



Shaping the future of employee benefits

A look at the first five years of the MAXIS GBN joint venture

In a world of mergers and acquisitions, two global multinationals and major competitors coming together to form a successful joint venture is rare. But it does happen. And it can work. Just look at the journey of MAXIS GBN (MAXIS) over the last 20+ years. Despite being serious competitors in many parts of the world, two insurance giants, MetLife and AXA, managed to put all of that aside to combine their individual strengths and create a global network that offers more and better for their multinational client base.

Now, five years since that partnership became a formal joint venture, MAXIS has earned real success and become a market leader in the employee benefits (EB) network industry, working with a large number of the world's biggest global employers. But before we look at where MAXIS is today and the part it plans to play in the future of the EB industry, let's take a look at the journey the business has taken to get here.

20+ years of history but still young at heart

When MetLife and AXA first started working together in 1998, it might have been considered a strange idea that competitors would decide to partner. But both quickly realised that, by doing so, they could combine their different regional strengths – with MetLife particularly strong in the Americas and AXA well set up in Europe at the time – to create an EB network that could meet the needs of some of the biggest companies in the world. The MAXIS shareholders knew that, without the partnership, neither company would have the reach to do so successfully.

Hence, the birth of MetLife and AXA International Solutions Global Benefits Network – or MAXIS GBN as it's better known.

While the partnership saw some early success, the business really took off when the global footprint got a little bigger. 12 years in, MetLife acquired American Life Insurance Company (ALICO) from AIG. The deal saw MetLife's EB reach extend to more than 60 countries adding to AXA's expanding footprint in Asia, and the MAXIS network – 140 members in 120 markets – we know today started to take shape.

Going all-in

And if the EB network partnership launch in 1998 looked like a gamble from the outside, the move to go "all-in" in 2016 with a formal MAXIS joint venture might have seemed even more so. But the demand for global EB solutions was ever increasing and the best way to meet that demand and deliver a customer-centric service was to have an independent and centralised MAXIS business

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reporting into its two shareholders.

Before the joint venture was signed in 2016, MAXIS had been operating out of MetLife offices in New York and AXA offices in Paris, with regional business development teams around the world and different value propositions depending on the location of the global clients. Mauro Dugulin – a well-known face in the industry – was bought in as CEO to head up the business and create 'One' MAXIS. Before he retired last year, he looked back on being approached by the shareholders. "When I had the chance to meet with the top management of MetLife and AXA, I realised there was a very strong commitment from both companies. And given the sheer size of the parent companies, the potential was huge. I saw a real opportunity to share my expertise and experience and help them grow the MAXIS business"



A new home in London and a new identity

One of the first decisions that needed to be made for this 'One' MAXIS was where to set up the new headquarters. The shareholders were keen to give MAXIS its own identity, culture and centralise the reporting, underwriting, marketing, finance and legal functions, and for that the business needed a new home... MAXIS was moving to London.

Mattieu Rouot, now CEO, was a board member of MAXIS at the launch of the joint venture and he explained why London, despite uncertainty with the impending Brexit referendum, was the natural choice for the new headquarters. "London was chosen very carefully as the new HQ for MAXIS GBN as it's a central hub for the insurance world, lots of global multinationals are based in London and it was a middle ground between New York and Paris. Even after the result of the referendum, there was no questions that London was still the right location."



Mattieu Rouot (left), with Mauro Dugulin and current and former MAXIS GBN board members, at the London HQ opening in 2016.

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"It was clear that the new MAXIS needed to exist outside of the MetLife and AXA ecosystems, to become its own company and take advantage of a start-up mentality to really thrive. I think that has been crucial for the success over the last five years."

"Before becoming CEO I was a member of the MAXIS Supervisory Board and it's been rewarding to watch the journey the business has taken. The shareholder companies worked really well together for so many years but MAXIS becoming its own global organisation

has helped the business go from strength to strength. We have been able to be agile, to build the best structure and get the right people, constantly developing and innovating to help craft the solutions our clients want to meet the needs of their employees all over the world."

