

Restoring Stability: Emerging Principles and Priorities

Willis Towers Watson Webcast

May 15, 2020



Today's agenda



Key stages of action



Restoring stability:

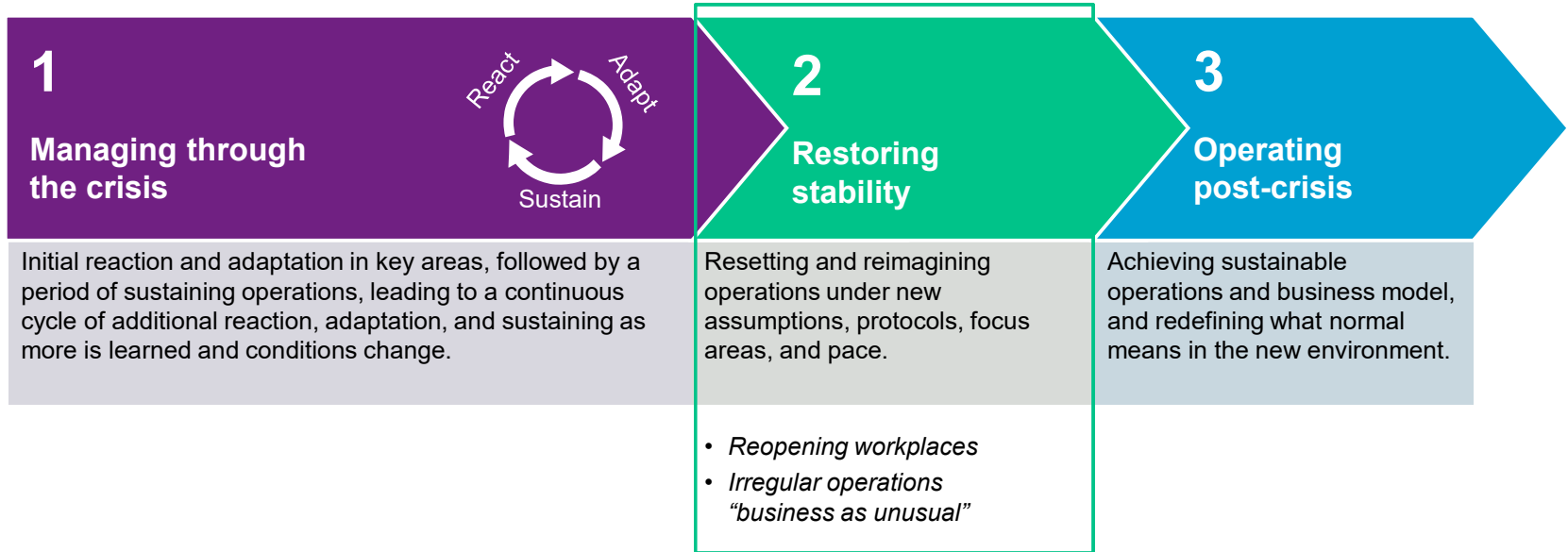
- Human capital implications
- Reopening the workplace
- Risk and liability implications



Questions and answers

The journey

Key stages of action



Today's speakers



Marc Hindman
Risk Control / Claims Advocacy



John Bremen
Human Capital and Benefits



Jennifer DeMeo
Retirement Benefits



Casey Hauch
Talent and Rewards



David Barry
Risk Control / Claims Advocacy



Paul Matthews
Health and Benefits



John Barghout
Property Risk Control



Rob Yellen
D&O Fiduciary Liability

Our point of view

The COVID-19 pandemic underscores the **material value** of the health and contributions **of people to business success**. Responding to and recovering from the crisis is just the start. True leadership will be defined by the actions we take to protect, preserve and sustain that human capital value.

This means revising operations, programs and policies. Begin by taking the best of what we rapidly introduced. Reimagine the rest for flexibility, resiliency and efficiency.

Beyond this crisis, we need to acknowledge the ongoing risk of *another pandemic* or global crisis. At minimum this means preparing our organizations to be agile and flexible to pivot to multiple short-term scenarios while simultaneously thriving in the long term.

Actions to consider...



Reimagine work and rewards for agility, virtual working, automation and reskilling.



Lead with practicality, compassion, and transparency, and make work and culture safe and inclusive.



