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R O U N D T A B L E



## HEALTH BENEFITS IN THE GREAT RETURN TO WORK

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# FORGING A NEW CONTRACT BETWEEN EMPLOYERS AND EMPLOYEES

**As the national return to the workplace rolls out, employers will need new strategies to meet the many new challenges that will emerge**

**John Greenwood**

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In times of national trauma, people value people. We saw it after World War II with the founding of the welfare state. And to a lesser but still significant extent we are seeing it today as we come to terms with what the pandemic has meant for us as a society.

People who may previously have been taken for granted - shop workers, bus drivers, Amazon delivery staff - have been a vital lifeline in this time of crisis, and our appreciation of what they do for us has grown.

While the state has also taken a role in supporting workers through this crisis, employers too appear to be looking to strengthen their bond with their workers, wanting to do more to protect their physical and mental health as the Great Return to Work rolls out. Unfortunately, this increased support will be needed. Employers, advisers and providers will need to develop new strategies to tackle the many mental and physical scars that will gradually emerge as we

return to whatever the new normal turns out to be.

Whether this new employee/employer relationship leads to an expansion of benefits to more staff will depend on the balance sheet of the organisation in question. Some employers will be looking to do more for less, while others will look to expand what they do for staff, strengthening their support as the NHS queues grow longer. Others will look to bring in lower cost benefits to a wider range of staff, acknowledging the valuable work that these groups of employees bring to their organisation.

Whatever the financial situation of an organisation, it will benefit from expert consultancy that makes the most of the open-minded flexible providers it partners with. That means better tailoring of benefits to the needs of the employer, driving personalised digital communications more effectively and using data analytics to accurately measure the impact of benefits.

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## HEALTH BENEFITS IN THE GREAT RETURN TO WORK

# ADAPTING TO THE NEW PATERNAL

As the Great Return to Work gathers pace, benefits packages must be flexible to the emerging health and wellbeing needs of post-pandemic workers. Luckily, employers want to help, hears **Emma Simon**

As the Covid pandemic recedes in the UK and the nation's workers commence a gradual return to on-site working, we can expect a renewed focus on corporate health and wellbeing benefits.

That was the view of delegates at a recent Corporate Adviser round table examining the Great Return to Work.

As workers emerge from their pandemic bunkers in the coming months, employers, advisers and providers will gradually understand the full impact of this remarkable period on the mental and physical health of their staff. Spiralling waiting lists mean treatment on the NHS will be harder to get, and an increased post-pandemic value placed on 'people' means we can expect a greater focus on health and wellbeing. Yet at the same time, many employers will be facing serious financial challenges and may be looking to trim their budgets.

Many insurance benefits and support services have been forced to adapt to a workforce that is largely working at home, so what changes will need to be made now this is changing again?

All delegates at the event agreed that the health challenges created by Covid and the enforced shift to home working had led to a renewed focus on employee wellbeing, and increased levels of paternalism from employers.

Barnett Waddingham senior wellbeing consultant Laura Matthews cautioned that this trend has not been universal, and argued there has been a varied response from employers. Some have provided very little support for staff beyond the government furlough scheme, while others have provided flexibility in terms of working hours, help with home working and a range of additional physical and mental health support.

"There are some organisations who did everything they possibly could to

understand what was going on from a personal perspective in the employee's life," said Matthews. "This includes their physical and mental wellbeing, and the wider family and financial situation, for example checking how parents were coping with childcare and home schooling arrangements."

## Employers doing more

This focus on wellbeing is likely to continue as many employers shift from remote to a combination of remote and on-site working.

Isio director Andrew Craig pointed out that this focus on wellbeing pre-dates the pandemic. "Many organisations have been taking employee wellbeing more seriously for a while. But the significant challenges created by Covid have certainly accelerated this process."

He pointed out that there are paternalistic companies that focus on wellbeing because they have 'strong values', while other organisations who implement robust health and wellbeing policies do so because they see the business benefits of doing so.

Whatever the motivation, how does this more paternalistic attitude affect the range of benefits that corporates might offer their employees in future?

There was considerable debate as to whether companies might expand or contract the range of health and wellbeing benefits offered.



