

Referendum Measure No. 28

BALLOT TITLE

AN ACT establishing a system of disability compensation for certain employed persons.

**REFERRING PORTIONS OF AN ACT ENTITLED:
Chapter 235, Laws of 1949. (S. B. 164)**

"AN ACT relating to unemployment compensation; providing for experience rating credit; providing for relief from unemployment caused by sickness, accident, or injury; providing for benefits, contributions, funds, and the receipt of monies; amending chapter 35, Laws of 1945; repealing sections 108, 109 and 136 to 179, inclusive, chapter 35, Laws of 1945, and chapter 50, Laws of 1947; making an appropriation; declaring an emergency and providing effective dates."

Sections 1 to 5 inclusive are not being subject to referendum. The part of the act on which the referendum has been made is as follows:

Be it enacted by the People of the State of Washington:

"CHAPTER XI. DISABILITY COMPENSATION

SEC. 6. Section 136 through section 179, inclusive, of chapter 35 of the Laws of 1945 (sec. 9998-274 through sec. 318, Rem. Rev. Stat., 1945 Supp.), are hereby repealed.

SEC. 7. A new section to be known hereafter as section 136 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 136. *Unemployment and Disability Compensation Related.* The general provisions of chapters I, II, III, IV, V, VI, VII, X, XII, and XIII, of the Unemployment Compensation Act shall apply in respect to chapter XI, Disability Compensation except as hereinafter made specifically non-applicable.

(a) Sections 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 81, 89, 108, 109, 110, 111, 112, 113, 114, 115 and 116 shall not apply in respect to Chapter XI, disability compensation.

SEC. 8. A new section to be known hereafter as section 137 is hereby

added to chapter 35 of the Laws of 1945, to read as follows:

Section 137. *Definitions.* The following words and phrases as used in the provisions of this chapter shall have the following meanings unless the context clearly requires otherwise:

(a) "Disability" shall mean any physical or mental condition due to an injury or illness which renders an individual incapable of performing his regular or customary work. In no case shall the term "disability" include any injury or illness caused by or arising in connection with pregnancy up to the termination of such pregnancy and for a period of four (4) weeks thereafter.

(b) "Disabled"—An individual with a "disability" shall be deemed disabled.

(c) "Disability benefits" shall mean the compensation payable to an individual with respect to his unemployment due to a "disability."

SEC. 9. A new section to be known hereafter as section 138 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 138. *Disability Compensation Fund.* There is hereby established a Disability Compensation Fund which shall be maintained separate and apart from all public moneys or funds of this state including the Unemployment Compensation Fund and the Unemployment Compensation Administration Fund. This fund shall be administered by the Commissioner exclusively for the purpose of providing "disability benefits" as that term is defined herein. All moneys which are deposited or paid into this fund are hereby made available to the Commissioner and shall be expended solely for the purpose of paying disability benefits, payment of refunds, and defraying the costs of administra-

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tion under the provisions of this chapter. All moneys in this fund shall be deposited, administered, and disbursed by the treasurer of the fund under rules and regulations prescribed by the Commissioner and none of the provisions of section 5501 of Remington's Revised Statutes, as amended, shall be applicable to this fund. The treasurer of the Unemployment Compensation Fund shall be the treasurer of the Disability Compensation Fund and shall give a bond in an amount fixed by the state administration board in a form prescribed by law or approved by the Attorney General. Said bond shall be conditioned upon the faithful performance of the treasurer's duties in connection with the Disability Compensation Fund and the premiums for said bond shall be paid from such fund. All sums recovered on the official bond for losses sustained by this fund shall be deposited in said fund.

SEC. 10. A new section to be known hereafter as section 139 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 139. *Sources of Disability Compensation Fund.* All moneys in the Disability Compensation Fund shall be commingled and undivided and said fund shall consist of:

(a) All disability compensation contributions collected pursuant to the provisions of this act;

(b) all interest on disability compensation contributions collected pursuant to the provisions of this act;

(c) interest earned upon any moneys in the fund;

(d) any property or securities acquired through the use of moneys belonging to the fund;

(e) all earnings of such property or securities; and

(f) all moneys received for the fund from any other source, or granted to this state for the payment of disability benefits or the cost of administration.

SEC. 11. A new section to be known hereafter as section 140 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 140. *Administration Expenses.* The Commissioner is hereby authorized to allocate to and use for

the expense of administering the provisions of this chapter a sum not to exceed six hundredths of one per cent (0.06%) of the wages for the preceding calendar year reported for disability compensation purposes not later than the following March. All officers and employees administering the provisions of this chapter shall be selected and appointed on the basis of merit in the same manner as other personnel of the Employment Security Department: *Provided, however,* The Commissioner may enter into contracts with established medical organizations for the purpose of employing such organizations' facilities and personnel to administer this act more efficiently.