And this agile, start-up mentality has helped to foster some quite revolutionary ideas. 2018 saw the launch of MAXIS Global Wellness designed to help multinationals offer proactive wellness solutions that tackle the biggest health problems facing their employees, wherever they are in the world, and hopefully the associated medical costs. The digital wellness solutions that form a major part of the MAXIS Global Wellness offering have proved invaluable to clients since the start of the pandemic – foresight sometimes pays in the most unexpected ways!

Dr Leena Johns, Head of Health & Wellness at MAXIS said, "As healthcare costs are continuing to rise faster than inflation, it's never been more crucial for multinationals to keep their employees healthy and control their medical spend. Launching MAXIS Global Wellness was a big step for us, as it showed our multinational clients that we could go beyond simply telling them where their biggest cost drivers were, to actually helping

them address those costs with mitigatory initiatives and programmes."

Back in 2016, MAXIS already had an excellent name in the market but the joint venture called for a refresh of the brand – to create a look and feel that was not only recognisable, but also reflected the young and agile nature of the new set up. Patsy Langridge joined MAXIS as the Global Director of Marketing & Digital in 2016 and was responsible for creating what you see today.

She said "Being able to take the strong market presence of MAXIS in 2016 and build on it to create an identity that allowed MAXIS to stand alone and take its place in the market – well that was an irresistible prospect. How often do you get to take everything you know that works, leave what doesn't and start afresh?"

"We wanted a look and feel that spoke to our audience – our work, and that of the network, is ultimately about helping clients look after their employees so the branding needs to reflect that. It's young and dynamic and has a real focus on people. Our brand needs to represent our vision – to play a vital role in the delivery of health and financial security to employees and their families wherever they are."

Where is MAXIS now?

...now, MAXIS works with more than 55 captives globally, including many of the world's largest multinationals and seven of the ten largest companies (by market capitalisation) in the US.

It's safe to say that, despite the many challenges thrown up by the COVID-19 pandemic in the last 18+ months, MAXIS is delivering on that vision. The business has seen double digit growth year on year in terms of premium volume over the last five years, now has a portfolio of well over €1bn and is a leading global EB network, helping more than 250 multinationals around the world care for their employees.

A captivating opportunity

Much of MAXIS' success over the last five years has been thanks to being pioneers in the employee benefits captive space. This leadership in the captive arena is something that pre-dates the joint venture, but has only gone from strength-to-strength in the last five years.

The team were at the forefront of the EB captive field, working with some of the first ever multinationals to start writing employee benefits business into a captive. And now, MAXIS works with more than 55 captives globally, including many of the world's largest

multinationals and seven of the ten largest companies (by market capitalisation) in the US.

50 appears to be a key metric when talking about captives with MAXIS. Ricardo Almeida, Head of Business Development explained, "More than 50% of our managed revenue is in our captive portfolio and that is roughly around 50% of the global market share of EB captive programmes. I think it's safe to say we're a global leader in the EB captive space and, most importantly, it's testament to the fact that our clients see us as a trusted, collaborative partner. We're here to help them shape their local employee benefits offering and deliver health and financial security to their people and their families, wherever they are, and they see that.

"We've seen huge growth in captive programmes over the last five years as our clients look for innovative and cost-effective ways to build their employee value proposition and finance their benefits plans. Now we're working with 55 captives globally and we expect this number to keep growing in the coming years - more and more multinationals

are seeing the advantages of the captive model and becoming centralised enough to capitalise on it."

Even as the trend of writing EB into a captive continues to grow, there's still proving to be plenty of value in the traditional multinational pooling business and in global underwriting programmes. Nicola Fordham, Head of Underwriting at MAXIS commented, "Multinationals have many options when they're looking to finance their global employee benefits. The advantages of a captive are hard to look past, but managing a captive requires a risk appetite, access to a lot of data and a high degree of centralisation. Many multinationals are still seeing real benefits in pooling and I speak to many employers who are looking at a global risk solution to get up-front pricing benefits."

