

# Workplace accidents 2.0



**By Matt Lacy**  
Director of Casualty

Increased unpredictability is making it harder for businesses to protect and look after one of their most critical assets, their employees.



## Overview

The decline in traditional workplace injuries in recent decades is one of society's success stories. Today, workers are far less likely to suffer a major accident or fatality at work, largely a reflection of better employee risk management, safety and regulation. Rates of fatal injury in the EU reduced from four incidents per 100,000 workers to just one, from 1994 to 2015.

Yet, many businesses face growing uncertainty when it comes to employee wellbeing. Automation, changing business models and wider societal challenges are having a profound effect on the workplace. Employees are now more likely to be older, work remotely, have less job security and suffer from stress or muscular-skeletal disorders.





## Robots take the strain

Technology is likely to be one of the biggest drivers shaping future work-related injury trends. By 2020, the number of industrial robots is predicted to reach three million, which is almost double the current number.



Robots are likely to take on many of the high hazard activities and repetitive manual tasks currently performed by humans, which should mean fewer workplace accidents. However, people increasingly co-existing with autonomous machines in the workplace could create new hazards. In 2015, a technician died in an accident with a robot at a Volkswagen plant in Germany, while in 2018 an accident involving an Amazon warehouse robot injured 24 employees.

Technology and automisation have rendered the workplace safer with regard to traditional occupational accidents, yet employers must be

mindful of unintended consequences of technological progress. This requires a much more creative level of 'what-if' thinking when it comes to business risk management.



A quarter of the senior executives surveyed said their business did not offer any workplace mental health support. Yet, where companies had implemented programmes to support mental health in the workplace 62% reported an increase in employees' productivity.



## Jobs for humans

Technology is changing how people work and the very nature of work on offer. As machines do more of the heavy lifting, workers gravitate to roles which have a greater risk of muscular-skeletal conditions, such as back or neck pain and repetitive strain injuries.

Half of US adults have a muscular-skeletal disorder, costing an estimated \$213 billion each year in treatment and lost wages, as documented in a report from the United States Bone and Joint Initiative. According to EU-OSHA, work-related neck and upper limb disorders already account for 45% of all occupational diseases. Muscular-skeletal disorders could

also increase with the rise in remote or agile working. Around half the UK's workforce are predicted to work remotely by 2020. Employees working remotely are prone to muscular-skeletal disorders like repetitive back injury claims, due to poor working conditions in their homes and their use of laptops outside the office.



## Mental health

Technology and societal changes can also exacerbate cases of non-bodily injuries like mental ill-health, from work-related stress to a general feeling of uncertainty and anxiety. The 2018 Gallup experience index found that more than one in three people worldwide had recently experienced worry or stress while the numbers experiencing anger hit a new high.

Recent QBE research found that 40% of businesses surveyed had experienced a loss of business as a result of employees continuing to work while experiencing mental health problems. The cost of losing business or contracts due to employee mental ill-health was an average £52,000.

Overcoming the stigma of mental ill-health is one of the biggest employee risk management challenges for employers. Two thirds of employees surveyed by QBE who have experienced a mental health problem did not disclose it. Half of the employees surveyed had not taken time off to recover from

# 62%

**of companies who support mental health in the workplace reported an increase in employees' productivity.**

a mental health problem, even though the overwhelming majority (94%) said this had taken a toll on their productivity.

A quarter of the senior executives surveyed said their business did not offer any workplace mental health support. Yet, where companies had

implemented programmes to support mental health in the workplace 62% reported an increase in employees' productivity.

## Ageing workforce

Wider societal changes are another factor influencing the predictability of bodily injury claims. With increased life expectancy and lower fertility rates, the workforce is ageing. By 2050, one in six people in the world will be over 65 (16% of the global population), up from one in 11 in 2019 (9%). By 2050, one in four people living in Europe and Northern America could be aged 65 or over.

