

Closing the wellbeing gap:

Exploring the interaction between work, health & wellbeing

A joint research report by Hymans Robertson & yulife

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Introduction

Why, where, and how we work is changing. On the face of it work is a means to an end. We work to support our financial wellbeing, often it seems, at the expense of our mental and physical wellbeing. Where we work is now as much determined by digital access as it was in the past by raw materials, physical infrastructure and where customers are located. In a culture of 24/7 immediate access the traditional parameters dividing work from home have all but disappeared for many.

The work we do has long been recognised as a major contributor to our health and wellbeing, so much so that our work or occupation has been used by insurers as a rating factor to assess the risk of illness for over 100 years. But to what extent do people perceive work is currently impacting their health and wellbeing?

In this report we explore the interaction between work, health and wellbeing. We examine how the world of work is changing, exploring inter-generational differences, and the growth of the gig economy. We understand people's attitudes to work, its relationship with their health and wellbeing, and the key drivers of financial, mental, social and physical wellbeing. Finally we consider what role employers and insurers can play in closing the wellbeing gap.

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Key findings

While it's well recognised that work is important to health and wellbeing, our research¹ highlights just how important wellbeing is to employees, with 53% saying they would always choose an employer which positively contributes to their wellbeing, even if it meant earning less money.

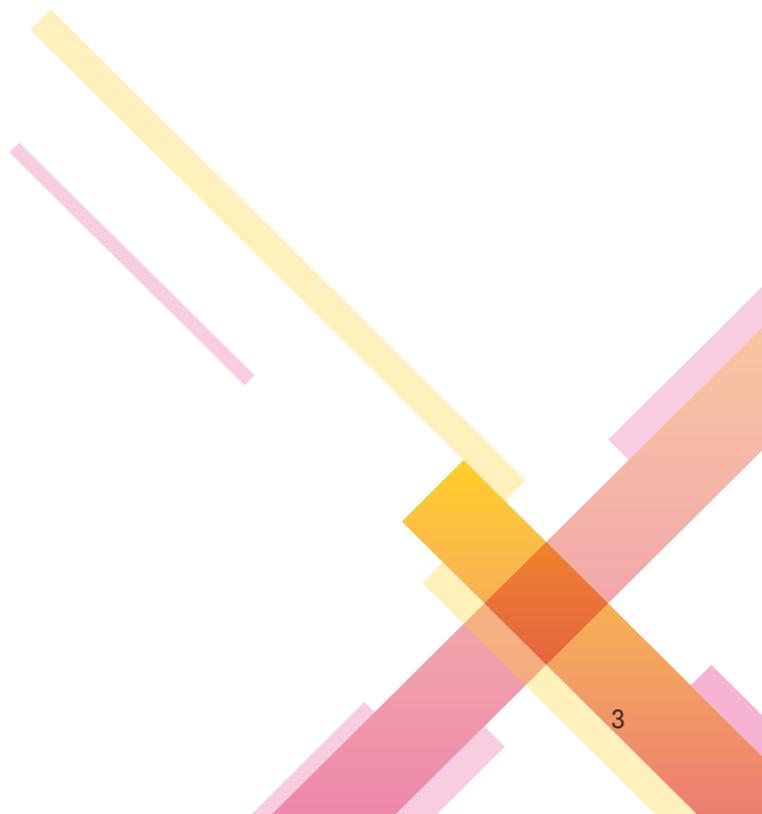
Satisfaction with work, strong social relationships and a truly flexible working environment are identified as having the biggest positive impacts on wellbeing at work. While for some, work is clearly having a negative impact on their wellbeing, with 21% of people dreading going to work, in the most part work has an overall positive impact on people's sense of wellbeing.

However, our research reveals that work can make a much greater positive contribution to wellbeing than it does today. We identify a work-wellbeing gap – defined as the difference between how important work in general is to people's wellbeing and the extent to which their current role is actually having a positive impact on their wellbeing. We find the greatest gap is for physical wellbeing (39%), with the smallest gap observed for financial wellbeing (26%).

We find that technology is contributing in many positive ways to the way we work. For example, the majority of people are now enjoying the flexibility of working from home at least occasionally, thanks to technology. Technology is also spurring the growth of the gig economy – giving people more control over when and where they work. However technology is not without drawbacks. It has created an increased blurring of the lines between work and the rest of our life. In fact, less than half of people say they are getting the right balance between work and life outside of work. Technology is also identified as a threat to jobs, creating an expectation amongst millennials in particular that they will need to re-train in the future.