Protect employees and build resilience across physical, emotional, financial, and social wellbeing.

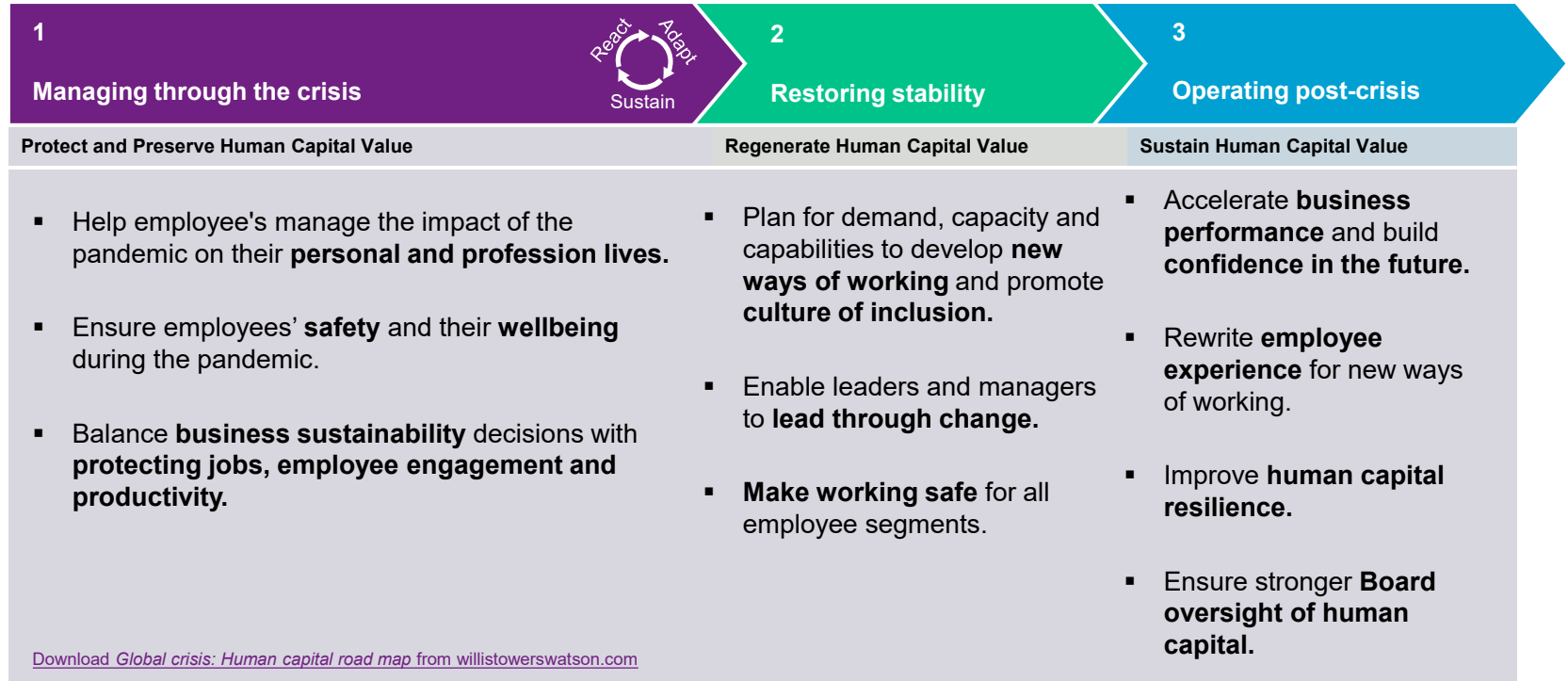


Build flexibility in cost and actively manage financing of health, retirement, pay, and career programs.

