Accident insurance due to accidents at work and occupational diseases in Poland

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Social insurance system in Poland

Total spending - 35 billion Euro (13% of Poland’s GDP and 70% of public budget)

✓ Pension insurance
✓ Disability insurance
✓ Sickness insurance
✓ Work accident insurance (workers compensation insurance)
Act on social insurance due to accidents at work and occupational diseases

in force since 1 January 2003

provides for insurance coverage of the consequences of work accidents and occupational diseases.

Commuting accidents are covered by a different type of social insurance.
Spending from Workers Compensation Fund (by Social Insurance Institution)

Total expenditure - about €1 200 million

- **Work injuries**: 51%
- **Occupational diseases**: 40%
- **Commuting accidents**: 9%

*Only spendings resulting from commuting accidents occurred before 1 Jan 2003*
Benefits in the system of accident insurance (1)

- Work incapacity pension
- Survival’s pension
- One-off compensation for the insured person
- One-off compensation for the survivor
- Injury (sickness) benefit
- Rehabilitation allowance
Benefits in the system of accident insurance (2)

- Compensation allowance
- Providing for the cost of dental treatment, protective vaccination and orthopaedic dressing
- Training pension
- Allowance to supplement survival’s pension for a complete orphan
Sickness benefit

**Person entitled:** Insured, whose incapacity to work is caused by accident at work or occupational disease

**Vested:** Regardless of time of being insured
From the first day of incapacity to work

**Level of benefit:** 100% of assessment

**Basis of assessment** = amount being basis of assessment of accident insurance
Rehabilitation benefit

Person entitled: Insured person, who after draining sickness benefit is still incapable to work, and treatment or rehabilitation promise recovering capacity to work

Level of benefit: 100% of basis of assessment

Basis of assessment = amount being basis of assessment of accident insurance premium
One-off compensation for the insured person

**Person entitled:** Insured person, who experienced permanent or long-lasting health loss

**Level of benefit** (effective from April 1, 2007): 20% of average salary per each per cent of permanent or long-lasting health loss
One-off compensation for the survivor

**Person entitled:** Deceased insured person’s or pensioner’s family members

**Level of benefit:** depends on the number of deceased insured person’s or pensioner’s family members entitled to one-off
Spending from Workers Compensation Fund (by Social Insurance Institution)

Total expenditure - about €1,200 million,

- Work incapacity pensions: 73%
- Survivors pensions: 13%
- One off compensations: 7%
- Sickness benefits: 6%
- Rehabilitation allowance (monetary): 7%
The insurance premium is differentiated at a branch and company levels.

The insurance premium depends on rates (per 1000 workers) of:

- accidents at work (total)
- fatal and serious accidents at work
- occupational diseases
- workers exposed to harmful working conditions
1 January 2003 - 31 March 2006: accident insurance premium was differentiated at branch level

differentiation range

0,67%                                               3,60%

of contributory basis

1 April 2006 - … accident insurance premium is differentiated at level of branches and companies:

differentiation range

- 20%                                               + 20%

of contributory basis

- 50% 1 April 2009 + 50%
Rules to determine the percentage rate of the premium for work accident insurance

Up to 9 persons insured

Percentage rate of the premium amounts to 50% of the highest rate set for the premium year in - the premium totals 1,67% of the contributory basis
Rules to determine the percentage rate of the premium for work accident insurance

At least 10 persons insured

Percentage rate of the premium is differentiated according to the total indicating the accident frequency, that of fatal and serious accidents as well as the number of employees exposed to hazardous working conditions
Examples:

PKD code - Polish Classification of Activity

Activity group: Mining (energy sources)
PKD code: CA
Risk categories: 12 (previous 13)
Premium interest rate (%): 3.33 (previous 3.60)

Activity group: Building engineering
PKD code: F
Risk categories: 7
Premium interest rate (%): 2.00
Activity group: Health protection and social service
PKD code: N
Risk categories: 5
Premium interest rate (%): 1.47

Activity group: Hotels and restaurants
PKD code: H
Risk categories: 2 (previous 3)
Premium interest rate (%): 0.90 (previous 0.93)
Accident insurance system as an economic incentive for improving OSH performance in enterprises?
What motivates companies to implement OSHMS?

External factors motivating improvements – evaluation of the most senior managers

- Legal requirements
- Improving image of a company
- Promotional OSH MS programmes
- Standards related to OSH MS
- Expectations of stakeholders
- Economic incentives
- Certification
- External consultants

Source: D. Podgórski, Analysis of management decisions on implementing OSH MS, CIOP PIB 2008
Costs of fulfilling legal requirements and additional costs of implementing and maintaining OSH MS in companies (per 1 worker, yearly)

Source: J. Rzepecki: Costs and benefits of implementing OSH MS in company, 2006
Costs of implementing and maintaining OSH MS and benefits resulting from decrease in insurance premium in companies

Source: J. Rzepecki: Costs and benefits of implementing OSH MS in company, 2006
Benefits resulting from implementation of OSH MS in companies

Accident rates have significantly decreased in 70% of companies implementing OSH MS

Number of employees working in hazardous conditions (in which exposure exceed MAC or MAL) has decreased in 50% of companies

Lower insurance premium in 70% of companies implementing OSH MS

Increase in quality, productivity and awareness
Other publications:


THANK YOU!