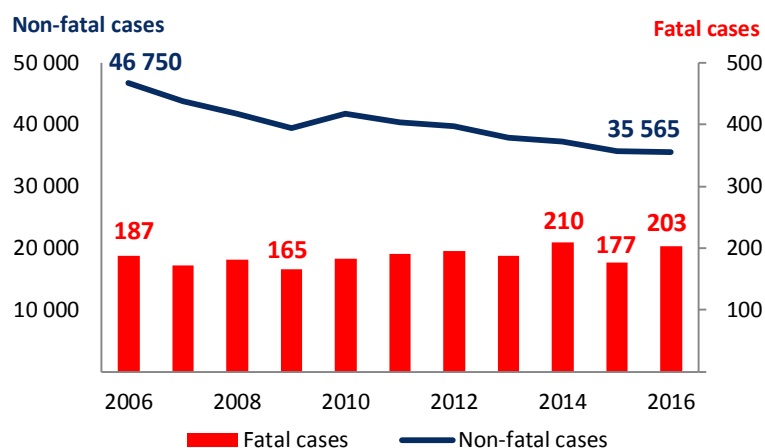




Occupational injuries and employees' compensation

Figure 1 – Fatal and non-fatal occupational injuries*, 2006-2016



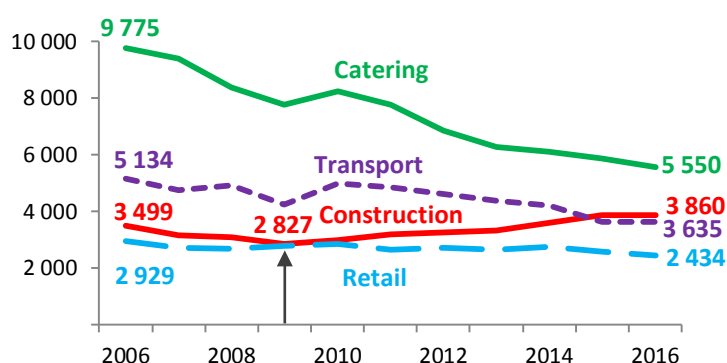
Note: (*) Occupational injuries refer to injury cases in workplaces (excluding marine industrial accidents) reported under the Employees' Compensation Ordinance, resulting in death or incapacity for work for more than three days.

Figure 2 – Occupational injuries by major sector in 2016

Sector	Non-fatal cases	% in total	Fatal cases	% in total
Catering	5 538	15.6%	12	5.9%
Construction	3 828	10.8%	32	15.8%
Transport	3 604	10.1%	31	15.3%
Retail	2 428	6.8%	6	3.0%
Others	20 167	56.7%	122	60.1%
Total*	35 565	100.0%	203	100.0%

Note: (*) Figures may not add up to the totals owing to rounding.

