

Edging up

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

Managing employee absenteeism

BY **KAREN SAMUEL**

acting general manager, Direct Health Solutions, a Sedgwick business

In light of the recent pandemic and increased emphasis on employee well-being and mental health in the workplace, there has been a shift in the way companies manage employee absenteeism. With the rise in popularity of remote and hybrid work environments, telehealth services have emerged as a critical tool to support organizations in managing absence and improving the mental and physical well-being of all employees.

Prioritizing employee mental and physical well-being not only reduces an organization's overall absence rate — it also helps avoid the associated costs of absenteeism.

Why it matters

Managing employee absenteeism should be a priority for any company, as it plays a major role in maintaining a productive organization. Studies have shown the happier an employee is, the more likely they will be able to perform at their best both professionally and personally.

Workforce absenteeism costs businesses billions and, if left unchecked, can have adverse impacts across an enterprise. It can also signal wider problems, such as workplace health and safety, culture, or stress and mental health issues, to name a few.

When it comes to managing employee absenteeism, the centralization of absence-related data, effective monitoring and tracking of issues, and delivery of on-demand employee health support will provide human resource departments with more clarity and control over their workforce.

An employee absenteeism study

Direct Health Solutions (DHS), a Sedgwick business, is a leading specialist provider of employer-based telehealth solutions and absence and injury management programs in Australia. As one of the largest tele-triage organizations in the country, DHS averages more than 500,000 absence and injury calls per year and has a dedicated 24/7 telehealth center driving its absence management programs.

DHS undertakes an annual employee absence management and well-being survey to provide benchmark data and key trends for employers to use when managing employee absenteeism in Australia. In the 12th edition of this report, absenteeism levels were recorded from Jan. 1 to Dec. 31, 2022, using data provided by 132 companies across Australia that collectively employ over half a million employees. Respondents were asked to provide data based on all unplanned absenteeism, including personal leave, workers' compensation leave and unauthorized leave, both paid and unpaid.

According to the data collected from this survey, overall employee absenteeism increased by just over two and a half days (23%) from 2019 — employees took an average of 13.8 days' sick leave in 2022. Of the companies who took part in the survey, 58% believed their absenteeism increased over the 12-month period.

Most common reasons for absenteeism

According to the survey results, the three most common reasons for employee absence were carer's leave, coronavirus-related leave and non-genuine sick leave, or "chucking a sickie."

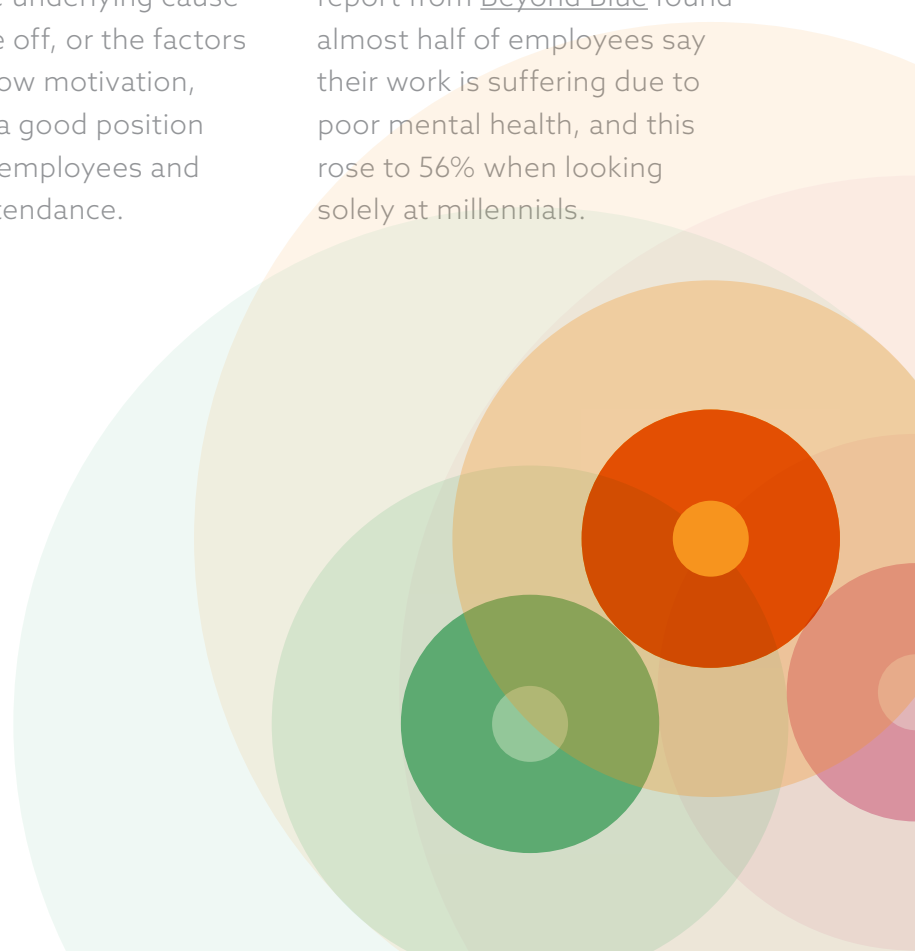
Given the period in which the survey was conducted, it is no surprise to see that COVID-19 had a significant impact on employee absence. COVID led to increased periods of leave throughout 2022, as Australians contracted the disease, and took time away from work either while they were sick or supporting family members. Some organizations had absence rates of 20% or higher during COVID's peak in January 2022. Overall, 80% of employers indicated that COVID-19 led to increased absences in 2022.

