



EDITORIAL

Service - at the heart of our brokerage business

Swiss Risk & Care is an insurance broker. However, at the time the group was formed 8 years ago, we made the strategic choice to strengthen our services business with an offer dedicated to corporate human resources departments. We gave them the opportunity to outsource all or part of their administrative tasks to enable them to focus fully on their core function: managing the company's men and women. We have thus developed powerful IT solutions to manage absences, the payroll and administrative procedures, which are unrivalled on the market. In the past few years, our IT teams have significantly upgraded these tools to meet the highest standards of IT security and data protection.

Our added value, however, lies in our Caredesks. At Swiss Risk & Care, we place the human element at the heart of our customer relationships. Our Caredesks, which act as true «task forces» composed of multilingual managers, are available to employers and their employees to assist them with the day-to-day management of their administrative tasks.

In the new issue of *Insurance Inside*, we examine the issue of absenteeism. Absenteeism is a real blight on companies and can indicate employee malaise brought about by internal disfunctions, generating direct and indirect costs that adversely affect a company's performance. After two years of Covid, during which HR departments had to deal with cases of massive absence, the management of absenteeism is now, more than ever, an issue for managers. What is the level and nature of absenteeism? What is the impact of teleworking? In this context, is it possible to prevent absences, how should absences be managed and how can the number of absences be reduced? Over the following pages, we offer you a few avenues to explore based on the discussions held during our webinar on 3 May.

We hope you enjoy reading this paper!

David Cochet
Director General



Case management, the lethal weapon against absenteeism

The experts all agree on one thing: absenteeism is on the increase. Worryingly, this increase now also concerns the under-35s and executives, independently of the effects in connection with Covid. Apart from its cost, absenteeism can destabilise the whole company if it is not dealt with at the highest level. Among the available means of combatting absenteeism, case management is an essential step in reducing the number of absences.

There are generally 5 stages in absence management: prevention, management, control, transfer of financial risk, and lastly, support for the employee upon their return to the company. It is obvious that each step is crucial. Alongside prevention measures (cf. the interview on page 4), dealing with absenteeism requires an effective management tool and regularly monitoring employees who are absent.

Setting up an effective management tool

Regardless of its size, any company can digitalise absence management by implementing a dedicated IT tool. In addition to simplifying administrative processing (a time saver for human resources departments), this tool will provide indicators giving valuable information on the evolution of the number and duration of absences,

as well as their reason. These are all weak signals that will alert the Human Resources Department

In Switzerland, the average rate of absenteeism was 4.3% in 2019 against 3.8% in 2016 (i.e. over 9 days of absence per employee).

Source: FSO

Absenteeism in figures

Diot-Siaci and IFOP study based on a representative sample of 3,130 employees - March 2022

- **50%** of employees consider that they are working in a job that is likely to have a negative impact on their physical health.
- **50%** of teleworkers feel isolated.
- **2%** report having taken leave for personal convenience. Absence for personal convenience is therefore an exception.

Among employees who were absent for at least one day in 2021:

- While **84%** feel well integrated in the company, **57%** are stressed and **49%** feel that their work is not recognised for its true value. There is therefore not necessarily a link between feeling attached to one's company and absenteeism.
- **69%** felt supported by their colleagues when they returned to work, compared with only **34%** who felt supported by the HR department.
- **34%** feel their workload is increasing, especially those who telework.



or the General Management to an internal disfunction. At Swiss Risk & Care, we have developed an in-house application, Unipro, which offers numerous functions such as recording cases of absence (accident and illness) and managing medical certificates from the first day of absence, assistance with drafting and communicating accident and loss of earnings due to illness claims to insurance companies, monitoring the due progress of cases until settlement, etc.

Our Caredesk, a true hotline staffed by multilingual experts based in Switzerland, provides supervisory services and follow-up for employees and employers. Unipro is combined with a business intelligence tool to obtain statistics on short- and long-term absences. We have opted for the Qlik Sense solution, which is among the most powerful tools on the market. It allows for absences to be monitored with precision by providing indicators on the breakdown by

type of accident or illness, by cause and by age, the cost of absences by type, and the duration of the rate and incidents of absence over a sliding period of 12 months, on the proportion of employees who are absent so chronically that the situation is of concern, the probability of the employee taking longer periods of absence, etc.

