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For so many of us, the events of the past two years have dramatically shifted our **worldview** — even as we stayed close to home.



At Sedgwick, we wholeheartedly believe each new year brings with it the opportunity to gain fresh perspective. Each turn of events offers the chance to see our world reflected in a different light. Where we come from, who we learn from, and what we bounce back from greatly affects our own frame of reference. When faced with adversity or uncertainty, our view is tested — and, hopefully, with each new experience, it's also expanded.



PEOPLE



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This year, we can expect our view to continue to evolve, beyond that micro Zoom window we've all gotten so familiar with, and into a more macro, global picture. In a time of change and renewal, things will look a little different. And that's a good thing! With a broader viewpoint comes innovative approaches to how we do business, how we adapt to change, and how we communicate with one another — wherever in the world we might happen to be.

As 2022 takes shape, here at Sedgwick we'll be focused on finding creative ways to stay connected, and to keep ourselves and our organization thinking big, adapting and moving ever forward. Our vision for the year ahead is to lead with clear, forward-thinking perspective. As we watch and respond to the issues facing people, property, brands and performance, we'll continue to look deeper, sharing strategies and delivering solutions to meet each challenge.

Even as we actively advance, you can be confident we will stay true to what's at our core: our values, our commitment to care, and our promise that taking care of people is — and will always be — at the heart of everything we do.

PEOPLE



01 Sustaining talent amidst workforce challenges

- As more experienced workers leave organizations or leave the workforce altogether, they also leave a knowledge gap; opportunity arises for succession planning, mentorship and internship programs, clear career paths and collaboration between teams.
- The pandemic has prompted evolving attitudes toward work/life balance — with many evaluating their priorities and looking for flexibility as well as a greater sense of purpose in their work.
- Rising health risks have given new urgency to the need for protection and support of aging and vulnerable populations, as well as a greater focus on stay at work programs and accommodation options.

02 Rethinking benefits as part of a broader recruitment and retention strategy

- Fluctuation in the workforce is prompting employers to invest more resources, think creatively and refocus on collaboration, communication and support for the needs of employee populations; this may include nontraditional benefits and additional self-service capabilities.
- Organizations are offering new opportunities for knowledge training and upskilling as a means for recruitment, workforce retraining and a benefit to entice retention.
- While paid leave discussion continues at the U.S. federal level, forward-thinking employers are using enhanced, non-statutory leave benefits as a retention and compliance strategy.

- Tracking mandates for vaccines and testing also give organizations another reason to seek expertise on compliance, and consider the impact on turnover, unemployment, morale and productivity.
- With years of crisis in the rearview mirror, we can reflect on lessons learned and our level of preparedness for what's next; how do we collectively and as individual organizations improve processes so that when another global crisis or shutdown happens, we are ready to respond quickly, protect business and protect populations?

03 Moving from a pandemic to an endemic mindset

- As the world moves from pandemic to endemic status, we still see a need for supportive stay at work/return to work programs designed to overcome challenges — including apprehension about returning to workplaces or receiving vaccines, as well as essential worker burnout and PTSD trends.



04 Prioritizing global accident and health programs

- As cross-border travel restrictions are lifted, employers will be challenged to prioritize safety and wellbeing of employees — and to monitor vaccination status, local requirements and coverage — as they move across sites and across borders.
- With global programs and migration of workers no longer tethered to desks and offices comes a need for a consistent experience across regions — how can you ensure a continuum of care as employees' locations and needs change?
- Across global markets, employers are taking new opportunities to move beyond socialized health programs and layer in additional healthcare benefits and programs like paternity coverage, wage replacement, clinical support, pharmacy programs and absence management to support the total health of their employee populations.

05 Supporting physical, mental and financial wellness

- The impacts of long COVID — as a comorbidity and general global concern — will continue to be felt, addressed and evaluated related to claims, productivity, health, financial and emotional wellness.

- People across the world are calling for broader behavioral health support and care, as well as a need to overcome stigma; clinical resources may be useful in the year ahead to support coaching, mindfulness and resiliency.
- Troublesome trends in workplace violence have plagued healthcare settings, airlines and other sectors already hard-hit by years of pandemic fatigue; targeted training and other support programs can help workers feel more prepared and empowered, and protective policy is critical.

06 Making sense of drug trends

- In the search for solutions to complex health challenges, with doctors seeking answers and testing new or experimental options, prescribed treatments are getting more complex and harder to align with guidelines and best practices.
- In the U.S., we face a cannabis conundrum with states divided on whether medical marijuana usage is reimbursable or prohibited in workers' compensation cases and employers searching for the right testing and safety protocols.
- We've also seen a rise in drug-related overdoses and deaths as people struggled through the pandemic — how can we make an impact through guidance, treatment and alternatives?