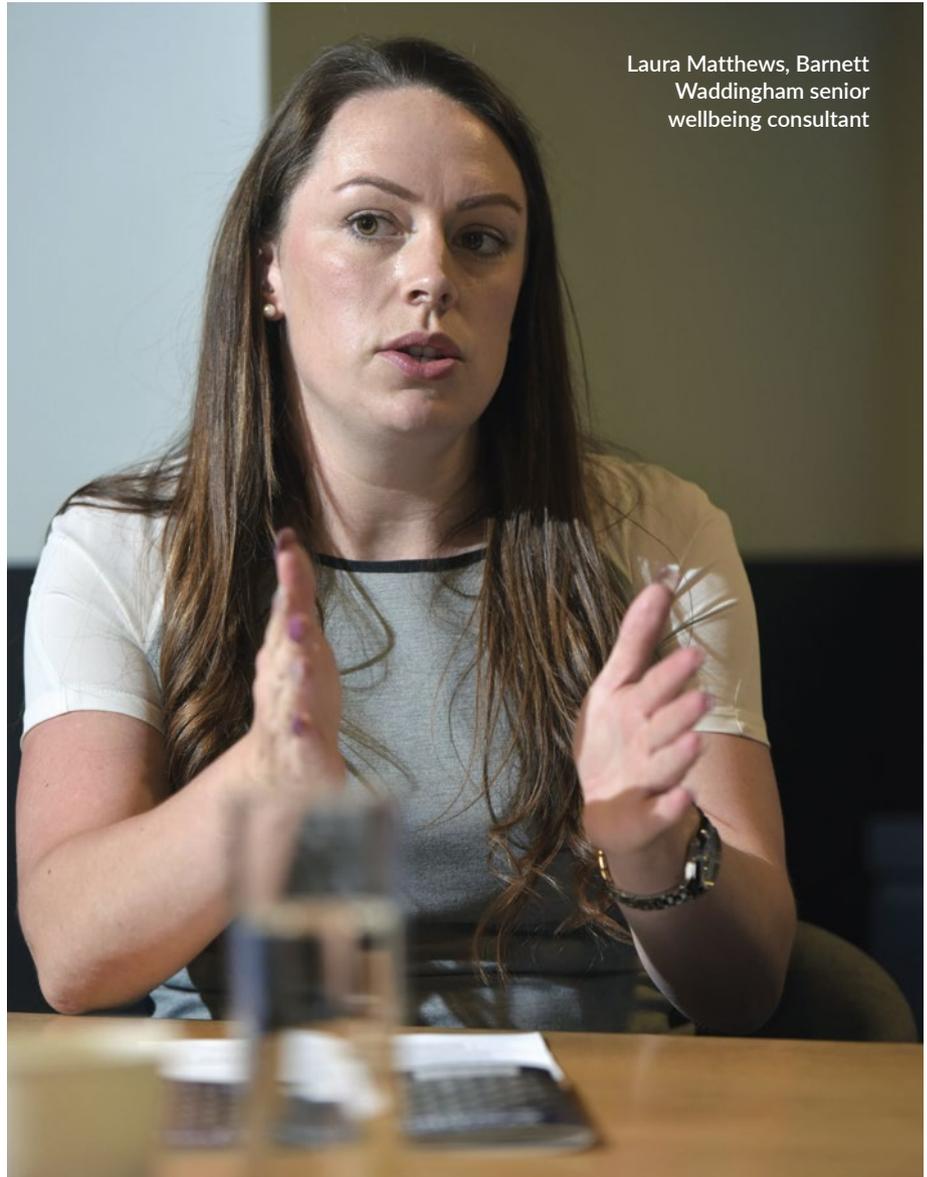
## Cost pressures

Matthews argued that one of the 'huge challenges' facing the industry is the need for some employers to tighten their belts.

Companies may be recognising the importance of looking after employees' wellbeing, but the lockdown has hit profit margins across many industries. And it isn't just corporate profits that are under strain. Many individuals have seen their household finances stretched as a result of reduced furlough pay and in some cases unemployment.

As Matthews pointed out, even those who have stayed in employment and have been able to work effectively from home may be less optimistic about pay-rises, bonus payment or promotions in the current economic climate.

