitled to be exempted.

(5.) Upon receipt of any such notice the Committee may, if it appears to them that the income of that person exceeds the income limit, and that he is not entitled to be exempted, give notice in writing to that person that, unless, within a period specified in the notice, he shows that his income does not exceed that limit or that he is entitled to be exempted, the Committee will require him to make his own arrangements for receiving treatment (including medicines and appliances), and if, within the said period, the insured person fails to show that his income does not exceed that limit or that he is entitled to be exempted, the Committee shall require him to make his own arrangements.

(6.) Any decision of the Committee to fix, vary or abolish an income limit shall only take effect from the commencement of the year.

(7.) The Committee may allow any insured persons resident in the County, whether individually or collectively, in lieu of receiving medical benefit under the arrangements made by the Committee, to make their own arrangements for receiving treatment (including medicines and appliances).

(8.) Where the Committee are of opinion upon such evidence as they think sufficient that the arrangements made by any person who has been required or allowed to make his own arrangements under this Regulation are satisfactory, that is to say such as to secure treatment (including medicines and appliances) not inferior in nature, quality or extent to that provided under the arrangements made by the Committee and to comply in other respects with any conditions which by reason of any scheme for the distribution of Parliamentary grant must be complied with in the case of treatment provided otherwise, there shall be made towards the cost of that treatment such a contribution calculated and paid in such a manner as hereinafter in these Regulations provided, and where the Committee are of opinion that the arrangements so made are not satisfactory or, upon any representation by a Society,



that the treatment is not such as will adequately protect the funds of the Society, they shall either withhold the contribution or may make such a deduction therefrom as they may in any case determine.

15.—(1.) The Board of Management or other governing authority of, or person administering, any institution may apply to the Committee to approve the institution for the purposes of Section 15 (4) of the Act.

(2) Upon any such application being made the Committee shall send to the Commissioners such particulars of the Institution as the Commissioners may require, and shall state whether the Committee propose to approve that institution and the reasons for the course of action proposed to be adopted, and, if the Committee and the Commissioners approve the institution, it shall be approved for the purposes of the Section aforesaid for the period specified in the approval:

Provided that

- i. no institution shall be approved unless the Committee are satisfied that—
  - (a) the treatment given by the institution is adequate, and
  - (b) every insured person obtaining treatment thereunder is entitled to determine his arrangement with that institution, upon giving reasonable notice of his intention so to do, at the expiration of the currency of the medical list, without thereby incurring any pecuniary loss or other penalty; and
- ii. every institution shall as a condition of approval from time to time furnish such accounts and returns as the Commissioners, or the Committee with the consent of the Commissioners, may require;
- iii. every institution shall be conducted in such a manner as to comply with any conditions as to the nature, quality and extent of the treatment provided which by reason of any scheme for the distribution of a Parliamentary grant must be complied with in the case of treatment provided otherwise than through the institution as a condition of the payment of that grant.

(3.) The Committee may contribute, towards the expenses of the treatment furnished by any approved institution to an insured person who elects to obtain treatment through it, an amount calculated and paid in such manner as is hereinafter in these Regulations provided.

16. Where the Commissioners have approved the arrangements made by the Committee in pursuance of these Regulations, the Committee shall as soon as may be publish in any one or more newspapers circulating in the County an announcement containing particulars of the arrangements made by the Committee, including a statement of the places where a copy of the medical list and of a list of approved institutions may be seen, and forms of application obtained, by insured persons, a statement as to the income limit, if any, and any other particulars which the Committee think proper, including such particulars as are necessary to bring to the notice of insured persons their right to select a practitioner on the panel and their rights with respect to obtaining treatment in some other manner.

17. Where a Committee have adopted for the remuneration of practitioners on the panel a system of payment either in whole or in part by capitation, the following provisions shall have effect:—

(1.) Every insured person shall, if he desires and is entitled to select a practitioner on the panel, fill up the appropriate form of application, and send or present it to the practitioner by whom he desires to be attended before a date indicated in the announcement referred to in the last preceding Regulation.

(2.) Where an application has been received by a practitioner, that practitioner shall within one week notify to the Committee the acceptance or rejection of that application on the appropriate place on the form of application, and in the case of rejection the Committee shall as soon as may be thereafter notify the rejection to the applicant.

(3.) After the date indicated in the announcement the Committee shall provide for the distribution, amongst practitioners on the panel and so far as practicable under arrangements made by them, of those insured persons for whose treatment no arrangements have been made.



(4.) The Committee shall prepare a list of those persons who have been accepted by, or assigned to, each practitioner on the panel, and shall furnish to each practitioner a copy of the list of persons for whose treatment he is responsible, and each list shall, subject as provided in these Regulations, have effect until the commencement of the year succeeding that for which it is prepared.

(5.) Before giving treatment to any insured person on his list a practitioner shall be entitled to require the production by that person of such voucher or other document as the Commissioners may approve for the purpose.

(6.) Any insured person who desires to be attended by a practitioner other than the practitioner who attended him in the previous year, shall make application to the Committee not later than one month before the date of revision, and any insured person not making such an application shall be deemed to have selected the practitioner from whom he was entitled to receive treatment in the previous year.

(7.) A practitioner desiring to discontinue treatment of an insured person shall give to the Committee notice to that effect not later than one month before the date of that revision, and any practitioner not giving notice to the Committee before that date shall be deemed to have undertaken treatment of the insured persons attended by him in the previous year, other than those who desire to be attended by another practitioner or who adopt some other arrangement for obtaining treatment or who by reason of death, removal or some other cause are no longer included in his list.

(8.) With regard to any person making application to be attended by another practitioner and any person whom a practitioner has refused to continue to treat, the Committee shall so far as may be adopt the procedure above-mentioned for his selection of or assignment to a practitioner on the panel.

(9.) As soon as may be after the date of revision the Committee shall issue to each practitioner on the panel a copy of the revised list of the insured persons for whose treatment that practitioner is responsible.

18. Where a Committee have adopted a method of payment by attendance, the following provisions shall have effect:—

(1.) An insured person who is not required or does not desire to make his own arrangements for obtaining treatment, and does not desire to obtain treatment through an approved institution as his medical benefit shall be entitled, on production to a practitioner on the panel of such voucher or other document as the Commissioners may approve for the purpose, to obtain treatment from that practitioner subject to the consent of the practitioner, who shall signify his consent by endorsing the voucher or other document in such manner as the Commissioners shall require.

(2.) Every practitioner shall upon his acceptance of an insured person for treatment give notice to the Committee upon a form to be provided by the Committee for the purpose.

(3.) An insured person who has selected and been accepted by a practitioner in the manner above-mentioned shall be deemed to have selected that practitioner, and shall be entitled, upon production to the practitioner if he so requires of the said voucher or other document, to treatment from him, during the year, and shall not during the year be entitled, while in the area within which that practitioner has agreed to attend him, to obtain treatment from any other practitioner on the panel as part of his medical benefit.

(4.) Any insured person who has selected a practitioner shall be entitled at any time after the expiration of the year on production of the voucher or other document as aforesaid, to obtain treatment from that practitioner or from any other practitioner on the panel who is willing to accept him and shall, upon the endorsement by the practitioner of his voucher or other document be deemed to have selected and been accepted by that practitioner for the currency of the revised medical list.

(5.) Where any insured person gives notice to the Committee that he is unable to obtain treatment from a practitioner on the panel the Committee shall provide for his assignment to a practitioner on the panel so far as practicable under arrangements made by practitioners on the panel.



19.—(1.) Every insured person shall before the date indicated in the announcement made by the Committee in accordance with the requirements of these Regulations—

(a) if he is required, or desires, to make his own arrangements for obtaining treatment, including medicines and appliances, fill up the appropriate form and send it to the Committee;

(b) if he desires, and is entitled, to obtain treatment, including medicines and appliances, through an approved institution, fill up the appropriate form and send or present it to the institution.

(2.) The Committee shall notify to any insured person applying to be allowed to make his own arrangements their consent or refusal as the case may be.

(3.) Where an application has been received by an approved institution, that institution shall within one week notify the acceptance or rejection of the application to the Committee on the appropriate place on the form of application, and in the case of rejection the Committee shall as soon as may be thereafter notify that rejection to the applicant.

20.—(1.) The Committee shall prepare a list of those persons who have been accepted by each approved institution, and a list of persons required or allowed to make their own arrangements for obtaining treatment, and shall furnish each approved institution with a copy of its appropriate list.

(2.) Any list so prepared shall, subject as provided in these Regulations, have effect until the commencement of the medical year succeeding that for which it is prepared.

21.—(1.) Any insured person who desires to obtain treatment by any of the methods referred to in these Regulations, other than that which he adopted in the previous year, shall make application to the Committee not later than one month before the date of revision, and any insured person not making such an application shall be deemed to have applied to obtain treatment in the same manner as in the previous year.

(2.) Any practitioner desiring to withdraw from the panel shall give to the Committee notice to that effect not later than one month before the date of revision and his name shall thereupon be removed from the medical list.

(3.) With regard to any person making application to obtain treatment by any method other than that which he adopted in the previous year, the Committee shall so far as may be adopt the procedure provided by these Regulations for enabling an insured person to select his method of treatment.

22. Where an insured person who has elected to receive treatment under the arrangements made by the Committee with practitioners on the panel changes his residence to the area of another Committee, he shall upon arriving in that area give notice to the last-mentioned Committee, and thereupon that Committee shall make arrangements whereby he can receive treatment including drugs and appliances in their area, and such adjustment shall be made between the two Committees as is equitable in the circumstances, regard being had to the proportion of the year spent by the insured person in the area of each of the Committees respectively, and the arrangements made by each of the Committees with the practitioners on the panel in their respective areas shall be so adjusted as to conform with the adjustments so made.

23.—(1.) If a practitioner, other than a practitioner whose name has been removed from the medical list in force in the area of any Committee in the United Kingdom by the Commissioners, makes application to the Committee during the year, the Committee shall include him in the medical list.

(2.) The name of any practitioner who dies during the year or is directed to be removed therefrom by the Commissioners shall thereupon be removed from the medical list, and, in the case of any practitioner who by reason of a change of residence is unable to attend insured persons within the area for which he undertook to give treatment, the necessary alteration shall be made in the medical list.

(3.) A copy of the medical list revised up to date shall be kept available for the inspection of any person at the office of the Committee and at such other places as the Committee may think fit.



24.—(1.) Where a deposit contributor changes his residence he shall notify the full postal address of his new residence to the Commissioners.

(2.) Where a member of a Society changes his residence he shall notify the full postal address of his new residence to the Society.

(3.) Every Society shall four times in every year on days appointed by the Commissioners for the purpose notify the names and the numbers in the Society or branch of those members who have in the preceding three months changed their places of residence, together with the full postal addresses of their former and new places of residence, to the Committees of the Counties in which they have respectively taken up their residence, and in the case of a change of residence from one County to another, the last-mentioned Committees shall as soon as may be notify the name of the member and of his Society or branch and his number in the Society or branch to the Committee of the County of his former place of residence.

(4.) Every Society having members in the County shall immediately after the dates above-mentioned notify to the Committee the names and numbers in the Society or branch of those of its members who have during the last preceding three months died or ceased to be insured persons or members of the Society, and of persons resident in the County who have been admitted as members.

(5.) Where an insured person who is entitled to obtain treatment from a practitioner on the panel or approved institution has died or ceased to be an insured person or to reside in the County, the Committee shall give notice to that practitioner or institution in a form to be provided for the purpose, and the list of the practitioner or institution shall be amended accordingly.

25. Where the medical benefit of a member of a Society is suspended by reason of his contributions being in arrear or of marriage, the Society shall give notice to the Committee of the County in which that person resides, and the Committee shall, in the case of suspension of the medical benefit of an insured person entitled to obtain treatment from a practitioner on the panel or through an approved institution, give notice to that practitioner or institution, and the list of the practitioner or institution shall be amended accordingly.

26. During the year an insured person may be transferred from one practitioner on the panel to another, or from an approved institution to a practitioner on the panel, in the following circumstances, and under the following conditions:—

- (a) an insured person and the practitioner responsible for his treatment may by consent arrange for the transfer of the insured person to any other practitioner on the panel who is willing to accept the insured person;
- (b) where an insured person entitled to receive treatment from a practitioner on the panel is by reason of a change of residence no longer able to obtain that treatment he may give notice to the Committee who shall make arrangements so far as may be similar to those prescribed by these Regulations for his selection of or assignment to a practitioner on the panel;
- (c) where the Committee after enquiry into a question arising between an insured person and the practitioner attending him consider it desirable that an insured person should be transferred, the Committee may arrange with another practitioner on the panel to undertake the treatment of that person;
- (d) where the name of a practitioner has been removed from the medical list, or where a practitioner has ceased to practise within the area within which he has undertaken treatment, he or his legal personal representative, as the case may be, may notify to the insured persons concerned that he has made arrangements with another practitioner on the panel to undertake the treatment of those persons, and subject to their consent may transfer them to that other practitioner, and if any insured person is unwilling to be so transferred he shall give notice to the Committee who shall make arrangements so far as may be similar to those prescribed by these Regulations for his selection of or assignment to another practitioner;
- (e) subject as aforesaid, the provisions of these Regulations relating to insured



persons coming to reside within the county during the year shall apply to insured persons who were attended by a practitioner whose name has been removed from the medical list or who has ceased to practise within the area within which he has undertaken treatment, and to insured persons who were obtaining treatment through an approved institution which has ceased to be approved.

