
Singapore International Chamber of
Commerce

Insurance Implications of Good and Bad
Workplace Safety

17th August 2018

Non-Life Asia Pacific footprint



Over **100**
local offices

More than **3,700**
employees

\$2.4 billion
in premium*

Australia ▪ China ▪ Hong Kong
Indonesia ▪ Korea ▪ Macau
Malaysia ▪ Myanmar ▪ New Zealand
Philippines ▪ Singapore
Thailand ▪ Taiwan ▪ Vietnam

How Does Workplace Safety Impact Insurance?



Claims



Types of claims

Severity

- Large Values
- Low Frequency
- Death Claims
- Long Term Disabilities

Frequency

- Regular Occurring
- Usually small in value
- Cuts
- Broken Bones

TOP 3 INCIDENT TYPES OF WORKPLACE INJURIES

Severity of Injury	Work-related Traffic	Struck by Moving Objects	Falls from Heights (FFH)	Slips, Trips and Falls	Fires and Explosions	Caught In/ Between Objects	Cut/ Stabbed by Objects
Fatal	4 (21%)	3 (6%)	2 (11%)	2 (11%)	2 (11%)	-	-
Major	-	-	35 (13%)	76 (28%)	-	29 (11%)	-
Minor	-	961 (16%)	1,601 (27%)	-	-	-	696 (12%)

Industry	Top Incident Types								
	Slips, Trips & Falls	Struck by Moving Objects	Cut / Stabbed by Objects	Struck by Falling Objects	Caught in or Between Objects	Over-exertion / Strenuous Movement	Strike Against Objects	Falls from Heights	Total
TOTAL	3,504	1,999	1,521	1,050	986	779	666	633	11,138
Manufacturing (excluding shipbuilding and ship repairing)	476	525	420	245	339	116	148	80	2,349
Food, Beverages & Tobacco	93	66	122	24	47	23	24	14	413
Paper / Rubber / Plastic Products & Printing	37	31	28	21	31	14	15	s	177
Petrochemical	18	20	s	s	s	s	s	s	38
Non-metallic Mineral Products	20	30	24	16	22	s	s	s	112
Metalworking ¹	161	278	121	131	165	35	58	35	984
Electronic, Computer & Optical Products	66	23	19	s	21	15	13	s	157
Transport Equipment (excluding shipbuilding and ship repairing)	27	18	s	s	10	s	s	s	55
Furniture	s	16	50	11	s	s	s	s	77
Marine ²	68	68	s	29	56	s	15	24	260
Construction	384	392	197	212	206	63	71	227	1,752
Water Supply, Sewerage and Waste Management	43	27	s	12	11	s	s	s	93
Wholesale and Retail Trade	169	70	87	53	26	63	37	37	542
Wholesale Trade	91	46	34	31	16	30	20	17	285
Retail Trade	78	24	53	22	10	33	17	20	257
Transportation and Storage	308	222	57	93	86	107	65	22	960
Land Transport	51	15	s	12	s	s	s	s	78
Water Transport	s	s	-	-	s	-	-	s	0
Warehousing & Support Activities for Transport	208	177	50	69	73	58	46	18	699

Source : Occupational Safety and Health Division, MOM

AMOUNT OF WORK INJURY COMPENSATION AWARDED (\$M), 2015 – 2017

Work Injury Compensation		2015	2016	2017
Temporary Incapacity*	No. of Cases	9,599	10,746	10,354
	MC Wages (\$million)	6.67	8.71	8.80
Permanent Incapacity*	No. of Cases	4,495	4,807	4,513
	MC Wages (\$million)	12.23	13.39	14.15
	PI Compensation (\$million)	65.45	72.39	74.35
Fatal*	No. of Cases	127	126	149
	Death Compensation (\$million)	17.28	16.38	20.58
Total	No. of Cases	14,221	15,679	15,016
	MC Wages (\$million)	18.90	22.10	22.95
	PI/ Death Compensation (\$million)	82.73	88.77	94.93

Source : Occupational Safety and Health Division, MOM. SINGAPORE YEARBOOK OF MANPOWER STATISTICS 2018

