

edge

A SEDGWICK PUBLICATION

020

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Sedgwick is proud to share the 20th issue of the ***edge***, our publication dedicated to shining a light on leading-edge topics that shape our industry's collective future.

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20 issues of edge: a retrospective

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President, Sedgwick

It's been eight years since Sedgwick decided to launch a digital magazine — one we hoped would provide valuable insights and drive important conversations with stakeholders across the industry. With our first online issue of *edge* in 2015, we aimed to shine a light on the leading-edge topics that shape our collective future and matter most to our clients and colleagues. Nineteen issues later, *edge* continues to do just that.

The milestone of *edge* 20 got me thinking about where we've been, and where we're headed as an industry. How has the conversation evolved since our first edition? As we look back at our first 20 issues and look ahead to what will hopefully be many more, I want to explore a few recurring themes and trends, what they mean in today's claims landscape and what we anticipate may lie ahead in 2023 and beyond.





GOING GLOBAL

Developments in technology, telecommunications and international travel, coupled with business consolidations, have manifested in globalization across many sectors — including the insurance and claims arena.

In [edge 5](#), we first tackled the question of whether those with worldwide exposures are better off centralizing the management of these risks or working with providers indigenous to each geography to ensure understanding of local customs, nuances and regulations. Over the years, the industry has come to appreciate the beauty of a blended approach: global capabilities, supported by homegrown talent and local operations firmly embedded in each market. Our experience responding to catastrophes like [floods in Australia](#) and hurricanes in the [Caribbean](#) and [southern U.S.](#) highlighted the advantage of drawing from a broad base of expert talent when situations demand an all-hands-on-deck approach.

While there are, of course, significant differences across geographies, globalization has brought to light how much we are alike and face the same kind of [unpredictability](#), regardless of location. With these commonalities in mind, many multinational employers are looking to adopt more consistent, global approaches to [absence and leave](#), [talent resources](#), workers' compensation, [accident and health](#), [mental well-being](#), productivity and other workforce issues — and Sedgwick aims to be at the forefront of those developments. Similarly, service providers in the [liability](#) and [auto/motor](#) space are scaling up to meet worldwide customer demand.

The globalized workforce and base of insurance carriers have created the need for innovative employee, customer and policyholder solutions that reach beyond borders. Around the time we published the inaugural issue of edge, Sedgwick began growing our operations to establish an international footprint beyond our North American roots. Broadening the scale of our business and scope of our expertise over the past decade has enabled us to meet a wider range of needs for more clients in more places than ever before.



PREPARING FOR DISASTER

In the claims business, we specialize in making things right *after* something unexpected occurs. Over the years, the industry has heightened its focus on anticipating things that can go wrong and making advance preparations to help mitigate the risks.

Damage related to natural disasters represents a significant percentage of property claims, so we've used edge to examine catastrophe preparedness from multiple angles. Our experts have shared insights on [proactive steps](#) businesses should take and [disaster planning](#) efforts that should be completed before storms hit. In 2020, when COVID-19 dominated the news cycle, we covered the compound challenges of preparing for the Atlantic hurricane season amid the pandemic — a [catastrophe within a catastrophe](#).

Although insurance often equates "CATs" with natural disasters, our industry is committed to helping businesses prepare for and ride out all types of storms. Targeted programs built on specialized expertise have proven to be a smart strategy. For example, [crisis care](#) can offer holistic clinical services to employees who may experience painful situations, such as workplace violence, traumatic injuries and extreme weather. Additionally, we've showcased expert solutions dedicated to mitigating [cyberattacks](#) and [civil unrest](#), preventing and planning for [product recall and safety issues](#), preparing [healthcare facilities](#) for large-scale emergencies, and reducing [on-the-job injuries](#) by making workplaces safer.

As we said in [edge 13](#), "By aligning these resources in advance, there's a measure of reassurance that you are prepared if a catastrophic event occurs." Organizations that maintain strong partnerships with service providers well-prepared to help them through hard times will reap the benefits of those investments whenever disaster strikes.





Since our very first issue, we've used edge as a vehicle to explore innovative ways Sedgwick, the industry and our clients can demonstrate how caring counts.

PROTECTING YOUR BRAND

A claim is so much more than a business transaction; it's an opportunity to make things right and restore goodwill when something doesn't go as expected. How companies handle claims underscores their commitment to their employees, customers and policyholders. Do they take a bare minimum approach, or do they go the extra mile to ensure satisfactory resolution and provide a positive experience?

Every interaction comprising the claim experience contributes to the end-user's perception of the company's level of caring. In the era of social media, one negative review can quickly escalate into a brand crisis. At Sedgwick, we always strive to represent our clients well and to advocate for their people at every touchpoint in the process. As we said in [edge 2](#), "We are not only acting as an extension of [our client's] brand — we are helping them protect it."

Effective workforce absence management can also protect a company's brand and performance. In [edge 15](#), we delved into absence strategies that facilitate the availability of skilled labor needed to deliver the products and services customers expect. As we said there, "Continuity planning is not a nice to have; it's a must have."