Provided that, where an insured person has been transferred by consent, the practitioner to whom he has been transferred shall within seven days of the transfer give notice thereof to the Committee on the form to be provided by the Committee for that purpose, and the notice shall be signed by the insured person and both the practitioners concerned or, in the event of the death or total incapacity of a practitioner, by the insured person and the practitioner to whom he is transferred.

### PART III.

#### *Provision of Drugs and Appliances.*

27. The medical and surgical appliances to be provided as part of medical benefit shall be the appliances mentioned in the Second Schedule to these Regulations.

28.—(1.) With a view to making arrangements for the supply of drugs and appliances the Committee shall—

- (a) prepare a list of the prices upon which the sums to be paid for the drugs ordinarily supplied and for the prescribed appliances are to be calculated (in these Regulations referred to as "the Drug Tariff"); and
- (b) determine the conditions upon which it is proposed to invite chemists and other persons, firms, or bodies corporate (all of whom are in these Regulations included in the expression "chemists or other persons") to undertake the supply of drugs or appliances or both.

(2.) The Committee shall embody the Drug Tariff and the conditions and method in which payment for drugs not included in the Drug Tariff is to be calculated in draft agreements which shall include the terms and conditions specified in the Third Schedule to these Regulations, with the necessary modifications in the case of a person undertaking to supply drugs or appliances only, or not entitled to dispense medicines, and with such other modifications as the Committee may, subject to the approval of the Commissioners, think fit.

29. The Committee shall determine the form and manner in which notice is to be given to chemists and other persons desiring to supply drugs or appliances or both, and the form in which any such chemist or other person may intimate his acceptance of those terms and conditions (other than a medical practitioner with whom an arrangement for the supply of drugs and appliances has been made by the Committee in accordance with these Regulations), and that notice shall state that no person shall be entitled to dispense medicines for insured persons under the arrangements made with chemists and other persons by the Committee other than a chemist who undertakes that all medicines supplied by him to insured persons under the arrangements made by the Committee shall be dispensed either by or under the direct supervision of a registered pharmacist or by a person who, for three years immediately prior to the 16th December, 1911, has acted as a dispenser to a practitioner or a public institution.

30.—(1.) Where an insured person is resident in a rural area at a distance of more than one mile from the place of business of a chemist who is on the list, or where the Committee are satisfied that an insured person by reason of distance or inadequacy of means of communication will have difficulty in obtaining any necessary drugs or appliances from a chemist or other person on the list the Committee may, and shall, if the practitioner so desires, make arrangements for the supply to that person by the practitioner attending him of such drugs or appliances as would otherwise under these Regulations have been supplied by a chemist or other person on the list, and any question arising under this Regulation shall be referred to the Commissioners whose decision shall be final.

(2.) The Committee may make arrangements for the supply by practitioners on the panel of all or any of the following:—



- (a) drugs which are necessarily or ordinarily administered by a practitioner in person; and
- (b) drugs and appliances required for immediate administration or application, or required for use before a supply can conveniently be obtained otherwise under these Regulations.

31.—(1.) The Committee shall as soon as may be submit for the approval of the Commissioners the arrangements proposed to be made by the Committee for the supply of drugs and appliances and in particular;

- (a) the draft agreements determined by the Committee;
- (b) the form and manner of notification to, and acceptance by, chemists, and other persons of the terms and conditions upon which persons shall undertake the supply of drugs or appliances or both; and
- (c) the arrangements made by the Committee for the supply by practitioners on the panel of drugs and appliances.

(2.) Subject to any alterations made in pursuance of the requirements of the Commissioners, any arrangements so made by the Committee and approved by the Commissioners shall have effect for such period as may be specified in the approval.

32. The Committee shall, as soon as the Commissioners have notified their approval of the arrangements made by the Committee, give notice, in the form and manner approved in accordance with the last preceding Regulation, of the terms and conditions upon which persons shall undertake the supply of drugs or appliances or both, and of the form and manner in which acceptance may be notified, and that notice shall specify a period, not being less than 14 or more than 21 days, within which a chemist or other person is entitled to make application to be included in the list first to be issued.

33.—(1.) After the expiration of the period specified in the notice the Committee shall prepare a list of the names and addresses of the chemists and other persons who have signified their acceptance, indicating whether they have undertaken to supply drugs or appliances or both, and distinguishing those who are entitled to dispense medicines.

(2.) The list shall, subject as provided in these Regulations, have effect for the year for which it is prepared.

(3.) A copy of the list shall be sent to every practitioner on the panel and shall be available for the inspection of insured persons at the office of the Committee and in such other way as the Committee may think fit.

(4.) The Committee shall supply to every chemist or other person included in the list a copy of the medical list, and every chemist or other person shall exhibit at his place of business a notice in the form prescribed in the Fourth Schedule to these Regulations indicating that he has undertaken to supply drugs or appliances or both, as the case may be, under the arrangements made by the Committee.

34.—(1.) Every insured person obtaining medical benefit under the arrangements made by the Committee shall be entitled to obtain as part of his medical benefit such drugs and prescribed appliances as may be ordered for him by the practitioner attending him from any chemist or other person whose name is on the list and who is entitled and has undertaken to supply those drugs or appliances.

(2.) An insured person shall not be entitled to obtain any appliance from a chemist or other person on the list, if the Committee have made provision for lending that appliance and have given notice to the practitioners on the panel and the chemists and other persons on the list that the appliance is obtainable from the Committee.

35.—(1.) The Committee shall not later than two months before the date of revision in every year, after consultation with the Local Medical Committee, submit for the approval of the Commissioners a statement of any alterations which the Committee may desire to make in the Drug Tariff, and, where the Commissioners have prescribed any further appliances, of the prices which the Committee are prepared to pay for those appliances.

(2.) The Commissioners shall, subject to the alterations, if any, which they may require to be made by the Committee, approve the statement.

(3.) The Committee shall as soon as may be after such approval send a copy of



the statement to every chemist or other person included in the list and to every practitioner on the panel.

36.—(1.) Any chemist or other person desiring to have his name removed from the list shall give notice in writing of his desire to the Committee not later than one month after the issue to him of the statement of alterations made by the Committee, or where no statement has been issued not later than one month before the date of revision, and thereupon his name shall be removed from the list.

(2.) Any chemist or other person not giving such notice to the Committee shall be deemed to have undertaken to supply drugs or appliances or both upon the same terms as in the previous year, subject to such modifications as are mentioned in the statement of alterations, if any, issued to him by the Committee.

37.—(1.) Any chemist or other person may make application to the Committee in any year, not later than one month before the date of revision, to be included in the revised list and shall thereupon, unless he has previously been excluded from the list by the Commissioners, be included in the revised list.

(2.) As soon as may be after the date of revision the Committee shall prepare a revised list, and a copy thereof shall be sent to every practitioner on the panel and shall be available for the inspection of insured persons at the office of the Committee, and in such other way as the Committee may think fit.

38.—(1.) Where a chemist or other person commences to carry on business in the County during the year and desires to undertake the supply of drugs or appliances or both under the arrangements made by the Committee he shall upon application to the Committee be entitled forthwith to be included in the list.

(2.) Where upon the death of a chemist included in the list the business is carried on in accordance with the provisions of the Pharmacy Act, 1868, as amended by the Poisons and Pharmacy Act, 1908, by his legal personal representative or the trustee of his estate, that legal personal representative or trustee shall be deemed to be a person included in the list so long as the business is carried on by him in accordance with the provisions of those Acts.

#### PART IV.

##### *Financial.*

39. All moneys available to the Committee for the purposes of the treatment under arrangements made by the Committee with practitioners on the panel of insured persons (in these Regulations referred to as "persons on panel-lists") obtaining treatment from those practitioners (including any Parliamentary grant or portion of a Parliamentary grant paid or to be paid to the Committee in respect of the treatment of those persons for that year) shall be credited to, and all payments to practitioners on the panel in respect of the treatment of insured persons by them shall be charged to a fund to be established by the Committee (in these Regulations referred to as the "Panel Fund") and there shall be paid accordingly to each practitioner on the panel, out of the Panel Fund amounts calculated in accordance with the method of remuneration adopted by the Committee.

40.—(1.) Where the Committee have adopted a capitation system of payment, they shall credit to each practitioner on the panel, in respect of each of the persons included in his list, an amount (in these Regulations referred to as a "capitation fee") calculated in accordance with the rate contained in the practitioner's agreement with the Committee.

(2.) Where the Committee have adopted a system of payment by attendance, they shall credit to each practitioner on the panel, in respect of each service rendered by him an amount (in these Regulations referred to as an "attendance fee"), calculated in accordance with the rate contained in his agreement with the Committee.

(3.) The Committee shall ascertain the aggregate amounts so credited to the practitioner, and the aggregate amounts so credited to all practitioners on the panel, and shall pay to each practitioner an amount bearing the same proportion to the sum credited to him as the amount in the Panel Fund available for the purpose,



after deducting any sum set apart for mileage in accordance with these Regulations, bears to the aggregate amounts so credited to all the practitioners.

41. Where the Committee have adopted a method of remuneration which combines a capitation system with a system of payment by attendance (the capitation fees or the attendance fees, as the case may be, being payable in priority), the Committee shall pay to each practitioner out of the Panel Fund the fees credited to him which are payable in priority, and shall pay to each practitioner, out of the balance of the Panel Fund, in respect of other fees credited to him, an amount bearing the same proportion to those fees as the balance of the Panel Fund available for the purpose bears to the aggregate amounts of such other fees credited to all the practitioners on the panel.

42.—(1.) Every practitioner on the panel shall on dates to be appointed by the Commissioners furnish to the Committee quarterly accounts in a form provided by the Committee, containing such particulars as may be necessary for calculating the amount of remuneration payable to him by the Committee.

(2.) As soon as may be after the receipt of an account the Committee shall pay to the practitioner such sum as may be agreed between the Committee and the practitioners on the panel in advance of the amount due to him, and shall pay the balance of the amount so due as soon as may be after the expiration of the year, but before payment of the balance the Committee shall submit all accounts to a committee appointed by the practitioners on the panel which committee shall have power to reduce or disallow any item of any account submitted to them.

43.—(1.) All moneys in the hands of the Committee for the purpose of defraying the cost of drugs and appliances supplied to persons on panel-lists (including any Parliamentary grant or portion of a Parliamentary grant paid to the Committee in respect of those persons for that purpose) shall be paid into, and all payments to chemists and other persons supplying drugs or appliances in respect of that supply shall be made out of, a fund to be established by the Committee (in these Regulations referred to as the "Drug Fund") and there shall be paid out of that fund to each chemist or other person supplying drugs or appliances an amount calculated in accordance with these Regulations.

(2.) The Committee shall credit to each chemist or other person supplying drugs or appliances in respect of that supply a sum calculated in accordance with the Drug Tariff, or in the case of drugs not included in that tariff, an amount calculated in accordance with the method adopted by the Committee for the purpose, and shall pay to each person an amount bearing the same proportion to the sum credited to him as the amount in the Drug Fund bears to the aggregate amounts so credited to all those persons.

44.—(1.) Every chemist or other person on the list shall furnish to the Committee on dates to be appointed by the Commissioners quarterly accounts in a form provided by the Committee, containing particulars of drugs and appliances supplied by him to insured persons.

(2.) As soon as may be after the receipt of an account the Committee shall pay to the chemist or other person furnishing the account such sum as may be agreed between the Committee and any Committee representative of chemists and other persons undertaking the supply of drugs and appliances (in these Regulations referred to as "the Pharmaceutical Committee") in advance of the amount due to him, and shall pay the balance of the amount so due as soon as may be after the expiration of the year, but before payment of the balance the Committee shall submit all accounts to the Pharmaceutical Committee which shall have power to reduce or disallow any item of any account submitted to them.

45. For the purpose of determining the amounts in the hands of the Committee which are contributed to the Panel Fund and to the Drug Fund respectively the following provisions shall apply:—

(1.) The Committee shall ascertain the amount available for the medical benefit of persons on panel-lists including in that any Parliamentary grant or portion of a Parliamentary grant paid or to be paid to them for that purpose and shall carry the sum so ascertained, as to thirteen-seventeenths thereof to the credit of the Panel Fund; as to three-seventeenths thereof



to the credit of the Drug Fund; and as to one-seventeenth thereof to the credit of the fund to be called "The Drug Suspense Fund" and to be dealt with as hereinafter in these Regulations provided.