Potential impact of a claim

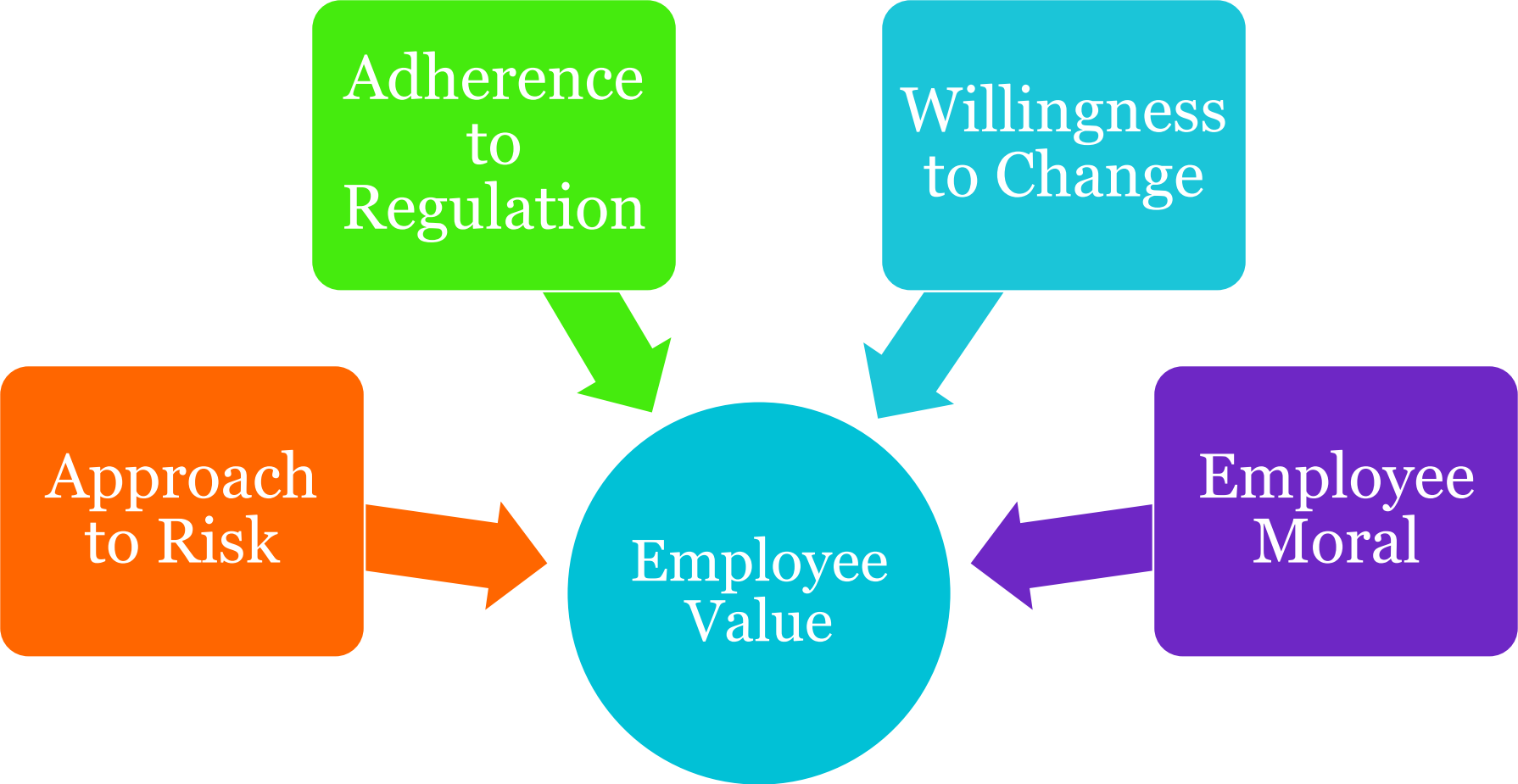
- Potential impact of one injured worker with pre injury earnings of \$4,000 per month:

Additional Cost	Monthly Cost
Replacement Staff	\$4,000
Production Losses	\$2,000
Management Costs	\$1,500
Annual Cost	\$90,000