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07 Managing marketplace unpredictability

- Supply chain disruption, fluctuation in labor and demand, and ever-shifting restrictions have created both shortages and surges — how will rising materials costs and labor shortages impact repair timelines and coverage?
- Inflation, a hard market, productivity and profitability challenges, and overall unpredictability will surely force changes for organizations worldwide from a risk perspective; from a coverage standpoint, watch for gaps.
- As ports face closures, backlogs and other logistic tangles, will we see this turmoil reflected in marine claims?

08 Absorbing the impact of business interruption

- What are the longer-term financial and coverage implications of growing business interruption concerns across the globe — and how much of an impact will insurers have to absorb?
- Compensability verdicts in the UK and Australia are setting the course for business interruption claims as a result of COVID-19. We carefully watch for further decisions from courts in Australia.
- Reflecting on lessons learned during COVID-19, particularly around preparedness and interpretation of insurance cover, we also consider what the impact would be in the event of a major utilities outage, whether from a natural or manmade disaster.

09 Enduring extreme weather events

- No part of the world is immune: Floods, wildfires, hurricanes, tornados, volcanos... the frequency and severity of natural disasters continue to rise, causing major damage to residential properties, business, agriculture, energy and many other sectors, with the impact felt across international markets.

- From a climate perspective, we see an increased focus on sustainability in the claims process and restoration is growing as a first choice over replacement.
- Preparedness remains a challenging prospect as communities and organizations aim for safety during catastrophe recovery, even as COVID-19 variants emerge and supplies and labor fluctuate.

10 Cultivating concierge-level service

- Insurers and insureds are seeing the benefits of choosing partners for end-to-end solutions in casualty, property and auto claims, including faster resolution and greater customer satisfaction.
- Our industry has adopted technology more rapidly — often by necessity — over the pandemic, and as a result we've found new opportunities to incorporate tech to streamline and enhance the claims process, from field apps to intuitive intake engines and automated resolution to improved self-service platforms.
- Beyond serving as a valuable tool for surge scenarios, staffing solutions are becoming more of a necessity for maintaining quality service and speed of resolution for claims management, adjusting, inspection and loss control needs.

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Adopting human-centric, tech-supported approaches to remote claims management

- Remote tools and processes used for adjusting, inspecting and estimating claims — a necessary substitution for many traditional assignments during pandemic lockdowns — are now a mainstream part of the toolkit, having proven a flexible and timely option for many cases as well as a complement to traditional field work.
- With a streamlined front-end experience comes an ability to more quickly and efficiently triage claims and determine which will benefit from remote vs. in-person adjusting — including the ability to identify vulnerable customers or complex claims in need of more assistance, the ability to auto-adjudicate high frequency, low severity claims, and the ability to meet demand in surge scenarios.
- Bots, drones, satellites, 3D imaging and more — new technology is here to stay...not replacing human expertise but enhancing adjusters' capabilities and providing options to insurers and policyholders.



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Defusing the impact of geopolitical tensions

- Cyber risks continue to evolve based on rapid adoption of technology as well as geopolitical threats, and while risk assessment is one critical step, response preparedness is another to fortify your brand and ensure quick action in the event of a breach.
- Over the past year, we have seen coups in Western African countries and Southeast Asia; tensions in Eastern Europe and the South China Sea; rising kidnappings in Haiti; ongoing civil unrest in the U.S. and many other parts of the world; changes in migration and growing disparities between developed and developing nations — how will these geopolitical conflicts and issues affect risk?
- While climate change regulation remains a highly debated issue among nations, an increased burden falls to corporations and individual organizations to step up initiatives as a means of reducing carbon footprint and changing future risk trajectory.

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13 **Redefining environmental, social and governance (ESG)**

- ESG principles are becoming more of a recruiting necessity, with Millennials and Gen Z emphasizing the importance of working for an organization actively pursuing change in practices tied to carbon footprint, board diversity and colleague satisfaction.
- Regulators as well as investors and business partners are asking for more reporting and transparency in the areas of corporate governance, human rights practices and sustainability initiatives.
- We see a renewed call for diversity, inclusion and equity in hiring practices as the insurance industry looks toward nontraditional avenues for recruitment and aims to reflect the diverse population it serves.

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Predicting liability trends

- What changes will we see in litigation as we work through the backlog of lawsuits created by court closures and face jury pools personally impacted by the pandemic?
- With an increase in “first notice” attorney representation — claims already in litigation when initially reported — as well as high-value verdicts and costs rising due to social inflation, it’s important to adjust your legal strategy.
- Newfound liability risk also lies in the retention of data and files — is your organization compliant and prepared?

