



THE FEDERATED EMPLOYERS' MUTUAL ASSURANCE COMPANY (RF) (PTY) LTD

Achasm Summit 2018 – Cape Town

'A review of injury stats and the
costs of accidents'

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Marketing & Communications Manager

Providing Workers' Compensation to the construction industry since 1936

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.

of **'THEIR'**
employment

OFFICIAL

- 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



About FEM

1936

FEM
480
0
registered
companies

Majority
CIDB level 9
companies

CF
45000
registered
companies

CF
+/-
350000
employees covered
in 2017

Only private
organisation
to offer WC to
construction

FEM
35039
6
employees
covered in



FEM STATS
FAIR
REPRESENTATION

Work under license
to the Minister
of Labour



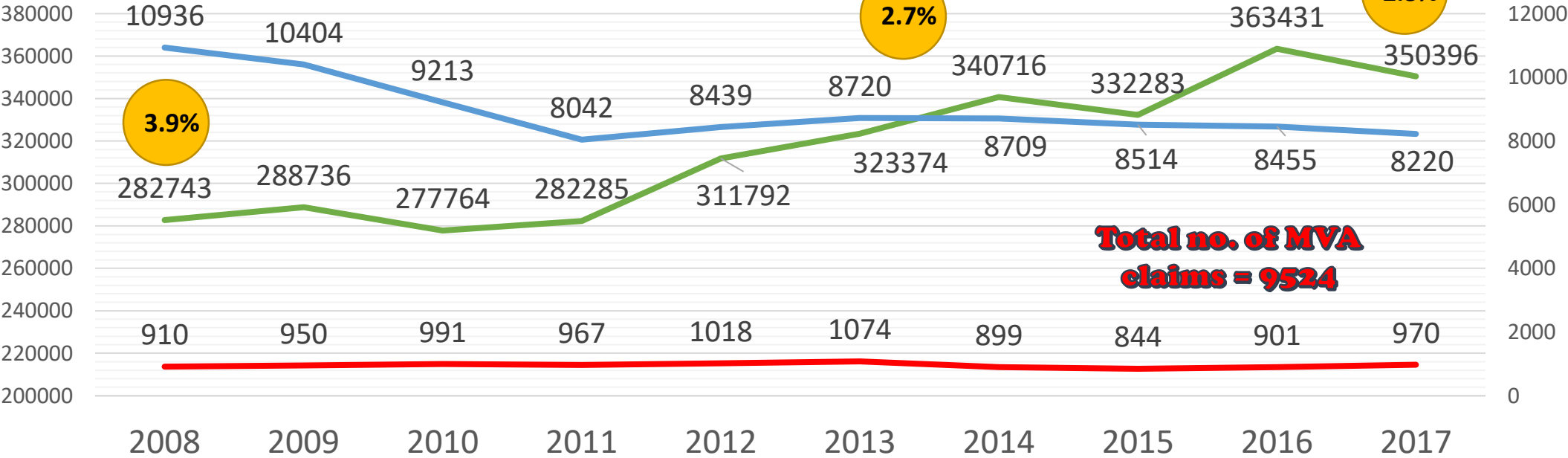
Employees vs Accidents (2008-2017)