Manufacturers seeking to mitigate the risks of potential product safety issues are turning to partners who are well-versed in the complexities of recalls and can effectively turn a brand crisis into an opportunity for building loyalty. To keep pace with demand for comprehensive and easily scalable solutions, Sedgwick fully entered the brand protection space in 2020, offering end-to-end solutions for managing all aspects of recall, remediation and retention.

TAKING CARE OF PEOPLE

One important function of thought leadership is to remind us of the big picture — that at the heart of everything we do is our shared commitment to taking care of people.

Since our very first issue, we've used *edge* as a vehicle to explore innovative ways the claims industry can demonstrate how caring counts. We've highlighted the concept of [treating the whole person](#) and consideration for the psychosocial factors affecting recovery and return to work. We've also examined the importance of employee engagement via [self-service technology](#) throughout periods of absences related to injury or illness. Employees recover faster and more fully and are more likely to return to productive living when they feel connected to their workplaces and communities.

Building on widespread interest in a more holistic claims experience, we've showcased some forward-thinking ways that organizations can take great care of their employees, including:

- Recommending proven [pain management](#) strategies other than opioid drugs.
- Helping them find timely and appropriate [behavioral health care](#).
- Increasing [access to high-quality care](#) through rideshare services and virtual physical therapy.
- Guiding them through the maze of jurisdiction-specific [paid family leave](#).
- Supporting them through the [job accommodation](#) process.
- Providing [tech-driven user experiences](#) that exceed expectations.

"Whether it is a workers' compensation, disability or leave of absence case, we are treating people," we said in *edge* 1.

"Sometimes that requires thinking outside of the box." That creativity, coupled with our caring counts philosophy, informs all of our solutions and service delivery.

In recent years, organizations have placed a heavy emphasis on environmental, social and governance (ESG) initiatives. In [edge 5](#), we began including a community spotlight feature in each issue to serve as a source of inspiration and a reminder of our industry's far-reaching commitment to care.



IMAGINING THE POSSIBILITIES

When we first began exploring the idea of a Sedgwick digital magazine, we could not have imagined a platform as robust and wide-ranging as edge is today. Through 20 issues, *edge* has kept a finger on the pulse of the industry, providing a valuable outlet to examine evolving challenges, share the best of our resources, and drive the conversation forward. Certainly, some things have changed since issue 1, but trends like globalization, disaster preparedness, protecting brands and taking care of people continue to ring true.

None of us knows what 2023 may bring. But in the unexpected, you can be sure that Sedgwick and our *edge* contributors will be here for you — watching trends, sharing ideas, offering support ... and imagining what's next.

For more on Sedgwick's thought leadership and predictions on the industry trends to watch in 2023, see our [Imagine 23](#) list.





Impact of inflation on the current claims landscape

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Price increases can be seen across all industries — from food and fuel to construction and manufacturing. When we look at the claims industry, these same factors are influencing costs in workers' compensation, auto and property claims.

WORKERS' COMPENSATION

The primary objective in the workers' compensation process is to help injured employees recover and return to work as quickly and safely as possible. The price inflation being seen in both medical and wages may be headwinds for overall costs, yet the objective for employers must remain centered on appropriate and timely medical care with strong support for return to work.

Based on Sedgwick claims data, 2022 medical costs for U.S. workers' compensation claims, on a per-service charge, increased an average of 3% in comparison to 2021. This was driven primarily by a 5% increase in the evaluation and management service area, a 4% increase in surgical treatment charges and a 4% increase in diagnostics charges.

In its December 2022 report, the U.S. Bureau of Labor Statistics indicated that private employer wages and benefits through September 2022 increased just over 5% compared to 2021. As of Dec. 31, 2022, the temporary total disability (TTD) daily rate for workers' compensation claims with time away from work increased just over 5% on a national basis in comparison to 2021. Here are some additional details on increases related to TTD claims:

- Five states with the largest TTD rate increases: Vermont, Florida, West Virginia, Utah and Washington
- Three industries with the largest TTD rate increases: public sector, healthcare and retail
- Average median annual increase in the TTD weekly benefit in 2022 was 7% (Workers' Compensation Research Institute)

Ensuring injured employees receive timely and appropriate initial and follow-up medical care, while facilitating return to work, will promote shorter durations — thereby reducing the inflationary impact of the noted headwinds.