The fact that wellbeing is so important to employees, and that there is a significant work-wellbeing gap, suggests that it should be high on the agenda of employers if it isn't already. If they get it right it will mean attracting and retaining the best talent, as well as ensuring a healthier workforce that drives higher productivity. To achieve this employers will clearly need to find better ways of understanding and supporting employees.

Changes in the work we do mean the risks faced by insurers are also changing. It means insurers will need to find new ways to assess risk and design products to protect employees and individuals. Insurers could innovate by using wellbeing itself to act as a proxy for health when assessing risk in the future. The emphasis placed on wellbeing by people shows wellbeing can also provide a way to engage with customers more effectively and even manage risk proactively.



The changing world of work

What we do at work: More thinking, less doing

The nature of work in the UK has changed dramatically over the past 20 years. There has been a marked shift from manufacturing into the service economy. Statistics from the Office of National Statistics², show that just 8% of the workforce is now engaged in the manufacturing sector, which is half of the 15% that it was 20 years ago. This has been driven by a lot of manufacturing shifting overseas, to help save costs and increase efficiency. It also corresponds with a drive by the government in the late 1990's to target 50% of young adults going into higher education, recognising the expected growth of the service sector. Over the last 20 years the number of young adults in higher education has grown from 25% to 33%. It marks a significant shift in the skills of the UK workforce, helping it become a leading knowledge & service based economy. With this shift the nature of work has become defined by ideas and interacting with people, rather than hard manual labour. While this has meant less physically strenuous activities, it has brought with it different pressures that are more emotional than physical in nature. Stress for example is a relatively modern concept.

How we work: Growing autonomy and flexibility

The service economy has brought with it more autonomy for individuals, with many more people working for themselves. In fact 4.8m² are now working for themselves, which is an increase of 40% over the last 20 years. For many working in the gig economy it has provided the ability to decide when and where they work. For those who are contracting, they have also enjoyed more say on what they do. This sense of autonomy and flexibility has given individuals more control, in effect helping them become their own boss.

Being your own boss is not without stresses though. The worry of if and when the next job may come along, and the need to think about your own provisions for pensions, healthcare and protection needs, can by itself be unappealing for many.

While there are a growing number of people working for themselves, the majority of the working population continue to be employed by others. However, even in the workplace many roles are providing greater autonomy and flexibility, with 14%³ of those in employment now either mainly working from home or based from home. Our own research shows that 53%¹ of all people work from home occasionally or regularly.

There has also been a shift in the number of hours worked with the average hours worked per week falling about 5% over the past 20 years from 33.2 hours in 1998 to 31.8 hours in 2018². A significant part of this shift has come from an increase in the proportion of people working part time. This in itself has likely been driven by firms cutting back hours rather than making redundancies. A push to encourage more women back into the workforce may also be another driver. Finally, the increase in the proportion of over 65s working, often in a part time capacity, to either supplement their income or simply remain active, has likely been another driver. In fact, the number of over 65s who are economically active has increased significantly from 5% of the over 65 population to 11% over the past 20 years².

Percentage of workers who agree technology could make their role redundant in the future¹



Demand for flexible working is something that is expected to increase in the future. One cause will be the expected increase in the need for people to provide unpaid care to elderly parents. Currently there are 6.5m carers in the UK providing care worth an estimated £57bn–£100bn per year⁴, and this number is expected to grow in the years ahead as the population ages.

Looking to the future, technology will continue to change the way we work. We have seen it is already supporting greater flexibility in the way we work, but it also threatens to replace some jobs completely. Our research¹ shows that 23% of people are worried about technology making their current role redundant in the future, with millennials and gig workers particularly aware of the threat technology can pose to the work they currently do.

Life after work: The end of retirement as we know it?

Retirement is a relatively recent concept that grew following the introduction of an old age pension for those aged over 70 in 1909. Originally the old age pension recognised that for these older livers, they may be of poor health and unable to work. This introduced the idea that after reaching a certain age we would all stop work entirely. Since then the state pension age has changed, reducing to 65 where it stayed from 1945 until a very recent increase to 66/67 for those currently retiring. During this time there has been a significant improvement in life expectancy, so much so that the expected average retirement length for those retiring at 65 has almost doubled according to our analysis – from 8.6 years for a 16 year old entering the workforce in 1948 to 16 years for a 16 year old entering in 2013.

