

THE ACCIDENT INSURANCE IN THE SLOVAK REPUBLIK

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The current social system of the Slovak Republik is based on the principles that do not fully respond to the changed social-economic situation after the year 1989. The running economic transformation and the related problems of the slovak economy, demographic development of the society and the other social changes required the need of the social reform. The first major step towards the realisation of this reform was the admission of the Law Nr. 413/2002 Coll. Of Acts on the social insurance (hereinafter „the law“), with the efficiency from the 1st of January 2004. From this date the present system of sickness insurance, the system of pension security and the system of employer's responsibility in case of accident at work and occupational disease, (hereinafter only „insurance of the employer's responsibility“) provided by the Social Insurance Agency, should be substituted by the social system consisting of the three insurance systems based on the principle of a higher personal participation of an individual on his/her security, on the principle of an adequate social solidarity and on the principle of a state guarantee.

The compulsory social insurance with regard to its purpose is divided into the three sub-systems: the sickness insurance, the pension insurance and the accident insurance.

The integration of the accident insurance into the compulsory social insurance is the result of an effort to adapt the legal character of the occupational accident and disease compensations to the new social-economic situation and progressively adjust not only the employees' security by means of the accident benefits in case of a health damage caused by an occupational accident or disease but also the compensation for the other natural persons by the taxatively determined law.

The Social Insurance Agency is a statutory institution independent from the governmental bodies with an independent budgetary control completely separated from the state budget. The Social Insurance Agency is governed by the self-governing bodies built on the tripartite principle (the representatives of the employers, the employees and the state). The Administrative Board of the Social Insurance Agency is elected by the National Council of the Slovak Republik (the Parliament). The guarantee of liquidity in accordance with the law is supplied by the state means and the state has the executive right over the compulsory social insurance.

The accident insurance in the current legislative form presents some significant differences in comparison with the current system of the occupational disease and accident compensation. The complex solution of the accident insurance that besides the tangible rights provisions includes also the law procedural side, the organisation and the accident insurance financing is new.

The accident insurance is constituted as a compulsory insurance of an employer that is supposed to protect him from the possible economic harm in case of his

responsibility for a damage caused by an occupational disease or accident of his employees according to the Labour Code. Therefore on the contrary to the sickness insurance and the pension insurance, the compulsory accident insurance is bound to the employer, who in the position of an insured person pays the accident insurance fees. At the same time, the accident insurance solves the guarantee of the occupational disease and accident compensation in accordance with The Convention of the International Labour Organisation No. 102 on the minimal social security standard and the Convention of the International Labour Organisation Nr. 121 on the occupational accident benefits. The accident insurance arises to the employer from the day he has at least one employer and finishes by the day he does not employ anyone.

From the accident insurance of an employer his employees do have an entitlement to the accident benefits in case of an accident at work after fulfilling certain conditions stated by the law. Entitlement to the accident benefits under the conditions stated by the law do have also the surviving relatives.

The personal range of the accident insurance is, on contrary to the current accident at work and occupational disease compensation, wider and covers also natural persons taxatively determined by the law, as for example a pupil of a secondary school or a student at the university who suffers from an injury during the practical education during the period of his/her professional (production) training, a natural person corporated in a Voluntary Fire Service of the Slovak Republik, a voluntary sanitariat of the Slovak Geneva cross, a voluntary member of a mountain rescue service and the other persons to whom it is desirable from the point of the social interest to compensate the health damage with a possibility of death that happened while performing the activities in the interest of the whole society (further „the natural persons“), by means of the limited accident benefits.

From the 1st of January 2004 the Social Insurance Agency will provide all the compensation payments resulting from the employer's responsibility in case of accident at work and occupational disease which have been reimbursed by an employer till now. The state will provide the financial means at the special Social Insurance Agency account to cover the costs associated with these compensation payments.