Confidence

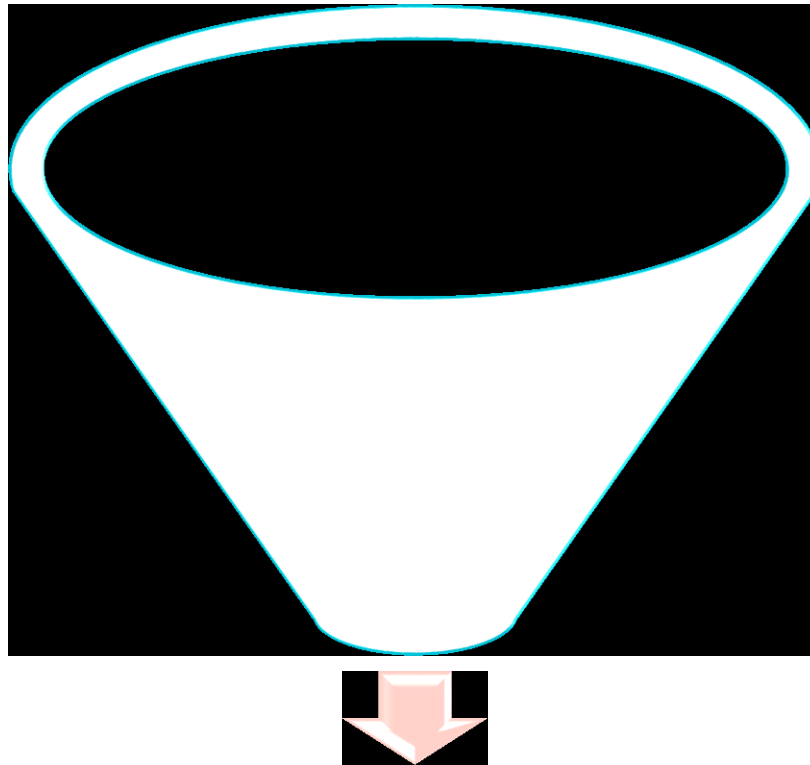


Goes further than Workers Compensation



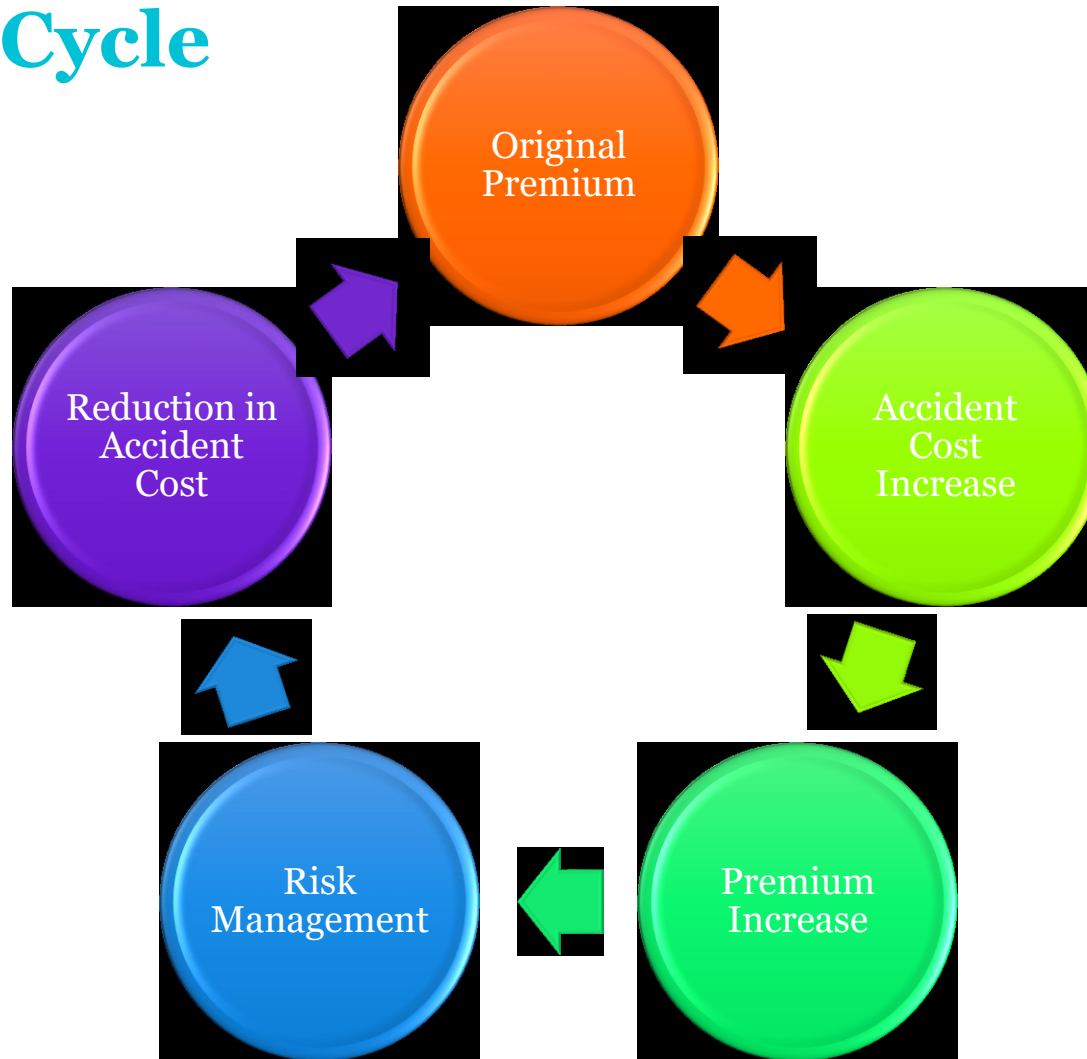
Premium Cost

Premium Calculation



Premium

Premium Cycle



Risk Management

Global Examples (Health & Safety Executive Research Report 249)

- E.ON
 - Gas and Electricity
 - Started proactively engaging staff on health issues from illness to back pain
 - Estimated savings of GBP11.8m per year
- Huntsman Petrochemicals
 - Investigated their ‘near misses’ in hope that a closer adherence to safety would lead to improved adherence to operational procedures and improve reliability
 - GBP250,000 saved per year
 - Attributed part of their 32% reduction in insurance premium to the results of their actions
- Uniq
 - Chilled Foods Producer
 - Claims reactive
 - Associated H& S with corporate performance
 - 36% drop in lost staff days
 - 45% drop in claims cost per employee

Pre Employment Medicals

- ❑ Non screened employees have a 33% higher injury rate
- ❑ Non screened employees incur a 4.3 times higher claims costs
- ❑ The average cost of return to work cases for non screened employees is 18 times higher than screened employees



Chubb. Insured.