

OUTLINE OF THE WORKMEN'S  
ACCIDENT COMPENSATION  
INSURANCE



Ministry of Labour  
Prefectural Labour Standards office  
Labour Standards Inspection Office



## **What is the Workmen's Accident Compensation Insurance?**

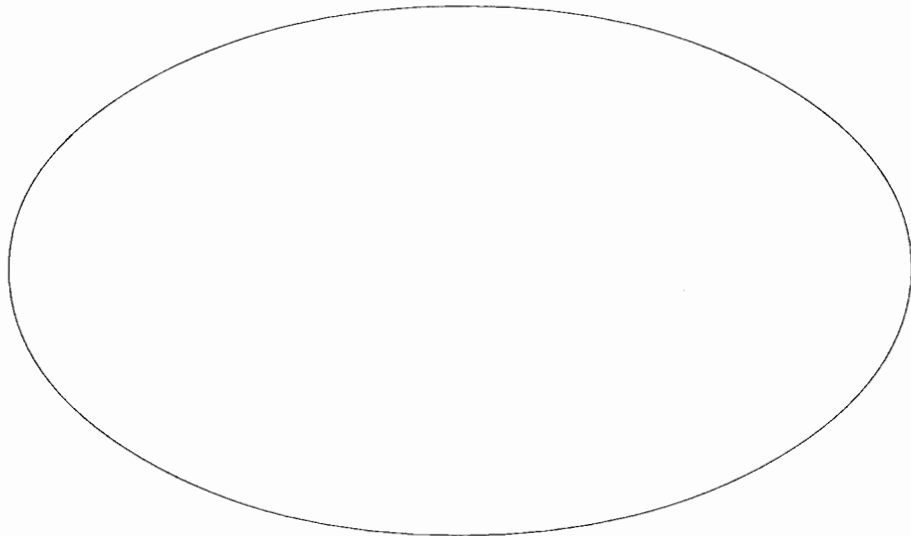
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The Workmen's Accident Compensation Insurance is a scheme to grant necessary insurance benefits to the workers who have suffered from industrial accident or commuting accident, or to their bereaved families.

This pamphlet gives an explanation on the basic idea on the industrial accident and accident incurred on commuting and various workmen's accident compensation insurance benefits.

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## About Industrial Accidents

Industrial accidents mean injury, disease, physical handicap or death to workers on duty in employment.

Industrial accidents are those which have been caused from duty in employment, which have a certain causal relationship between the employment and their injuries and diseases.

As the insurance benefits under this scheme are granted to the workers who have suffered from the accidents which were caused from their work at the workplace where they are employed and to which this insurance is applied (for any establishment to which this insurance is applied, regardless of establishment by a legal person or an independent person), the accidents should be those which occurred when the workers were in the labour relation. These are summarized as follows:

### About Industrial Injuries

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| (1) | In the case when a worker is engaged in work under the control or administration of the employer |
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This is the case of engagement in work at the specified workplace within the specified working hours or overtime working hours.

As the accident in this case is deemed to have occurred caused by the deed of the worker as his/her duty in work or the situation of administration of equipment and facilities, this accident is recognized as an industrial accident, unless there are other special reasons.

However, the following cases are not recognized as industrial accidents.

(1) The case when a worker has suffered from the accident which was caused by a personal matter (personal deed) or arbitrary deed deviating from his/her duty in work, in which the worker was engaged while he/she was on duty in work;

(2) The case when a worker has intentionally caused an accident occurred;

(3) The case when a worker has suffered from a damage caused by violence on him/her by the third person due to personal enmity; or

(4) The case when a worker has suffered from a damage caused by natural disaster such as earthquake and typhoon. (However, when there is a reason that the work is apt to suffer from the accident at the time of natural disaster due to the condition of location of workplace and condition and environment of working, it is recognized as an industrial accident.)

(2)

In the case when a worker is under the control or administration by the employer but is not engaged in work

This is the case in which a worker is staying within facilities at his/her workplace at lunch time or before or after working hours. As much as a worker stays at facilities at his/her workplace after his/her attendance at the place, it is recognized under the labour agreement that the worker is under the control or administration of the employer. However, as the worker is not actually engaged in work during rest period or before or after working hours, his/her deed is a personal deed.

In this case, the accident which was caused by a personal deed is not recognized as an industrial accident but the accident which was caused due to the facilities, equipment and situation of administration at the workplace is deemed as an industrial accident.