According to the conditions, stated by the law, the following accident benefits are going to be reimbursed from the accident insurance:

- accident extra – payment
- accident rent
- lump- sum settlement
- survivor's accident rent
- lump-sum compensation payment
- professional rehabilitation and rehabilitation benefits
- retraining and retraining benefits
- compensation for pain
- compensation for the difficulty with social reintegration
- compensation for the treatment costs
- compensation for the burial expenditures

In comparison with the current occupational disease and accident compensations, the part of an accident insurance is a wider range of compensations reimbursed as accident benefits to the damaged persons. The extension is presented mainly by the accident benefits that follow one of the main aims of the accident insurance, that is to help the damaged person with his/her social reintegration and reintegration at the labour market. These benefits are primarily the professional rehabilitation and retraining which are the facultative accident benefits according to the fact the providing of individual professional rehabilitation or retraining will be determined by the more objective facts e.g. the health damage level, the age of a damaged person, his personal interest in his professional reintegration and etc. During the professional rehabilitation of a damaged person, he will receive the rehabilitation benefits as a compensation for an earning income, during his/her retraining period he will receive the retraining benefits.

The accident insurance benefits provided from the accident insurance are the compensation benefits and with to the conjoint receipt of the sickness or the pension insurance benefits they have an extended character.

By the accident benefits such as the accident rent and the survivor's accident rent valorisation is ensured.

The new component anchored in the Law is the ambition of the accident insurance to contribute to support the preventive action to increase the employers' care for the safety and the health prevention at work and so eliminate the possibility of work injuries and occupational diseases at the work place.

This element that is supposed to economically motivate employers to prevent work injuries and occupational diseases and so reduce the insurance claims, liquidated from the Basic Social Insurance Funds, is the implementation of a differential insurance rates for the accident insurance and the implementation of the system of the surcharges to contribution (maluses) and the contribution discounts (bonuses) in accordance with the safety risk level and the level of the care pursued by an employer to the safety and protection of health of his employees at work.

For the purpose of the contribution rate differentiation according to the real safety risk by performing the individual economic activities, classified according to the Sector Classification of Economic Activities (OKEČ), will after the transitional period from the 1st January 2004 until the 31st December 2006, in which the principle of the equal initial conditions will be applied for all the employers by the establishment of the standard insurance rate for the accident insurance 0,8%, will this standard contribution rate be substituted by the differential contribution rates in the range from 0,3% to 2,1% allocated to the ten riskiness groups.

Those economic activities which will declare a similar safety risk rate found on the basis of the evaluation of the statistical data and other factors listed in the law will be implemented into the individual riskiness groups.

The safety risk in connection with the economic activities performance evaluation is seen as a characteristic indicating the objective danger - risk rate of the performed economic activity, the achieved level of the safety and health protection of

employees, safety of the indicators of the working process including the work environment as well as the achieved level of prevention by a concrete employer. Its evaluation will result from the statistical data achieved by the Social Insurance Agency from the accident insurance performance for the period from the 1st of January till the end of the year 2005.

Each employer will be integrated into one of the 10 riskiness group according to his/her prevailing economic activity and he/she will pay contributions for the accident insurance stated in the percentage rate corresponding to the particular riskiness group from the assessment base (total assessment base of the employees) achieved in the decisive period which is the calendar year for which the contribution is being paid.

In contrary to the assessment base for the sickness and the pension insurance contribution payment there is no maximum rate for the assessment base for the accident insurance fees payed by an employer. This fact is reflected in defining the assessment base for the accident benefits amounts without the maximum rate.

The other device that is supposed to come into efficiency according to the law from the year 2007, will be the system of the surcharges and discounts. It is an economic activity aimed to support the prevention by the integration of the self – employed persons who can partially regulate the costs associated with the accidental insurance contributions by means of their efforts to achieve the accident contribution discounts.

