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The Millennial Challenge: Why Generational Change is More Important Than You May Think

I. Introduction

Millennials as a group have received much criticisms, both as members of the workplace and as jurors because of perceived attitudinal differences from the prevailing norms. What these criticisms often forget is that by 2030 millennials will make up 75% of the workforce and predominate in juries. Millennials will define what the accepted norms are, and to this point millennials have been decidedly uninterested in the claims handling field and accepting common defense arguments in trials about damages. This panel will explore how the insurance industry and law firms, both in its workplace and how it evaluates claims, will need to adjust to take advantage of unique strengths of both the millennial generation and the newest generation, Generation Z.

II. Millennial Attitudes

This generation totals approximately 70 million. Born in the mid-80's and later, they are now starting to be the largest part of the workforce. By 2030 they will make up 75% of the workforce. Millennials are willing to trade high pay for fewer hours, flexible schedules and a better work/life balance. Millennials are achievement-oriented and have high expectations from their employers. They are extremely team-oriented but sometimes it is difficult to find a leader in this generation. They crave attention and want to be in the loop on everything.

Big Demands and High Expectations

In general, Millennials are distrustful of large institutions, are greatly concerned about security and are unlikely to accept that information is not immediately accessible or that something important was not written down.

Millennials have grown up in a world of instant access to anything they want to know. Millennials believe that anything you want to know can be found. Millennials have the World Wide Web at their fingertips and expect information, products and anything they desire to be immediately accessible

Millennials also believe that policies and procedures are king. They believe any breach of these policies and procedures by a company is an indictment of liability. By understanding this concept, counsel should be able to formulate arguments as to why this is an unrealistic position by the Millennials.

Millennials are also very security conscious. They have grown up in a world where events like 9/11 and Columbine are the norm, not an exceptional event. As a result, they believe that everyone should have a security plan in place. They are fearful of similar events happening to them or someone close to them, and plaintiff attorneys are able to successfully play on these fears.

Distrustful and Debt-ridden

Millennials have strong anti-corporate beliefs stemming from their experiences with Enron, the banking crisis, Iraq, the BP Oil Spill and other eroders of trust.

Millennials believe that they can always determine the “real story” by using the Internet to determine “the truth.” Because of their strong anti-corporate beliefs and their belief that they can find everything out for themselves, Millennials are very cynical and have a strong “desire not to be fooled”.

Millennials and Damage Awards

Not surprisingly, the attitudes displayed by many Millennial jurors that we have catalogued above have impacted how Millennials view damages in litigation. Using data from mock trials of over 700 surrogate jurors from 32 different jury research exercises, we can show that Millennials are significantly more likely to award higher damages in almost any type of case. From our research, we saw:

- The medium damage award of non-Millennials was \$3.5 million.
- The medium damage award of Millennials was \$6 million

This spread was even greater when looking at minority Millennials. The experiences they have had as Millennials have combined with other experiences shared by many young minorities to create an even more plaintiff-leaning mindset toward damages.

- The medium damage award of minority Millennials was \$9.7 million vs. \$6M for minority non-Millennials
- The Medium damage award of white Millennials was \$4.02 million vs \$ 3 million for white non-Millennials

The deliberations of Millennial surrogate jurors yield quotes that show their attitude towards damage awards in trials. Here are some typical quotes we have seen Millennial jurors make:

- "It's just money and they have lots of it"
- "He should get everything possible"
- "The defendant always low balls. They get a bonus for lowballing"
- "Let's do the right thing and give him everything. The defendant is a big corporation so who cares."

III. Millennials in the Claims Industry

The attitudes catalogued above are often used to disparage Millennials. The disparagement of Millennial attitudes by many on the defense bar and in the claims bar, while understandable given how these attitudes often lead to large jury verdicts, can be counterproductive when it comes to recruiting Millennials to participate in the insurance industry. Only 4% of Millennials are drawn to the insurance industry, as shown in the Hartford's 2015 Millennial Survey. Since Millennials will make up 70% of the workplace by 2030, this is not sustainable. Since it is unlikely that Millennial attitudes are going to change, it is imperative on the industry to change the culture of claims handling in ways that value the contributions Millennials can make to the industry.

Best practices in claims handling are trending towards a collaborative process where decisions on claims are reviewed by multiple individuals or groups. The “round table” process is widely considered a better method of making better decisions on claims than a hierarchical process where a supervisor reviews decisions by the initial claims handler and then sends it “up the chain” for approval. This type of process is exactly fit for the Millennial skill set. Millennials want to have a chance to voice their views and will value a process where their input is not only heard but valued. Millennials have been involved in these types of collaborative processes their entire life and are uniquely situated to make this type of process work better. Millennials are not concerned with status and are willing to challenge the opinion of a supervisor. In addition, Millennials will argue their opinions and present reasons why their view is correct. This type of input is very helpful because it makes everyone reevaluate the decisions they have made. Making use of Millennial’s strengths in collaborative processes will lead to better outcomes on claims decisions.

In addition to their skills in collaboration, Millennials want to believe they can make a difference in the world with their choice of profession. Currently, they do not see the insurance industry as a pathway to making a difference. They believe that insurance companies are large, bureaucratic institutions that are designed only to generate profits for the company. An explanation of how claims handling actually work in practice will show Millennials that insurance companies make a great difference in people’s lives. A vast majority of claims decisions provide great benefits for individuals and companies that have faced hardship. Millennials will value the ability to help people who have suffered losses. In addition, their views on personal responsibility will make them resistant to rewarding claims that should not be covered. Millennials desire to make positive change combined with their belief in personal responsibility should make them excellent participants in the claims handling process.

Finally, since juries will increasingly be dominated by Millennials, it will be necessary to have Millennials involved in evaluation of potential jury verdicts. Millennials will have valuable insights to how other Millennials are likely to evaluate cases at trial. These insights will be invaluable in attempting to determine the types of cases that are best to actually try and which should be settled.

The so-called “negative” attitudes and views of Millennials have generally been viewed as problems by the claims handling industry. While there are always challenges involved in generational change, there are more opportunities in Millennial views than are generally recognized. Making use of Millennial strengths will be key in adapting claims handling to a Millennial dominated world.