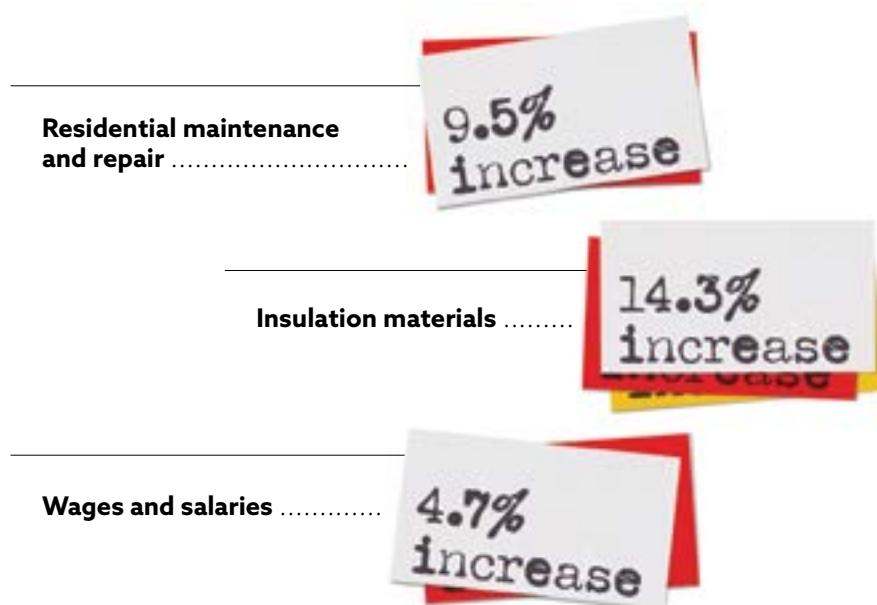
Considerations for employers

- Maintaining a robust medical provider network for treatment of injuries will promote timely, appropriate care for injured employees.
- Cooperating with the return to work process helps drive positive outcomes.
- Providing light duty positions that fit restrictions supports the return to work process; for employers that are unable to provide modified duty positions, working with a managed care partner to find transitional work opportunities with not-for-profit organizations helps employees stay active and find purpose while they recover and reduces time away from work.
- Employers should regularly review workplace safety requirements and ensure employees are up to date on safety training focusing on injury prevention.

PROPERTY CLAIMS

When property damage occurs, the goal is to help homeowners and businesses get repairs completed so they can resume normal living and operations as soon as possible. The repairs associated with property claims are affected by the rising costs for materials and labor, as well as supply chain issues that include manufacturing and delivery delays, labor shortages and increased fuel prices.

Some examples of cost increases in the construction industry, based on producer price indexes from November 2021 to November 2022, include:



AUTO CLAIMS

Global supply chain complications and inflation have created an environment where the standard percentages used in adjusting auto claims no longer apply. Many critical parts needed for auto repairs remain on backorder, and if the damaged cars are not safe to drive, the delay creates an extended period of time for rental cars. All of these factors, combined with price inflation, create an increase in costs.

Below are some examples of how inflation is affecting key areas in the auto industry:

- Repair costs have increased by 11%¹
- Car repairs are taking nearly twice as long to complete
- Used car values have increased approximately 40%²

Cost containment options

A recent Sedgwick blog, [Economic turmoil fuels the rising cost of auto claims](#), provided some suggestions to help reduce costs in auto claims. Key steps include:

- Utilize a direct repair network: A nationwide network of auto repair facilities has greater buying power than one local repair shop and may be able to secure parts faster. Leveraging a direct repair program can reduce claim durations amid part delays.
- Double down on maintenance and safety: The best way to reduce claim costs is to prevent claims from occurring in the first place. Make sure vehicles undergo proper maintenance and are in good working order — before something goes wrong and major repairs are needed. Additionally, with costs on the rise and road traffic returning to pre-pandemic levels, now is the ideal time to focus on driver safety education programs, so vehicles and their drivers can stay out of harm's way.



Working together to mitigate costs

By ensuring all levers are being pulled and all tools are being used optimally from the start, claims teams can support clients' cost control efforts. Ensuring prompt assignment of property claims to qualified adjusters is critical. Sedgwick's property claims experts can verify repair costs to make sure they are correct and in line with current market pricing. Our property team helps clients with all aspects of their claims. Based on the needs of the claim, we can quickly engage additional resources, such as temporary housing specialists and building consultants. An important step homeowners and businesses can take in order to contain costs is to review their policy with their insurance representative at least twice a year to ensure the coverage is appropriate and all options have been explored.

LOOKING AHEAD

We continue to track the economic trends impacting claims and to look for every possible way to help clients mitigate claim-related costs. No matter the industry, strengthening cost-control strategies in today's financial environment can put organizations in a better position to respond to future market trends. Watch for our upcoming state of the line reports, planned for March 2023, for more information on important issues affecting the claims sector.

RESOURCES

- **U.S. Bureau of Labor Statistics**, December 2022 report
- **Economic turmoil fuels the rising cost of auto claims**, Sedgwick Connection, Aug. 25, 2022
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- **Construction data – Producer prices and employment costs**, Associated General Contractors of America, November 2022
<https://www.agc.org/learn/construction-data/construction-data-producer-prices-and-employment-costs>
- **Business continuity in an unpredictable world**, Sedgwick Connection, Dec. 13, 2022
<https://www.sedgwick.com/blog/2022/12/13/business-continuity-in-an-unpredictable-world>

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- ¹ **Verisk – Pricing physical damage for commercial auto in an era of inflation**, Jan. 6, 2023
- ² **CoPilot – Return to normal index report**, July 6, 2022



Pressure-proofing the workforce for 2023

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We can be cautiously optimistic that the workforce upheaval sparked by the COVID-19 pandemic and other global factors has begun to subside somewhat. That said, employers will surely continue to feel tremors in 2023 and likely well beyond.