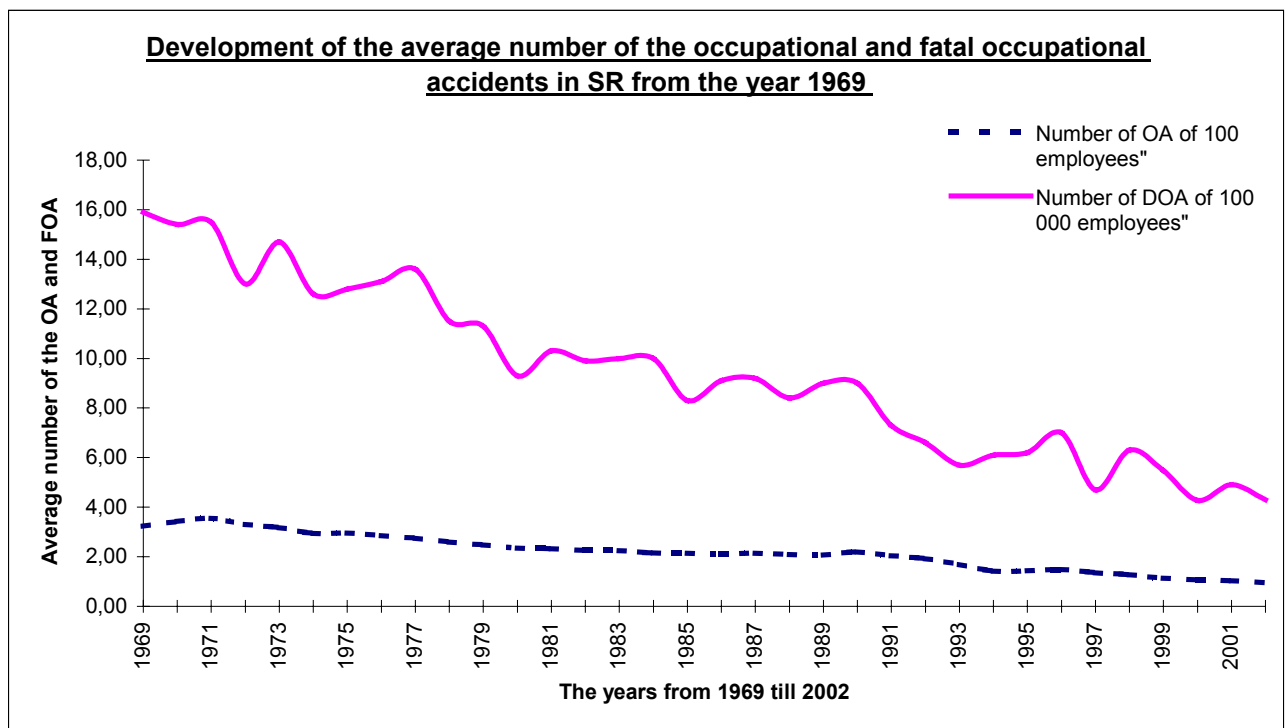
The expected economic impact of the mentioned devices, which can present an alternative for an employer to decrease his payroll transfer duty on one side or an economic pressure to change his insufficient approach to solve the problems causing occupational accidents and diseases, is a decrease of the occupational accidents and diseases with their negative social impact.

