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IN THIS ISSUE

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The winds of change: a three-tiered approach to climate resiliency

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Slowly but surely, the world is coming to recognize that Earth's climate is changing; it's hard not to. Over the past decade, we've seen extreme temperature swings and devastating weather-related catastrophes, from floods to droughts to hurricanes and more. As a result, addressing the realities of climate change with innovative solutions that promote resilience among all stakeholders has become a strategic necessity for everyone — from the CEO of a major European corporation to a homeowner in Florida.

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Climate change has far-reaching implications, including a profound impact on the businesses, people and communities that rely on insurance carriers, third party claims administrators (TPAs) and supporting industries to protect their homes and livelihoods.

To survive, all will need to adapt and evolve. In our industry, a common model for tackling change is to break it down into three key steps.

1. Ready
2. Resolve
3. Recover

Here, we will further explore each of those actions and outline ways we can work together to address the ongoing challenges of our changing climate.

READINESS TO MAKE THE NECESSARY CHANGES

One of the most direct impacts of climate disruption is the increase in claims due to more frequent and severe weather-related events. Insurance Journal reports that the insurance industry has paid more than $650 billion for climate-related natural catastrophe claims since 2017.

While this data is troubling, the good news is that some organizations and governments are now taking bold steps toward combating climate change. These encompass everything from reducing greenhouse gas emissions (GHG) to supporting and educating businesses and consumers on preparedness for ongoing climate-related events.

Another critical area for any entity or individual preparing for weather-related claims is routinely checking their insurance policies for adequate coverage. Due to inflation, a building operating under a policy bought 10 years ago could be grossly under-insured today. Close examination of policies with brokers and other trusted professionals is crucial to catastrophe readiness.

While some insurance carriers are increasing premiums or choosing to exit markets that are high-risk for catastrophic events, many have developed new policies to address climate change. As highlighted on the Sedgwick blog, there are a number of steps businesses can take to address their shifting coverage options, including:

- Thinking beyond traditional insurance — transferring risk, exploring self-insurance, and looking at options like parametric insurance or catastrophe (CAT) bonds
- Building a risk map to identify areas of need and monitoring weaknesses by forecasting climate change impacts
- Focusing less on the annual insurance renewal cycle and more on strategizing goals for the longer term.

PURSUING INNOVATIVE WAYS TO RESOLVE CLAIMS

While readiness is vital to good outcomes, resolving claims rapidly, efficiently and compassionately is imperative to supporting individuals and businesses when losses occur.

To see this approach in action, consider what happened in New Zealand in 2023 following back-to-back catastrophic weather events. In late January and early February of last year, the Auckland, Northland and Waikato regions saw catastrophic flash flooding, with a record-breaking 161 millimeters (more than 6 inches) of rainfall within three hours. The torrential downpour was classified as a "one-in-200-year event" by the National Institute of Water and Atmospheric Research (NIWA).

Just two weeks later, ex-tropical Cyclone Gabrielle battered the North Island, exacerbating damage — particularly along the eastern coastline — prompting New Zealand's third-ever declaration of a national state of emergency. All told, the region received 400% of its normal February rainfall. The cyclone, estimated to be the costliest ever to hit the Southern Hemisphere, caused damages exceeding NZ$13.5 billion (about $8.2 billion U.S.) and displaced around 10,500 people.

Sedgwick subsequently received about 17,000 CAT claims covering domestic properties, commercial premises, farms and infrastructure. Leveraging longstanding relationships and global resources, we mobilized our teams, including international colleagues, and showcased the advantages of strong collaboration and scaling up swiftly. The adjusters worked tirelessly to support clients and their policyholders, utilizing innovative solutions like a custom CAT event management app and Power BI for real-time monitoring.

The response prioritized empathy and community engagement, ensuring vulnerable individuals received priority assistance. The streamlining of processes and efficient delivery of claim settlements demonstrated the power of teamwork in crisis management. Despite the massive scope of the catastrophe, more than 50% of the commercial claims were settled and closed within six months. (For more on this remarkable story, see our 2023 Major & Complex Loss Review.)

RECOVERY BEGINS WITH RESILIENCY

As evidenced by the experience in New Zealand, exploring options for effective recovery after climate-related catastrophes is crucial. It's also quite challenging.

An essential component of recovering from property damage is rebuilding, and it can significantly impact the environment. According to the World Green Building Council, construction work accounts for 40% of all global emissions. Overall, the construction industry is among the world's largest contributors to carbon emissions, with as much as 8% coming from concrete production alone. Anything we can do to lessen that carbon load as we rebuild is beneficial.

Our repair solutions teams and preferred contractor networks in the U.S. and UK are focused on identifying and promoting more environmentally-friendly options, like paint that can absorb carbon or lime plaster, which has a significantly lower carbon footprint than synthetic alternatives.

Another target area in the recovery process is repairing damage rather than doing a full replacement. It's a sound strategy, but policyholders oftentimes expect brand-new things rather than refurbished ones. While there are issues on both sides of the repair-versus-replace debate, the first step is to think about it. Thoroughly analyze the options, conduct a cost/benefit analysis, and encourage insurers and policyholders to factor the environmental impact into their repair decisions.

Actionable data is key to informed decision-making. To help clients, our UK repair solutions division has developed an innovative carbon value calculator that identifies the environmental impact of each property claim and the related repairs by applying CO_2 values to materials, labor and plant. Building on tools used to analyze the price of repairs, the carbon value calculator assigns emissions on a per-line basis, helping customers and policyholders understand the cost of each repair — not just in dollars or pounds, but in the volume of carbon produced and the impact on our planet. The one-of-a-kind calculator also simplifies and automates the traditionally time-intensive task of measuring Scope 3 emissions.

DEFINING SCOPE 1, 2 AND 3 GREENHOUSE GAS EMISSIONS

According to the Greenhouse Gas (GHG) Protocol:

Scope 1 emissions are direct emissions from sources owned or controlled by the organization. These may include on-site fossil fuel combustion and fleet fuel consumption.

Scope 2 emissions are indirect emissions from sources owned or controlled by the organization, such as from the generation of electricity, heat or steam purchased from an energy provider.

Scope 3 emissions are all indirect emissions not included in Scope 2 that are related to the organization's activities and value chain.

THE INSURANCE INDUSTRY HAS PAID MORE THAN

$650 BILLION

FOR CLIMATE-RELATED NATURAL CATASTROPHE CLAIMS SINCE 2017.

Finding the right partner

Adapting to the impact of weather on virtually all areas of life is new to many. Awareness and education are essential, especially concerning data supporting climate change and the evolving landscape of laws, regulations, programs, policies and products. (For more, see "Climate resiliency movements: developments in ESG legislation" in Edging up.)

To help them navigate this largely uncharted territory, people and businesses are looking to partner with forward-thinking organizations that have expertise to offer and a suite of integrated services that can support their planning efforts and ensure optimal coverages are in place. Attributes to look for include:

- **Climate resilience experience:** Seek a partner with a demonstrated understanding of climate-related risks, the ability to tailor coverage to mitigate those risks and experience handling claims related to weather incidents.

- **Green energy recognition:** Ensure the organization recognizes the value of taking proactive steps, such as implementing renewable energy systems like solar panels, wind turbines and hydroelectric facilities, as well as coverage for associated infrastructure and equipment.

- **Rapid claims processing:** Look for businesses with a reputation for efficient claims processing, especially in the aftermath of catastrophic, climate-related incidents. Consider how they handle both the big picture and the details, such as ensuring policyholders have quick access to much-needed funds and feel supported throughout a difficult process.

- **Commitment to risk assessment and mitigation:** Choose a proactive partner to help prevent and minimize damage from climate-related weather incidents. Risk assessment and mitigation services may include site inspections, hazard assessments and recommendations for enhancing both property and business resilience.

- **Specialized support for climate-related claims:** Ensure the organization has expertise in weather-related claims challenges, assessing and valuing damage to green energy infrastructure and knowledge of relevant regulations and incentives.

Another key consideration is a demonstrated commitment to addressing climate change. Is the partner walking the walk and adopting green solutions themselves?

A good place to start is by exploring companies' commitments to reaching carbon emission guidelines. For example, carbon net-zero status means that a country or organization aims to balance the amount of carbon emissions it releases into the atmosphere with the amount it removes through measures such as renewable energy adoption and carbon capture. The governments of the UK and U.S. have set goals to reach net-zero emissions by 2050.

In support of these commitments, Sedgwick takes the initiative to address climate change seriously. For 10 years, our UK repair solutions have held the prestigious and difficult-to-achieve ISO 14001, the international gold standard for environmental management systems. Recently, our entire UK organization earned the designation as well. In the U.S., our operations are making great strides reducing our e-waste tonnage, paper use, business travel and office footprint for the benefit of the environment. Additionally, our experts are consulting on client-focused solutions like innovative and efficient methods of reducing the ancillary, negative environmental impact of contaminated property remediation.

EXTREME WEATHER ISN'T GOING AWAY: READY, RESOLVE, RECOVER

Amid a sharp increase in climate-related disasters, the imperative for businesses to embrace readiness, resolution and recovery strategies has never been more urgent.

With environmentally focused regulations becoming more stringent, businesses and consumers may be compelled to adopt sustainable practices, rather than having the luxury to view them as optional. We all must **be ready**. We must find innovative ways to **thoughtfully resolve** climate-related losses through careful planning and an emphasis on caring for people. And, we must focus on moving beyond catastrophic weather events by finding ways to build back better: exploring green alternatives, using existing materials when possible and looking for options that will better withstand future events. It's time to **embrace recovery**.

Emphasizing forward-thinking plans, processes and programs and prioritizing those measures to anticipate future needs are at the heart of climate resilience. By taking decisive steps now, businesses and individuals can lay the groundwork for a more sustainable future, while ensuring the well-being of current and future generations.

MULTIPRONGED, COORDINATED SOLUTIONS TO COMPLEX ISSUES: A VISION FOR THE FUTURE

As with all things related to climate change, there are difficult challenges to tackle; some would tax the wisdom of Solomon, and some can even pit allies on different sides of an issue. What's the answer for addressing complex issues? Often, it is innovation and compromise.

For example, consider a community facing the one-two punch of record-breaking heat and drought. In areas with soil with high clay content, this could lead to subsidence, or shrinkage of the subsoil and exposure of tree roots — which can damage sidewalks, underground utilities and buildings. Implementing property resilience measures can not only reduce the risk of physical damage, but also lessen the financial burden resulting from climate hazards.

