



**CLM Annual Conference
March 2018, Houston, TX**

Moving Forward with Millennials - Maximizing Millennial Talent - Claims Professionals & Outside Counsel

I. Millennials make up more than 40% of the workforce

Over the next 5-10 years the insurance industry is facing a massive loss of experienced people in general and claims professionals in particular due to retirement. In claims fields which require a high degree of training and experience, i.e. construction defect, professional liability etc, the threat is particularly imminent. Carriers are implementing creative solutions to retain boomers, but eventually they will go.

How does the industry attract those Millennials who otherwise would not find insurance attractive? How do we compete with the cache and compensation careers in such industries as Finance and Tech offer?

Social scientists tell us that Millennials want careers that provide for personal growth. The traditional model which featured young people working hard to earn promotions over time does not seem to work for Millennials. Highly qualified job candidates interview the employer and not the other way around. They want to know what the job is going to do for them. Supervisors of millennials find themselves forced to focus on developing their millennial employees in order to retain them.

And then there is the lifestyle issue. They want a life! And they often want that life in a place you are not in. You moved to the suburbs to get away from the city. They want to be in the city. If you happen to be located far away from an urban center, particular one that has a vibe, good luck attracting the best and the brightest.

If the issuing of attracting millennials as employees was not challenging enough, how about the change they bring to the traditional way people buy insurance and then use the claim process. We are told millennials do not want to buy insurance from an agent. They want to buy insurance the way they buy everything else-with a click or swipe. They want to be able to communicate with their insurer about the status of their claims 24/7.

For those of us who make our living trying to predict what a jury would do with a particular case, how do millennial attitudes affect jury determinations now that millennials are on panels? Anecdotally, the influx of young people into places like Brooklyn is changing traditional notions of what constitutes pro-plaintiff and conservative juries.

Companies and law firms who do the best job of understanding millennials will be at a competitive advantage. But, the big question is what the process to understand them is?

II. Hiring and retention was very different before Millennials entered the workforce

Workers defined loyalty differently. Each generation's experiences shape how they view and define their values.

Boomers felt that loyalty meant to stay with the company forever. This belief came from a time of pensions and labor unions where workers were rewarded for their longevity with a company. They also felt that being present was being loyal. For example, being first in and last out was an example of a loyal boomer.

Gen X believed that being loyal meant to show up every day, take their allotted vacation. After companies laid off in favor of profitability and labor unions began to disappear, committing their time was being loyal.

Millennials on the other hand, watched their parents be laid off and were taught in school to do the best they can and to work to finish projects or pass tests. This created their value for loyalty which meant to them to get their work done, no matter where or how.

You can see how generations that valued being seen and present in the workplace would clash with values of those who get work done, sometimes even more work, but may not necessarily be 9-5 in an office.

Workers expected different things from their employer

Boomers expected that if they gave loyalty to a company, that the company would be loyal to them, that they would move up the ranks, and that they would receive a pension at the end of their hard work. The post WWII economy supported these beliefs and boomers enjoyed success and stability for quite some time.

Gen X learned that companies would not necessarily show loyalty back, and decided that work life balance was more important. Work to live, not live to work. Gen X worked 9-5 in exchange for a paycheck. They looked for opportunities to add more bullet points to their resume for the next time they would need to look for a job.

Millennials grew up in an economically positive time, however they were not immune to company downsizing and watching their parents lose a job once or twice. Millennials also grew up with parents that told them they could be whatever they wanted and follow their dreams. With technology and the internet, Millennials are exposed to other cultures as well as conditioned for instant gratification. Millennials look to employers to provide interesting work, flexibility and growth opportunities. They want to achieve and to be recognized.

Coming together across the generations

When we all have the conversation, and understand that our differences come from differences in how each other defines our values, we are able to move forward in a more compassionate way. When moving forward with Millennials, employers can embrace their definitions of

success and loyalty and create boundaries that both satisfy employer needs and foster employee success.

III. Employers must get creative and reconsider allowances they previously would not in order to attract the best talent

Work life balance/flexible hours

While some job tasks such as customer service and claims adjusting involve communication with customers during business hours, many tasks do not. Employers can offer flexibility when possible as a way to attract better talent. In a global economy with multiple time zones and the technology available, becoming more flexible is definitely possible.

Work from home/Remote employees

In studies done on remote workers, anywhere from 45-76% see an increase in productivity. Many companies claim that they wouldn't have access to qualified workers if they had to only hire from their local markets. Remote employees open up the talent pool and give companies options. Some companies have used qualifications such as certain audit scores to start giving this privilege, but have since evolved into allowing it all the time.