Building partnerships around the world and leveraging a strong network

One of the key reasons for MAXIS' success has been the partnership approach taken with clients, brokers and consultants,

all with the end goal of finding the right solution - ones that allow the employer to offer the right benefits to their employees - and doesn't simply squeeze them into a product 'box'. As Ricardo Almeida says "employee benefits is a 'people industry' in every sense of the phrase - it's about providing for employees, and despite being a business-to-business industry, it's about forging strong, long-term relationships with the right people to get the best results."

Our AXA shareholders agree. Thomas Buberl, CEO AXA Group, said: "Employee benefits is at the crossroads of health and protection, two of our core business segments at AXA, and will continue to be one of the key focus areas for us going forward. By helping international corporations solve their employee benefits challenges, MAXIS GBN embodies our payer to partner strategy, working hand-in-hand with clients as a true partner."

An important part of being able to deliver global employee benefits is having a broad and strong network of local insurers (members). With around 140

insurance partners in over 120 markets, it's hard to deny the reach of the MAXIS network. David Watts, Director of Member Management at MAXIS said "Our network reach and close partnership with our local insurers is definitely one of our greatest strengths. They're leading insurers and experts in their own local markets, which is a huge differentiator for us as a leading global employee benefits network. "Our MetLife, AXA and independent network partners work closely with us at all levels of the business to ensure that we offer the best and most appropriate solutions to our clients and broker partners."

The growing importance of health and wellness

And it isn't just traditional employee benefits like life, accident and disability insurance that the MAXIS network members are experts in. Many are also experts in medical and health and wellness too, and as we are all aware, recently this has been more important than ever before. While employees expect ever more comprehensive,

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sophisticated and personalised wellness solutions from their employers, medical costs continue to outpace inflation. And this, inevitably, creates a headache on a local as well as a global level.

Employers increasingly want to provide access to the same high standards of care for their people, wherever they are in the world. The COVID-19 pandemic has only made this need more urgent. As Dr Leena Johns said "We've been well placed to help our multinational clients during the pandemic. Many were looking to implement - as quickly as possible - global telemedicine, employee assistance programmes (EAPs), mental health programmes, chronic disease management and musculoskeletal management solutions for their employees as the consequences of the pandemic and the lockdowns took a toll on healthcare delivery and patient wellbeing. Thankfully, through MAXIS Global Wellness, we were set up to respond and worked with dozens of employers to help them implement wellness solutions for their people globally."

€1bn+

Premium Volume

Double digit growth over the last 5 years

A leader in the market

MAXIS Global Wellness services launched in

88 countries with 19 multinational clients

50%+ of EB CAPTIVES work with MAXIS

2018

Launch of MAXIS Data & Digital Innovation Lab

60% Growth in MAXIS team over the last 5 years to support our global clients

Shaping the future is a real theme for the MAXIS business – after discussing the topic with network partners at its Global Forum in 2019, the phrase resonated with the business and stuck. So much so, it's now the name of the MAXIS strategy.

To shape the future, you need to be innovative. To do just that, MAXIS launched the Data & Digital Innovation Lab (DDIL) in 2018 – a cross-functional team exploring the possibilities for data and digital innovation within global EB and insurance. The group has been responsible for implementing a number of successful digital solutions to improve the service the business offers to clients, brokers and members.

And that hasn't gone unnoticed. Michel Khalaf, CEO of MetLife, said "The MAXIS GBN joint venture is a driving force for innovative solutions that meet the changing needs of our multinational clients. MAXIS extends our reach and helps MetLife deliver on our purpose of building a more confident future for customers virtually anywhere in the world."