At first glance, the solution is to remove the trees. Insurers know that is the best way to minimize losses and ultimately protect customers and their property. But communities often rebel against the loss of greenery. What can be done?

How about a whole new way of thinking? Insurers and businesses could, for example, work together to offset the impact of removing the trees by building a new playground, planting trees elsewhere in the community or installing an electric vehicle (EV) charging unit to promote usage. There are options; the key is to communicate, collaborate and look for alternative paths forward.

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Beyond training: developing the workforce for today and tomorrow

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We've all heard the age-old proverb: "Give a person a fish and you feed them for a day; teach a person to fish and you feed them for a lifetime." Applying this wisdom to today's rapidly changing workplace environment, it has never been more critical for employers to develop their employees' skills to meet the needs of their jobs — for today, tomorrow and long into the future.

The rise of distributed teams, rapid technology advancements and shifting values of younger generations have put the spotlight on retention strategies, with training and development being both necessary for an employer to thrive and demanded by employees. Here, we share the top trends and employer best practices that we're seeing impact the training and development space.

WHY BOTH TRAINING AND DEVELOPMENT ARE CRITICAL

Training generally focuses on the short term and provides an employee with technical skills and tools to perform a specific job. Professional development, on the other hand, is more future-focused and supports employees' career growth goals.

Training has always been a necessary component of organizational success, with professional development often treated as a nice-to-have benefit. Today, we know that a combination of training and professional development is essential. Together, they enhance job satisfaction, boost productivity, improve retention, and increase employees' potential for advancement. In other words, it's a win-win combination for the employer and employee. Let's examine what's behind this shift.

THE DEMAND FOR MORE TRAINING AND DEVELOPMENT

1. **Rising turnover makes talent retention critical.** Spending one's entire career with a single employer is largely a thing of the past. Employees today are much more mobile. According to one report, over half of employers (51%) experienced a turnover rate of at least 15% in 2022, up three points from 48% in 2021. Couple that with the high cost to replace an employee (estimated at 33% of their annual salary), plus lost productivity and knowledge and time dedicated to onboarding someone new, and you can see (and feel) the financial impact to an employer.

   Many industries are feeling this crunch, including the insurance sector. The U.S. market alone is expected to lose around 400,000 workers by 2026, according to Insurance Business, due to an aging workforce and broader talent shortages. This trend is driving employers to find ways to transfer knowledge and skills to younger employees, upskill and reskill a wider talent pool, and foster retention strategies.

This is where training and professional development programs can shine, creating a win-win scenario. According to a LinkedIn workplace learning report, the No. 1 way to improve retention is by “providing learning opportunities.” The survey found that three of the top five factors people consider when pursuing new jobs reflect their desire to stretch, grow, and develop new skills. From the employer perspective, the need to train and develop is there and employees are demanding it.

2. **Younger workers crave growth.** One of the biggest shifts is the higher importance younger generations place on training and development. According to Training Industry, Gen Z consistently rates skills development alongside compensation among their most important factors in choosing a job. Research also shows that millennials (now comprising the largest generation in the workforce) who are satisfied with their development and mentorship opportunities at work are twice as likely to stay with an organization than those who are unsatisfied. Given that Gen Z and millennials are often quicker to job-hop than their older counterparts in the workforce, company engagement is even more important.

   Regrettably, we’re also seeing fewer people drawn to careers in the insurance field. Early- and mid-career workers are not as interested in insurance as they once were, with many attributing this to an outdated perception of the industry as slow-moving and resistant to innovation. To be more competitive and attractive to younger generations, employers must showcase how sophisticated technologies, like machine learning, artificial intelligence (AI) and data science, are revolutionizing the insurance sector, while also demonstrating their commitment to employees’ career growth.

3. **Remote and hybrid work requires connectivity and soft skills.** While in-office remains the primary workplace arrangement, we continue to see a shift toward more flexible models. In 2023, 12.7% of full-time employees worked from home, while 28.2% followed a hybrid model, according to Upwork. Plus, the company predicts that remote work will continue to grow, with 32.6 million Americans (22%) expected to work outside an office by 2025.

Professional development can provide a path for remote and hybrid employees to connect and build their networks — ultimately helping them feel a stronger sense of belonging to the organization and their colleagues. Companies are also putting greater emphasis on soft skills development, including active listening, collaboration and problem solving, to help employees work effectively outside the office. These skills build emotional intelligence, contribute to more effective communication and stronger interpersonal relationships, and improve overall job performance.

4. **Rapid technology changes are altering jobs.** The World Economic Forum predicts that technology will transform 1.1 billion jobs over the next decade, with AI and machine learning behind many of these changes. Some of today's jobs could look different or become obsolete in the future, and some jobs that we haven't dreamt up yet will become necessary. This is fueling a new urgency behind upskilling and reskilling employees.

   In the insurance industry, we're seeing the profound impact of AI and other technological advances on automating simpler aspects of the claims process and shifting employees' focus to more complex ones. This requires greater expertise. People skills, like creative problem solving and empathetic communication, will be more important than ever as technology absorbs routine claims tasks.

   In response, employers are upskilling to enhance employees' existing skills and build a stronger talent bench. Doing so not only benefits productivity, but also engages employees by demonstrating the organization's commitment to their personal growth and development.

HOW EMPLOYERS SHOULD RESPOND

There are many ways to make training and development a priority. Below are some best practices that can make a strong impact.

Foster a growth-minded culture. One-size-fits-all models no longer work. Employers must demonstrate their care and commitment to the development journey of each of their people. Here are some considerations:

- Professional development should be a priority with top-down leadership support for strong execution. Employers should encourage people to take an active role in their own development while holding leaders accountable for developing their teams.

- Managers should work with their team members to develop individualized growth plans to chart each employee's goals and the skills they need to advance. Certification and designation programs and courses for building soft skills all provide ways to help employees develop new areas of expertise while validating the company's commitment to their growth.

"It has never been more critical for employers to develop their employees' skills to meet the needs of their jobs – for today, tomorrow and long into the future."

Today, we know that a combination of training and professional development is essential. Together, they enhance job satisfaction, boost productivity, improve retention, and increase employees' potential for advancement.

- Rotational leadership programs are another way to create a structured path upward. Identify up-and-coming leaders and offer cross-departmental training for a set period of time so employees can learn all angles of the business and gain added visibility among a variety of leaders. Such programs can also grow bench strength and develop the next generation of leadership.

- Tried and true mentorship programs cultivate and empower emerging leaders, helping them feel more supported and connected to the organization. Serving as a mentor should be a widespread expectation, not confined to a few. Get creative; mentors don't need to be within the same department. Consider instead the person's interests, professional goals and learning needs.

Stay flexible to meet current workplace needs. Gone are the days when employers and employees viewed training as an in-person, full-week (or longer) engagement. Movement away from the classroom toward online and hybrid learning models has become the norm, alleviating employers' cost factors and helping trainees manage personal responsibilities at home. Here are a couple of ways that companies stay flexible and effective:

- Leveraging technology, like video conferencing and e-learning platforms, can be valuable — but so is not over-relying on it. In the insurance industry, for example, we see a strong need for experiential, hands-on training. Learning by doing allows employees to apply their knowledge in real-life experiences and gain instant feedback. For instance, a new employee training for a roofing certification may spend time in a virtual classroom and then attend a live demonstration of a roof inspection alongside a trainer. A claims adjuster may simulate the management of both straightforward and complex claims to learn the requisite processes and receive feedback from expert trainers.

- In online learning classrooms, employers should create opportunities for engagement and interaction. This can be achieved through small group breakouts, which may be more conducive to facilitating conversations and connection. We've also found that polling engages employees while providing a continual feedback loop for trainers to determine whether a topic needs to be revisited. A dedicated live-chat channel can be incorporated for additional connectivity.

Train up in communication for remote workers. Building human connection in an increasingly remote world is critical to employee engagement, satisfaction and productivity. We're seeing a rise in demand and need for communication skills training, such as helping employees with active listening, delivering compelling presentations over video calls, and having critical conversations remotely. With so many transactions now conducted smoothly online, live customer service experiences are often reserved for more complex situations — making soft skills development vital for employees to effectively support vulnerable customers and handle sensitive situations.

We've also seen an increase in training to help leaders successfully manage remote teams and maintain a positive remote culture. Skills development is being offered around virtual communication, remote team-building and digital wellness. Managers must be proactive and intentional about cultivating rapport with team members. Actively investing energy, time and resources in bringing teams together will yield benefits for the organization and give employees a stronger sense of connection.

Test and learn. A measurement plan and ongoing evaluation of strategies are essential. What works for one organization may not work for another. Within your training and development framework, incorporate quantitative measurements on attendance and course completion, along with qualitative measures like course satisfaction and engagement levels. Track this data over time to build a picture of what's working, what's not, and how to make your training and development program stronger. Be flexible to change, and don't be afraid to pivot.

CRITICAL FOR TODAY AND TOMORROW.

Today's workers are serious about their career paths and job satisfaction. They view learning programs as a way to build a strong foundation for both. Offering a robust training and development program is no longer an employer nice-to-have. Data shows that employees prioritize learning and development as a central part of their careers, and they're willing to leave their position to find it. Organizational leaders must prioritize growth in order to retain talent, remain competitive, and succeed in an ever-evolving economic environment.

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The fragility of brands

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In the fast-paced and interconnected world of business, a brand's reputation is a fragile entity that can be shattered in an instant. A crisis — such as a product recall, data breach or poorly handled employee relations or customer service experience that gains traction online — has the potential to erode even the most robust of brands.

The power of a single incident to irreparably tarnish a brand that took years to build highlights the vulnerable relationship between companies and their publics. This article explores the delicate nature of brands, some of the major risks facing brands today, and strategies for navigating the treacherous waters of a reputational crisis.

THE TRUST COMPACT

Trust is the bedrock of any successful brand. It is a culmination of consistent quality, commitment to consumer and employee well-being, and ethical, value-based business practices. A brand is a currency built over time through positive interactions, compelling marketing and a sense of reliability. When a crisis or misstep occurs, that trust is thrust into the spotlight, exposing the fragility of the brand.