Social connectivity opportunity

Creating after or during work opportunities for employees to connect with each other is a great way to build teamwork and loyalty. Connectivity is the key to engagement and employees who like who they work with or who get to contribute to a greater cause are more likely to stay with their company.

For attorneys, giving opportunities to learn and work on substantive cases

The more opportunities for growth and substantive work younger associates are given, the less likely they will go looking for another opportunity. Training by having an associate sit second chair for trials is an excellent opportunity for engagement.

Granting positions based on merit instead of seniority

While this practice is becoming more widely accepted in recent years, understanding Millennial values as well as the trend for companies to measure performance based on KPIs and data, further the viewpoint that position should be awarded based on performance instead of seniority. We're starting to see this type of thinking permeate into vendor management as well. Instead of a "good ol boys club", legal ops hire vendors based on KPI and performance. The best talent will compete for positions as they see that their actions can move them up through the ranks quicker.

Seat at the table

Previously, many parts of a job were learned solely by relying on senior people to teach it. Today, you can google just about anything. While previous generations may have wanted or needed to keep things close to their chest for job security, Millennials are much more collaborative and team oriented. Giving employees who prove themselves a seat at the table is one way to foster innovation, engage them, and to better your business.

Non-millennial work force is benefitting from all the changes too

While we've spoken a lot about Millennials and their values and preferences, the changes that we're making in the workplace benefit everyone. As one GenX manager put it, "Millennials are just asking for things we always wanted, but were too afraid we'd be fired if we did."

IV. For the good of the industry as a whole, we must work together to overcome the negative stereotypes about Millennials

Employees can be good or bad, no matter what generation they are from

Will ask group for examples of those good and bad from multiple generational employees. Then discuss why we "fondly" remember the older days of claims handling and criticize change.

Some may remember when coverage for chiropractors were a debate too, and it's not too unfamiliar

We need to change our starting view point for the millennial work force. This is similar to what happened with Chiropractic. For many years we as industry have ignored the necessity and success of chiro treatment. While I am not advocating for this as a mode of treatment, it is the service they provided that changed our viewpoint. How many people have every waited at their Gen MD? How did that make you feel? Same question for Chiro providers? You never wait, and they actually make you feel better. Maybe Chiro treatment isn't as useless or something to be vilified. Millennials are just a different type of employee. Not bad, not worse, just different and we need to reset where our viewpoint on them starts.

Older doesn't equal better: What would our industry be like if we everything was the same as it was when we started. I.e., checkbooks, paper files, no voice mail, no email, SIU, legal billing, etc. "Rubbing Sticks Together".

Definitions of loyalty and success are different for each generation and in recognizing this, we see that the stereotypes are a miscommunication/misunderstanding and not valid descriptors of an entire group.

Take some time to ask the audience about these following descriptors. They apply to all generations of workforce. Then take these four and turn them each to positive versions and apply to the Millennials.

- i. Not loyal -> Loyalty is an artificial construct. How many of you are with the first company you worked for? ZERO....why? Are you not loyal?
- ii. Lazy -> 9-5 doesn't make sense anymore. Neither does brick and mortar in an electronic age. Collaboration for this group doesn't require face to face and can be just as successful. The work gets done and service doesn't suffer. It just isn't in traditional frameworks.
- iii. Entitled -> The air of entitlement is actually a desire for transparency into the why. Suggestions for improvements in process are not insulting, it is empowering.
- iv. Need to be babied -> Needs respect and flexibility. Important to know why and how it improves the greater good. Communication is key. Collaboration is a must.

V. How one manages the relationship between claims and counsel when one or both are Millennials is challenging but critical

Moving forward with Millennials, is intended to be a recognition of where our Industry already is now, and the need for Claims and counsel to implement practical tools to make the new work paradigm not just a seamless transition but one that will continue to improve the services provided by both sides of our Industry.

Claims and Millennial counsel

Trust that counsel would not be in that position if they were not qualified. It's about respect – if you put someone in that position, there is a reason.

This is an issue that needs to be addressed first at the senior counsel level. That is, it is the responsibility of the senior counsel part of the Claims/counsel team to communicate trust and assurance that the Millennial counsel joining the Claims/counsel team is not just bright/talented, but already has good training/will benefit from senior counsel involvement. This will require, at least initially on smaller matters, and more so on large, complex matters, a “partnering approach”. That is, where the senior counsel is not simply mentoring the Millennial counsel, and otherwise leaving them to “fend for themselves”, but providing an approach to file handling that allows the Millennial counsel to learn and grow into all phases of file handling, up through trial. Of course, Claims needs to also be part of this team-approach. This is not simply a file handling/billing issue, but also a commitment to helping the Millennial counsel achieve necessary high-level experience sets. Claims has much to offer to Millennial counsel. Claims professional have deep resources of knowledge based upon experience, especially on issues like damages assessment and dealing with insureds, etc.