- (2.) If and in so far as in any year the amount to the credit of the Drug Fund is less than the aggregate amounts credited to chemists and other persons supplying drugs and appliances the excess amount required shall, so far as that excess is not met from moneys provided by Parliament or from any other source, be paid out of the Drug Suspense Fund to the credit of the Drug Fund and shall be applied accordingly.
- (3.) If in any year the amount to the credit of the Drug Fund exceeds the aggregate amounts so credited to chemists and other persons that excess shall be carried forward to the credit of the Drug Fund in the succeeding year.
- (4.) Any sum remaining to the credit of the Drug Suspense Fund at the close of any year shall be treated as moneys in the hands of the Committee for the purpose of the treatment of persons on panel-lists for that year and carried accordingly to the credit of the Panel Fund for that year.

46.—(1.) Where it appears to the Local Medical Committee that the drugs or appliances ordered for insured persons by any practitioner or practitioners on the panel are by reason of their character or of the amount so ordered such as to be in excess of what may reasonably be required for the adequate treatment of those persons, the Local Medical Committee may, and if any representations to that effect are made to them by the Pharmaceutical Committee, shall, make an investigation into the circumstances of the case, whether in respect of the drugs and appliances ordered by an individual practitioner or generally as to the orders given for drugs and appliances by practitioners in the County.

(2.) The Local Medical Committee shall, after hearing the Pharmaceutical Committee and any practitioner concerned, make a report to the Committee, and if, after considering the report, the Committee are of opinion that an excessive demand upon the Drug Fund has arisen owing to orders given by a practitioner which are extravagant either in character or in quantity they may, if they think fit, make such deduction from the amount payable to that practitioner out of the Panel Fund as is appropriate in the circumstances and shall make such adjustments as are necessary accordingly between the Panel Fund and the Drug Fund.

47. Where the Committee have adopted a capitation system of payment of practitioners and have made arrangements with a practitioner for the supply by him of all drugs and prescribed appliances requisite for the treatment of an insured person the Committee may instead of paying the price of drugs and appliances actually supplied pay to the practitioner as a capitation fee a sum, payable out of the Drug Fund, representing three-sevenths of the amount available for the medical benefit of that person together with any sum which may be payable in that year from the Drug Suspense Fund to the Drug Fund in respect of each person on a panel-list.

48.—(1.) All moneys available to the Committee for the purposes of the medical benefit of insured persons who obtain treatment through an approved institution (including any Parliamentary grant or portion of a Parliamentary grant paid or to be paid to the Committee in respect of the medical benefit of those persons) shall be carried to the credit of a fund to be called the Institutions Fund.

(2.) The Committee may contribute towards the expenses of the treatment furnished by any approved institution to insured persons obtaining treatment through it an amount not exceeding the aggregate amounts standing to the credit of the Institutions Fund available for the medical benefit of those persons; Provided that as a condition of any such payment the Committee shall be satisfied that accounts are kept by the institution showing separately the amounts expended by them in respect of treatment and of the supply of medicines and appliances respectively, and no payment shall be made by the Committee in respect of the treatment of insured persons receiving treatment through an approved institution in excess of fourteen-sevenths of the aggregate amount available for the medical benefit of those persons, nor in respect of the medicines and appliances supplied to those persons in excess of four-sevenths of that amount.



(3.) Any sum standing to the credit of the Institutions Fund at the end of any year shall be carried to the credit of the Institutions Fund for the succeeding year.

49.—(1.) All moneys available to the Committee for the purpose of insured persons who are required or allowed to make their own arrangements for obtaining treatment (including medicines and appliances) shall be carried to a fund to be called the Special Arrangements Fund.

(2.) There shall be paid to every insured person required or allowed to make his own arrangements by way of contribution to the cost of his treatment (including medicines and appliances) an amount equal to that expended by him in obtaining treatment, medicine and appliances: Provided that

(a) in the case of a person who has contracted to obtain treatment (including medicines and appliances) for the year, the sum so to be paid shall be a sum equal to the amount contracted to be paid by him or a sum equal to the aggregate amount standing to the credit of the fund divided by the number of persons making their own arrangements whichever is the less; and

(b) in the case of any other person required or allowed to make his own arrangements the sum expended shall be deemed to be a sum calculated in accordance with a scale of fees fixed by the Committee, and where the aggregate amount so expended exceeds the amount available in the fund the amount contributed in the case of each such person shall be reduced proportionately; and

(c) it shall be a condition of any payment that the medicines and appliances supplied to any person required or allowed to make his own arrangements shall be supplied otherwise than by or at the profit of the practitioner who is attending him (except where the circumstances of the insured person are such that the practitioner would, if he were attending that person under the arrangements made by the Committee, be entitled under his contract with the Committee to supply medicines and appliances to that person) and of the total fund not more than thirteen-seventeenths (or, if the Commissioners so allow, fourteen-seventeenths) shall be deemed to be available for the purpose of defraying the cost of medical treatment and not more than four-seventeenths for the purpose of defraying the cost of medicines and prescribed appliances.

(3.) In calculating the amount available in respect of the medical benefit of any person required or allowed to make his own arrangements, account shall be taken of any Parliamentary grant or portion of a Parliamentary grant which may be made to the Committee for the purpose of medical benefit as well as of the sums otherwise available to the Committee for that purpose.

(4.) Any sum standing to the credit of the Special Arrangements Fund at the close of any year shall be carried forward to the credit of that Fund for the succeeding year, so however that in the expenditure of the money to the credit of the Special Arrangements Fund in that year regard shall be had to whether any sum so carried forward has arisen from moneys which under this Regulation were applicable to treatment or to the provision of medicines and prescribed appliances and that the sum so carried forward shall be applicable accordingly.

## PART V.

### *Special Provisions.*

50. The Committee may if they think fit make arrangements for a payment to practitioners on the panel in respect of mileage, that is to say, their obligation to attend insured persons resident beyond such distance from the residence of the practitioner, as the Committee having regard to the special difficulties of access to the residence of the insured person may in any case agree with the practitioner.

51.—(1.) Any person who was on the 16th December, 1911, and still is, a member of a friendly society, which or a separate section of which is an Approved Society, and who is not entitled to medical benefit under the Act by reason either that he was



on the 15th July, 1912, of the age of 65 or upwards, or that being subject to permanent disablement at that date he is not qualified to become an insured person, or the secretary or other officer of the Society of which he is a member on his behalf, may give notice to the Committee that the member desires to obtain medical attendance and treatment under arrangements made by the Committee and that the Society undertakes to pay in respect of the medical attendance and treatment of the member the sum prescribed in this Regulation, and where notice is given personally it shall be countersigned by the secretary or other officer of the Society.

(2.) The Committee shall furnish to each such member such voucher or other document as may be approved by the Commissioners, and it shall be a condition of every agreement between the Committee and a practitioner on the panel that he shall attend and treat any person presenting such voucher or other document at a rate of remuneration not exceeding the amount which would be available for the medical treatment (not including drugs and appliances) of that member if he were an insured person: Provided that no practitioner shall be under any obligation to attend and treat a number of such members greater than a number bearing the same proportion to the insured persons on his list as the total number of such members obtaining treatment under arrangements made by the Committee bears to the total number of persons on panel-lists.

52.—(1.) Every Committee shall constitute a special Sub-Committee (in these Regulations referred to as the "Medical Service Sub-Committee") for dealing with any question arising between an insured person and a practitioner attending him under the arrangements made by the Committee in respect of the treatment rendered by the practitioner or the conduct of the insured person while receiving that treatment and every question so arising shall stand referred to that Sub-Committee, and the Committee may, if they think fit, refer to that Sub-Committee any other question arising with reference to the administration by them of medical benefit.

(2.) The Medical Service Sub-Committee shall be constituted in the following manner:—

- (i.) three persons shall be appointed by and from the members of the Committee who represent insured persons;
- (ii.) three persons shall be appointed by the Local Medical Committee, or if no Local Medical Committee exists, by the practitioners on the panel;
- (iii.) a Chairman shall be selected from those members of the Committee appointed respectively by the Council of the County and by the Commissioners who are neither insured persons nor practitioners, and the selection shall be made by the six persons appointed as above-mentioned, or in default of selection being made by those persons, by the members of the Committee appointed respectively by the Council of the County and by the Commissioners;

provided that if in the opinion of the Chairman any member of the Medical Service Sub-Committee is interested or in the case of a practitioner is partner or assistant to a practitioner interested in a question referred to them, that member shall take no part in the hearing thereof, but another member shall be appointed in the manner aforesaid by the persons by whom that member was appointed.

(3.) Where any question which under these Regulations is to stand referred to the Medical Service Sub-Committee arises, the person desiring to have the question considered shall state in writing the substance of the matter and shall forward the statement to the Clerk of the Committee.

(4.) The proceedings before the Medical Service Sub-Committee shall be private, and no person shall be admitted to those proceedings except—

- (a) the person raising the question and the person with respect to whom the question arises;
- (b) the secretary or other officer of the Society, if any, to which the insured person belongs;
- (c) the secretary or other officer of the Local Medical Committee;
- (d) such other person, not being counsel or a solicitor or other paid advocate, as the Medical Service Sub-Committee may upon the application of either party admit by reason of the fact that his attendance is required for the



purposes of the proceedings or to assist either party in the presentation of his case ; and

(e) such officers and servants of the Committee as they may appoint for the purpose.

(5.) The quorum of the Medical Service Sub-Committee, their term of office and the procedure with regard to the hearing of the question, the nature of the evidence admitted and otherwise shall be such as may be fixed by the Committee subject to the approval of the Commissioners.

(6.) The Medical Service Sub-Committee shall draw up a report stating such relevant facts as appear to them to be established by the evidence placed before them, together with a recommendation as to the action, if any, which should be taken, and shall present the report to the Committee and the Committee shall accept as conclusive any finding of fact contained in the report.

(7.) Where the question at issue relates to the conduct of an insured person and the allegation made is in the opinion of the Committee substantiated, the Committee may, if the practitioner so desires, make arrangements for the transfer of the insured person in accordance with the provisions of these Regulations and may deal with him under the rules of the Committee relating to fines and to suspension of medical benefit.

(8.) Where the question at issue relates to the treatment given by a practitioner and the allegation made is in the opinion of the Committee substantiated, the Committee may, if the insured person so desires, make arrangements for his transfer in accordance with the provisions of these Regulations, and may if in the opinion of the Committee the continuance of the practitioner on the panel will be prejudicial to the efficiency of the medical service, make representations to that effect to the Commissioners.

53. It shall be the duty of the Local Medical Committee to consider any complaint made by a practitioner on the panel against any other practitioner on the panel involving any question of the efficiency of the medical service of insured persons and the Local Medical Committee may apply to the Commissioners to remove the name of the practitioner against whom complaint is made from the panel or may take such other action as they may deem proper in the circumstances.

54.—(1.) If any representations are made to the Commissioners by a Committee or a Local Medical Committee that the continuance of a practitioner on the panel will be prejudicial to the efficiency of the medical service of insured persons, the Commissioners shall, and if any similar representations are made by any other body or any person, may, if they think fit, hold an enquiry in the manner hereinafter provided.

(2.) For the purpose of each enquiry the Commissioners shall constitute an enquiry committee (in these regulations referred to as the Enquiry Committee) which shall be composed of two practitioners and one other person who shall be a barrister-at-law or solicitor in actual practice and if any body of practitioners has been established for the purpose by the Joint Committee the two practitioners so appointed shall be selected from that body.

(3.) The enquiry Committee shall appoint one of its members to be chairman, but the chairman shall not have a casting vote.

(4.) Either party may appear in person, or, with the consent of the Enquiry Committee,—

(a) by council or by solicitor ;

(b) by any member of his family ;

(c) in the case of a company or corporation, by any director or officer of the company or corporation ; or

(d) by any officer or member of any Society or other body of persons of which the person in question is a member or with which he is connected.

(5.) The Enquiry Committee shall take into consideration in addition to oral evidence such written evidence as they may in each case think fit, and may, if they think fit, require any statement to be verified by a statutory declaration, and the procedure of the Enquiry Committee shall be such as they may with the approval of the Commissioners think fit.



(6.) Upon the determination of the hearing, the Enquiry Committee shall as soon as may be draw up a report or reports stating such relevant facts as appear to them to be established by the evidence, and the inferences, if any, which in the opinion of the Enquiry Committee may properly be drawn from those facts.

55.—(1.) If in the course of the attendance upon an insured person of a practitioner on the panel under an agreement made between him and an Insurance Committee under these Regulations, the practitioner is of opinion that a question arises or may arise as to whether an operation or other service is comprised in the treatment which he has by the agreement undertaken to give, that question shall be referred by the practitioner to the Local Medical Committee, and, if the Local Medical Committee and the Insurance Committee fail to come to an agreement, the matter shall be submitted for decision to Referees established under these Regulations in such summary manner as, subject to any rules made by the Commissioners in that behalf, may be directed by the Commissioners; and the decision of those Referees, given after hearing such parties and taking such evidence, if any, as they think just, shall be final, and the Referees in giving any such decision shall state whether in arriving at their decision they have had regard to any custom or practice of the medical profession which is peculiar to the area in which the question arose.

(2.) For the purpose of giving effect to these Regulations the Commissioners shall, upon any such question arising, nominate as Referees two medical practitioners (who shall be chosen from any panel of practitioners set up by the Joint Committee for the purpose, or if no such panel exists from among medical practitioners in actual practice in Great Britain) and one barrister or solicitor in actual practice.