As the physiological deed, such as going to stool, is recognized as the deed incidental to the work which is associated with the control of the employer, the accident caused by the deed is recognized as an industrial accident in compliance with the rule for the accident on duty in work regardless of the cause of occurrence by the situation of administration, etc. of facilities, except the case in which it is not recognized as an industrial accident.

(3)	In the case in which a worker is under the control of the employer but engaged in duty in work apart from the control of the employer
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This is the case of engagement by a worker on duty in work outside the facilities at the workplace, such as business trip or going out on his/her firm's business. While the worker is apart from the administration by the employer, the worker is under the control of the employer as he/she is engaged in the work ordered by the employer based on the labor agreement. Wherever the place for work is located, as much as there is no special reason, such as positive engagement in personal deed, the worker is generally engaged in the duty in work. Unless there is any special reason to disapprove as an industrial accident, this accident is generally recognized as an industrial accident.

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## Abut Industrial Diseases

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Diseases are the subject for insurance benefits, when relevant causal relations are recognized (industrial diseases).

Industrial diseases do not mean diseases which workers who were under the condition of control by the employers contracted but those which workers contracted by exposure to harmful factors while they were under the control of the employer.

For example, even when a worker contracted the cerebral hemorrhage, if a sufficient reason attributable to the work as the cause for the disease is not recognized, no relevant causal relation is established between the work and the disease. On the other hand, even in the case of the disease which a worker contracted outside working hours, if it is recognized that the worker contracted the disease by exposure to harmful factors caused in the course of duty, the relevant causal relation is established between the work and the disease, and the disease is recognized as an industrial disease.

Generally, if the following three requisites are met, diseases are recognized as industrial ones in principle.

(1)	Existence of harmful factors at the workplace
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Harmful factors in this case mean such factors as harmful physical factors inherent to the duty, chemical substances, form of jobs involving extreme physical tension, pathogens, etc.

(2)	Exposure to harmful factors so as to cause health impediment
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While health impediment is caused by exposure to harmful factors, it is important whether or not there has been an exposure ample to cause the health impediment concerned.

The degree of exposure depends, basically, on the density and period of exposure as well as the form in which the exposure was made . it is necessary to grasp the condition of exposure from these points of view.

(3)	Course of appearance of the symptoms of a disease and morbid state
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As the disease incurred in the course of duty is that which is caused by contacting harmful factors inherent to the work or by invasion of those factors into the body of worker, the disease should naturally be such which has shown the symptoms of disease after the initiation of exposure to the harmful factors concerned.

However, of the disease in the course of duty, some presents the symptoms in a short period of time and other show the symptoms after a considerably long incubation period. The time of presenting the symptoms is different according to the nature of harmful factors exposed, conditions of exposure, etc.

Accordingly, the time of presentation of the symptoms is not necessarily limited to the period in which workers are being exposed or the period immediately after the exposure but should be medically an appropriate one judging from the substance of harmful factors, conditions of exposure, etc.

## About Commuting Accident

The commuting accident means injury, disease or death caused to workers while they were commuting.

The "commuting" in this case means the round trip of a worker, resulting from an employment-related cause, between his/her residence and workplace by a reasonable route and means, excluding the commuting which is in the nature of performance of duties. In case when a worker has deviated from the round trip route or has interrupted the commuting, the period of such deviation or interruption and the subsequent commuting is not regarded as "commuting". However, when such a deviation or interruption is the minimum necessary for doing acts that are necessary for daily life and is undertaken for unavoidable causes as prescribed by the Ordinance by Ministry of Labour, the period excluding the deviation or interruption is regarded as "commuting".

In this way, for the recognition of the commuting accident it requires that acts of the round trip between the worker's residence and workplace meets the conditions of commuting as prescribed by the Workmen's Accident Compensation Insurance Law. Such conditions are summarized as follows.

(1)	About "resulting from an employment-related cause"
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For the recognition as commuting, it is necessary that the act of round trip between the worker's residence and workplace should be closely related to the duty in employment.

Therefore, it is a requisite that the worker is scheduled to work at the workplace or has been engaged in the work on the day of accident.

In this case, the tardiness or early attendance at the workplace in order to avoid rush hours is recognized as employment-related, even though it is a certain deviation in time from ordinary hours for attendance.



(2)	About "residence"
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The "residence" means the place of house, etc. which a worker uses for the purpose of daily life and also as the fixed place where the worker lives for engagement in his/her work.

Therefore, when the worker lives at an apartment house near his/her workplace, apart from the place where his/her family lives, and commutes from the apartment house, the apartment house is recognized as the residence.