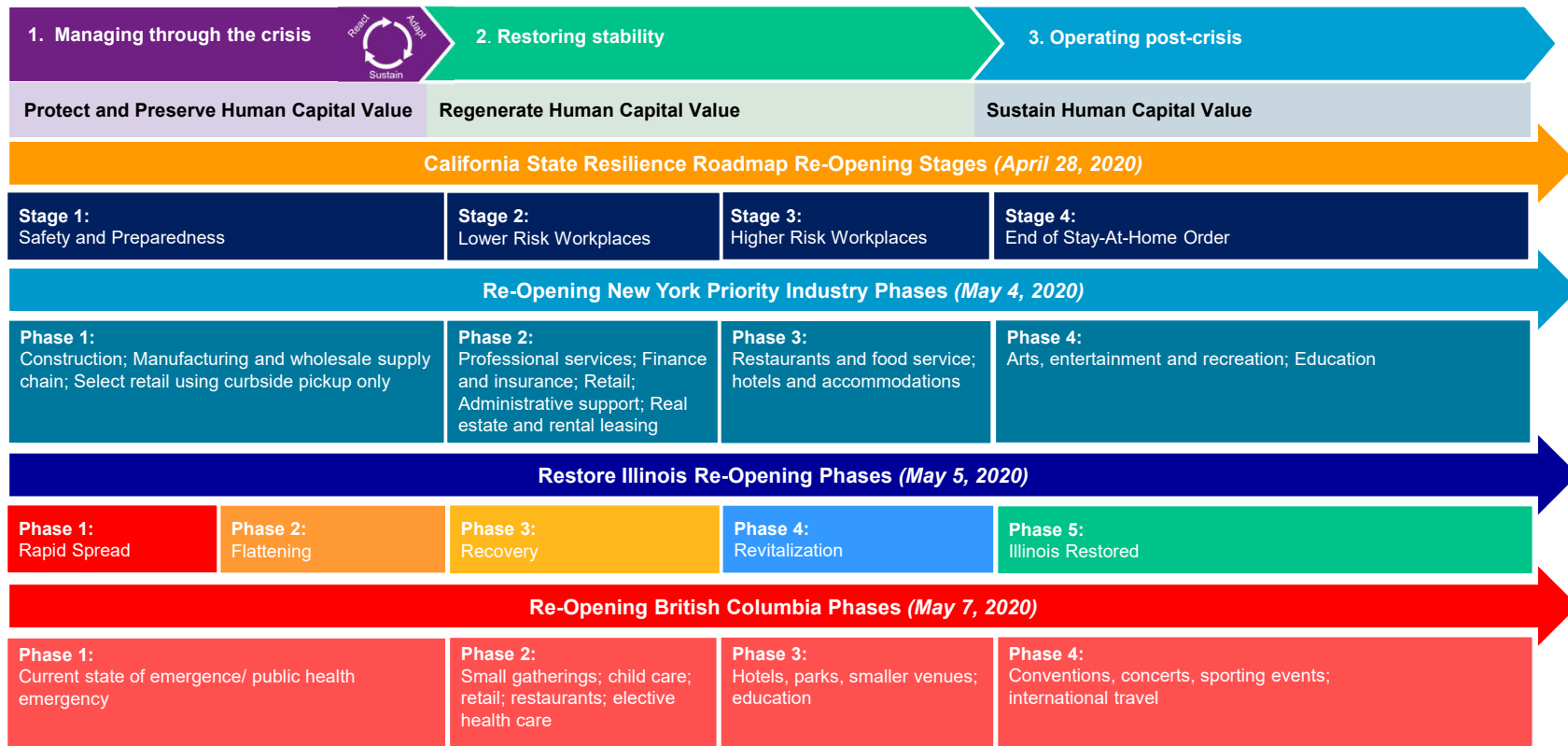


Rethink governance and oversight of human capital metrics, emphasizing health, safety, and sustainability.