Controlling absences through regular monitoring

Absenteeism cannot, of course, be solved using only statistical curves. It is essential to regularly contact a person who is off sick. Case management involves individualised follow-up of absences. It is under the responsibility of the insurer and therefore does not generate any additional cost. It is simple to set up and its effects are quickly measurable. The employer, broker and insurer meet periodically to review each case. There are many benefits. Most situations are resolved more quickly this way, allowing more time to be allocated to more complex cases.

The intervention of external third parties (mediators) can be used to unblock situations of conflict with a manager. Employees know that professionals will accompany them without interference from the employer and in complete confidentiality.

By acting on the rate of absenteeism, case management allows for a significant reduction in the company's insurance claims and, consequently, a reduction of its loss of earnings due to illness insurance premium. Lastly, case management introduces a «culture» of absence management that makes managers aware of the issue of occupational suffering. From curative, it also allows for a preventive action on absenteeism.



For multiple causes, we need multiple responses.

Our relationship with work has changed. Employees have to deal with emergency situations that lead to fatigue and even exhaustion. During our webinar organised in partnership with the Geneva Chamber of Commerce, the speakers reviewed the methods of prevention and of supporting the return to work.*

1. What are the methods for preventing or reducing absenteeism?

Absenteeism has multiple origins: organisational, relational, managerial, etc. It is therefore the company that gets «sick» before its employees. Companies can act on several parameters. Many cases of absence have physical causes. A better organisation of work, reviewing workstation ergonomics, and improved safety have an impact on this type of absence. In the case of sick leave due to psychological distress, the management department and managerial staff also play a major role, and their know-how will be decisive. Listening, showing empathy and interest in employees through small gestures or kind words, knowing how to congratulate and reward... all these things are deeply touching for employees. This approach would be in addition to developing a true policy of social benefits and remuneration.

2. Workers are increasingly finding themselves in a state of exhaustion. How can this be remedied?

The disease of the century is being overworked. The challenge for the management is therefore to manage this overload of work, to implement actions and to allocate resources to regulate workloads. Absenteeism is a strategic issue and an indicator of company performance. It must, therefore, be taken into account at the highest level in the company.

3. How should the return to work be supported?

It is important to ensure that the employee does not have to go through the situation that caused their absence again. The management will therefore have to find solutions. The employee must be given the time to get back into the pace of work. This time will be proportional to the duration of their absence. A return to work on a part-time basis on therapeutic grounds may be contemplated and would be indemnified by the insurer. Lastly, at the interview before resuming work, care should be taken not to make the employee feel guilty but, on the contrary, they should be given attention to ensure they feel welcome.

*The speakers: Amina Belkhiria, Head of Clients at Swiss Risk & Care, Vincent Blanc, CEO of Ismat Consulting SA, Sabeihha Bouchakour, HR Consulting Manager at Diot-Siaci, Alexander Rao, Compensation Program Manager and Total Rewards at Medtronic, Yvan Roux, Director of Insurance and Pension Markets at Swiss Risk & Care.

The replay of the webinar is available on our website:
<https://www.swissriskcare.ch/les-webinaires>

The “LPP21» reform

The latest news on the bill introduced into the federal chambers for consultation:

1. Lowering the Federal Law on occupational pension, survivors' and disability schemes (LPP) conversion rate to 6%

The reduction in the LPP conversion rate from 6.8% to 6% applies only to retirement assets insured under the mandatory regime. For some 14% future pensioners, it could mean a reduction of their pension.

2. Contributions from the age of 20

A retirement savings plan will be compulsory from the age of 20 - five years earlier than today.

3. Reduction of the coordination amount

In order to improve the pensions of people on low incomes, this portion will increase from CHF 25,095 (2022) to CHF 12,548.

4. Levelling contribution rates

The minimum savings contributions, referred to as pension subsidies, will be adjusted and less heavily staggered over time than they are today. For 20 to 44-year-olds, the pension subsidy will be 9% of the salary subject to the LPP, and 14% from the age of 45 onwards.

5. Compensation

To compensate for the reduction in pensions during the first 15 years following the introduction of the reform, a supplementary pension will be paid out by a federal fund. During the first five years, pensioners will receive a maximum additional amount of CHF 2,400 per year, during the next five years CHF 1,800 per year, and during the last five years CHF 1,200 per year.

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