

## 7. Work Injury Insurance

### A. Benefits

Work Injury insurance is intended to compensate insured persons<sup>1</sup> who have been injured at work, in an accident<sup>2</sup>, or contracted a work-related illness<sup>3</sup>, for the loss of salary or income in the period following their injury in which they are incapable of working, or for the physical or mental damage suffered due to the injury. The insurance also helps these individuals to return to work with the assistance of occupational rehabilitation. Assistance to work injury victims is given in several ways:

1. **Injury allowance** – payment for absence from work, for a maximum of 91 days (13 weeks)<sup>4</sup> from the first day following the injury, for anyone injured at work or who contracts an occupational illness, and as a result is incapable of engaging in his occupation or in other suitable work and is not actually working, and requires medical treatment. The payment is equivalent to 75% of the injured person's average wage in the three months prior to his injury, up to the maximum (in January 2012 – NIS 1,059.38 per day).
2. **Work-related disability benefits** – paid to persons who suffer a work-related injury, and who as a result of the injury, are temporarily or permanently disabled.
  - **Temporary disability pension** – paid to the work-injured whose certified degree of temporary disability is at least 9%<sup>5</sup>;
  - **Permanent disability pension** – paid to the work-injured whose certified degree of permanent disability is at least 20%, according to their degree of medical disability relative to the injured person's earnings in the three months prior to the injury (the maximum amount in January 2012 was NIS 31,781 for a salaried employee and a self-employed person).

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1 An insured for work injury purposes is one of the following: a salaried person (since April 1954), a self-employed person (since July 1957), a person in occupational rehabilitation, a person in occupational training, a person being tested pursuant to the Apprenticeship Law or the Employment Service Law (during such testing only), a working prisoner, a foreign resident employed by an Israeli employer (since 1970), an Israeli resident overseas in certain conditions (since 1970), a person whose salary is determined by law (such as a member of the Knesset), workers covered by the Work of the Emergency Services Law.

2 A work accident – an accident that occurs in the course of and due to the person's work, including an accident on the way to and from work, and an accident in the circumstances specified in the law.

3 Occupational illness – an illness contracted due to the person's work and appearing in the list of occupational illnesses specified in the law. Occupational illnesses are listed in the Second Addendum to the National Insurance Regulations (Insurance for work related injury), 5714-1954.

4 Until 31.1.2002 persons injured at work were entitled to payment of an injury allowance for a maximum period of 181 days (26 weeks). For the first two days following the day of injury, injury allowance is only paid to those who are unable to work for 12 or more days. Following the 2005 amendment to the law, the period of eligibility for injury allowance at the employer's expense was increased from 9 days to 12 days. Those who have no employer, such as the self-employed, are not entitled to payment for the first 12 days, except for those who employ someone to work in their home.

5 Until 2005 the work-related disability grant and the temporary disability benefit were paid to those with 5% or more disability.

The amount of the temporary or permanent disability pension is set at 75% of the injured person's income in the three months prior to the injury multiplied by the degree of disability.

- **A work-related disability grant** – a lump-sum payment at the rate of the monthly benefit paid to a work-injured person with a permanent disability rating between 9% and 19%<sup>6</sup>, multiplied by 43;
  - **A special pension** – paid in addition to the monthly benefit to the work-injured whose certified degree of permanent disability is at least 75% (and others as specified in the Law), who require assistance with daily activities (the maximum amount in January 2012: NIS 7,945).
  - **A special grant** – paid to the work-injured whose certified degree of permanent disability is at least 75% to pay for one-time expenses due to their disability: home adaptations, purchase of equipment and purchase of a vehicle to solve mobility difficulties (only for those with restricted mobility).
3. **Dependents' benefits for work-related injuries**<sup>7</sup> are paid to the widow/er, orphans, parents (and in special circumstances, other family members) of an insured who dies due to a work-related accident, providing they were dependent on the insured for their subsistence. The benefits can be paid as a pension, grant, marriage grant, subsistence allowance for orphans, Bar Mitzvah grant or death grant.

The amount of the dependents' pension ranges from 40% to 100% of the full pension that would have been due to the insured if he was left with 100% disability, and according to the number of his dependents. The pension is paid to a widow with dependent children living with her or who has reached the age of 40 or who is unable to support herself, and to a widower with a child or who has reached the age of 40 and is unable to support himself (and whose gross income in January 2012 was less than NIS 4,913 per month). The full amount of the dependents' benefit is 75% of the deceased's wage during the determining period. The amount of a partial benefit is determined according to the degree of eligibility<sup>8</sup>.

4. **Medical treatment expenses (including hospitalization and medical rehabilitation)** – Medical treatment for the injured is provided by the NII through the sick funds (which receive payment back from the NII) from a supplier of full medical treatment for persons injured at work, including, if necessary, medical rehabilitation, convalescence, nursing services, etc.

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6 Anyone injured before July 1st, 2003 received a grant equal to 70 benefit payments.

7 The dependents' benefit includes the dependents' pension, dependents' grant, marriage grant, occupational rehabilitation for a widow/er who receives the dependents' pension, living allowance for orphans, Bar Mitzva grant and death grant.

8 The rate of the dependents' pension according to the number of dependents and their relationship to the insured is specified in Section 132 of the Law.

5. **Vocational rehabilitation** is provided to a disabled person whose degree of permanent disability is at least 10%, and who, as a result of a work-related injury, is incapable of returning to his previous job or to any other job. Vocational rehabilitation is provided also to the widows of victims of work-related injuries.

## B. Injury Allowance Recipients

Injury allowance is a short-term benefit paid for a maximum of 91 days to someone injured at work. In 2012 the number of recipients reached 69,693 – an increase of 3.2% compared to 2011 (Graph 1).

**The number of days of work incapacity** also increased, reaching 2,518,876 days in 2012 – an increase of 4.7% compared to 2011. The average number of days of work incapacity per injured person rose to 36.1 days, an increase of 1.4% (Tables 1 and 2).

The number of recipients of injury allowance increased alongside the increase in the total number of people employed. In 2012 recipients of the allowance represented some 2% of all employed persons (Table 2).

