

# Accident insurance for workers

11 Jan. 74

Vol. 14.9

pt. 1

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It was disclosed by the Commissioner of Labour, Mr I. R. Price, on January 4 that in 1973, 304 persons died and 30,214 persons were injured in industrial accidents. These figures represented the cases reported to the Workmen's Compensation Unit of the Labour Department.

He revealed at the same time that working days lost as a result of industrial accidents totalled over 520,000 and compensation to workers or their dependents was estimated to exceed \$20 million.

Mr Price promised to rectify this situation by setting more stringent safety standards, but it is doubtful whether this alone is enough to safeguard the interests of the workers.

One appalling fact in the past several years is that despite all the efforts devoted by the Labour Department to promoting industrial safety, the number of industrial accidents has increased, rather than dwindled.

Another is that despite 20 years' operation of the Workmen's Compensation Ordinance, injured workers can still not be ensured of compensation.

In 1971, 379 deaths were caused by industrial accidents, but only 270 cases were settled by the end of March the next year.

Under the Workmen's Compensation Ordinance, injured manual workers or non-manual workers with average earnings not exceeding \$1,500 are entitled to compensation from their employers during temporary total incapacity at a rate equal to two thirds of monthly earnings.

Those who suffer permanent total incapacity are entitled to a lump sum not exceeding 48 months' earnings or \$60,000.

For injury or occupational disease resulting in death, 36 months' earnings or \$45,000 is payable to the dependents of deceased workers.

It should be noted, however, that notwithstanding the provisions of the Workmen's Compensation Ordinance, insurance against liabilities under the Ordinance is not compulsory for employers.

It was recorded that out of 26,813 persons involved in non-fatal industrial and occupational accidents in 1971, 7,790 persons or about 25 per cent of their employers were either not insured or unknown in insurance status.

This default explains why as much as one fifth of industrial injuries were not settled each year.

It might be too late if we do not now give workers in Hongkong the attention and treatment they deserve, as they form the backbone of our economy.

Injured workers or their dependents must be ensured of the compensation they are entitled to. On the other hand, the prevention of industrial accidents seems to involve more than just the promotion of stringent safety measures.

It appears appropriate now for certain kinds of insurance schemes for employment injuries to be introduced.

The experience of most industrialised countries shows clearly that the introduction of employment injury benefit schemes usually leads to a reduction in industrial accidents as employers become aware of the benefit of preventing their occurrence.

An employment injury benefit scheme would also have the advantage of ensuring compensation for injured workers.

There is enough evidence to show that this liability cannot be left to the discretion of individual employers.

An objection to the introduction of compulsory insurance schemes for employment injuries is that if employers are made responsible for funding, it would increase the production cost and thus lower Hongkong's competitiveness in overseas markets.

It must, however, be remembered that under the present Workmen's Compensation Ordinance, employers are already held responsible for compensating their workers if they are injured in industrial accidents. An insurance scheme would only pool their liabilities together.

It should also be noted that Taiwan and Malaysia, countries less industrialised than Hongkong, have already enacted compulsory insurance schemes for employment injuries.

The enactment of a compulsory insurance scheme would naturally meet with complicated administrative difficulties, but if Hongkong is now depending on manufacturing for its survival, it is a step that has to be taken sooner or later.

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