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U. S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION
Washington

ADMINISTRATOR'S STATEMENTS TO INSURANCE COMPANIES CLARIFY
WAGE-HOUR COVERAGE

Insurance companies throughout the nation were given "blue print" specifications for compliance with the Fair Labor Standards Act in two statements issued today by Thomas W. Holland, Administrator of the Wage and Hour Division, U. S. Department of Labor.

A detailed interpretation discusses the Status of employees in "home Offices," "Branch Offices," and "Non-Risk-Bearing Insurance Enterprises."

Although many companies are presently following a program under which labor standards at least equivalent to those prescribed by the Act are maintained with respect to a large number of employees, it is believed that this further clarification by the Administrator will prove helpful, particularly to the smaller companies. Non-risk-bearing insurance companies also have indicated a desire for more precise information regarding their position under the Wage and Hour Law.

The Division considers employees of insurance companies, offices and enterprises to be covered by the Act if such concerns "operate in more states than one," or "regularly and continuously use the mails and other channels and instrumentalities of interstate commerce or communication," as these terms are defined and explained in the published statement of the Division.

Various tests which the Division will consider either as decisive or significant in determining the existence of these bases of coverage are set forth in the Division's statement (G-232). The application of these concepts to the operations of home and branch offices of insurance companies, of insurance agents and brokers, and various non-risk-bearing enterprises is also discussed.

In preparing this interpretative statement, which affects some 350,000 or more insurance employees, Mr. Holland had the cooperation of representative officials from every phase of the insurance industry.

With respect to employees of farm mutual insurance companies, Mr. Holland, in a separate release (R-1747), gave it as the opinion of the Division that the Act does not apply to employees when the only basis for covering their employment lies in the fact that their activities contribute to the normal operations of enterprises which the Division, for enforcement purposes, defined in that release, as "typical farmers' mutual insurance companies."

Copies of these interpretative releases are available at the Information Branch of the Wage and Hour Division, U. S. Department of Labor, Washington, D. C.

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