Seismic business, social and political shifts are still shaking organizational foundations. The war for talent shows little sign of abating, which means employers will continue to deal with ongoing staffing problems and the resulting employee stress and burnout. To support their workers and maintain productivity, forward-thinking organizations are looking beyond flexible schedules and hybrid work policies to rethink some of their employment models and strategies.

THE EXPERIENCED ARE EXITING

Here's why innovative workforce solutions are needed: This decade is shaping up to become one of the most volatile in history for employers worldwide. In 2021, [48 million people left their jobs](#) in the U.S. alone. In 2022, it's estimated an additional 20% opted to exit, and many aren't returning. In some industries, such as construction and retail, periodic job losses are expected; however, this go-around, the job exodus is predominantly among skilled workers, especially in the service industries. According to the [U.S. Chamber of Commerce](#), financial activities and business and professional services are the two categories with the highest talent shortages.

While regions such as the European Union, Australia and Asia have had fewer losses than the U.S., they also face employment concerns. The [EU's employment rate is near 70%](#), but new challenges, including resignations by more experienced workers, are emerging.

Furthermore, attitudes about work are evolving. Although work-life balance has been discussed for years, the pandemic and its related physical and mental health issues finally pushed legions of employees to reprioritize and rethink their approach to work. As a result, many workers are now pushing back against the discretionary effort of long hours and overtime.

This trend protects workers from job demands that may be overwhelming, but it does carry a cost for employers. The [U.S. Bureau of Labor Statistics](#) reports that productivity fell at a 7.5% annual rate in the first quarter of 2022 and 4.1% in the second. It did rise slightly toward the end of 2022, but productivity overall is still down. Many analysts believe that disengagement, fueled by various factors, is a pivotal contributor to the decline.



A FRESH APPROACH TO MANAGING TALENT

Whatever the impetus, employers are seeking a path to solid ground for both their organizations and their employees. According to Gallup's [State of the Global Workplace: 2022 Report](#), well-being has become the new workplace imperative to fight descending recruitment and retention trends. The study notes, "Well-being and engagement interact in powerful ways. Employees who are engaged and thriving experience significantly less stress, anger and health problems. The relationship between well-being and engagement is vital because how people experience work influences their lives outside work, and overall well-being influences life at work."

One innovative strategy for tackling the challenges — from productivity to engagement to mental health and beyond — is adopting resource or staffing management. These flexible and scalable workforce management solutions are designed to support organizations through projects, workload peaks and employee absences/leaves.

Many employers, especially in the insurance industry, consider resource solutions during catastrophes or surges, such as when a product recall or natural disaster occurs and claim volumes increase quickly and significantly.

However, other issues can also impact an employer's productivity and operations. For example, employee stress claims are at an all-time high. The Gallup study also reports that 44% of U.S. employees experienced "a lot of daily stress" the previous day. Stats like this are one reason why mental health claims are increasing globally. In Australia alone, they are set to [double by 2030](#).



Low engagement costs
the global economy

\$7.8 TRILLION

Gallup State of the Global Workplace

Just as an organization might deploy resource solutions during a surge or catastrophe, it's time to make that option the norm to help in managing employee stress, burnout and other workforce challenges and improving engagement and productivity. A smarter workforce management strategy, resource solutions can:

1. Fill gaps, offset demand, and minimize the burdens pressuring existing employees
2. Counter emerging challenges that add to workforce stress and impact quality and productivity
3. Ensure a skilled team can quickly step in to perform tasks, support, and even help train existing employees
4. Support targeted initiatives that would otherwise push existing employees beyond the limits of their established roles, such as business transformation or mergers and acquisitions.

A resource solution program assures a ready pool of experienced and vetted workers. These colleagues can fill any role an employer may need, from payroll, auditing, financial, claims, adjusting and case management to financial, customer service, clerical and other vital functions.

Whether it's an insurer that needs loss adjusters following a natural disaster in Australia, an administrator in Germany experiencing an influx in claims or demand for a forensic accountant to serve a fraud prevention program in Florida, employers no longer need to burden their current workforce and cause more anxiety and stress. Instead, a resource management partner can rapidly fill the open positions.

Here's a typical scenario:

A large insurer in Ireland notes a dramatic increase in motor claims due to the recent surge in car rentals. The company was already facing challenges finding personnel, and current employees reported high job dissatisfaction rates — making staff retention critical to ongoing operations.

The insurer decides to work with a resource solutions provider to bring on a team of claims adjusters and a head of compliance, a position they've struggled to fill.

The colleagues are brought on for six months, helping to bridge the gap and alleviate stress on the existing team. The compliance expert works out well and ultimately transitions from a temporary position to a full-time employee.