Percentage of workers who think they will have a number of different jobs in their working life¹

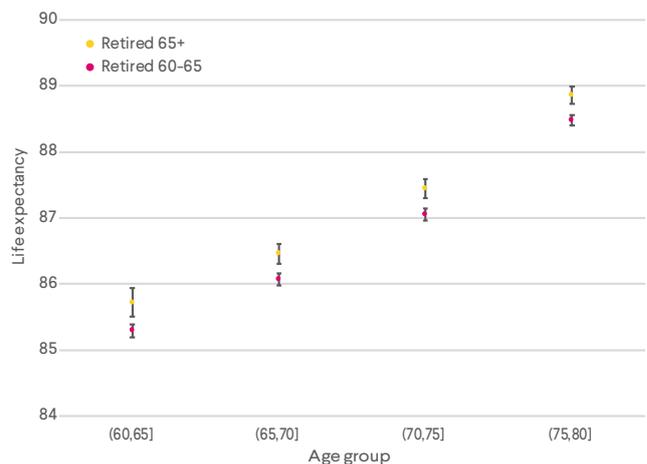


This could mean spending 25% of our life in retirement rather than 16% in the past, unless we start retiring later. What's more, a lot of this time is spent in good health, allowing people to travel, take up new hobbies etc. With an increasing amount of time spent in retirement, the cost of funding it has grown. For younger generations who are faced with student loans, high house prices and less generous pensions, the prospect of retiring at 66/67 on a comfortable income seems further out of reach. Instead, our perception of retirement is changing. Already those at retirement are phasing their way into retirement, gradually reducing the number of hours worked. For younger generations, the concept of retirement may well change completely and become more blurred. Instead of waiting until their 60s, 70s or even 80s before they stop work, people expect to take a series of career breaks throughout their life, punctuating several different careers.

In fact, 65%¹ of millennials think they will have a number of different jobs in their life, with 52% of them expecting to have to re-train, and 60% expecting to take time out of their working life to do other things like bring up a family or go travelling.

Whatever retirement does look like, we know that working beyond traditional retirement ages can have benefits beyond purely financial ones. Work can provide social interaction, a way to keep active and an overall sense of purpose. Our analysis from Club Vita (below) shows that those who retire after 65 live longer lives. So not only is working longer beneficial financially, it can also be beneficial in health terms too.

Life expectancy by retirement age



The importance of wellbeing at work

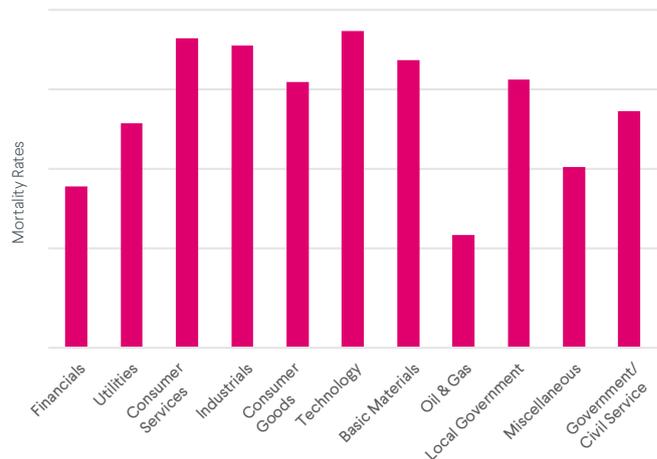
It is easy to dismiss wellbeing as a nice to have at work with no real tangible value. However our research shows that 53% of all people would always choose an employer which positively contributes to their mental, physical, social and financial wellbeing even if it meant earning less money. While there were some differences between generations and the way in which people worked, there is a consistently high emphasis placed on wellbeing in the workplace.

The impact of work on our health and wellbeing is also well recognised. In a study of self-reported illness, between 2 and 3 million employees in the UK report an illness caused by or made worse by work, leading to 3.3 million working days lost⁵. In this section we look at some of the key ways work can affect our wellbeing.

Links between specific jobs and wellbeing

It has long been understood that certain types of work have an increased risk of injury, disease or exposure to harmful substances. Insights from Club Vita also highlight a clear correlation between industry and mortality, with manufacturing roles having much higher mortality than less manual roles.