In addition, public health initiatives led to greater awareness of staying home when sick to stop the spread. This could lead to employees being more likely to take a day off for genuine short-term illnesses, such as colds, flu and infections.

The high number of COVID-related absences, combined with increased public health awareness, also drove an increase in the amount of carer's leave taken, an assumption being employees may have taken leave to care for a family member suffering from COVID-19 or schools and day-care centers insisting that sick kids remain home when unwell. This further drove an increase in carer's leave in 2022.

Non-genuine sick leave was reported by 43% of employers as having increased in 2022. True non-genuine leave is primarily driven by low motivation in the employee and may be increased by low resilience and poor coping and planning skills. If managers can find out the underlying cause for the time off, or the factors leading to low motivation, they are in a good position to support employees and improve attendance.

Mental health concerns are also driving an increase in personal leave. About 57% of employers reported that absences due to mental health issues have increased over the last 12 months, with the top three drivers being workload, non-work factors and personal illness. The [ADP People at Work survey](#) found one in five Australians (21%) have taken time off in the last 12 months due to poor mental health, and this number rose to 46% for those employees who considered their workplace mentally unhealthy. The most common causes of stress cited in that report were increased responsibility since the pandemic and longer working hours. The State of Workplace Mental Health in Australia report from [Beyond Blue](#) found almost half of employees say their work is suffering due to poor mental health, and this rose to 56% when looking solely at millennials.



The high number of employees taking sick leave is exactly why companies need to better manage their employee absenteeism and invest in employee well-being. With effective tools and management strategies in place, companies can better understand the reasons behind these absences and work with employees to reduce the number of days taken, while offering guidance to improve and support overall well-being.

Effects on productivity and profitability

Employee absenteeism is costly and becoming costlier, with the survey data revealing the average direct cost of absence per employee per annum increased from AU\$3,395 to AU\$4,025. The impacts of COVID-19 and increasing cost of living have put a strain on the mental health of many Australians. About 80% of companies in our survey said that COVID-19 restrictions led to increased absences.

The data revealed that absenteeism in contact centers remains higher than for other roles. Contact centers are often considered stressful, which can be attributed to environmental factors such as stressful phone calls, a high volume of phone calls and dealing with highly emotional and/or aggravated customers. These centers also often have higher staff turnover when compared with other work environments. As a result, employees may be more inclined to take time off work to help manage their stress levels, which may be why absence rates within call centers are higher. Call center employees may also have less flexibility in when, where and how they do their work. This restricts employees' ability to manage their personal and work life commitments.

For most businesses, unplanned absenteeism is costly. When an employee is repeatedly away for extended periods of time with no prior warning, their workload is shifted to their colleagues. Those employees are then at risk of becoming overworked, potentially disgruntled and stressed to a point they too need time off work. It can be quite costly, depending on the roles and responsibilities of the absent employees.

Effectively managing employee absenteeism

As outlined in [our 2023 report](#), the three most effective methods of managing absence are:

- Escalation to senior management
- Return to work interviews
- Formal trigger review points in place to review absences

These results highlight just how important it is for companies to effectively manage employee absenteeism — and the cost to them when it's not managed effectively. By prioritizing employee physical and mental health, along with well-being — especially considering the lingering effects and changes in mentality post-COVID — employers can create a workplace culture that values and supports employees.

For more on effective management of employee and well-being, download the full [2023 report](#).

Transforming energy approaches

BY **DAVID WARD**

head, power and energy division, UK, Sedgwick

Changes in the energy sector continue to bring new opportunities and risks. As we witness rising fuel costs around the world, a growing regulatory push and broader initiatives toward sustainable energy sources, there is a market need for skilled service providers to effectively address the industry's emerging claims challenges.