With one breach of the public's trust, a solidly built brand reputation can come crashing down in an instant. Reverberating through the core of an organization, it can affect customer loyalty, market share, financial performance, and talent attraction and retention. In an era when people are increasingly discerning and socially conscious, the tenuousness of a brand's reputation becomes glaringly evident as consumers and employees consider whether a company prioritizes profits over people's welfare, satisfaction and experience.

Reputational crises represent make-or-break moments for trusted brands. Whether stemming from product-related issues, ethical breaches, customer dissatisfaction or environmental harm, every move a company makes during a crisis is scrutinized by consumers, stakeholders, regulators, employees and the general public. One misstep in communication, failure to properly address concerns or perceived lack of empathy or accountability can magnify the damage. In the age of social media, when information travels at unprecedented speeds, a brand's response must be equally swift, transparent and tonally precise.

How a brand handles a crisis is a testament to its character and resilience. Such events can be viewed as not only threats, but as opportunities for brands to earn people's trust once again by showcasing their commitment to responsibility, customer care and ethical conduct amid less-than-ideal circumstances.

★★★★★

"A brand is a currency built over time through positive interactions, compelling marketing and a sense of reliability."

PRODUCT RECALLS: THE ACHILLES' HEEL

While often necessary to rectify safety concerns, recalls can trigger a cascading effect that tests the spirit of a brand. Many fear that the act of recalling a product implies a failure in quality control and a perceived violation of the implicit contract between companies and consumers.

The financial ramifications of mishandling a product recall must not be underestimated. The costs associated with withdrawing, replacing, or fixing faulty products — along with related legal battles, customer frustrations and potential declines in sales — can create a perfect storm jeopardizing the stability of the business. The fragility of brands often comes to light as companies contend with the immediate fallout of recalls and grapple with the task of rebuilding consumer confidence.

The aftershocks of product recalls extend beyond the immediate financial hit. If an event is mishandled, the reputational damage can linger, influencing consumer perception for years to come. Brands must tread carefully, employing a delicate balance of transparency, accountability, empathetic service and strategic communication to navigate the intricacies of a recall.

According to recent reports by Sedgwick's brand protection experts, the issue of recall events is one that companies are facing ever more frequently. Their data show that, in 2023, recall events in the U.S. reached a seven-year high, while Europe saw an increase in recalls for the fifth consecutive year. These upward trends can be attributed to a variety of societal factors, including greater regulatory scrutiny and enforcement regarding the environment and public safety, as well as growing complexities in supply chains and the global economic and geopolitical landscape. The rising incidence of recalls underscores the importance of organizational preparedness for the possibility of such an event to guard against a true brand crisis.

A crisis — such as a product
poorly handled employee rela
experience that gains tractio


recall, data brea
tions or customer servic
n online — ha

TAKING CARE OF CUSTOMERS

Customer service interactions are key touchpoints in the brand experience and contribute heavily to organizational reputation. The way companies treat people when something unexpected occurs or they otherwise need assistance is a direct reflection of brands' commitment to customers.

★★★★★
Do they provide user-friendly digital tools with reliable self-service functionality?

★★★★★
Are support representatives easily reachable, polite and professional?

★★★★★
Is the resolution process as hassle-free as possible?

★★★★★
Are mistakes corrected promptly and efficiently?

★★★★★
Do they fulfill their promises?

Though on a smaller scale than a full-blown reputational crisis, every communication with a customer is a make-or-break opportunity to build or degrade loyalty and goodwill.

Social media has raised the stakes when it comes to the risk factors associated with negative customer experiences. Whereas fallout was traditionally limited to a dissatisfied customer's word of mouth among their family and friends, today that network extends to everyone on the web. Disgruntled consumers commonly share disappointing brand experiences in scathing online reviews, social posts and viral videos. Some get further amplified in mainstream media and eventually snowball into brand crises. With discerning consumers now researching everything online and the internet having a very long memory, one negative review can have a far-reaching impact — further exaggerating the fragility of brands.

On the flip side, positive customer service experiences build brand loyalty, as satisfied consumers tend to be repeat buyers. Even if an issue occurred, most customers can acknowledge that "things happen" and respect it being resolved quickly, easily and with genuine concern. In fact, some product recalls handled particularly well have been shown to add value to brands, as those impacted felt the companies sincerely cared about the safety of their families and their customer experience. It's a fine line between a good customer experience and a bad one, and companies must stay on the right side of it to protect and preserve their brand value.

EMPLOYER BRANDING

An organization's reputation as an employer is an extension of its commercial brand — and vice versa. When a commercial brand is powerful, its employment brand benefits; when a commercial brand crisis occurs, the employment brand usually suffers as well.

Significant shifts in the workforce over the past few years have brought greater importance to employment branding. In today's super-competitive talent market, many employees and applicants are looking for more than "just a job"; they want to be part of an organization that reflects their personal values, supports their social status, and gives them a sense of purpose.

To keep up with market expectations and attract and retain top talent, employers are focused on refining their employment brands and promoting themselves and their workplaces in ways that appeal to their target audience and, ideally, reinforce their commercial brands. Younger members of the workforce are especially attuned to whether employers' stated commitments to employee health and well-being; diversity, equity and inclusion (DEI); and environmental, social and governance (ESG) efforts align with their day-to-day practices. Increased scrutiny of recruiting, employment and business practices by current and prospective employees opens the door for any misstep to become a noteworthy reputational threat.

One area garnering a lot of attention is layoffs. Under any circumstance, termination of a person's employment and livelihood should be considered a sensitive situation. Regrettably, some companies have recently mishandled the downsizing process by depersonalizing it — with employees learning their positions had been eliminated when, without notice, their security badges wouldn't let them into the office or their network login credentials were deactivated. And with so many people now working remotely, layoffs that are communicated to employees are often done by email or video and en masse instead of in a one-on-one phone conversation.

Contrary to the stigma once associated with job loss, jilted employees are candidly posting about their negative layoff experiences on social media — creating a firestorm of negative attention for downsizing organizations and degrading both their employment and commercial brands. This has become a serious concern for some of the leading technology companies, which were flying high and growing rapidly for years but had to pare down their workforces in the aftermath of the COVID pandemic. Such missteps have soured some on pursuing employment in the high-tech space and paved the way for opportunities in more stable fields, like accounting and insurance.

Layoffs are but one example of practices that must be handled with professionalism and care to protect brands. In an atmosphere of increased scrutiny, employers are feeling the pressure to not just talk the talk in their recruiting materials, but also to walk the walk in their treatment of employees, job applicants and other stakeholders.

THE REPUTATIONAL IMPACT OF A CYBER BREACH

Following a cyber-attack, public perception of the targeted company may be affected — particularly when sensitive data is compromised. Customers may question the company's ability to protect their personal information, leading to a loss of trust and loyalty. Service outages can also cause users to switch to competitors seizing the opportunity to promote their reliability.

The jury is still out on whether news of cyber incidents has become so commonplace that a brand's reputation is indeed damaged. People tend to view businesses holding a high degree of trust as more susceptible to reputational loss. An online bank, for example, would be more prone to reputational loss than an online retailer.

After a cyber-attack, clear and effective stakeholder communication is key to rebuilding trust and retaining customers. But even more effective for managing reputational risk is proactively and frequently training employees, customers and other system users on how to avoid the human errors that often contribute to data breaches.

- Gerald Cheang
  Senior Manager, Forensic Accounting Services in Asia, Sedgwick

THE ROAD TO REDEMPTION

Navigating the aftermath of a brand crisis requires a strategic and thoughtful approach to reputation management. Brands must proactively engage with their publics, acknowledging any fault and outlining the concrete steps taken to rectify the situation. Transparent communication and a commitment to change can rebuild trust, demonstrating the brand's dedication to the well-being of its customers and employees.

Rebuilding a tarnished reputation is not a quick fix; it requires a sustained and genuine effort. Investing in preventive measures and robust quality control systems becomes imperative to shore up the brand's resilience. The delicate nature of brands, once exposed, necessitates a comprehensive strategy that involves not only addressing the immediate issue but also implementing measures to prevent future occurrences.

Moreover, brands must consider the broader societal impact of their actions. Ethical conduct, environmental responsibility, care of people and social awareness are increasingly significant factors in shaping consumer perception. Brands that demonstrate a commitment to these values can emerge from crises with a strengthened reputation and a more resilient brand image.

SAFEGUARDING REPUTATIONS FOR THE LONG TERM

In the volatile landscape of business, the fragility of brands is a reality that companies must acknowledge and navigate with strategic finesse. Product recalls, missteps in customer care and employee relations, and other crises can lay bare the vulnerabilities in the relationship between corporations and their publics. However, brands that learn from their mistakes, implement robust risk mitigation strategies, and showcase a genuine commitment to improvement can put the pieces back together and emerge from these challenges stronger than before.

The tenuous ties between brands and their publics require a continuous effort to maintain and reinforce trust. The ability to navigate the complexities of a crisis defines a brand's true resilience, shaping its trajectory in an ever-evolving marketplace. The fragility of brands demands a proactive and holistic approach to safeguarding reputations and ensuring long-term success in an unpredictable world.

RESOURCES

- **Building loyalty through customer care, Sedgwick blog,** Feb. 22, 2023
- **Cyber business interruption claims: the unique challenges of the digital realm, Sedgwick blog,** March 20, 2024
- **Lock-outs, mass emails, closed offices: virtual layoffs are normal now, Washington Post,** April 11, 2023
- **State of the nation product safety recall index (European edition), Sedgwick,** 2024
- **State of the nation product safety recall index (U.S. edition), Sedgwick,** 2024
- **Viral layoff videos reflect a sea change in work culture, Axios,** Jan. 29, 2024

Expert view

A conversation with: Eric Malterre,
Chief Client Officer, International, Sedgwick

As a Frenchman who's lived in Europe, Asia and Africa and now calls the U.K. home, Eric Malterre is uniquely positioned to put global context into a local framework. We spoke with him about his international perspective, what he's hearing from our clients and partners, and his vision for the industry throughout 2024 and beyond.

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edge:
We're very lucky that your globetrotting has landed you here with us. Can you tell us a bit about your background and how you arrived at Sedgwick?

Eric:
I started my insurance career as a broker in France before moving to Asia, where I spent almost a decade. I left the broking world to become the Chief Underwriting Officer for a Lloyd's syndicate based in the U.K. that underwrote specialty lines across Africa. I think it has all helped me develop an ability to put global context into a local framework — which, consequently, is just what Sedgwick aims to do: provide global solutions and local expertise.

