

The Society of Actuaries in Ireland

Increase in Stress Related Employee Claims

Stress-related employee disability claims are on the increase in Ireland. This increase is linked to the growth of the Celtic Tiger and is one of the major causes of the 50% increase in disability claims seen over the last four years, a meeting of the Society of Actuaries in Ireland was recently told.

Addressing the meeting, actuaries David Harney and Ivor O'Shea said the insurance data, which they were working from, highlighted two major factors as driving the increase in stress related illnesses.

Firstly, companies are being run at a tighter level with individual employees' performance subject to ongoing measurement. Secondly, companies are undergoing restructurings at a much faster rate - and not only companies with problems but also successful companies striving to improve competitiveness.

The actuaries said the data available to them shows that these factors have resulted in a higher level of stress and a lower morale among employees - manifest in an increasing number of work stress related claims being received by life assurance companies.

Based on an analysis of 2,100 disability claims that occurred between 1995 and 1999, Mr. Harney and Mr. O'Shea reported that the top three causes of disability claims varied between men and women.

For men, the top three causes of disability claims were: heart/circulatory system illnesses (21%), back pain (19%) and mental illness (13%).

The equivalent top three causes for women were: mental illness (26%), back pain (19%) and cancer (14%).

In addition, the data suggested disability claimants' mortality rates were on average five times that of typical employees. For instance, a typical male employee aged 55 would have about a 0.5% chance of dying during the following 12 months, while an equivalent disability claimant would have a 2.5% chance of dying during the same period.

The speakers commented that Repetitive Strain Injury (RSI), a major cause of disability claims in the United States representing 10% of such claims, had not yet made a significant impact in Ireland. While one of the contributing factors may be that doctors in Ireland are less willing to diagnose Repetitive Strain Injury as an illness, overall levels are still low but starting to rise.

The President of the Society of Actuaries in Ireland, Jimmy Joyce, thanked the speakers for their paper on Permanent Health Insurance. He noted that actuaries in the life assurance industry were well placed to monitor trends in health related issues and that the

sharing of this information would be valuable to all parties committed to raising health standards.

Further Information

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Note for Editors

The Society of Actuaries is the professional body for actuaries practising in Ireland, many of whom work in the pensions and life assurance industries. The Society aims to develop the role and standing of the Actuarial profession and to enhance its reputation, in particular for serving the public interest.

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