These skilled colleagues can work for as little or as long as needed. For example, the Sedgwick resource solutions team has placed people with client organizations for as little as two weeks and even up to 15 years.

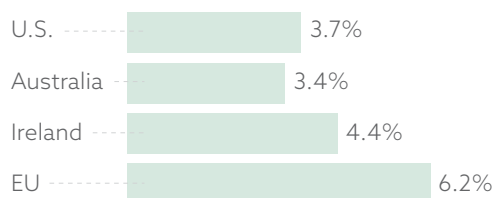
Another benefit of this approach is the ability to navigate the strict regulatory and compliance guidelines regarding industrial relations. With a resource team, you have the flexibility to bring on new colleagues when needed and for whatever reason is best for your organization.

ENSURING A DEPENDABLE AND SKILLED WORKFORCE

One key benefit of an experienced resource solutions partner is its ability to recruit, retain, and continually train a workforce that ensures the right people are available for the right positions at the right time.

While markets have been volatile, [unemployment rates are at historic lows](#) in many parts of the world. (See chart below.)

Unemployment rate at the end of 2022



Further fueling employers' talent woes is the fact that many professionals today are opting out of traditional jobs. Leaning into the gig economy, they are instead pursuing flexible opportunities that give them the independence to work from anywhere — a phenomenon sometimes referred to as "seas or trees" changes. Shortages of available talent interested in full-time work are making it difficult for organizations to find new hires.

However, those same issues present opportunities for companies offering robust resource solution programs. Strong partners can help employers look at these challenges through a fresh lens — providing not just staffing but also acting as a resource for training and development and helping employees better manage the pressures of modern work. The result is innovative talent solutions at the ready to address current and emerging issues.

They can enable organizations to continue meeting their goals while protecting what global businesses are finally embracing as their most valuable asset: their people.

To that end, some global employers are moving toward recruiting globally with the support of a resource solutions partner and allowing members of their workforce to complete remote work in any location of their choosing (subject to international regulations). That's enticing for today's highly mobile workforce — from Gen Zers seeking flexibility to baby boomers looking to ease into the final phases of their careers.

2023 WON'T BE BUSINESS AS USUAL

While much uncertainty remains with regard to the global marketplace and workforce challenges, we can make a few predictions, including:

- The employment market will remain tight for the foreseeable future
- Employees will continue to experience stress and anxiety
- Productivity and engagement strategies will be vital to employers' success

One way to manage the uncertainty of today's market is to establish strong partnerships with solution providers that are there not only when there is a natural disaster or crisis but whenever employees need additional support. The right resource solution partners know clients take on a level of risk when they entrust their programs to an outside group — and they must work to earn and maintain their clients' confidence through a daily commitment to them. They don't function merely as a staffing agency; they become an extension of their clients' operations.

With the complexity of today's globalized business environment, it's ill-advised to think that any one organization can be everything to everyone. Strategic partnerships enable companies to augment their offerings, fill in gaps in expertise and infrastructure, and leverage technology and talent in ways that yield a whole greater than the sum of its parts.



Expert view

*a conversation with: Adam Fisher,
chief data officer, Sedgwick*

**edge:**

Before you tell us about your current role, would you give us a quick overview of your background? How did you find your way to Sedgwick?

Adam:

I'm actually about two years into my second stint at Sedgwick. In between I spent about a decade in the NYC tech scene — working with startups, some fintech, some insurtech — gaining leadership experience with data product development and managing brand relationships. I also spent some time working in banking, specifically with credit card products.

edge:

How do things look different this time around?

Adam:

For starters, a lot bigger! During my first tenure with Sedgwick, almost 15 years ago now, I led a data team of about 10 to 20 people, and we were primarily focused on our largest clients. A lot is different today, but also, I'd say many things are comfortably the same. We've grown and expanded, but Sedgwick has stayed true to its core values and mission.

Our claims data is and has always been exceptionally well organized and of the highest quality; there's just a lot more of it today. And it's more varied as well, which is great to see — our auto data, for example, and newer lines like property and brand protection — but we've got awesome systems and technology in place so that, even with 10 times the data we had a decade ago, we have the resources we need. It's a huge differentiator for Sedgwick that no matter what data we need to do our jobs well, we have it or we can get it.

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edge:

What does being chief data officer of a data-heavy organization like Sedgwick entail?

Adam:

It's a multifaceted job. Sedgwick handles claims for some of the biggest companies in the world, and with that there's obviously a ton of data. We're always getting reporting requests from clients, asking us to aggregate the data we collect on their behalf, and a big part of my responsibilities is overseeing our best practices in those areas.

With a data asset as large and concentrated as Sedgwick's, another crucial component of my role is exploring how we take it to the next level and turn it into viable new services and products. I'd say I spend about 80% of my time focused on those forward-looking elements. Today our core offering is claims adjudication services, but what could it be tomorrow? Any number of things! I feel really lucky to get to spend my time thinking about that, knowing I've got a great team that's able to uphold the day-to-day work and meet those demands.

edge:

When you're in that forward-looking frame of mind, what do you see?