Development of occupational accidents in Slovakia in years 1969 - 2002

Year	Average number of workers	Number of occup. accidents	Number of work incapacity days	Number of OA per 100 workers	Average % of work incap. per 1 accid.	Number of incapac. days per 1	Average daily situat. in work incapacity	Num. of fatal accid.	Number of fatal per 100 000 workers	Number of occupational diseases
1969	1 916 484	61 868	1 823 016	3,23	0,261	29,47	4 995	304	15,86	640
1970	1 953 573	66 857	1 861 759	3,42	0,261	27,85	5 101	300	15,36	705
1971	1 992 735	70 657	1 824 468	3,55	0,251	25,82	4 999	289	14,50	806
1972	2 038 470	67 172	1 706 237	3,30	0,229	25,40	4 662	265	13,00	858
1973	2 088 306	66 368	1 681 274	3,18	0,221	25,33	4 606	306	14,65	838
1974	2 145 241	63 250	1 646 812	2,95	0,210	26,04	4 512	271	12,63	717
1975	2 196 022	65 102	1 669 746	2,96	0,208	25,65	4 575	281	12,80	717
1976	2 237 685	63 997	1 655 341	2,86	0,202	25,87	4 523	293	13,09	802
1977	2 279 275	62 807	1 673 175	2,76	0,201	26,64	4 584	309	13,56	886
1978	2 321 951	60 389	1 638 062	2,60	0,193	27,13	4 488	267	11,50	798
1979	2 364 214	58 517	1 602 864	2,48	0,186	27,39	4 391	266	11,25	739
1980	2 406 898	56 586	1 604 465	2,35	0,182	28,35	4 384	223	9,27	890
1981	2 446 842	56 690	1 622 128	2,32	0,182	28,61	4 444	253	10,34	968
1982	2 466 635	55 752	1 589 857	2,26	0,177	28,52	4 356	245	9,93	1 020
1983	2 510 991	56 379	1 601 060	2,25	0,175	28,40	4 386	250	9,96	896
1984	2 541 946	54 690	1 572 259	2,15	0,169	28,75	4 296	253	9,95	920
1985	2 567 487	54 858	1 560 514	2,14	0,167	28,45	4 275	212	8,26	916
1986	2 577 849	54 269	1 552 148	2,11	0,165	28,60	4 252	235	9,12	844
1987	2 589 741	55 438	1 573 327	2,14	0,166	28,38	4 310	237	9,15	911
1988	2 604 643	54 563	1 564 270	2,09	0,164	28,67	4 274	219	8,41	840
1989	2 605 042	53 695	1 554 914	2,06	0,164	28,96	4 260	234	8,98	881
1990	2 536 593	55 868	1 641 108	2,20	0,177	29,37	4 496	229	9,03	945
1991	2 332 409	47 601	1 502 911	2,04	0,177	31,57	4 118	171	7,33	1 053
1992	2 128 419	40 873	1 348 455	1,92	0,173	32,99	3 684	141	6,62	779
1993	2 059 557	34 875	1 189 759	1,69	0,158	34,11	3 260	117	5,68	782
1994	1 998 526	28 386	998 444	1,42	0,137	35,17	2 735	121	6,05	532
1995	2 048 254	29 287	1 023 567	1,43	0,137	34,95	2 804	127	6,20	434
1996	2 149 456	31 994	1 121 489	1,49	0,143	35,05	3 064	151	7,03	405

1997	2 135 199	28 930	1 091 780	1,35	0,140	37,74	2 991	100	4,68	429
1998	2 199 802	28 105	1 046 177	1,28	0,130	37,22	2 866	138	6,27	501
1999	2 102 060	24 023	942 700	1,14	0,123	39,24	2 583	115	5,47	422
2000	2 057 437	22 116	855 713	1,07	0,114	38,69	2 344	88	4,28	439
2001	2 035 316	20 889	835 945	1,03	0,113	40,02	2 290	100	4,91	430
2002	2 023 454	19 439	800 189	0,96	0,108	41,16	2 192	87	4,30	423

Source: Publication of Statistical Office of the Slovak Republic "Work Incapacity due to Injury and Disease in 2002" no. 600-0013/02, Publication code: 160502, Date of issue: February 2002



OA – Occupational accident
FOA – Fatal occupational accident

SAFETY AND HEALTH PROTECTION AT WORK IN SLOVAK REPUBLIC

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Safety and health protection at work is inseparable part of the society's life and directly or indirectly it is concern of every citizen.