**16%**

**of the world's population  
will be over 65 by 2050**

**1m+**

**people in the UK are  
predicted to have dementia  
by 2025**

According to the UK's Health and Safety Executive, older workers bring a broad range of skills and experience to the workplace. They are also generally less likely than younger workers to have occupational accidents. However, accidents involving older workers are likely to result in more serious injuries, permanent disabilities or death. Older workers also tend to experience more slips, trips and falls than younger workers, and recovery following an injury may take longer.

As people extend their working lives, employers may also have to accommodate employees suffering certain health conditions, including

dementia and arthritis. A quarter of US adults are expected to suffer from arthritis by 2030 while one million people are predicted to have dementia in the UK by 2025, up from around 850,000 today.

### **QBE Risk Solutions**

Lowering premiums and improving claims experience through risk engineering.

[QBEEurope.com/risk-solutions](https://qbEurope.com/risk-solutions)



## Work-related diseases

Wider use of chemicals in society, coupled with innovation in material sciences and biotech industries, is likely to be another source of future uncertainty for employee risk management.



For example, nano materials and particles are already being widely used in engineering, medicine and pharmaceuticals, although their health implications are not well understood. A report from the UK's Medical Research Council found that carbon nanotubes may pose a cancer risk similar to asbestos.

The ageing population also has a part to play in employee wellbeing, as does increased product safety regulation and the legal environment. As people live longer, latent diseases are more likely to cause harm than in the past, while regulations and courts make it easier for consumers to hold corporations to account or seek compensation.

Bayer faces a potential bill in the billions of dollars after US courts linked the herbicide Roundup to cancer, while Johnson & Johnson is fighting thousands of mesothelioma claims related to its talc products. The airline industry also faces litigation from pilots and cabin crew who claim long term exposure to toxic fumes on board aircraft is linked with chronic ill-health.

## Welfare and employee wellbeing

With growing awareness of public health, and the need to attract talent, organisations are turning their attention to wider employee engagement, welfare and wellbeing. Contented employees are usually more productive, more predictable. Equally, an organisation's culture and ethics are increasingly important for attracting and retaining talent. According to a 2017 study, highly engaged businesses report a 41% reduction in absenteeism, a 17% increase in productivity, and staff turnover is 24% less.

