

Compulsory industrial injury insurance

Fact sheet on the insurance product

Entity: Danish Shipowners' Accident Insurance Association (UFDS)
FSA no. 50018

About the Danish Shipowners' Accident Insurance Association (UFDS)

UFDS is a Danish mutual insurance company owned by the Danish shipping companies that have taken out industrial injury insurance with UFDS. UFDS insures seafarers against industrial injuries sustained on board ships sailing under the Danish flag.

You should be aware that UFDS is an insurance association and that you automatically become a member of the UFDS insurance association when you buy the insurance product and as such, become jointly and severally liable with the other members of the insurance association. UFDS is comprised by the EU rules on insurance companies and, accordingly, is required to possess sufficient reserves for payment of compensation. UFDS is subject to supervision by the Danish Financial Supervisory Authority.

UFDS does not pay performance-based remuneration to employees, agents, or others.

If you wish to complain about UFDS, please contact Jacob Munch, tel. +45 3360 2701, e-mail ufds@ufds.dk, (please state "complaint" in the subject filed).

About compulsory industrial injury insurance

Compulsory industrial injury insurance is an insurance that all employers are required to take out under section 48 of the Danish Workers' Compensation Act. It covers an employer's employees if they sustain an injury in the course of their work.

If you are self-employed, you should be aware that the insurance you take out for your employees does not necessarily cover you or your spouse.

The insurance provides cover in accordance with the rules of the Workers' Compensation Act, including associated executive orders and case law. Amounts and rates are adjusted annually by the Danish Ministry of Employment.

UFDS makes decisions regarding the coverage of expenses. If UFDS decides not to cover a given expense, the case and the question of coverage are forwarded to Labour Market Insurance, which then makes a decision.

Labour Market Insurance decides whether an injury can be recognised as an industrial injury and determines whether any compensation is payable for permanent injury or loss of earning capacity.

UFDS and the injured employee may appeal all decisions made by Labour Market Insurance. As an employer, you may appeal against the decision regarding recognition of the industrial injury or the refusal regarding recognition.

You are welcome to contact us if you have any questions concerning the insurance and the coverage provided.



What does the insurance cover?

The insurance provides coverage if your employees sustain an injury at work and the injury was caused by the working conditions.

Under the Workers' Compensation Act, the insurance provides coverage for the benefits below:

- ✓ Cost of treatment and aids
- ✓ Compensation for permanent injury
- ✓ Compensation for loss of earning capacity
- ✓ Compensation for loss of breadwinner
- ✓ Compensation for surviving dependants



Are there any limitations in coverage?

The act allows compensation to lapse, in whole or in part, if the employee's discomfort or inability to work is due to reasons other than the industrial injury.

Under the act, the insurance does not provide coverage for injuries not resulting from the working conditions, even if the injury occurred at the workplace.

Damage to clothes and personal belongings that are not personal aids is not covered.



Where are my employees covered?

Your employees are covered if they sustain an injury at work and the injury is caused by the working conditions. They are also covered when attending courses and drills (e.g., rescue, evacuation and fire drills). The insurance is not subject to geographic limitations.



What are my obligations?

You are required to provide UFDS with the information UFDS deems necessary to set the premium and assess the risk.

Under the terms of the act, you are required to report injuries entitling employees to benefits under the act. We recommend that you report all injuries occurring on or in the area around the ship.



When and how do I pay?

Each year, the board of UFDS sets an insurance premium per seafarer per day. At the start of each policy year on 1 January, an aggregate preliminary premium for the coming year is calculated. The annual premium is calculated by multiplying the premium per seafarer by the estimated number of sailing days.

The premium (for the year in question) for new insurance policies taken out becomes payable on commencement of the policy.

If the insurance premium set per seafarer proves insufficient to cover UFDS's expenses or obligations, the board may at any time collect additional insurance premium/adjust the insurance premium per seafarer per day.

Each year UFDS calculates the number of sailing days paid for relative to the actual number of sailing days. If a shipowner has paid too much, the relevant part of the premium is refunded. If a shipowner has paid too little, the difference is collected.

The annual premium is set as of 1 January and payable in two six-monthly instalments. The premium for the first half of the year is payable on 1 April and for the second on 1 October. Payment of the final adjustment of premiums for the preceding policy year falls due on 1 July of the following year.



When does coverage start and end?

The insurance comes into force on the date stated on the policy. Insurance taken out for a year or longer that has not been terminated is renewed by one year after expiry of the insurance period, unless a longer period is agreed.

If the insurance has been taken out for a limited period, coverage commences and ends on the dates set out in the policy.



How do I terminate the insurance contract?

The insurance policy is terminable at no less than four weeks' written notice to expire at the end of a policy period.

Members resigning from the Association will remain liable for all premium collections (including Basic Premiums, Extra Premiums and Capital Injection Contributions, see Articles of Association 4 and 14(4)) in relating to the policy year in which the member resigned and all previous policy years in which the member was a member of the Association. The liability continues to exist until the premium collections have been paid and the Association has finally calculated and closed the relevant policy year by notifying the members thereof.