This can have an impact on the type of benefits employers offer, or employees might select. For example, younger employees, who may be less likely to claim on a PMI policy, may be more inclined to decline this benefit, particularly as it is



Laura Matthews, Barnett Waddingham senior wellbeing consultant



taxed as a benefit-in-kind via P11D.

"PMI might not necessarily be seen as such an attractive benefit by a younger generation. They might see themselves as fit and healthy and less likely to claim."

This could have consequences for scheme pricing, she said, if it leaves an older cohort, who are more likely to claim. "This makes things difficult for the people who want to stay in the scheme, who could see prices rise. Organisations might have to calculate whether this a cost-worthy benefit, particularly if it is not being utilised by all employees."

WPA managing director of corporate schemes Brian Goodman said that given the problem with growing NHS waiting lists, he didn't envisage corporates or individuals ditching this benefit any time soon.

"From discussions we've had with private clients we've seen a big increase in

enquiries. I think people are looking at the NHS and are worried that if they need treatment it could be a long wait."

## Valued benefit

Despite cost pressures, there is evidence that that PMI remains a highly valued benefit within the corporate sector, with some employers looking to add or extend cover.

Matthews points out that this comes at a time when there can already be upwards pressure of corporate health premiums. "From a consultancy perspective we're already starting to have these conversations with insurers and clients."

She says there was a significant reduction in claims last year with private hospitals cancelling many treatments, and handing over resources to the NHS to help with the pandemic. ►



Andrew Craig,  
Isio director

"But we're already seeing increases come in, with premium rises on even well-performing schemes." She says this is due to a backlog of diagnostic tests and delays in treatment which is likely to lead to an increase in claims over the medium term.

Goodman said for corporates, PMI can be a cost-effective way to ensure employees get the treatment they need rapidly, and so can return to work more quickly. He adds that for a lot of people the benefit-in-kind tax looks like "pretty good value" for comprehensive healthcare cover.

There was widespread agreement though that there was a need for more flexible benefit packages, that can be tailored to an individual's needs.

### **Flexible approach**

Goodman said that he expects that tiered benefits options, offered by WPA, will start to be adopted by other providers.

"Should it just be a single rate for all employees, whether they are aged 25 or 60? This seems pretty inequitable. With this in mind we've introduced three tiered rates into our own healthcare scheme. We've also introduced a chronic benefit and ineligible benefit to cover this, which perhaps historically wouldn't have been covered on a PMI policy, for example women's health through pregnancy and childbirth.

"I think more organisations will be looking to cover this, as well as offering more mental health support." This, he said, is likely to result in a more valued employee benefit.

Delegates also suggest that lower cost solutions -- such as cash plans -- may become more prevalent.

Mercer client strategy leader Emma Bassett said the industry has transitioned from a 'standard and restricted core benefit package' that was commonplace 10 or 15 years ago. She added: "This was replaced by more flexible benefit packages about



five years ago, with 'wellbeing' starting to become a buzzword."

Things have evolved again, she says, and today employees don't just assess benefits in terms of value for money. "They are looking at how these will improve certain aspects of their lives or their lifestyle. Benefits are content, education, support, and sharing knowledge that can help nutrition, physical health and mental wellbeing."

### **Lifestyle impact**

This broader approach will encompass a far wider range of benefits, from traditional 'financial products' and added-value support services.

HealthHero commercial director David Jennings said companies need to think more holistically as to what employees value as 'benefits'.

"We've continued to see the evolution of what people need and expect from a

corporate benefits package. We are not yet fully out of the pandemic yet, but I would expect in a post-lockdown world, there will be a sizeable shift in the way people consider corporate benefits."

Bassett agreed that the way organisations and individuals view employees benefits is changing. "Reward and recognition are key," she said. This is obviously reflected in pay and promotion packages as well as traditional employee benefits - be it pensions or healthcare, which have a clear financial value.

But she added that there are other 'softer' benefits which have come to the fore in the pandemic, many of which can improve an individual's wellbeing. This could be flexibility around working hours, effective feedback and support for employees, or simply proper recognition -- simply saying thank you for example -- for work done under often difficult circumstances.

Brian Goodman,  
WPA managing director  
of corporate schemes

specialist help with the range of potential symptoms. Again this can ensure more timely intervention, reducing the likelihood of long-term absenteeism.