— No. of Employees — No. of Accidents — No. of MVA Accidents

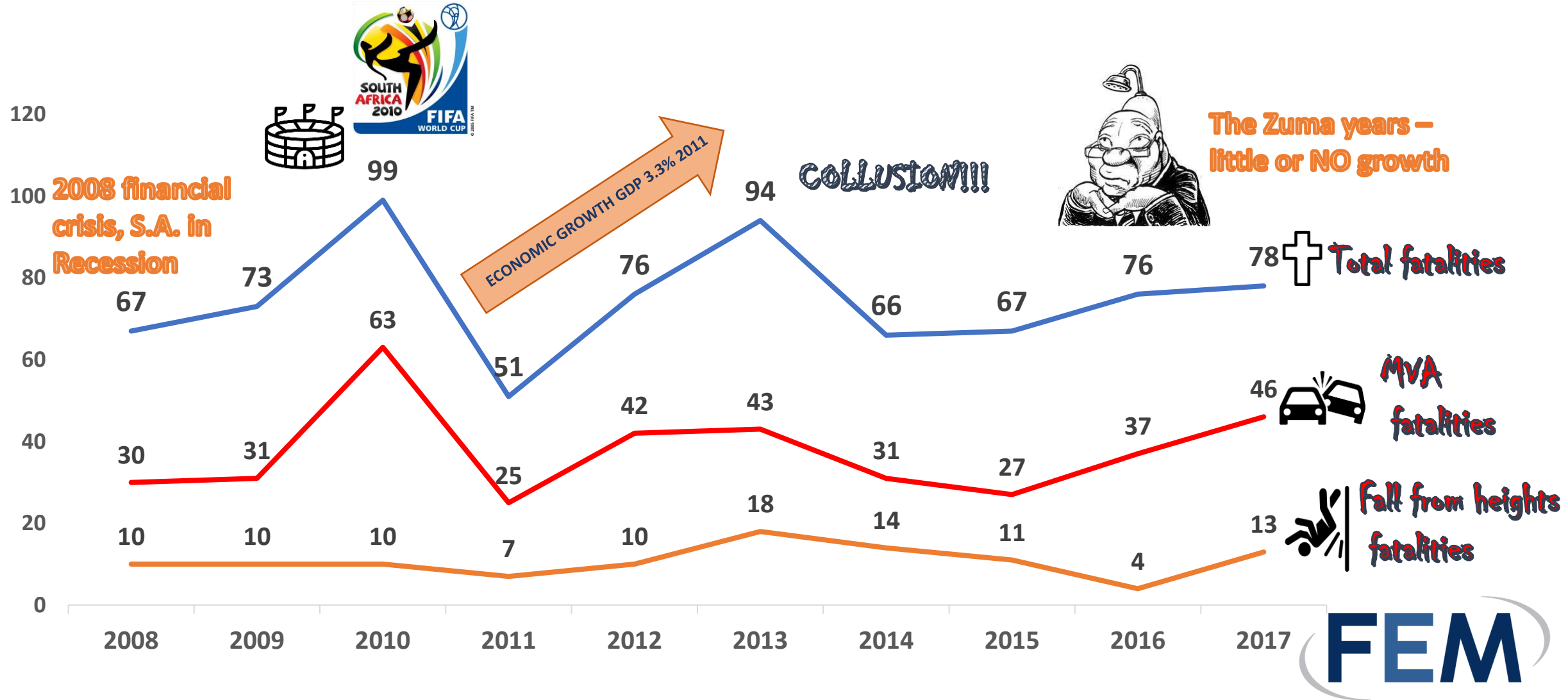
Total no. of claims = 89652

Total no. of MVA claims = 9524

Accident Frequency