When I joined Sedgwick five years ago, I saw it as a fantastic opportunity to bring the best of everything I'd learned previously in my career and put it into practice from a claims standpoint. Now, as Chief Client Officer for our international business, I'm in charge of our client relationships and business development across all markets outside of the Americas. The objective is to bring the best of Sedgwick to our clients — and to be their voice back to us, as well. To be the echo.

edge:
When you say it's your objective to "be the echo," what does that mean?

Eric:
My job is not only to promote Sedgwick and bring our solutions to our clients; it's also to be the voice of what our clients need back to Sedgwick. That's how our organization has always designed — and will continue to design — the right types of solutions.

Our toolbox is huge, but it's not just about pushing out options. We also need to understand what our clients need from us. When we understand what matters most to them, we can bring the best of Sedgwick in responding to those needs. Our approach is very consultative, which helps us engage the best resources and build the right solutions.

edge:
What are some of the topics you're hearing from our clients are top of mind in 2024?

Eric:
The first is artificial intelligence (AI), generative AI in particular. How is it going to be embedded into their respective organizations? How is it going to change the way they work and interact with others? That's one important concern they have — and a lot of that remains relatively unknown.

Another topic which is quite interesting across international markets, though the focus varies from one region to another, is environmental, social and governance (ESG) concerns. It's a real and growing topic for our clients, and it's an important parameter as they're determining who they want to partner with. I'd say it's more critical now than ever before.

And then there's data. Clients want to know how they can make sense of the data they're sitting on, and how we, as their partner, can provide them with insights that will help them improve both their customer experience and business performance.

It changes the way we work, in a sense, that we have to be quite knowledgeable about AI. We have to keep ESG front and center in our discussions with clients. And we have to be organized and at the top of our game when it comes to data insights.

edge:
When it comes to AI, are you sensing more apprehension or eagerness from the market?

"The world has never been so small. We can no longer ignore what's happening on the other side of the planet."

Eric:
A mix of both. It raises a lot of concerns in the workforce — and in the organizations that now must learn to think and operate differently — but sometimes disruption can be a good thing. AI certainly brings a degree of uncertainty, as many people are wondering whether they'll have a job moving forward. What I think it will do, though, is allow us to automate lower-value tasks and use our people better.

Here at Sedgwick, we've been quite clear that our objective is to rationalize the process flow, and to make sure we're bringing in our experts and their value at the right level. It's not less people — it's more people, in the right place at the right time.

edge:
What are some of the major challenges facing global insurers today? Are they most worried about technology, talent or something else entirely?

Eric:
It's a broad question, so I'll focus on a few things that I observe across the industry and across all geographies. Talent is the big one. Even larger markets with deep talent pools — the U.K., for example, or Australia or France — are concerned about talent shortages. The international market is a patchwork of local markets, and all are focused on how best to access, train and retain people. The right people. Our industry also faces a particular collective challenge, in that adjusting is unknown to many young people; it isn't being considered as a career option. As we look for the next generation of experts, those obstacles make it that much harder to attract talent.

Another challenge is around data, where I think many insurance companies are struggling, like I said earlier, to get insights from data that they can use to improve the underwriting experience, the customer experience and the claims handling process. I think many of our clients are also wondering what meaningful changes generative AI will bring.

edge:
You spoke about Sedgwick's consultative approach to servicing clients. Can you talk to us a bit about the importance of connection in our client relationships?

Eric:
I look at it like this: the world has never been so small. We can no longer ignore what's happening on the other side of the planet. And it's not so much that we need to be more connected — we need to be better connected. We need to bring more value to the table.

For Sedgwick, it's about putting our clients in a better position to leverage that degree of connectivity for what really matters most to them. I think circles (see details below) is one way we're doing this very well: creating an engagement platform to allow clients to mingle with their industry peers, share experiences and best practices, and listen to and learn from one another in a safe environment.

edge:
When you look ahead at the international landscape, what do you envision for 2024 and beyond?

Eric:
It's a challenging question, but it goes back to what our clients need as we monitor the international landscape for them and remain fully aware of the local nuances. Sedgwick has so much to offer already. We have a business that is quite diversified internationally, mainly built upon our loss adjusting expertise in property and liability, as well as our specialisms, such as aviation, marine and construction/engineering. On top of that, you add ancillary services like EFI Global, building consultancy, temporary housing, forensic accounting services and our third party administration (TPA) offerings across multiple lines. Our way forward will require going beyond these foundational services — expanding solutions like brand protection and work-force absence management to a broader client base, on a global scale, wherever possible. That's the ambition.

CIRCLES

Sign up for circles to stay on top of trends and forge new connections

Sedgwick clients are invited to join as many circles as they wish. Circles are organized by industry (such as aviation, financial services, healthcare, retail and transportation, etc.) and by area of interest (such as benefits, managed care, property, risk management, technology, etc.).

Clients interested in signing up for circles or our quarterly In the Know webinars should contact their designated Sedgwick client services director for details.

Community spotlight

Teaming up for global hunger relief

Sedgwick has long been committed to supporting the communities in which we operate and teaming up for the greater good through our corporate giving efforts and community champions program. We take seriously our commitment to corporate citizenship and environmental, social and governance (ESG) initiatives.

Each year around the holiday season, we support and promote one or more organizations that are particularly meaningful to our company, colleagues and clients and that align with our company's giving pillars: education, well-being, social services and sustainability. Our 2023 season of giving campaign was no exception. We were proud to partner with two charities dedicated to eliminating hunger: Feeding America, the largest hunger-relief organization in the U.S., and the Global FoodBanking Network, an international nonprofit that has helped 39 million people in more than 40 countries.

Hunger is a complex issue that affects hundreds of millions of people around the world — as much as 10% of the global population. Nearly one-third of all food is lost or wasted. But it doesn't have to be this way.

Food insecurity is a challenge that can be tackled, and the best way we can do that is by coming together. That's why, as part of our season of giving, Sedgwick made a donation to Feeding America and the Global FoodBanking Network for every engagement with our campaign — likes, shares and comments on social media and each photo we received of people giving back to their communities or gathering around the table for a shared meal.

Our colleagues around the world found inspiration from the campaign and devoted time during the season of giving to team up for the greater good in support of hunger-relief efforts. Below, we are pleased to highlight the stories of three dedicated colleagues who embody our caring counts philosophy by giving back and battling hunger in their local communities.

As we face ever-present, shifting challenges, connection counts. By connecting with — and for — each other, we can turn possibilities like eliminating hunger into realities. By connecting forward, anything is possible. We hope you'll join us in helping others in ways that truly show how caring counts.

TESS HABERFIELD

Business Development Manager, Queensland, Australia
Charity: The Breakfast Club, Redcliffe
@brisbanebreakfastclub *The Breakfast Club Redcliffe*

For Tess Haberfield, helping others is a family tradition she's carried on from her father, who also supported those in need through his work. Haberfield was taught from a young age that the circumstances in which people find themselves are never straightforward and that the impact of small measures cannot be underestimated.

In addition to her personal connection, community engagement plays a significant role in Haberfield's professional responsibilities. She joined Sedgwick about a year-and-a-half ago and hit the ground running to help her community, participating in her first in-person office food drive just six weeks after starting with the organization.

Haberfield's efforts benefit the Breakfast Club Redcliffe, an organization based outside of Brisbane that for the past decade has supported the community's most vulnerable through food distributions and meal outreach services. She has long been keenly aware that food insecurity is far-reaching, touches those who you might not expect, and profoundly impacts one's quality of life.

During the season of giving, Haberfield joined two other Brisbane-area colleagues to collect donations for the Breakfast Club — specifically, toys and pantry goods — to be given to underprivileged children and families around the holidays.

This is not where our Brisbane office's contribution ends. Whenever Sedgwick hosts a catered event, Haberfield packages up any leftover food and delivers it to the Breakfast Club to pass on to those who need it most. And according to Haberfield, every colleague in the Brisbane office has made a significant and lasting contribution.

Haberfield appreciated watching the office's season of giving support grow, as small donations accumulated into a large pile each day. Then, she made sure to bring her own children to distribute the goods — to instill in them the same lesson her father had instilled in her.

"The way our colleagues have made time to support this, at a time in Australia when many are experiencing their own insecurity, has been heartwarming," Haberfield said. "It is from small things that big things grow."

JENNIFER DESMEDT

Vice President, Client Services, Illinois, USA

Charity: Marie Wilkinson Food Pantry, Aurora

@mariespantry   Marie Wilkinson Food Pantry

In collaboration with seven fellow Sedgwick colleagues and countless others who donated, DeSmedt collected so many food and household items that her Honda CR-V was full to the brim. Prior to the collection, she had chosen an organization dear to her: the Marie Wilkinson Food Pantry in Aurora, Illinois, which was borne out of a near-death experience that founder Wilkinson suffered in the 1950s. Following that experience, Wilkinson made a personal commitment to help others and began distributing food to people in need out of her home before starting a soup kitchen and food pantry.

DeSmedt, too, recognizes the widespread need for hunger relief — not only outside the U.S., but also in her own community — that has only worsened with the rising cost of food and other necessities.

"It's an issue that affects all ages and types of people," DeSmedt said. "Hunger relief has compounding, positive impacts on the physical and mental health of those on the receiving end of it; the generosity and compassion of others ultimately uplifts local communities and society."

DeSmedt's team participated in Sedgwick's 2023 season of giving campaign by incorporating a donation drive into an office holiday gathering. Local clients, along with Sedgwick business development, operations and client services colleagues, were in attendance, and the donation yield was fruitful.

When it came time to drop off the donations that filled her car, DeSmedt and her colleagues pulled up outside the Marie Wilkinson Food Pantry. As she popped open the trunk hatch and opened the car doors, the volunteers' eyes and smiles widened in a genuine expression of gratitude. Doing good generally brings feelings of fulfillment, but even greater is sharing that feeling with others. The thankfulness of the volunteers left a lasting impression on DeSmedt.

She sees her and her colleagues' involvement in season of giving as an effort that embodied all five of Sedgwick's core values: collaboration through working together; empathy by supporting others facing challenges; accountability through doing the right thing; growth by the ways in which coming together uplifts communities and ourselves; and inclusion by pooling resources for community members whose circumstances and socioeconomic status may differ from their own.