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**Table 1**  
**Employed Recipients of Injury Allowance and Days of Work Incapacity, 2008-2012**

Year	Employed persons (thousands)**	Recipients of injury allowance	Days of work incapacity	
			Total	Average per injured person
2008	3,093.4	69,734	2,408,514	34.5
2009	3,116.9	65,814	2,306,267	35.0
2010	3,214.0	67,633	2,406,337	35.6
2011	3,321.6	67,556	2,405,938	35.6
2012	3,426.8	69,693	2,518,876	36.1

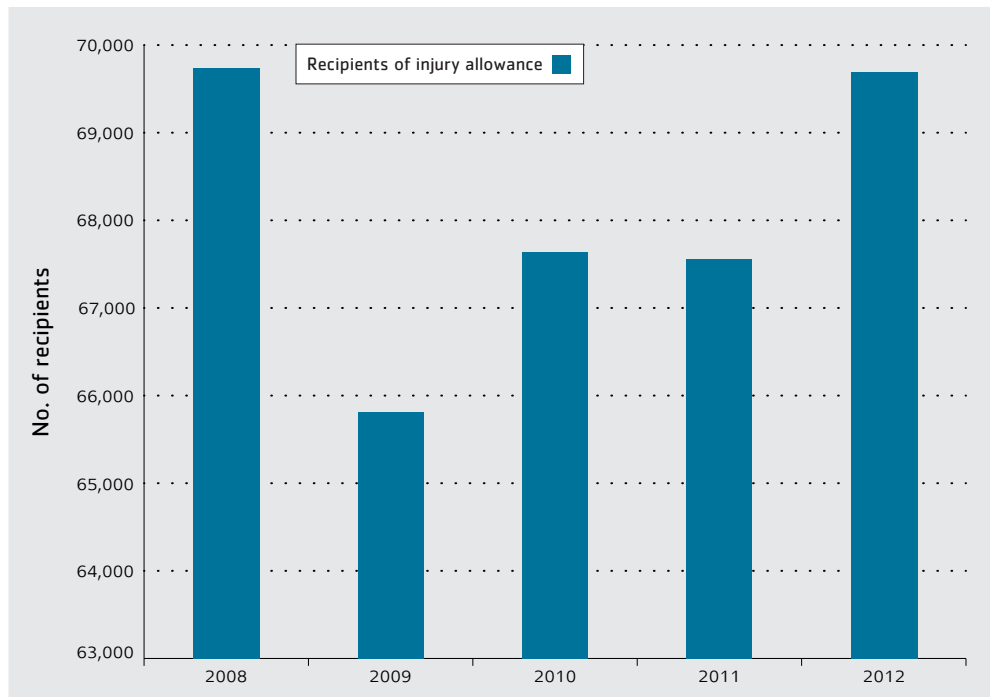
\* Since 1997, includes work injured who did not actually receive payment from the NII, due to the legislative amendments that year, but had been approved and would have been eligible for payment had it not been for the amendments.

\*\* As per data from National Accounting, the Central Bureau of Statistics 2012. "Employed" include Israelis, foreign workers (reported and unreported) and residents of Judea, Samaria and the Gaza Strip.

**Table 2**  
**Rate of Change in Recipients of Injury Allowance and Days of Work Incapacity (percentages), 2008-2012**

Year	Recipients of injury allowance as a percentage of all employed persons	Average rate of annual change		
		Number of employed	Recipients of injury allowance	Average number of days of incapacity
2008	2.3	4.2	3.07	1.8
2009	2.1	0.8	-5.62	1.5
2010	2.1	3.3	2.76	1.7
2011	2.0	3.3	-0.11	0.0
2012	2.0	3.2	3.16	1.4

Graph 1  
Recipients of Injury Allowance, 2008–2012



The gradual decrease in this number began in 1996 and continued until 2012 (Table 2), and it occurred concurrently with changes in legislation – obliging employers to pay for the first days, and revoking eligibility for this payment from those who had no employer (in 1997 and 2005). In other words, the percentage of recipients of injury allowance among all employed persons declined over the years and has remained stable in recent years notwithstanding the rise in the number of recipients and in the number of employed.

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**The average number of days of incapacity** per injured person reached its peak (40 days) in 2001, and subsequently fell sharply, due inter alia to a legislative change (the reduction in the maximum period for payment of injury allowance from 26 to 13 weeks, introduced on February 1<sup>st</sup>, 2002). The average decrease in days of incapacity was halted in 2003, and since then there has been a gradual increase, up to 36.1 days in 2012 (Table 1).

The Victims of Work-Related Injury Law stipulates two arrangements (in Regulation 22 and in Section 343 of the National Insurance Law), according to which the employer pays the injured person the injury allowance due in return for a discount or a commission credited to it by the NII. Of the 63,632 employees who received injury allowances in 2012, 18,447 (29%) were employed by **authorized employers as defined in Regulation 22**, pursuant to which they are not reimbursed by the NII for the first 12 days of injury allowance eligibility – payments that other employers are required to pay to the NII. In

**Table 3**  
**Recipients of Injury Allowance and Days of Work Incapacity, 1996, 2000, 2006-2012**

Year	Total employed persons**	Total days of incapacity	Total recipients of injury allowance	Days of work incapacity							
				0	1-14	15-30	31-45	46-60	61-75	76-90	91
<b>Absolute numbers</b>											
1996	2,133,800	2,990,363	92,274	72	45,401	21,862	8,228	4,643	2,941	1,889	7,528
2000	2,388,800	2,863,296	76,185	52	31,683	17,964	7,691	4,677	3,050	2,136	8,932
2006	2,685,000	2,170,751	64,296	37	23,432	15,469	7,245	4,547	3,218	5,182	5,101 *65
2007	2,807,100	2,291,149	67,657	42	24,582	16,298	7,695	4,673	3,432	5,424	5,476 *35
2008	3,041,000	2,408,514	69,734	35	24,831	16,606	7,981	4,931	3,569	5,837	5,933 *11
2009	3,037,000	2,306,267	65,814	40	23,159	15,447	7,456	4,786	3,499	5,947	5,468 *12
2010	3,214,000	2,406,337	67,633	11	23,492	15,762	7,488	4,927	3,525	6,442	5,799 *37
2011	3,219,800	2,405,938	67,556	2	23,500	15,564	7,733	4,915	3,669	6,309	5,847 *17
2012	3,426,800	2,518,876	69,693	7	24,159	15,891	7,836	5,033	3,611	6,499	6,543 *114
<b>Percentages</b>											
1996			100.0	0.1	49.0	23.6	8.9	5.0	3.2	2.0	8.1
2000			100.0	0.1	41.6	23.6	10.1	6.1	4.0	2.8	11.7
2006			100.0	0.1	36.4	24.1	11.3	7.1	5.0	8.1	7.9 0.1
2007			100.0	0.1	36.3	24.1	11.3	6.9	5.1	8.0	8.1 0.1
2008			100.0	0.1	35.6	23.8	11.4	7.1	5.1	8.4	8.5 0.0
2009			100.0	0.1	35.2	23.5	11.3	7.3	5.3	9.0	8.3 0.0
2010			100.0	0.0	34.7	23.3	11.4	7.3	5.2	9.5	8.5 0.1
2011			100.0	0.0	34.8	23.0	11.5	7.3	5.4	9.3	8.7 0.0
2012			100.0	0.0	34.7	22.8	11.2	7.2	5.2	9.3	9.4 0.2

\* Injured up to 31.1.2002 who received injury allowance after this date.