The power and energy claims landscape encompasses a complex infrastructure and diverse range of complicated equipment, expensive machinery, business interruption issues and extensive lead times for repairs and/or replacements. Losses can span everything from traditional power plants, infrastructure and oil and gas providers to renewables, such as wind, solar and geothermal power. Market specialties in high demand include loss adjusting and forensic investigation services to support claims related to:

- Oil and gas
- Power
- Renewables
 - Wind energy
 - Solar
 - Energy from waste
 - Hydropower
 - Tidal and wave energy
 - Biomass energy
 - Geothermal energy
 - Hydrogen energy
 - Small modular nuclear reactors
 - Battery energy storage systems
 - Carbon capture, usage and storage

Ultimately, players in the power and energy space need professional advice, recommendations and comprehensive solutions to address a wide range of complex claims and emerging risks. Many are choosing to partner with providers that can offer a combination of technical expertise, international experience and valuable local resources that are available 24/7.

Sedgwick recently launched a power and energy claims division in the UK to help manage claims and provide support for clients in this sector. We offer extensive industry knowledge and claim-related expertise, as well as a single point of contact to

ensure consistent service and standardized processes across borders. Our approach combines industry-leading loss adjusting and forensic accounting solutions and is complemented by the specialized services provided by our EFI Global division — including forensic engineering, environmental consulting, fire and explosion investigations, and construction and project management. To learn more about Sedgwick's comprehensive power and energy claims solutions, see our [brochure](#) and [press release](#).

Brand protection: key takeaways from our Product Recall and Risk Mitigation Summit in Denmark

BY **MARK BUCKINGHAM**

recall advisor, Sedgwick

As the regulatory landscape becomes more robust, global supply chains get more complex and customer expectations grow, companies

need to better manage risks before, during and after product crises to minimize their impact and protect ongoing value. At Sedgwick's Product Recall and Risk Mitigation Summit, held in Copenhagen in June, our brand protection experts helped companies understand the impact a product recall event can have on business interruption, loss of sales and reputational damage; the importance of being recall ready; and the typical product recall lifecycle. Here are a couple of key takeaways:

Be prepared

Without fail, companies with a tested product recall plan recover and restore full operation sooner than those without one. Have a crisis and recall plan in place that's tailored to your company's specific needs and regulatory requirements. Then, test your recall plan through proactive risk assessments and capability audits, mock recalls and other crisis drills or simulations. Effective mock recalls identify gaps, opportunities and potential missteps before a product recall, allowing you to effectively mitigate the regulatory, operational and reputational risks that follow.

Understand the product recall lifecycle

It's important to have a partnership in place with a brand protection expert before a recall ever happens. This will help you hit the ground running and allow you to leverage their expertise, which can save you millions in regulatory and litigation costs while protecting your brand and guiding you through the process. The full recall lifecycle includes:

- **Multi-channel communication** to raise awareness and notify those potentially impacted
- **Response management** through email, phone and social media
- **Product validation** through unique identifiers and photo validation
- **Product returns and processing** via return hubs and disposing/recycling/repurposing returned products
- **Reimbursements** through replacements, digital vouchers and/or direct refunds

Get familiar with response rates and timelines

Several factors can impact the response to a recall, such as media coverage; the product's value, age and hazard; data availability for communicating the recall; and the remedy offered. Here are some average guidelines for recall duration:

- Consumer goods recall: 12-24+ months
- Food recall: 2 weeks to 3 months
- Medical device/ pharmaceutical recall: 6-12 months
- Field safety action: 3-6 months

Brand and reputation are a company's most valuable assets. They're also among the most vulnerable. 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](#).

Emerging solutions and service enhancements

Legal services practice opens in the UK

BY JOHN HINTON
AND PAUL SQUIRES

partners, legal services, UK, Sedgwick

Earlier this year, Sedgwick launched a legal service offering for businesses in the UK. The practice is focused on first-party property claims and recoveries, providing a step-change in the provision of claims services to national insurance and corporate markets.

Our comprehensive recovery solution offers quicker, more effective legal services than those of traditional law firms. By seamlessly integrating these services within the claims process, we're able to shorten claim lifecycles, drive stronger recoveries, and lower indemnity costs — helping clients to be better prepared and respond faster.

As leaders of Sedgwick's legal services team, we bring nearly 35 years of combined experience serving as litigators and trusted advisers to insurance sector clients. Our seasoned colleagues are actively involved throughout the claims process — from first notification of loss to trial. We can also offer expert legal opinions on policy coverage, drafting and disputes, and related regulatory and reputational issues.