Relative age-standardised mortality rate by industry for males (2000-2017)



Looking at changes in these patterns, improvements in health and safety standards and a reduction in manufacturing roles have helped to reduce many work related risks, but some remain. We know for example that exposure to health hazards from roles in manufacturing, construction and agriculture cause about 4% of cancers in the UK⁶. However, as we see a shift in the work we do, and an increase in sedentary office based jobs, we can also expect to see this impact our wellbeing, with an increase in lifestyle and stress related conditions over time.

Percentage of workers who would always choose an employer which positively contributes to all aspects of their wellbeing even if it means earning less money¹



Percentage of people who say they dread going to work¹



How work contributes to our overall wellbeing

Aside from specific roles and industries having a known impact on wellbeing, all forms of work can impact wellbeing in different ways. For many people, going to work is also something they dread. In fact 21% of all people say they dread going to work, with millennials and gig workers reporting the highest figures.

It's not all doom and gloom though, with the majority of people reporting that work makes a significant positive contribution to their wellbeing. To consider this in more detail it is useful to think about wellbeing by breaking it down into various strands, including:



Financial



Mental



Social



Physical

The Work-Wellbeing Gap

To understand how much work impacts these various pillars of wellbeing, we asked people for each of these pillars; how important work in general is to their wellbeing.

The results show that work in general is most important for their financial wellbeing – which is not that surprising given the importance of earning money for most people. However, mental, social and physical wellbeing were not far behind.

We then asked to what extent their current role was positively contributing to each wellness pillar, and here we saw a gap emerge. 70% thought their current role was having a positive impact on their financial wellbeing – behind the 96% who said work in general is important to their financial wellbeing. Creating a work-wellbeing gap of 26% where their current role was perhaps not delivering on their financial wellbeing.



People also said their current role was having a positive impact on their mental (58%) and social (56%) wellbeing, with only half saying it had a positive impact on their physical wellbeing. This suggests there is more to do in improving mental, social and physical wellbeing especially. When we also compare this to the impact people said work could have in these areas, then the work-wellbeing gap was 36%, 34% and 39% respectively. Highlighting that the largest work wellbeing gap was for physical wellbeing. This points to physical wellbeing as an important starting point when it comes to improving overall wellbeing in the workplace.

When it comes to what people say has the greatest impact on their feeling of wellbeing at work, job satisfaction came out as the most significant. Interestingly social interactions also ranked highly, closely followed by the ability to work flexibly. Having flexibility most likely adds to the sense of being in control at work. Importantly it also ranks higher than the amount of holiday allowance, which so often is the focus for many benefit packages at work.



Understanding the drivers of wellbeing

To understand in detail how the way work can impact our wellbeing, in this section we first look at the drivers of financial wellbeing. We then consider the merits of using the four themes of Relax, Eat, Move and Sleep to create a balanced approach to tackling mental, social and physical wellbeing.

Financial wellbeing

The wage or salary we receive from working is clearly one of the biggest motivations to work. However, money remains the second biggest cause of stress for people in the UK⁸, after work itself. And it's no wonder, the challenges of dealing with money are more complex than ever. Whether borrowing to move up the property ladder, saving for retirement or just trying to make ends meet, money is impacting people's lives and it is impacting their working life too.

We know that simply paying a wage or a salary does not magically remove all financial worries. Our research shows that just less than half (49%) say work allows them to live life without substantial financial worries, so businesses are seeking other ways to improve the financial wellbeing of their people. In fact, 60% of businesses want to embrace helping employees with financial wellbeing if they can get clear guidance on what to do⁹.

A successful financial wellbeing programme first addresses people's needs, challenges and aspirations. As a starting point, this understanding allows employers to put together a flexible reward package which meets those needs. However, reward packages tend to focus on people following a well-trodden life pattern and they tend to make assumptions about what is important to people based on their age, wage or stage of life. Whilst this might be true for many people, it's not true for everyone and so a well-constructed and flexible reward package alone doesn't take account of people's beliefs, life experiences, behaviours or their hopes and dreams for the future. Critically, it's these factors which really drive us when choosing where we work, what motivates us to come to work every day and of course how we spend our money. It's these factors which are the key to achieving wellbeing in our finances.