(3.) The Referees may decide any question coming before them by a majority, but, subject as aforesaid, their procedure shall be such as they may from time to time determine.

56.—(1.) If any representations are made to the Commissioners by a Committee or a Local Medical Committee that the inclusion or continuance on the list of a chemist or other person will be prejudicial to the efficiency of the service in the County, the Commissioners shall, and if any similar representations are made by any other body or any person may, if they think fit, hold an enquiry in the manner hereinafter provided.

(2.) For the purpose of each enquiry held in accordance with the provisions of this Regulation the Commissioners shall constitute a committee which shall be composed of two persons, who (if any panel has been set up by the Joint Committee for that purpose) shall be chosen from that panel, and of a barrister-at-law or solicitor in actual practice.

(3.) The procedure, powers and duties of the Committee shall be similar to those of the Enquiry Committee.

57. All forms required by these Regulations to be provided by a Committee shall be submitted by that Committee for the approval of the Commissioners.

58. These Regulations shall only apply to members of the Seamen's National Insurance Society where that Society has agreed with a Committee for the administration by the Committee of medical benefit to individual members of the Society.

59. Where, in pursuance of any Regulations made by the Commissioners under Sub-section (4) of Section 59 of the Act, any powers or duties of the Committee under these Regulations are conferred upon a District Committee, these Regulations shall have effect so far as those powers and duties are concerned, and subject to any modifications made by those Regulations as if the District Committee were in these Regulations substituted for the Committee.

60. These Regulations in their application to Wales shall be subject to the following modifications—

(1.) "The Commissioners" means the Welsh Insurance Commissioners, or where by virtue of the National Insurance (Joint Committee) Regulations, 1912, any power is exercisable by the Joint Committee or by the Joint Committee acting jointly with the Welsh Insurance Commissioners means the Joint Committee or the Joint Committee acting jointly with the Welsh Insurance Commissioners as the case may require.

(2.) References to the National Health Insurance (Collection of Contributions)



Regulations, 1912, shall be construed as references to the National Health Insurance (Collection of Contributions) Regulations (Wales), 1912.

61. These Regulations shall have effect subject to the exercise by the Commissioners of the powers reserved to them by the proviso to sub-section (2) of Section 15 of the Act.

Given under the seal of office of the aforesaid Joint Committee this 5th day of December in the year one thousand nine hundred and twelve.

(L.S.)

*W. J. Braithwaite.*

Given under the seal of office of the Insurance Commissioners this 5th day of December, in the year one thousand nine hundred and twelve.

(L.S.)

*Claud Schuster.*

Given under the seal of office of the Welsh Insurance Commissioners this 5th day of December, in the year one thousand nine hundred and twelve.

(L.S.)

*H. Meredith Richards.*

### THE FIRST SCHEDULE.

#### PART I.

#### *Conditions of Service for Practitioners.*

1. The National Insurance Act, 1911, and the Regulations made by the Commissioners and in force for the time being in the County are incorporated with and form part of these conditions of service and this agreement shall cease to have effect in the event of the Commissioners exercising any of the powers conferred on them by the proviso to sub-section (2) of Section 15 of the Act, and in the event of conflict between this agreement and the Regulations, the later shall prevail.

2. The practitioner shall give to all persons who are for the time being entitled to obtain treatment from him (all or any of whom are hereinafter referred to as the "patients" or "patient" as the case may be) such treatment as is of a kind which can consistently with the best interests of the patient be properly undertaken by a general practitioner of ordinary professional competence and skill: Provided that the practitioner shall not, by virtue of this agreement, be required to give, nor entitled under this agreement to make any charge for treatment to any person in respect of a confinement (that is to say, labour resulting in the issue of a living child or labour after twenty-eight weeks of pregnancy resulting in the issue of a child whether alive or dead), \*[nor to any person suffering from tuberculosis or any other disease the treatment of which may hereafter be included in sanatorium benefit, in so far as that person has been recommended for and is entitled to obtain that treatment as part of his sanatorium benefit].\*

3. Where the condition of the patient is such as to require services beyond the competence of an ordinary practitioner the practitioner shall advise the patient as to the steps which should be taken in order to obtain such treatment as his condition may require.

4. The practitioner shall visit at the place of residence for the time being of the patient, or at any other place within the county within a distance of    miles by road from the residence of the practitioner where the patient may be for the time being, any patient whose condition so requires.

5. The practitioner shall attend and treat at the places specified for the purpose, and on such days and at such hours as are so specified, any patient who attends there for that purpose:† Provided that if at any time the practitioner decided to alter the places, days or hours of his attendance, or any of them, he shall give not less than 7 days' notice in writing to the Committee and to each of the insured persons for the time being entitled to obtain treatment from him.

\* The words in square brackets are to be omitted in any agreement entered into with a practitioner, if by that agreement the practitioner undertakes to give, in addition to medical treatment under these regulations, domiciliary treatment to persons recommended for sanatorium benefit.

† These particulars will be contained in a Schedule to the agreement.



6. The practitioner shall order in the form provided by the Committee for the purpose such drugs and prescribed appliances as are requisite for the treatment of any patient other than those which the practitioner may be under arrangement himself to supply: Provided that if the practitioner orders any drug not included in the list from time to time supplied by the Committee to the practitioner, he shall give such orders on special forms for those purposes provided by the Committee.

7. All treatment shall be given by the practitioner personally, except where he is prevented from so doing by urgency of other professional duties, absence from home, or other reasonable cause, and the practitioner will to the best of his ability provide that when he is so precluded from personal attendance some other practitioner will give attendance as his deputy on his behalf: Provided that where treatment is given by a deputy the deputy shall be entitled to treat patients at places other than those specified in the practitioner's agreement with the Committee.

8. The practitioner shall keep such simple records of the diseases of his patients and of his treatment of them as may be required as conditions of the payment of any Parliamentary Grant, and such further records as may at any time hereafter be agreed between the Committee and the Local Medical Committee.

## PART II.

### *Methods of Remuneration of Practitioners undertaking treatment.*

#### A.

The rate of            shillings a quarter of the year as fixed by the Commissioners for the purpose in respect of each person included in the list of the practitioner, the number of those persons during any quarter to be ascertained by adding the number of persons included at the close of that quarter to the number of persons included at the commencement of the quarter and dividing the total by two.

[Note.—An adjustment will be required in the case of a practitioner being placed on the panel after the commencement of any quarter.]

#### B.

In priority, the rate of            shillings a quarter of the year as fixed by the Commissioners for the purpose in respect of each person included in the list of the practitioner, the number of those persons during any quarter to be ascertained by adding the number of persons included at the close of that quarter to the number of persons included at the commencement of that quarter and dividing the total by two.

[Note.—An adjustment will be required in the case of a practitioner being placed on the panel after the commencement of any quarter.]

Other rates for all or any of the following services:—

£   s.   d.

- (1) Special visit, *i.e.* visit paid by the patient's desire on the same day as a call received after            a.m., or on Sunday . . . . .
- (2) Night visit, *i.e.* visit paid between the hours of 8 p.m. and 8 a.m. in response to a call received between those hours . . . . .
- (3) Surgical operation requiring local or general anæsthetic or treatment of abortion or miscarriage in so far as not included in maternity benefit . . . . .
- (4) Setting of fracture . . . . .
- (5) Reduction of dislocation. . . . .
- (6) Administration of general anæsthetic for the purposes of any operation included in medical benefit . . . . .
- (7) Treatment of tuberculosis in so far as the patient is not entitled to obtain such treatment as part of sanatorium benefit.
  - (a) per visit . . . . .
  - (b) per attendance at practitioner's residence, surgery or dispensary . . . . .
- (8) Mileage . . . . .



## C.

In priority, the rate of shillings a quarter of the year as fixed by the Commissioners for the purpose in respect of each person included in the list of the practitioner, the number of those persons during any quarter to be ascertained by adding the number of persons included at the close of that quarter to the number of persons included at the commencement of the quarter and dividing the total by two.

[*Note.*—An adjustment will be required in the case of a practitioner being placed on the panel after the commencement of any quarter.]

Other rates for the following services:—

	£	s.	d.
(1) Visit to the patient's residence. . . . .			
(2) Attendance on the patient at the practitioner's residence, surgery, or dispensary . . . . .			
(3) Special visit, <i>i.e.</i> visit paid by the patient's desire on the same day as a call received after a.m., or on Sunday . . . . .			
(4) Night visit, <i>i.e.</i> visit made between the hours of 8 p.m. and 8 a.m. in response to a call received between those hours.			
(5) Surgical operation requiring local or general anæsthetic or treatment of abortion or miscarriage in so far as not included in maternity benefit . . . . .			
(6) Setting of fracture . . . . .			
(7) Reduction of dislocation. . . . .			
(8) Administration of general anæsthetic for the purposes of any operation included in medical benefit . . . . .			
(9) Treatment of tuberculosis in so far as the patient is not entitled to obtain such treatment as part of sanatorium benefit.			
(a) per visit . . . . .			
(b) per attendance at practitioner's residence, surgery or dispensary . . . . .			
(10) Mileage. . . . .			

## D.

In priority, rates for all or any of the following services:—

	£	s.	d.
(1) Special visit, <i>i.e.</i> visit paid by the patient's desire on the same day as a call received after a.m., or on Sunday . . . . .			
(2) Night visit, <i>i.e.</i> visit made between the hours of 8 p.m. and 8 a.m. in response to a call received between those hours . . . . .			
(3) Surgical operation requiring local or general anæsthetic or treatment of abortion or miscarriage in so far as not included in maternity benefit . . . . .			
(4) Setting of fracture . . . . .			
(5) Reduction of dislocation. . . . .			
(6) Administration of general anæsthetic for the purposes of any operation included in medical benefit . . . . .			
(7) Treatment of tuberculosis in so far as the patient is not entitled to receive such treatment as part of sanatorium benefit.			
(a) per visit . . . . .			
(b) per attendance at the practitioner's residence, surgery, or dispensary . . . . .			
(8) Mileage. . . . .			

A further rate of shillings a quarter of the year as fixed by the Commissioners for the purpose in respect of each person included in the list of the practitioner, the number of those persons during any quarter to be ascertained by adding the number of persons included at the close of that quarter to the number of



persons included at the commencement of the quarter and dividing the total by two.

[*Note.*—An adjustment will be required in the case of a practitioner being placed on the panel after the commencement of any quarter.]

## E.

Rates for the following services :—

	£	s.	d.
(1) Visit to the patient's residence. . . . .			
(2) Attendance on the patient at the practitioner's residence, surgery, or dispensary . . . . .			
(3) Special visit, <i>i.e.</i> visit paid by the patient's desire on the same day as a call received after . . . . . a.m., or on Sunday . . . . .			
(4) Night visit, <i>i.e.</i> visit made between the hours of 8 p.m. and ——— 8 a.m. in response to a call received between those hours . . . . .			
(5) Surgical operation requiring local or general anæsthetic or treatment of abortion or miscarriage in so far as not included in maternity benefit . . . . .			
(6) Setting of fracture . . . . .			
(7) Reduction of dislocation . . . . .			
(8) Administration of general anæsthetic for the purpose of any operation included in medical benefit . . . . .			
(9) Treatment of tuberculosis in so far as the patient is not entitled to obtain such treatment as part of sanatorium benefit.			
(a) per visit . . . . .			
(b) per attendance at practitioner's residence, surgery or dispensary . . . . .			
(10) Mileage . . . . .			

## THE SECOND SCHEDULE.

*List of Appliances.*

Bandages: *Calico, bleached; calico, unbleached; crepe, domette, flannel, india-rubber, muslin, plaster of Paris, open-wove.*

Gauzes: *Unmedicated, boric, carbolic, cyanide, sal-alembroth, sublimate.*

Lints: *Unmedicated, boric, sal-alembroth.*

Wools:—*Cotton, wood. Oiled silk, oiled paper, gutta percha tissue, adhesive plaster, ice bags, splints.*

Catheters:—*Gum elastic, soft rubber.*

## THE THIRD SCHEDULE.

*Conditions of Agreement for Supply of Drugs and Appliances by Chemist.*

1. The National Insurance Act, 1911, and the Regulations made by the Commissioners and in force for the time being in the County are incorporated with and form part of these conditions, and this agreement shall cease to have effect in the event of the Commissioners exercising any of the powers conferred on them by the proviso (i) to sub-section (5) of Section 15 of the Act or suspending medical benefit and in the event of conflict between this agreement and the Regulations the latter should prevail.

2. The chemist will be prepared to supply, and so far as practicable will keep in stock, the drugs and medical and surgical appliances specified for the purpose.

3. The chemist will, with reasonable promptness, supply to any person presenting an order for drugs or appliances in a form provided by the Committee for the purpose, and signed by any practitioner on the panel or his deputy, such drugs or appliances as are so ordered.