SEC. 12. A new section to be known hereafter as section 141 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 141. *Disability Benefit Eligibility Conditions.* An individual shall be eligible to receive disability benefits with respect to any period in which he is unemployed due to a disability if the Commissioner finds that:

(a) A claim for disability benefits has been filed in accordance with the provisions of this act and such regulations as the Commissioner may prescribe;

(b) he has been continuously disabled for a waiting period of seven (7) consecutive days during each period of disability: *Provided, however,* That a waiting period shall not be required for a second period of disability due to the same or related cause or causes commencing not later than three (3) weeks subsequent to the termination of a prior disability compensated pursuant to the provisions of this act: *And provided further,* When unemployment immediately precedes an individual's period of disability, which disability exists for a period of not less than seven (7) days, he may apply consecutive days of such unemployment toward his disability waiting period credit if such days of unemployment occurred during a period in which he would have been eligible for waiting period credit or benefits pursuant to the Unemployment Compensation Act except for his disability;

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(c) he has within the base year earned wages sufficient to qualify him for unemployment compensation benefits; and

(d) he is under the care of a legally licensed physician or surgeon or legally licensed dentist acting within the scope of his practice and has complied with such regulations as the Commissioner may prescribe relating to proof of his disability including certification or examination by a physician or a surgeon licensed pursuant to the provisions of sections 10008 or 10056 of Remington's Revised Statutes and practicing in this state, a dentist licensed by and practicing within this state or any physician, surgeon, or dentist in the employ of the United States Government: *Provided, however,* If the Commissioner shall designate the physician or surgeon to make the examination, the fees, if any, for such examination shall be paid from the Disability Compensation Fund.

SEC. 13. A new section to be known hereafter as section 142 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 142. *Claims for Deceased and Incompetent Persons.* Benefits due a deceased or legally declared incompetent person may be claimed by and paid to the disabled individual's spouse, the head of the family with whom he resides, his legal representative, or his estate.

SEC. 14. A new section to be known hereafter as section 143 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 143. *Attachment to Labor Market.* An eligible individual may be disqualified for disability waiting period credit or disability benefits with respect to any week unless he has made proof of his attachment to the labor market in accordance with such regulations as the Commissioner shall prescribe. Such regulations may require proof that:

(a) The individual has received remuneration from an employing unit or employing units for personal services performed for at least ten (10) days at some time during the three (3) months period preceding the

first day of his current disability unless during such period the individual has been unable to work or apply for work due to a disability; or

(b) if the individual has been unemployed during the three (3) months period preceding the first day of his current disability he has within the month immediately preceding his disability demonstrated his availability for work by applying for work through the Washington State Employment Service or some other referral agency approved by the Commissioner or actively seeking work on his own behalf unless during such period the individual was unable to work or apply for work due to a disability.

SEC. 15. A new section to be known hereafter as section 144 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 144. *Disability Benefit Disqualifications.* An individual shall be disqualified for waiting period credit or disability benefits for the period with respect to which

(a) he has wilfully made a false statement or representation or wilfully failed to report a material fact, to obtain any benefit under the provisions of this chapter and for the fifty-two (52) next following weeks;

(b) he is suffering from a willful and intentional self-inflicted disability, or

(c) he is suffering from a disability occasioned while perpetrating a felony.

SEC. 16. A new section to be known hereafter as section 145 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 145. *Industrial Insurance Limitation.* An individual shall not be entitled to waiting period credit or disability benefits for any period with respect to which he has been awarded temporary total disability benefits under the Workmen's Compensation law or occupational disease law of this or any other state or of the Federal Government.

SEC. 17. A new section to be known hereafter as section 146 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

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Section 146. Subrogation. Whenever an individual has been paid benefits for disability under this act and whose claim for temporary total disability compensation for the same disability under the Workmen's Compensation Act of this state is allowed, the Department of Labor and Industries shall reimburse the Disability Compensation Fund to the extent of the payment from the Disability Compensation Fund out of the amount allowed on said claim for temporary total disability under the said Workmen's Compensation Act; and whenever an individual has been paid benefits for disability pursuant to a private plan approved by the Commissioner under the provisions of this act and whose claim for temporary total disability compensation for the same disability under the Workmen's Compensation Act of this state is allowed, the Department of Labor and Industries shall reimburse such insurer to the extent of payment to the claimant by the insurer out of the amount allowed on said claim for temporary total disability under the Workmen's Compensation Act. In accordance with the foregoing provisions of this section the Commissioner, or in the case of payment by a private insurer, the insurer, shall be subrogated to such rights as such individual has under the Workmen's Compensation Act of this state. Any moneys received by the Commissioner pursuant to the provisions of this section shall be deposited in the Disability Compensation Fund.