\*\* From the National Accounts, Central Bureau of Statistics.

this case, the NII may permit an employer to pay the injury allowance on behalf of the NII, and the employer must pay the allowance on the dates on which it normally pays wages. The employer must submit a claim to the NII for the employee's work-related accident, and the NII reimburses the employer for the sums paid (for 13 days or more), adding a commission at the rate of 2.5% of the injury allowance. If the NII rejects the claim, the employer is not reimbursed for the monies paid to the injured employee.

Of all the salaried employees who received injury allowance in 2012, 689 (about 1%) worked for **employers who joined Section 343** of the Law. 14 employers (generally large employers with over 500 employees) chose to join this arrangement: they pay reduced insurance contributions to the Work Injury branch (85% of the normal rate), and in return they absorb the payment of injury allowance to their employees who are injured at work.

Over the years, there has been an increase in the number of severe injuries for which claims were submitted to the NII (Table 3). In 1996 (the last year prior to the legislative change stipulating payment of the initial days at the employer's expense), work injured

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who had less than 14 days of work incapacity constituted about half of all recipients of injury allowance, while today they account for less than 35%. At the same time, with the reduction in the maximum period for receiving injury allowance, the rate of recipients with 61 or more days of incapacity rose from 13.4% of all recipients of injury allowance in 1996 to about 24.1% in 2012. The percentage of work injured with 15 to 45 days of work incapacity has remained stable over the years (at approximately 34%).

There are some groups of workers – such as foreign workers, employees of manpower companies or contractors' employees – for whom it is hard to obtain reliable data regarding rates of injuries and level of safety in the workplace.

The percentage of recipients of work-related injury allowance who are foreign workers or residents of the territories has been lower than the percentage of Israelis throughout the years

The percentage of recipients of work-related injury allowance who are foreign workers or residents of the territories has been lower than the percentage of Israelis throughout the years. One might expect that the rates of injury in these two population groups would at least be similar to that of residents of Israel, considering the fairly hazardous economic sectors in which they work (agriculture and construction). The low percentage apparently reflects under-reporting of work-related injuries by these groups, which stems, apparently, from a fear of losing their jobs if they are absent from work due to an accident, from their illegal status or from their apprehension as to their fate should it become known that they are residing in Israel without a permit, and also perhaps from a lack of information about their rights.

However, in the case of serious work-related accidents, these workers have no other choice but to seek medical attention and to submit a claim for injury allowance or work disability benefits. The NII pays directly the expenses of one-time treatment in the emergency room of foreign workers, and, since April 2008, also of workers from the territories who were injured during work-related accidents and who did not submit claims for an injury allowance.

A foreign worker is insured under Work Injury insurance even if he is staying in Israel illegally. Until February 28, 2003, foreign workers and residents of the territories who were injured at work were eligible for all the benefits provided to any work injured, whether or not they were working with permits. Since March 1, 2003, the benefit was withheld from an unreported foreign worker: upon his exit from Israel, the benefit for which he is deemed eligible is paid to him from that date, but the payment does not include the period for which the benefit was withheld. The gradual decrease in the number of foreign workers between 2002 and 2006 was expected, due to the legislative amendments and the activities of the Immigration Police. In 2007, an increase was once again observed, which continued until the end of 2009. In January 2010, the Prime Minister announced a new immigration policy, with more stringent criteria for employing foreign workers, intended to reduce their numbers by approximately 30,000-50,000.

Another population group for which it is difficult to obtain data regarding safety at work are workers who receive wages from manpower companies and manpower

contractors. The Central Bureau of Statistics' manpower surveys identify these employees by the question: "Who pays your wage?" The NII's Work Injury insurance scheme does not categorize manpower companies by a designated code (economic sector or legal status of the employer); therefore, it is not possible to ascertain whether or not these employees are exposed to hazards as it is for employees who are paid directly by their workplace, or whether the fact that such workers are considered exceptions tends to reduce the employer's sense of responsibility for their safety conditions.

A problem also exists regarding contracting companies that do not supply workers but rather services, since the obligations that apply to manpower companies, particularly relative to licensing, do not apply to them. Ordinarily, receipt and renewal of a license is contingent upon compliance with labor and work safety laws.

**Table 4**  
**Employed Persons Receiving Work-Related Injury Allowance**  
**and Work Incapacity Days, by Residency, 2008-2012**

	Total	Israeli residents	Residents of the territories	Foreign workers
<b>2008</b>				
Employees*	3,093,400	2,823,300	58,900	211,300
Recipients of injury allowance	69,734	68,709	354	671
% of employees receiving allowance	2.3	2.4	0.6	0.3
Average days of incapacity	34.5	34.5	50.7	27.6
<b>2009</b>				
Employees*	3,116,900	2,841,000	55,700	220,200
Recipients of injury allowance	65,814	64,682	440	692
% of employees receiving allowance	2.1	2.3	0.8	0.3
Average days of incapacity	35.0	35.1	43.9	29.1
<b>2010</b>				
Employees*	3,214,000	2,938,300	60,600	215,200
Recipients of injury allowance	67,633	66,900	493	240
% of employees receiving allowance	2.1	2.3	0.8	0.1
Average days of incapacity	35.6	35.6	45.0	22.0
<b>2011</b>				
Employees*	3,321,600	3,024,700	65,900	222,000
Recipients of injury allowance	67,566	66,971	484	101
% of employees receiving allowance	2.0	2.2	0.7	0.05
Average days of incapacity	35.6	35.6	40.8	5.7
<b>2012</b>				
Employees*	3,405,900	3,125,700	65,600	235,600
Recipients of injury allowance	69,693	68,987	604	102
% of employees receiving allowance	2.0	2.2	0.9	0.04
Average days of incapacity	36.1	36.1	46.5	6.3

\* Source: the National Accounts, Central Bureau of Statistics

**Table 5**  
**Recipients of Injury Allowance, by Employment Status**  
**and Days of Incapacity, 2012**

Category of insured	Recipients of injury allowance		Average days of incapacity for work
	Numbers	Percentages	
All recipients	69,693	100.0	36.1
Salaried workers	63,632	91.3	34.7
Self-employed	6,061	8.7	51.3

The definition of “recipients of wages from a manpower company” does not include employees working through a subcontractor, who is responsible for their work performance and for their safety. These are employees who are employed primarily in two economic subsectors: the guarding, security and cleaning subsector and the home caregiver services subsector.

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In 2012, the average number of days of work incapacity among foreign workers was lower than that of Israeli residents – 6.3 days compared to 36.1 days respectively – though one would expect it to be higher, considering the sectors in which they work. The average number of days of work incapacity of workers who are residents of the territories (Judea and Samaria) remained quite high (46.5 days on average per injured person), although they work in similar occupations to foreign workers. In 2012, as in 2010-2011, the number of recipients of injury allowance who are residents of the territories was higher than that of the foreign workers (Table 4). This marks a change compared to the years 2006-2009, in which the number of foreign workers who received an injury allowance was greater than the number of recipients from the territories.

