



# The compensation systems for occupational injuries and diseases in Germany and in the EU

A one stop shop for  
Prevention, Rehabilitation and Compensation



## **Legal Mandate** of German social accident insurance

BGs have to

- assist employers in **preventing** work accidents, occupational diseases and work-related health hazards,
- **investigate** their causes,
- **provide** effective First Aid,
- **reduce** the effects of occupational accidents and occupational diseases

**„with all suitable means“.**

## Social accident insurance – a one stop shop

### Prevention

(preventive measures)  
billion € 0.8



### Rehabilitation

(medical benefits, occupational  
and social rehabilitation)  
billion € 3.1

### Compensation

(financial benefits)  
billion € 5.6

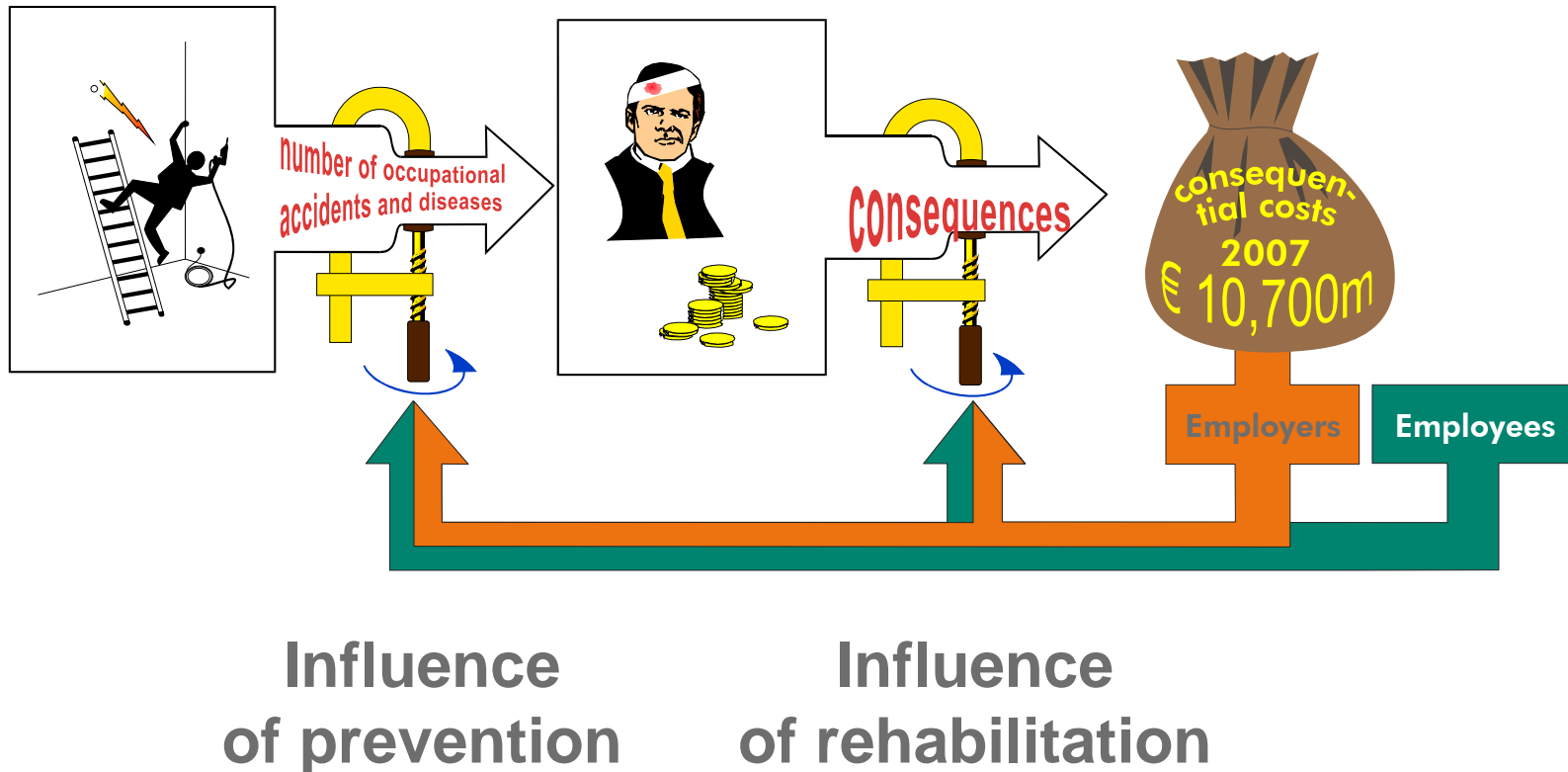


## Key principles

- **prevention before rehabilitation**
- **rehabilitation before compensation**

**„with all suitable means“**

## Germany: The effects of prevention and rehabilitation



## Common goals of **social security in the EU**

- **social cohesion**
- **equality** between men and women
- **equal opportunities** for all
- adequate, accessible, financially sustainable, adaptable and efficient **social protection systems**
- **good governance, transparency** and the **involvement of stakeholders** in the design, implementation and monitoring of policy (...)

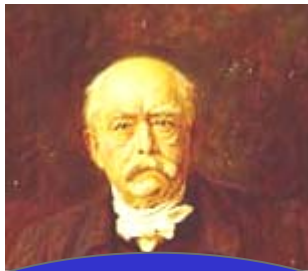


# Overview of accident insurance systems (workers' compensation) in **Europe**

- 27 different systems in the EU,
- "One" European model of statutory accident insurance does not exist,
- **But:** three main categories



## Main types of accident insurance systems in the EU



**Bismarck  
System**




**Beveridge  
System**

**Private System**

# Bismarck System



Otto von Bismarck (1815-1898)

- Solidarity-based system, compulsory membership
- Financed by contributions paid exclusively by employers
-  Pay-as-you-go-system
- non-profit-making

# Bismarck System




Otto von Bismarck (1815-1898)

- Institutions managed by representatives of employers and employees
- Unity of prevention, rehabilitation and compensation
- **Germany, France, Poland, Austria, Luxembourg, Italy, Lithuania**



William Beveridge (1879-1963)

# Beveridge System

- Government to provide a minimum standard of living “below which no one should be allowed to fall”
- Shifting labour costs like healthcare and pensions out of corporate ledgers and onto the public account
-  tax financed



William Beveridge (1879-1963)

# Beveridge System

- Solidarity-based
- Entirely tax-financed
- Non-profit-making
- State-run
- No prevention and social rehabilitation service
- **United Kingdom**



## Private Insurance

- Compulsory insurance scheme (free choice of insurance)
- Financing is based on capital funding
- Generally covers only work accidents whereas the risk of occupational diseases is covered by public funds
- Only compensation
- Profit-oriented
- **Belgium, Portugal, Denmark, Finland**



## The rest of Europe ...

- Few European countries have no specified insurance systems for occupational accidents and diseases (Netherlands, Greece, Slovenia, Hungary, Estonia).
- The systems of workers' compensation in some European countries are **mixtures** of the models described in this presentation!
- All systems are especially **adapted to the individual needs, structures and mentalities** of the society and economy in which they exist.

## General recommendations

The **workers' compensation system** should be **in line with** the existing **labor protection** and **rehabilitation system**. Coming from European experience a system should include:

- **a transparent classification and identification system for occupational diseases and accidents**
- **a binding list of occupational diseases**
- **rules for the social security of migrant workers**
- **a solid system for reporting of accidents and diseases**
- **A one stop strategy for prevention, rehabilitation and compensation.**

**Thank you for your attention!**



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