In a case where the worker ordinarily commutes from the place where he/she lives with his/her family but, due to a natural disaster or transportation strike, he/she stays at a hotel near his/her workplace for lack of an alternative, the hotel concerned is regarded as the residence.

(3)	About the "workplace"
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The workplace means the place where the duty starts or ends.

Generally, it means a place where the primary duty is performed, such as an office, plant, etc. If a worker engaged in outdoor service is in charge of a specific area and commutes between his/her residence and several places for business within the area, the first place for business he/she visits after leaving the residence is the place for the initiation of duty and the last place is the place for the termination of duty.

(4)	About "reasonable route and means"
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This means the route and means generally recognized as ordinary in the case of making round trip between a worker's residence and his/her workplace.

As to a reasonable route, more than one routes would be regarded as reasonable routes if these are routes normally used for commuting.

The detour route which a worker had to take due to traffic situation of a certain day or the route which a worker commuting with his/her own vehicle takes via a garage which he/she rents is also

recognized as a "reasonable route".

However, an extraordinary detour route which a worker takes without any specific reason cannot be regarded as a "reasonable route".

As to a "reasonable mean", using public transportation facilities such as railway and bus, or using his/her own car or bicycle in accordance with its normal way of use, or on foot are generally recognized as "reasonable", regardless of whether or not a worker usually uses one of these.

<b>(5)</b>	<b>About "commuting which is in the nature of performance of duties"</b>
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Even in the case which the conditions mentioned in <1> through <4> are met, the act which is in the nature of performance of duties is not regarded as commuting.

Specifically, commuting using private transportation means provided by the employer or commuting for an emergency attendance at the workplace for emergency work on holiday falls under this definition and the accident in such a case as above is recognized as an industrial accident.

<b>(6)</b>	<b>About "in the case of deviation or interruption of the round trip route"</b>
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The deviation means to diverge from the reasonable route in the course of commuting for any purpose having nothing to do with the employment and commuting. The interruption means to engage in any act which has nothing to do with commuting in the route for commuting.

Specifically, such case as going to a movie or drinking at bar comes under this.

However, small acts such as use of a public lavatory near the route for commuting or purchase of cigarettes or juice at shops in the route of commuting are not the deviation or the interruption.