Craig agreed that there is likely to be significantly higher demand for benefits that offer additional mental health support. "There may be benefits that have offered this previously, but I think people will now have more of an appreciation of the value of these services.

"I think there's also the opportunity to review current benefit packages, look at what is available, and whether it works, and whether there is the opportunity to refine it in any way."

Jennings pointed out that there is still the issue of stigma around mental health problems and this should be a priority for managers in the workplace to ensure this issue is effectively addressed.

### Post-Covid productivity

He added: "The Covid pandemic may mean we look at issues of productivity and presenteeism through a different lens. Productivity is a difficult one: the lockdown has meant many employees are a lot more productive - for example they are not having to commute, or travel to a different town for a client meeting.

"In terms of outcomes a 45-minute call may be more productive than a train trip to London for a meeting. But if you ask an employee how they feel about 'productive' back-to-back zoom meetings they may not feel great about it at all, and in fact this may be counter-productive. We need to be aware of that.

"Similarly, there is a lot of talk about presenteeism. But there needs to be a conversation with employees. Do they feel engaged and present, or part of the conversation again with their employers when they are working remotely?"

If companies are looking to put wellbeing at the heart of their employee benefit packages post lockdown he says it is important to consider these issues.

However the panel agreed that it may still be some time before employers, consultants and insurers fully understand what this 'new normal' will entail.

2021 will continue to be a period of change: for insurers, consultants and employers as they try to understand the impact the pandemic has had on working patterns and lifestyle, and how this affects both organisations and individuals.

It is important that employee benefits continue to be flexible and adaptable to support both employees and employer's corporate purpose. ■

Jennings termed this the 'Google-effect'. He said for employees a combination of the benefit package and the corporate culture can help with both recruitment and retention – a key aim of any employee benefit policy. Jennings added that given high rates of unemployment, there may be higher levels of job satisfaction at present from those grateful to still be in work.

Employee benefit packages will need to be more flexible in future to cater to the varying needs of different employees. But they also need to be robust enough to deal with the specific issues created by the Covid pandemic.

### Mental health crisis

Basset said one of the biggest health and wellbeing issues to emerge in the wake of Covid is the mental health crisis. She says many mental health issues have been exacerbated by a range of Covid-related issue, from financial worries, to losing a

loved one or anxiety about an individual's own health and wellbeing.

She pointed out that anxiety is also a key symptom of Long Covid. "There are a lot of people who have said previously that they are not an anxious person but this has changed with the long-term effects of Covid."

In terms of wellbeing she said companies need to look at how they manage this, and how the effects will vary across a group of employees. Some may be keen to return to the office, others less so.

She said: "Data is important here, to try and identify where people are having problems and put in place measures to support them. It goes back to how employees are feeling. This may be seen as 'fluffy' stuff but it is a really fundamental part of any comprehensive wellbeing package."

Many health and group risk benefits are starting to address Long Covid, putting in place pathways for employees to seek



It's time to recognise that everyone is different and things have changed.

At WPA we use a data led approach, working closely with advisors, to build health and wellness solutions that fulfil the needs of companies and their employees.

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# DATA – THE KEY TO BUILDING BENEFITS BACK BETTER

Cash-strapped employers will want more from their benefits programme for less. Data and communication are the key to giving them what they want, hears **Emma Simon**

The coronavirus pandemic may have resulted in a re-energised focus on health and wellbeing, but the economic consequences of the lockdown have put pressure on some companies' ability to provide comprehensive employee benefits. As a result many corporates are looking to deliver 'more for less' when it comes to a full range of health and wellbeing benefits.

Consultants and insurers attending a recent Corporate Adviser virtual roundtable agreed that the employee benefits industry needs to adapt to this new reality as companies across the UK return to on-site working.

But many delegates said that rather than re-visiting the menu of benefits offered, it may be more effective to look at how these various benefits are delivered. This could

help deliver 'more' for both employers and employees, without increasing costs.

Isio director Andrew Craig said there is a need for better integration of the range of employee benefits that are now offered, and argued this is a particular challenge for many larger corporate clients.

He said: "The particular challenge is the integration of wellbeing with other employee benefits. Historically, particularly in bigger organisations, wellbeing and benefits are divided and sit in very different parts of the HR function."

### Better integration

Those on the panel agreed that a more integrated approach could result in far better engagement with the products and services already offered, delivering value for both the employee and employer.



