

IF'S RISK
MANAGEMENT
MAGAZINE
03/2023

Risk Consulting

Insights into risk management and loss prevention

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Publisher If, Keilasatama 2, 02150 ESPOO, Finland, +358 10 19 15 15, www.if-insurance.com
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Production If Creative Studio
Printing Newprint
Change of address industrial.client-service@if.fi
ISSN 1459-3920
Cover Photo Pexels

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Editorial



Lessons from losses

Working closely together with our clients to prevent losses has always been an important part of If's strategy.

Large losses can cause long disruptions to a company's operations, as the attention shifts from fulfilling the business strategy to cleaning up and restoring operations. Efforts to secure new equipment to replace damaged ones, as well as purchasing raw materials and finding work crews to rebuild impacted facilities, can be more difficult than ever before. The process can often take months and sometimes even years. In addition, the company's market share and their employees' jobs are also at risk.

Another part of this equation concerns the environmental impact. The environmental impact has always been a consideration when accidents happen, but it is only in more recent years that it has received the attention it deserves. Large losses will often have a significant impact on the local environment as well as contribute to increased carbon emissions. This can include, for example, when hazardous materials are spilled, or poisonous fumes are emitted alongside soot from a spreading fire, polluting the local environment.

Investing resources in risk management, business continuity planning, security and safety is critical — not

only for the reasons mentioned above; maintaining a reputation for taking these issues seriously is also critical for retaining customers trust in the company.

As the largest insurer in the Nordics, we perceive it as a win-win when we work closely together with our customers to secure the best setup for managing risks and preventing losses. We also continue our efforts to help bring value-adding solutions to customers by sharing insights and lessons from losses and working to reduce the environmental impacts from a loss.

This issue of Risk Consulting Magazine will dive into some of the learnings we collect from losses. Gain new insights into U.S. liability, traveller and expatriate safety, and learn about our self-assessment tools.



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The impact of nuclear verdicts and social inflation on U.S. claims

In this article, we examine the current landscape for liability claims in the United States, including the increase in “nuclear verdicts” and the effects of social inflation on claims. We also look at methods for limiting these effects and predicting when a claim has the potential to result in an excessive verdict.

By Vilma Torkko, If

Nuclear verdicts, which are typically understood as verdicts totalling more than \$10 million, have become a major issue in U.S. legal cases. Generally, these verdicts are defined as a jury verdict which exceeds what a reasonable person would believe is a fair result for the claim. A related issue has been social inflation. This refers to the increase in liability losses extending beyond what would be expected due to standard economic inflation, resulting from social or cultural influences.

RECENT STATISTICS ON JURY VERDICTS

- Between 2010 and 2018, the average size of verdicts over \$1 million rose from \$2.3 million to \$22.3 million. (Rice, S., Nuclear Verdicts Drive the Need for Insurers' Litigation Change, Law360 Insurance Authority, Sept. 8, 2021)
- In a study of 1,376 verdicts of over

\$10 million in state and federal courts, the median verdict grew from \$19.3 million in 2010 to \$24.6 million in 2019, a 27.5% increase (outpacing the inflation rate of 17.2% over the same period). (Cary Silverman & Christopher E. Appel, Nuclear Verdicts: Trends, Causes, and Solutions, U.S. Chamber of Commerce Institute for Legal Reform, September 2022)

- The average verdict in the National Law Journal's Top 100 Verdicts more than tripled from \$64 million to \$214 million between 2015 and 2019. (National Law Journal's 2015 and 2019 editions of the Top 100 Verdicts)
- Trucking verdicts, which averaged \$2.3 million in 2010, surged to \$22.2 million in 2018. (“Trucking Targets ‘Nuclear’ Verdicts,” Sept. 16, 2020)

For companies, the effect of a nuclear verdict can be significant. Verdicts, meaning a jury's award to the plaintiff at the end of trial in the

millions, and even billions, of US dollars, can surpass the defendant's insurance limits for the claim, thus making the defendant company responsible for paying the difference. In some cases, these huge sums can lead to bankruptcy. When insurance is used to cover large claims, it will also lead to increased premiums in the future. What makes this more difficult is that these nuclear verdicts are hard to predict, making it challenging for companies and insurers to plan for them. Small and medium-sized businesses in all industries are just as vulnerable and can also face these massive verdicts. Plus, the risk of a nuclear verdict increases the amount a company may be willing to pay to resolve the claim through settlement before trial, resulting in increasing settlement amounts too.

With the rise in nuclear verdicts, the importance of trying to mitigate risks and prevent accidents and incidents from happening in the first place is extremely important. Clients need to understand where (for example, in which state) they should have their U.S. domicile to better avoid “judicial hellholes” where the risk of a nuclear verdict is more likely to occur. By having very competent U.S. legal counsel involved early on, customers will benefit from their thorough analytical expertise with regard to all business agreements before signing, as well as an understanding of the risks a company must take on, or planning for how to transfer risks to others (such as through hold harmless clauses, for example) before they enter the U.S.

market, begin to sell products, build a factory, and/or enter into agreements with clients, partners and suppliers.

U.S. LIABILITY LANDSCAPE

According to Elaine Pohl, a partner with the Insurance Law Practice Group at the Plunkett Cooney law firm, several factors have contributed to the increase in nuclear verdicts. For example, plaintiffs' counsel may rely upon the reptile theory legal strategy by creating fear and anger in the jury, to make jurors believe that the defendant's actions endangered the community by violating safety standards and turning minor safety violations into major concerns. This strategy can influence the outcome of the trial by capitalising on the emotions of the jury.