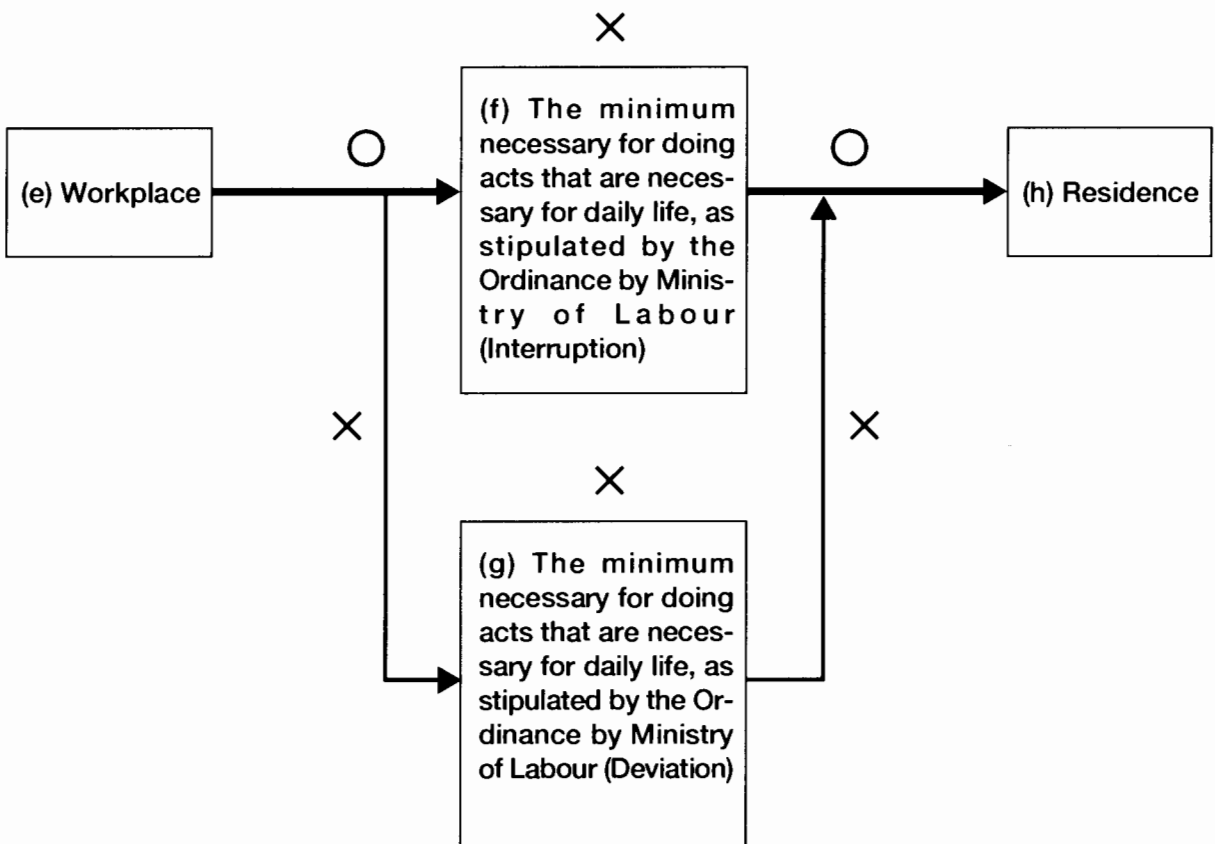
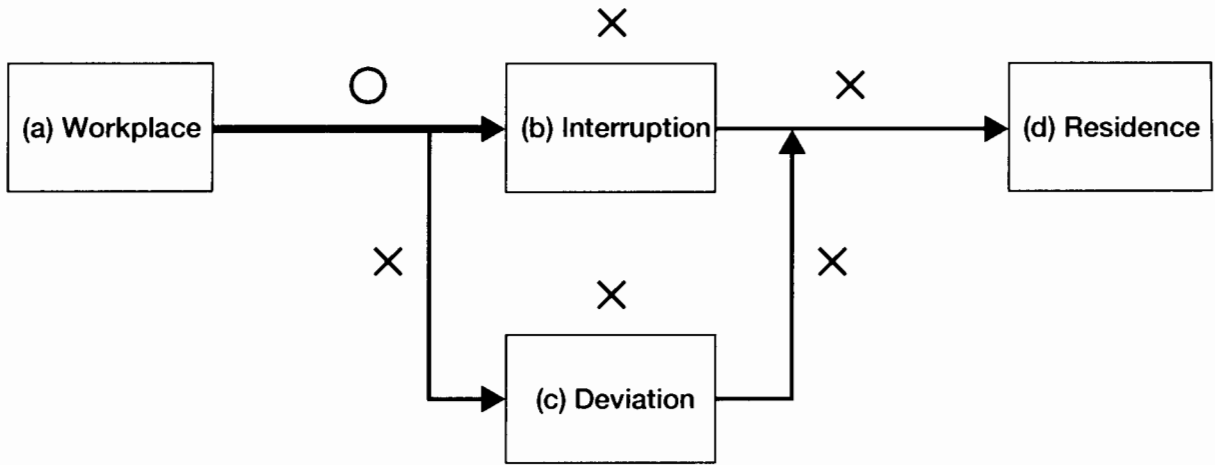
When there is a deviation or interruption in the route of commuting, the act after such deviation or interruption is not recognized as commuting, in general, but the law establishes an exception for this. In case when such a deviation or interruption is the minimum necessary for doing acts that are necessary for daily life, as prescribed by the Ordinance by Ministry of Labour, the trip after the worker has returned to the reasonable route from such a deviation or interruption, except the time of the deviation or interruption, is deemed as commuting.

The acts which the Ordinance by Ministry of Labour prescribes as exception to the deviation or interruption are:

- ① Buying daily necessities, and the equivalent;
- ② Education and training such as vocational training offered at Public Human Resources Development Facility under the provision of Article 15-6-3 of Human Resources Development Promotion Law, or education or training offered at schools stipulated in Article 1 of the School Education Law, or education or training equivalent to the above, and which contribute for development and promotion of vocational ability;
- ③ Exercise of one's voting rights, or equivalent action; and
- ④ To receive medical examination or medical care at hospital or clinic, or other equivalent action.