So, what does the next five years (and beyond) look like for the MAXIS joint venture? While nobody knows exactly what the future holds – a lesson hard learnt over the 18+ months – the MAXIS team is confident they're perfectly placed to capitalise on the growing demand for global EB solutions and offer an ever more appropriate set of services to their multinational clients.

Mattieu Rouot said "I'm convinced – as are the shareholders – that we're in a great position to take advantage of a growing market, as more and more global companies look to actively manage the costs of their EB programmes by bringing more oversight and control to the centre."

There are still significant growth opportunities for MAXIS in the market. Less than 30% of international companies actively work with a global EB network. And, while there are around 7,000 captives worldwide, less than 150 are currently writing employee benefits business. Plus, there's a growing trend for some global giants to start a captive purely to manage EB risks.

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Not only that, but as medical costs continue to outpace inflation and employers need to offer better benefits packages to care for their people and win the war for talent, managing global EB programmes effectively, and often centrally, is only growing in importance. The opportunity for MAXIS is a tantalising one.

Mattieu continued, "We don't want to sit back and react to the market. We want to continue to be proactive, grow by design and shape the future of the employee benefits industry."

Providing benefits for the future of work

There are plenty of exciting trends for the DDIL team to get their teeth in to. At the beginning of 2020 MAXIS published its "future of work" whitepaper, looking ahead to the year 2045, building on the trends we were seeing to imagine what work and employee benefits might look like a quarter of a century from now. The paper looked at flexible working, the growing gig economy, the role of digital EB platforms, the future of healthcare and insurtech innovations.

One particularly important question facing multinationals is how they cater for the benefits needs of the gig economy and non-traditional workers

Many of the trends discussed – particularly around flexible working – have become reality much sooner than anyone could have predicted, largely thanks to the COVID-19 pandemic. And while employers have become accustomed to remote working, and flexible work patterns seem likely to be widely adopted, there's still a number of trends that look set to change the world of EB.

One particularly important question facing multinationals is how they cater for the benefits needs of the gig economy and non-traditional workers – especially in such an uncertain world.

"The gig economy is widely talked about in the media, but for us, the focus extends beyond taxi drivers getting work from app users and cycle couriers delivering takeaways. We refer to 'non-traditional workers' as anyone who sits outside of traditional full-time employment – whether they are an IT specialist contracting for global companies, a tradesperson or freelancer using an app to find relevant projects. This group is growing

rapidly as workers look for flexibility, control and fulfilment in their professional lives," Helga Viegas, Director of Digital & Innovation, who heads up the DDIL at MAXIS, said.

She continued, "This group of workers aren't normally eligible for benefits and can often be caught in a protection gap and left without fundamental coverage. Employers are starting to realise that they can attract the best talent and keep their non-traditional workers safe and happy by sponsoring protection and coverages that typically only traditional employees enjoy."

And this challenge is one that the MAXIS DDIL team is eager to be taking on. As Helga commented "We're currently working closely with clients, network members, digital technology providers and a number of other stakeholders to create a product that will allow multinational employers to provide benefits to their non-traditional workers and secure the long-term viability of this work. And that's just the beginning – there is so much more we want to do in this space. The future of work is exciting."

An exciting future awaits

The MAXIS joint venture is five years old and after an exciting period of growth that has seen the network become a market leader, nobody is resting on their laurels. The opportunity is clear: multinationals need a reliable EB network to help them provide the benefits that keep their workers – all of their workers – happy, healthy and productive.

And that isn't just for the present day – with the changing wants and needs of employees, the COVID-19 pandemic and rapidly evolving digital technologies in the mix, the future for the EB industry is an exciting one. MAXIS plans to continue its leadership role, further developing its traditional insurance solutions as well as its activities in the health and wellness space.

Mattieu Rouot summed it up nicely, "It's been fantastic to be part of the MAXIS journey so far – these first five years have been exciting and I can't wait for the next five years as we strive to be the easiest and most trusted network to partner with."

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