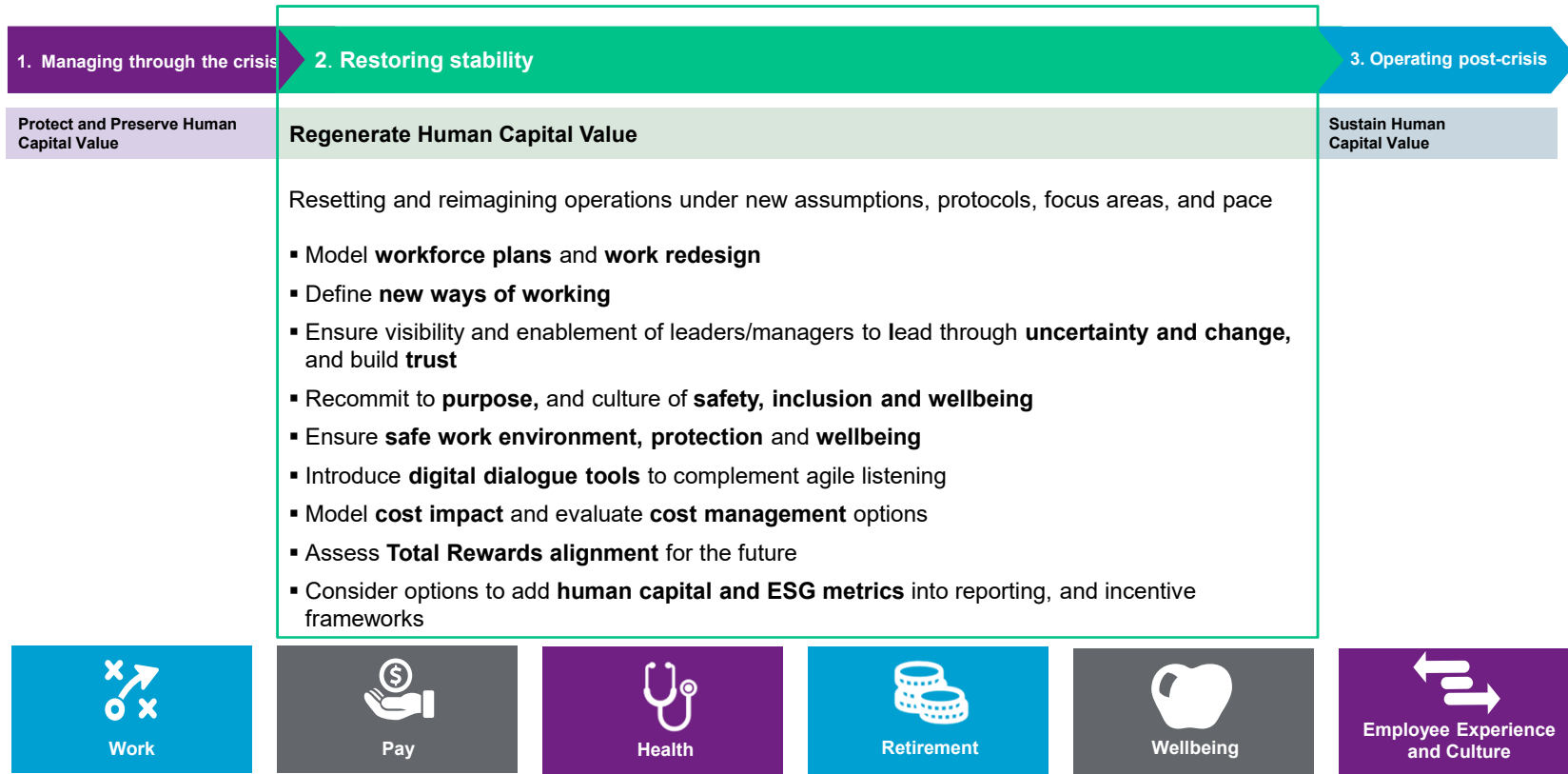
Three global stages of leadership reflect efforts to protect/preserve, regenerate and sustain human capital value



Global stages map against state and province plans to reopen



Restoring stability: Regenerate human capital value



Assess health and wellbeing programs



Health

- **Promote benefits** to raise awareness and build confidence.
- Evaluate **extension of pandemic related coverage**.
- Model **cost implications of future claims** due to the pandemic and deferred treatments.
- Consider **future health and wellbeing strategy**.



Wellbeing

- Actively promote and **focus on emotional wellbeing** programs such as add-on EAPs.
- Develop comprehensive safe **return to the workplace** plan to support safety, health and physical wellbeing.
- Develop leader and manager **wellbeing toolkits**.

Top benefits priorities over the next six months

67%

Communicate on benefits and wellbeing programs that might be important to employees at this time.

43%

Enhance mental health services and stress/resilience management.

38%

Likely to revisit our health care strategy for 2021 as a result of COVID-19 (to a moderate or great extent)

Source: Willis Towers Watson 2020 COVID-19 Benefits Survey, United States.