DeSmedt is grateful to her fellow colleagues — Mike Betti, Kirk Foster, Melissa Icban, Suzanne McTeague, Fiona Shields, Kathy Tazic and Brad Yslas — for their involvement and to everyone from Sedgwick and its client organizations for teaming up for the greater good.

HEATHER FORD

Service Center Team Lead, Oklahoma, USA

Charity: B the Light Mission

@bthelightmission B the Light

Throughout the season of giving, Ford showed up to work every day to find fresh towers of contributions filling the office's donation boxes. Every one of the 80 Sedgwick colleagues at Ford's participating locations donated in one way or another — whether bringing items into work or fulfilling order requests on the nonprofit's Amazon wish list. Some colleagues even donated their reward points from Sedgwick's online colleague recognition program, Props.

Food, hygiene items, blankets, shoes, clothes and other necessities were collected for B the Light Mission, which supports warming shelters and provides basic needs for community members in Bartlesville, Oklahoma, experiencing homelessness.

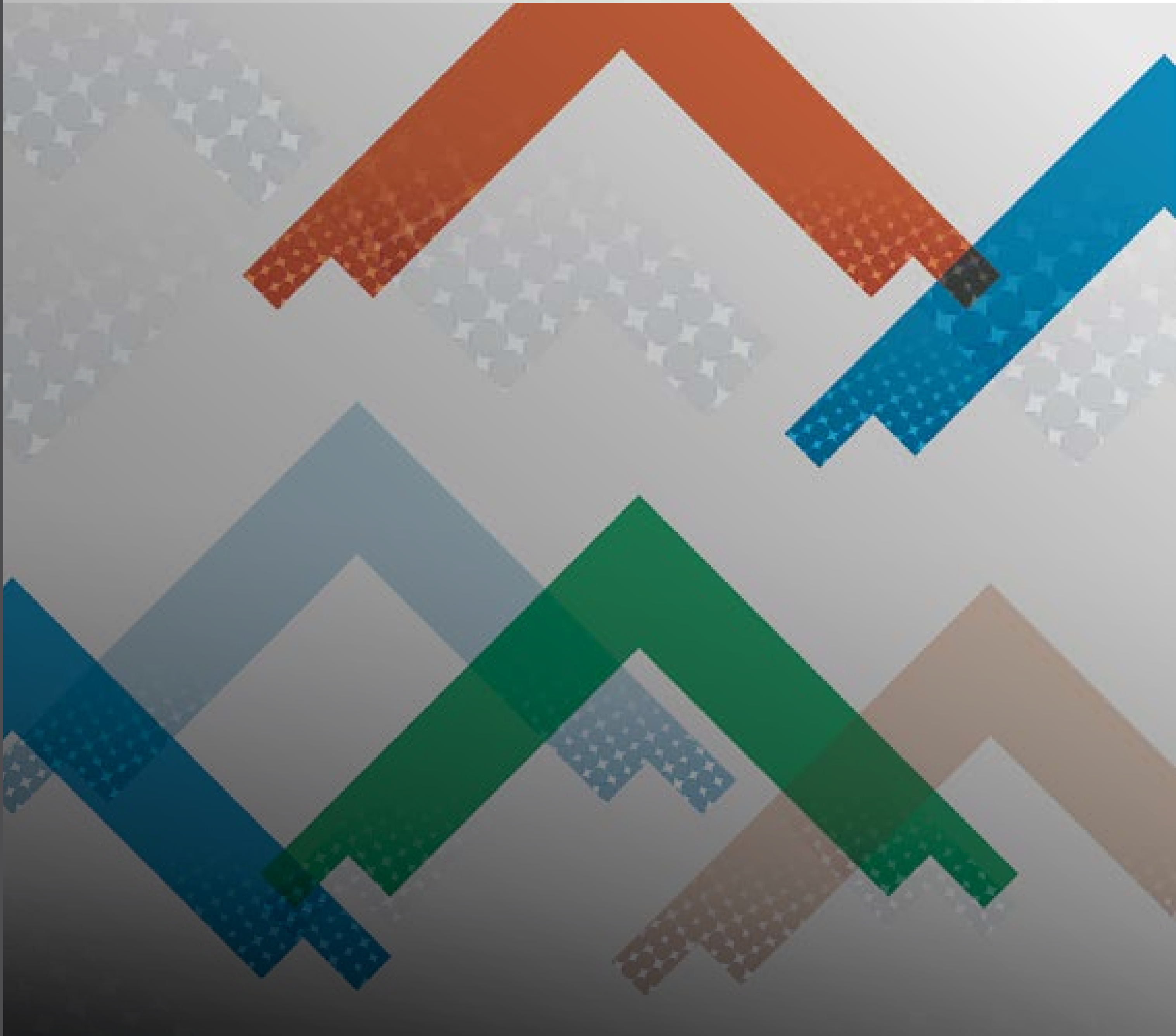
"It's easy to focus on the things we have going on in our own lives day to day and forget to reach out to offer a helping hand to others," Ford said. "The season of giving campaign provided us with a great reminder."

Ford felt the excitement spread through her team as colleagues murmured about which items they would bring the next day to donate. Her colleagues' willingness to engage reminded her of the immense power that stems from coming together. All in all, Sedgwick's Oklahoma team collected $84 in cash, $750 in Props points and countless in-kind donations that would change the lives of people in their community.

Collaboration was integrated throughout — from their focus group that met regularly to decide on optimal ways to raise funds, to teaming up to plan how best to transport the treasure trove of donations.

"We included everyone in the effort," Ford said. "All of us grew together through this experience."

We thank Tess Haberfield, Jennifer DeSmedt and Heather Ford for sharing their stories and for all they do in their communities to show how caring counts.



Edging up

Short takes on industry trends, emerging issues and service enhancements

Connect 2024: what to watch for in the year ahead

BY **SCOTT ROGERS**
Chief Growth Officer, Sedgwick

AND **JIM RYAN**
Chief Operating Officer, Sedgwick

At Sedgwick, we're committed to keeping our clients and business partners informed on developing challenges and opportunities and the latest industry news. Earlier this year, we published our Connect 2024 list, which highlights the trends and issues we think employers, carriers, brokers and risk management and human resources professionals should keep an eye on throughout the months ahead. In 2024, we expect connected conversations to center around key topics related to people, property, brands and performance, and our analysis pinpoints opportunities for collaboration across a variety of industries.

People: workforce, consumer experience, health and well-being

Every critical decision you make this year will have an impact on people — employees, partners, clients, consumers or other constituents. And the needs of these individuals are fundamentally different now than in years past.

The workforce is not just changing; it has been transformed. Priorities have shifted. People expect elevated experiences in the workplace and in everyday interactions. Employers are thinking holistically about health and well-being options for their teams, focusing on culture and development, and finding ways to make the workplace more appealing as individuals adapt to new realities.

Throughout 2024, we're exploring the ways human connection can help people during times of need and watching how technology can automate tasks to free up individuals for more personal engagement.

Property: environmental impacts, coverage shifts, evolving risks

In the face of evolving catastrophes, insurers and their policyholders are grappling with increasing claim volumes due to natural disasters, business interruptions and geopolitical developments. We expect conversation to pick up around structural risks and resilience, population density and migration, and the challenging economic landscape.

Amid recessions, inflation and rising premiums, hard market conditions persist in some regions and lines of coverage. This reality is prompting a rise in alternatives such as captives, as well as a heightened focus on risk engineering, to optimize access to insurance markets.

More broadly, the insurance industry is looking at technology's impact on the property and auto spaces, the risks and opportunities associated with adopting automation, and how integrating new technology into the claims process will lead to transformation.

Brands: regulation, readiness, reputation

Brand and reputational challenges come from many directions. In light of rising litigation and social inflation, nuclear verdicts and fraud cases, organizations should seek to build brand goodwill as a preventative measure to combat negative public perceptions. When considering environmental, social and governance (ESG) strategies, organizations are evolving their compliance practices while also managing pockets of resistance and criticism.

Considering next-gen technology, brand risks include security and regulatory concerns over AI, lithium-ion battery dangers and cyber threats associated with connected technology. In terms of recalls, we expect more conversation on the challenges of secondary markets, as well as the need for supply chain transparency in support of product authenticity and safety.

Performance: technology, productivity, partnership

The profound influence of AI and transformative technology like ChatGPT has reverberated across industries, setting the stage for continued expansion in 2024. Through technology advancements, the insurance sector is realizing greater capabilities in predictive modeling, fine-tuning quality initiatives for real-time action, resolving claims quickly and more efficiently, and positively impacting experience, value and outcomes.

Beyond the tech landscape, geopolitical tensions continue to shape global risks, alliances, trade dynamics and the economy. We anticipate continued shifting of resources due to the impact of inflation and general economic uncertainty.

Partnerships remain critical, as these factors lead organizations to investigate outsourced or blended approaches in pursuit of expertise, adaptability, scalability and service. Rewards will come to those who invest in collaborative relationships, understand the nuances of local and global markets, and work together to overcome challenges.

Stay connected

We encourage you to bookmark Connect 2024 for ready access to the latest insights from Sedgwick's thought leaders on industry trends, as well as to share your thoughts with us on LinkedIn, Instagram or our other social channels. We look forward to continuing the conversation, sharing insights, and connecting with you throughout the year.

The tumultuous landscape of major and complex loss

BY **BEN PRICE**
Global Head of Operations, Major and Complex Loss, Sedgwick

Last year alone, the U.S. was hit by 28 separate billion-dollar disasters — the largest number ever recorded. In July of 2023, the earth experienced its hottest month in 174 years. On top of that, we witnessed devastating floods in Libya, earthquakes in Morocco, Turkey and Syria, and unprecedented wildfires in North America. To all who are paying attention, one thing is clear: the frequency and severity of catastrophic events are on the rise.

As noted in this issue's article on climate resiliency, the three-tiered model of ready-resolve-recover is a common approach to disaster preparedness. Let's briefly explore each of these phases in the context of major and complex losses.

1. Ready
Science is telling us to expect more extreme weather and widespread flooding over the next few decades. At the same time, significant non-weather-related losses will undoubtedly continue to occur. Major disasters — caused by anything from catastrophic fires, to structural or engineering defects, to accidental damage or human error — can happen anytime, anywhere. All too often, these disasters escalate into highly complex and technical claims, requiring preparedness, quick response times and, perhaps most importantly, compassion.