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Protecting your business and brand

- We are living through a virtual avalanche of business risks that, collectively, can threaten a company’s reputation, and even its financial viability; companies across all industries should invest time and resources to proactively prepare for the next product crisis, to combat fraud risk and to guard against professional liability.
- Quality control and planning are both critical as we see increased regulatory scrutiny and potential liability arising from mishandled recalls.

- Businesses should prepare to navigate assertive regulators worldwide in the year ahead; in the U.S., a Democratic administration and a collaborative regulatory environment abroad will prompt increased activity from the USDA, FDA, CPSC and other agencies.

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Guarding privacy and personal data

- We’ve seen heightened sensitivity toward the protection of personal information as new privacy laws come into effect around the world.
- Health data privacy matters become more significant as virtual care, vaccine and testing tracking, and health status reporting all become more mainstream or even mandated.
- With financial hardships and bankruptcies, businesses — pieces of your supply chain — may be faced with a lack of financial, people or knowledge resources, adding even greater risk of data breach or breaks in the chain; a higher number of business partnerships means an exponential increase in that risk.

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17 Maintaining business continuity despite supply chain risks

- Ports are backed up and drivers are in short supply, turnover and workforce challenges are impacting nearly every sector, shutdowns have come out of compliance as well as necessity, delivery and production delays and shortages are in the headlines — how do organizations overcome the related quality risks and potential liability?
- Supply chain issues, too, may exacerbate already-tough recall scenarios, as shortages or quality issues can impact those upstream or downstream; be sure all partners understand safety expectations and can support collaborative efforts in the event of a product recall.
- Inflationary pressures equal higher costs, which mean higher replacement costs and possible coverage challenges.

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Adapting to new and evolving work models

- Building culture and camaraderie in an agile model — how do organizations find the balance between technology and real-life connection as we continue to adapt to new workplace scenarios and interpersonal dynamics?
- Work-from-home arrangements, whether part of a permanent shift or an ongoing temporary accommodation option, have presented no shortage of opportunities and challenges — organizations continue to seek guidance connected to ergonomics concerns, presenteeism and tracking needs, and finding balance between worker and caregiver roles.
- Communication takes on new relevance — connecting with empathy, inclusion, equity, flexibility and simplicity can make a major difference in attitudes toward employers and amongst teams.
- Tools like natural language processing, computer vision, deep learning and machine learning can classify, categorize, extract information and validate relevant data; for the claims world, that means more can be done to analyze sentiment, predict behavior and outcomes, address issues earlier in the claims cycle, find opportunities for automation and efficiency, and leverage collective insights across organizations, industries or regions.
- What will advancements in physical technology — such as electric and driverless vehicle innovation, telematics, wearables and connected devices — mean for the industry related to coverage, repairs, liability, recalls, safety and compliance?

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Transforming the future through data and tech

- Data science and advanced analytics are at the heart of digital transformation — AI advances; new approaches to modeling, dashboards and reporting; and analysis of unstructured and semi-structured data from notes, images and attachments in a file are all evolving and adding value within the claims process.



20 Improving the consumer experience

- Evolving claims technology is simplifying intake and automating routine processes, freeing claims professionals to focus more on human connection vs. busywork, and eliminating friction points to speed assignment, triage and resolution for the individuals impacted by claims.
- A broader, open API ecosystem is leading the industry toward more “open insurance” solutions that put the focus on consumer needs and preferences; behavioral science techniques are also influencing a shift from traditional product-centric models to customer-centric models.
- Organizations looking to collaborate closely and efficiently will seek to break down data silos, using smart technology to create and share better data analytics and insights between departments, reducing miscommunication and fostering a more streamlined response program for claims and productivity initiatives.

21 Complying with new and changing regulations

- In the U.S., we'll see ripple effects of the infrastructure bill, new directives coming out of OSHA, and expanded federal oversight of initiatives from consumer safety to worker protection; leaders are seeking clarity and examining the impact on their operations.

- Fallout and adjustment continue post-Brexit across the U.K., Europe and beyond, with the burden of regulatory compliance hitting at the same time as pandemic-era supply chain issues, labor shortages and inflationary pressures.
- As major changes happen at the state level in auto personal injury protection (PIP) laws, what will be seen in policy changes and trends more broadly nationwide?

22 Building upon the value of partnerships

- Engaging the right partners has become more critical when scaling up or scaling back on staff or services, efficiently moving into new markets, seeking technical insight in specialty areas, or looking for expert guidance connected to compliance and regulation.
- Resourceful organizations today are taking a hard look at outsourced solutions in technology, call center services, repair solutions and more to meet the demands of the market and their stakeholders or policyholders.
- We continue to gain greater awareness of how globally integrated our markets are and the preparedness required to mitigate risks across geographies; those companies that are focused and nimble, open to change and inclusive of our global economy will be the organizations that see the most success.

