

## Workmen's Compensation Simplified

Written by Sheq Management

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The Federated Employer's Mutual Assurance Company (FEM) explains how it enables easier management of workmen's compensation for its clients in the construction sector

Workmen's compensation is a compulsory assurance that is taken out by a company to cover its employees in the unlikely event that they are injured, or contract an illness while performing their daily work duties.

### What is covered by this insurance?

Workmen's compensation cover is prescribed by the Compensation for Occupational Injuries and Diseases Act 130/1993 (COIDA). This assurance typically covers accidents that arise out of and during employment resulting in personal injury or illness; occupational diseases contracted in the workplace, and fatalities resulting from an accident while on duty.

### Who provides this insurance?

Employers within the construction sector can get cover through FEM, which is one of only two private companies licensed by the Department of Labour (DoL), to provide COIDA cover outside of the Compensation Fund. FEM is the only company that provides cover for the construction sector.



### About FEM

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FEM was established as a mutual insurer in 1936 to provide more affordable assurance for the construction industry, after new legislation forced all industrial employers to insure their workers against accident or injury.

The introduction of the Workman's Compensation Act of 1941 saw FEM being granted a licence to continue to transact workmen's compensation insurance for the construction industry. FEM operates in line with COIDA.

### **Why join FEM?**

FEM specialises in providing COIDA cover to the construction sector and has a track record of more than 80 years. Good health and safety practices are rewarded through merit rebates, which are incentives paid back to the policyholder for a good safety track record.

Policyholders with a claims experience of ten percent or less of their total annual premium can get up to 50 percent of their premium paid back to them, subject to certain terms and conditions. FEM also issues Letters of Good Standing.

### **How does FEM use technology?**

FEM provides easy access to online assessments. The company has embraced technology which allows its clients to complete their documentation online to speed up the Return of Earnings process.

### **How are premiums calculated?**

Premiums are based on the total amount of wages paid per annum. Depending on the nature of the business, a predetermined percentage – as set by the Compensation Commissioner – is

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applied to the annual wages, which will determine the premium.



On payment of the premium, a Letter of Good Standing is issued, which will grant access to construction sites to perform work. Letters are valid for up to 15 months subject to terms and conditions.

### **Where do employees go for treatment?**

FEM works closely with an array of service providers, including a vast network of private hospitals, to ensure employees receive the best possible medical care after any injury.

The cover includes the immediate treatment of an injury, the transport to and from a hospital, as well as follow up treatment and ongoing care to ensure the employee is fit and ready to resume their duties.

### **Who administers the claims?**

Personalised claims services are provided by FEM's team of specialised administrators to ensure that the administration burden is taken off the clients' shoulders. As experts in the field, FEM will guide its clients through the claims procedure; leaving them the time to fulfil their core functions.

### **FEM's corporate social investment (CSI)**

FEM is committed to making a positive contribution to South Africa. The company has a structured CSI programme covering areas such as housing, health, social services and

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education.

In addition, in 2016 FEM committed R750 million to set up the FEM Education Foundation to contribute towards education and leadership development.

The company has, to date, partnered with the Make a Difference Leadership Foundation and the Columba Leadership Trust, to provide much-needed funding towards education and development of leadership skills among young South Africans.