Another issue is the location, and understanding the impact of both where the trial takes place and which U.S. state's law will apply to the dispute is critical. To that end, different states can lead to very different outcomes. Some states, like Florida, California, New York, Texas, and Pennsylvania, are known for being challenging when it comes to nuclear verdicts. However, nuclear verdicts can happen anywhere under the right circumstances.

The characteristics of jury members also play an important role. Differences in how different generations see their role as jurors can influence verdicts. For example, younger jurors often report that they feel responsible for safeguarding society when they serve on a jury, rather than focusing on the facts

of that particular case, which can in turn boost the reptile theory's effectiveness.

Another unique issue impacting U.S. litigation is the proliferation of E-Discovery (electronic discovery), which can also play a major role in contributing to the cost of litigation and the risk of excessive jury verdicts. U.S. liability cases have complex rules for the discovery of electronically stored information. Failing to follow these rules can lead to penalties and sanctions, which can seriously impact a case. Also, the sheer volume of information that must be produced, even in a fairly simple case, makes U.S. litigation all the more expensive and complicated.

Pohl explains that "E-Discovery is a huge part of litigation in the U.S., and we know this is different in the

“With the rise in nuclear verdicts, the importance of mitigating risks and preventing accidents from happening in the first place is extremely important.”

U.S. compared to other locations. There are specific procedural rules governing the disclosure of electronically stored information, and emails alone make this a very thorny issue. Sometimes employees forget that emails are recorded and stored with the company and if the emails are not privileged or otherwise confidential, relevant emails must be disclosed.”

OTHER THINGS TO CONSIDER INCLUDE:

- **Corporate greed perception:** Some people believe that companies prioritise profits over their employees and reward top executives with big bonuses, at the expense of the public or their own employees.
- **Money's value:** The prevalence of huge dollar amounts publicised in the media, for example lottery winnings or multi-million-dollar athlete salaries has raised expectations for compensation in legal cases.
- **Litigation funding:** The emergence of litigation funders provides plaintiffs with loans to pursue their cases. This adds another party to the mix and can discourage settlements, reducing risks for plaintiff lawyers.
- **Tort reform changes:** Efforts to increase the amount of money that can be awarded in lawsuits, broaden wrongful death claims, and the changing dynamics in a post-COVID world have weakened the legal reforms of the past.

HOW TO MITIGATE THE RISKS

To handle the challenges of nuclear verdicts and social inflation, you need a comprehensive approach. Says Pohl, "Valuable work is done by our partners at If and Liberty Mutual in underwriting risks, handling claims



Elaine Pohl, Plunkett Cooney

the plaintiffs' requested damages directly and even offer an alternate theory for damages during the trial.

IT IS A TEAM EFFORT

In the end, collaboration between insurers, brokers, and the parties involved is crucial for handling the risks associated with U.S. liability claims, including nuclear verdicts and social inflation.

By being proactive and by providing employee training, implementing safety programs, and practicing risk management to reduce the chances of claims, companies can prevent claims from happening in the first place. With robust procedures and transparent guidelines, all employees should be well trained and aware of potential risks.

and providing resources for us to be able to consider and plan for these issues.”

“To prepare for a trial, utilise strategies like researching the jury, conducting mock trials, exploring alternative ways to resolve disputes such as through mediation or high-low agreements, and engage appellate counsel before trial so that all post-trial options will be available in an effort to lower nuclear verdicts,” Pohl states.

Hiring experienced lawyers who put in the effort to defend claims aggressively can make a big difference. If clients have access to legal support and approved lawyers throughout the U.S.

In contrast with the past, today plaintiffs' lawyers are talking about settlement sums and numbers early on and often, as early as voir dire (the process where attorneys select, or more commonly reject, certain jurors from hearing a case). This is called anchoring, and it makes sense for the defense counsel to address

The increase in nuclear verdicts and social inflation creates a tough situation for liability claims in the United States. To handle this, it is important for businesses, insurers, and legal experts to work as a team and understand what is causing these problems and how to deal with them. By joining forces and taking a comprehensive approach, we can better deal with and reduce the risks linked to these challenges.

In conclusion, Elaine Pohl counsels: “The increase in nuclear verdicts throughout the United States is caused by many factors, which means there is no easy solution. In my opinion, this trend is not going to change any time soon. However, it is important to recognise the trend and address it directly with the help of insurer partners like If and Liberty Mutual, as well as knowledgeable legal counsel in an effort to minimise the risks as much as possible.” □





Diving into energy industry claims

In this article, Risk Consulting spoke with Amel Islamagic, Senior Claims Advisor in Denmark about the different types of claims If Insurance has seen among energy industry clients. Amel worked with claims handling for more than 19 years at various international insurance companies before he joined If.

By Amel Islamagic, If

What kinds of claims do we see amongst our energy clients? We experience a variety of different types of claims, which often depend on whether the risks are in the construction or the operational phase.

In the construction phase, we often experience

claims related to inferior workmanship, human error and/or poor design. For instance, during the last couple of years, we have experienced an increase in the number of damaged offshore subsea cables that are related to low-quality workmanship and/or human errors. Here, it is critical the cable layout speed is in alignment with the speed of the vessel to position the

subsea cable correctly on the seabed. If the cable layout speed is not in alignment with the vessel speed, there is a significant risk that the cable will bend beyond its designed bending radius and thus become damaged. The replacement or repair costs of damaged subsea cables is complex due to different factors and bottlenecks such as vessel and crew availability, spare parts availability, and the repair window (the weather season). Therefore, subsea cable claims are often expensive. Experienced crews and increased awareness of the cable laying process through the implementation of operational protocols, have a key role to play in avoiding subsea cable damage in the future.

