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Commentary: A role for insurers in reaching ambitious workplace safety and health goals



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Changes to the Workplace Safety and Health Act have set the tone for ambitious workplace safety and health targets. Insurers should rise to the occasion, says QBE's chief executive officer.



The collapse of an uncompleted viaduct near the Pan-Island Expressway (PIE) was a man-made incident that "could have been avoided", Minister for Manpower Lim Swee Say said on Jul 25.
(Photo: Gaya Chandramohan)

SINGAPORE: The PIE viaduct collapse in [July](#) this year brought Singapore's workplace safety and health landscape to an inflection point, driving home the point that even one workplace catastrophe is one too many. Critically, it is making Singapore ask some hard questions.

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Not too long after this latest high-profile incident, Singapore Prime Minister Lee Hsien Loong announced a new target for workplace safety: Reducing fatalities to less than one death per 100,000 workers within 10 years – around half the current rate of 1.9 per 100,000.

TOWARDS A NEW APPROACH

Mr Lee made an important distinction with this announcement. He rightly noted that this goal cannot be achieved by more regulation alone. Instead, he suggested that a new, total and holistic approach to workplace safety and health was needed, which he termed Total Workplace Safety and Health (Total WSH).

This is an important next step in the evolution of Singapore's workplace safety and health system. It serves as a call to action for businesses to ask not only what more can be done, but also how they should go about doing it.

Singapore is already taking steps to improve workplace safety and health. On top of harsher fines, the government also made changes to the WSH Act that will see the WSH commissioner release incident learning reports early to the public even before criminal proceedings have concluded, so that other firms can learn from these incidents.

While these are solid steps in the right direction, more needs to be done to achieve a more holistic system of workers' care under Total WSH.

A HEALTHIER WORKFORCE

Total WSH speaks to the strong correlation between a healthy workforce and a safe workplace. Singapore's current approach mostly ensures affected workers can get the necessary treatment through the Work Injury Compensation Act, but the evolution to Total WSH will see more emphasis on both preventive and rehabilitative care.

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This is important because ill health has contributed to more than one third of work-related fatalities in Singapore. A preventive and rehabilitative approach, as called for by Total WSH, has the potential to significantly improve Singapore's workplace fatality rates.

The most progressive economies had systems where workplace safety and health policies not only accounted for physical health but also paid close attention to a worker's overall mental health, based on the Ministry of Manpower's studies of best practices in other countries' workplace safety and health systems.

The Return to Work element in Australia's Safe Work system is one instructive example. Australia's work injury policies encourage the employer, worker and rehabilitative caregivers to work together to get injured workers back to work quickly, safely and with a view to their long-term health and workplace contributions.

They collectively work to give workers the assurance they have a role to come back to, including starting with light duties and gradually working their way back to their primary duties. This way, workers avoid a long-term layoff that can be detrimental to mental wellbeing and self-worth.



Minister of State for Manpower (MOS) Sam Tan visiting workers injured on Jul 14 after the collapse of the unfinished viaduct along PIE. (Photo: Facebook/Singapore Ministry of Manpower)

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COMPANIES KEY TO WORKPLACE SAFETY CULTURE

For Singapore, the prevailing view is that we should maintain the existing tripartite approach, involving employers, workers and the Government, to successfully transition to Total WSH. The role of companies within this mix cannot be underestimated, as they are ultimately critical to the success of any initiatives

While the Government can educate and encourage businesses to adopt safer practices, the onus is still on companies themselves to put this into practice.

The leaders of companies – including boards, CEOs and senior management – must lead the mindset change needed to move beyond a transactional approach of simply providing compensation, to focus more on prevention.

Corporate leaders must drive home a sense of belonging and pride among teams, to value the life of any single worker above the cost of insurance policy premium or safety measures.

That is not to say that companies should simply purchase exorbitant insurance and see that as fulfilling their responsibilities, for no amount of compensation can help a company with lax safety practices.



File photo of a construction site along Geylang Road without proper scaffolding and safety barricades in place. The construction company was issued a Stop-Work Order (SWO) of three weeks under new conditions imposed on May 12, 2016. (Photo: Loh Chuan Junn)

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INSURERS CAN AID COMPANIES

Insurers, for our part, can play two distinct roles to bring about change. The first is preventive, through an advisory role to clients. Insurers can conduct in-depth risk audits and analyses, and present findings to help businesses understand their key vulnerabilities and safety gaps.

Insurers can also play a rehabilitative role, in ensuring that lessons from prior incidents are internalised by the company, and propose measures to avoid a repeat, with the impact on the livelihoods of workers limited through fair and robust compensation levels that take care of treatment and recovery costs.

Ultimately, insurers must also help drive home the importance of a proactive, high-awareness, best-practice safety culture. Insurers must be committed to raising safety standards and reducing injuries in the workplace by providing companies with access to policies that help mitigate the risks of a workplace incident.

Insurers also have a role in holding companies to account, making it clear that having insurance should never make safety an afterthought.

Indeed, insurers continuously monitor workplace accidents and in particular companies with poor track records to understand what is going wrong. Their insights can guide how workplace injury compensation insurance is priced. If a company has a lower probability of claims or incidents occurring, this should be reflected in their premium.

Importantly, compensation limits set by insurance policies directly determine how much treatment and rehabilitation is afforded to affected workers. Where limits are high, these help incentivise firms to get their workers insured and protected, guaranteeing their valued staff a smooth transition back to work.

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It's clear that every stakeholder in the process has an important role to play in making a full transition to Total WSH a reality. Beyond government regulation and mandated measures, it will require a shift in culture and mindset that takes into account workers' health, rather than being solely focused on their short-term recovery.

In transiting to Total WSH, Singapore can help set the standard for how to cultivate safer, more risk-resilient workplaces. While changes to the current Workplace Safety and Health Act can shift behaviour, imposing more regulation is not the cure-all. Ensuring that companies, workers and insurers play their respective roles will be key.

Karl Hamann is chief executive officer of QBE Insurance (Singapore).