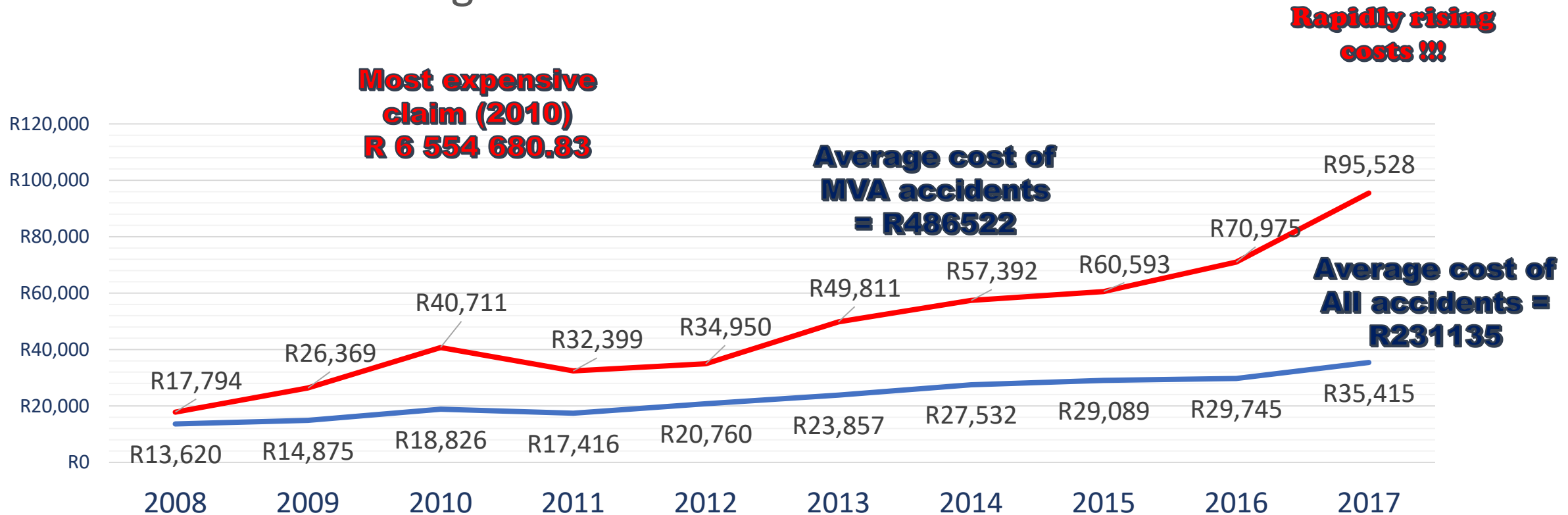


Fatalities in context of the political landscape



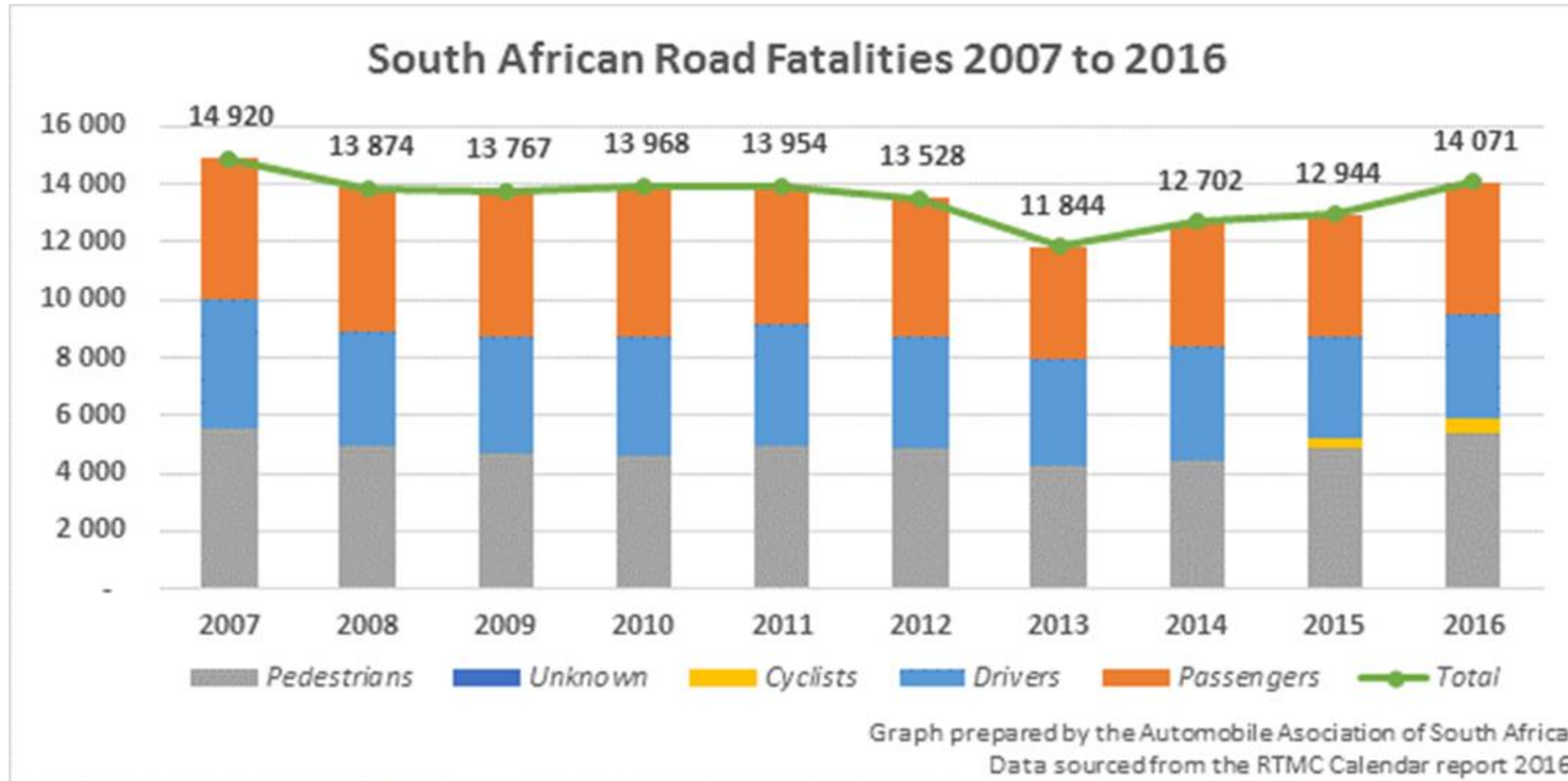
Average cost of an accident (2008-2017)