The very representative role has the State in this important social area, which in the Constitution of the Slovak Republic guarantees to employees the right for safety protection and health at work and the rightful and satisfactory working conditions. By the framework of legislative regulations the State constitutes the principles to meet this constitutional right and at the same time ensures adherence of these provisions.

Implementation of safety, health protection at work and creation of working conditions requires concentrated strategy and unified action of all interested ministries and social partners.

Development in the area of safety and health protection at work and new international trends necessitated to formulate joint strategy of state and society for promotion of safety and health protection, to create positive social awareness with aim to comply legal duties and principles against unfavourable work effects.

Particular representation of such orientation is the Resolution of Government of the Slovak Republic no. 838/2002 of 7 August 2002 by which was adopted

Occupational Safety and Health State Policy Strategy

to which is attached

Programme of Realisation of the Occupational Safety and Health State Policy Strategy – The National Programme.

In coming period the main task of all parties concerned will be the realisation of **The Aims of Occupational Safety and Health State Policy Strategy for 2002-2006**, focused first of all on:

- permanent improvement of OSH, working conditions, working environment and reduction of occupational accidents and occupational diseases
- complex approach for solution of the occupational safety and health tasks

- assessment and prevention of risks, to increase the ability to identify risks inclusively new risks and to manage them and progressive measures of good practice
- training and promotion of citizens' awareness, school preparation, courses and motivation of employees
- constitution of partnership among all interested parties, mainly in involvement of employees into OSH tasks.

These aspects are described in details in above mentioned Governmental Document and there are proposed orientations minimally to assess the state policy, the co-operation of social partners, the promotion of introduction of OSH management systems in undertakings, the co-operation with professional and employers associations, the promotion of information technologies, creation of welfare at work, increase of work culture, enforcement of OSH legislation, **reassessment of competencies of inspection and supervision organs, rationalisation labour inspection activities**, the system of education and training, promotion of science and research, harmonisation of national legislation with EU and ILO legislation, the stimulation of employers to eliminate harmful working conditions, to create conditions with regard to ensure participation of experts in international and European institutions etc.

In this document there are also outlined relations to other strategies and programmes.

The part of this document is working document that is setting responsibilities of involved parties for fulfilment including schedule of their fulfilment:

“Programme of the Realisation of the OSH State Policy Strategy – National Programme”

from which follow tasks for year 2003 and next years, and particularly:

- to make more effective the work of Permanent Tripartite Commission for safety and Health Protection working under the Council of Economic and Social Agreement of the Slovak Republic
- to ensure bipartite co-operation at branch and regional level
- to organise campaigns in media, to introduce in press regular OSH columns etc,
- to promote introduction of OSH management systems in enterprises, to publish rules of good practice.

The Strategy is the part of effort expressed in different forms in documents linked to accession process and to overall effort to be harmonised also in the area of the occupational safety and health with EU member states.

This strategic document has been prepared as consensus of the representatives of the Ministry of Labour, Social Affairs and Family, National Labour Inspectorate, Ministry of Health, Ministry of Environment, Ministry of Interior, Ministry of Defence and other ministries, representatives of the Confederation of Trade Unions and Federation of Employers Associations, representatives of science and research, Universities and other involved parties.

Enforcement of requirements in the area of OSH

At present time several state administrative organs carry out supervision over OSH, particularly:

- a) supervision over safety and health protection at work, technical equipment safety, labour regulations, provisions on wages and collective agreements, according to Act of the National Council of the Slovak Republic no. 95/2000 Coll. on Labour Inspection is carried out by National Labour Inspectorate and Labour Inspectorates,
- b) supervision over safety and health protection at work, technical equipment safety and working conditions in mine activities and activities performed by mine method is performed by state administrative mine authorities according to Act no. 51/1988 Coll. on Mine Activities, Explosives and on State Mine Administration in the wording of latest provisions
- c) supervision over fulfilment of the Act on the Protection of Human Health and on treatment for health working conditions, as well as fulfilment of issued provisions and decisions is performed by state health supervision authorities according to Act of the National Council of the Slovak Republic no. 272/1994 Coll. on the Protection of Human Health
- d) supervision over selected technical equipment in the department of transportation, posts and telecommunications is performed by the departmental authorities
- e) supervision in selected premises of the Army of the Slovak Republic, Ministry of Interior is performed by departmental authorities.