Sedgwick provides the right resource for the task, offering greater insight on recovery matters. Also, clients deal only with one organisation and legal aspects of their claims are managed from the beginning, eliminating redundancy. In addition, our advanced technology capabilities allow us to offer real-time data reporting from a single claims system.

Our regulated law firm*, operating within the Sedgwick ecosystem, combines the best of claims management, legal expertise and digital capability to provide a high-quality, consistent and simple service for our clients.

To learn more about our UK legal services practice, see our [press release](#), [flyer](#) and [video](#).

**Sedgwick Legal Services Limited is a separate entity within Sedgwick, authorised and regulated by the UK Solicitors Regulation Authority (SRA).*

New class action administration solution reflects changing landscape in Australia

BY **EMMA LEVETT**

head of forensic accounting, Australia, Sedgwick

AND **AMANDA HILLIER**

partner, forensic accounting, Australia, Sedgwick

With class action litigation increasing in Australia, there is market demand for cost-effective, technology-driven administration options from outside the legal community to improve the user experience for class members and direct as much available settlement money as possible into their hands. We are pleased to be offering Sedgwick's flexible

technology, robust resources and specialist expertise to serve this need and efficiently handle the administration and distribution of class action settlements of any size.

We offer an end-to-end solution or can manage individual parts of the process — from registration and eligibility verification of group members, collection of claim records and documents, assessment of damages such as personal injury, property damage and economic losses, along with a payment platform for group members and third parties. Our solution can easily be applied and tailored to the differing streams offering fast-track and automated pathways to a more bespoke and hands-on approach.

Having been involved in high-profile class actions, supporting both plaintiff and defendant litigations, we have a thorough understanding of all elements of the process, as well as the stakeholder engagement required.

Importantly, we appreciate the need for streamlining and have developed software to support the end-to-end administrative management of class actions. Our bespoke solution, driven by a skilled team and proven technology platforms, enables the efficient yet caring and respectful execution of a class action that results in the delivery of desired outcomes for all.

For details on our class action administration offerings in Australia, email us at classactions@au.sedgwick.com.

Sedgwick Government Solutions: now serving the U.S. federal sector

BY **BRAD KRAUSS**
managing director, business development

This summer, we introduced Sedgwick Government Solutions, a Sedgwick business that helps people, restores property, and empowers performance through claims and productivity management solutions tailored to the needs of U.S. federal employees and government agencies.

We already have a great reputation in the public entity sector, thanks to our more than 50 years of experience with state and local governments and our [2021 acquisition of Managed Care Advisors \(MCA\)](#), an award-winning federal government contracting firm. Through the combination of our specialty government expertise, broad array of leading capabilities and proven best practices across commercial industries and enterprises, Sedgwick Government Solutions delivers a truly unparalleled, value-added offering for the public sector.

Sedgwick Government Solutions brings together the people, processes, technology and experience to support a wide variety of programs and maximize outcomes. As experienced government contractors with recognized technical expertise, we've successfully integrated best-in-class standards for third party administration, workers' compensation claims and case management, national provider networks, property loss adjusting, claims management and specialty consulting services, software and contact center services into federal, state and local government environments. For more information, visit [sedgwickgovernment.com](https://www.sedgwickgovernment.com).

Expanding our footprint and deepening our offering in France

BY **XAVIER GAZAY**
CEO, France and Europe, Sedgwick

We've continued to demonstrate our commitment to serving the needs of our clients in France through three years of consistent organic growth and two recent acquisitions that have strengthened our presence and market offering.

In May, we purchased the business and assets of [AGEX](#), an independent loss adjusting company based in Lyon. Joining forces has allowed us to offer expanded expertise and capabilities in property and commercial claims, as well as in the marine and transport sectors. We now have an office in Brignais, in the south of Lyon, to support clients in the area.

A month later, we purchased the business and assets of Commissariat d'Avaries de Paris (CAP), a leading French marine and transport adjusting company. Their specialization is in loss adjusting and claims management services that support the machinery and cargo aspects of marine and transport claims. Through this acquisition, we gained the expertise of highly qualified and renowned adjusters and a scalable platform for continued growth in France and other international markets.

With the skilled adjusters who joined us through these acquisitions, our French team now comprises nearly 950 colleagues across 35 offices. For more on our capabilities in France, visit sedgwick.com/fr or email us at communication@fr.sedgwick.com.

New servicing office opens in Mauritius

BY **KEN MACLEAN**
CEO, South Africa, Sedgwick

After years of developing longstanding ties and regional expertise, Sedgwick has launched a dedicated domestic operation in Mauritius.