4. All drugs and appliances shall be of good quality, and shall be supplied at a price covering the cost of retailing and dispensing, and calculated by reference to the prices specified for the purpose, and in the case of substances to which Section 5 of the Poisons and Pharmacy Act, 1908, or the Regulations made under Section 1 of the Pharmacy Act, 1868, relate, the provision of proper bottles and other vessels, and any drug, the price of which is not so specified, shall be supplied by the chemist at a price to be agreed with the Committee or in default of agreement to be determined by the Commissioners.\*

5. The dispensing of medicines shall be performed either by or under the direct supervision of a registered pharmacist or by a person who for three years immediately prior to the 16th December, 1911, has acted as a dispenser to a practitioner or a public institution.

6. All drugs and appliances shall be supplied free of charge to the person presenting such order.

#### THE FOURTH SCHEDULE.

*Form of Notice to be exhibited by Persons undertaking the Supply of Drugs or Appliances or both.*

#### NATIONAL INSURANCE ACT.

*(Name of Person or Firm contracting.)*

Under contract with the Insurance Committee for the County [or County Borough]† of.....

To dispense medicines.

To supply drugs.

To supply drugs (except scheduled poisons).

To supply appliances.

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PROVISIONAL REGULATIONS MADE BY THE INSURANCE COMMISSIONERS AS TO THE CONSTITUTION, POWERS AND DUTIES OF DISTRICT INSURANCE COMMITTEES, DATED THE 22ND NOVEMBER, 1912 (made under s. 59 (4), *supra*, p. 223).

1.—(1.) These Regulations may be cited as the National Health Insurance (District Insurance Committees) Regulations (England), 1912.

(2.) [Interpretation.]

(3.) [Application of the Interpretation Act, 1889.]

2. The Committee of every county shall (except in cases where, owing to special circumstances, the Commissioners consider it unnecessary), within six months after the commencement of the Act, prepare and submit for approval in such manner as is mentioned in the proviso to Sub-section (4) of Section 59 of the Act such a scheme for the appointment of District Committees for their County as is mentioned in the said proviso.

3.—(1.) The scheme shall provide—

- (a) that each District Committee shall consist of such number of members, appointed by such bodies and persons and in such manner, as may be provided in the scheme;
- (b) for the assignment and delegation to each District Committee of such of the powers of the Committee as may be provided in the scheme; and
- (c) that all matters relating to the exercise by the Committee of such of their powers under the Act (not being powers assigned or delegated under the

\* *Note.*—These particulars will be contained in a Schedule to the agreement.

† *Note.*—Strike out words not applicable.



scheme) as may be determined by the Committee by standing order, shall stand referred to the District Committees, and that the Committee shall, before exercising any such powers, unless in their opinion the matter is urgent, receive and consider the report of the District Committee concerned with respect to the matter in question :

Provided that—

(i.) there shall be on every District Committee a majority of persons who are insured persons or are, in the opinion of the Committee, persons representative of the insured persons in the area ; and

(ii.) the scheme shall provide for the inclusion among the members of every District Committee of

(a) persons appointed by each of the bodies specified in the First Schedule to these Regulations ; and

(b) not less than two women ; and

(iii.) the scheme may, as a qualification for appointment, require as respects any person to be appointed a member, or any proportion of the persons to be appointed members, of the District Committee that his or their usual place of residence or place of business or employment is situated within the area of the District Committee ; and

(iv.) the scheme shall not provide for the delegation or assignment to a District Committee of any of the powers or duties specified in the Second Schedule to these Regulations, except that where by the operation of any Act of Parliament passed before the commencement of these Regulations the area of any District Committee will at a date subsequent to the commencement of these Regulations be excluded from the area of the Committee, the scheme may provide for the assignment to the District Committee of that area of such of those power and duties, subject to such reservations and conditions, as may appear most convenient in the circumstances.

(2.) The scheme shall also provide for the quorum, term of office, and rotation of members, and proceedings generally of District Committees, and for the employment (subject to the consent of the Committee) of officers by District Committees.

4.—(1.) The District Committee shall submit to the Committee an estimate of the expenditure to be incurred by the District Committee in the exercise of the powers and duties assigned or delegated to them at such times and in such form and manner as may be required by the scheme, and no expenditure shall be incurred by the District Committee except in accordance with that estimate or upon the authority of a resolution of the Committee.

(2.) The Committee shall from time to time by standing order make provision for the manner in which advances are to be made to the District Committees, and the District Committees shall keep such accounts as may be necessary to meet any requirements of the Commissioners and of the Committee and shall comply with all such provisions as are necessary to enable a proper audit of the accounts to be carried out.

## SCHEDULES.

### FIRST SCHEDULE.

#### *Bodies entitled to Representation upon the District Committee.*

- (i.) The Insurance Committee.
- (ii.) The council of every borough, urban district, or rural district whose area is included in that of the District Committee.
- (iii.) Any association of Approved Societies or any class of Approved Societies which, in the opinion of the Committee, is representative of the insured persons or classes of insured persons resident in the area of the District Committee.
- (iv.) Any Local Medical Committee recognised by the Commissioners under the Act which has been formed for any area including or corresponding to that of the District Committee.



- (v.) Any association of deposit contributors which has been formed for any area including that of the District Committee.
- (vi.) Any committee, representative of chemists and other persons, firms and bodies corporate undertaking the supply of drugs, medicines and appliances under the arrangements made by the Committee to insured persons in the area of the District Committee.

#### SECOND SCHEDULE.

*Powers and duties not to be assigned or delegated to District Committees.*

- (a) The completion of arrangements for the treatment of tuberculosis and other prescribed diseases;
- (b) Negotiations with Approved Societies in respect of the cost of the Medical Benefit of their members resident in the county and of the administration thereof;
- (c) The determination of the amount to be paid in respect of the cost of the Medical Benefit of deposit contributors;
- (d) The decision of the terms on which medical practitioners are to be invited to undertake treatment and of the method and amount of their remuneration;
- (e) The determination of the method and amount of the remuneration of persons, firms and bodies corporate undertaking the supply of drugs, medicines, and appliances.

#### STATUTORY RULES AND ORDERS, 1912.

No. 1754.

THE NATIONAL HEALTH INSURANCE (SPECIAL ORDERS ACCELERATION) ORDER (No. 2), 1912, MADE UNDER SECTION 78, BY THE JOINT COMMITTEE ESTABLISHED UNDER THAT ACT, ACTING ALONE AND ALSO ACTING JOINTLY WITH THE SEVERAL BODIES OF COMMISSIONERS CONSTITUTED UNDER THAT ACT (*cf. supra*, p. 399).

1. (1.) In any case in which the Joint Committee acting either alone or jointly with the several bodies of Commissioners or with any one or more of those bodies have published notice of their proposal to make a Special Order under the Act, they may, if they certify that for the purpose of bringing into operation Part I. of the Act it is expedient that the Special Order should come into operation forthwith, make the Order to come into operation forthwith as a Provisional Special Order, but such a Provisional Special Order shall only continue in force until the Special Order has been made in accordance with the provisions of section 113 of the Act and the Ninth Schedule to the Act.

(2.) Any Provisional Special Order made in pursuance of this Order shall be laid before both Houses of Parliament as soon as may be after it is made, and if an address is presented to His Majesty by either House of Parliament within the next subsequent twenty-one days on which that House has sat next after any such Provisional Special Order is laid before it, praying that the Order may be annulled, His Majesty in Council may annul the Order, and it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder.

2. This Order may be cited as the National Health Insurance (Special Orders Acceleration) Order (No. 2), 1912.

(L.S.)

W. J. Braithwaite.

Given under the Seal of Office of the aforesaid Insurance Commissioners this 29th day of November, in the year one thousand nine hundred and twelve.

(L.S.)

Claud Schuster.



Given under the Seal of Office of the aforesaid Scottish Insurance Commissioners this 30th day of November, in the year one thousand nine hundred and twelve.  
(L.S.) *John Jeffrey.*

Given under the Seal of Office of the aforesaid Irish Insurance Commissioners this 4th day of December, in the year one thousand nine hundred and twelve.  
(L.S.) *John Houlihan.*

Given under the Seal of Office of the aforesaid Welsh Insurance Commissioners this 6th day of December, in the year one thousand nine hundred and twelve.  
(L.S.) *Thomas Jones.*

## UNEMPLOYMENT INSURANCE.

### REGULATIONS MADE BY THE BOARD OF TRADE UNDER SECTION 99 OF THE NATIONAL INSURANCE ACT (*supra*, p. 315).

The Board of Trade in pursuance of Section 91 of the National Insurance Act, 1911, hereby make the following regulations under Section 99 of the said Act:—

1. The Board of Trade may, if they think fit, make an arrangement under Section 99 of the Act with any employer of workmen in the insured trades or with any employer in a trade in which workmen are extensively employed by way of casual labour, in respect of all or any of the workmen in his employ at the date of the arrangement, or engaged by him through a Labour Exchange, and such arrangements shall be subject to the conditions prescribed by Regulations made by the Board of Trade and to any further conditions that may be agreed upon between the Board of Trade and the employer for the purpose of facilitating the arrangement.

2. Where any such arrangement provides for the undertaking by a Labour Exchange of any of the duties imposed on the employer under Part I. of the Act the following provisions shall apply:—

- (i.) The arrangement shall provide that the employer shall deposit with the Board a sum sufficient to cover the maximum amount of the contributions payable by the employer during a period of three months, or such less period as may be agreed upon between him and the Board, both on his own behalf and on behalf of the workmen in respect of whom the arrangement is made.
- (ii.) The arrangement shall be such as to make the position of the workman as regards obtaining possession and making delivery of his card substantially as favourable as if no arrangement had been made.
- (iii.) Every such arrangement shall provide for the payment by the employer of a sum calculated in accordance with a scale approved by the Treasury, on the basis of the cost to the Exchequer of performing on behalf of the employer such of the duties imposed on him by Part I. of the Act as are performed by the Board of Trade under the arrangement.
- (iv.) For the purpose of these Regulations the term "card" shall have the meaning attached to it in the National Health Insurance (Collection of Contributions) Regulations, 1912.

### PROVISIONAL REGULATIONS MADE BY THE INSURANCE COMMISSIONERS UNDER SECTION 67, DATED 2ND DECEMBER, 1912 (*supra*, p. 242).

The Insurance Commissioners constituted under the National Insurance Act, 1911, hereby certify under Section 2 of the Rules Publication Act, 1893, that on account of urgency the following Regulations should come into operation



immediately, and in pursuance of Sections 65 and 67 of the National Insurance Act, 1911, hereby make the following Regulations to come into operation forthwith as Provisional Regulations :—

## PART I.

### *General.*

1.—(1.) These Regulations may be cited as the National Health Insurance (Appeals and Disputes) Regulations (England), 1912.

(2.) In these Regulations, unless the context otherwise requires :—

The expression “The Act” means the National Insurance Act, 1911 :

The expression “the Commissioners” means the Insurance Commissioners :

The expression “dispute” means in Part II. of these Regulations such a dispute (other than a question required to be determined by the Commissioners under Section 66 of the Act) as is mentioned in sub-section (1) of Section 67 of the Act, and, in Part III. of these Regulations such a dispute as is mentioned in sub-section (2) of that Section :

The expression “decision” in Part II. of these Regulations means the decision in accordance with the rules of the Approved Society of such a dispute as is mentioned in sub-section (1) of Section 67 of the Act :

The expression “referee” in relation to any appeal or dispute means the referee appointed by the Commissioners to decide the appeal or dispute :

The expression “hearing” means oral hearing.

(3.) The Interpretation Act, 1889, applies to the interpretation of these Regulations as it applies to the interpretation of an Act of Parliament.

2.—(1.) Any notice or other document required or authorised to be sent to the Commissioners under these Regulations shall be sufficiently sent if sent by post in a pre-paid letter addressed to the Secretary, National Health Insurance Commission (England), Buckingham Gate, London, S.W., or if so sent addressed to such person (if any) as the Commissioners may from time to time appoint for the purpose of receiving the notice or document.

(2.) Any notice or other document required or authorised to be sent to any person under these Regulations by the Commissioners or by a Referee appointed by the Commissioners to decide an appeal or dispute shall be sufficiently sent if sent by post in a registered letter addressed to him at his ordinary address.

(3.) Unless the contrary is proved any notice or document sent as aforesaid shall be deemed to be served at the time at which a letter would be delivered in the ordinary course of post.

(4.) In the case of a notice or other document required or authorised by these Regulations to be sent to an Approved Society or branch of an Approved Society, or to an Insurance Committee, the notice shall be sufficiently sent, if sent to the Secretary of the Society or branch, or to the clerk of the Committee, as the case may be.

3.—(1.) The hearing of an appeal under Part II. or of an application under Part III. of these Regulations, shall be held at the head office of the Commissioners unless the Commissioners specially appoint some other place for the purpose.

(2.) Any party to an appeal or to an application may attend and be heard at the hearing of the appeal or application, and if any other person desires so to attend and be heard he may, not less than three days before the date fixed for the hearing, apply in that behalf to the Commissioners or the Referee, and the Commissioners or Referee, if satisfied that the person so desiring to attend and be heard is interested in the appeal or application, may authorise him to attend and be heard accordingly.

