



# Actuarial reports can help slow the rise in occupational injuries

**Municipalities' expenses for occupational injuries have risen sharply over the past five years. Willis' actuarial report is an important tool in the efforts to prevent occupational injuries.**

*By Martin Wex*

Twelve municipalities' expenses for occupational injuries have doubled in just five years. This is according to Willis' analysis of data from the 12 municipalities, where total expenses have risen from DKK 198 million in 2019 to DKK 400 million in 2024. What is particularly noteworthy, however, is that the number of occupational injuries that have resulted in expenses has only increased by 11 percent during the same period – from 3,335 in 2019 to 3,712 in 2024.

»The average cost per injury has increased by 81 percent from 2019 to 2024, partly due to new rules for calculating compensation, but mostly due to the increasing complexity and severity of occupational injuries. And there is every reason to believe that the complexity and financial costs will continue to rise in the coming years – partly because a new violent injury insurance has been introduced – making it even

more difficult for municipalities and regions to set accurate budgets for their provisions,« says Anders Busk Sørensen, team leader for Strategic Risk Consulting at Willis, a WTW business.

A summary of all causes of injury that have resulted in expenses in the 12 municipalities shows that 'falls' are the most frequent cause of injury, with 1,303 workplace injuries, and also the most expensive, with a total cost of DKK 154 million.

## Need for well-thought-out strategies

Willis' development analysis shows that the workers' compensation liability in the 12 municipalities has increased by an average of 22 percent per year and by a total of 158 percent from 2019 to 2024. According to Anders Busk Sørensen, municipalities that set aside the

same amount each year may therefore not be able to keep up with developments, and this could potentially have major financial consequences – especially if several years pass before the municipality adjusts its provisions for workers' compensation liabilities.

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**Anders Busk Sørensen**

Strategic Risk Consulting Team Leader, Willis

»The rising costs have direct financial consequences for municipalities and regions that are self-insured. It is therefore important to carefully assess insurance needs – preferably annually – and consider possible strategies for managing the increased risks. This may include improved preventive measures to reduce the number of injuries – and adequate insurance coverage to manage the financial consequences,« says Anders Busk Sørensen.

## Individual actuarial reports

There are significant differences in the development in the 12 municipalities from 2019 to 2024. At best, the workers' compensation liability has increased by 25 percent and at worst by 674 percent – and the annual changes range from a decrease of 71 percent to an increase of 1037 percent. According to Kurt

Henriksen, head of Willis' Public Sector Department, this reflects the unique and unpredictable nature of injury patterns and financial liabilities and underscores the need for individual actuarial reports.

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**Kurt Henriksen**

Head of the Public Sector Department, Willis

»The significant annual fluctuations show how important it is to keep a constant eye on occupational injuries. Willis prepares annual actuarial reports that give the municipality or region a detailed insight into what occupational injuries occur and where they occur – and the opportunity to follow developments year by year. This provides a good, data-based foundation for better injury prevention and risk management – and strengthens the ability to make the most accurate budgetary provisions,« says Kurt Henriksen.

The overall objective of the actuarial report is to provide the individual municipality or region with

optimal conditions for strengthening its occupational health and safety strategy, prioritizing the most important areas of focus, and implementing the most effective preventive measures.

### The actuarial report contains:

- A comprehensive overview of injuries and expenses
- Calculations of how many provisions the municipality must make in the current accounts
- A budget for estimated provisions for the next five years
- Analyses showing where injuries occur and what types of injuries occur
- Input for measures that can help reduce the risk of occupational injuries

Willis' actuarial report also provides a benchmark in relation to other municipalities and can serve as documentation of where there is a need to invest in preventive measures to strengthen the working environment.