Since 1997 the number of self-employed receiving injury allowance has declined from 9,483 to 6,061 in 2012, and their proportion out of all recipients fell from 11.3% to 8.7%

Since 1997 the number of self-employed receiving injury allowance has declined from 9,483 to 6,061 in 2012, and their proportion out of all recipients fell from 11.3% to 8.7% (Table 5). This decrease was apparently influenced both by changes in the Law, by which the first days of incapacity for work are funded by the self-employed person, and by the wave of closures of small businesses in times of economic recession. In 2012 a small increase was recorded in the number of self-employed people receiving injury allowance compared to 2011: from 8.5% to 8.7%. The average number of days of work incapacity among the self-employed is about 47.8% higher than that of salaried employees (51.3 days, compared with 34.7 days, respectively). This difference apparently also stems from the fact that the self-employed do not tend to submit claims to the NII for short absences (of less than 12 days.).

The distribution of injured employees by economic sector changed slightly in 2012 following the changeover to a new categorization<sup>9</sup> of sectors, but the trends remained

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<sup>9</sup> The Standard Categorization of Economic Sectors 2011 replaced the Standard Categorization of Economic Sectors 1993, and is based on the UN recommendation ISIC 4 (International Standard Classification of All Economic Activities), Rev 4.



**Table 6**  
**Recipients of Injury Allowance, by Employment Status**  
**and Economic Sector, 2012**

Economic sector	Recipients		Days of incapacity		
	Number	Percent	Number	Percent	Average per injured person
<b>Total</b>	<b>69,693</b>		<b>2,518,876</b>		<b>36.14</b>
Total salaried employees	63,632	100.0	2,208,206	100.0	34.70
Agriculture, forestry and fishing	1,544	2.43	49,869	2.26	32.30
Mining and excavating	144	0.23	4,676	0.21	32.47
Industry and small industry	10,729	16.86	335,577	15.2	31.28
Supply of electricity, gas, steam and air conditioning	508	0.80	13,307	0.6	26.19
Water supply, sewage services, handling garbage and waste, purification services	253	0.40	8,807	0.4	34.81
Construction	6,481	10.19	300,114	13.59	6.31
Wholesale and retail commerce, motor mechanics and vehicle repair	9,844	15.47	345,032	15.62	35.05
Transport, storage, mail and courier services	4,139	6.50	164,538	7.45	39.75
Hospitality and catering services	3,803	5.98	116,293	5.27	30.58
Information and communications	1,402	2.20	43,309	1.96	30.89
Financial and insurance services	1,398	2.20	41,778	1.89	29.88
Real estate activity	1,334	2.10	39,282	1.78	29.45
Professional, scientific and technical services	2,409	3.91	84,167	3.81	34.94
Management and support services	4,712	7.41	165,346	7.49	35.09
Local and public administration and security, NI mandatory services	5,898	9.27	188,871	8.55	32.02
Education	1,514	2.38	52,138	2.36	34.44
Health, welfare and nursing services	4,338	6.82	138,257	6.26	31.87
Art, leisure and entertainment	945	1.49	39,463	1.79	41.76
Other services	1,519	2.39	54,108	2.45	35.62
Households as workplace, households producing goods & services for own use	29	0.05	970	0.04	33.45
Organizations and international bodies	6	0.01	226	0.01	37.67
Not known	602	0.95	22,078	1.00	36.67
<b>Total self-employed</b>	<b>6,061</b>		<b>310,670</b>		<b>51.26</b>

**Table 7**  
**Recipients of Injury Allowance, by Gender, 2008-2012**

	2008	2009	2010	2011	2012
<b>Total</b>	<b>69,734</b>	<b>65,814</b>	<b>67,633</b>	<b>67,556</b>	<b>69,693</b>
	<b>Numbers</b>				
Men	49,067	45,906	46,972	46,268	47,805
Women	20,667	19,908	20,661	21,288	21,888
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
	<b>Percentages</b>				
Men	70.4	70.0	69.5	68.5	68.6
Women	29.6	30.0	30.5	31.5	31.4

similar to those of previous years: approximately 16.9% work in industry and workshops, 14.5% in commerce and motor vehicle repair and 10% in construction. In terms of the severity of injuries (measured here by the number of days of work incapacity), the construction sector has been in first place for many years (46.3 days), followed by the following sectors: art, entertainment and leisure (41.76 days), transportation, storage, mail and courier services (39.75 days), international organizations (37.67 days) and commerce and vehicle repair (35.05 days) (Table 6).

With increasing industrialization and the growth in the percentage of women participating in the civilian work force which has characterized the last two decades (from 40% in 1988 to 47.0% in 2012), the percentage of women among recipients of injury allowance has also risen steadily, from 19.8% in 1995 to 31.4% in 2012 (Table 7), although the proportion of women among all recipients was lower than their proportion among all employees in the labor market, due to the nature of their occupations.

An examination of the distribution of recipients by gender and age brackets shows that in the younger age brackets (up to age 34), men constitute 75% of recipients, while in the older age brackets (45-59) they constitute only about 61% (Table 8). The average number of days of work incapacity among women is lower than among men – 31.78, compared with 38.14 respectively.

In the case of the breakdown of recipients of work disability benefit, the situation is slightly different (Breakdown of recipients of permanent disability benefit by gender, age and percentage disability is presented in Table G/2 in the Appendix of Tables of Insurance Branches). Most recipients are in the older age brackets – aged 50 and older, for example, men aged 50-59 constitute 26.5% of all men eligible for the benefit, and the same is true for women: those aged 50-59 constitute 31.1% of all women receiving permanent disability benefit.

### C. Work Accidents

In 2006, traffic accidents (during work, or to or from work) constituted approximately 20.4% of all work-related accidents, while in 2012, this proportion rose to 23.1%. The

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**Table 8**  
**Recipients of Injury Allowance and Employees, by Age and Gender**

Age	Number of recipients			Israeli employees* (thousands)			Recipients as a percentage of employees		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
<b>Total</b>	<b>67,556</b>	<b>46,268</b>	<b>21,288</b>	<b>3,024.7</b>	<b>1,788.3</b>	<b>1,570.7</b>	<b>2.3%</b>	<b>3.0%</b>	<b>1.5%</b>
Up to 17	174	149	25	20.6	12.3	8.3	0.8%	1.2%	0.3%
24-18	6,979	5,349	1,630	294.7	137.4	157.3	2.4%	3.9%	1.0%
34-25	15,551	11,544	4,007	809.3	420.0	389.3	1.9%	2.7%	1.0%
44-35	15,299	10,904	4,395	763.7	409.2	354.5	2.0%	2.7%	1.2%
54-45	14,519	8,978	5,541	596.8	313.8	283.0	2.4%	2.9%	2.0%
64-55	12,312	7,333	4,979	438.7	242.3	196.4	2.8%	3.0%	2.5%
65+	2,722	2,011	963	100.8	68.9	31.9	3.4%	2.9%	3.0%

\* Source: Microdata Under Contract files, Manpower Surveys, Central Bureau of Statistics, 2011.

number of traffic accidents to or from work accounted for about 14.4% of all work-related injuries in 2006 and increased to about 16.1% in 2012 (Table 9). On the other hand, the number of traffic accidents that occurred during work constituted approximately 7% of all work-related accidents in 2012. In the past, traffic accidents caused more severe injuries, expressed in the longer period of work incapacity than that of other accidents. This gap has narrowed considerably in recent years and today hardly exists, apparently due to the revoking of eligibility for short periods (up to 12 days), which led to a significant drop in the number of claimants for mild accidents and thus raised the average number of days of work incapacity per injured person.