We also experience claims related to machinery breakdown — both in the construction and the operational phase of the risk. In many cases, machinery breakdown is due to inferior design, and poor-quality material and/or workmanship on turbogenerators, transformers, switchgears and/or boilers. Across recent years, we have experienced several examples of machinery breakdowns related to inferior design and/or materials. For example, the breakdown of a steam turbine in a power plant last year caused a significant business interruption and a resultant lack of power supply to the local grid. The breakdown was due to the poor-quality design and material used with a critical part within the steam turbine. We also experienced a breakdown of a transformer in an onshore wind farm last year, caused by less-than-optimal workmanship. The onshore wind farm consists of 100 wind turbines and two transformers that each distribute 50% of the generated wind power to the local grid, causing a significant business interruption. The wind farm could only operate at 50% capacity for several months before the damaged transformer was replaced with a new one.

With the increased focus on renewable and green energy, new technologies and manufacturing processes increasing, it appears that many products are being put on the market without necessarily being fully tested in the research and development process.

Due to climate change, we are also experiencing an increase in the number of extreme weather related claims. One example relates to the number of hail or flood damage incidences at solar parks. In 2022, news media reported that there was hail damage at a solar park that caused damage in the triple-digit millions

USD. When developing solar parks, it is important to understand the NatCat (natural catastrophe) exposure in the local area and make all necessary adjustment in the project to avoid the occurrence of damage.

It is likely that claims caused by extreme weather will increase as the climate changes. To that end, we will both experience an increase in the number of claims, but also an increase in the magnitude of the damages.

With the increased focus on renewable and green energy, we will most likely experience bottlenecks in relation to labour and parts, which could potentially lead to larger claims. For example, we are already seeing a bottleneck in relation to experienced crews working with offshore windfarms, and the lack of cable laying vessels built for the purpose. More and more vessels from the oil and gas industry are being modified for the purpose of being able to work with subsea cable laying. On the one hand, this is a positive development since the cable laying vessel fleet will increase. On the other hand, modified ships that are not built for the purpose may pose a higher risk of claims.

Looking at machinery breakdowns, the tendencies towards a higher risk of claims increase in magnitude as the operating parameters increase – for example in the increase of temperature, power, pressure, voltage or similar. It is also the case that the risk of failure probability increases in line with the unit sizes and the installed production capacity.

Over the past two years, the inflation caused by electricity and fuel prices, and bottlenecks with crew and equipment availability, combined with manufacturing and supply chain challenges worldwide, have led to claims that have become increasingly more expensive. Accordingly, our experience has also been that business interruption claims have also increased in size due to the development of the energy prices. □



Meet our expert

Amel Islamagic
Senior Claims Advisor, Denmark

A look at natural disaster claims

Globally, the climate continues to change, and the impact of these changes are becoming more frequent.

By Kristian Orispää, If

With storms, floods and heavy rains increasing in their frequency and intensity, it is well worth companies investing time and effort to prepare their business for a natural disaster or natural catastrophe (NatCat) scenario. Today, storm and flood monitoring, as well as weather tracking, is commonplace and easily available, and having access to earthquake related data, for example, further helps support preparedness.

Many companies benefit from utilising real-time risk maps, including those companies provided by If Login, for example. Through the digital portal, If Insurance clients have access to a global risk map. This is accessed through a single view and features layers that cover earthquakes, tornadoes, floods and more. With quick access and the capabilities to view all insured locations, clients can assess risks on the world map, and see which business locations, assets and employees might be impacted by a natural disaster or NatCat event.

When it comes to independent manufacturing or production facilities, companies have significant control over their own preparedness. Early warning of potentially disruptive scenarios is essential, and this helps people on-site to prepare for the incoming weather event. For example, with a flood warning, preparations can be made to protect structures, move people out of harm's way and help to minimise the impact of the event.

BEFORE THE EVENT

Physical flood protection may help shield the most exposed and critical areas of your facility. By setting concrete blocks under major appliances, and keeping all downspouts, gutters and any drainage ditches or storm drains free of debris will also help water flow away from the facility. During a winter storm, removing snow and ice from the impacted infrastructure plays an important role. Temporary flood barriers, such as portable flood gates or shields, sandbags, inflatable floodwalls, and flood skirts will also help keep the water away, helping to prevent damage and minimise losses.

If Insurance clients have also mitigated the risks of a changing climate by establishing permanent physical protection on their site. This can be a significant investment; but it may prove to be the best option, as the effects of major damage can severely impact business operations. Increasingly, with global supply chains, raw material costs and availability, it makes financial sense to commit to managing these risks in advance, through effective risk management assessment and subsequent investments to improve preparedness and resilience.

Keep sandbags, temporary barriers, and the necessary machinery available. Even though the possibility of government and local authority assistance is expected, with these undertakings in an actual situation, self-preparedness is generally far more beneficial.

CLAIMS PREVENTION TIPS

From time to time, during claims handling, it is recognised that critical equipment has been located in areas that are more prone to damage by natural hazards. The reason may simply be that the risks have not been properly considered. Working together with

our clients, our risk engineers will help to identify such high risk 'hotspots' and assist in finding more suitable alternative locations.

In a situation where critical IT servers, for any number of perfectly good reasons, such as fire hazard or safety risk prevention, are stored in the basement of a client facility, it is worth assessing (especially if the facility is situated by a river, or in a zone that has seen increased flooding over the past years) whether or not the risk of flooding in the basement needs to be assessed.