— Average cost of accidents — MVA costs



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

Road Deaths in SA over 10 years

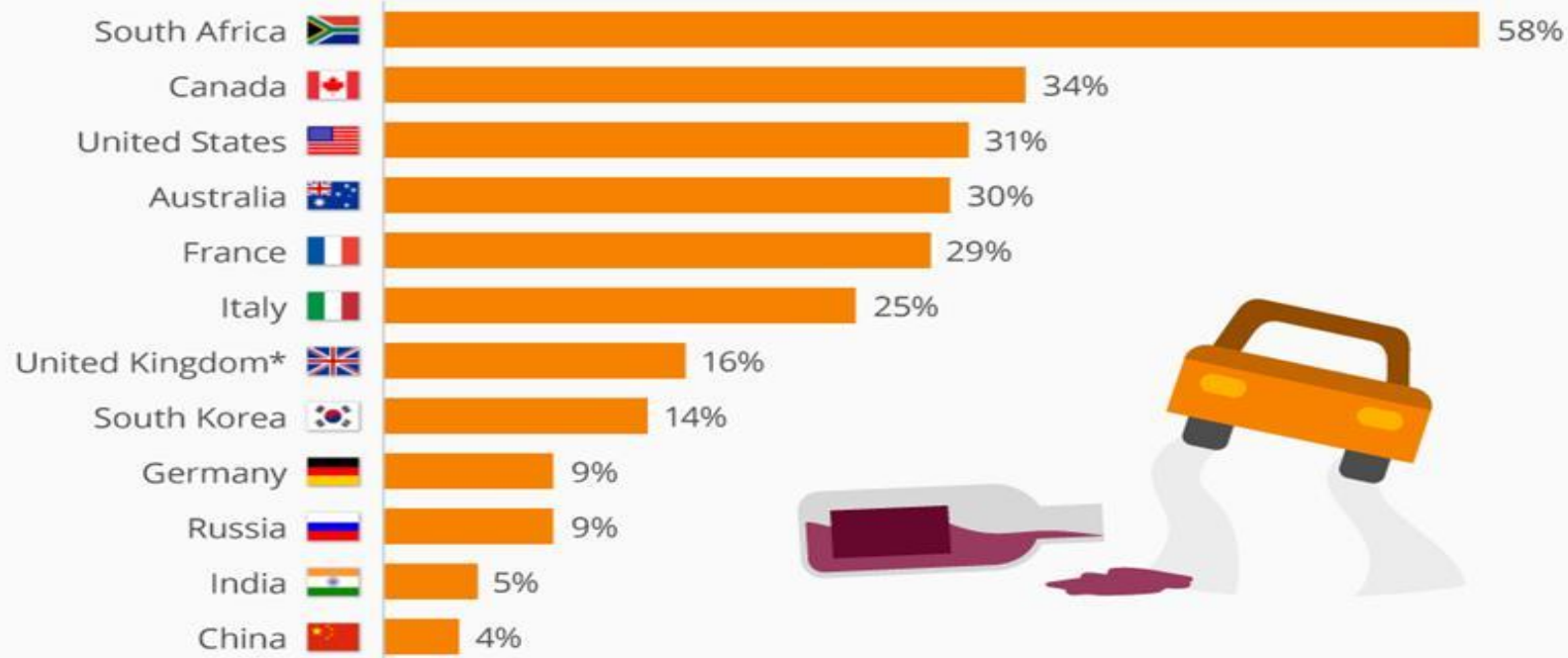


< 134000
lives lost

Drunk Driving – respect for authority?