The distribution of injury allowance recipients by the **cause** of the accident and the **nature of the injury** has varied only slightly over the years. The most frequent causes of occupational injuries in 2011<sup>10</sup> were: road accidents (25.9%) falls – from scaffolding, ladder or crane, from a building or structure, slipping or stumbling on stairs or on level ground (24.1%); and injuries from objects (falling, crushing or hitting – 17.1%). In terms of the severity of the injury (measured by the number of days of incapacity), the severest injuries were caused mainly by falls (41 days). Falls caused mainly contusions, crush injuries, fractured limbs, strains and sprains. The categories of “occupational illness” and “over-exertion” caused the most serious injuries (occupational illnesses – 51 days of incapacity and over-exertion – 30 days). Although the list of occupational illnesses is closed, if an illness does not appear in the list and, in the opinion of experts, there is a clear causal connection between the illness and working conditions, the illness is recognized as an occupational injury. The majority of claims for injury allowance due to occupational illness are submitted for the purpose of determining a work-related disability (Table 10).

10 The latest figures available for causes and nature of injuries are for 2011.

**Table 9**  
**Recipients of Injury Allowance, by Location of Injury**  
**and Days of Incapacity, 2008-2012**

Year	Total	Work accidents		Accidents on the way to and from work		
		During work*	Road accidents at work	Road accidents	Without a vehicle	Other
<b>2008</b>						
Number	69,734	48,472	4,627	10,170	4,180	2,285
Percent	100.0	69.5	6.6	14.6	6.0	3.3
Average days of incapacity	34.5	34.3	39.1	32.2	36.1	37.7
<b>2009</b>						
Number	65,814	45,412	4,747	10,594	4,191	870
Percent	100.0	69.0	7.2	16.1	6.4	1.3
Average days of incapacity	35.0	35.0	39.5	33.0	35.7	35.4
<b>2010</b>						
Number	67,633	47,098	4,734	10,719	4,094	988
Percent	100.0	69.6	7.0	15.8	6.1	1.5
Average days of incapacity	35.6	35.6	41.2	33.5	37.2	35.2
<b>2011</b>						
Number	67,556	46,749	4,542	10,992	4,276	997
Percent	100.0	69.2	6.7	16.3	6.3	1.5
Average days of incapacity	35.6	35.4	41.1	33.4	36.9	37.6
<b>2012</b>						
Number	69,693	47,934	4,900	11,208	4,634	1,017
Percent	100.0	68.8	7.0	16.1	6.6	1.5
Average days of incapacity	36.1	35.9	41.8	33.8	37.9	37.1

\* Injuries at work that are not road accidents.

The upper limbs are the most vulnerable in occupational accidents; fractures and lacerations (alone) in upper limbs caused about 9.9% of recipients of injury allowances to be absent from work

The distribution of recipients of injury allowance by the **nature of the injury** has also hardly changed over the years. The most prevalent consequences of work-related accidents are: crush injuries (30.2%), contusions (17.5%), lacerations of upper limbs (8.8%) and strains or sprains (4.6%). In terms of the **severity of the injury** (measured by the number of days of incapacity), the severest injuries were: lower limb fractures (65 days), vascular system injuries (64 days), upper limb fractures (59 days), skull or back fractures or spinal column injury (57 days) and dislocations without fracture (52 days).

The upper limbs are the most vulnerable in occupational accidents; fractures and lacerations (alone) in upper limbs caused about 9.9% of recipients of injury allowances to be absent from work (Table 11).

**Table 10**  
**Recipients of Injury Allowance,**  
**by Cause of Injury and Days of Incapacity, 2011**

Cause of injury	Recipients		Days of incapacity	
	Number	Percent	Average per injured person	Total days
<b>Total</b>	<b>67,052</b>	<b>100.0</b>	<b>36.5</b>	<b>2,447,359</b>
Fall	16,181	24.1	41.4	669,365
Road accident	17,382	25.9	36.6	635,381
Falling, hitting, crushing object	11,499	17.1	33.4	383,727
Machinery, tools	7,855	11.7	32.4	254,682
Over-exertion	6,029	9.0	38.0	229,227
Fire, hot material, steam, acid	987	1.5	22.2	21,886
Foreign object in eye	664	1.0	16.5	10,923
Altercations	762	1.1	31.7	24,123
Poisoning	465	0.7	20.5	9,536
Environmental cause	176	0.3	19.1	3,354
Occupational illness	137	0.2	51.0	6,989
Explosives	128	0.2	30.2	3,871
Other and unknown	4,787	7.1	40.6	194,295

**Table 11**  
**Recipients of Injury Allowance, by Nature of Injury**  
**and Days of Incapacity, 2011**

Nature of injury	Recipients		Days of incapacity	
	Number	Percent	Average per injured person	Total days
<b>Total</b>	<b>67,052</b>	<b>100.0</b>	<b>36.4</b>	<b>2,447,359</b>
Crush injury	20,249	30.2	35.1	710,203
Contusion	11,751	17.5	32.9	386,904
Sprain, strain	3,080	4.6	31.2	96,014
Laceration in upper limb	5,885	8.8	29.9	175,936
Skeletal and muscular	8,989	13.4	34.0	305,858
Fracture in upper limb	3,900	5.8	59.0	230,194
Fracture in lower limb	2,742	4.1	64.5	176,886
Burns	1,232	1.8	22.5	27,714
Lacerations to head, neck, back	795	1.2	18.6	14,763
Laceration in lower limb	723	1.1	30.0	21,665
Penetration by foreign body	597	0.9	15.0	8,947
Skull, back, spinal fracture	820	1.2	56.8	46,541
Poisoning	171	0.3	18.8	3,215
Symptoms	932	1.4	29.9	27,887
Dislocation without fracture	216	0.3	52.2	11,277
Vascular system	112	0.2	63.8	7,142
Grazes	83	0.1	23.8	1,977
Other and unknown	4,775	7.1	40.6	4,775

## D. Work-related Disability Pension

A disability benefit is paid to victims of work-related injuries who are left with a disability. The permanent disability pension is paid to persons with 20% or more permanent disability.