Craig reported that one of the most common complaints he hears from employers is that they offer an excellent package of benefits but they are rarely used by employees.

"It's not about tweaking the design of these benefits. The challenge is how to help employees understand and engage with what is already there. Historically I think we probably haven't done very well on this as an industry," he said.

This will become ever more important he added, as the industry shifts towards



more flexible or tailored benefits, which he said could create more complexity and potentially lead to even less engagement.

Mercer client strategy leader Emma Bassett said it was crucial to get the communications right around employee benefits in order to address this issue.

"Effective communications is often the missing piece to the puzzle. In my mind there's no point in investing in consulting, or new technology, or a wider range of employee benefits without a proper communications strategy. Without this

corporate are wasting their money as engagement is likely to be low."

Barnett Waddingham senior wellbeing consultant Laura Matthews agreed, and says organisations need to be "smarter" about the way they offer employee benefits.

"It is about communicating the benefit to the employee. It's not just about promoting a confidential telephone counselling line, but communicating how this could help employees, what issues could be discussed and when and how employees can access this service."

She said both employers and employees need help navigating their way through the ever-growing web of benefit options and support services. "I think organisations sometimes need to take a step back and look at the range of core benefits and ancillary services."

She argued organisations need to think about what services would be particularly valued by employees and how best to promote them.

Effective use of data can help support these strategies, she said. At its most ►



Emma Bassett, Mercer  
client strategy leader

basic level this can give consultants, and corporate, a better idea of which services are being used and by whom. For example are older or younger employees accessing certain benefits.

### **Data analytics**

WPA managing director, major corporate schemes, Brian Goodman said that data analytics can be a critical tool in supporting engagement and ensuring health and wellbeing benefits are relevant for staff.

"It's important that corporates measure and analyse the information they have, whether it relates to sickness and absence or other issues."

He pointed to the Health and Safety Executive report from November last year found that there were 480,000 workers suffering from MSK (Musculo-skeletal) injuries last year, of which 152,000 were

new cases, having significant ramifications in terms of days lost through sickness and increased costs for business.

"By delving down into the data it is possible to create strategies that address these issues and can reduce the problem and help people more effectively."

Craig agreed that effective data analysis is an important part of any benefits strategy. "It about setting objectives about what you want to achieve and understanding how you are going to measure and manage these. I'm not sure that's something that has been done well in the past."

Bassett supported this view, and said effective data management is particularly important for organisations offering more flexibility around working from home post-lockdown. "Data is the golden nugget. It can help with engagement and



communication. It also helps create a sense of control for organisations and helps them meet some of the issues created by employees working from home."

As she pointed out, organisations want to know what employees are doing, and whether they are being productive. "Usually in a workplace they will be able to see this for themselves, but out of necessity organisations have had to give employees more freedom and lose a bit of this control. But effective data management can help them understand not only what employees are doing, but by looking at data points to do with wellbeing this can also show how they are coping on a whole range of issues." This, she said, can be important in helping create a healthy and productive workforce.

### **Digital demand**

One direct consequence of the pandemic



David Jennings,  
HealthHero  
commercial director

has been the rollout and rapid take up of a whole range of digital services that have been used to deliver different health and wellbeing benefits. These services are also helping to generate more data, to further improve employee benefits.

HealthHero commercial director David Jennings said his organisation had seen a “significant spike in digital demand” since the start of pandemic. Some of these services were available prior to the start of 2020, but there was often a reluctance to use them, he said. This changed though with the closure of many primary healthcare services, such as GP services, for face-to-face appointments.

“This is a change that is here to stay as its been embraced by consumers, corporates, insurance partners, clinicians and GPs. They have adapted to and adopted these new digital services which will definitely be

part of the ‘new normal’”, he said.

Jennings added that it is the combination of digital convenience with human expertise that has been behind the success of many of these services. Mobile apps and online consultations help facilitate easier access to a range of specialists, be they physiotherapists, mental health specialists or GPs.

Goodman said that many of these services have proved to “very robust” and even when primary services open up more widely there is still likely to be demand for these remote services used as an additional convenient alternative.

#### Future benefits

Those attending the event agreed that while digital capability and effective use of data will be increasingly important, it is still potentially too early to say what the long

term effects of this last year will be on the employee benefits sector.