At £26bn per year, the equivalent of £1,035 for every employee⁷, the financial cost of mental ill health alone to British business is significant. It therefore makes business sense for companies and organisations to empower their people to maintain and improve their wellbeing.

"A man always has two reasons for doing anything: A good reason and the real reason."

J. P. Morgan

So, we would advocate a financial wellbeing programme which:

- Provides a range of benefits to cover people's day to day needs, helps them protect themselves and their families and helps them plan for their future
- Helps people navigate the day to day challenges of understanding their choices and managing their money through digital tools and other at work learning opportunities
- Empowers people to better understand why they make the choices around money that they do
- Doesn't seek to judge, nor prescribe the 'right financial choices'
- Motivates and helps people set the right goals for them
- Can be a trusted partner for the long term

This can be achieved through a fun and engaging financial wellbeing communication programme delivered through the employer or insurer directly as part of their value proposition.

By doing this, companies are providing their people with the right financial wellbeing input at the right time, and they will build up an ongoing trusted conversation with their people about money.



Judith Groves
like minds

Relax

The World Health Organisation tells us that stress is the health epidemic of the 21st Century. Stress accounts for 35% of all work-related ill health cases and 43% of all working days lost due to ill health¹⁰. Stress can lead to a number of health conditions. Often related to working long hours, it is known that the risk of a stroke rises by a third for those working more than 55 hours a week for example¹¹.

With the traditional parameters dividing work from home all but disappeared it is difficult to achieve balance. Our research shows that less than half of working people think they have the right balance between work and their life outside of work with millennials and gig workers least likely to think they've got the balance right.

How long we spend working is a key determinant to achieving balance. On the face of it we still live a 9 to 5 working culture with 31% of working people saying that they typically work between 36 and 40 hours per week. Scratch beneath the surface though and another story emerges. For 1 in 5 working people their regular working week is more than 40 hours. 7 out of 10 working people admit to working longer than their contracted hours, with 1 in 5 frequently doing so and just under 1 in 10 (8%) admitting to doing it on a daily basis. For just under a third the reasons for putting in these additional hours is a mixture of personal choice and because they feel they have to.

Percentage of workers who work more than contracted hours¹



From the moment we open our eyes it's all go! Little surprise therefore that for many of us the thought of taking time out at work to be mindful is difficult to visualise. However, allowing people time every day to relax, be still and show gratitude is as important as encouraging people to be active and eat well. Not only does it re-energise people, it helps them focus, compartmentalise and prioritise, all of which are useful skills. In addition, it can help reduce emotional exhaustion and increase job satisfaction which is good for everyone.

Percentage of people saying they have the right balance between work and life outside of work¹



Sleep

Of all the healthy behaviours companies and organisations should encourage people to adopt, a good night's sleep is perhaps the hardest. After all, with a few exceptions the last thing most people are encouraged to do at work is sleep on the job. Yet sleep is as critical a bodily function as relaxing, eating well and exercising regularly.

Encouraging a good night's sleep brings benefits for both individuals (e.g. more concentration and less stress) and their employers (e.g. higher engagement and productivity)

The price for not encouraging a good night's sleep is the estimated £40bn¹² per year lost to sleep deprivation.

Percentage of workers getting less than the recommended 7 hours sleep per night¹



Our research reveals that on average a third of workers sleep for less than the recommended 7 hours per night. Little wonder, therefore, that a staggering 55% of workers don't think they are getting enough sleep, with generation X's most likely to admit to getting a lot less sleep than they need.

One detrimental thing anyone can do an hour or two before bed is look at their smartphone or tablet. The blue light these devices emit is the same wavelength as the sun and dupes our bodies and our brains in to thinking it's still daytime. The same applies for TV and its now recommended that people stop watching TV 30 minutes before going to bed, and that they definitely don't watch it in bed.

For the majority of working Brits this is a hard habit to break. Over half (54%) admit that they don't actively avoid using or watching an electronic screen in the evening before going to bed. Little surprise really when over two thirds admit to watching TV to relax. Encouragingly, over a fifth of workers say they actively try to avoid using or watching an electronic screen in the evening before going to bed, with millennials not only most likely to do so but also most likely to avoid these screens all evening.