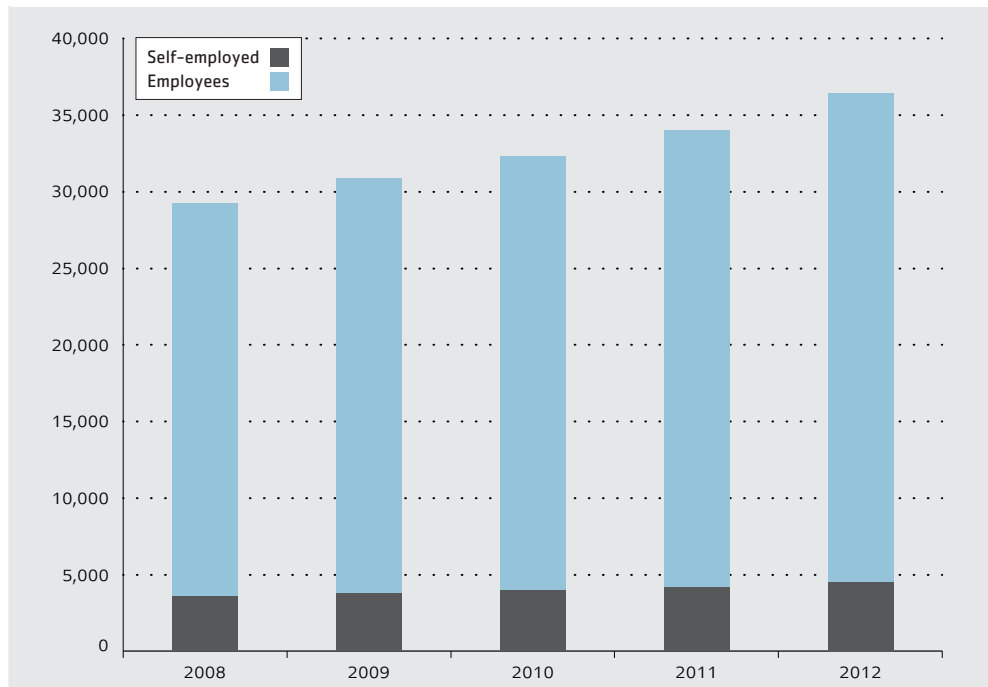
The number of recipients of a permanent work-related disability pension has been rising steadily, reaching 35,539 in 2012, compared to 33,925 in 2011

The number of recipients of a **permanent work-related disability pension** has been rising steadily, reaching 35,539 in 2012, compared to 33,925 in 2011 (Table 12). The majority (62.4%) of these recipients have low degrees of disability (up to 39%). Among women, this category of recipients is even larger: 64.1% of them have 20%-39% disability, compared with 57.5% of the men. Some 9.5% of the men and 7.3% of the women have

**Table 12**  
Recipients of Permanent Disability Pension,  
by Employment Status, 2008-2012

Year	Total		Employees	Self-employed
	Number	Annual change (%)		
2008	29,249	5.2	25,665	3,584
2009	30,899	5.6	27,068	3,831
2010	32,331	4.6	28,319	4,012
2011	33,923	4.9	29,797	4,197
2012	35,539	4.8	31,880	4,506

**Graph 2**  
Recipients of Permanent Disability Pension, by Employment Status, 2008-2012



more than 80% disability (Table G/3 in the Appendix of Insurance Branch Tables). Recipients of a work-related disability pension may – when they reach the eligibility age for an old-age pension – choose whether to continue receiving the disability pension or to receive the old-age pension. By law, if the old-age pension is higher than the work-related disability pension, it is possible to capitalize the disability pension and receive the current old-age pension, or to continue receiving the work-related disability pension at the rate of the old-age pension. In fact, about 18% of recipients of the disability pension chose to continue receiving this benefit after retirement age.

### 1. Disability grant

A disability grant is paid to a person disabled as a result of a work accident, whose degree of disability is stable at between 10% and 19%. The amounts of the grants and the terms of eligibility for them have undergone far-reaching changes in recent years. Until the passage of the Economic Recovery Plan Law in June 2003, the grant was equal to 70 monthly pension payments. The new Law stipulated that anyone injured on or after July 1, 2003 would receive a grant equal to 43 monthly pension payments. Consequently, there was a sharp drop in the average disability grant. In 2012, 9,729 grants were paid for various injuries (compared to 8,927 in 2011) – 8,544 to employees and 1,185 to self-employed persons. In 2012, the average disability grant paid to employees was NIS 36,632 (compared to NIS 34,945 and NIS 33,833 in 2011 and 2010, respectively) and to the self-employed, NIS 35,627 (compared to NIS 33,741 and NIS 30,809 in 2011 and 2010, respectively).

### 2. Special disability benefit and special grants

The work-related disabled who have at least 75% disability, and work disabled persons with walking difficulties whose degree of disability is between 65% and 74%, are eligible, in addition to any other benefit, for financial aid for personal assistance and for travelling; they are also eligible for a grant for one-off expenses, such as buying a car, solving housing problems and purchasing special devices needed because of their disability.

In December 2012, 3,286 disabled persons received a special benefit paid through the Rehabilitation Department, amounting to NIS 3,588 on average per person, compared to 3,141 in December 2011, who received an average special benefit of NIS 3,542.

In 2012, 168 rehabilitation grants were paid, averaging NIS 30,452 per person, compared to 116 grants averaging NIS 31,224 in 2011. These grants were paid for assistance with housing (57 grants totalling NIS 2,733,000), assistance with purchasing a car (29 grants totalling 1,076,000) and other assistance (82 grants totalling NIS 1,307,000).

### 3. Dependents' benefit

The number of recipients of a dependents' benefit has gradually increased, and in 2012 reached 4,638 compared to 4,603 in 2011. The rate of increase ranges from 0.2% to 1.2% (Table 13).

In 2012, 168 rehabilitation grants were paid, averaging NIS 30,452 per person, compared to 116 grants averaging NIS 31,224 in 2011. These grants were paid for assistance with housing, assistance with purchasing a car and other assistance

**Table 13**  
**Recipients of Dependents' Benefit, by Employment Status, 2008-2012**

Year	Total		Employees	Self-employed
	Number	Annual change (%)		
2008	4,518	0.8	3,907	611
2009	4,573	1.2	3,954	619
2010	4,565	-0.2	3,941	624
2011	4,603	0.8	3,981	622
2012	4,638	0.8	4,013	625

### E. Payments

The average injury allowances per day for both the employed and self-employed increased in 2012 both nominally and in real terms, and also as a percentage of the average wage (Table 14).