2. Resolve
In major loss scenarios, speed of response is crucial, as is on-site support. When experts have the opportunity to share ideas, collaborate and engineer solutions that respond to each insured's unique requirements, it ensures each step in the process is tailor-made to ultimately deliver the best possible outcome.

Digital solutions empower experts to manage vast volumes of surge or class action claims efficiently, while continuing to improve the customer experience. But while technology makes claims easier, people make them better. There will always be those who can't — or don't choose to — interact digitally, and it's important to ensure they have communication options available as well.

3. Recover
A swift and full recovery is the main focus in every major loss, getting the business back on its feet as quickly as possible. For highly specialized losses, industry-specific technical experts and sector specialists can work together to recommend the best solution for all parties.

To meet the ongoing challenge of climate change, you'll need expert advice and guidance on resilience measures, which will help mitigate property-level flood damage and speed up recovery for customers in the future.

Learn more
Our 2023 Major and Complex Loss Review, now available online, paints a vivid picture of today's tumultuous landscape through a deep dive into more than a dozen significant incidents. These diverse stories of recent complex losses represent a broad spectrum of risks, and the aftermath of each offers applicable and valuable lessons for insurers, corporations and claims services professionals alike.

If Sedgwick's global major and complex loss team can be of service to your organization, please contact me or visit our website for details. You can always count on us to do the right thing — for you, your customers and the world around us.

Climate resiliency movements: developments in ESG legislation

BY **DAVID BERREY**
Chief Compliance Officer, UK, Sedgwick

LAURA JACHINO
Environmental, Social and Governance Manager, Sedgwick

AND **LAURA NABORS**
Senior Regulatory Compliance Specialist, Sedgwick

Climate resiliency, as part of a broader environmental, social and governance (ESG) strategy, is one of those areas showing global movement in regulatory actions and discussions around reporting requirements. Specifically, legislators in the United States, Australia and the European Union have proposed or passed climate impact reporting laws. Although the rate of change and point in the legislative process may differ across the globe, Sedgwick is closely monitoring and continually charting these developments and updates.

The following is a sample of impactful legislative happenings in the climate resiliency and environmental arena:

California Senate Bill 253. In October 2023, California became the first U.S. state to pass a climate disclosure rules act. More commonly referred to as SB 253, the Climate Corporate Data Accountability Act requires the California State Air Resources Board to develop and adopt regulations by Jan. 1, 2025, that mandate businesses to publicly disclose their greenhouse gas emissions. This applies to all organizations doing business in California with annual revenues exceeding $1 billion. Reporting requirements will be determined by emission levels, commonly categorized as Scopes 1, 2 and 3. (Refer to the sidebar in this issue's article on climate resiliency for the definition of each scope.)

As of March 1, 2024, no specific rules had been proposed. Also, California's governor did not include funds in the state budget for the implementation of the newly enacted climate law.

U.S. Chamber of Commerce lawsuit against SB 253. Of high importance alongside the passage of SB 253 is the federal lawsuit filed in January 2024 by the U.S. Chamber of Commerce against the California climate disclosure measures. As a result, implementation of the rules under the bill is currently stalled.

The lawsuit claims SB 253 is unconstitutional and violates free speech by compelling many businesses to make what are described as "costly, burdensome and politically fraught statements about their operations — not just in California, but around the world." Since the January filing, the California Chamber of Commerce and other business coalitions have joined the suit. Moreover, this federal lawsuit has slowed and halted similar climate bills introduced in New York, Colorado and Illinois as states await the outcome of these legal proceedings. The California State Air Resources Board has yet to respond to the complaint filed against them, and court hearings are to begin in the coming months.

EU Corporate Sustainability Reporting Directive. A large part of the European Union's sustainability agenda is based on the Corporate Sustainability Reporting Directive (CSRD). The EU has introduced high-level principles, and member countries are tasked with embedding these principles into their national laws. Designed for a staggered rollout that began in January 2024 (companies' reporting requirements begin with the 2025 fiscal year) and with the final phase scheduled for January 2028, the initial implementation and ongoing development are currently in full swing.

Stemming from the Non-Financial Reporting Directive (NFRD) introduced in the EU in 2014, CSRD broadens sustainability objectives and expands data collection and reporting requirements. A double materiality reporting standard is central to CSRD, including both financial and impact materiality. Businesses must report on how their activities impact both their financial position and the environment.

Another significant characteristic of CSRD is that it expands sustainability focus from supply chain to value chain, thereby encapsulating the end-use of goods and services and their environmental impact. While some businesses may not fall within the direct scope of CSRD based on supply chain, they may be a part of a larger value chain. This means those businesses may be asked to provide additional data or comply with the policies and procedures of another organization that is bound by the directive.

Interpretation of and compliance with CSRD can be particularly challenging due to lack of uniformity; member countries have discretion over how and what these new laws will dictate. Companies with a European footprint should carefully monitor CSRD developments across EU member countries, anticipate how they might impact data collection and reporting, and identify the added resources and expertise needed to comply with these new requirements.

SEC approval of a scaled-back climate rule — but it's on pause. In early March 2024, the U.S. Securities and Exchange Commission (SEC) approved climate-related disclosure rules for U.S. public companies. Under the rules, these companies will, for the first time, have to provide information in their annual reports and registration statements related to climate risks and plans for addressing those risks, the financial impact of severe weather events and, in some cases, greenhouse gas emissions. Notably, the SEC scaled back its initial proposal by removing the requirement for companies to report on Scope 3 emissions or those originating in their value chains outside direct operations.

Within a couple of weeks of the SEC approval, more than half of U.S. states and multiple corporations, nonprofits and business advocacy groups had filed lawsuits challenging the rules. As of mid-March 2024, a U.S. court of appeals had paused the implementation of the climate rules while the legal challenges proceed.

Sedgwick's regulatory, compliance and ESG experts review hundreds of proposed, pending and enacted legislative matters each year to assess their potential impact on our business and our clients. We will continue to monitor the legislative landscape and share relevant updates on the News + Media area of our website, as well as on our social channels. Stay tuned for more in this ever-evolving space.

Watch, look and listen: legislative trends and developments impacting the U.S. workforce

BY **DAVID SETZKORN**
SVP, Workforce Absence and Disability Practice Leader, Sedgwick

The Sedgwick workforce absence team is keeping a careful eye on the trends and regulatory changes affecting American employers and their employees. Outlined here are some recent highlights and issues to watch in the months ahead.

Company paid parental and family leave

The U.S. currently has no federal law regarding paid family and medical leave, which refers to the policies that enable workers to receive compensation when they take extended time off work for qualifying reasons (such as bonding with a new child, recovering from one's own serious illness or caring for a seriously ill loved one).

This is despite a notable generational push by millennials — the most prominent generation in the workforce, ages 27 through 42 — for extended measures of support. Many millennials not only have growing families, but also aging parents to take care of, and believe that employers have a responsibility in enabling their workers to do so sufficiently while keeping their jobs.

There is also strong interest in employers providing holistic benefits — ones that are family-friendly and cover all stages of life — including support for family needs, in addition to mental, physical and social health and well-being. To maintain a competitive edge in this tight labor market, employers will need to truly understand how their employees feel about such matters and whether organizational perceptions of well-being align with employees' expectations and needs. This means carefully examining their answers to questions like: How is team morale? How feasible and balanced are employee workloads? Do employees feel comfortable enough to ask for time off?

Key statutory updates

Last year, two states — Oregon and Colorado — simultaneously rolled out new paid family leave (PFL) programs. In 2026, four more states (Minnesota, Maryland, Maine and Delaware) will follow in their footsteps, putting the total number of U.S. states with PFL program offerings at 16 — a 167% increase from a decade earlier. This shift mirrors workers' growing expectations and pressure. After all, the U.S. is one of only seven developed nations without a uniform paid family medical leave law. State governments are picking up the slack to provide their residents with paid leave, often drawing inspiration from other states' new programs.

Oregon's paid leave program allows for 12 weeks off to care for one's own serious health condition, addressing the immediate safety and impact of domestic violence and/or sexual assault, bonding with a new family member or caring for a family member's serious health condition (including a spouse, child, sibling, grandparent and grandchild, as well as "any individual related by blood or affinity"). Those who need a longer duration of leave due to pregnancy or childbirth may receive an additional two weeks.

Colorado's program is similar. Like Oregon, it allows for 12 weeks of leave for bonding with a new family member or caring for a family member's serious health condition (also using the extended definition of "family member") and addressing domestic violence/ sexual assault. It also covers arranging for a family member's military deployment. Those who experience complications from pregnancy or childbirth may receive an additional four weeks, but unlike under Oregon's program, in Colorado it must result from a "complication," not routine natal care.

Of the states rolling out programs in 2026, Delaware is notable as it includes an option for employers to request to opt out of the state's program (and "grandfather" in their existing program) if there is already an existing paid time off (PTO) plan in place that's richer and more beneficial to employees.

Rights for pregnant workers

The Pregnant Workers Fairness Act (PWFA), a landmark law that took effect in June 2023, has changed the job accommodations landscape by giving pregnant workers more rights. Specifically, it requires covered public and private sector employers with more than 15 employees to provide reasonable accommodations to a worker's known limitations related to pregnancy, childbirth or related medical conditions, unless the accommodation will cause the employer an "undue hardship," meaning a significant difficulty or expense for the employer.

Reasonable accommodations under this law are similar to those provided under the Americans with Disabilities Act (ADA), but broader. Examples of reasonable accommodations may include the ability to sit or drink water, receive closer parking, have flexible hours and take time off to recover from childbirth. However, within the PWFA, pregnancy is not classified as a disability, whereas under ADA, some pregnancy-related conditions may still classify as a disability. U.S. employers should review both the ADA and PWFA from a limitations perspective for pregnant workers.

The U.S. Equal Employment Opportunity Commission (EEOC) was scheduled to release finalized draft regulations containing a range of notable provisions at the end of 2023; as of March 1, 2024, they had not finalized the regulations. Items likely to be adopted include employers being deemed in violation of the law if there are any unnecessary delays to the accommodation process and employees not being required/ held responsible for starting the PWFA review process. It is triggered immediately by any conversation with an employee that mentions their pregnancy-related condition. People managers must be trained and educated accordingly to ensure compliance and a supportive employee experience for pregnant employees.