(3.) Any party to an appeal or to an application and any person entitled to attend



or to be heard at the hearing of any appeal or application may appear in person or, with the consent of the Commissioners or Referee—

- (a) by counsel or by solicitor ;
- (b) by any member of his family ;
- (c) in the case of an Approved Society or of an Insurance Committee by any officer or member of the Society or Committee appointed by the Society or Committee for the purpose.

(4.) The Commissioners or Referee may adjourn the hearing from time to time as seems fit to them or him.

(5.) Subject as aforesaid the procedure on the hearing of any appeal or application shall be such as the Commissioners or Referee may determine.

4. Subject to the provisions of these Regulations, the provisions of the Arbitration Act, 1889, set out in the First Schedule to these Regulations shall with the necessary modifications apply to an appeal under Part II., or to an application under Part III., of these Regulations as if the appeal or application were a reference under a submission and as if the Commissioners were arbitrators or the Referee an umpire.

5.—(1.) The forms set out in the Second Schedule to these Regulations, or forms to the like effect, shall be used in all cases to which those forms are applicable.

(2.) Any person desiring to make an application or send a notice in any of the said forms shall be furnished gratis by the Commissioners with a copy of the appropriate form.

## PART II.

### *Appeals from Decisions under Rules of Approved Societies.*

6. Subject as hereinafter provided, any party to a dispute may appeal to the Commissioners from the decision on the dispute, but, except in the case of the disputes specified in the Third Schedule to these Regulations only with the leave of the Commissioners previously obtained in accordance with these Regulations :

Provided that no appeal shall lie from the decision of a dispute decided in accordance with sub-section (6) of Section 68 of the Friendly Societies Act, 1896.

7.—(1.) Where any party to a dispute desires to obtain the leave of the Commissioners to appeal from the decision, he shall within 14 days from the date of the decision send to the Commissioners an application in writing for leave to appeal, together with a copy of the decision and a short statement of the grounds of the application.

(2.) The Commissioners shall forthwith take into consideration the application for leave to appeal and shall as soon as may be inform the applicant by notice in writing that his application has been granted or refused as the case may be.

8.—(1.) An appeal to the Commissioners from a decision may be made by sending to the Commissioners a notice of appeal within one month from the date of the decision, or from the date when notice granting leave to appeal has been received as the case may be.

(2.) The notice of appeal shall contain a concise statement of the facts and contentions of law upon which the appellant intends to rely at the hearing.

(3.) Any person desiring to withdraw an appeal may do so by sending to the Commissioners a notice of withdrawal.

9. Subject to the provisions of these Regulations, the Commissioners shall, as soon as may be after the receipt of a notice of appeal, send to the other party to the dispute (in this Part of these Regulations referred to as "the respondent") a notification of the appeal having been lodged, together with a copy of the notice of appeal.

10. The respondent shall within ten days after service upon him of the notification required to be sent by the Commissioners under the last preceding Regulation or within such further time as may be allowed by the Commissioners on an application made to them before the expiration of the said ten days, send to the



Commissioners a notice stating whether and to what extent he admits the facts stated in the notice of appeal together with a concise statement of any further facts and of the contentions of law upon which he intends to rely at the hearing.

11. The appellant shall not without the leave of the Commissioners be entitled to rely upon any facts or contentions of law other than those stated in the notice of appeal, and the respondent shall not without the leave of the Commissioners be entitled to rely upon any facts or contentions of law other than those stated in the notice required to be sent by him under the last preceding Regulation.

12.—(1.) The Commissioners may, on the application of any person desiring to appeal, extend the time for giving notice of appeal prescribed by these Regulations in such manner as they in their absolute discretion think fit, and may so extend the time although the application made for the purpose is not made until after the expiration of the time so prescribed.

(2.) Any application for the extension of the time for giving notice of appeal must be made in writing to the Commissioners stating the grounds for the application, and a copy of the application must be sent by the applicant to the respondent.

(3.) The Commissioners shall give the respondent reasonable opportunity for laying before them in writing any objections which he may have to any such application for an extension of time, and shall consider any such objections.

13.—(1.) The Commissioners may at any stage of the proceedings allow the amendment of any notice or application under this Part of these Regulations upon such terms as the Commissioners may think just.

(2.) The Commissioners may at any time require the appellant or the respondent to furnish to them in writing further particulars with respect to the matter of the appeal, and any particulars so furnished shall be binding upon the person by whom they are furnished in the same manner as if they had been contained in the notice of appeal or the notice required to be sent by the respondent, as the case may be.

14.—(1.) If the Commissioners, after considering the notice of appeal and any further particulars furnished by the appellant, are of opinion that the appeal is vexatious, frivolous, or otherwise of such a nature that it can properly be determined without a hearing, or if the appellant and respondent before a date for the hearing is fixed inform the Commissioners by notice in writing signed by both parties of their willingness that the appeal should be determined without a hearing, the Commissioners may dispense with the hearing and determine the appeal summarily.

(2.) In any case where the Commissioners determine the appeal summarily in favour of the respondent without having received such notice signed by both parties as aforesaid, the Commissioners shall not be bound to send to the respondent notification of the appeal having been lodged.

15. Subject to the provisions of the last preceding Regulation, the Commissioners shall as soon as may be fix a date for the hearing of the appeal and shall send to the appellant and respondent not less than fourteen days' notice thereof.

16. If, after a notice of hearing has been duly sent to him, either the appellant or the respondent fails to appear at the hearing, such order or award may be made on the appeal and such proceedings may be taken with a view to the determination of the appeal as the Commissioners may think just.

17. The decision of the Commissioners on an appeal under these Regulations shall be in writing signed by the Secretary to the Commissioners, and a copy of the decision shall as soon as may be after the determination of the appeal be sent to the appellant and, unless no notification of the appeal having been lodged has been sent to the respondent, to the respondent.

18. In any case in which the Commissioners have authorised a referee appointed by them to decide an appeal the provisions of Regulations 11 to 17, both inclusive, shall have effect as if the reference to the referee so appointed was substituted for a reference to the Commissioners and to the Secretary to the Commissioners.



## PART III.

*Disputes between Insured Persons and Insurance Committees.*

19.—(1.) Any person who desires to obtain a decision of the Commissioners on a dispute may make an application for the purpose by sending a notice of application to the Commissioners.

(2.) The notice of application shall contain a concise statement of the facts and contentions of law upon which the applicant intends to rely at the hearing.

(3.) Any person desiring to withdraw an application may do so by sending to the Commissioners a notice of withdrawal.

20. Subject to the provisions of these Regulations the Commissioners shall, as soon as may be after the receipt of a notice of application, send to the other party to the dispute (in this Part of these Regulations referred to as "the respondent") a notification that the application has been duly lodged together with a copy of the notice of application.

21. The respondent shall within ten days after service upon him of the notification required to be sent by the Commissioners under the last preceding Regulation, or within such further time as may be allowed by the Commissioners on application made to them within the said ten days, send to the Commissioners a notice stating whether and to what extent he admits the facts stated in the notice of application together with a concise statement of any further facts and of the contentions of law upon which he intends to rely at the hearing.

22. The applicant shall not without the leave of the Commissioners be entitled to rely upon any facts or contentions of law other than those stated in the notice of application, and the respondent shall not without the leave of the Commissioners be entitled to rely upon any facts or contentions of law other than those stated in the notice required to be sent by him under the last preceding Regulation.

23.—(1.) The Commissioners may at any stage of the proceedings allow the amendment of any notice under this Part of these Regulations upon such terms as the Commissioners may think just.

(2.) The Commissioners may at any time require the applicant or the respondent to furnish to them in writing further particulars with respect to the matter of the dispute, and any further particulars so furnished shall be binding upon the person by whom they are furnished as if they had been contained in the notice of application or the notice required to be sent by the respondent, as the case may be.

24.—(1.) If the Commissioners after considering the notice of application and any further particulars furnished by the applicant are of opinion that any application is vexatious, frivolous, or otherwise of such a nature that it can properly be dealt with without a hearing, or if the applicant and the respondent before a date for the hearing is fixed inform the Commissioners by notice in writing signed by both parties of their willingness that the application should be determined without a hearing, the Commissioners may dispense with a hearing and determine the application summarily.

(2.) In any case where the Commissioners determine the application summarily in favour of the respondent without having received such notice signed by both parties as aforesaid they shall not be bound to send a notification of the application to the respondent.

25. Subject to the provisions of the last preceding Regulation the Commissioners shall as soon as may be fix a date for the hearing of the application and shall send to the applicant and respondent not less than fourteen days' notice thereof.

26. If after a notice of hearing of the application has been duly sent to him either the applicant or the respondent fails to appear at the hearing, such order or award may be made on the application and such proceedings may be taken with a view to the determination of the application as the Commissioners may think just.

27. The decision of the Commissioners on an application shall be in writing signed by the Secretary to the Commissioners and a copy of the decision shall as soon as may be after the determination of the dispute be sent to the applicant and, unless no notification has been sent to the respondent, to the respondent.



28. In any case in which the Commissioners have authorised a referee appointed by them to decide a dispute the provisions of Regulations 22 to 27, both inclusive, shall have effect as if the reference to the referee so appointed was substituted for a reference to the Commissioners and to the Secretary to the Commissioners.

Given under the Seal of Office of the aforesaid Insurance Commissioners this 2nd day of December, in the year one thousand nine hundred and twelve.

#### FIRST SCHEDULE.

##### *Provisions of the Arbitration Act, 1889, applied.*

Section 7.—The arbitrators or umpire acting under a submission shall, unless the submission expresses a contrary intention, have power—

- (a) to administer oaths or to take the affirmations of the parties and witnesses appearing; and
- (b) to state an award as to the whole or part thereof in the form of a special case for the opinion of the Court; and
- (c) to correct in an award any clerical mistake or error arising from any accidental slip or omission.

Section 8.—Any party to a submission may sue out a writ of subpoena ad testificandum, or a writ of subpoena duces tecum, but no person shall be compelled under any such writ to produce any document which he could not be compelled to produce on the trial of an action.

Section 12.—An award on a submission may by leave of the Court or a judge be enforced in the same manner as a judgment or order to the same effect.

Section 20.—Any order made under this Act may be made on such terms as to costs or otherwise as the authority making the order thinks just.

First Schedule.—(f) The parties to the reference and all persons claiming through them respectively shall, subject to any legal objection, submit to be examined by the arbitrators or umpire, on oath or affirmation, in relation to the matters in dispute, and shall, subject as aforesaid, produce before the arbitrators or umpire, all books, deeds, papers, accounts, writings, and documents within their possession or power respectively which may be required or called for, and do all other things which during the proceedings on the reference the arbitrators or umpire may require.

(i) The costs of the reference and award shall be in the discretion of the arbitrators or umpire, who may direct to and by whom and in what manner those costs or any part thereof shall be paid, and may tax or settle the amount of costs to be so paid or any part thereof, and may award costs to be paid as between solicitor and client.

#### SECOND SCHEDULE.

##### FORM 1.

*Application for Leave to Appeal from the Decision on a Dispute in any Case under Part II. of the Third Schedule to these Regulations.*

##### NATIONAL INSURANCE ACT, 1911.

To the Insurance Commissioners.

I,            of           , hereby give notice that I apply for leave to appeal from the decision of           , given on the        day of       , 19   , in the matter of a dispute between myself and           , of           , being a dispute in connection with           .

A copy of the above-mentioned decision is inclosed herewith.

(Signed)           .

Dated this        day of       , 19   .

[Here set out a short statement of the grounds on which the applicant desires leave to appeal.]



## FORM 2.

*Notice of Leave or of Refusal of Leave to Appeal against Decision.*

NATIONAL INSURANCE ACT, 1911.

The Commissioners give notice that your application, dated the      day of      , 19      , for leave to appeal from the decision of      , given on the date and in the matter of the dispute set forth in the said application is hereby granted [refused].

(Signed)      .

Secretary to the Commissioners.

Dated this      day of      , 19      .  
To      ,      .

## FORM 3.

*Notice of Appeal.*

NATIONAL INSURANCE ACT, 1911.

To the Insurance Commissioners.

I,      , of      , hereby give notice of appeal from the decision of      , given on the      day of      , 19      , in the matter of a dispute between myself and      of      , being a dispute in connection with      .

The facts and contentions of law upon which I rely in support of the appeal are set forth in the Particulars hereto attached.

(Signed)      .

Dated this      day of      , 19      .

## APPELLANT'S PARTICULARS.

*[Here set out a concise statement of the facts and contentions of law upon which the Appellant relies in support of the appeal.]*

## FORM 4.

*Notice of Withdrawal of Appeal.*

NATIONAL INSURANCE ACT, 1911.

To the Insurance Commissioners.

I,      , of      , hereby give notice that I withdraw my appeal from the decision of      , given on the      day of      , 19      , in the matter of a dispute between myself and      of      .

Notice of the said appeal was duly given to the Insurance Commissioners on the      day of      , 19      .

(Signed)      .

Dated this      day of      , 19      .

## FORM 5.

*Notification of Lodgment of Appeal.*

NATIONAL INSURANCE ACT, 1911.

To

TAKE NOTICE that Notice of Appeal has been given from the decision of      in a dispute between      and      .