SEC. 18. A new section to be known hereafter as section 147 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 147. Amount of Disability Benefits. The total amount of disability benefits and the weekly amount of disability benefit payable to an eligible individual under this chapter during any one benefit year shall be amounts equal to the total amount of unemployment compensation and the weekly benefit amount of unemployment compensation to which such individual would be entitled computed in accordance with the provisions of section 80 of the Unemployment Compensation Act. Benefits for periods of

less than a full week shall be computed at the rate of one seventh (1/7) of his weekly benefit amount for each day during which he is disabled.

The weekly benefit amount payable to an individual under any of the provisions of this chapter, if not a multiple of one dollar (\$1) shall in each case be computed to the next higher multiple of one dollar (\$1).

SEC. 19. A new section to be known hereafter as section 148 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 148. Effective Date for Filing. No payment shall be made for disability from the Disability Compensation Fund for any week commencing prior to January 1, 1950.

SEC. 20. A new section to be known hereafter as section 149 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 149. Non-Liability of State for Disability Benefits. Disability benefits shall be deemed to be due and payable under this act only to the extent provided in this act and to the extent that moneys are available therefor to the credit of the Disability Compensation Fund, and neither the state nor the Commissioner shall be liable for any amount in excess of such sums.

SEC. 21. A new section to be known hereafter as section 150 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 150. Disability Contributions. On and after July 1, 1949, each employer subject to the Unemployment Compensation Act except as exempted by the provisions of this chapter shall deduct from "wages" paid individuals in his employment a contribution equal to one per cent (1%) of such "wages," which contributions the employer shall pay into the Disability Compensation Fund. All moneys deducted by an employer from "wages" paid for employment shall be held in trust by such employer for the sole and exclusive purpose of payment to the Disability Compensation Fund. If at any pay period the employer fails to deduct the employee contribution from "wages" paid such deduction must be

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withheld from the "wages" paid at the next pay period or the employer alone shall be liable for such contribution and the same shall not subsequently be deducted by the employer from "wages" paid.

SEC. 22. A new section to be known hereafter as section 151 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 151. *Payment to Disability Compensation Fund.* Contributions shall become due and be paid by each employer to the treasurer of the Disability Compensation Fund in accordance with such regulations as the Commissioner may prescribe. If such contributions are not paid on the date on which they are due and payable as prescribed by the Commissioner, the provisions of the Unemployment Compensation Act relating to contributions, including interest, refund and adjustment, lien rights, assessments, collection remedies, appeal and review procedure shall apply to such disability contribution payments: *And provided further,* On March 31 of each year the treasurer of the Disability Compensation Fund shall deduct from the Disability Compensation Fund and remit to the State Treasurer for payment into the General Fund one per cent (1%) of the disability compensation contributions collected for the prior calendar year.

SEC. 23. A new section to be known hereafter as section 152 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 152. *Experience Rating.* The Commissioner shall conduct a study concerning the desirability of experience rating the contributions payable to the Disability Compensation Fund and shall, on or before January 1, 1951, report his findings to the Legislature with any recommendations for legislation with respect thereto.

SEC. 24. A new section to be known hereafter as section 153 is hereby added to chapter 35 of the Laws of 1945 to read as follows:

Section 153. *Religious Exemption.* Any individual who adheres to the faith or teachings of any church, sect, or denomination and in accordance

with its creed, tenets, or principles, depends for healing upon prayer or spiritual means in the practice of religion shall be exempt from the provisions of this act and excluded therefrom upon the filing with the Employment Security Department and with his or her employer, affidavits, in duplicate, stating such adherence and dependence, and disclaiming any and all benefits under this act, and stating therein the name of the employer of such individual, which affidavits shall contain certifications by an officer of the individual's church, or certifications of any practitioner in the State of Washington who is authorized to practice healing based upon prayer or spiritual means, stating such adherence and dependence of such individual. Thereafter said individual and his employer shall be exempt from liability for contributions with respect to said individual provided for under this act, and the employer shall be entitled to rely upon the affidavit filed with it unless and until it shall receive notice from the Commissioner that the provisions hereof have not been complied with or that such affidavit is not in proper form. In case such individual, after the filing of such affidavits, obtains new employment, he must file new affidavits in order to be exempt from the provisions of this act.

SEC. 25. A new section to be known hereafter as section 154 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 154. *Overpayment to Disability Compensation Fund.* Refund shall be made from the Disability Compensation Fund of any sum received into the fund in excess of one per cent (1%) of the first three thousand dollars (\$3,000) of remuneration paid to an individual for services in one (1) calendar year (whether paid to him by one or more employers). If such excess sum has been deducted from remuneration paid to such individual (by one or more employers) it shall be refunded to the individual. That part of such excess sum which has not been deducted from remuneration paid to an individual by any employer as required by this act, after deduction of

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all claims of the Employment Security Department, shall be refunded to the employer who paid such excess sum. Any individual or employer entitled to a refund under the provisions of this section may file a petition for refund, adjustment, or credit with the Commissioner within three (3) years after the deduction or payment in question was made. Refunds, adjustments, and credits, provided for by this section shall be made in the same manner as provided for refund of unemployment compensation contributions and the appeal procedure in respect thereto shall be applicable to any employer or individual who files a petition for refund, or adjustment, of disability compensation contributions pursuant to the provisions of this section. Whenever an employer has deducted more than the correct amount of disability contributions imposed by this act from any payment made to any individual for services, but such excess amount has not been paid to the Disability Compensation Fund, the employer shall be liable to the individual for such excess amount and neither the Commissioner, the State, nor the Disability Compensation Fund shall be liable therefor.