Overcoming the “not on my files” mentality

This topic actually involves two separate, but equally important issues. First, the reluctance to “risk” results on any file from modest to complex; and second, the perceived “billing issues” when Millennial counsel works a file. For the first issue, there needs to be communication with senior counsel, and “buy in” by Claims of the importance of lifting up this next group of seasoned counsel. The “risk” can and must be managed. This can be accomplished by setting expectations of levels or types of tasks/files that Millennial counsel will work on and how the senior counsel will assist both Claims and Millennial counsel in successfully handling all work Millennial counsel is involved in. In more practical terms, this is a combination of partner/associate staffing and division of tasks each will accomplish, and “second chair”-type, co-handling roles assumed by Millennial counsel, especially for the larger, more complex matters. For the second issue, there needs to be communication between Claims and (billing partner) counsel, consistent with Claims billing guidelines, of how to manage this process without affecting the ultimate defense spend. This can include things like specific litigation team staffing agreements, assignment of certain types/levels of files to Millennial counsel, and task- or phase of litigation-specific partner/associate or “second chair” file handling agreements.

Claims should view these interactions as an opportunity to transfer their knowledge and help save the industry

As noted above, Claims has a wealth of information (derived from experience handling many more claims than most attorneys ever do), especially in areas of specialized types of claims or types of insureds. Additionally, Claims deal daily with issues of coverage, insurer/insured communication, file handling/billing/reporting expectations of Claims, that especially the Millennial counsel may find new or not readily apparent. Transferring this wealth of knowledge is not simply good for Claims running their current files, but will insure going forward that transitioning of the Industry will less problematic.

Millennial claims and senior counsel

senior attorneys should be educating the younger claims adjusters and guiding them using past experience

Similar to that noted above, senior attorneys should welcome the opportunity to “educate” Millennial claims professionals. It is not just “good business”, having all of these opportunities to establish a rapport with the Millennial claims professional, but it also allows for the practical showcasing of the concrete experience possessed by counsel. This guiding of Millennial claims professionals by senior counsel can exist in every aspect of the handling of a case. It can be on the law, local procedural quirks, judge and jury assessments for each jurisdiction, making the complex simple for unusual damages or unique/complex liability claims. This sort of “educating” can be

done formally, by in-house training, but especially informally, in any or all files, as “new” issues come up for the Millennial claims professional.

It’s about respect, knowledge and relationships

This should go without saying, but moving forward with Millennials must be done, and can only be properly done with respect (on each side), that fosters/strengthens relationships, by transferring the deep knowledge/skills sets that each side has, to allow for both parts of this equation to move forward and continue to improve for the benefit of both parts and the Industry as a whole.

Effective cross-generational communication is critical to the success of our industry

There are unique talents/perspectives that both ends of the experience spectrum have that can and should be communicated. The challenge is that the very way in which the two ends of the spectrum communicate are not just different in message, but different in “delivery mechanism”. These differences need to be recognized but should not be seen as a problem, but rather just a need for adjusted “delivery”. The working together and especially the imparting of information based upon knowledge/experience can only succeed if done through a proper understanding of the differences in communicating and processing information.

Jury pool selection changes with the different skill set and experiences that Millennials now bring

There are multiple studies that now state that Millennials comprise 50% (and in some jurisdictions already, even more) of the “post hardship” jury pools across the Country. As a group, Millennials are substantially more racially and ethnically diverse, and as much as 60+% have college degrees or higher. They are also the first group to “grow up with” technology that is instant, portable and personally accessed (smart phones, internet, etc.). These very real differences in the continuing evolution of the National jury pool requires counsel (and the Claims professionals working the files with them) to continue to focus on these issues. While it is as true as ever that a tiny fraction of all claims ever get to trial, the impact of this issue affects all aspects of claims handling. That is, whether a case will ultimately go to trial or not, what a jury may look like if a case were to be tried affects the way in which we all look at the case’s issues of both liability and damages. It will certainly need to be taken into consideration, when running jury verdict searches, to not rely too heavily on older search results (which may have been from jurisdictions with jury pools that have shifted significantly in the very recent past with the influx of these Millennials to the jury pools in ever increasing majority percentages). How trials are staffed (solely senior counsel, both senior and Millennial, etc.) will need to be part of the pre-trial analysis. Also, given the very different way in which Millennials not only process information, but the way in which they view social, political and scientific issues, how

juries with majority Millennials members will react to legal issues and damages valuations may be substantially different than past juries did. Acknowledging this issue also requires a “rethinking” of how best to package/present the case at trial, to tailor the messaging in a way that is received by this new majority group and accepted by it favorably to the client/insured being represented.