Percentage of workers who actively avoid using or watching an electronic screen in the evening before going to bed¹

	All	Baby boomers	Generation X	Millennials
All evening	8%	4%	6%	14%
Up to a couple of hours before going to bed	15%	15%	14%	15%
Total	23%	19%	20%	29%

Percentage of workers doing at least 30 minutes physical activity at work everyday¹



Eat

Clearly there's potential for work to positively influence what, how and when we eat. After all we consume approximately a third of our daily calorie intake at work. There are a number of benefits of helping people eat healthily such as more energy and a reduced risk of illness.

Ironically, today's busy employees often lack the time and motivation to give a second thought to healthy eating on top of their pressing work duties and responsibilities. Therefore, for employers it is as important to facilitate healthy eating by, for example, providing time and space for people to eat well than it is to provide healthy food.

Move

The benefits of physical activity are well documented. Amongst other things, regular physical activity can help lower the risk of major illnesses, such as heart disease, stroke, type 2 diabetes and cancer by up to 50% and lower their overall risk of early death by up to 30%¹³. For employers the benefits of encouraging their people is that in general physically active people take 27% less time off sick than their inactive colleagues¹⁴.

The good news is physical activity is free, you don't need a GP to prescribe it and you don't need to be an athlete to be physically active. For people of working age, the current guidelines for physical activity are:

1

at least **150** minutes of moderate aerobic activity such as cycling or brisk walking every week **and**

2

strength exercises on **2 or more** days a week that work all the major muscles (legs, hips, back, abdomen, chest, shoulders and arms)

One way employees can achieve their 150 minutes of weekly physical activity is to do 30 minutes on 5 days every week. In theory work is an ideal place to achieve this goal. The good news is that disregarding exercise achieved whilst travelling to and from work, well over two fifths of workers (47%) achieve this target at work.

However, this does mean the majority of workers could do more to be physically active at work. Millennials and gig workers are most likely to achieve at least 30 minutes physical activity at work, with baby boomers and the self-employed least likely to do so.

Being physically active is both a great way of socialising and relaxing. Encouragingly 1 in 2 workers say they walk to relax which suggests that replacing stuffy meetings with walk and talk meetings could be the way to go.

Percentage of workers who walk to relax¹



Comment by Dr Rangan Chatterjee

For employers, focusing on their people's wellbeing is not only the right thing to do, it's the smart business thing to do. When you've got healthy people working for you they're more productive, more creative and take less time off work. It's common sense but it is incredible how many organisations and companies still don't get this.

I know as a doctor that the bulk of what I see in my practice, day-in-day-out, is driven by our collective modern lifestyles. Lifestyle driven illness is affecting our health, it's affecting our wellbeing, but it's also affecting companies' productivity. If companies can get on board and help their employees become healthier, they'll get more out of them.

Work has always been a force for social good. It goes without saying that for most of us it's the main contributor to our financial wellbeing but in addition work is also a major contributor to our social, mental and physical wellbeing.

What's encouraging from the research accompanying this report is that people recognise the contribution work makes to their social, mental and physical wellbeing as well as their financial wellbeing.

As a doctor, I believe it's critical that companies and organisations work with their people to close this gap. Essentially, it's about empowering your people to change their behaviours which not only means they feel good today, but they feel good in 6 months, in 1 year, and in 2 year's time.

For me the secret behind any workplace wellbeing programme is a balanced approach to the 4 key pillars of health; Relax, Eat, Move and Sleep. I've seen so many patients who will go on the perfect diet in January and lose a bit of weight. But two months later, or two years later, it's all gone back on, and they've actually gone the other way. When we get overly focused on one area we miss the big picture. If your people are eating the perfect wholefood organic diet, but only sleep 5 hours a night, the net result is both their health and productivity are at risk. I would much prefer their diet be pretty good, but they also sleep 7 hours a night. Not only will you and they experience the short-term benefits of a more balanced lifestyle you'll both continue to experience the benefits six and twelve months down the line.

Finally, if you want to meaningfully contribute to your people's financial, mental, social and physical wellbeing you've got to make it accessible and fun. It's not about preaching one set of things that everyone has to do, it's more about personalising things to suit each individual employee's life.

It's all about creating some generalised recommendations that can be personalised. When you do that, you get happy employees that want to make change. Nobody's going to make change long term because their employer told them to do so, none of my patients make change long term because me as their doctor told them to do so. It's when they feel empowered to make that change, and when they start feeling better because of that change, that's when lifestyle change moves from being temporary to permanent and in doing so becomes a win-win for everyone.