SEC. 26. A new section to be known hereafter as section 155 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 155. *Private Plans.* The Commissioner may approve a private plan for the payment of disability benefits provided the majority of the employees of any separate establishment of an employer consent to such plan. At the end of each calendar year the Commissioner shall determine the amount expended by the Employment Security Department for additional administrative expense occasioned by the existence of such private plans; the total amount so determined shall be prorated among the approved private plans in effect during the calendar year on the basis of the amount of wages paid in employment by employers to individuals participating in such plans; the Commissioner shall assess the insurers of the private plans the amounts so prorated which amounts shall not

exceed two hundredths of one per cent (0.02%) of wages paid to individuals participating in such plans during the calendar year. With the exception of such contributions, and reimbursement to the Disability Compensation Fund in accordance with the provisions of section 160 such employers with approved private plans shall be exempt from contribution to the Disability Compensation Fund for the period such plans remain in effect and are approved by the commissioner.

SEC. 27. A new section to be known hereafter as section 156 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 156. *Nature of Private Plans.* A private plan approved by the Commissioner may be one of the following types:

(a) Contract with insurer. Any employer (or group of employers) subject to this act may secure payments to his employees for disability by making a contract for this purpose with a corporation or association licensed to do business in this state in the field of health or disability insurance. Such contracts are subject to the Commissioner's approval and to the rules and regulations promulgated by him.

(b) Guarantee; Self-insurer. Any employer (or group of employers) who furnishes satisfactory proof to the Commissioner of his financial ability to make payments for disability as provided in this act and who deposits with the Commissioner such securities as the Commissioner deems necessary in an amount to be determined by the Commissioner to secure the liability to make payments for disability as provided in this act and who complies with any standards, conditions, or other requirements which the Commissioner may prescribe, may guarantee payments for disability to his employees upon the Commissioner's approval.

(c) Arrangements by employees' associations. Arrangements for payments for disability may be made by an employee association licensed to do business in this field in this state which complies with standards, con-

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ditions, and other requirements prescribed for this purpose by the Commissioner. Such arrangements are subject to the Commissioner's approval and to rules and regulations promulgated by him.

SEC. 28. A new section to be known hereafter as section 157 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 157. *Approval of Private Plans.* The Commissioner shall approve any contract, guarantee, or arrangement as described in section 156 only after he has determined that:

(a) The rights afforded to the covered employees are as great as those provided under the state plan;

(b) the cost to the employee in relation to the benefits provided is no more than under the state plan;

(c) the plan has been made available to all individuals in the employment of the employer within this state except that if the employer maintains more than one distinct separate establishment in this state, the plan has been made available to all employees of any such establishment;

(d) the majority of the employees of the employer employed in this state have consented to the plan except that if the employer maintains more than one distinct separate establishment in this state a majority of the employees employed at any such establishment have consented to the plan;

(e) the plan contains a provision that it will be in effect for not less than one year and, in any event, until December 31, 1950, and that no reduction in disability benefits or increase in employee contributions for disability benefits will be made while the plan is in effect without the prior approval of the Commissioner. Such approval shall be given only if the Commissioner finds that a majority of the employees covered by the plan have consented in writing to the modification and that the plan after such modification will continue to meet approval requirements;

(f) the approval of the plan or plans will not result in a substantial selection of risks adverse to the Disability Compensation Fund; the Com-

missioner shall adopt appropriate rules and regulations for the purpose of determining whether or not the approval of a plan or plans shall be deemed to result in a substantial selection of risks adverse to the Disability Compensation Fund; such rules and regulations shall provide that all previously approved private plans underwritten by an insurer shall be taken into consideration in the determination of whether or not the approval of an additional private plan to be underwritten by such insurer results in substantial selection of risks adverse to the Disability Compensation Fund;

(g) the plan provides for the inclusion of future employees;

(h) the plan provides that the insurer shall reimburse the Disability Compensation Fund in accordance with the provisions of section 160;

(i) the plan provides that an individual when denied disability benefits by the insurer shall retain all of his rights of appeal in accordance with the procedures established by the Unemployment Compensation Act, and the determination of either the appeal tribunal or the Commissioner, or in case of further appeal the determination of the court shall be binding upon the insurer who shall thereupon make payment to the claimant in accordance with such determination.