With regards to personnel, planning ahead on how to best utilise your staff in an emergency situation is an always useful exercise, as is ensuring that local management has both the mandate to initiate a pre-arranged plan and that it is actually prepared to do so. Conducting drills and crisis exercises will help to execute the needed activities more smoothly in the event of an actual emergency.

In our experience, it is worthwhile to also pre-nominate a project task force for such situations, as the managerial organisation setup may not necessarily be optimal for dealing with an emergency situation.

PREPARING FOR THE WORST

When establishing operations, or expanding your site, it is advisable to focus on risk management as a priority. It is generally far more costly and troublesome to modify and alter your production site when vulnerabilities are either not taken into consideration or have been uncovered later in the facility's lifetime.

This essential planning process, along with the ever-increasing risk of being exposed to natural hazards, indicates a need to include risk management in the planning phase. To be prudent, clients may benefit from considering doing more than what is stated in the general governmental regulations, particularly if the implications on business operations are deemed to be severe.

There will always be different variables and risks to consider and the measures to deal with them may point in different directions; but natural hazards, such as flooding, heavy rain, windstorms and more should, nevertheless, be amongst the risks companies should evaluate and prepare for.

As always, it is worthwhile to have a Business



Clients should store their critical machinery, equipment, inventory stock, spare parts and importantly, IT servers, in locations that have been thoroughly assessed and reviewed for potential risks.

Contingency Plan in place, where you have evaluated and included the consequences of others, and not just yourself, being impacted by a major natural disaster incident.

HANDLING THE CLAIM

How does If manage claims handling when our customers are affected by a significant natural disaster? There is no doubt that dealing with a claim, even from a purely insurance-centric point of view, may prove more challenging following a natural disaster than in a more normal claims situation.

A pre-defined Claims Program(s) will include pre-nominated loss adjusters and Claims Program head(s) within If, to safeguard the knowledge regarding the client's needs, prior to any claim. This Claims Program should also identify our client's key personnel and their roles.

When an incident has occurred or threatens to occur, we map all our clients in the affected area by the geographical site coordinates stored on If's systems. By doing this, we aim to pro-actively know which clients might be affected.

Moreover, this may enable us to initiate early cooperation, which is always a good start in a claims settlement process and allows us to assist when needed. Our aim is to offer advice to help prepare

our clients for the special conditions a natural hazard situation creates, and of course, to offer first class claims services if the claim occurs.

LESSONS FROM LOSSES

During a major flood in Thailand, a number of If Insurance clients had facilities located in an area that proved hard to access. Fortunately, in this instance, the If local loss adjuster contact, who is part of a major international network, made significant efforts and managed to visit sites others had deemed, more or less, inaccessible.

This provided us with valuable information and gave us the opportunity to further assist our clients. We have an extensive and robust worldwide network of local insurance providers who have significant resources at their disposal locally. In any claims situation, and especially following severe incidents, we cooperate closely with the local providers.

When a major claim happens, we will normally aim to be physically present and on-site as soon as practically possible, with claim experts from If brought in from the Nordic countries. Solving the claim, in close cooperation with our client locally, and liaising with the client's Nordic headquarters, is an essential part of the work that we do at If Insurance. [□](#)

Managing hot work risks

In this article we examine how to manage hot work risks before, during and after working with an open flame.

By Caroline Bødkerholm, If

Managing the risks relating to hot work is key to preventing fires from breaking out. Working with an open flame, for instance when heating, welding, cutting/soldering, or when conducting maintenance, repairing or installation work – all of which generate an excess amount of heat – pose risks that must be considered before the work begins. As an example, construction sites around the world should be aware of the risks, especially when inexperienced workers and contractors pick up a blow torch.

According to Pekka Sarpila, Head of Risk Management Services Finland at If, “We have many examples of well-prepared hot work tasks, where careful preparation helped to prevent a fire from spreading thanks to capable workers planning for potential risks. Unfortunately, we also have examples that are the opposite. The number one priority must always be to prevent a fire from starting. If that happens, something has already gone wrong.”

Failure to implement the simplest safety measures can result in expensive claims, impact business operations, cause project delays, and in the worst-case scenarios, lead to loss of life. Many of the claims are connected to workers who were looking to ‘cut corners’.

PREVENTING LOSSES AND REDUCING THE RISKS

Companies are at significant risk of a severe incident when hot work tasks are executed incorrectly, resulting in expensive property damage or even death. Despite local regulations, industry standards and on-site guidelines, it is common to find that these are often ignored, too limited in scope, and/or they feature little to no control measures.

There are some simple steps that should be considered before hot work activities start:

- Check whether hot work can be avoided. Is there a safer method, for example machining or joining? Is it possible to move the object in question to a specialised workshop, or outside to be completed



GETTY IMAGES

at a safe distance from other risk sources?

- Check the area beforehand. When hot work is undertaken in a non-designated area, typically outside a dedicated workshop, it needs to be controlled carefully. Combustible materials and flammable liquids, dust and waste should be removed.
- Check the area thoroughly. One common error is to neglect the protection of hidden spaces, such as wooden constructions, ventilation and extraction ducts and pipes, when beginning hot work. Such areas should always be protected when necessary.
- Check your equipment. Make sure that all hot work equipment is in good working condition and approved for use.
- Plan how you will contain a fire if an accident occurs. The required extinguishing equipment should be available at both temporary and permanent hot work sites and locations. Do your workers know where this equipment is located? Are they trained to use it?
- Be sure to regularly check that the sprinkler system is fully operational.
- It is important to make sure there are separate fire guards appointed, both when work is ongoing and for adequate time after the work is finished, and that guarding is continuous.