Adam:

When it comes to looking ahead for Sedgwick and how we might use data in the future, I'm thinking about what our clients stand to benefit. It's taking all the components you're reading and hearing about in the news today, like artificial intelligence (AI), and considering how those things will impact a data asset as big, and as historically relevant, as Sedgwick's. I'm thinking about how we'll apply modern technology to enhance the things we're already doing and what new things we'll come up with.

There's a big appetite for the data we have – so we want to make it really fun and inviting for people to use it on demand.



One example relates to the abundance of notes generated in the processing and adjudication of claims. We're already paperless for correspondence, but future state may be the capability to take even more of the correspondence about claims (which we store as images) and turn them into actionable directions within the claims handling process, [using AI or machine learning](#), on behalf of our adjusters.

Other ideas involve the claims information we gather in connection with medical procedures. We're working to make our data as objective as possible, like we've done with our attorney/firm scorecards. This could have a tremendous impact on how quickly, efficiently, and cost-effectively employers can get injured workers back to productivity.

edge:
[What do you find clients are asking for when it comes to their data?](#)

Adam:

For me, it's exciting to hear our clients ask about how we're expanding our data science capabilities and capitalizing on our ultra-modern technology environment. They want more visibility; they want to be able to tailor specific models for their projects — and we're making that happen. Few, if any, tech providers have the level of holistic data we have; they're using what they get from their clients, whereas we have this broad historical data set. And while others might not yet be able to fully operationalize that data, we're already doing it. When you can combine intricate models with specific operational resources, you have a greater value proposition.

Ultimately, data needs to be scalable, and this is an important stepping stone toward homing in on the information people really want. Whereas now they might have to sift through entire reports to find the exact numbers they're looking for, in the future I want us to be able to offer an interactive AI-enabled chat function or similar technology that can promptly reply to specific requests. That's the kind of experience consumers have been conditioned to expect in their daily lives, and we want to automate a pipeline that would mimic that journey.

edge:

[How do Sedgwick's data services run the gamut for our full book of business?](#)

Adam:

All clients really want the same thing from their data: to understand the bigger story it tells. A giant Excel file is only helpful if you can figure out what it means. Sedgwick helps our clients interpret that data. We're packaging it in ways that are more easily digestible and intuitive and, therefore, more actionable.

Some time ago, massive retail programs were our only clients with dedicated data people. Now we're able to invite all clients — big or small — on this journey. We want to meet our audience where they are, versus forcing them in a direction they don't want or don't know how to traverse.

Today, no matter the size of the organization, Sedgwick can offer a similar experience and set expectations of our data offering. Whether you're a huge corporation or a more niche client, you can request data and reports and trust that what you're getting back is consistently of the highest quality.

I want to be like the Starbucks of data. If you need someone to walk you through the most complex data, we have people for that. For the everyday loss run or report or state filing, we can do that too. We're working to automate those types of requests so we can stay focused on the tailoring and custom analytics from our most talented data population. We're really excited to pull that off.

edge:

How do Sedgwick's self-service capabilities complement your team of analytical experts?

Adam:

You'll hear Sedgwick talk a lot about having "data at your fingertips." Our self-service capabilities are so robust that, in many ways, they give clients access to the same suite of tools they'd get working directly with our team.

There's a big appetite for the data we have — so we want to make it really fun and inviting for people to use it on demand.

edge:

Bringing it full circle, since your first time at Sedgwick we've seen global growth — not just for our company but for our industry. Where have you seen the most expansion, and where do you anticipate even more?


Adam:

One of the biggest catalysts for globalization has been the introduction and widespread adoption of technologies like the cloud, which allow us to take advances we're making in one location and deploy them throughout the world. When you look at global data transfer requirements from a compliance and a security standpoint, you want to make sure the data remains in the geography in which it originated. Cloud storage gives us the ability to do that. Sedgwick also benefits from having a relatively small number of enterprise systems — far fewer than you might expect for a growing company of our size and scope.

Bottom line: Great models need a lot of data. Sedgwick has that. But more than just quantity, we have a really productive and growing data science team that is using cutting-edge tools and algorithms to leverage that data. The next frontier will be deploying those models and tailoring them for our clients' programs as specifically as we can.

To give you an idea of how important this is to Sedgwick, our data science team has grown by around 400% since 2020. And it's more than just the people; we've also made a seven-figure investment in our data science platform.

There's always room for improvement, and we are lucky to have clients that push us, but I would consider our data science capabilities on par with the best of the best — not just in our industry but in all of tech. We're able to grow in this way and to work with some of the best experts in the field, in large part because of our unmatched data set. It's a real game changer.



Highlighting Make-A-Wish and the capacity to imagine

BY HEATHER LAWLEY

*global head of diversity, equity and
inclusion and environmental, social
and governance , Sedgwick*

Corporate citizenship is integral to our work culture at Sedgwick. Our caring counts philosophy shapes our corporate giving strategy. In addition to caring for our 30,000 dedicated colleagues, we are equally committed to supporting our clients and communities around the world.

