THE WESTERN SAMOA ACCIDENT COMPENSATION SCHEME

A Memorandum by the Government of Western Samoa

1. Introduction

Western Samoa is a small developing country in the South Pacific. It is an independent nation with a population of 160,000.

More than 20,000 are in paid employment - persons performing unpaid employment for the benefit of their family under an extended family system, number nearly 50,000. Upward of 80,000 are children non-earners under age 18 years.

2. The Scheme

The accident compensation scheme in Western Samoa is operated by the Accident Compensation Board and was established by Act in 1978.

The Scheme provides protection on a no-fault personal basis:

- to workers injured at work; and

- to victims of motor vehicle accidents

3. Persons Covered

Under the work injury scheme all workers in paid employment are covered. Not covered however, are workers who are spouses of their employers, and the self-employed

For the motor vehicle accident scheme, the total population is covered and includes non-residents, tourists, etc.

4. Contingencies Covered

Temporary incapacities, permanent disabilities and deaths to adults are covered. Children are covered only for permanent disabilities. Work accidents include occupational diseases. Presently, work accidents are compensated only if they occur in the country. Consequently employed fishermen, seafarers and airline workers whose work takes them outside territorial limits are not covered.

Motor vehicle accidents are accidents caused by or through or in connection with the use of a motor vehicle. They are thus not confined to road accidents. In general, the criteria for coverage include whether the vehicle involved was a motor vehicle operating with fuel on which fuel levy had been paid. A motor vehicle accident to a worker during the course of his/her employment is however classified as a work accident.

No benefits are payable for self-inflicted injuries or for death due to suicide.

5. Funding

Funding of the work injury scheme is by way of a 1% levy on the payroll, paid by the employers. This levy is collected by the National Provident Fund as agent for the Accident Compensation Board.

For the motor vehicle injury scheme, funding is by a levy of 5 sene (cents) per gallon on all imported motor fuel, i.e. diesel and petrol. The levy is collected by the Customs Department for the Board. Levies paid in respect of motor fuel used for non-motor vehicle purposes, e.g. for industrial use, are refunded by the Board to the consumers concerned.

6. Benefits

The Scheme provides compensation

(a) for economic loss, and this amounts to 60% of the injured person's loss of earnings but not less than $10 a week or more than $75 a week;

(b) for permanent loss of bodily function, an amount ranging from $20 up to $2,000 (100%) depending on the degree of permanent loss; and

(c) for death, a sum of up to the equivalent of 4 years' earnings but not more than $7,500 is paid to dependants.

The above benefits are payable in respect of the injured or deceased on whom others are dependent, thus children, students and a few other non-earners do not qualify for income replacement of economic loss or for death compensation. They do however qualify for compensation to permanent disability. Persons on unpaid work for the benefit of their extended family, do qualify the value of such unpaid work is assessed by the Board and is deemed to be earnings for purposes of compensation.

In addition to the above benefits, expenses are also payable for the immediate conveyance of an injured person to a hospital, or to a medical doctor and then to a hospital or to his/her home. And where death occurs, funeral expenses up to $200 are payable as well as a sum of up to $100 to help with medical expenses. Funeral expenses apply to earners, non-earners and children alike.

The reasonable cost of damages to natural teeth or to any artificial aid worn at the time of the accident are likewise payable.

As part of its rehabilitation function, the Board provides for the reasonable cost of any artificial limb, aid, physiotherapy or other treatment considered necessary for full rehabilitation of a person injured by either a motor vehicle or work accident.

7. Waiting Period

No compensation is payable in respect of any injury which does not incapacitate a person for at least 5 days from earning full wages or from earning assessed wages in the case of unpaid family workers. However, if the incapacity lasts 5 days or more, compensation is payable in respect of the total period of incapacity.

Periodic payments of compensation for temporary incapacity is presently limited to an aggregate period of 3 years.

8. Operational Statistics

	1982	1983	1984	1985
Accident Claims received (No.)	457	458	434	381
Of which Work Accident Claims:	222	234	218	181
and Motor Vehicle Acc. Claims.	235	224	216	200
Deaths: To workers	7	14	12	-
Non workers	20	23	18	19
Total deaths	27	37	30	19
Income ($'000):				
From Payroll Levy	435	434	487	
From Fuel Levy	155	170	199	
Total Levies	590	604	686	
Investment Income	178	275	434	
Expenditure ($'000):				
Benefits, Work Accidents	103	99	73	
Benefits, Motor Veh. Accidents	66	51	72	
Total Benefits	169	150	145	
Administration	91	100	138	
Work Accidents	48	56	74	
Motor Vehicle Accidents	43	44	64	
Total Expenditure	260	250	283	

Trends indicate that accidents (and claims) for 1985/86 will likely remain below the 500 level. Minimal increases are expected on income from levies. Benefits expenditure however, will remain at the present relatively low level but it is anticipated that moderate to significant increases will be evident in 1986/87.