Peter Rasmussen, Senior Claims Advisor at If, supports the above safety measures and emphasises the importance of having enough fire guards and extinguishers available to extinguish a fire spreading in dusty and spiderweb-filled areas under an existing built-up roof.

Explains Rasmussen, “When

visiting a site following an accident or incident with hot work, the most common issues are often that guidelines of DBI, The Danish Institute of Fire and Security, have not been applied properly. However, we do also have fires where there is no causation between the guidelines applied and the fire. Hot work is by nature risky, especially on repairs of built-up roofs.”

Similar guidelines exist across all Nordic countries, and a hot work permit is required for persons executing hot work tasks. There are also requirements for permitting procedures which need to be adhered to.

A hot-work procedure should cover what is needed before, during and after the work, and this is the key to managing the risks involved with these tasks. The procedures should include training of personnel, risk assessments, hot work permits and fire watchers, among other factors. Having a systematic approach will considerably reduce the probability of a fire event and hence reduce the risk of loss, which can result in a long interruption to business operations, with potentially very large consequences for the company. □

Meet our expert



Peter Rasmussen
Senior Claims
Advisor, Denmark



Pekka Sarpila
Head of Property
Risk Management
Services Finland



Putting expat safety first

Working together, we provide industry-leading services to help your expat employees feel safe and protected when they are working abroad.

By **Vilma Torkko, If**

If Insurance provides coverage to many thousands of expatriates and their families on behalf of our client companies, providing support and protection while working and living abroad. The total number of family members insured is even greater than the number of expats themselves.

Annually, If Insurance receives thousands of claims from expats working abroad, since there is also insurance cover for healthcare issues, dental treatment, or physical check-ups. Expatriate insurance is valid 24/7, including during business trips and private holidays. As a result, it can provide wide coverage, such as

protection against travel cancellations or delayed luggage.

Regardless of the destination, all expats may be exposed to both health and safety risks. Countries vary in their risks, and you need to be well-prepared for these risks, even when going to a modern Western country. Before leaving, it is important to look at the risks at the destination, such as the current political situation or common local diseases. Being prepared for any issues in an expatriate destination is necessary.

Health and safety risks may include limited or low quality local medical facilities, a prevalence of

infectious diseases, medication shortages, political instability, economic volatility, natural disasters, as well as terrorism and crime.

Ensuring expatriate safety involves more than just knowing the risks; it also involves taking practical steps. It is important for expats to familiarise themselves with the insurance coverage, manage their medicines and vaccinations, carry a record of their blood group and any important medical information, and to keep a list of local emergency contact details.

Prioritising personal well-being and consulting healthcare providers before departure is also essential. You should travel only when you feel healthy and fit. Before going to an assignment, expats should go through a physical examination provided by the employer's health partner to find out if there are any pre-existing illnesses or conditions that need continuous treatment in the expat location. It is also recommended that the health of family members should be checked.

Respecting local cultures, customs, and habits is also important for expats to integrate into their new environment. Being mindful of their surroundings and exercising common sense can increase their safety and overall experience.

IF EXPERIENCE IN EXPAT SAFETY

According to Tiina Isoniemi, Claims Manager at If Insurance, "Expats usually suffer the same kind of illnesses as they do in their home country. The most common claims are for normal colds and flu, eye infections, rashes, as well as back and knee pains. However, we also handle some more unusual and potentially even life-threatening claims like severe traffic accidents, serious illnesses such as cancer, and evacuations due to natural catastrophes such as hurricanes. These situations can lead to a long period of sick leave and may even interrupt the assignment permanently if the expat is transferred back to their homeland for follow-up care."

THE TOP THREE THINGS EVERY EXPAT SHOULD KNOW:

1. If's travel care partner helps you 24/7 wherever you are in the world, in case of medical need or other issues.
2. Familiarise yourself with the content and potential restrictions of your expatriate insurance in advance.
3. Be aware of the cultural, social, and climate differences in your expat location to avoid any negative surprises.

TIPS AND TRICKS FOR AN EXPAT ASSIGNMENT:

- Find out in advance which clinics to use for medical care.
- If you need continuous medication, find out where these medicines are available.
- Get the European Health Insurance Card from your local officials for your assignment in the EU to cover the treatment costs in public healthcare.
- Download your expat insurance card – this way you always have your insurance policy number and important contact information with you.

Contact If to learn more about expatriate insurance and what is best for your specific company requirements. [□](#)



Meet our expert

Tiina Isoniemi
Claims Manager, Finland

Understanding the true impact of mental health issues on businesses

Mental health issues pose substantial risks to businesses, from decreased productivity, increased healthcare costs and turnover to even occupational safety risks.

By Tuomas Kaleva, If

In today's fast-paced business world, companies are continually striving to enhance their competitive edge. Yet, amidst this drive for success, an often-overlooked factor can significantly impact a business's bottom line. This is the mental health of its employees.

Unlocking the full potential of your workforce starts with prioritising their mental well-being. In today's dynamic workplace, employees' mental health is not just an individual concern—it's a business imperative. However, the concrete measures on how to support the mental health of employees are often unclear. In this article, we explore the variety of risks, and offer strategies for navigating this complex challenge effectively.