Our new office brings to the island nation Sedgwick's best-in-class offerings in loss adjusting and catastrophe response, specialist assistance for business interruptions, forensic engineering and environmental and fire claims. Mauritius is a sophisticated insurance market, and this new operation allows Sedgwick to offer a wider range of services, including handling smaller losses and serving a broader client base. The expansion is a key step toward supporting the evolving needs of existing and future clients in various parts of South Africa and across the region.

The Mauritius office is led by branch manager Gary Tanner, who brings to the role exceptional knowledge of the market and its specific nuances. He has 16 years of in-country industry experience from his roles as chief operating officer, partner and lead adjuster for the nation's preeminent insurance and loss adjusting firms. He is well supported by Sedgwick's South Africa team, who have long served clients in Mauritius.

Enhancing our regional expertise with global resources allows us to provide Sedgwick's trademark level of customer service to clients across sub-Saharan Africa and around the world. To engage or learn more about the service offerings of our new Mauritius operation, please visit our website.

Claims fraud solutions now reaching more international markets

BY
IAN CARMAN

director, UK head of investigation services, Sedgwick

STEVE CRYSTAL

international head of claims fraud, Sedgwick

LINDA WISNESKI

senior vice president, special investigations unit, Sedgwick

With insurance fraud growing in sophistication worldwide, it's more important than ever to stay one step ahead. Our expert team provides effective strategies for insurers, brokers and corporate clients that include detection, triage and containment services to help prevent and control fraud. Recently, we've grown this service to reach even more international markets, including:

- France
- Hong Kong
- Ireland
- Netherlands
- South Africa

Additionally, we're currently working with our colleagues in more countries — Belgium, Denmark, Finland, Malaysia, Norway, Portugal, Spain and Sweden — to further expand the service.

Through this expansion, we can support more companies with our claims fraud services, which aim to protect clients' brand reputations, retain their customers, and save them money. We achieve this by combining the power of data-driven insights to help us model and identify suspicious patterns, with the expertise of skilled claim handlers and investigators who interpret the data with knowledge of their local markets and cultures.

At Sedgwick, our counter-fraud approach is supported by a winning combination of people, technology and insight. To learn more about our services, please [contact us](#).

Professional liability expands expertise, positions for future opportunity

BY **KEVIN COSTELLO**

senior vice president, professional liability, Sedgwick

In recent months, Sedgwick's specialty operations leadership has invested a great deal of time assessing the strategic development and long-term opportunities for professional

liability, with an eye toward enhancing our valued clients' experience and colleague contributions to the company's vision for this business segment.

I am proud to have joined Sedgwick this year and bring more than three decades of experience as an attorney, claims professional and consultant in specialized coverages and complex exposures across a wide variety of industry classes and risk structures. I look forward to bringing new perspectives to our healthcare, executive, management and products claims teams, who are focused on providing industry-leading service and outcomes for our clients.

Amid today's challenging market conditions and complex risk exposures, it's more important than ever to have an expert claims partner you can trust. [Click here](#) to learn more about Sedgwick's U.S. professional liability solutions, or contact us at kevin.costello@sedgwick.com to discuss how we can help you reduce claim frequency, indemnity and total loss costs.

Audiology program helps employers manage occupational hearing loss

BY **JAYSEN ELDRIDGE**

vice president, managed care ancillary operations, Sedgwick

Earlier this year, Sedgwick expanded its ancillary care network to include [audiology services](#). Our program ensures employees who sustain on-the-job hearing loss receive the appropriate hearing devices and related support as they adjust to wearing them — all while controlling costs for their employers. Our team connects injured employees with independent professionals to review their condition and ensure the device selected is the right one for their needs and can be procured at the best price.

Hearing aids are, on average, the second-most expensive pieces of durable medical equipment (DME), behind prosthetic devices. If unmonitored, they can significantly contribute to workers' compensation costs, despite hearing loss representing a small percentage of work-related injuries. Through our network, we provide access to more than 6,200 contracted providers across the U.S. to assist with audiology needs. Our bundling options include services and supplies, such as hearing aids, batteries, balance and tinnitus testing, cochlear implants and annual follow-up visits. Our providers also offer ear, nose and throat (ENT) evaluations, baseline and annual hearing tests, and peer reviews.

Our audiology providers are part of Sedgwick's extensive [ancillary care network](#), which connects injured employees to a wide array of products and services. Our in-house care coordinators assist with scheduling and provide oversight for all ancillary services, including dental, diagnostic imaging, DME, hearing aids, home health, language, modifications, orthotics and prosthetics, and transportation. To learn more about Sedgwick's ancillary care network and our full suite of managed care solutions for the U.S. workers' compensation market, see our [website](#).