SEC. 29. A new section to be known hereafter as section 158 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 158. *Reports.* Employers whose employees are participating in an approved private plan and any insurer of an approved private plan shall furnish such reports and information and make available to the Commissioner such records as he may by regulation require for the proper administration of this act.

SEC. 30. A new section to be known hereafter as section 159 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 159. *Termination of Private Plans.* Any approved plan failing to comply with the provisions of section 157 shall be determined by

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the Commissioner to be terminated; the interested employer or insurer may file an appeal with the appeal tribunal from such determination within ten (10) days after the date of notification or mailing, whichever is earlier, to his last known address. Such appeal shall be in accordance with the procedures established by the Unemployment Compensation Act for hearing and determining contribution appeals

SEC. 31. A new section to be known hereafter as section 160 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 160. *Commissioner Authorized to Make Payments and Assessments.* The Commissioner is authorized to make disability benefit payments from the Disability Compensation Fund to individuals otherwise eligible, who have ceased to be covered by private plans, whether by termination of the plan, change of employers, or other reason, upon the basis of wage credits upon which no disability contributions have been paid by reason of a private plan or plans which were then in effect: *Provided, however,* That in computing the amount of benefits to which such an individual may be entitled from the Disability Compensation Fund during the remainder of a benefit year during a portion of which he received benefits under a private plan, the amount of all benefits, at a weekly rate not exceeding the individual's weekly benefit rate pursuant to the provisions of this act, paid or to be paid to the individual under all approved private plans during that benefit year, whether before or after cessation of coverage, shall be deducted from the benefits payable from the Disability Compensation Fund during that benefit year; and *Provided further:*

(a) Disability compensation benefits paid from the Disability Compensation Fund to an unemployed individual for a period of disability commencing during the fourteen (14) days immediately subsequent to the termination of his employment shall be assessed by the Commissioner

against the insurer of his last employer's private plan, if any;

(b) disability compensation benefits paid to unemployed individuals for periods of disability commencing more than fourteen (14) days subsequent to termination of their employments shall be prorated among the various insurers including the State Disability Compensation Fund; on March 31 of each year the Commissioner shall assess each insurer of a private plan or plans that portion of the total of such disability benefit payments paid during the prior calendar year which the wages exempt in such calendar year by reason of the existence of such private plan or plans bears to the total wages reported for such calendar year;

(c) if prior to December 31, 1951, any private plan or plans are terminated, all disabled individuals covered by such private plan or plans shall when otherwise eligible be paid disability benefits from the Disability Compensation Fund, but amounts paid for disability commencing during the coverage of such individuals under the private plan or plans or within the three (3) months period immediately subsequent to the date of termination of the private plan or plans shall be assessed against the insurer of such terminated private plan or plans; and

(d) all amounts assessed in accordance with the provisions of this section shall be assessed and collected in the same manner as unemployment and disability contributions except that interest shall not accrue on such charges until thirty (30) days after notice of such assessment.

SEC. 32. A new section to be known hereafter as section 161 is hereby added to chapter 35 of the Laws of 1945, to read as follows:

Section 161. *Double Benefits Prohibited.* In no case shall an individual covered by a private plan and eligible to receive disability compensation benefits thereunder be considered eligible to receive disability compensation benefits from the State Disability Compensation Fund for the same benefit period.

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SEC. 33. Appropriation. For the purposes of administering this act there is hereby appropriated from the general fund the sum of thirty thousand dollars (\$30,000), which sum shall be repaid to the general fund from the Disability Compensation Fund not later than July 1, 1950.²⁴

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State March 30, 1949.

EARL COE,
Secretary of State.

ARGUMENT IN FAVOR OF REFERENDUM MEASURE NO. 28

Referred by Referendum Petition	
REFERENDUM MEASURE NO. 28, ENTITLED:	
"An Act establishing a system of Disability Compensation for certain employed persons"	
FOR Referendum Measure No. 28.....	<input checked="" type="checkbox"/>
AGAINST Referendum Measure No. 28.....	<input type="checkbox"/>

IS THIS GOOD LEGISLATION? YES..... So Vote **FOR** Referendum No. 28.

This act was passed by the 1949 Legislature by a vote of 82 to 4 in the House and 26 to 19 in the Senate. It was sponsored by the Washington State Federation of Labor, A. F. L., and supported by many other responsible union groups, on a non-partisan basis.

WHY DO YOU HAVE TO VOTE FOR REFERENDUM NO. 28 NOW—IT WAS PASSED BY THE LEGISLATURE!

Because a small, irresponsible and selfish group of individuals secured enough referendum petition signatures to hold it up.

WHO IS BEHIND THESE PEOPLE?

Certain insurance companies—and not all of them—who do not want to lose their fat profits from high premiums they now charge for limited coverage on this type of insurance.

WHO IS AFFECTED BY THIS LAW? WHO IS FOR REFERENDUM 28?