**A** Range of Commuting

- ..... Recognized as the range of commuting
- × ..... Not recognized as the range of commuting



**B** List of Insurance Benefits

(1) Types of insurance benefits	(2) Applicable case	(3) Contents of insurance benefits	(4) Contents of special allowance
(5) Medical compensation benefit (6) Medical benefit	(7) Case of medical treatment for injury or disease due to industrial accident or commuting accident (medical treatment at Workmen's Insurance hospitals or designated hospitals, clinics or pharmacy by the Workmen's Insurance) (9) Case of medical treatment for injury or disease due to the employment-related cause (medical treatment at other than Workmen's Insurance hospitals or designated hospitals, clinics or pharmacy by the Workmen's Insurance)	(8) Granting necessary medical treatment (10) Full amount of medical treatment expenses	/
(11) Absence compensation benefit (12) Absence benefit	(13) When a worker cannot get wage due to medical treatment for the injury or disease caused by industrial accident or commuting accident	(14) The amount of 60 percent of the basic daily benefit per day for the fourth day of the absence and thereafter	(15) The amount of 20 percent of the basic daily benefit per day for the fourth day and thereafter
(16) Physical handicap (compensation) annuity	(17) Physical handicap compensation annuity (18) Physical handicap annuity	(19) After the injury or disease caused by industrial or commuting accident has healed or cured, when any physical handicap falling under Grades 1 to 7 remains	(20) In accordance with the degree of physical handicap, annuity ranging from 131 days of the amount of basic daily benefit to 313 days of the amount of basic daily benefit
	(23) Physical handicap compensation lump-sum allowance (24) Physical handicap lump-sum allowance	(25) After the injury or disease caused by the industrial or commuting accident has healed or cured, when any physical handicap falling under Grades 8 to 14 has remains	(26) In accordance with the degree of physical handicap, the lump-sum amount ranging from 56 days of the amount of basic daily benefit to 503 days of the amount of basic daily benefit
(29) Bereaved family (compensation) benefit	(30) Bereaved family compensation annuity (31) Bereaved family annuity	(32) When a worker was dead due to the industrial or commuting accident	(33) In accordance with the number of members of the bereaved family, the annuity ranging from 153 days of the amount of basic daily benefit to 245 days of the amount of basic daily benefit
			(34) (Bereaved family special allowance) Regardless of the number of bereaved family members, a lump-sum amount of 3 million yen (35) (Bereaved family special annuity) In accordance with the number of bereaved family members, the annuity ranging from 153 days of computed basic daily benefit to 245 days of computed basic daily benefit

(1) Types of insurance benefits		(2) Applicable case	(3) Contents of insurance benefits	(4) Contents of special allowance
(36) Bereaved family (compensation) benefit	(37) Bereaved family compensation lump-sum allowance	(39) (1) When there is no eligible bereaved family to claim the bereaved family (compensation) annuity (40) (2) When the person who received the bereaved family (compensation) annuity has lost the eligibility and there is no other eligible person to receive the bereaved family (compensation) annuity and when the total amount of annuity which has already been paid does not amount to 1,000 days of basic daily benefit	(41) The lump-sum allowance of 1,000 days of basic daily benefit (however, in the case of (2) the balance after reduction of the total annuity already paid)	(42) (Bereaved family special allowance) Regardless of the number of bereaved family members, a lump-sum amount of 3 million yen (43) (Bereaved family special annuity) Lump-sum allowance of 1,000 days of computed basic daily benefit (however, in the case of (2), the balance after reduction of the total special annuity already paid)
	(38) Bereaved family lump-sum allowance			
(44) Funeral expenses	(45) Funeral benefit	(46) When a funeral is held for the person who was dead due to an industrial or commuting accident	(47) 315,000 yen plus 30 days of the basic daily benefit (when the total amount is less than the 60 days of the basic daily benefit, the amount of 60 days of the basic daily benefit)	
(48) Injury and disease compensation annuity	(49) Injury and disease annuity	(50) In case where an injury or disease due to industrial or commuting accident falls under the following conditions on and after the date when one year and six months have passed since the start of medical treatment: (1) the injury or disease has not healed or cured and (2) the degree of physical handicap resulting from the injury or disease falls under any of the grades provided in the Injury and Disease Grade Schedule	(51) In accordance with the degree of physical handicap, the annuity ranging from 245 days of basic daily benefit to 313 days of basic daily benefit	(52) (Injury and disease special allowance) In accordance with the degree of physical handicap, the lump-sum allowance ranging from one million yen to 1.14 million yen (53) (Injury and disease special annuity) In accordance with the degree of physical handicap, the annuity ranging from 245 days of computed basic daily benefit to 313 days of computed basic daily benefit
(54) Nursing compensation benefit	(55) Nursing benefit	(56) Of the persons who receives the physical handicap (compensation) annuity or the injury or disease (compensation) annuity, the person of Grade 1 or 2 (a person of a reasonable dysfunction of the nervous system or mental state or a remarkable dysfunction in the thoracic and abdominal organs) who is actually receiving nursing care	(57) In the case of always requiring nursing care, the amount which was spent as the nursing expense (the maximum amount being 108,300 yen). However, when the nursing care is given by relatives etc. and the nursing expense has not been spent or the expense spent amounts to less than 58,750 yen, the allowance of 58,750 yen. In the case of occasional nursing care, the expense spent for the nursing (the maximum amount being 54,150 yen). However, when the nursing care is given by relatives, etc. and the nursing expense has not been spent or the expense spent amounts to less than 29,380 yen, the allowance of 29,380 yen.	