9. Accident Prevention

The Board works in close cooperation with the occupational health and safety inspectorate of the Labour Department whose function is the enforcement of health and safety standards at workplaces. The Board also contributes financially to other activities designed to prevent or minimize work and motor vehicle accidents, e.g. first aid instructions for workers at work places, road safety programmes to schools, drivers programmes, etc.

10. Some Experiences

(a) Duration of Weekly Compensation Claims:

There is an expected but nonetheless striking difference between the average duration of weekly compensation (temporary incapacity) claims under the two schemes described above (for the period 1978-83):

Average duration of Incapacity

Work accident 25 work days

Motor vehicle accident 79 work days

These average durations are from day one for incapacities which last at least five working days. It is evident that the severity of motor vehicle accident injuries is over three times the severity of work injuries.

(b) Claim Frequencies:

For the work accident scheme, the 1978-83 average claim frequencies (per 10,000 insured persons) are:

Temporary incapacity	92
Permanent incapacity	8
Death	4

It is felt that the combined male and female frequency of temporary incapacity benefits of 92 per 10,000 insured workers is low. Deaths however, is sensed to be high.

For motor vehicle accidents, a frequency of accidents (other than commuting accidents) causing personal injury to covered workers would yield a figure of the order of 130 per 10,000 covered workers, or about twice that of Switzerland. When measured in terms of accidents involving personal injury against the number of motor vehicles registered, Western Samoa with about 580 per 10,000 motor vehicles registered, is something like four times greater than that of Italy.

(c) Severity of Injury Lump Sum Claims:

The percentage incapacity for injury lump sum claims which have been settled to December 1983 are tabled below, for males and females combined.

	Degree of incapacity			
	Under 20%	20-39%	40% or more	Total
Work accidents	42	29	10	81
Motor vehicle accidents				
- adults	32	15	15	62
- children	37	5	6	48

It can be seen from the above that approximately one half of the permanent incapacities resulting from work injuries and motor vehicle accidents incurred by adults are under 20%. For children, over three-quarters of those who suffer permanent incapacity incur less than 20% permanent incapacity.

The average age at the time of the accident of adult permanent incapacity claimants with degrees of incapacity of 20% or more, is 33 for incapacities arising from work accidents and 38 for incapacities arising from motor vehicle accidents.

(d) Average Benefit Amounts:

The average benefits related to earnings of accident victims, for the two-year period 1982/83, are tabled below.

Average Benefit Amounts

		No.	Avarage Amount ($)
Work Accidents:			
Weekly compensation	M	363	19.44
	F	30	13.75
Death	M	15	5,756
	F	3	6,188
Motor vehicle accidents:			
Weekly compensation			
- unpaid workers			10.00
- paid workers	M	20	26.10
	F		28.56
Death			
- unpaid workers			1,248[1]
- paid workers	M	4	6,180
	F	3	6,248

[1] Increased to $2,080 from September 1984

It may be noted from the above benefits on work accidents that the average earnings of injured females appear to be about 70% of the male average.

While the above data appear limited to draw any firm conclusions, the average weekly earnings of paid workers receiving weekly compensation due to a motor vehicle accident seem to be higher than the earnings of those receiving weekly compensation due to a work accident. This could well be the situation since motor vehicle accidents will tend to be relatively more randomly distributed throughout the working population than work injuries which tend to be concentrated in the more hazardous occupations, e.g. construction, logging, etc. which have large numbers of low-paid unskilled workers.

The minimum adult wage in 1978 at commencement of the scheme was $10 for a five-day 40-hour week. The minimum weekly compensation also stood at $10 per week. For the period 1982/83, the minimum weekly wage was $18, increasing to $22 for 1984/85. The minimum weekly compensation remains at $10.

11. The Future

Possible changes would likely include the extension of the scheme to also cover workers injured in the course of work outside territorial limits. Also under consideration is whether or not workers should be covered on a 24-hour basis so as to include injury by non-work accidents.

Likely to be modified, is the earnings related compensation to tourists and other temporary visitors to the country. Presently, a tourist injured in a motor vehicle accident is entitled to weekly compensation based upon his/her earnings in the country from which he/she comes. As a result, such people when injured invariably qualify for the maximum amounts.

Also under consideration is a report on a recent actuarial valuation of the Fund from which it is indicative that many of the benefits can be increased. A complete review of these matters is hoped to be finalised by 1986.

12. Miscellaneous

The present workers' scheme replaced a previous system of workers' compensation based on employer-liability. That system, in operation from 1960, was not compulsory.

Present day, personal accident insurance is available through insurance companies. Likewise third party insurance for motor vehicle accidents is also available.

Nothing in the national scheme affects the civil liability of an employer or any person to sue for negligence, breach of statutory duty or other fault. And any worker or injured person or dependant can proceed both under the present Accident Compensation Act or independently of the Act. But where judgement is obtained independently of the Act, all compensation entitlements under the Act are forfeited.