**41%**

**reduction in  
absenteeism**

**17%**

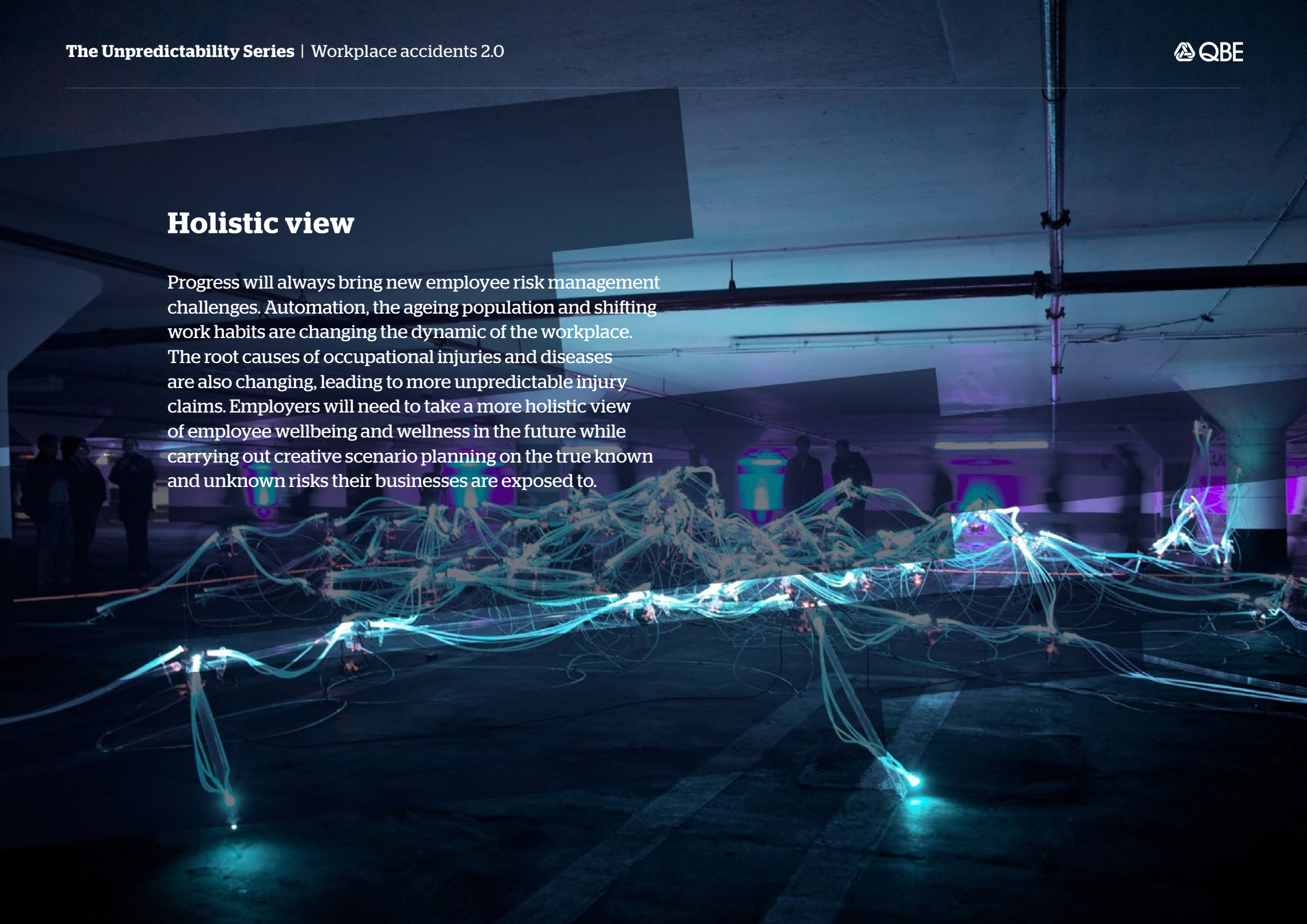
**increase in  
productivity**

Employee wellbeing injury claims are more unpredictable and require a different approach from insurers; with increased emphasis on loss prevention and mitigation services. Employers' liability insurance typically will only cover a small proportion of the cost of an employee being off work. To counter this, insurers are increasingly offering their own risk advisory services and partnering with third parties, acting as a gateway to innovative business risk management and loss prevention advice, solutions and technology. For example, wearable technology can help monitor and prevent

occupational back injuries in high risk sectors, like healthcare, warehousing, manufacturing, logistics and retail.

## Holistic view

Progress will always bring new employee risk management challenges. Automation, the ageing population and shifting work habits are changing the dynamic of the workplace. The root causes of occupational injuries and diseases are also changing, leading to more unpredictable injury claims. Employers will need to take a more holistic view of employee wellbeing and wellness in the future while carrying out creative scenario planning on the true known and unknown risks their businesses are exposed to.





## Keep in touch

If you haven't already signed-up to receive the Unpredictability Series you can do so at

**[www.QBEurope.com/unpredictability](http://www.QBEurope.com/unpredictability)**

Published August 2019

QBE European Operations

Plantation Place, 30 Fenchurch Street, London EC3M 3BD

Tel +44 (0)20 7105 4000 | [www.QBEurope.com](http://www.QBEurope.com)

QBE European Operations is a trading name of QBE UK Limited, QBE Underwriting Limited and QBE Europe SA/NV. QBE UK Limited and QBE Underwriting Limited are both authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. QBE Europe SA/NV is authorised by the National Bank of Belgium under licence number 3093.