

How is data & digital innovation impacting the employee benefits industry?

The use of data and new technologies is the biggest growth opportunity for the global employee benefits (EB) sector, according to our 2018 Global Perspectives report¹ published earlier this year. 75% of EB and HR professionals considered the development of digital platforms and data analytics the biggest growth area when surveyed. Implementing new technologies presents a significant opportunity, not just in terms of growth, but also in cost management, programme flexibility and enhancing employee engagement.

With the costs to run cross-border EB schemes rising, the fast-changing requirements of a digital-savvy millennial workforce and the annual medical inflation at 7.2%, with some countries even exceeding 10%², multinationals are looking to maximise the use of data and digital technologies to make the management of EB much more efficient and effective.

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As global EB professionals look to utilise sophisticated data analytics and digital solutions, it is important for local insurers and EB networks to innovate to be able to deliver on this need.

Further findings from the 2018 Global Perspectives report¹

81%

believe the use of data and new technologies is the trend most likely to shape product and service offerings in the future

65%

believe that millennials require new and more specific EB packages

54%

think better cost control and cost modelling will be the main priorities for the global EB industry over the next two years

49%

said that they were looking to invest in data and digital tools to make the process of providing employee benefits simpler and more efficient.

Data & digital innovation in EB – 4 key trends

Through our work with the **MAXIS Data & Digital Innovation Lab**, we've had the opportunity to investigate trends, work with several technologies and tools impacting the EB sector. All done with the view of how these trends and technologies may impact multinationals and our local insurance partners.

We've been able to identify four key trends which we see as being the underlying drivers of change in the EB sector globally, in terms of data and digital innovation



1. Global benefits platforms

It's clear that cloud-based digital platforms are changing the world of benefits. Not only do they allow multinationals to centralise the enrolment and management of employee benefits across the globe, they are giving employees greater access to voluntary benefits and let them tailor their programmes to suit their individual needs.

Global benefits platforms can also improve the perceived value of benefits by employees and generate analytics to drive decision-making. It's likely that the use of these platforms will become more widespread in coming years, given the desire for a "benefits menu" approach – where employees have a pot of money to choose the benefits that suit their needs. Tighter governance of data and the General Data Protection Regulations (GDPR) are also driving the adoption of these platforms.

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2. Better data analytics

In a data-rich industry such as EB, analytics and utilising data-driven insights is of the utmost importance. While global benefits platforms provide utilisation and enrolment data, global pooling and captive solutions have the potential to provide powerful insurance claims data. Employers must work with vendors to gather the data they provide, establish similar data standards where possible, and use current and historical data to drive corporate health and wellbeing initiatives.

Worker's compensation, utilisation patterns, demographic trends, medical claims, pharmacy usage and biometric screenings are all important trends to add to the picture. New tools and dashboards can be devised using these types of data, helping EB decision-makers to make better informed decisions when designing global strategies.



3. Health and wellness technology

With the access to health data giving valuable insights, how can multinationals turn insights into healthier employees? Health and wellness mobile apps and web portals are being implemented in organisations around the world, as employers look outside of traditional healthcare offerings to take care of their employees' wellness and minimise medical insurance costs.

These technologies are being provided by insurers, EB consultants or wellbeing companies and focus on prevention, support or rehabilitation, with lots of innovation in Artificial Intelligence (AI), analytics and wearable technology setting the pace. The main challenges for employers are three-fold: choosing the best wellness technologies among the many options available on the market, addressing the challenge of employee adoption and sustained engagement over time as well as getting accurate projections and measurable results to prove return on investment.



4. Insurtech innovations

AI, blockchain and robotic process automation (RPA) may seem like technological buzzwords, but these and other innovations have great potential to impact the insurance and EB sector.

Whether it is in core activities such as pricing, underwriting or claims management, or in client facing areas such as marketing and customer service, these technologies can – and in some cases already are – changing the way EB professionals work.

The MAXIS Data & Digital Innovation Lab

In March this year we launched an innovation programme committed to researching, investing in and using new technologies to improve our services to multinational clients.

The MAXIS Data & Digital Innovation Lab aims to set us apart as the most innovative, forward-looking global benefits network in digital and data solutions for our market.

As part of the Lab, we're:

- working on improvements to our existing digital tools and reports
- developing new products and services using data analytics and digital technology
- hosting innovation roundtables with multinational clients and local insurers around the world
- working with industry experts, global platforms, insurtech companies and entrepreneurs to come up with innovative solutions for our clients, for example through our MAXIS Innovation Hackathon.



The future of employee benefits

One of the significant takeaways from the recent client and member roundtables organised by the Lab was the markedly different levels of implementation of technology in different markets. This is mainly due to different levels of investment, standards and regulations, as well as user adoption.

In some countries, pen and paper is still the norm and there are real challenges in simply sending digital files across securely. But while digital and data-driven solutions are at varying stages of maturity and implementation, the possibilities that they have to change the industry and deliver better solutions cannot be overstated.

Combining that with the increasing demand for flexibility within EB packages for the younger generations and the growth of the 'gig economy', the opportunities these technologies provide can't be underestimated by global networks, insurers, brokers and multinationals.

Later in November we will be publishing our new Global Perspectives report – entitled **Data & digital innovation and the future of global employee benefits** – where we'll expand on these four key trends driving the future of the EB industry.

Keep an eye on maxis-gbn.com for the full report and **sign up for our webinar** on the same topic.

¹ MAXIS Global Perspectives – International employee benefits programmes: the demand for flexibility and adaptability in the digital era (May 2018)

² 2018 Global Medical Trends Survey Report - <https://www.willistowerswatson.com/-/media/WTW/PDF/Insights/2017/12/2018-global-medical-trends-pulse-survey-report-wtw.pdf> (accessed 01/11/18)

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