Understand impact of financial stress and evaluate retirement programs



Retirement

- Execute short-term **financial management strategy**.
- Measure and assess **impact of economic downturn** and **participant behavior** on savings.
- Model impact** of cost management actions, changes to economic and workforce projections.
- Evaluate the effect of the crisis, and identify desired **program design, financing, and governance** options.



Wellbeing

- Assess and address employee **affordability and financial wellbeing concerns**.
- Implement financial wellbeing **engagement campaign**.

Retirement plan actions taken or considering for 2020

Action Taken	Planning or Considering	
12%	21%	Suspend employer matching contributions to defined contribution (DC) plan.
19%	38%	Measure signs of financial stress.
4%	32%	Measure impact on projected retirement outcomes (retirement age).

Source: Willis Towers Watson 2020 COVID-19 Benefits Survey, United States.

Consider impact of changes in work, rewards and employee experience



57%

have/will shift how and where work is done

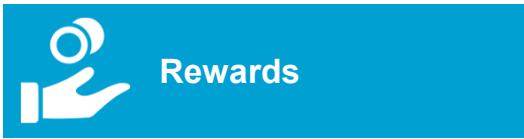
48%

have/will increase automation

63%

have/will redeploy workers

- Make **work safe**
- Plan for and define **new ways of working**
- **Reskill and upskill** to deliver on new priorities



Increase in actions taken to respond and adjust

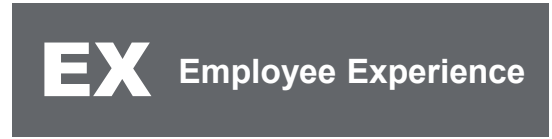
23%

Have completed salary reductions

~25%

Delayed or cancelled merit increases

- Preserve flexibility while addressing **cost management priorities**
- Ensure a strong value proposition for **critical roles**
- Re-assess and adjust rewards to align **with new ways of working and emerging priorities**



69%

increased listening efforts

1/2

have more than 75% working remotely

- **Listen to and involve** employees to reinforce or redesign the EX
- Enable leaders and managers to **lead through change** and foster a **culture of inclusion**
- Reinforce and recommit to **purpose**

Sources: Willis Towers Watson 2020 COVID-19 Talent Implications Survey, Willis Towers Watson 2020 Rewards Readiness Plans for Resetting Business Operations Survey, Willis Towers Watson 2020 COVID-19 Benefits Survey, U.S.

Plan a comprehensive and safe strategy for restoring stability



1

When should we reopen the workplace?



2

Who should return to the workplace?



3

How can we best protect workers?



4

What about testing or screening?

Workers Compensation considerations

Uneasy feelings

- Is it safe?
- Changes?
- Can I still do my job?
- Stresses from home

Screenings

- Worker anxiety - process
- Bottlenecks?
- Proper PPE chosen?
- PPE available?

