Achasm Summit 2018 – Cape Town

‘A review of injury stats and the costs of accidents’
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Workman’s Compensation

• The Compensation for Occupational Injuries and Diseases Act, or COIDA is a Statutory Insurance and was signed into S.A. law effective from 01 March 1993

• To provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees arising out of and in the course of their employment, or for death resulting from such injuries or diseases.

• Worker’s compensation cover is prescribed by the Compensation for Occupational Injuries and Diseases Act 130, /1993. Accidents that arise out of and during employment resulting in personal injury or illness; occupational diseases contracted in the workplace; and fatalities because of an accident that happens on duty are typically covered by this assurance.
Employees vs Accidents (2008-2017)

No. of Employees vs No. of Accidents vs No. of MVA Accidents

Total no. of claims = 89652

Accident Frequency

Total no. of MVA claims = 9524
Fatalities in context of the political landscape

- **2008 financial crisis, S.A. in Recession**
- **ECONOMIC GROWTH GDP 3.3% 2011**
- **The Zuma years – little or NO growth**
- **Total fatalities**
- **MVA fatalities**
- **Fall from heights fatalities**

The graph shows the number of fatalities over the years from 2008 to 2017. The x-axis represents the years from 2008 to 2017, while the y-axis represents the number of fatalities ranging from 0 to 120. The graph highlights significant events such as the 2008 financial crisis and the economic growth in 2011. The Zuma years are noted for little or no growth in fatalities.
Average cost of an accident (2008-2017)

- Average cost of accidents
- MVA costs

**Most expensive claim (2010)**
R 6 554 680.83

**Average cost of MVA accidents**
= R486 522

**Average cost of All accidents**
= R231 135

MVA’s = approx. 10% of total accidents / 50% of fatalities / over 2.5 x the average cost of an accident

Rapidly rising costs !!!
Road Deaths in SA over 10 years
Drunk Driving – respect for authority?

The World’s Worst Countries For Drunk Driving

Percentage of road accident deaths involving alcohol in 2015 (selected countries)

- South Africa: 58%
- Canada: 34%
- United States: 31%
- Australia: 30%
- France: 29%
- Italy: 25%
- United Kingdom*: 16%
- South Korea: 14%
- Germany: 9%
- Russia: 9%
- India: 5%
- China: 4%

* Excluding Northern Ireland where the figure is 17%
Source: Global Status Report On Road Safety 2015
Transporting Workers

Our Lives Matter

Total weight = 1650 kg
Registered Load capacity = 1000 kg
Registered passenger capacity = 2
29%

Direct – Insured Costs

- Hospital Expenses (icu, theatre etc)
- Medical Expenses (follow ups, physio, prosthetics etc)
- TTD (total temporary disability)
- CV (Pension @ 100%)

71%

INDIRECT – UNINSURED, HIDDEN COSTS

- First-aid treatment
- Transportation costs for medical reasons
- Income shortage - Only 75% of salary increasing at CPI.
- No future career growth – disability
- No possibility of lifestyle improvement – surviving spouse
- Little or no education for kids.

Company

- Loss of Rebates & possible loadings
- Making the area safe
- Immediate staff downtime
- Site clean up
- Repairing damage / faults
- Lost work time
- Company reputation
- Loss of Profits
- Loss of Skills
- Union interference

Individual

Cost of implementing H&S systems in SA – Between 0.5% - 3% of total project costs

Health % Safety Executive – UK

- Indirect costs = 11x direct costs
- 37% of profit (annual)

NMU

- Indirect costs = 14.2 x direct costs
Merit rebates & loadings

Max. Loading - 365% !!!

Loadings starts at 1%

Rebates reduce to 0 as claims cost increases to 62%

50% rebate - claims costs is 10% or less

Important !!!

Merit rebates are only paid out 2 years retrospectively. Careful planning required.
21 year old worker fell through a weakened roof sheet and was impaled on an iron pole that penetrated his chest.

Injuries included ruptured kidneys, ruptured spleen and pancreas and numerous fractures.

The employee spent 37 days on life support before dying of sepsis.

He was survived by a young wife and 2 year old child.
Analysis cont.

- Hospital costs
  Includes: ICU @ R 9,217 per day
  Major theatre @ R118 per minute
- Medical costs
- Pension to dependants
- Sundries
- Total cost of claim

R 456,985  
R 392,327  
R 238,649  
R 12,414  
R 1,100,375
What went wrong?

- **Not** working according to Construction Regulations No. 10 (1) & (2) regarding fall protection.
- **No** Risk Assessment
- **No** Fall Protection Plan
- **No** Duckboards
- **No** fall protection harness attached to life lines

**Prevention Costs**

- Duckboards: +- R 5,000 – R 8,000
- Life lines and harness: +- R 6,000
What we don’t see

• Extended Family pension – R 238649
• NO possibility of lifestyle improvement
• Little or no education for children
• Increased creditors – loan sharks etc.

‘WE ARE CONTRIBUTING TO THE CYCLE OF POVERTY AND NOT UPLIFTING’
Industry Responsibility

• We are still seeing accidents which are entirely preventable with proper planning and foresight.

• People are still being killed in foreseeable accidents involving falling from heights, being struck by objects or equipment and the biggest cause in respect of fatalities - motor vehicle accidents.

• Training and Education, together with the Provision of PPE and correct Supervision will result in fewer accidents.

• A suitably trained individual is less likely to have an accident.

• The industry needs to take greater responsibility for controlling the risks that it creates.
Benefits of FEM

- **ONLINE PLATFORMS – ROE’s, claims**
- **Private hospitals**
- **Rebates**
- **Administration done on your behalf**
- **Same assessment rates as cf**
- **No Fees or commissions for joining**
What is FEM’s Corporate Social Responsibility?

• We use associations like the **MBSA and Safcec** to assist with health and safety on sites.

• As a company we are committed to making a positive contribution to South Africa. We have a structured CSI program that covers areas such as housing, health and social services and education. In addition to our CSI program, in 2016 FEM committed **R750m to set up the FEM Education Foundation** to contribute towards education and leadership development. We have to date partnered with the **Make a Difference** Leadership Foundation and the Columba Leadership Trust, providing much-needed funding towards education and developing leadership skills amongst young South Africans.

[www.madleadership.org](http://www.madleadership.org)  [www.fem.co.za](http://www.fem.co.za)
THANK YOU

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