Working men and women, now covered by the Unemployment Compensation Law, which includes practically all workers except domestic, agricultural and government workers. They passed this law through the efforts of their unions, and now they want **YOU** to help them pass **DISABILITY COMPENSATION** which will compensate them, on a prepaid **SELF** insured basis, for loss of work due to off-the-job accident or illness.

WHO PAYS FOR DISABILITY COMPENSATION?

The working men and women who will benefit by it are going to pay for it at rates comparable to those now charged for private health and accident insurance.

WHAT BENEFITS WILL WORKING PEOPLE RECEIVE?

It all depends on earning power—benefits range from a minimum of \$10.00 for 15 weeks for low paid or part-time workers to \$25.00 for 26 weeks for a worker earning \$40.00 a week. Benefits average about 60 per cent of wages after a seven day waiting period. Benefits and waiting period are comparable to those provided in Unemployment Compensation if you come under the State Fund. If you choose a private plan you should get higher benefits or shorter waiting period or both if your group is a good risk.

WHY DISABILITY INSURANCE IS NECESSARY—

At the present time less than 10 per cent of the workers who would be protected by this act are covered by Income-Loss Insurance. Ninety per cent of the workers have no insurance to replace the wages they lose when sick or disabled by non-occupational accidents or illness. It is a sad situation when an able-bodied man becomes sick or disabled and has to resort to charity for food for his family.

IT IS FINANCIALLY SOUND LEGISLATION—

Four other states now have **DISABILITY COMPENSATION**, and the Washington **ACT** combines the best features of all of them and their experience shows that the premiums set up will adequately meet the cost of the modest benefits payable to those who qualify. The workers who want this law are going to pay the costs and they realize the necessity of a sound insurance basis to insure the solvency of the fund.

Argument in Favor of Referendum Measure No. 28

ARE THERE ANY SAFEGUARDS AGAINST "CHISELERS"?

Yes, there are plenty of safeguards. Labor has no desire to sponsor legislation which they will pay for out of their own pockets unless it contains adequate safeguards against chiselers. To qualify, the disabled person must have certain wage credits, must have been disabled for more than a seven day waiting period, and must be able to furnish proof in the form of a doctor's certificate that he is, in fact, unable to work due to off-the-job accident or illness.

WILL REFERENDUM NO. 28 BENEFIT THE GENERAL PUBLIC? **YES**

Disability compensation should materially reduce General Assistance costs and taxes because working people will provide for THEIR OWN periods of misfortune and will not be forced to request PUBLIC WELFARE.

IS THIS AN "EXPERIMENT"? **ABSOLUTELY NOT!**

China, India and the UNITED STATES are the only large countries in the world without a Disability Compensation Program. Many countries have had one for years, and four other states in this country have a plan in operation NOW! In every case the program is very popular and is working out very well and has had a stabilizing effect on the economy.

DOES THIS ACT CREATE ANOTHER STATE DEPARTMENT?—NO!

The State Department of Employment Security, which already has all the necessary records, personnel and machinery, will administer this Disability Compensation. Disability Compensation will pay its just share of the joint operation. No new agency will be created and no political hangers-on will get a job. Career employees now covered by the State Merit System will handle the details.

IS THE 1% PREMIUM ADEQUATE?—YES!

California experience indicates the 1 per cent is more than necessary to carry the benefits provided because benefits paid in two years have averaged less than one-half of the 1 per cent premium collected. A reduction of rates, based on experience, will be possible whenever reserves are shown to be more than adequate. An amount equal to six months' premiums will always be kept as a reserve to assure the solvency of the fund. Actuaries say this is more than ample reserves.

EVEN IF YOU ARE NOT AFFECTED, SHOULD YOU VOTE FOR REFERENDUM NO. 28?—YES!

This is your chance to give working men and women a chance to help themselves. At present they are protected by Workmen's Compensation for disabling accidents on the job. Federal Old Age and Survivors' Insurance allows them to provide for their old age, and Unemployment Compensation tides them over when out of a job and able and willing to work. This Disability Compensation Insurance will help them when sick or hurt in a non-occupational accident. This is a gap which needs closing, so that a **workman can provide for himself** and not have to resort to charity or public welfare.

WHAT ARE THE ARGUMENTS AGAINST THIS BILL, WHEN THERE ARE SO MANY REASONS FOR DISABILITY COMPENSATION?—

No valid arguments have been put forth as yet. The only people against it are a few selfish die-hards who have a "good thing" in profits from deceptive insurance plans that do not give fool-proof coverage. They want to insure only the best risks and let the rest of the working men and women go without protection. Referendum 28 (Disability Compensation) is simply the principle of insurance carried to its logical conclusion. All workers share the risk for their periods of misfortune.

IF YOU BELIEVE IN INSURANCE YOU WILL—

VOTE FOR REFERENDUM NO. 28, DISABILITY COMPENSATION

E. M. WESTON, President

WASHINGTON STATE FEDERATION OF LABOR, A. F. L.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State July 3, 1950.