(58) Note 1) The upper column of the "types of insurance benefits" pertains to the industrial accident and the lower column the commuting accident.

Note 2) The amount in the table is as of April 1, 1997

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## About Amount of Basic Daily Benefit

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In the Workmen's Accident Compensation Insurance benefits, the amount of insurance benefits other than the medical (compensation) benefit and nursing (compensation) benefit differs, in principle, according to the ability of earning wage by the person suffered from the accident. This is because the Workmen's Accident Compensation Insurance aims at compensation for the ability to earn which has been lost by accident. As a method of calculation of specific amount of insurance benefit, the "basic daily benefit" is used.

The basic daily benefit means, in principle, the amount equivalent to the average wage as stipulated in the Labour Standards Law. The amount of average wage is the daily amount of wage obtained by dividing the total amount of wages for a period of three months by the number of calendar days, preceding the day on which the accident occurred resulting in injury or disease of the worker, or the worker's disease was diagnosed by a physician.

The amount of basic daily benefit which is used as the basis for calculation of the amount of absence (compensation) benefit is amended (a sliding system) in accordance with the wage levels. When one year and six months have lapsed since the start of the medical treatment, the highest and the lowest wage limits are specified by age group (the amount of basic daily benefit for the absence compensation benefits).

The amount of basic daily benefit which is used as the basis for calculation of the insurance benefit as the annuity (injury of disease (compensation) annuity, physical handicap (compensation) annuity and bereaved family (compensation) annuity) is also amended ( a sliding system) in accordance with the wage levels and the highest and the lowest wage limits are specified by age group (the amount of basic daily benefit for the annuity). The highest and lowest wage limits were applied from the first month of the payment of annuity.

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## About Computed Amount of Daily Basic Benefit