The World's Worst Countries For Drunk Driving

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



* Excluding Northern Ireland where the figure is 17%

Source: Global Status Report On Road Safety 2015



Forbes statista



FEM

Transporting Workers



22
passengers
Total weight =
1650 kgs

Registered
Load
capacity =
1000 kgs

Registered
passenger
capacity = 2

Our Lives matter

Registered passenger capacity (weight pp) = 1650kg
Vehicles registered load capacity 1000kg - Vehicles registered passenger capacity 2



Direct – Insured Costs

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

29 %

Individual

- 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

71 %

INDIRECT –
UNINSURED,
HIDDEN COSTS

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

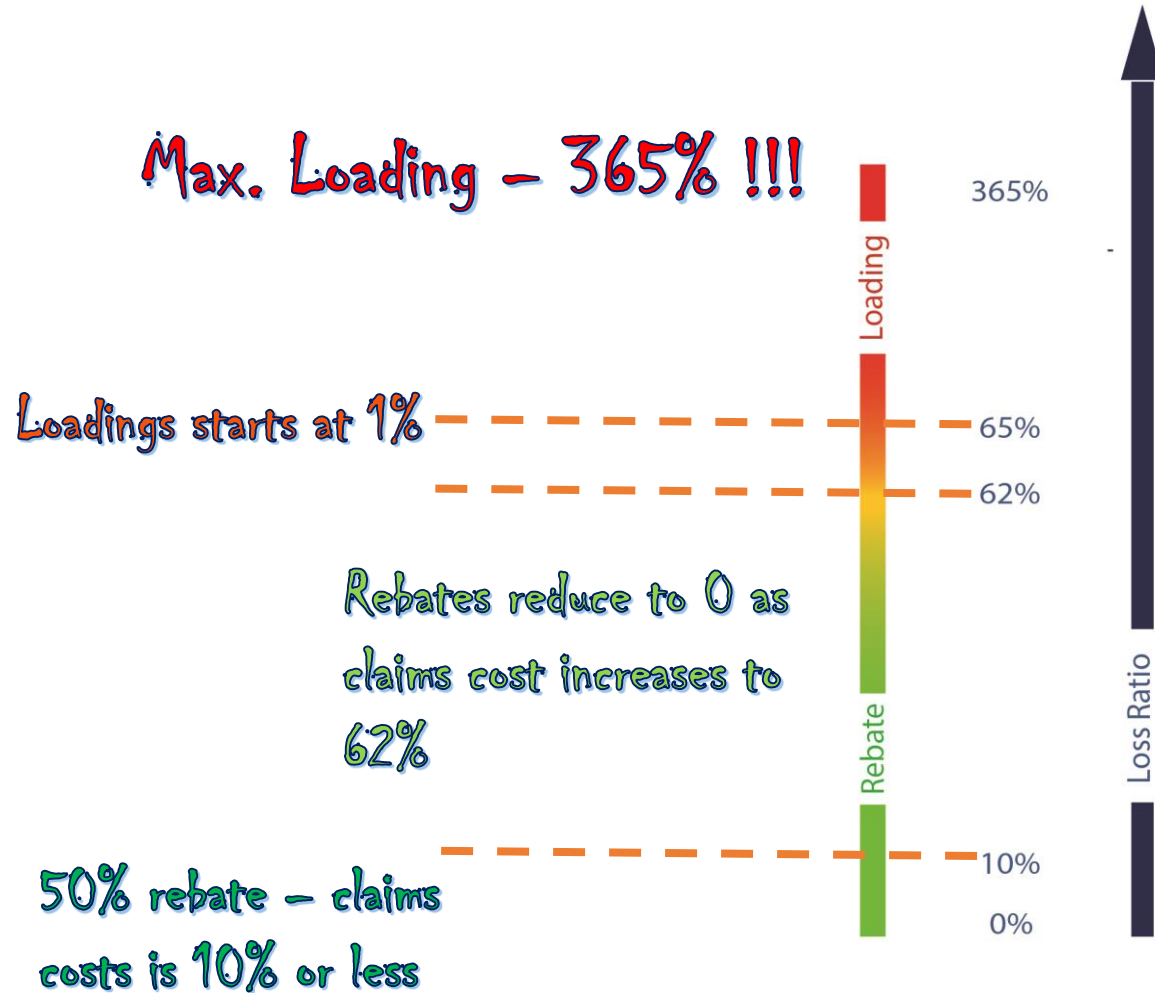
Health % Safety Executive – UK

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

NMU

- **Indirect costs = 14.2 x direct costs**

Merit rebates & loadings



Important !!!

Merit rebates are only paid out 2 years retrospectively. Careful planning required.