EARL COE,
Secretary of State.

ARGUMENT AGAINST REFERENDUM MEASURE NO. 28

In the November 7 election you will have the opportunity to vote for or against Referendum 28. This measure was passed at the last session of the legislature but more than 83,000 voters signed the petitions to put this law on the ballot so that you might have an opportunity to vote against this Socialistic legislation.

Here Is Why You Should Vote Against Referendum 28:

COMPULSORY PAYROLL DEDUCTION—More money will be taken from your pay check without your permission. This will be a compulsory deduction. It will mean less take home pay.

COST IS EXCESSIVE—Private insurance companies are offering—for less money—better health insurance than offered under Referendum 28.

PROTECTION IS LIMITED—Referendum 28 provides NO insurance against accidental death, hospitalization, surgery or medical care.

WAITING PERIODS LONG—Under Referendum 28 you must wait one full week with each illness or injury before you benefit. If you are ill for two weeks you will receive a maximum of \$25. How many times in the last five years have you been away from the job because of illness for more than one week?

EXCLUSIONS ARE MANY—You must contribute, but you are ineligible to collect, if your employer continues your wages during an illness. Also, under Referendum 28 you would contribute through compulsory payroll deductions for six months before you benefit, while state is building adequate funds to operate the plan. During this period you will not be covered by the insurance.

REFERENDUM 28 IS SOCIALISM—No matter whether you have your own health insurance, whether you want health insurance or whether you believe you need health insurance, you **MUST PAY FOR REFERENDUM 28**. The state government will be in the insurance business.

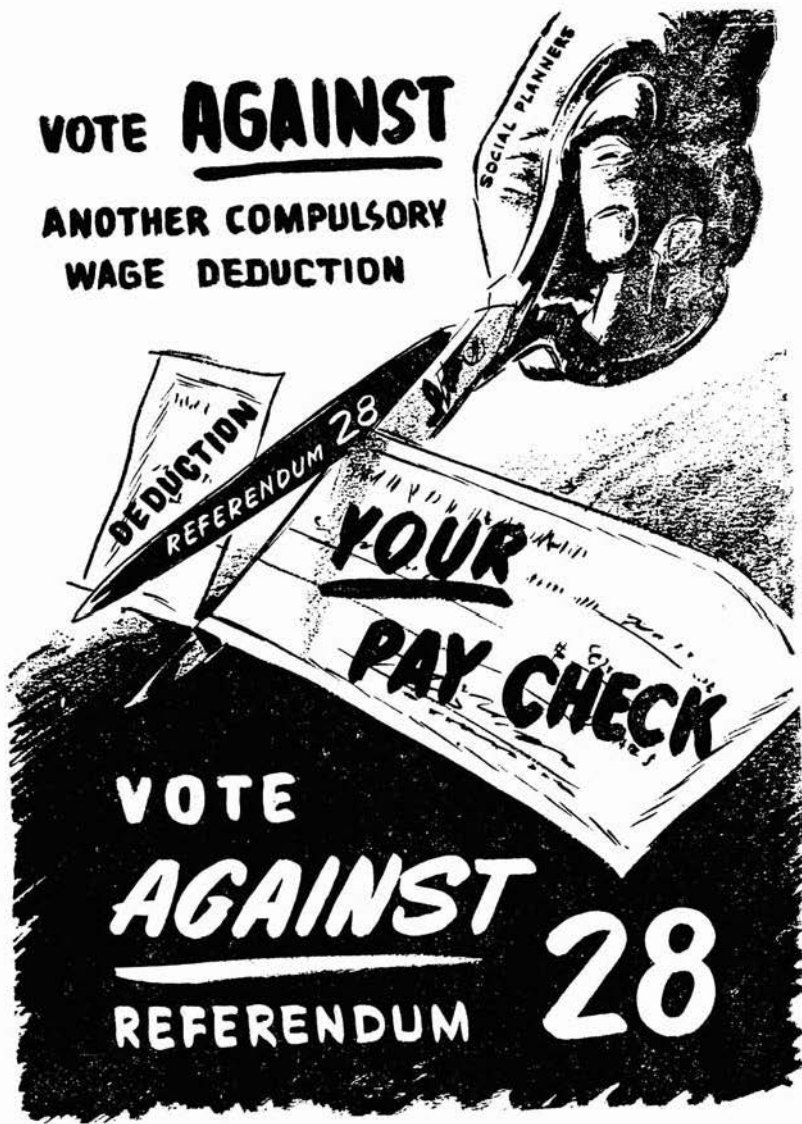
If Referendum 28 passes, when will the state be operating service stations, grocery stores, laundries, clothing stores and other businesses in competition to private free enterprise?

**We must defeat this compulsory insurance law now.
Vote against Referendum 28.**

The People Against Referendum 28
Smithmoore P. Myers, Chairman.

