



White Paper
Making a difference –
Curling in the age of
self-determination

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Values driven employee benefits design

The founding principle of insurance is that there is value in being part of a group. Protection is provided by pooling group experience. Similarly, joining a company means employees themselves have elected to join a distinct group. To reinforce their employment proposition, businesses need a suite of employee benefit programs that make it clear that being part of a group, and specifically their group, has clear advantages.

To date, an insurance industry that prefers one-size-fits-all offerings has not delivered a product suite that makes it easy for employers to make that case. Where distinctions are drawn, they relate to features (e.g. underwriting conditions or profit sharing) that are remote from employees' needs. As argued [in our first white paper](#), that need is maintaining health, financial and physical wellbeing glidepaths.

“To stay relevant to their ultimate customers – self-determined employees – insurers must make it obvious that the employment-based group product experience is distinct from retail offerings.”

In our opinion, this is best accomplished by enabling employees and their employers to cooperate in delivering on the true need in a way that reflects their respective values. To explore what that means, next we discuss how a self-determined workforce's values differ from those of previous generations.

The changing social contract

The defining characteristic of the self-determined generation – one that has lived through a financial crisis – is the recognition of the need to take responsibility for their futures. They are no longer looking at the world with rose-tinted glasses, with an expectation that their employer and their government will take care of them. Many of the perspectives their parents' generation took for granted appear foreign. The notion of staying with one employer for their entire career is seen as neither desirable nor realistic. Carrying high levels of debt and expensive insurances to support property ownership often holds far less appeal.

These change in attitude dovetails well with how employer values have changed, as they also relate to the broader social contract. Employers are becoming more agile, embracing the gig economy, moving operations and changing business models rapidly. Issues like cost and risk sharing have taken a central position in retirement and, increasingly, health program design discussions. Once the theme of cost and risk sharing emerges, the notion of a one-size-fits-all approach to design takes a step back. Employees will want to ensure that the contributions they are making are only being used to meet their specific needs and goals.

In addition to pragmatic values centred on personal responsibility, the self-determined generation is taking the long-term view on issues like social responsibility and climate change. These values can be embedded in employee benefit programs in a host of ways, most obviously ensuring that retirement savings are placed in socially responsible investments.

Clearly, changing and aligning the values of employees and employers presents a massive opportunity for group benefit products to be different.

To demonstrate how to realize those opportunities, we return to the topic of glidepaths, and specifically Danish glidepaths.

Curling forældre glidepaths

Curling forældre is an interesting addition to the Danish language that literally translates as “Curling parenting”. It has prompted a national debate on how active a role parents should be playing in guiding their child down the slippery path of life.

We think it is a useful metaphor for employee benefit program design as well. It captures nicely the debate about the role of the employer and insurer in guiding employees along their glidepaths of sustainable financial and physically wellbeing.

Clearly to be seen as a partner, the first meaningful point of contact for an insurer – and indeed an employer – cannot be when something goes wrong. In insurance terms, this is most likely to be when a claim occurs.

The opportunity, and indeed the need, is to engage early on and be part of defining an employee’s desired glidepath. And then to engage often to support maintenance of the glidepath through time. Planning, prevention, decision support as well as recovery become the central components of a product offering constructed from this perspective. How that flips conventional thinking about insurance on its head is what we turn to in the next section.

Before doing so however, it is worth noting that employers are no longer “full-time parents”. Increasingly, they are with you for part of the journey. The phenomenon is at its most extreme for employers that have embraced the gig economy. Again, the opportunity here is to differentiate your employment offering by articulating clearly what your values translate to in terms of your responsibility while the employee is “in your care”. This approach can involve structures that make transfers of wealth in and out of programs easier, the ability to continue coverages after employment and providing guidance how to manage a glidepath with employment breaks.

Next generation product design – the role of choice

As already noted, as soon as product design starts from the position of glidepath delivery, the protections provided by insurance are not the main event. In this

section we look at specific opportunities for new products with a focus on the role of choice.

Previous generations have benefited from employers that took care of all the big employee benefit decisions. Today’s “part-time parents” still have a role to play in making choices on behalf of employees in their care. For example, they may set the default retirement savings rates and fund allocations. What is different is the choices themselves and that the rationale for making them need to be made clear to the impacted employees. Many of these choices, particularly those made about retirement, require taking a long-term view even when employees are with you for a short period. To enable consistency in long-term planning for departing employees, the best an employer can do is educate them. For those who stay, proactive communication should ultimately lead to more employees building up the confidence to take decisions themselves.

We believe communicating choice can have a very positive impact on engagement and education. For example, the fashion choice that caused us greatest concern as teenagers was when our mothers arrived home with a sweater she wanted us to wear – we engaged immediately!

“Today’s insurers can learn a great deal from the way wellbeing providers are designing solutions. Choice is the core feature. This will enable engaged employees to take control of their glidepaths and tailor their approach to reflect their needs, preferences and circumstances.”

Insurers and employers can go further in a group context. It is reasonable to argue that many younger employees who are not confident with, or interested in, investment and insurance matters will happily defer to others making choices on their behalf. A natural decision maker that a self-determined generation might feel comfortable with could be an AI for example. Sticking to more traditional approaches, in the European context, elected employee representatives are often ideal candidates for engagement on these topics. For example, a disability provider way well be open to offering additional services that enhance

employee glidepaths if they had the support of advocates internally encouraging behaviours that will improve employee health and reduce expected claims. Such approaches are impossible outside a group setting.

These are topics we will return to in the fourth white paper, but we do note that geography and culture will play a role in getting this right. For example, in the US the focus on the benefit “enhancement” has often been discounted health premiums in exchange for completing an HRA. In Europe, we suspect the more effective approaches will prove to be related to service enhancements.

Conclusion

Self-determination represents a massive opportunity for the industry to stay relevant, for employers to strengthen their relationship with employees and for both parties to strike a fair bargain of shared responsibility in delivering the curling forældre glidepaths. The future is not “one-size-fits-all”. Nor it is one of paternalistic employers spoiling their employees. It is one of cooperation, shared responsibility and tailored products.

And as our examples have shown, it is one that can be readily be delivered with the right mindset, leveraging emerging technologies and by embracing the opportunities supporting a group of employees on their life journeys presents.

Authors

Michael Hansen

CEO, Swiss Life Network

Michael Hansen is the CEO of the Swiss Life Network. He has been working with global employee benefits for the past 25 years and has spent more than half of this time with Swiss Life. He has worked in the Nordic region for local and regional insurers linked to several employee benefit networks. In between roles, Michael also launched a few start-ups, including one which led to a period of self-employment running a small consulting business, linking wellness and prevention with traditional employee benefits.

Fergal McGuinness

Founder, Ryerson Networks AG

Fergal McGuinness is the founder of Ryerson Networks AG, an advisory and technology company focused on transforming the insurance industry using AI. Before founding Ryerson, Fergal held a variety of leadership roles at Mercer. He has worked on three continents, advising multinational companies, global insurers and governments on retirement and employee-benefit issues. Fergal is a fellow of the Institute and Faculty of Actuaries.