

CAPTIVE

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R E V I E W

THE YEAR OF POLITICAL PROTEST 2020:

THE EFFECTS OF
POLITICAL UNREST ON
THE INSURANCE WORLD

THE ESSENTIAL GUI

RISK TRANSFER



FINAL WORD

MAXIS GBN's director of digital and innovation, Helga Viegas, talks about the digitisation of employee benefits and why data is so important

Captive Review (CR): I'm often told that employee benefits (EB) is the fastest-growing business line in captives. As technology continues to increase its influence over the industry, how can it benefit EB in captives?

Helga Viegas (HV): Yes, there's been great growth in the number of captives looking to add EB risks. In December I read that hundreds more are considering this, which is fantastic. For those that do, there are many new technologies, digital tools and algorithms that could benefit captive managers and risk managers. Some examples include:

- medical-risk algorithms to automate medical underwriting
- tools that consolidate and analyse data (such as premiums collected, benefits, expenses and reserves) to improve risk management and decision-making – we have launched a tool that does this for our multinational clients
- blockchain and API services to integrate various systems and supply chain partners.

These technologies enable captive managers to have a more granular, accurate, and timely view of the risks in a fraction of the time and cost previously needed to achieve similar results (assuming it was even possible), enabling them to better predict future experience and adjust their risk management strategies accordingly.

CR: EB is a data-heavy line. How can captives use technology to improve the efficiency of their operations?

HV: Captives can use technology to improve the efficiency of their operations on multiple levels. With technology, captive managers can automate tasks that previously required a lot of manual input, they can handle and analyse large amounts of data in an easier, quicker and more robust way, and they can integrate systems to achieve seamless flows of data.

Ultimately, technology can improve the efficiency of different business processes within the captive and also reduce the friction between departments, generating savings in administration, while improving the effectiveness of the captive's core activity: to manage risks.

“The digitisation of EB can help to bridge the gap between HR and risk management, increasing understanding between the skill sets”
Helga Viegas

CR: How can the digitisation of EB help to better align HR and risk-management departments in building an effective programme?

HV: The digitisation of EB can certainly help to bridge the gap between HR and risk management, increasing mutual understanding between the skill sets and roles of each department. We now have

lots of technologies available that can:

- optimise and automate the workflow between departments and roles, so that processes don't fall through in the cracks between silos
- generate more graphical data dashboards, making it easier for HR to understand and digest number-heavy reports
- bring together data from different sources to achieve a more holistic view of business challenges.

CR: A number of gig economy companies are putting additional focus on providing a more complete suite of benefits for their employees. How can digital benefits be used as a tool to retain talent?

HV: We believe the only way to achieve the flexibility, scale and automation required by the new gig economy is to completely digitise the provision of benefits. Only technology-enabled providers will be able to play in this emerging market; for example, by setting up automatic triggers that can start and stop insurance coverage in flexible arrangements, by reducing admin processes to a minimum and by delivering a fast, easy and engaging user experience.

Conversely, the concept of EB will have to change in more ways to accommodate the needs of the gig economy, as many of the people covered won't even be 'employees' in the traditional sense. Regulatory requirements in different countries and industries may also put restrictions on how much the employer/platform is able to retain their talent, as this may be in direct conflict with keeping the 'gig worker' status. ☾