Figure 3 – Number of occupational injuries in four major sectors, 2006-2016

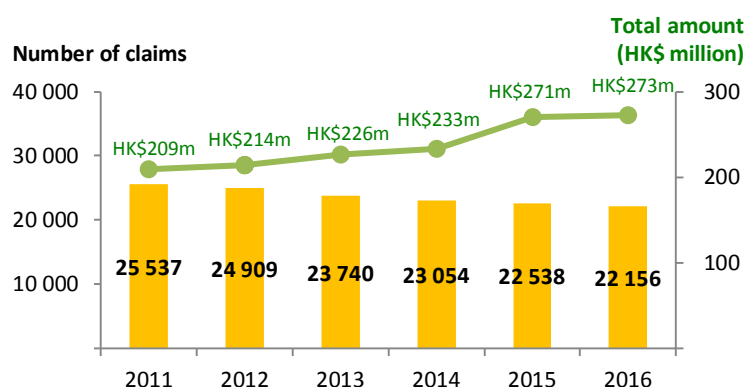


Highlights

- Over the past decade, occupational injuries have witnessed a cumulative decline of 24%, partly because of growing awareness of occupational safety in the community. As regards fatal cases, while the annual number hovered within a range of 165-210 during the past decade, it bounced up by 15% in 2016, mainly because of more fatal cases seen in various service sectors (**Figure 1**).
- Analyzed by sector, non-fatal occupational injuries were most often seen in the catering sector, accounting for 16% of the total in 2016. This was followed by construction (11%) and transport (10%). As regards fatal cases, the construction sector took up 16% of overall occupational deaths in 2016, followed by transport (15%) and the catering sector (6%) (**Figure 2**).
- Bucking the downtrend seen in most of the major sectors, occupational injuries in the construction sector have surged by a total of 37% during 2009-2016, along with growing intensity in the overall construction workload in recent years especially after commencement of a few large infrastructure projects (**Figure 3**).

Occupational injuries and employees' compensation (cont'd)

Figure 4 – Number and amount of employees' compensation claims settled, 2011-2016*



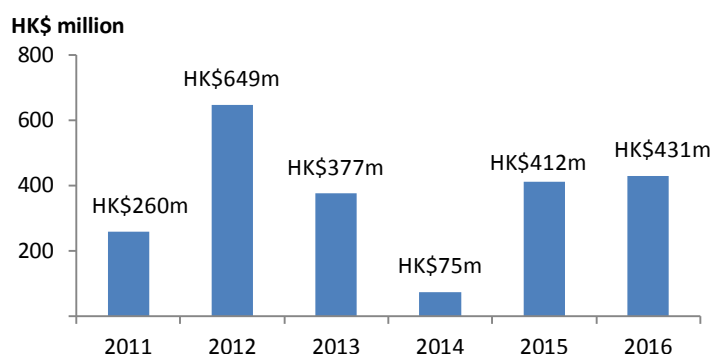
Note: (*) Including only cases involving incapacitation of employees for more than three days and settled in the same year.

Figure 5 – Employees' compensation claims by sector in 2016

Sector	Amount (HK\$ m)	%	No. of cases	%	Average amount (HK\$)
Construction	64.8	23.8%	1 382	6.2%	46,889
Social and personal services	48.0	17.6%	4 689	21.2%	10,237
Professional and business services	39.9	14.6%	4 457	20.1%	8,952
Transport and communications	37.9	13.9%	2 453	11.1%	15,450
Trades and hotels	33.9	12.4%	3 519	15.9%	9,633
Catering	28.4	10.4%	3 866	17.4%	7,346
Manufacturing	16.1	5.9%	1 327	6.0%	12,133
Others	3.6	1.3%	463	2.1%	7,775
TOTAL*	272.5	100.0%	22 156	100.0%	12,299

Note: (*) Figures may not add up to the totals owing to rounding.

Figure 6 – Underwriting loss of employees' compensation insurance business, 2011-2016



Highlights

- Employees suffering from occupational injuries or occupation diseases can claim compensation under the Employees' Compensation Ordinance. During 2011-2016, while the annual number of claims decreased by 13%, the total amount of compensation involved surged by 31% (Figure 4). To a certain extent, this rise in compensation was due to upward revisions of statutory levels of compensation after regular reviews. Also relevant was the increase in working days lost per case.
- Analyzed by sector, although the construction sector accounted for just around 6% of the compensation caseload in 2016, it took up 24% of the value of compensation. This was the highest amongst major sectors, partly attributable to the relatively high average amount of compensation (i.e. HK\$46,889) per case (Figure 5).
- All employers are required by law to take out insurance policies for employees' compensation. Due to increasing compensation payments, the employees' compensation insurance business recorded underwriting losses averaging at HK\$367 million per annum during 2011-2016 (Figure 6). Reportedly, some insurance companies have declined to underwrite policies for employers especially those in high-risk sectors.
- In May 2007, the insurance industry launched the Employees' Compensation Insurance Residual Scheme ("ECIRS") to provide last-resort coverage to those employers having difficulties in taking out employees' compensation insurance. ECIRS Bureau sets and reviews benchmark premium rates for the high-risks sectors through independent actuaries. By May 2017, it has offered more than 700 such policies.

Data sources: Latest figures from Employees' Compensation Insurance Residual Scheme Bureau, Insurance Authority, and Labour Department.

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