The Ministry of Labour, Social Affairs and Family, National Labour Inspectorate and Labour Inspectorates carry out state administration in the area of labour inspection according to Act no. 95/2000 Coll. on Labour Inspection in the wording of latest provision.

By adoption of mentioned law significant changes took place in the position of executive organs of labour inspection what necessitated to establish such organisational structure at National Labour Inspectorate with aim to guarantee effective fulfilment of tasks not only in the area of safety and health protection at work, but also in new areas – industrial relations, provisions on wages and commitments following to collective agreements.

The Ministry of Labour approved present organisational structure of the NLI and there are four departments for labour inspection and four for administrative activities.

National Labour Inspectorate (NLI) according to Act no. 95/2000 Coll. on Labour Inspection in the wording of the Act no. 231/2002 Coll.

- **manages and controls Labour Inspectorates**
- ensures operation of labour protection information system
- carries out labour inspection in the area of nuclear power energy
- secures education and professional training of labour inspectorates employees
- takes part in preparation of conceptual documents in the area of labour protection.

The major task of Labour Inspectorates is enforcement of employees' protection at work and performance of state administration in the area of labour protection according to Act no. 95/2000 Coll.

Inspection activities are aimed on:

- supervision over adherence of legal regulations and other regulations for assurance of safety and health protection at work
- assurance of technical equipment safety including the provisions which govern factors of the working environment
- supervision over industrial relations (*creation, amendment and termination of legal relations, working conditions of employees inclusive of working conditions for women, adolescents and persons with altered working capacity*), *provisions on wages and commitments following to collective agreements.*

Very important area is provision of advisory to employers, employees and natural persons in the area of labour protection.

The most frequented questions within advisory had been related to issues on fulfilment of duties following from the Act no. 330/1996 Coll. on Safety and Health Protection at Work and linked regulations.

Slovak Republic has been transposed the whole framework of *acquis communautaire* of the EU in the field **safety and health protection** (negotiation Chapter 13 "Employment and Social Affairs").

But still exist some disproportions in competencies with the Ministry of Health regarding transposition of EU law – so called dual system of supervision over adherence of legislation in the area of occupational safety and health protection at work, especially the Framework Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work and linked Directives (adopted in the Slovak Republic in form of Governmental Ordinances of the Slovak Republic). Above mentioned creates an obstacle for the Slovak Republic to perform so-called **integrated labour inspection**.

EU experts from Sweden and Germany also expressed this opinion during transposition of the Framework Directive. They also stated that in this area the system was not established which is taking into consideration the holistic view of the Framework Directive where the safety and health are combined. Moreover, some parts of the Framework Directive have been transposed by the Act no. 272/1994 Coll. on the Protection of Human Health including detailed requirements that shall not be regulated by act.

According to EU experts this situation constitutes opacity in legislation – overlapped acts (Act no. 330/1996 on Safety and Health Protection at Work and Act no. 272/1994 on the Protection of Human Health), where is **missing holistic view onto workplace**.

The appropriate way for performance of labour inspection is outlined in the Safety and Health Protection State Policy Strategy. The aim of the Strategy is to establish integrated labour inspection (according to requirements of international institutions which are given first of all in regular evaluation reports of the EU and according to statements of LIO experts e.g. Mr. von Richthofen). From mentioned recommendations follows the need of emendation of respective competence laws

and particularly Act no. 95/2000 Coll. on Labour Inspection and Act no. 272/1994 Coll. on the Protection of the Human Health.