You are hereby required to set out upon the accompanying form particulars in reply in accordance with the instructions thereon, and to return the form to the Commissioners before the      day of      , 19      .

(Signed)      .

Secretary to the Commissioners.

Dated this      day of      , 19      .

This Form is to be filled up and returned to the Commissioners before the day of      , 19      , failing which the Appeal may be determined forthwith as if every allegation contained in the Appellant's particulars were true.



## PARTICULARS BY RESPONDENT IN REPLY.

A.B., Appellant.

C.D., Respondent.

[Here set out whether and to what extent you admit the allegations contained in the Applicant's particulars, together with a concise statement of any further facts and of the contentions of law upon which you intend to rely at the hearing. If an extension of time for submitting the above particulars in reply is desired the application should be made on this form stating the period for which and the grounds on which the extension of time is desired.]

(Signed)

Dated this       day of       , 19   .  
To the Insurance Commissioners.

## FORM 6.

*Application for Extension of Time for giving Notice of Appeal.*

NATIONAL INSURANCE ACT, 1911.

To the Insurance Commissioners.

I,       , of       , hereby give notice that I am desirous of appealing from the decision of       given on the       day of       , 19   , in the matter of a dispute between myself and       , of       in connection with       and that I hereby apply for an extension of time for giving notice of the Appeal for       on the ground that

A copy of this application has been sent by the Applicant to       .

(Signed)

Dated this       day of       , 19   .

## FORM 7.

*Notice of objection to application for extension of time.*

NATIONAL INSURANCE ACT, 1911.

To the Insurance Commissioners.

I,       , of       hereby give notice that I object to the application for extension of time for giving notice of appeal made by       in the matter of a dispute between the said       and myself       in connection with       .

The grounds for my objections are       .

(Signed)

Dated this       day of       , 19   .

## FORM 8.

*Notice by Appellant and Respondent of consent to Appeal being determined summarily.*

NATIONAL INSURANCE ACT, 1911.

To the Insurance Commissioners.

We, the undersigned, being respectively the Appellant and the Respondent in an appeal under sub-section (1) of Section 67 of the National Insurance Act, 1911, of which notice was duly sent to you on the       day of       , hereby give notice that we consent that the said appeal should be determined summarily.

(Signed) A.B., Appellant.

C.D., Respondent

Dated this       day of       , 19   .



## FORM 9.

*Notice of Hearing of Appeal under Section 67 (1).*

NATIONAL INSURANCE ACT, 1911.

In the matter of an Appeal between

of , Appellant,

and

of , Respondent.

TAKE NOTICE that the Commissioners [or Mr. the Referee appointed by the Commissioners] will proceed with the hearing of the above Appeal at on the day of , 19 , at the hour of o'clock in the noon; and that if you do not attend either in person, or by your counsel, solicitor, or other duly authorised agent at the time and place above mentioned, such order or reward will be made and proceedings taken as the Commissioners [or Referee] may think just and expedient.

(Signed)

Secretary to the Commissioners.

Dated this day of , 19 .  
To

## FORM 10.

*Notice of Application under Section 67 (2) of the Act for the decision of a dispute.*

NATIONAL INSURANCE ACT, 1911.

To the Insurance Commissioners.

I, of , hereby give notice of application for the decision of the Commissioners upon a dispute between myself and of .

The facts and contentions of law upon which I rely in support of the Application are set forth in the Particulars hereto attached.

Dated this day of , 19 .

## APPLICANT'S PARTICULARS.

[Here set out a concise statement of the facts and contentions of law upon which you intend to rely in support of your application.]

## FORM 11.

*Notice of withdrawal of Application under Section 67 (2) of the Act for the decision of a dispute.*

NATIONAL INSURANCE ACT, 1911.

To the Insurance Commissioners.

I, of , hereby give notice that I withdraw my Application for the decision of the Commissioners in the matter of a dispute between myself and of .

Notice of the said Application was duly given to the Insurance Commissioners (England) on the day of , 19 .

(Signed)

Dated this day of , 19 .

## FORM 12.

*Notification of Lodgment of Application.*

NATIONAL INSURANCE ACT, 1911.

To

TAKE NOTICE that Notice has been given of application for the decision of the Commissioners in a dispute between and .



You are hereby required to set out upon the accompanying Form particulars in reply in accordance with the instructions thereon, and to return the Form to the Commissioners before the            day of            , 19   .

(Signed)

Secretary to the Commissioners.

Dated this            day of            , 19   .

This Form is to be filled up and returned to the Commissioners before the day of            , 19   , failing which the Application may be determined forthwith as if every allegation contained in the Applicant's particulars were true.

#### PARTICULARS BY RESPONDENT IN REPLY.

A.B., Applicant.

C.D., Respondent.

*[Here set out whether and to what extent you admit the allegations contained in the Applicant's particulars, together with a concise statement of any further facts and of the contentions of law upon which you intend to rely at the hearing. If an extension of time for submitting the above particulars in reply is desired the application should be made on this form, stating the period for which and the grounds on which the extension of time is desired.]*

(Signed)

Dated this            day of            , 19   .

To the Insurance Commissioners.

#### FORM 13.

*Notice by Applicant and Respondent of consent to Application being determined summarily.*

#### NATIONAL INSURANCE ACT, 1911.

To the Insurance Commissioners.

We, the undersigned, being respectively the Applicant and Respondent, in an application under Section 67 (2) of the National Insurance Act, 1911, for the decision of the Commissioners upon a dispute between us in connection with            , hereby give notice that we consent that the said application, of which notice was duly sent to you on the            day of            , 19   , should be determined summarily.

(Signed)

A.B., Applicant.

C.D., Respondent.

Dated this            day of            , 19   .

#### FORM 14.

*Notice of Hearing of Application under Section 67 (2).*

#### NATIONAL INSURANCE ACT, 1911.

In the matter of an Application in a dispute between            of            , Applicant, and            of            , Respondent.

TAKE NOTICE that the Commissioners [or Mr.            the Referee appointed by the Commissioners] will proceed with the hearing of the above Application at            on the            day of            , 19   , at the hour of            o'clock in the            noon; and that if you do not attend either in person, or by your counsel, solicitor, or other duly authorised agent at the time and place above mentioned, such order or reward will be made and proceedings taken as the Commissioners [or Referee] may think just and expedient.

(Signed)

Secretary to the Commissioners.

Dated this            day of            , 19   .

To

of            .



## THIRD SCHEDULE.

*Cases in which an Appeal lies without Leave.*

- (1) Any dispute in connection with expulsion from his Approved Society of a member who is unable to gain admittance to another Society.
- (2) Any dispute in connection with the suspension of a member of an Approved Society (not being the suspension of a woman on marriage under Section 44 of the Act) for a period exceeding 12 weeks, or in connection with the further suspension of a member who is already suspended if the period of the further suspension together with the unexpired period of the current suspension exceeds 12 weeks.
- (3) Any dispute as to the withholding of maternity benefit or any other benefit where the amount withheld exceeds £2.
- (4) Any dispute between an insured member and his Approved Society arising under Section 11 of the Act.
- (5) Any dispute in connection with the refusal of an Approved Society to consent to the withdrawal of a member whether for the purpose of his transferring to another Society or not.
- (6) Any dispute as to whether the refusal of a member to undergo a surgical operation of a minor character is unreasonable.
- (7) Any other dispute where the dispute has been decided by the Committee of Management or any officer of the Approved Society or branch of the Approved Society concerned in the dispute.



## APPENDIX III.

### CASES.

The following cases have been decided by the Insurance Commissioners, and, so far as can be ascertained, have not been appealed against.

#### Cases dealing with Contract of Service.

1. A employs B as bailiff. Part of the arrangement with B is that his wife, who resides with her husband on the employer's premises, is to act as caretaker, house-keeper, and poultry-woman. B's wife receives no payment for her services.

*Held*, that she must be insured.

2. Two men are employed at a rate per ton to unload vessels. They are employed by a contractor who does not control the manner in which they do the work, though he has the right to do so.

*Held*, that they must be insured.

3. A school employs a bootmaker with a business of his own to teach, subject to the direction of the superintendent of the school, bootmaking and repairing to the boys.

*Held*, that he must be insured.

4. A dressmaker with a business of her own is engaged by the owner of a private asylum to do work for the inmates, and is paid 2s. a day and board.

*Held*, that she must be insured.

5. A timber merchant engages a man to cut and trim at so much a load standing trees which he has purchased. The timber merchant exercises no control over the feller, and the feller engages and pays his own helpers. The feller must do the work to the satisfaction of the merchant.

*Held*, that the feller need not be insured.

6. Guardians appoint under statutory power a collector of poor rates. His duties are laid down partly by statutes and partly by orders issued by the Local Government Board. The consent of that Board must be obtained before he can be dismissed, and the Board prescribes the amount of his remuneration.

*Held*, that he need not be insured.

7. A certified midwife is engaged by various patients. As a general rule, she is in sole charge of her cases, and does not work under the supervision of a doctor.

*Held*, that she need not be insured.

8. A monthly nurse is employed for varying periods by various patients at varying rates of remuneration. Her work is supervised by a doctor.

*Held*, that she must be insured.

9. An animal trainer is employed at a menagerie at a weekly salary. The duties are to give exhibitions with trained lions (which are the property of the employer) when required, to attend rehearsals, and to superintend the feeding and cleaning of the lions. The employer controls the performance of these duties.

*Held*, that she must be insured.



10. A doctor employs a lady to dispense medicines according to prescriptions written out by himself. She does this dispensing without supervision.

*Held*, that she must be insured.

11. A man contracts with various firms to deliver bills at so much a thousand. No control is exercised over him in the performance of the work.

*Held*, that he need not be insured.

12. A newsagent agrees to distribute a newspaper for 3s. 6d. per thousand copies. He employs men to do the distribution and pays them 3s. per thousand copies. The men are under his control in the performance of this work.

*Held*, that they must be insured.

13. Under the terms of a will a business was left in trust for the benefit of a widow and children, the trustees having power to appoint the mother and elder son as managers and any other persons as assistants. There are two sons each of whom is entitled under the will to one-third of the profits of the business. They are appointed manager and assistant-manager respectively by the trustees at a weekly salary and subject to three months' notice. They are also subject to the control of the trustee.

*Held*, that they must be insured.

14. A man is engaged to deliver parcels on one day a week for which he is paid 6s. He is bound to deliver the parcels as soon as possible, but otherwise is not controlled in the performance of the work. He provides his own horse and dray.

*Held*, that he need not be insured.

15. A laundry engages a man to deliver washing at customers' houses for which he receives 17s. a week. He is not controlled by the laundry while doing the work. He sometimes employs his own horse and cart, and sometimes that of his employer.

*Held*, that he need not be insured.

16. A *locum tenens* is employed by a pharmacist who retains the right to give directions regarding the general management of the business.

*Held*, that the *locum tenens* must be insured.

17. A lady teaches music and other subjects both at her own home and at her pupils' homes. She is under no control in the performance of these duties.

*Held*, that she need not be insured.

18. A lady gives lessons in singing to any pupils of a school who may desire to have them. She is not controlled as to her method of teaching and she is paid from the College the fees received by the College from parents less a percentage.

*Held*, that she need not be insured.

19. A man is appointed by a commanding officer to repair boots of soldiers at barracks. He is not controlled in the manner in which he does the work, but is subject to the conditions of an agreement and to the orders governing civilians employed in Government buildings.

*Held*, that he need not be insured.

20. A man employs a gardener who works at his own convenience, and sometimes sends other men to take his place. He is paid quarterly.

*Held*, that he need not be insured.

21. A man is paid so much an hour by various employers to keep their books and balance their accounts. He goes when he likes and is not controlled by the employers in the performance of his work.

*Held*, that he need not be insured.

22. A man trading under the name of the Window Cleaning Co., agrees with various persons to clean their windows at a 1d. a window. He is not bound to do the work himself and employs another man to help him and does about half the work himself.

*Held*, that he need not be insured.



23. A deputy coroner is appointed under the Coroners Act, 1892, and subject to the conditions of the Coroners Act, 1897. He is the holder of an office under Section 4 of the Coroners Act, 1892. He is also deputy coroner for another district which is a franchise coronership under Sections 30 and 42 of the Coroners Act, 1897.

*Held*, that he need not be insured.

24. A licensed pilot was employed by shipowners to pilot vessels in a certain district. Pilotages are usually compulsory in this district, but the pilot is sometimes employed by vessels which are exempted from the necessity of employing a pilot.

*Held*, that he need not be insured.

25. A person is employed to write a weekly article for a newspaper for which 2s. 6d. a week is paid. The article must deal with local sport, but otherwise no instructions are given.

*Held*, that he need not be insured.

26. A mole-catcher agrees to keep down moles on the lands of various persons at a fixed price *per acre per annum*. He can do the work as, and when, he likes.

*Held*, that he need not be insured.

27. Three persons work together in partnership each receiving remuneration from the firm according to the amount of work done. They all three have an equal control over the business.

*Held*, that they need not be insured by the firm.