The average monthly permanent disability pension in 2012 was NIS 3,329.8 for employees

The average monthly permanent disability pension in 2012 was NIS 3,329.8 (compared to NIS 3,240 in 2011) for employees and NIS 3,574.4 for the self-employed (compared to NIS 3,489 in 2011). The level of the pension, both in real terms and as a percentage of the average wage, went down for both employees and for the self-employed (Table 15).

**Table 14**  
**Average Injury Allowance Per Day, by Employment Status, 2008-2012**

Year	Employees			Self-employed		
	Current prices (NIS)	2012 prices (NIS)	% of average salary	Current prices (NIS)	2012 prices (NIS)	% of average wage
2008	174.6	194.9	66.1	199.2	222.4	75.4
2009	179.2	193.6	67.4	240.6	260.0	90.5
2010	175.8	185.0	63.9	205.2	215.9	74.6
2011	178.5	181.5	62.5	195.1	198.4	68.4
2012	186.5	186.5	63.4	203.1	203.1	69.1

**Table 15**  
**Average Permanent Disability Pension Per Month, by Employment Status, 2008-2012**

Year	Employees			Self-employed		
	Current prices (NIS)	2012 prices (NIS)	% of average salary	Current prices (NIS)	2012 prices (NIS)	% of average wage
2008	2,894.8	3,231.6	36.5	3,204.1	3,577.2	40.5
2009	3,156.2	3,410.3	39.6	3,287.7	3,552.4	41.2
2010	3,419.1	3,597.5	41.5	3,403.2	3,580.7	41.3
2011	3,240.0	3,295.3	37.8	3,489.8	3,549.4	40.8
2012	3,329.8	3,329.8	37.7	3,574.4	3,574.4	40.5



In 2012, the average monthly dependents' benefit was approximately NIS 6,128 for employees and approximately NIS 6,953 for the self-employed (compared to NIS 6,010 and NIS 6,296, respectively, in 2011). The benefit rose in 2012 in real terms for both employees and the self-employed, but decreased by about 1% as a percentage of the average wage for employees, and remained unchanged for the self-employed (Table 16).

Total payments in the Work Injury insurance branch totaled NIS 3.8 billion in 2012 (compared to NIS 3.45 billion in 2011) – a rise of 7.38% in real terms (Table 17). The increase derives from the rise in payments of all pensions in this branch apart from medical treatment expenses, which decreased (Table 16).

Table 18 shows the distribution of all payments by the Work Injury insurance branch: injury allowances, disability pensions, dependents' benefits, medical expenses and rehabilitation expenses.

Since insurance for work-related injuries came into effect, there have been considerable changes in the composition of payments in this branch. When the law was first introduced, most payments (54%) were for injury allowances, compared to about 40% for disability pensions. Payments for injury allowances are short term and their

**Table 16**  
**Average Monthly Dependents' Benefit, by Employment Status, 2008–2012**

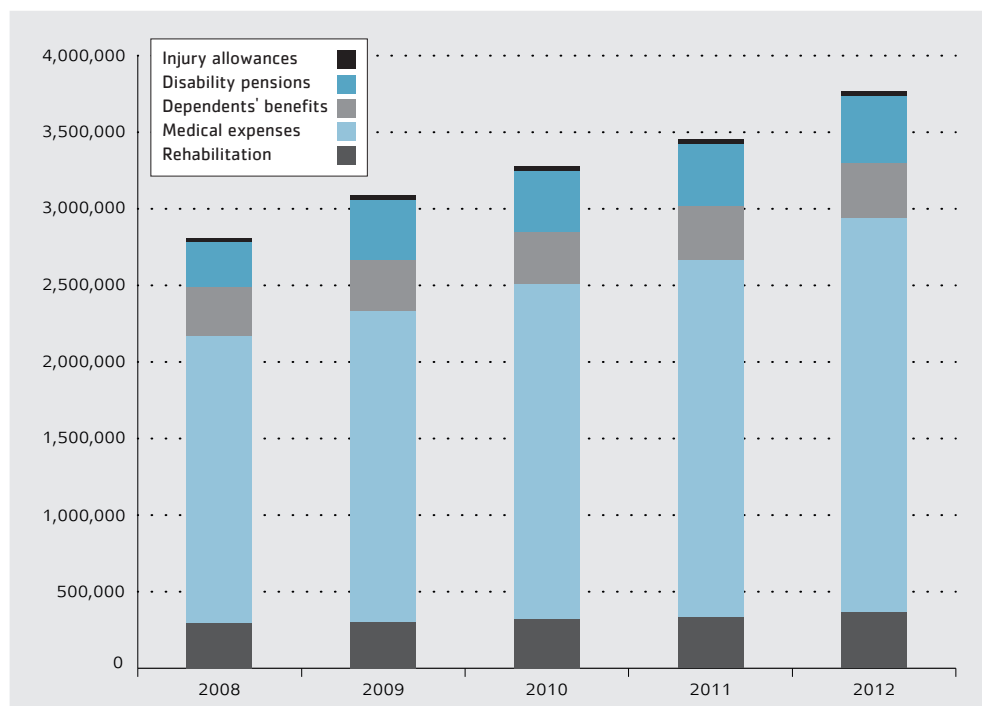
Year	Employees			Self-employed		
	Current prices (NIS)	2012 prices (NIS)	% of average wage	Current prices (NIS)	2012 prices (NIS)	% of average wage
2008	5,342.4	5,964.0	67.4	5,585.2	6,235.0	70.5
2009	5,992.2	6,474.6	75.1	5,812.3	6,280.2	72.9
2010	6,711.8	7,061.9	81.4	6,054.5	6,370.3	73.4
2011	6,010.3	6,112.9	70.2	6,296.1	6,403.6	73.5
2012	6,128.2	6,128.2	69.4	6,479.7	6,479.7	73.4

**Table 17**  
**Payments\* in the Work-Related Injuries Branch (NIS thousand), 2008–2012**

Year	Current prices	2012 prices	Real rate of change (%)
2008	2,808,378	3,135,129	0.37
2009	3,087,170	3,335,719	6.40
2010	3,279,105	3,450,167	3.43
2011	3,450,150	3,509,065	1.71
2012	3,767,946	3,767,946	7.38

\* Including payments for injury allowances, disability pensions, dependents' benefits, medical costs and rehabilitation costs.