Dr Rangan Chatterjee

Medical doctor, author and TV presenter

How can we improve wellbeing

What can employers do?

To close the work-wellbeing gap that has been identified in this report, employers clearly have a big role to play. They can put in place a number of support mechanisms and programmes which have benefits both for employees and employers themselves. The report findings suggest a number of initiatives employers could consider:

- **Wellbeing more important than salary:**

The research shows money isn't everything and that increasingly contributions to wellbeing are just as critical, if not more so, to attracting and retaining the youngest talent.

- **Maximise financial wellbeing:**

This doesn't necessarily mean reviewing salary

- Employers should consider how their reward package considers employees needs and how well it reflects their own business vision and goals.
- Employers can also think about how to make every £1 of spend go further for the company and for the employee. By helping people understand elements of their reward package and how it can help them achieve their goals, employers can improve wellbeing and engagement within their business.
- Help people manage the everyday money challenges, make the conversation relevant and regular.

- **Do more on physical, mental and social support:**

Employers need to do much more to support their employees in areas of mental, social and physical wellbeing. A structured, holistic wellbeing programme can provide tailored guidance and the necessary nudges that encourage employees to manage their own life better, as well as provide support on demand. Employers also need to think about their own culture and the extent to which it supports and empowers employees, in particular:

- **Personalise and empower:** The research shows that the way people get active or relax can vary widely. Therefore it is important for wellbeing programmes to be flexible in the way they support and empower employees, giving the ability to personalise how they engage.
- **Be flexible in the way you work:** Flexibility is one of the biggest contributions to wellbeing at work, both in terms of where and when people work, and is something that should be embraced by more employers.

- **Be digital first:**

As the way we work changes, and increasingly in a virtual manner, it will be more important that wellbeing programmes work wherever employees are based – not just in the office. Digital solutions will also be increasingly important in supporting social interaction across locations.

- **Manage the shift to automation:**

Concerns over job security and the future role of technology are a big fear for many employees. It will be important for employers to manage this transition and support re-training as appropriate.

Employer case study:

Marmalade - The millennial employer

Marmalade is a leading provider of car insurance and cars for young drivers. Founded in 2006, it helps young drivers get behind the wheel, keeps them safe, improves their driving skills and saves money.

The insurance industry doesn't have the most positive reputation for its customer service, so we work closely with our customer care team, which comprises of 40 plus people aged between 17 – late 20's. Many of these individuals have recent experience of being a young driver, meaning they can empathise with our customers in a more relatable manner.

In order to successfully grow our business, we know that everyone needs to be a champion for Marmalade. This is partly why we invest so much in our staff, developing our sales and customer service procedures so that everyone is aware of the part they play when showcasing our brand. From the outset, we aim to treat our staff in the same way we would expect them to treat our customers. By extolling our values on to them, it is easier to translate and live out those same values with our customers.

Everyone within our organisation has a responsibility to live our brand to ensure that we are delivering the best for our customers. Therefore, every individual has equal opportunities to progress and equal access to all the perks and rewards on offer. From business benefits such as death in service, training and pension, to hosting regular social events, monthly pizza days and relaxed, flexible working hours, we want our culture to inspire and motivate.

When employees take pride in their work, they invest their future with Marmalade and work hard to create opportunities that will result in benefits. Having an empowered workforce, means we have been able to unlock business growth. It has allowed us to be more aware of customer needs, meaning we can respond to our customers with ongoing product and policy development and develop the shortest possible path between Marmalade and our customers.



Crispin Moger
CEO for Marmalade

Insurer case study: yulife - The lifestyle insurer

When you think about it, life insurers have always been uniquely placed to help employers inspire and empower their people to be mentally, physically and financially well. On the one hand they understand that enabling people to be social, physically active, to eat, sleep and relax well, drink moderately and to not smoke reduces their risk of illness and premature death and improves their productivity and engagement at work. On the other hand, they understand that these same lifestyle improvements, coupled with continued advances in medical technology and better standards of living, mean we're both living and working longer which fundamentally changes the when, what, where and how of work plus what comes after work.

For insurers to become a source for social good, understanding the nature of risk alone is not enough. We need a way to utilise this knowledge to improve people's lives. When we do, wellbeing and insurance become one and true social good is achieved.