Also of note, a court in Texas ruled on Feb. 27, 2024, that the EEOC cannot enforce the PWFA for employees of the state based on the way the legislation was passed. The ruling, which was paused to allow the federal government to appeal to the Fifth Circuit, was specific to Texas state employees but the final outcome could have a significantly broader impact if ultimately upheld.

Takeaways and predictions for 2024

Holistic health (including mental health) benefits that provide support at all life stages are becoming less of a shiny bonus and more of an employee expectation. Behavioral health claims are the second most common type of disability and leave request, behind pregnancy, and continue to grow. Proposed changes to the Mental Health Parity Addiction and Equity Act (MHPAEA) could mean that employers will need to dig deep to ensure alignment between their workplace policies and benefits programs and their employees' well-being.

Individual states are developing PFL plans with varying designs, and we expect that to continue. More states normalizing PFL offerings will further pressure other jurisdictions to adopt their own. Meanwhile, the stalemate for a uniform, federal disability program will likely persist. Finally, we anticipate that litigation by pregnant workers will slowly spike as employers grapple with complying with PWFA and related state accommodation laws.

U.S. employers must pay close attention to current trends, the implementation of landmark federal and state laws, and recent litigation highlights to understand their wide-ranging implications. At Sedgwick, we're here to help you connect the dots and bring the big picture into focus. To ensure you're prepared for what's next, follow the news on sedgwick.com for the latest insights, legislative updates and more.

To learn more about Sedgwick's workforce absence solutions, visit our website.

The future of medical care for workers' compensation

BY **DR. TERESA BARTLETT**
Managing Director, Senior Medical Officer, Sedgwick

The healthcare arena is constantly developing new treatment options and leveraging emerging technologies to improve patient outcomes. Here, I'll discuss how understanding the evolution of healthcare, embracing change, and following the latest research can help workers' compensation professionals and practitioners of occupational medicine most effectively care for injured workers.

The current healthcare landscape

An increasing number of workers are living with chronic health conditions — diseases that are ongoing and generally not curable. Today, nearly half the U.S. the population suffers from at least one chronic illness, such as heart disease, hypertension or arthritis, according to the American Heart Association.

As the population ages, the number of adults with chronic diseases is expected to increase. Rising levels of chronic disease contribute to the rapid growth in healthcare spending and other societal costs, including sick time and disability. In fact, three of every four healthcare dollars are spent caring for individuals with chronic conditions.

Meanwhile, record numbers of physicians, nurse practitioners, physician assistants and other clinicians are leaving the workforce due to retirement, burnout and pandemic-related stressors. According to one report, 334,000 healthcare professionals left the U.S. workforce in 2021.

Early data shows the staffing shortage will have near- and long-term effects on care of patients — including injured workers — as well as hospital and physician performance. Organizations are being forced to scale back operations, reduce hours, or close their doors altogether. It's also straining facility capacity and supply chain issues, and notably, worsening patients' experience and quality of care.

As the shortfall continues, artificial intelligence (AI) adoption in the medical field is working to balance that pressure. For medical insurance claims, AI aids in strengthening fraud detection, prioritizing claim reviews, and streamlining overall processes. It could also play a critical role in transforming modern medicine by helping with image analysis and identifying disease outbreaks and diagnosis.

The value of orthopedic surgeries

We now have more advanced knowledge on certain orthopedic surgeries and their value in a patient's long-term recovery. This can be hugely beneficial in determining each injured worker's recovery path, as it could minimize patients electing to have surgeries that will bring little to no substantial outcomes.

Carpal tunnel release and total knee replacement surgeries have proven through clinical evidence to be largely superior to non-surgical management. Total hip surgery and arthroscopic meniscal repair also show high levels of promise, although there aren't yet enough non-surgical randomized studies against which to test.

Conversely, there is clinical evidence to support no difference in patient outcomes after several types of common orthopedic surgeries, including arthroscopic partial meniscectomy, rotator cuff repair, subacromial decompression, reconstruction of the anterior cruciate ligament, lumbar spine decompression and lumbar spine fusion surgeries.

The power of TMS

There are exciting new discoveries uncovering the potential of magnetic pulse technology. Transcranial magnetic stimulation (TMS), for example, a noninvasive form of brain stimulation, has shown to alleviate severe depression by stimulating specific portions of the brain through electromagnetic induction. Studies show TMS is also effective at treating post-traumatic stress disorder (PTSD) at higher frequencies, as well as physiological indicators and specific behavioral symptoms of autism.

TMS is useful for the screening and early treatment of diabetic neuropathy, which involves damage to the peripheral nervous system caused by high glucose concentration. Although studies are in beginning stages, existing data shows that TMS has therapeutic potential for the treatment of pain and pain-related depressive symptoms. Additionally, thanks to investigations focusing on neurophysiological changes in the brain after a stroke (the leading cause of long-term disability), TMS has aided in our understanding of the mechanisms underlying the recovery of motor function.

Psychedelic therapies

Several psychedelic-assisted psychotherapies may alleviate some of the challenges that face conventional psychiatric medicine amid the global increase in mental health disorders.

Psilocybin, a hallucinogenic compound in "magic mushrooms," has demonstrated potential to treat mood and anxiety disorders, in addition to having analgesic effects on cluster headaches, intractable phantom-limb pain and chronic pain. Treatment may be feasible, efficacious, toxicologically safe and physiologically well-tolerated, as evidenced by decades of clinical studies.

MDMA — commonly referred to as "ecstasy" or "molly" — a synthetic drug that acts as a stimulant and hallucinogen, and lysergic acid diethylamide (LSD), a classical hallucinogen, have both garnered widespread public interest for their treatment potential. Trials are investigating MDMA's efficacy for social anxiety disorder in adults with autism spectrum disorder and for anxiety associated with a life-threatening illness. Meanwhile, studies have noted the experiential effects of LSD-induced behavioral changes in individuals with substance-use disorders.

While research on LSD is largely observational, the most significant evidence exists for MDMA and psilocybin, which have been designated by the U.S. Food and Drug Administration (FDA) as "breakthrough therapies" for PTSD and treatment-resistant depression.

Finally, marijuana, or cannabis, contains several active compounds; the best known are delta-9 tetrahydrocannabinol (THC) — the primary ingredient that causes the "high" — and cannabidiol (CBD). Studies on the medicinal use of cannabis are a mixed bag. Research has shown that adults experiencing chronic pain who are treated with cannabis are more likely to report that they experience a reduction in their pain symptoms. It is also being explored as a treatment option for conditions such as epilepsy and schizophrenia. Given the potential for harmful effects, especially when cannabis is smoked, much more research is needed in this area.

Connect forward

The medical care an employee receives after an on-the-job injury or illness largely determines the outcome of their workers' compensation claim. Effectiveness is driven by how quickly care is administered and the appropriateness of the treatment provided. New research, technologies, cost factors and industry best practices are continually evolving the standards of care for injured workers. Keep an eye on the Sedgwick website and our Connect 2024 thought leadership platform for more insights from our workers' compensation and managed care experts as we monitor the ongoing developments in this space.

Some of these ideas were originally presented at the 2023 WCI Conference, organized by the Workers' Compensation Institute.

To learn more about Sedgwick's suite of managed care solutions for workers' compensation, visit our website or refer to our brochure.

Emerging solutions and service enhancements

EFI Global continues to expand in the Nordics

BY **JENS KORNUM**
Head, Denmark and the Nordics, EFI Global

Last year, EFI Global, a division of Sedgwick, announced the expansion of our building consulting services in Europe with the integration of the Nordic business Goritas. This integration follows Sedgwick's 2022 acquisition of Leif Hansen A/S, former parent company of Goritas, and further supports the growth of our service offerings in the Nordics.

The talented EFI Global team now spanning Denmark, Finland, Norway and Sweden offers building assessments and laboratory testing and has specific expertise in wood decay, fungi and insect damage to structures, mold, moisture, hazardous substances and building physics. Through our laboratory analysis services, we provide building surveyors with access to cutting-edge biological and chemical technology.

Internationally, EFI Global is a full-service provider of specialty solutions in fire investigation, forensic engineering and environmental consulting. Our multidisciplinary team of more than 800 experienced engineers, geologists, architects, environmental specialists, fire investigators, first responders, project managers and scientists across North and South America, Europe, Asia, Australia and Africa can quickly mobilize to any location to bring our unparalleled technical expertise and industry knowledge to your most complex business problems. EFI Global's services help organizations control costs, reduce injuries, and minimize loss of productivity. To learn more, see our brochure.

Our colleagues in the Nordics are excited to learn from our counterparts in the U.S. and across Europe as we look to bring additional offerings to our market, such as fire investigations and environmental consulting. Similarly, we aim to add value to the entire EFI Global organization with our specialized building consulting and scientific expertise.

If the EFI Global team in the Nordics can be of service to you, please reach out at dk.kontact@efiglobal.com.

A time of significant growth and development in France

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

As targeted acquisitions aim at increasing market share and strengthening our position in various business lines, joining forces with Adner last November was particularly significant for our operations in France. We're proud to have brought this team of highly qualified professionals to Sedgwick, along with their technical expertise in managing complex construction claims.

The team from Adner specializes in major, high-stakes projects in the building and civil engineering sectors. These loss adjusters are recognized for their skills, which enable them to work on complex structures, such as airports, roads, bridges and tunnels. They are currently engaged on the Grand Paris Express tunnels construction project, as well as on infrastructure being built as part of the organization of the Paris 2024 Olympic Games.

Integrating the Adner team into Sedgwick's operations is an important step in our growth path in France and internationally. Together, we will be able to take our offering to the next level, broaden our scope, and fully capitalize on the strength of our collective reputation.

Acquiring a company is always an adventure, and the success of such an integration requires a great deal of patience, time and empathy, as well as experience in many areas. This third acquisition of 2023 in France, following AGEX in April and Commissariat d'Avaries de Paris in June, brought to a close a year rich in growth and fruitful exchanges around common projects and a shared vision.

With the skilled adjusters who joined us through these three acquisitions, our French team now comprises nearly 980 colleagues across 35 offices. For more on our capabilities in France, visit our website or email us at communication@fr.sedgwick.com.