MENTAL HEALTH ISSUES FROM THE NORDIC PERSPECTIVE

The role of mental health is crucial in societies that are based on innovations and knowledge, such as the Nordic countries. Currently, depression and anxiety disorders rank as the leading causes of occupational disability in the Nordic region. Depression in each country affects around 200,000 – 300,000 people in Finland, Norway and Denmark respectively, and up to 500,000 people in Sweden every year (World Population Review, 2023).

Furthermore, common work-related stress is known to be one significant risk factor for depression, as people who experience constant work stress are around 20-30% more likely to develop depression. One of the most well-known consequences of prolonged work stress is burnout, which can take months or even years to fully recover from. According to If's Nordic Health Report (2023), approximately 84% of people in the Nordic countries experience harmful stress in their daily lives.

THE COSTS OF MENTAL HEALTH ISSUES

The significant financial costs of mental health issues on both a company and at societal level, often come as a surprise. At the European level, mental health problems cost around EUR 600 billion per year in terms of reduced productivity, the healthcare burden, social security and unemployment costs. To offer



a more concrete company-level perspective, it is estimated that a 30-year-old's disability pension costs around 120 times more than that person's equivalent monthly salary. Moreover, mental health-related sick leave lasts on average 62 days, surpassing those for musculoskeletal disorders.

The prediction of a smooth return to work after mental health-related sick leave is discouraging; only about a quarter of individuals return fully able to work. Example:

- The average absenteeism rate in Finnish companies is around 4.5%, which corresponds to around ten days of absence per employee per year.
- For a company with 1,000 employees and an estimated average employee income of around EUR 3,000/month, the cost of one day of sick leave is around EUR 476.
- If absenteeism can be reduced by at least 10% per year in this example case, savings of just under half a million euros could be achieved, (Varma, 2023).

We must also remember all the indirect costs of sick leave, from having to arrange replacements for absent employees, to many other factors.

WHAT FACTORS AFFECT OUR MENTAL HEALTH?

When talking about mental health issues in the context of working life, we must remember that mental health itself is influenced by a variety of personal and work-related factors. On a personal level, factors such as genetics and lifestyle choices (e.g., diet, exercise, substance use) play a role in determining the risk of developing issues. While employers can't alter personal factors, they wield considerable influence over work-related stressors. Work-related factors include job demands (e.g., stressful situations, difficult decisions, tight deadlines, constant pressure), high workload, job security, work-life balance (long hours),

psychological safety, relationships with colleagues and supervisors, and the presence of support mechanisms within the job environment. The interplay between these personal and work-related factors can either enhance or detract from an employee's mental health and overall working ability.

HOW ARE MENTAL HEALTH ISSUES MANIFESTING IN THE WORKPLACE?

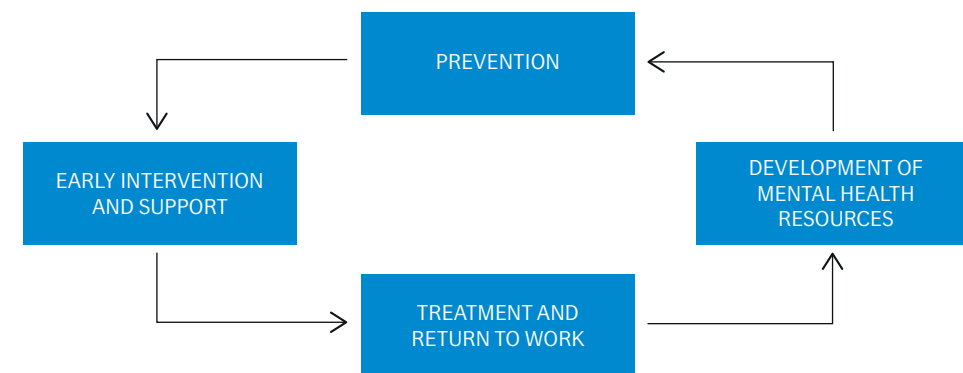
Understanding the ways in which mental health issues exhibit themselves in the workplace is essential for any organisation striving for a productive workforce.

Beyond absenteeism and healthcare costs, indirect costs like overtime and substitute arrangements strain employees. A phenomenon called presenteeism, where employees are physically present but unproductive due to health issues, is a major concern, costing around 1.5 times more than absenteeism.

Key personnel absences pose significant business risks. Certain specialists, managers, CEOs, or other essential personnel in responsible roles may have a significant number of skills and knowledge that maintain important customer relationships or production processes. The loss of these critical personnel to a long period of sick leave or to a competitor, could cause severe setbacks to the business.

HAVE YOU IDENTIFIED THE KEY PERSONNEL IN YOUR ORGANISATION?

Would you be surprised to know that occupational safety risks are also linked to mental health issues? Mental health issues increase accident and error risks, as conditions like depression and anxiety diminish focus and increase risk-taking behaviour. Workplace stress impairs performance, decision-making, concentration and working memory, while sleep disturbances elevate errors and risks.



Process for supporting employees' mental health.

HOW CAN YOUR ORGANISATION SUPPORT YOUR EMPLOYEES' WELL-BEING?

To foster a thriving and productive workforce, organisations must take a holistic approach to support mental well-being.

Prevention is the first line of defence and is about identifying and managing stress factors, promoting psychological safety, and strengthening resilience among your employees. Offer mental health training to equip your teams and leaders with the knowledge to recognise signs of distress and create a culture where mental well-being is paramount.

Early intervention and support from managers is vital. Develop mechanisms for employees to report concerns, assess working ability, and provide accessible mental health resources before issues get worse. Customise job roles to match your employees' capabilities, ensuring they can manage their well-being while contributing effectively.