Craig said: “Over the last 12 months it’s been about surviving lockdown, and putting certain systems in place to facilitate this.

“With a lot of organisations, and certainly within our own, the focus has been on working from home, and in terms of wellbeing the focus has been on issues like social connection, inclusion and engagement.

“As organisations start to move back into on-site working it’s difficult to predict what comes next. This though is where data can become really critical. As we move into the next stage it needs to be an iterative process, where we provide some initial guardrails which give a broad framework and then start to collect feedback to see how organisations need to adapt.

“This is a journey we all need to go on together, but data is absolutely critical within that process.”

Jennings argued a key part of this is ensure a holistic approach is taken, which combines communications, data management, technology with a relevant benefits packages.

“Sometimes when I look at the benefits packages that are being offered today I’m reminded of watching five-year olds play football,” said Jennings. “The kids are all running about the pitch but are not integrated at all, they don’t understand they all have different roles to play.

“Many firms might have 10 different benefit propositions that are all trying to do the same thing.” He said greater clarity can lead to more effective communications and result in higher levels of engagement.

As the pandemic subsides there is an opportunity for corporates to look against at their health and wellbeing benefits to ensuring they are supporting staff effectively and so delivering a return on investment for employers. ■

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## OPINION

## PURPOSE

» Mark Southern commercial director, WPA



Not too many years ago, company healthcare schemes were reserved for senior managers and their families; the private health sector was centered around secondary care – consultations with specialists and treatment.

Things have gradually changed over the last few years with the introduction of well-being schemes, however, Coronavirus has supercharged the pace of change. Changes that were happening at walking pace are now moving at the speed of sound, in relative terms, as a result of the issues faced by the UK workforce. Working from home has developed a plethora of musculoskeletal issues, and the stresses and strains of uncertainty, home schooling and eight hours of back to back Zoom meetings are having a significant impact on the nation's mental health.

Therefore, we keep asking ourselves: Are the healthcare schemes of pre-pandemic UK still fit for purpose?

Purpose is the key word in this question – defined as *'the reason for which something is done or created or for which something exists'*. To understand if healthcare schemes are still fit for purpose, we should really have a very defined view of what that purpose is, and more importantly, has the Pandemic shifted the purpose of healthcare schemes?

Let's just take one example. Often, it's only certain employee grades that qualify for corporate healthcare benefits, probably because there was a commonly held belief that the higher-grade employees were more integral to a business' success. Has that view now changed? How many companies would successfully operate if only the managers were able to work? Who would answer the phones or operate the machines? Perhaps a corner has been turned, where the importance of good healthcare throughout an organisation is recognised, rather than being just for the lucky few?

Of course, it's easy to propose widening a scheme to include everyone, but slightly more

difficult to fund it. Well, here again purpose is important – mixed with an understanding of value. The blend of benefits a scheme includes should vary according to purpose. Is the purpose to help employees overcome NHS waiting lists by accessing speedy private treatment or is prevention equally, or more important? What do the employees value? Has anyone ever asked them what they want, and is there an understanding that different

Opening a scheme up to the wider work force doesn't have to be come with significantly higher costs if the benefit structure is tuned to meet a defined purpose

people in different stages of life have different priorities and needs? For example – the needs and values of someone in their mid-forties is very different to someone in their mid-twenties.

Data can help to answer some of these questions. By analysing what benefits are used regularly by different age groups and genders, it goes some way to building an understanding of what different groups value and what they don't. Overlay the analysis with some carefully crafted surveys and the picture comes into even sharper focus.

Opening a scheme up to the wider work force doesn't have to be come with significantly higher costs if the benefit structure is tuned to meet a defined purpose. Implemented correctly, a tailored benefit structure including primary care, secondary

care, wellness and prevention, underpinned by technology to allow convenient access, can result in significant productivity gains which offset any additional cost.

At WPA, we work closely with advisors and companies to get a true picture of what is valued and what isn't. Our Precision Analytics platform allows companies to gain a detailed insight into their healthcare schemes. Our systems are flexible enough to allow for multiple levels of tiered benefits so that the structure of a scheme can meet the purpose, and our highly trained and experienced Relationship Managers are there to help and advise every step of the way. ■



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