Information, educational and training activities

Occupational safety and health protection at work and risk prevention methods are included in scholar preparation of pupils and students who are preparing for the job performance and as well in further training of adults including re-qualifications. Employer shall ensure that part of professional education and training programme of all employees is safety and health protection and risk prevention.

Physical and natural persons may perform advisory, education and training in the area of occupational safety and health at work, technical equipment safety and determined working conditions as entrepreneur activity based on authorisation which is issued by labour inspection authority or by respective supervision authority.

Stipulations of the Act on Safety and Health Protection at Work oblige the employers in addition to other duties to identify dangers and harms, to assess risks, to eliminate them and to acquaint employees on such risks. This principle follows from the principles of the new Policy of the EU member countries in the area of OSH, according to which is not enough to issue and comply the safety regulations but it is necessary that employer ascertained, that occupational safety and peoples' lives are not endangered by the working activity and he or she actively according to specific conditions at the workplace identifies and eliminates such factor that might cause accident or other health damage.

To comply this legal requirement NLI has issued guideline for employers "Risk Assessment". Important role and assistance in identification of risks represents advisory provided by labour inspectors directly in enterprises to employers during inspection visits or at labour inspectorates during assigned days and/or daily by telephone.

Performance of labour inspection of employers is carried out all above according to Act no. 95/2000 Coll. on Labour Inspection in the wording of the Act 231/2002 Coll. and at the same time according to principles of the internal guidelines with the aim to reach some level of the standardisation of labour inspection activities and outcomes, e.g. Guideline for Labour Inspection Performance, Guideline for Investigation of Events by Labour Inspection and Guideline for Market Surveillance.

If necessary these procedures are modified, e.g. in case of realisation of special tasks (check-ups with special regime) where labour inspection performance is carried out with specified aim and extent, for instance control of illegal employment, provision of personal protective equipment. For these purposes the regulations are arranged together with preparation process and processing of check-up results. During these check-ups it is supposed advisory activity together with promotional means for presentation of such issues – e.g. guideline, brochure (in last period most frequently provided brochure are the rules of good practice **OSH Management Systems – guide on introduction of the system**). Basic advisory provided in such regime has different effect as advisory provided in premises of labour inspectorates. Mostly these check-ups are targeted on small and medium sized enterprises.

Moreover it should be said that also international contacts are oriented on acquiring of new knowledge from the area of safety and health protection at work, technical equipment safety, publicity in the area of OSH, information systems and supervision in the area of nuclear power energy. They are also focused on study and knowledge of labour inspection systems in EU member states and candidate countries (Czech Republic, Poland, Slovenia, Hungary) with aim to exchange experience in adaptation of legislation and labour inspection system to EU requirements.

These contacts are mostly realised by participation on expert seminars, study visits, international forums, regular meeting of international institutions and/or screening meeting, visits of exhibitions and fairs on health and safety issues and by visits of partner organisations with aim to exchange experience in the area of labour inspection, OSH management systems etc.

Conclusions and some perspectives

In spite of economic situation the majority of deficiencies occur as result of insufficient, of poor quality and non-system management in the area of safety and health protection at work.

Mentioned situation is the challenge for the labour inspection that the priority attention should be given to control and enforcement of requirements following from the Act no. 330/1996 Coll. on Safety and Health Protection at Work and especially to put importance on employers **system management of the safety and health protection at work.**

To meet these intention and other goals is possible to reach via conceptual policy and by preparation of programmes with clearly set tasks and single steps.

In spite of this concept and based on guideline prepared by NLI

Rules of the Good Practice

Management System of the Occupational Safety and Health

Guide on how to introduce

it is perspective to prepare specific guidelines which will take into consideration the size of enterprises, infrastructure and working risks.

Eventually, the development can be estimated after appropriate regulation and strengthening of employers' and employees' motivation for care for safety and health protection at work by effective economic instruments (for instance accident insurance, systems and programmes of tax allowance) respectively with promotion and co-operation of tripartite partners at national and enterprise level.