Helping clients address complex transportation claims

BY **MIKE CARMODY**
Assistant Vice President, Claims, Sedgwick

Motor carriers, freight brokers and insurers often face many challenges in the legal arena when major accidents occur. Aggressive tactics, such as inflated medical bills, fraudulent claims and unrealistic policy-limit demands, can drive up litigation costs and further complicate these cases. Today, the transportation industry also continues to see the impact of nuclear verdicts and social inflation on claims costs.

Sedgwick has introduced solutions to help clients manage complex transportation claims and achieve the best possible outcomes. Our major case unit, part of our transportation center of excellence, offers urgent response solutions and claims investigation services, as well as coordination of legal support for these large exposure claims.

Urgent response team

When a severe or catastrophic event occurs, clients can contact our urgent response team to help coordinate the investigation and response. They are available 24/7 and provide immediate assistance anywhere in the U.S. One of our complex claims advisors will manage the on-site response and begin working to help control the loss. This includes offering assistance to those injured and protecting the client's employees, legal interests and brand.

Our complex claims advisor leads the emergency response investigation, which may include the immediate assignment of local defense counsel, field adjusters, engineers, safety experts, environmental response technicians, land/aerial photographers and security vendors for property and vehicles. Once the necessary services are deployed, our colleagues provide a claim alert report and executive summary. The urgent response team helps ensure a controlled, well managed response immediately following a catastrophic accident.

Expert investigation services and legal support

To support the claims process, the transportation specialists in our major case unit collaborate with defense counsel throughout the life of the claim. We utilize a proven network of defense attorneys and only partner with industry-leading firms that have dedicated transportation practice groups. These professionals provide an early assessment of each loss and work with our complex claims advisors and clients to move each case toward resolution.

Our transportation specialists coordinate with experts in-house and throughout the industry on all aspects of the investigation. Our nurses review medical records to identify potential causation defenses and medical bills to ensure charges are reasonable and customary. We also have an internal red tag coordinator who ensures our clients' equipment is properly preserved and their vehicles are back on the road as soon as possible. In addition, our claims colleagues can access our nationwide network of industry-leading vendors for any other services that may be needed to strengthen the investigation.

Learn more

For more information about Sedgwick's major case unit and our full range of auto and motor claims solutions, see our website.

EFI Global grows in Belgium

BY **STIJN VANDEBURIE**
Operations Manager, Belgium, EFI Global

AND **DIRK CLEMENT**
Managing Director, BeLux, Sedgwick

The presence of Sedgwick's EFI Global division in Belgium recently expanded with the acquisition of Artemis Milieu BV. Bringing Artemis's skilled scientists and service professionals to EFI Global further solidified our position as Belgium's leading provider of soil-related environmental consultancy, geotechnical and expert construction services.

Our combined team, which holds accreditations in Wallonia, Flanders and Brussels, offers soil investigation and remediation services to public authorities, municipalities, corporations and small- to medium-sized enterprises. We perform site assessments and spill response and provide engineering, geotechnical and construction services, such as soil quality analyses for earthmoving projects, asbestos management, PFAS investigations and groundwater modeling and monitoring.

Click here for more on EFI Global's service offerings in Belgium. If we can assist you, please contact us at info.be@efiglobal.com.

Tech forward

Updates on the latest technology developments at Sedgwick and throughout the industry

EMPOWERING PERFORMANCE THROUGH EVOLVING TECHNOLOGY

BY **Leah Cooper**

Global Chief Digital Officer, Sedgwick

There are more digital tools out there than ever before. We're constantly hearing from vendors and insurtech providers about how their offerings are going to change our industry. At Sedgwick, our bottom line is: Will the technology help us take care of people? Will it empower our claimants to understand how they can engage with us? Will it support our clients in knowing what's going on with their programs? And will it help our examiners do their job more easily and with better information at their fingertips?

None of us can ignore the profound influence of transformative technologies like artificial intelligence (AI) and ChatGPT across all industries. That will certainly continue to grow in 2024. Generative AI is still under review to ensure that people use it securely, ethically and responsibly. However, this tech will become more trusted over time. Through iterative prompt engineering, technology teams will successfully collaborate with their business partners to design solutions that work and are accepted by operational teams. This sets the stage for companies that leverage GenAI to figure out how to chain together solutions with other AI-based tools — such as predictive models (data science) and decision engines — to get to impactful process transformation. As generative AI evolves, its integration will reshape work dynamics, interpersonal interactions and cognitive processes.

One key facet of any good AI program is keeping critical judgment calls in the hands of humans. In the claims space, it's one thing to automate approvals of the easy stuff; it's a different story to use AI in a way that supports our examiners as they are making decisions on complex claims. Any company leveraging AI needs to understand how it assists people in their roles — helping to alleviate administrative burdens but never overtaking the judgment of a real person. We like to say to our colleagues: AI is not coming *for* their jobs, it's coming *to* their jobs.

With all the talk about GenAI, we may lose sight of an equally important area of technology that has been underway for years, and that's data science. In the continued transformation of quality initiatives, claims professionals are getting more support through the integration of live data and instant feedback. Data is what guides decisions and provides greater transparency, but it can also help identify trends and drive improvement in outcomes. Watch this year as automated auditing, real-time monitoring and risk-based analysis become part of the quality conversation.

At the most basic level, we all must remember that we can't take humans out of the equation. In the face of talent shortages and calls for greater operational efficiency, everyone is looking for a silver bullet to apply digital solutions to create low-touch/no-touch solutions. Those who figure out when and where that's most appropriate will be most successful in implementing their digital strategies. We will never get away from the need for human connection in complex claims. In many scenarios, the people who turn to us for help are scared. They need a partner, an advocate, to let them know they'll be taken care of. It's our job to figure out how to meet our claimants where they are. Maybe that's with improved digital platforms, communication channels and a prompt resolution — or it might be with a better and more informed way to engage with them one-on-one.

There are some incredibly exciting things coming in the tech space in 2024 and beyond. A year from now, we will all know so much more than we do right now. Our industry and technology tools are continually changing, and all of us have a chance to make life better for our customers. That's the most important thing we can set out to do.

MYSEDGWICK: ENHANCING OUR VIRTUAL GUIDE THROUGH THE CLAIMS PROCESS

BY **Lori Bonavolante**

SVP, Client Facing Technology, Sedgwick

At Sedgwick, our caring counts philosophy is backed by our people first, tech forward, data driven approach to claims. We're proud to lead the industry in developing and investing in innovative technologies that help us take care of people when it matters most.

A key piece of that digital strategy is mySedgwick, our customer-centric self-service tool. Offering convenient and secure online access to real-time information, mySedgwick serves as a virtual guide through the process for our claimants. I am pleased to share that we recently refreshed mySedgwick to provide a simplified user experience for our U.S. casualty and workforce absence clients and their employees/customers.

The refreshed instance of mySedgwick makes it easier than ever to access important claim information, track claim progress, and communicate with the team assigned to a claim. Key enhancements and new features include:

- Simplified landing page
- Dashboard summaries, highlighting important reminders and action items
- Terminology that's easy to understand
- Collapsible menus that minimize clicks to find actions and claim details
- Key action buttons with easily identifiable graphics
- Badges to call attention to new items, such as an examiner's response to a communication
- Claim progress tracker
- Quick search to make finding claims easier
- Watchlist so users can flag claims important to them
- History for easy navigation back to a previously viewed claim
- High-level, interactive graphical summary view for users accessing high volumes of claims

The new mySedgwick experience is currently being rolled out to our U.S. casualty and workforce absence clients in waves.

Our integrated digital solutions — driven by platforms like mySedgwick — are designed to promote efficiency, keep stakeholders informed and processes moving, and provide a personalized service experience. Improvements like the refresh of mySedgwick are among the many ways we continue to transform how people interact with and leverage technology to drive the best outcomes.

For more on the U.S. version of mySedgwick for casualty and workforce absence, refer to our flyer and video.

TECH-DRIVEN APPROACHES TO STRATA BUILDING MANAGEMENT

BY **Edwina Feilen**

Manager, Australia Business Solutions, Sedgwick

About 1 in 6 Australians lives in a strata (multi-level apartment or townhouse) building. As the population continues to grow, the demand for strata-titled properties is raising concerns about building-related defects. Australia's 356,000 strata schemes are valued at approximately AU$1.3 trillion; maintaining and protecting these buildings, along with ensuring their safety for residents, is a pressing need for Australian property owners and managers. To address the challenges of today and tomorrow, many are turning to innovative approaches and applying new technologies to forensic building inspections, condition surveys and the management of remedial projects.

One such innovation is digital twin technology, which creates 3D replicas of buildings or spaces within structures. Combining the use of drones and platforms that transform real-life spaces into immersive models, the digital twin inspection method allows data recorded electronically at a site to be viewed at any time in 2D and 3D virtual reality. This technique can be used in preparing scopes of work, 2D and 3D floor plans, detailed cost estimates, building condition reports, defect assessments, insurance assessments, maintenance management, measurement of building components and more. Utilisation of digital twin technology offers many benefits, including provision of a permanent digital property record, efficient capture of information, preventing the need for multi-party inspections, excellent precision and ease of shareability with various stakeholders to help them understand building issues and make informed decisions.

Another cutting-edge application of technology for strata buildings is defect detection powered AI. Specialised drones equipped with cameras and sensors are able to capture aerial images and videos of buildings, providing valuable data for assessment without the need to step onto a roof. The images and videos can then be uploaded into an AI engine trained to identify defects and anomalies. The technology can produce a detailed defect report — shared and distributed via a secure and encrypted data cloud storage platform — to support offsite assessments and rectification.

Australia recently saw the introduction of digitised building façade surveys and assessments. This new approach can reveal previously unseen flaws, pinpoint their location, detect more than 50 types of defects (including cracks, corrosion and peeling paint), and determine remedial repairs, maintenance and capital works plans. Using sophisticated imaging, positional technology and an autonomous electro-mechanical device, the process works on surfaces like concrete, cladding, glass and metallic composites. External building façade assessments provide accurate image modelling due to geo-tagging, as well as interactive data displays. They're also safe, low impact and produce cost savings for the owners and managers of strata buildings.

These and other advancements in technology are producing outstanding benefits for the owners and managers of strata properties. Visit our website to learn more about how Sedgwick is using tech-driven solutions to help the strata community navigate their building concerns.

CIRCLES

Clients interested in the industry's latest tech developments are encouraged to join our technology circle. Contact your designated Sedgwick client services director for details on how you can participate.

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