



The workers' compensation reform aims to provide better conditions for injured workers

Workers' compensation legislation will undergo a number of changes during 2024. Three rules in particular may have an impact on employers' handling of occupational injuries.

By Martin Wex

More people should return to work, case processing times should be shortened and compensation should be increased. This is the goal of the workers' compensation reform adopted by a broad majority in the Danish Parliament. The reform will, first of all, address the fact that, according to figures from the Ministry of Employment, almost half of those who suffer a compensable work accident are still not self-supporting five years after the accident.

The new rules provide requirements as well as opportunities for employers – not least for self-insured employers (captives), who will be able to make more active efforts to get injured employees back to work.

»Today, some insurance companies offer to cover the costs of a wide range of treatment programs for private employees who have suffered an accident at work. This has not previously been an option in public organizations, but now it will be. Thereby, self-insured employers can also make an effort that goes beyond the obligation in the Workers' Compensation Act if it can help maintain the injured person's connection to the workplace or the labour market,« says Daniel Pihl, MSc in Business Administration and Law, and WTW's expert in workers' compensation law.

He mentions pain relief and psychological counselling as some of the measures that go beyond the obligations of the Workers' Compensation Act, and which private employees today – and public employees from 1 July 2024 – can have paid for by the insurance company.

Fines to shorten case processing time

According to Labour Market Insurance, which processes around 50,000 cases of occupational injuries each year, more than one in five injured workers have to wait more than a year for a final decision. This is yet another problem that the workers' compensation reform aims to address.

The new rules allow the authorities to fine employers if they take too long to respond to enquiries about occupational injuries. The employer will receive a reminder if there is no response within 14 days, and if there is still no response within a total of 28 days, a fine of DKK 5,000 can be imposed. If this happens more than once, the fine can be increased to DKK 10,000.

»As an employer, this should probably cause you to reconsider whether you have the right processes and systems in place to handle occupational injuries so that you don't risk being fined,« says Daniel Pihl and points out that it is possible to have the deadline extended if there are objective reasons why it is not possible to respond within 14 days.

The rules apply to all employers with a duty of care, public authorities and other professional organizations such as hospitals and specialists. The injured person is not governed by the rules, which come into force on 1 July 2024.

New violent injury insurance

The workers' compensation reform also includes a new feature in the form of violent injury insurance, which will make it easier to get compensation for those who are subjected to violence in the workplace. The exact rules are not yet finalized, and therefore it is not yet known which employers are obliged to take out the violent injury insurance – nor which occupational groups employers must take out the insurance for.

»Violent injury insurance does not exist today, so it needs to be developed. The Minister of Employment will lay down detailed rules on who is obliged to take out the new violent injury insurance – and also the detailed framework for the notification procedure and other case processing, « says Daniel Pihl, but also points out that employers in 24-hour care centers, special schools for the disabled, rehabilitation institutions, nursing homes, day centers and hospitals are mentioned in the comments to the bill and must therefore be expected to take out the insurance.

The violent injury insurance must be taken out with the same insurance company where the company has its accident insurance. Self-insured employers can use their captives for violent injury insurance, but regional and municipal employers can also choose to take out insurance with an insurance company.

The rules on violent injury insurance will come into force on 1 January 2025.

There are a number of rules that have already come into effect on 1 January 2024, while the last rule – a reduction in the occupational injury tax – will not come into effect until 1 January 2031.