In line with our community-focused strategy, we partner each quarter with a charitable organization whose goals align with one of our strategic giving pillars — education, well-being, social services and sustainability. As part of this effort, we identify an organization that's particularly meaningful to our colleagues and clients to support as part of our season of giving campaign. Our colleagues chose Make-A-Wish, a nonprofit whose mission is to create life-changing wishes for children with critical illnesses, to be the beneficiary of Sedgwick's 2022 season of giving.



The inspiring work of Make-A-Wish aligns well with our focus on well-being and embodies the 2023 theme of our strategic efforts around [thought leadership](#): Imagine. Many around the world are embracing new possibilities — imagining what comes next after the pandemic, stepping into other societal and personal changes, and moving forward rather than looking back. Here at Sedgwick, we imagine, too. We're looking ahead as we imagine a world filled with deeper connections. A world filled with empathy for others. A world filled with more ways to help. We continue to imagine a world where caring counts.

In the spirit of dreaming big and believing anything is possible, we're proud to support Make-A-Wish and to highlight their work in granting life-changing wishes to children with critical illnesses. Each of us has the power to help a child imagine a brighter tomorrow. We invite you to join us in sharing your dreams for the future, donating to a powerful cause — and imagining a world where anything is possible.





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MY TWO DECADES OF INVOLVEMENT WITH MAKE-A-WISH

CONTRIBUTOR: **PATRICK WALSH**

President, casualty, Sedgwick

Twenty-two years ago, my wife Kristin and I headed to what we expected would be a routine golf outing in Chicago. The event was hosted in support of Make-A-Wish, a nonprofit whose mission is to create life-changing wishes for children with critical illnesses. Several wish kids, along with their families, stepped forward to speak about the transformative impact their wish journey had on their lives and medical recoveries. In hindsight, it was impossible to see at the time that our choice to attend that day, and each child whose testimonial we absorbed, would spark the beginning of a long philanthropic commitment. This organization wouldn't only change the lives of hundreds of thousands of children and their families; it would change ours, too.

As wish granters, volunteers like us act as conduits between the wish child and family and the Make-A-Wish organization. We meet with the child, sometimes more than once, and spend time trying to help that child answer an enormous question: "What is your one true wish?" The kids often have trouble wrapping their minds around asking for anything at all, much less something big — something that in everyday life would never leave the realm of a daydream. Most kids keep it simple: a dress or a toy. Part of our role is to assure them they can think beyond their reality of a life-threatening medical diagnosis. Make-A-Wish teaches children, and has taught us, that it's okay to dream big!

As part of the wish-granting process, the paperwork is filed, legwork is completed, and the wish is created. Then comes the big day — and the wish granter can be present in granting the wish. A couple of wish-granting events in which we've been involved stick with me, even now. One young man wanted to meet the Duke University basketball team, and former head





coach Mike Krzyzewski had his team prepared for the boy's arrival. The boy was given a team pullover, welcomed into the locker room, got to accompany the players during warmups, and sat on the team's bench during the game. In another instance, a young girl had always dreamt of having her own horse. She was granted a horse — with a stable and accessories to match.

There is a common thread I've observed through every wish-granting process and each family's respective experiences: that the entire journey — from the time meeting the child to the time the wish is completed and beyond — is just as important as the wish itself. Having their wish come true gives the family something wonderful on which to focus. That statement is verifiably true; according to the most recent Wish Impact Study conducted by Make-A-Wish, 75% of doctors stated that a wish could improve a child's medical outcomes. About 91% of alumni credited the wish with improving their quality of life.

I often think about the families who spend five days a week in the children's hospital, driving back and forth for months at a time. I've come to realize that if not but for the grace of God, that's my kid.

Since that golf outing in Chicago two decades ago, much has changed in my life. Kristin and I have helped in granting more than 50 life-changing wishes to children with critical illnesses. I've spent six years on the board of the Make-A-Wish Wisconsin chapter, including two as board chair. My wife and I have actively supported the state chapter's gala for 20 years and had the honor of serving as emcees at the last several events. I am so proud to be part of a team that has raised millions of dollars in support of wish kids and their dreams.

Make-A-Wish is an incredibly powerful organization. There are many amazing organizations that do great, charitable work across the world. But for me personally, I can't think of anything better than helping a child who's sick and giving hope to their family.

Walsh's experiences volunteering for Make-A-Wish are the story of one colleague — just one of 30,000 volunteers worldwide who help make dreams come true for children battling critical illness — that exemplifies Sedgwick's decision to support Make-A-Wish through our 2022 season of giving campaign.

Edging up

*Short takes on industry trends, emerging issues
and service enhancements*

Latest index reports show opposite trends in U.S., European product recalls

BY CHRIS HARVEY

senior vice president, client services, Sedgwick

Maryland recently enacted The latest ups and downs of U.S. and European product recalls — as well as the economic, regulatory and legal issues affecting product safety across multiple industries — are reflected in Sedgwick's product recall index reports for the third quarter of 2022.