Considerations for returning employees safely



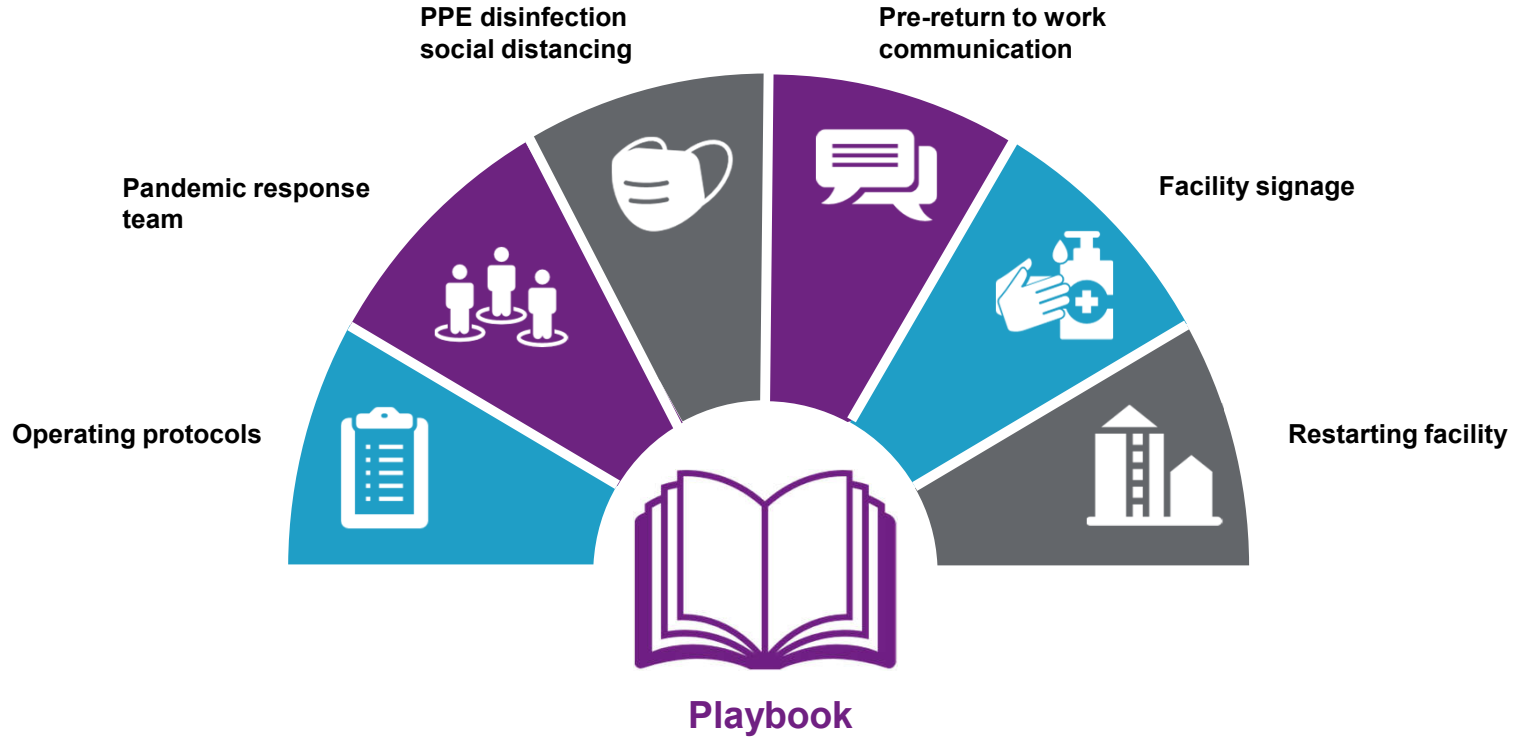
Worker readiness

- Sleep cycles off
- Shift changes
- Lack of conditioning
- Out-of-work injuries

Re-training

- Protecting yourself from COVID
- Loss of knowledge
- Changes in processes, roles?
- Required safety training updates?

Initial considerations for reopening the workplace



Take steps to keep your workforce safe

COVID-19 Screening

Quickly and effectively identify and separate infected individuals, ideally before entry to the workplace.



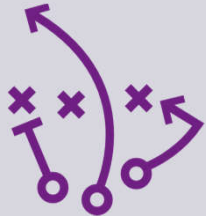
COVID-19 Testing

Molecular and antibody tests are available to detect active infection or previous exposure of COVID-19.



Contact Tracing

Identify individuals who may have come in contact with an individual known to be infected with COVID-19.



- How should our approaches differ between initial workplace reopening's vs. ongoing operations?
- How should approaches differ in regions that are “hot spots” for the virus?
- How can local health provider testing capabilities be leveraged?
- What tests should be considered at diagnosis? To validate return to workplace?

Factors that matter

- Understand employee challenges at each stage of your organization's reopening.
- Focus on areas where you can influence the employee return-to-work experience.
- Evaluate geography differences and social determinants of health.
- Enhance wellbeing program to support your restoring stability strategy.



Use clear, empathetic communication to help increase employee sense of security in coming back to work

Employee communication must be:



Clear



Timely



Succinct



Digital



Segmented



Multi-way

Managers must be trained to:



Be empathetic
and build
resilience



Embrace change



Reinforce
protocols or
procedures



Support
wellbeing



Address stigma
and bias



Help employees
see their path

Five key facility considerations

1

Fire protection and alarm systems; inspection/test/maintenance

- When was our last servicing to maintain integrity and Fire Code Compliance?
- Using a vendor/contractor to conduct servicing

2

Restarting utilities and equipment

- Preventive maintenance program status.
- Testing system interlocks

3

Supply chain resiliency

- Are your key suppliers back in business?
- Location of “buffer” inventory

4

Influx of new inventory

- Proper storage practices
- Avoid temporary aisle storage in warehouse
- Security for yard storage