Treatment and the return to work are part of the journey. Make treatment options readily available and support the return-to-work process to facilitate a smooth transition and prevent further development of mental health issues.

Development of mental health resources includes tracking relevant metrics and learning from past experiences, as you would in cases of occupational safety incidents. Continuously improve your approach to mental health support.



Meet our expert
Tuomas Kaleva
Development Specialist, Finland



It is estimated that there are fewer fires from electric vehicles (EVs) compared with fires from conventional vehicles when driven over the same distance. Current statistics indicate that the probability of an EV fire is lower than that of a fire in an internal combustion engine vehicle (ICEV) relative to the total number of vehicles.

Shipping electric vehicles safely

Every year, fires occur on both RORO and car carriers, resulting in large losses for cargo clients. One issue that raises cause for concern is the varying availability of firefighting equipment onboard these vessels.

By Rikard Sahl and Kristian Orispää, If

There are two vessel types used to ship electric vehicles: pure car and truck carriers (PCTCs) and roll-on/roll-off (RORO/ROPAX) vessels. These two vessel types have significant differences in their design, therefore many safety measures, such as risk control options and incident responses vary considerably. For example, PCTCs are equipped with CO₂ or foam-based extinguishing systems onboard, while RORO

vessels are equipped with water drencher (sprinkler) extinguishing systems. It is important to recognise that individual assessments or risks relating to different vessel types are needed. Furthermore, to combat a fire onboard, different approaches will be needed when it comes to firefighting tactics.

In 2023, research was conducted on RORO vessels as part of the EU's LASH FIRE international research project, which aims to "significantly reduce the risk of

fires on board RORO ships" and enhance the safety of the vessels. However, there is still very little research regarding fire extinguishing of electric vehicles onboard PCTCs.

THE ROLL-ON/ROLL-OFF SHIP

RORO and ROPAX (passenger RORO) vessels are designed to carry wheeled cargo on 1-5 different decks, including cars, motorcycles, trucks, trailers, and buses, with all driven on and off the ship on their own power and wheels. RORO vessels are equipped with sprinkler extinguishing systems. ROPAX vessels are designed in the same way, utilising cargo decks, but also carry passengers.

It is common for the cargo to consist of a mix of new and used vehicles, e.g., both electric vehicles and ICEV (internal combustion engine) cars, trucks, trailers, and buses, at the same time.

CAR CARRIER - PURE CAR AND TRUCK CARRIERS

PCTCs are purpose-built vessels for the transportation of different types of rolling cargo, e.g., new and used passenger cars and trucks, heavy construction equipment, and other heavy loads. PCTCs are equipped with CO₂ or foam-based extinguishing systems.

PCTCs are usually configured with 6-13 decks for the loading of different vehicle types. The height between the decks can be adjusted depending on the types of vehicles being transported. The height of the vehicle decks is extremely low to reduce the loss of cargo space. Adjustable decks further optimise the cargo space. The vehicles are loaded with very little space between them. This naturally impedes quick access to specific cars or other vehicles.

A particular challenge associated with PCTCs arises when the vessels are docked in ports. When a fire breaks out, the CO₂ extinguishing systems cannot be used. Specifically, when both the internal doors and the stern/side ramps are open during the loading process, the CO₂ cannot be contained within the vessel. Foam-based extinguishing systems are less effective due to the uneven airflow which reduces the ability of the foam to spread evenly and consistently. In addition, due to their construction, the ramps cannot be closed quickly. Furthermore, external firefighting teams are often not familiar with the design of vessels and are not trained to fight fires in such environments.

In August 2023, the International Union of Marine Insurance (IUMI) published their extensive report, Best practice & recommendations for the safe carriage of electric vehicles (EVs). To learn more about how to ship electric vehicles safely, from the loading process to firefighting recommendations, please scan the QR code below to view the report. [□](#)



Best practice & recommendations for the safe carriage of electric vehicles (EVs) 2023

The International Union of Marine Insurance (IUMI)

Claims handling with If Login

If Login is a tool that many clients find extremely beneficial when processing a claim.

Clients and brokers can manage and follow their claims using the If Login portal. To increase transparency and further simplify the claims handling process for our clients, you can also discuss details with claims handlers directly. Everything relating to the claim is documented and can be accessed from a single location. This also includes the claim decision documentation.

If Login is a tool that many clients find extremely beneficial when processing a claim. With pre-filled registration forms, including company and user information, you can speed up registration, allowing you to swiftly begin entering your claim. Thanks to our email alerts, clients will be notified as soon as there is activity on their claim, and they can access these changes immediately by clicking a link in the email.

Rather than having to go through separate doc-

uments when handling a claim, clients have a total overview of all claims in If Login, regardless how they have been reported to If. This increases efficiency and provides clarity on which claims are open and which have been closed.

Clients also appreciate that multiple users can participate in the registration process and communicate with the claims handler, in a safe, secure, and GDPR compliant environment.

VALUE-ADDING FEATURES

What does the If Login portal offer our clients? All documents relating to the claim documents, as well as the communications between client and the claims handler all located in the same place, customers also benefit from multiple features, including:

- Instant access to self-service certificates, including all lines of business. Issue your Property, Liabil-

ity, Marine Cargo or Travel, Expatriate, Workers' Compensation digital certificates 24/7 and within seconds.

