

QBE Pulsecheck

Insurance for Wellbeing at Work:

Why Accident and Health cover
matters to Australian workplaces

Author:

Troy Murley
Accident and Health National Manager
QBE Insurance



Introduction

Workplaces in Australia are changing.

Societal trends, including an increasingly mobile workforce, a globalised economy and a focus on flexible working and wellbeing is driving organisations' duty of care for its employees.

This growing acceptance that a healthy workplace makes a difference to retention and productivity is in turn redefining what it means to become a true employer of choice.

Organisations are looking for ways to stand out in a crowded marketplace and introduce meaningful initiatives to meet the shifting values of employees and compare favourably with other workplaces.

Highly conscious of the business implications from churn and absenteeism, organisations are continually looking to maximise their health and wellbeing initiatives to establish a stronger employee value proposition.

Offering employee benefits is one way of defining a solid attraction and retention strategy because an awareness of the link between employee engagement, satisfaction and productivity is strengthening in workplaces of all sizes.

What does Accident and Health insurance cover?

Accident and Health cover aims to reduce the impact of accidents or sickness, while helping people get their lives back on track. It can extend to the self-employed, businesses, sports clubs, government organisations, expatriates, those working overseas, voluntary workers and large employers.

The benefits can address lost earnings, non-Medicare fees and rehabilitation costs, plus provide lump sums for death and serious injuries. Many extra benefits can also be included and we can even tailor the cover to care for employees' families.

Accident and Health policies can complement existing workers compensation schemes because salary benefits for those schemes vary across states.

Examining the trends

Global economy

Australians are travelling frequently for business and accepting posts abroad so there is a need to provide cover outside Australia for both direct employees and their families.

When travelling overseas, there's exposure to setbacks such as travel delays, injury or illness. Although terrorism or political unrest are rare compared to lost or stolen luggage, it's important these events are still considered.

From an employer perspective, protecting your people is key as the onus is on the business to uphold their duty of care and to fully understand their obligations.

Any employer who sends their people overseas will need to understand all risk factors associated with the journey and the destination and ensure appropriate cover.

Employers should take into consideration all socio-economic and environmental conditions of the countries their people frequently visit or live to ensure their people are sufficiently protected.

A snapshot of QBE claims data¹ reveals total claim volumes for expat claims have trended steadily upwards since 2014.

The most common expat claims are from South East Asia²:

1. Laos (26.51%)
2. Hong Kong (24.94%)
3. Philippines (13.29%)
4. Singapore (9.78%)
5. Thailand (7.39%)

¹ Based on a QBE Insurance data analysis of 4439 claims from 2014-2016

² Based on a QBE Insurance data analysis of 4439 claims from 2014-2016



A changing workforce

Strong developments in digital technology has led to a mobile workforce with a preference for flexibility in working hours and physical spaces.

Roughly 3.5 million employed Australians work from home on a regular basis with 12.64 per cent working out of the office as part of flexible work arrangements³.

In addition, recent research from CPA Australia found people working for larger employers are more likely to seek flexible workplace arrangements.

A survey found 51 per cent of respondents working for employers with more than 200 employees are more likely to have asked for flexible leave.

The research also revealed that 71.6 per cent of Australian respondents were significantly more likely to have requested flexible working arrangements than Hong Kong (35.4 per cent) or Malaysia (43.9 per cent)⁴.

Organisations are recognising that Accident and Health insurance could benefit an increasingly mobile and flexible workforce.

From the same survey, 35.9 per cent of respondents said achieving work/life balance is the most likely reason they would seek to work flexibly.

As a result, it's not surprising that companies recognise their people are their best asset in business and in turn are looking for ways to best serve the interests of their workforce.

Mental health and wellbeing

Greater awareness of stress, mental health and general wellbeing has spurred on employers to reconsider their initiatives and ensure they're promoting and recognising the importance of a healthy workforce.

In 2013, mental disorders surpassed musculoskeletal problems as the main cause of long term work incapacity in Australia⁵.

There are about 7,500 Australians compensated for work-related mental disorders each year according to Safe Work Australia. In addition, the total cost of depression to Australian employers through presenteeism and absenteeism is estimated to be around \$6.3 billion per annum⁶.

From an employer perspective, there's certainly a heightened awareness of best practice for managing these types of claims and the recovery process can often be difficult for companies that don't have expertise in-house.

Insurers have been adapting the ways claims are handled as result of changing societal attitudes and the greater awareness of mental health in the workplace.

In many cases, recovery comes down to utilising the right networks to engineer the correct track to recovery as fast as possible.

This is where an Accident and Health cover like QBE Insurance can come in. We believe the best solutions come from a partnership approach between the business and the insurer to foster the best outcome for employees.

³ <http://www.smh.com.au/business/workplace-relations/one-in-three-australian-workers-now-regularly-work-from-home-20160921-grl3a1.html>

⁴ <https://www.cpaaustralia.com.au/-/media/corporate/allfiles/document/professional-resources/business-management/workplace-flexibility-survey-2016-report.pdf?la=en>

⁵ <http://www.ricewarner.com/voluntary-insurance-are-more-risk-controls-needed/>

⁶ Psychosocial safety climate and better productivity in Australian workplaces: Costs, productivity, presenteeism, absenteeism report November 2016



The benefit perspective

Businesses are becoming acutely aware of the two-way street between productivity and healthy workplace culture.

There's a growing recognition that fostering an engaged, motivated workforce requires a solution for health and wellbeing outside of the traditional office four walls. And businesses are beginning to understand the employee advocacy opportunity.

Accident and Health insurance includes specific coverage for businesses that want to protect their people from sickness and accidents around the clock.

So having this coverage on offer helps to position organisations as enablers. Personal Accident and Sickness Insurance products offer cover for people while they're at work, but perhaps most importantly, they also respond when people get sick or are injured during personal and leisure time.

This cover may help foster employee engagement and means employees can enjoy their personal hobbies safely outside of work. For example, many people enjoy riding a bicycle to work or play sport at the weekend.

Employees can engage in these activities and return to the office refreshed and supported. In the unfortunate circumstance that they do get injured or sick, then they'll have the support they need to recover and get back to their life both at work and outside it.

Conclusion

Workplaces in Australia are transforming and companies are recognising the ways they can respond to and benefit from these changes.

With evidence highlighting the business case for employees' mental and physical wellbeing many employers are redefining their employee value proposition.

If people are to be truly committed to their efforts at work, they need to be physically protected to perform to the best of their ability. From a mental standpoint, they need to feel supported so if an accident happens or if they're affected by sickness, they have the correct networks and pathway back to recovery.

Accident and Health insurance is beneficial to businesses because it protects people from sickness and accidents beyond the limits of physical workplaces, traditional working hours or statutory schemes like Workers Compensation.

The advice in this report has been prepared without taking into account your objectives, financial situation or needs. You must decide whether or not it is appropriate, in light of your own circumstances, to act on this advice. You should ensure you obtain and consider the Product Disclosure Statement for the policy before you make any decision to acquire it.

[Find out more about our Accident and Health cover.](#)

Troy Murley

Accident and Health National Manager
QBE Australia

Email: troy.murley@qbe.com