According to the [U.S. product recall index report](#), the number of total units recalled in the U.S. surpassed 1 billion for the year — marking 2022 as a record-breaker months ahead of year's end. By the end of September,

U.S. recalls had reached a 20-year high and included products such as automotive equipment, baby formula, blueberries and deli meat. However, the [European product recall index report](#) noted that, in Q3, the overall number of recall events in Europe fell 8.8% compared to Q2. The pharmaceutical and medical device industries saw the largest declines.

What's behind these trends? Our product recall index reports dive more deeply into:

- Top safety risks
- Top causes of recalls in five industries: automotive, consumer products, food and beverage, medical device and pharmaceutical
- Best practices for navigating the current business and regulatory environment
- The latest recall data and what's in store for 2023

These quarterly reports offer a comprehensive resource for manufacturers and retailers seeking impartial, reliable analysis and perspective on recalls and product safety trends. The Q4 2022 index reports will be available on our website in early March 2023.

Sedgwick provides a wide range of brand protection solutions to assist clients with product recalls, remediation and customer retention. To learn more about these services, visit our website. For our latest blogs, updates and industry thought leadership, visit [our website](#) and follow Sedgwick's news at sedgwick.com/news.

RESOURCES

A record-breaking year for U.S. product recalls – and what businesses can do about it,

Sedgwick Connection, Dec. 20, 2022

<https://www.sedgwick.com/blog/2022/12/20/a-record-breaking-year-for-u-s-product-recalls-and-what-businesses-can-do-about-it>

A decline in European product recalls and what businesses need to know,

Sedgwick Connection, Dec. 27, 2022

<https://www.sedgwick.com/blog/2022/12/27/a-decline-in-european-product-recalls-and-what-businesses-need-to-know>GenerateHtmlDocumentEngrossment?engrossmentId=25023&docTypeId=6

2022's most memorable recalls: Are they still in your home?,

Fox News, Jan. 1, 2023

<https://www.foxnews.com/lifestyle/2022s-memorable-recalls-still-in-home>

Emerging solutions

Clinical services augmented for disability claims

Sedgwick's disability claims management team has expanded the clinical services provided for employees with mental health issues, long-term and progressive diseases, and those facing joint replacement surgeries. Our clinical behavioral health specialists offer expert guidance and resources to help employees overcome psychosocial barriers. For those with long-term diseases, our nurses provide a compassionate care service to help them navigate the challenges of life and work. Our team also includes surgery nurses who help employees prepare for and recover from joint replacement surgeries. These specialized clinical services focus on the employee's overall health and wellness and provide a more holistic approach to the claims experience.

Commercial surveying services expand

Sedgwick's commercial surveying services in the UK recently expanded with the addition of Kerr Baxter Associates (KBA), a multidisciplinary property and construction consultancy firm. As a part of Sedgwick, the team provides project surveying and architectural services. They also have experience providing construction design and management advice and principal designer services to clients in both the public and private sectors. See our [press release](#) to learn more.

EFI Global enhances engineering and failure analysis solutions

Davis Patrikios Criswell (DPC), a Memphis-based firm providing structural and civil engineering design services, recently joined EFI Global, expanding the team's capabilities in the U.S. EFI Global, a division of Sedgwick, offers the widest range of engineering, fire investigation, environmental, failure analysis, accident reconstruction and laboratory testing services available in one company. As a part of EFI Global, they provide specialized services that include completing inspections on existing projects and recommending safe, reliable and environmentally responsible methods of repairing and replacing defective elements in structure rebuilds. For more, see our [press release](#).



Managing Europe's rise in motor liability claims

For the past two years, businesses in Europe have seen motor liability claim volumes grow. The increase that began post-pandemic, coupled with a shortage of claims handlers across Europe, continues to create challenges for insurance carriers and policyholders. Sedgwick's motor liability claims services and resource solutions provide strategic support that can help clients manage the rise in claims.

Our regional hub in Ireland offers a full range of motor liability claims solutions for European clients in Belgium, France, Germany, Ireland, Italy, the Netherlands and the UK. Our experts provide claims oversight, coordinate with carriers, manage recoveries, and assist with car rental claims and other recovery-related services. The team helps clients with motor liability claims involving property damage, bodily injury or third-party damage.

We also offer resource solutions in Ireland and the wider international arena to assist clients in need of short-, medium- and long-term placements and help them find ideal candidates for permanent positions. We can provide resourcing capacity for administrative staff, desk adjusters, managers and supervisors to enable clients to efficiently and effectively manage their business while maintaining high-quality service for their customers. Our experienced team works with clients to provide support and expertise matching their needs. To learn more about these services, see our [press release](#).

We address resource solutions and some of the broader challenges facing employers today in [Pressure-proofing the workforce](#) in this issue of edge.



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