Smart technology, and the data it collects are big enablers here. In a world where digital pioneers such as Amazon,

Uber and eBay have set new standards for convenience, speed, value and ease of use the same is true for health and wellbeing. From activity trackers and meditation apps to smart ways to monitor money or administer prescriptions correctly, technology is demystifying and democratising wellbeing and in doing so improving the lives of millions.

In the workplace, wellbeing is no-longer the preserve of large corporate organisations. Tech removes traditional barriers to wellbeing like poor access and cost, allowing companies of all types and sizes to inspire and empower their people to be well. The real time data this smart tech delivers allows the use of gamification to drive continuous and meaningful behavioural change making wellbeing not only fun but rewarding too.

The net result of such an approach is a win-win for everyone; employers and employees, insurers and society.



Sammy Rubin
CEO for yulife

What can insurers do?

This report highlights the dramatic way that work is changing, and with it, the way we think about work and the risk to health and wellbeing. It means insurers will need to reconsider the way they assess risks, perhaps looking more at how, where and when we work to form a better picture of risk. Some may also wish to consider using a wellbeing measure as a proxy for health.

It's clear that wellbeing is important to employees and customers, and therefore provides an opportunity for insurers to engage more through the way it communicates with them. Insurers may want to go further and think about how they can use wellbeing as a way to support individuals and employers in proactively managing these risks so as to produce better outcomes and lower claims costs that can be passed back to customers. Some areas insurers may wish to consider further include:

Changes to underwriting:

- **Dynamic underwriting:**

As employees expect to re-train several times over their career, so too will the risks they face. Instead of underwriting once at the start of a policy, insurers may wish to underwrite dynamically over time.

- **Rise of the gig worker:**

The research also highlights gig workers as feeling particularly exposed to changes in the macro environment and more likely to be working long hours or spending more time inactive. This is an important and growing section of the economy that is currently underserved by the insurance market and that possesses its own set of risks.

- **Changes to rating factors:**

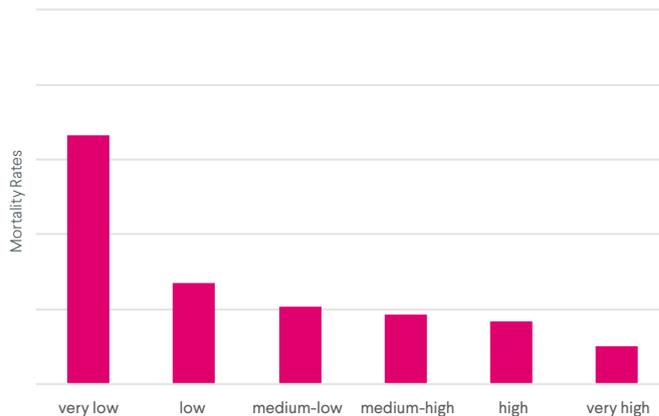
Because customers will change occupations, and occupations themselves are likely to evolve in nature quickly, the use of occupation as a rating factor may become less useful. Instead, insurers could consider other metrics such as salary (which Club Vita research shows is highly correlated with mortality) or other metrics that form a better understanding of the nature of work being done. This could be both objective factors such as time spent in front of a screen, travel time, physical activity levels, or quality of sleep. Equally there may be value in assessing people's own perception of wellbeing, particularly to understand overall levels of mental health.

Changes to product:

- **Improving wellbeing:**

The development of products that support customers to

Relative age-standardised mortality rates by salary band for males (2000-2017)



proactively manage and improve their own wellbeing, either at work or home, could help customers improve their health. For employers such products could also deliver more effective wellbeing programmes, and lead to lower claims. Given the appeal of wellbeing with customers, products that embrace wellbeing in this way are also likely to have strong appeal with customers.

- **Flexible terms to retirements:**

The increasingly flexible nature of work and phasing of work and retirement means that instead of offering products that continue to 65, it will be increasingly important to have products that can continue to older ages, and that can flex to allow for career breaks when the level of premium or cover may need to change.

It's clear that new technology and changing attitudes are transforming the way we work. It means work is impacting our health in new and different ways, while the traditional ways for insurers to measure the impact of work are becoming redundant. Using wellbeing as a way to engage customers and as a proxy for health could provide an effective and innovative way for insurers to develop their offering to customers. While there has been some progress to integrate wellbeing in the individual protection market, the research shows there is room for more innovation. It also highlights the importance of the workplace, and that there is scope for greater innovation through workplace protection and savings products too.



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