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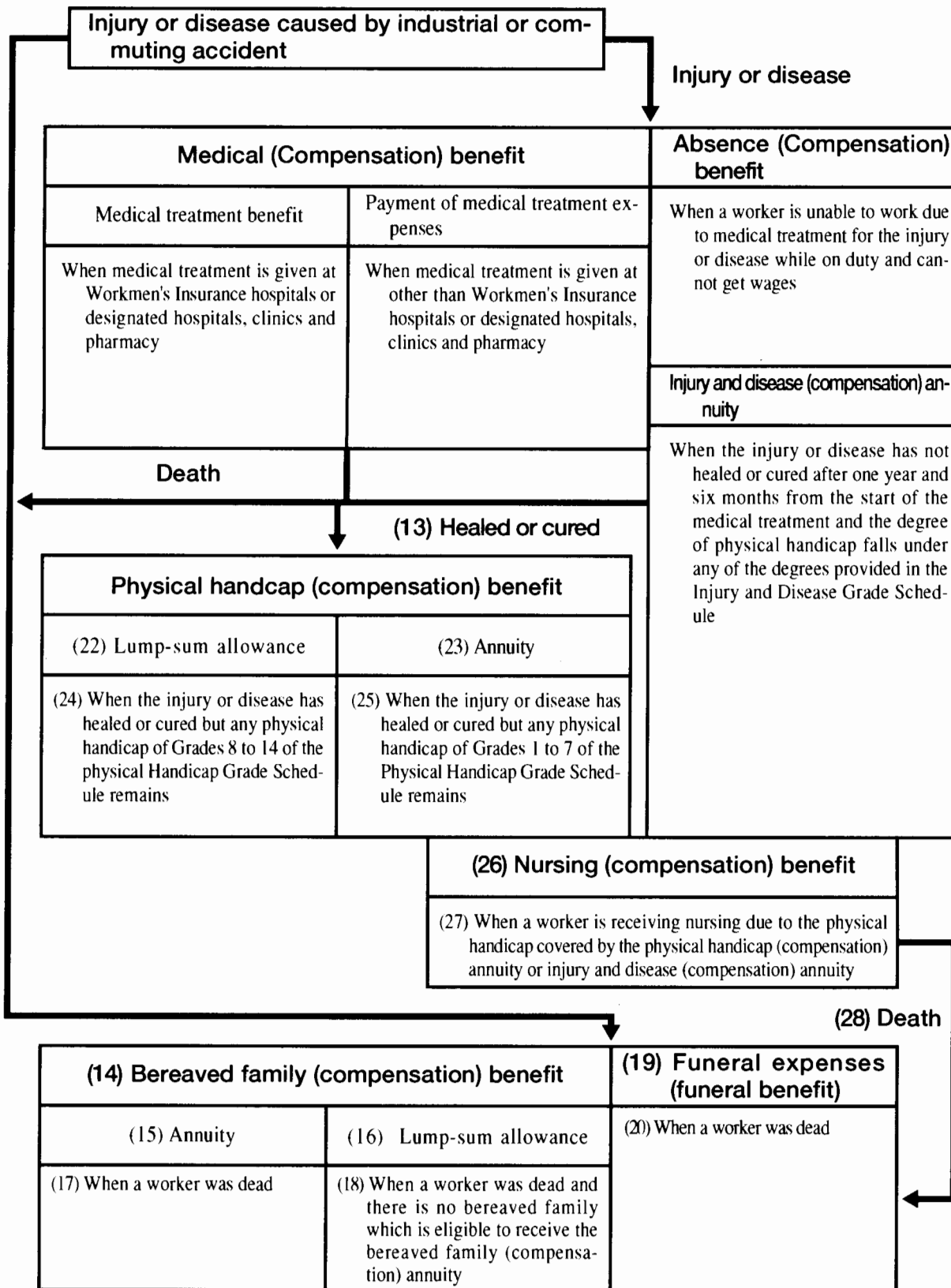
The Computed amount of daily basic benefit is, in principle, obtained by dividing by 365 the gross amount of special allowances (which is the computed annual basic benefit) that a worker received from his/her employer in one year prior to the date on which an injury or disease on duty or commuting caused damage or death to him/her or the date on which he/she was diagnosed to have contracted the disease.

In case where the gross amount of special allowances exceeds 20% of the basic annual benefit (which is equivalent to the basic daily benefit multiplied by 365), the amount equivalent to 20% of the basic annual benefit is the computed basic annual benefit. However, in this case, the maximum amount is limited to 1.5 million yen.

Special allowances mean wages, such as bonus, which are paid for each period exceeding three months and which are excluded from the computation of the basic daily benefit. Wages paid temporarily are not included in special allowances.