**Graph 3**  
**Payments\* in the Work-Related Injuries Branch,**  
**by Type of Benefit (NIS million), 2008–2012**



**Table 18**  
**Payments\* in the Work-Related Injuries Branch,**  
**by Type of Benefit (%), 2008–2012**

Year	Total	Injury allowances	Disability pensions	Dependents' benefits	Medical expenses	Rehabilitation expenses
2008	100.0	10.6	66.8	11.1	10.6	0.8
2009	100.0	9.7	66.0	10.6	12.8	1.0
2010	100.0	9.8	66.9	10.3	12.1	0.9
2011	100.0	9.7	67.6	10.4	11.5	0.8
2012	100.0	9.8	68.2	9.7	11.6	0.8

\* Not including payments for accident prevention activities, safety at work activities, research, special projects, legal assistance, medical committees and opinions.

recipients change over the year, while disability pensions are paid for long periods (up to retirement age and sometimes beyond that). Therefore the relative share of payments for disability pensions increases constantly while the relative share of injury allowance payments decreases. Today, disability pensions account for the lion's share of branch payments – about 68% – while injury allowances account for only about 10% of total payments in this branch.

## Economic Incentives to Prevent Accidents at Work – An International Perspective

The National Insurance Institute collects monthly contributions from employees, and in return pays those who are injured at work benefits following their injury. The contribution is uniform for all employers and there are no economic incentives<sup>1</sup> to encourage them to invest more in safety in the workplace.

Injuries at work cause mental, physical and economic hardships, for both the injured and their families, and also affect the business activity of the workplace. Therefore, investment in safety at work should be one of the most important goals for employers who wish to maintain their productive activity as well as to protect the health of their employees. Most modern countries recognize the need for investment in health and safety at work, but the economic incentives are not always sufficient to motivate employers to invest more in this subject.

One way of creating an economic incentive to invest in health and safety at work is to create a link between contributions to the Work-related Injuries insurance branch and the standard of safety at the workplace. To learn about various models of incentives, work safety organizations in a number of countries were contacted, as well as organizations that coordinate this subject for groups of countries, and they were asked whether they used any special method of encouraging employers to invest in safety<sup>2</sup>.

The main points of the responses received from three countries (Canada, Denmark and Italy) and from one organization (European Agency for Safety and Health at Work) are described below.

### A. Canada<sup>3</sup>

In Canada the law is different in each of its 12 provinces, but there are central criteria for the differences in insurance contributions:

1. Type of industry/ economic sector (according to the risk level in that sector).
2. The employer's record in the field of safety: employers who have shown good performance over time are rewarded and those whose record is not so good are "punished".
3. The size of the employer.

.....  
1 An economic incentive is a benefit to employers whose purpose is to encourage them to invest in making the workplace healthier and safer.

2 The countries contacted at this stage are Denmark, Czech Republic, Germany, Switzerland, Italy, USA and Canada. It is important to note that the field of work-related injuries is not always enshrined in law and the body handling the subject is not necessarily governmental.

3 An organization called the Association of Workers Compensation Boards of Canada coordinates this subject at federal level.

## B. Denmark<sup>4</sup>

In Denmark there are no fixed rates of employer contributions. The Labor Market Occupational Fund defines 17 categories of industrial sectors, and determines a different rate for each category. This rate is updated each year on a pay-as-you-go basis, which is determined according to the number of accidents in that sector and the severity of the injuries caused. For reasons of employer privacy, they no longer give details of the differential contributions.

## C. Italy<sup>5</sup>

The insurance contributions are mandatory only for employers defined by law as hazardous (for example, according to the type of equipment and machinery they use). For people engaged in the professions and for the self-employed in agriculture, a third of the insurance premiums are funded by the employee and two-thirds by the employer. The size of the premium is based on the level of risk associated with the activity and on the level of the wages paid by the employer (similar to segmentation by company size). For less hazardous companies, the conditions are different. In the first two years of a business, the premium may rise or fall to 15% based on the company size and the number of work accidents in a specific insured period, and according to the extent of health and safety activities undertaken beyond what is required by law.

## D. The European Agency for Safety and Health at Work<sup>6</sup>

In 2010 the European Agency for Safety and Health and Work published a broad study on the subject of economic incentives for workplace safety. The study opened with a declaration that one of the purposes of the European Union is to reduce the number of work accidents by 25% from 2007 to 2012, by changing attitudes and behaviours that affect the number of injuries. In addition to the legislative changes required regarding supervision and penalties, economic incentives were provided to change the situation.

In some EU countries, such as Denmark, Estonia, Greece, Spain, Sweden and Britain, there are no incentives affecting the insurance premiums. The recommendation is to differentiate premiums according to the risk level of the business. In other countries, such as Belgium, Bulgaria, Czech Republic, Germany, France, Italy, Holland,

In some EU countries, there are no incentives affecting the insurance premiums. The recommendation is to differentiate premiums according to the risk level of the business. In other countries, differences in premiums are based on the penalty and reward system, where the degree of risk is determined based on past experience

4 The National Board of Industrial Injuries operates under the Danish Ministry of Employment and deals with safety, but only in the private sector. It also coordinates the Labor Market Occupational Fund, which deals with occupational illness only. Other areas of work-related safety are handled by private companies.

5 The Italian Workers Compensation Authority handles work accident insurance in Italy.

6 This organization coordinates this subject in EU countries and operates under the European Commission.

Poland, Portugal and Finland, differences in premiums are based on the penalty and reward system, where the degree of risk is determined based on past experience<sup>7</sup>. Another method uses the premium to encourage employers to invest in safety: if a company invests special efforts to improve safety, the premium is reduced, and if not – it is increased. This method is used, for example, in Germany, where the size of the premium depends on which sector the business belongs to. A similar system is used in Holland, which grants incentives using the premium, based on cooperation between employers, private insurance companies, and the country's safety and health services.

It is important to note that in countries where the work safety system is social, it is easier to invest in work safety than in countries where it is the responsibility of private insurance companies, since it is easier to monitor and introduce changes when the subject is handled by one large body.

The study mentioned above presented six case studies, illustrating effective ways of introducing economic incentives, and leading to the following conclusions:

- Incentives should not be given only for past achievements in managing safety, such as rates of injury, but also for special activities designed to prevent future accidents or occupational illnesses.
- Incentives should be available to companies of all sizes – for large and small employers – with attention paid to the special needs of small and medium-sized employers.
- The incentives must be large enough to motivate employers to invest in safety.
- There must be a close and direct link between accident prevention activity by companies and the reward (incentive).
- The criteria for incentives must be as clear and simple as possible, to avoid creating an administrative burden on all parties involved – both the companies and the organization offering the incentives.
- If the criteria are granted to many companies, the most effective method is to use insurance contributions or taxes, based on fixed and well defined criteria.
- For promoting innovative solutions in some areas, a system of subsidies is the most efficient<sup>8</sup>.

However, it is important to remember that the selection of tools for preventing work accidents and occupational illnesses must be based on the optimal combination of three criteria: effectiveness, utilization and options for implementation by the government (Toren and Sterner, 2003)<sup>9</sup>.

.....  
 7 European Agency for Safety and Work, *Economic Incentives to Improve Occupational Safety and Health: a Review from the European Perspective*. Luxembourg: Publications Office of the European Union, 2010, p. 9.

8 Ibid, p.10.

9 Ibid, p.23.