5

Business continuity planning – debrief

- Lessons learned/update plans.
- Become a more resilient company

Plan for heightened financial and management liability risk

Directors and officers (D&O) liability



Plan for D&O liability claims

- D&O liability includes lawyer driven litigation
- Heightened D&O exposures



D&O insurance readiness

- New or renewal, being proactive is critical
- Review capacity, structure and features

- ✓ Align culture to a safe workplace
- ✓ Follow official and stakeholder guidance
- ✓ Get stakeholder buy-in
- ✓ Align incentives and measurement of success
- ✓ Monitor compliance
- ✓ Independently audit
- ✓ Conduct meaningful after action review and revise plans to address weaknesses
- ✓ Document efforts well

Plan for heightened financial and management liability risk

Other financial lines risk

Privacy and security liability



- Cyber threats may be heightened
- Disclosure of personal health information could yield claims
- Heightened vulnerability to socially engineered hacks

Employment practices



- Heightened exposures to **discrimination and harassment** liability
- Heightened exposure from employees who raise concerns over the safety of their work environment – **retaliation**
- Uncertainties around what may be may not be “**compensable time**” could lead to claims
- Temporary **reassignment of non-exempt functions** to exempt employees may jeopardize exempt status – liability

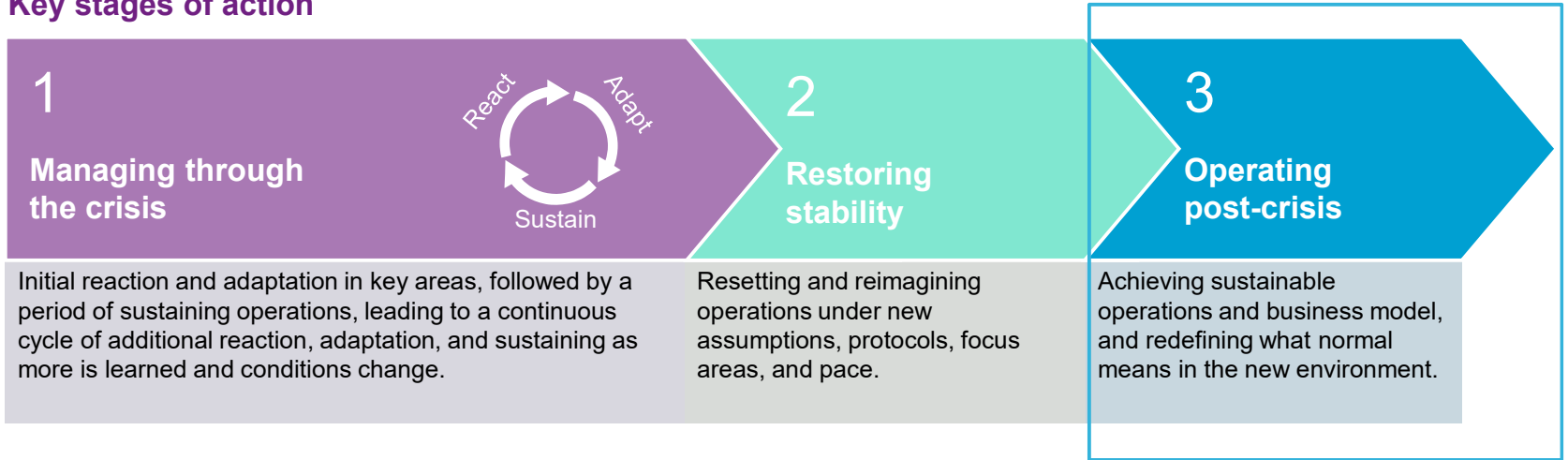
Fiduciary liability insurance



- Heightened risks from changes to workforce or compensation
- Operational change could give new socially engineered fraud exposure some lift

A look ahead: Operating post-crisis

Key stages of action



Questions



Upcoming events:

May 21: Re-imagining your Property Insurance

May 29: Sustainable Reset

June 5: Re-imagining your Casualty Insurance

June 12: Wellbeing

June 26: Safeguarding Capital

[Register for future events and access past recordings on willistowerswatson.com](https://www.willistowerswatson.com)

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