**C** Outline of Workmen's Accident Compensation Insurance Benefits



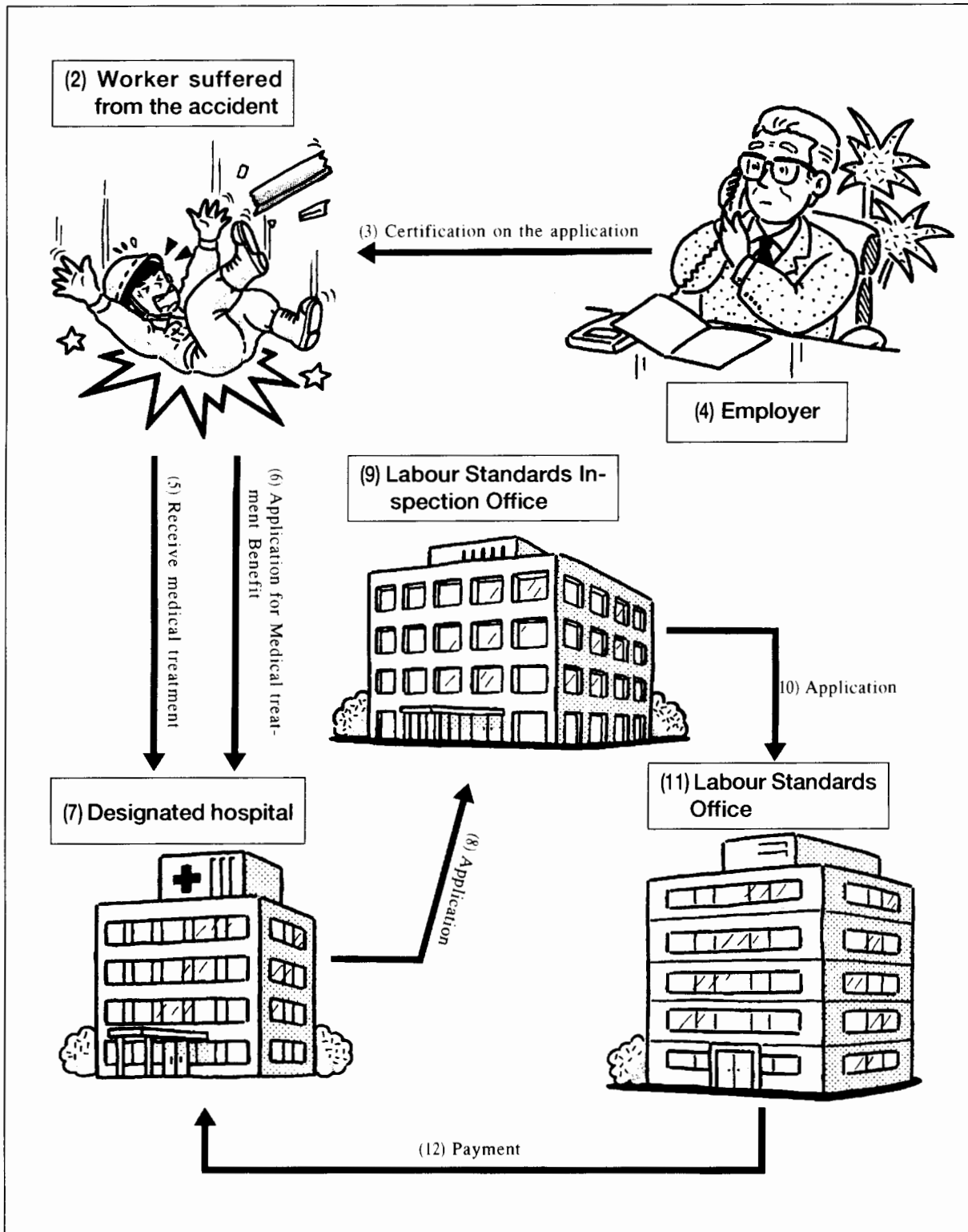
**D** Procedures for Receiving Insurance Benefits

(1) In order to receive the insurance benefit, the worker suffered from the accident or his/her bereaved family should enter necessary matters in the prescribed form of application for insurance benefits and submit the application to the Director of Labour Standards Inspection Office which has the jurisdiction over the area in which the establishment to which the worker suffered from the accident belongs is located.

(2) Kind of benefit	(3) Form of application	(4) Submission to
(5) Medical Treatment	(6) Application for Benefit of Medical Treatment as a Medical Compensation Benefit (Form No.5)	(10) Director of the Labour Standards Inspection Office which has the jurisdiction over the area through a hospital, pharmacy, etc.
	(7) Application for Benefit of Medical Treatment as a Medical Benefit (Form No.16-3)	
	(8) Application for Payment of Medical Treatment Expenses as a Medical Compensation Benefit (Form No.7)	
	(9) Application for Payment of Medical Treatment Expenses as a Medical Benefit (Form No.16-5)	
(11) Absence	(12) Application for Payment of Absence Compensation Benefit (Form No.8)	(27) Director of the Labour Standards Inspection Office which has jurisdiction over the area
	(13) Application for Payment of Absence Benefit (Form No.16-6)	
(14) Physical handicap	(15) Application for Payment of Physical Handicap Compensation Benefit (Form No.10)	
	(16) Application for Payment of Physical Handicap Benefit (Form NO.16-7)	
(17) Bereaved family	(18) Application for Payment of Bereaved Family Compensation Annuity (Form NO.12)	
	(19) Application for Payment of Bereaved Family Annuity (form NO.16-8)	
	(20) Application for Payment of Bereaved Family Compensation Lump-sum Allowance (Form No.15)	
(22) Funeral	(21) Application for Payment of Bereaved Family Lump-sum Allowance (Form No.16-9)	
	(23) Application for Payment of Funeral Expenses (Form 16)	
(25) Nursing	(24) Application for Payment of Funeral Benefit (form 16-10)	
	(26) Application for Payment of Nursing compensation Benefit and/or Payment of Nursing Benefit (Form No.16-2-2)	

# E Flow of Procedures

## (1) Application for Medical Treatment Benefit



- (13) Other applications (medical treatment expenses, absence (compensation) benefit, physical handicap (compensation) benefit, bereaved family (compensation) benefit, funeral expenses (funeral benefit) and nursing (compensation) benefit)