- With If Login, the status of Global Programs for Property, Liability and Cargo are easily accessible. Clients can follow the progress of each local policy issued worldwide. Whether working with ten, or ten thousand policies, the progress of all local policies can be reviewed on a single screen. Customers can also monitor the progress as local policies are set up and see when policies are issued and paid locally. All global program information can be exported, for example to Excel, if needed.
- The Risk Map feature offers a global perspective in real-time. If Login provides the most up-to-date data and information on active policies, as well as highlights real-time events that may impact an office, factory or other facility. All insured risks can be viewed on the map, including business locations, assets and employees. Furthermore, clients can follow the progress of natural hazard risks at their business locations. By using the filtering tool, benefits include further support in global risk assessment.

PUTTING THE CUSTOMER FIRST

Client perspectives drive new developments at If Login. According to Shelley Gao, Chief Product Owner at If Login, regular interaction with clients ensures that new solutions truly add value. Says Gao, "We actively work on our solutions and are committed to If Login's competitiveness in the marketplace."

She also highlights that, "Clients especially ap-

preciate the possibility to follow the claims process, keeping them up to date on how their claim is being handled. If Login is a tool that continues to gain new users as more and more clients are finding the benefits of managing claims digitally, and through a user-friendly interface."

DID YOU KNOW?

- Clients and brokers in Nordic and Baltic countries can now sign in to the If Login portal using their Bank ID.
- You can use the If Login portal to access the Risk Management Library, the Learning Hub, which is loaded with valuable training courses, as well as all the latest Risk Consulting articles that cover expert risk management insights. [□](#)

Best-in-class digital claims

REGISTER NEW CLAIMS	FOLLOW THE PROCESS	DIRECT CONTACT WITH THE CLAIMS HANDLER
REAL TIME DATA	DAILY SUMMARIES	CLAIMS STATISTICS



Scan the QR code to watch the video:

<https://www.if-insurance.com/large-enterprises/if-login>

Benefit from If's self-assessment tools

At If Insurance, we constantly develop our digital services and work to increase awareness on risk management, while providing our expertise to an unlimited number of clients.

The new self-assessment tools for clients enables them to run a survey independently. The Property tool is especially useful for companies with many small sites, such as warehouses, offices, and hotels. We also provide a tool focusing on travel risk management, aiming to help our client companies assess and improve travel-related safety and risk management. Both tools are simple, easy to utilise and do not require any special technical or risk management capabilities.

RISK MANAGEMENT OVERVIEW

The Property tool makes it possible for the client to compare sites based on systematic criteria and obtain tailor-made recommendations for the specific locations. This makes it easier to quickly identify risk areas and focus efforts on the sites that require more attention.

With the new self-assessment tools, clients can also independently and proactively focus their risk management efforts on any of their sites, and evaluate the risks related to specific locations.

"With the self-assessment tools, we can service our clients better. The data makes it easier to steer our resources to locations where we can have the biggest impact. Using these tools, we can get information on locations that we wouldn't typically visit. Also, our clients can repeat their assessment whenever they need to e.g., to follow up on a development in a single location," says Pekka Sarpila, Head of Property Risk Management Services Finland.

MANAGING BUSINESS TRAVEL RISKS

According to Salla Lind-Kohvakka, Nordic Digital Risk Manager, "At If Insurance, we offer our client companies help and support in travel risk management for both the passenger and the employer company. Our

latest digital service is a travel safety self-assessment model intended for use by the employer company. It is based on If's Business Travel Navigator model, which we have been using for years to assess and develop safety together with our client companies."

She explains that, "Both the Business Travel Navigator and our self-assessment model include different sections that map out risk preparedness, travel safety organisation and other travel safety management practices in the company. The themes of the model are similar to those of ISO 31030."

"Furthermore, the self-assessment is complemented by digital risk management content for passengers and employers in our Risk Management Library and Learning Hub. They cover good travel safety practices, risk assessment and the employer's duty of care," highlights Lind-Kohvakka.

MASSIVE DATA POTENTIAL

Laura Rastas Jansson, Head of Property Risk Management Services, explains that some clients have already realised the huge potential that lies in the data gathered. "The data enables further insights, covering the clients' risk levels on the specific sites, the development of these risks, as well as the detailed recommendations put forward. This opens a unique possibility to track the risk management work clients do on a continuous basis, while the data generates solutions and recommendations. We then work with clients to analyse this data together to provide the most comprehensive solution."

"We believe that these new self-assessment tools are easy to use and will increase the awareness of risk management, also among those employees in client companies that normally do not participate in risk management work. Ideally, self-assessment reports can inspire sites to strive to be better than their peers at other sites. Also, for those responsible for risk management on a corporate level, this is a useful tool for conducting comparisons between different sites."

MORE TOOLS TO COME

Today, If Insurance clients can make use of three self-assessment tools in the physical property risk area. These are related to warehouses, offices, and hotels. In Employee Benefits, clients can assess the current state of travel risk management, and identify areas that need improvements in the risk management practices.

At If Insurance, we have many more self-assessment tools in the pipeline and recognise that our clients will benefit from them in relation to time and risk management. [□](#)

The way our claims handling works

We handle more than half of the claims within 24 hours. In case of a large claim, we will be at a Nordic loss site within three hours, and outside Nordic countries within three days.

We handle more than 2 million claims every year, so we have the best partner network of the Nordic insurance market.

Our partner network is not limited solely to the Nordic area; we provide international services in more than 170 countries.

You will get your own claims contact person, who will take care of you all the way. We will keep you updated throughout the process. You can relax and concentrate on your business.

Don't miss the next issue

Subscribe to Risk Consulting magazine and If Insights at
www.if-insurance.com



Risk Consulting is If's professional magazine on risk management and loss prevention, and is one of the first client magazines in the Nordic countries.