Accident analysis



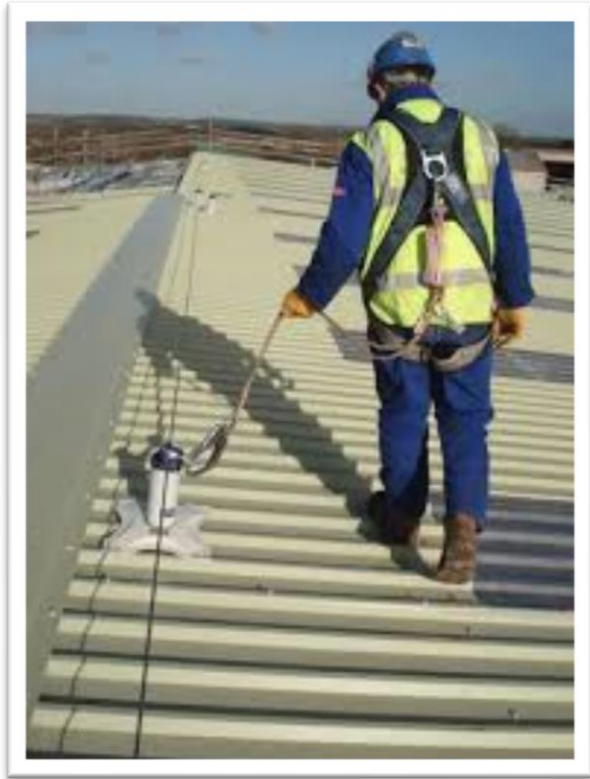
- **21 year old** worker fell through a weakened roof sheet and was impaled on an iron pole that penetrated his chest.
- Injuries included ruptured kidneys, ruptured spleen and pancreas and numerous fractures.
- The employee spent **37 days on life** support before dying of sepsis.
- He was survived by a **young wife and 2 year old child.**

Analysis cont.



- Hospital costs R 456, 985
 - Includes: ICU @ R 9,217 per day
 - Major theatre @ R118 per minute
- Medical costs R 392, 327
- Pension to dependants R 238, 649
- Sundries R 12, 414
- Total cost of claim **R 1,100, 375**

Prevention Costs



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

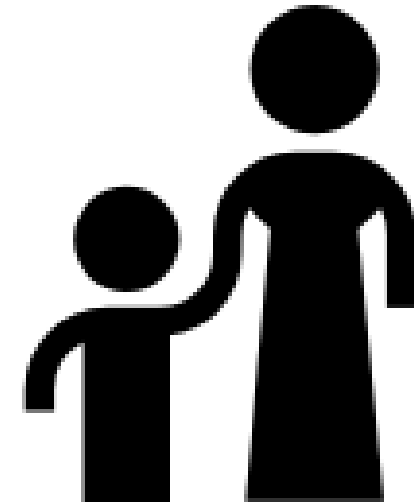
- Duckboards +- R 5,000 – R 8,000
- Life lines and harness +- R 6,000

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.

**FOR THE REST
OF THEIR
LIVES**

**'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

www.fem.co.za



THANK YOU

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