VOTE AGAINST

**ANOTHER COMPULSORY
WAGE DEDUCTION**



**VOTE
AGAINST
REFERENDUM 28**

THE PEOPLE AGAINST REFERENDUM 28

508 FISCHER STUDIO BUILDING, SEATTLE

Smithmoore P. Myers, Chairman

Lulu M. Fairbanks, Vice Chairman

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State July 14, 1950.

EARL COE,
Secretary of State.

ARGUMENT AGAINST REFERENDUM MEASURE NO. 28

The Washington State Association of Life Underwriters urges every citizen to vote AGAINST Referendum No. 28. It will appear on the Ballot in the November election.

It will levy a compulsory 1% income tax on the first \$3,000 annual income of all persons who come under Social Security taxes. The tax will be taken from the pay checks of working people for six months before anyone can collect any benefits. This device is in the law so as to build up a reserve fund of millions of dollars. The promoters of this law are hereby forcing the employed people to put up the capital to set this state into the insurance business. If this law passes, it will also force the addition of a great number of employees on the state payroll.

This 1% income tax will take approximately \$13,000,000 a year from the working people of this state. Only a minimum number of persons can possibly collect weekly income benefits since comparatively few people lose time from their jobs for more than seven days. Payments do not begin until the 8th day of illness.

THIS IS A BAD LAW BECAUSE it will most certainly result in cancellation of employee benefit plans which continue full salary to employees while sick.

THIS IS A BAD LAW BECAUSE it is a needless law. Better policies, with more liberal benefits, can be bought for less money from many private insurance companies.

THIS IS A BAD LAW BECAUSE it by-passes the Insurance Code of this state which has been developed over 50 years for the protection of the public.

We insurance men have been selling the idea of sickness insurance against loss of income for many years. Our own code of ethics and the insurance laws guarantee the policyholder value received. No honest, self-respecting insurance underwriter would risk his reputation by selling such inadequate insurance coverage as that provided in this law.

We have developed our business by persuasion and good service. We hate compulsion and taxation without consent of those who must pay the tax. The coverage provided by this law is wholly inadequate as compared to the policies available in many good companies operating under the regulations of the Washington Insurance Code.

As honest citizens and good neighbors it is our duty to advise the people of this state to vote AGAINST Referendum No. 28.

Respectfully submitted,

WASHINGTON STATE ASSN. OF LIFE UNDERWRITERS
HOWARD C. RIES, C. L. U. President

ARGUMENT AGAINST REFERENDUM MEASURE NO. 28

The Washington Association of Insurance Agents and its 15 affiliated county associations strongly recommend that you vote against Referendum 28 for the following reasons:

(1) We are opposed to this proposed law, even in view of the fact that most insurance agents and accident and health insurance companies would profit by the enactment of Referendum 28, since private insurance companies are permitted to compete with the proposed new state bureau in writing the coverage. Despite the fact that we as insurance agents would be beneficiaries because of the huge market created by compulsion to buy, we are opposed to enactment of any law which compels a citizen to purchase any service or commodity which can be secured in a free, competitive open market.

(2) We also believe that as this referendum compels wage-earners to purchase insurance which is readily available from scores of companies at competitive rates, there is no need for this type of law. The coverage offered under the proposed new state bureau, to be set up at Olympia, would be more restrictive than that which can be purchased in the open market for less money. We are opposed to the establishment of another state bureau to render a service not needed by the citizens of the State of Washington.

Referendum 28 is a step down the road to total socialization of our economic system. If you are in business, your business may be next. If you work for a salary or wages, your employer may face state competition next and then you may be out of a job or working for the state at politically-dictated terms.

This is the first time in the history of the United States that the voters will have an opportunity to vote on a social scheme to be financed by pay-check deductions. We believe the mounting number and size of pay-check deductions are serious threats to the freedom of the working man. As long as he is able to purchase at competitive rates, insurance or any other service, why should the state pass a law compelling him to take another pay-check deduction in order to secure protection which the state says he needs?

A vote against Referendum 28 is a vote to preserve your freedom of choice of insurance protection and, even more important, a vote to protect your business or job from unnecessary governmental interference.

WASHINGTON ASSOCIATION OF INSURANCE AGENTS

Bellingham Assn. of Ins. Agents
Clallam County Ins. Agents Assn.
Cowlitz County Assn. of Ins. Agents
Grays Harbor Co. Ins. Agents Assn.
King County Ins. Assn.
Kitsap County Ins. Agents Assn.
Lewis County Assn. of Ins. Agents
Pierce County Assn. of Ins.-Agencies

Skagit County Ins. Assn.
Snohomish Co. Assn. of Ins. Agents
Spokane Ins. Assn.
Fire & Cas. Underwriters Assn. of
Vancouver
Ins. Agents Assn. of Walla Walla Co.
Wenatchee Assn. of Ins. Agents
Yakima County Ins. Assn.