28. A man is engaged by a firm dealing in sewing machines to recover missing machines which have been let out on hire. He is given a list of the missing hirers and takes what steps he likes to get the machines back. He is paid a commission of 5s. for every machine recovered.

*Held*, that he need not be insured.

#### **Cases dealing with Contract of Apprenticeship.**

29. An articled pupil receives from the firm by whom he is employed 2s. a week pocket money.

*Held*, that he must be insured.

30. A clerk working under articles has paid a premium for articles under which the premium is returned to him in yearly instalments.

*Held*, that he must be insured.

#### **Cases dealing with Employment as an Out-worker.**

31. A firm engages a woman to wash the overalls of its employees. She is paid so much for each article given out to her.

*Held*, that she is not employed as an outworker and need not be insured.

32. A railway company employ a woman who works at her own home, and is paid so much per article to wash the linen of their ships.

*Held*, that she is not employed as an outworker and need not be insured.

#### **Cases dealing with Employment when remuneration consists of share of Profits of Vessel.**

33. The master of a vessel is remunerated by a one-third share of the freights. The master usually arranges what cargoes are to be carried, and engages, dismisses, and pays the mates. The owner has the right to cancel freight arrangements made by the master, and can direct him as to what freight to take and where to go.

*Held*, that he must be insured.

34. A barge captain is employed by a firm of barge owners. The firm take half the freight and the remainder is divided two-thirds to the captain and one-third to the mate. The captain can be dismissed on notice.

*Held*, that the captain must be insured.



35. A master of a sailing barge is employed by the owner to collect and deliver freights. He pays port dues and incidental expenses out of the profits. His remuneration is one-half of the net profits, and the owner takes the other half. The only control exercised over the master is that the owner generally arranges the freights.

*Held*, that he must be insured.

**Cases dealing with Employment as an Agent.**

First Schedule, Part II., Para. (e).

36. A barrister's clerk is employed by a number of barristers, and is paid by means of additions to or percentages in the fees of the barristers. His total remuneration is less than £160 a year.

*Held*, that he must be insured, and that he is not an agent within para. (e) of Part II. of the First Schedule.

37. An agent is employed by various firms to solicit orders. He is paid by commission upon sales, and the only control exercised by the firms over him consists in the fixing of the price at which the goods are to be sold.

*Held*, that he need not be insured.

38. A hospital employs a collector of subscriptions who is paid 5s. a week and a commission on the subscriptions collected. The hospital have the right to regulate the collection of subscriptions. The collector is also employed by certain firms as a Commission Agent.

*Held*, that he must be insured.

**Cases dealing with Employment where the person Employed is the child of or maintained by the Employer, and is Employed without wages or other money payment.**

First Schedule, Part II., Para. (f).

39. A boy is employed by a firm consisting of his father and his uncle. The boy's wages are paid direct to the father who maintains him and gives him pocket money.

*Held*, that he must be insured, and that it was not a case of employment without wages or money payment under para. (f) of Part II. of the First Schedule.

40. A lady lives with an invalid uncle and looks after his household. She receives no fixed wages.

*Held*, that she need not be insured.

41. A father employs his son in his business. He maintains this son, and gives him voluntarily a small sum for pocket-money every week. The pocket-money would be paid, whether the son worked or not.

*Held*, that he need not be insured.

42. A niece helps her aunt in her business. The aunt provides her with all expenses, and does not give her a fixed salary or a definite share in the profits.

*Held*, that she need not be insured.

43. A son assists his mother in her business. His mother maintains him, but gives him no fixed wages. He receives occasionally gifts in money from his mother, amounting to about £10 a year.

*Held*, that he need not be insured.

44. A lady lives as a companion on equal terms with the family who maintains her. She gets no wages, but receives allowances and presents in the same way as other members of the family. She assists in the housekeeping, and does other family duties.

*Held*, that she need not be insured.



45. A father pays his daughter a certain sum a week, out of which she provides board, charwoman's wages, and her own clothes, etc. The daughter acts as house-keeper, and is not subject to her father's control in the performance of this duty.

*Held*, that she need not be insured.

46. A daughter does the housework in her mother's house, and receives occasional money payments in the form of gratuities. Another daughter who lives in the house pays all household expenses, including the maintenance of the daughter who does the housework.

*Held*, that she need not be insured.

#### **Cases dealing with Employment by way of Manual Labour or Otherwise.**

##### **First Schedule, Part II., Para. (g).**

47. A professional cricketer is engaged by a cricket club to bowl for members, and to play in all matches for which he is chosen. He must obey the instructions of the club secretary. His remuneration exceeds £160 a year.

*Held*, that he is employed by way of manual labour, and must be insured.

48. A golf club employs a professional and green-keeper. His duties are to maintain the links, control the staff of groundmen, take charge of competitions, supply golf-clubs, etc., to members, and to execute repairs, to play with members, and to give instruction at fees approved by the committee. The club gives him, rent free, the site for a shop, where he carries on, for his own benefit, the business of making golf-clubs and balls, etc. He has the sole right to carry on such business on the links of the club. He is paid a salary of £78 a year, the profits from the shop are estimated at £45 a year, and fees for instruction £52 a year.

*Held*, that he is not employed by way of manual labour, that he is remunerated at a rate exceeding £160 a year, and that he need not be insured.

49. A firm employs a man to carve in the dining hall, where their assistants have meals.

*Held*, that he is employed by way of manual labour, and must be insured.

50. An overlooker is employed in a woollen mill at a salary of £195 a year. He has to see that the machinery under his charge is kept in good running order and repair, and has to do the necessary repairs. He is also employed as a foreman to look after the work-people using the machinery.

*Held*, that he is employed by way of manual labour, and must therefore be insured, although his remuneration exceeds £160 a year.

51. A chef is employed at a salary of £195 per annum. He is controlled by the head chef.

*Held*, that he is employed by way of manual labour, and must therefore be insured.

52. A man is employed by a firm of watch and clock makers to repair and clean watches and clocks, and to wind clocks at clients' houses. His salary is £3 5s. a week.

*Held*, that he is employed by way of manual labour, and that he must be insured.

53. The manager of a shop is employed to buy and sell, dress the windows, and generally to manage the business.

*Held*, that he is not employed by way of manual labour.

54. A man is employed as manager and chief compass adjuster.

*Held*, that he is not employed by way of manual labour.

55. A man is employed as foreman of a tool and gauge department. He examines the work of the workmen under him and tests its accuracy and generally supervises.

*Held*, that he is not employed by way of manual labour.



56. A man is employed in making experiments and designing special machines. He occasionally performs manual work.

*Held*, that he is not employed by way of manual labour.

57. A foreman is employed at a remuneration exceeding £160 a year to check work done by assistants in a dispensary. He occasionally makes up prescriptions himself.

*Held*, that he is not employed by way of manual labour and need not be insured.

58. A man is employed at over £160 a year in making sketches and drawings for advertising purposes.

*Held*, that he is not employed by way of manual labour, and that he need not be insured.

59. A County Council employs an inspector of weights and measures. His duties are the verification and stamping of weights and measures and weighing instruments and their adjustments. He is paid over £200 a year.

*Held*, that he is not employed by way of manual labour, and need not be insured.

60. A man is employed by a dentist to perform the ordinary duties of a qualified dentist. He is paid more than £160 a year.

*Held*, that he is not employed by way of manual labour and need not be insured.

61. A chef is employed who engages and supervises a large kitchen staff. He has charge of all food stuffs and, when necessary, helps in the various cooking departments. His remuneration exceeds £160 a year.

*Held*, that he is not employed by way of manual labour, and that he need not be insured.

62. A tug captain is employed at a salary exceeding £160 a year. He gives directions to the engine-room, staff, the deck hands and lightermen. The only manual labour he performs is that of turning the steering wheel of the boat.

*Held*, that he is not employed by way of manual labour and need not be insured.

63. A clerk received £160 a year salary, and in addition is allowed 6*d.* for tea whenever he works overtime. The value of this allowance averages 5*s.* a year.

*Held*, that his remuneration exceeds £160, and, as he is not employed by way of manual labour, he need not be insured.

#### Cases dealing with Casual Employment.

##### First Schedule, Part II., Para. (h).

64. "Sandwich" men are employed to carry boards about the streets for advertising purposes.

*Held*, that they must be insured.

65. A man was engaged from day to day for nine hours consecutively to work in a private garden for 3*s.* a day.

*Held*, that the employment was of a casual nature, and that he need not be insured.

66. Caddies attend at a golf course for the purpose of being engaged by the members of the club. They are not controlled by a caddy master and any person may come and offer to caddy. A member who engages a caddy pays him 4*d.* a round. If a caddy misbehaved himself the club's professional would not allow him to go on the course again.

*Held*, that the caddies need not be insured.

67. A man goes of his own accord to a private house one day a week and is usually given a job lasting about an hour for which he is paid 6*d.*

*Held*, that the employment is casual and that he need not be insured.



68. A person of private means keeps cows and pigs which he occasionally sells at a profit.

*Held*, that a man who is casually employed with regard to these animals need not be insured.

69. A cricket club employs as check-taker and superintendent of the members' luncheon room a man who has a business of his own.

*Held*, that he must be insured, and that the employment is not excepted under para. (h) of Part II. of the First Schedule or under Provisional Order No. 1 as to Subsidiary Employment.

### Cases Dealing with Subsidiary Employments.

#### First Schedule Part II., Para (i).

70. A man is employed as caretaker receiving free lodging, coal and light and allowance in cash for expenses of cleaning material and wages of charwomen.

*Held*, that he must be insured as money payments are made.

*Note*.—See as to this and the two succeeding cases the Provisional Order No 1 as to Subsidiary Employments (p. 361, *supra*).

71. Men are employed to operate lime-lights at performances which take place every afternoon from 2.30 to 4.30, and every evening from 7.30 to 10.

*Held*, that the employment involves part-time service only.

72. A man and his wife are employed as caretakers. No money wages are paid, but they are allowed coal, light, and the use of certain rooms. The husband acts solely as caretaker, but the wife does a certain amount of cleaning work, etc.

*Held*, that the husband need not, but that the wife must be insured.

### Cases dealing with Rate of Remuneration.

#### First and Second Schedules.

73. A woman is employed as caretaker and cleaner of certain premises. The cleaning work takes her twelve to sixteen hours a week. She is required to be on the premises from 6 p.m. to 9 a.m. Her cash remuneration (after deducting the cost of cleaning materials) is about 3s. a week. She is given rooms on the premises of the estimated weekly value of 2s. 6d.

*Held*, that her rate of remuneration exceeds 2s. a working day.

74. A manager of an hotel receives £90 a year, board and lodging free, laundry and other allowances.

*Held*, that his remuneration exceeds £160 a year.

75. *Charwomen.* *Held*, that where a charwoman is paid 5s. a week for work occupying one hour a day on six days the rate of remuneration for a working day exceeds 2s., and, therefore, contributions are payable by the employer, and the employed contributor at the ordinary rate, viz. 3d. a week by each of them.

*Note*.—The duration for a working day for this class of work has been taken by the Commissioners to be eight hours.

76. A man is employed at 14s. a week with a rent-free cottage worth 2s. a week. He is employed for ten hours on each week and one hour on Sunday.

*Held*, that he is employed during seven days in the week, and that the rate of remuneration exceeds 2s. a day, but does not exceed 2s. 6d. a working day.

77. A woman is employed at a mill at 12s. a week. She works ten hours a day from Monday to Friday and five and a half hours on Saturday.

*Held*, that the rate of remuneration is 2s. a working day.

78. A girl is employed as a domestic servant at 5s. a week. She works on six days for six hours a day, and in addition she gets dinner on six days, valued at 6d. each,



and another meal on three days of the value of 2*d.* The full working day for the class of employment in the district in question was stated to be nine hours.

*Held*, that the rate of remuneration exceeds 1*s.* 6*d.*, but does not exceed 2*s.* a working day and that 4*d.* was to be paid by her employer and a 1*d.* by herself.

*Note*.—"A working day" in the Second Schedule to the Act would seem to mean the normal or standard working day in the particular employment concerned. When a person works for a portion of the day only, the rate of contribution will be determined by what the rate of remuneration would be for the working day, and not by the sum actually earned.

#### **Cases dealing with Intermediate Employers.**

79. A woman is employed by the occupier to clean certain premises, and without the knowledge or consent of her employer engages her sister to help her with the work and pays her half her wages.

*Held*, that the sister is not employed by the occupier.

80. Girls are employed by the employees of a firm to assist them as "runners-on." They are engaged either with the consent of, or on the instructions from the firm, but they are paid by the employees. They are entirely under the control of the employee as to the way in which their work should be done, but if they have no work to do for the employees who engaged them they are requested to help another employee or to do certain work for the firm. The girls' employment is always in relation to the firm's business.

*Held*, that they are employed by the firm.



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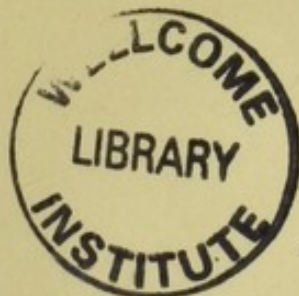
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