

first, for the payment of compensation to employees injured in certain extra-hazardous employments, and to their dependents in case of death; second, that all employers in such occupations shall secure the payment of such compensation by insuring their liability in a stock company, or the State Accident Fund, or by proving to the satisfaction of the Commission their financial ability to pay the compensation.

The business of the Commission is to administer the Workmen's Compensation Act and involves determining what occupations are included, receiving reports of accidents, receiving, investigating and adjudicating claims arising under the Act. Hearings are held in contested cases. In addition to these duties, the Commission administers the State Accident Fund, which is provided by the Act as one of the methods by which employers must insure.

During the year ending October 31, 1927, there was a total of 45,927 industrial accidents reported to the Commission. This was an increase of 4,311 cases over the number reported in the preceding year. Out of this number there were 15,322 claims filed for compensation, of which 189 were claims in fatal accidents, as against 15,499 claims filed during the year ending October 31, 1926, 162 of which were claims in fatal cases. As a result of last year's work, there was paid out to injured employees and their dependents the sum of \$1,516,593.20, which included the payment of compensation, funeral and medical expenses, etc. In addition to the amount herein mentioned, there was \$339,000.33 paid for medical expenses in cases where there was no claim for compensation.

When the General Assembly of Maryland in 1914 passed the Workmen's Compensation Act, they recognized the fact that employers might be put in the position where they would not be able to comply with the Act due to the fact that the private insurance companies would refuse to carry their risk. Furthermore, they felt that inasmuch as this form of insurance was compulsory under the State Law, that they should provide a place where the insurance could be secured at practically the cost of writing this form of insurance. They, therefore, created the State Accident Fund to be administered by the State Industrial Accident Commission.

This Fund started business on November 1, 1914, the day the Law went into effect. Its beginning was small and the money available at that time consisted of premiums paid into the Fund by those insured with it, which premiums were based on an advance estimate of the payrolls of the insuring employers for a period of four months. The State Industrial Accident Commission transferred from the funds allotted to it by the State of Maryland the amount of \$15,000.00 for the purpose of maintaining the solvency of the Fund. A few years later this amount was returned to the State of Maryland.

During the first few years of the Fund's operations the principal business carried on its books was coal mining operations, and the Fund during these first few years was a comparatively small writer of compensation insurance, the large bulk of the business having been secured by the private insurance companies operating in the State. This condition gradually changed from year to year, and, while the Fund still carries the risks of most of the coal operators in the State, there has been a gradual transferring of the risks of other industries to the Fund of a very desirable character, and at the close of the last fiscal year, October 31, 1927, the State Accident Fund had become the largest writer of compensation insurance, from a point of premiums written, in Maryland.