



EVIDENCE BASED STRATEGIES

Lockton's approach to
wellness

Case Study

Vitality[®]

Introduction



Lockton, the world's largest privately held insurance broker and the world leader in their industry, is passionate about serving its clients, developing its associates, and giving back to its communities. With upwards of 6,500 employees worldwide and more than 4,000 employees located in 41 offices across the United States, Lockton's dedication to its associates has earned them the reputation as one of the top employers in the insurance industry.

Prior to partnering with Vitality in 2011, Lockton had a double-digit health-cost-trend increase, which, if continued, would not be sustainable without intervention. As experts in health strategy, Lockton recognized the opportunity to tackle its growing health spend, and established its own wellness program which is comprised of healthcare premium discounts and gift cards for Health Risk Assessment completion. After four years, claims costs were still trending upward, so leadership decided that it was time to commit to a long-term health promotion effort with two primary goals in mind:

- 1 | Improve the health of associates through meaningful and measurable programs and incentives
- 2 | Moderate the company's rapidly rising medical cost trend

"We needed to walk the walk. We consult on wellness programs to companies but didn't have one ourselves," explained the Vice President of Total Rewards.

Lockton markets multiple solutions to their clients to improve health, productivity and financial results, but during the first meeting with Vitality, Lockton knew right away that it was the perfect fit. Vitality's flexibility, willingness to grow with Lockton, and use of verifiable data aligned with its core philosophies. With Lockton's competitive culture and Vitality's ability to deliver a dynamic program based on evidence-based strategies, the companies built an effective offering that was supported by the factors on the following pages.

Incentives

Lockton has embraced Vitality's use of financial incentives, leveraging the best evidence-based approaches and masses of Vitality data on the effect of incentives on health behavior. They have built a powerful rewards structure into their wellness program that keeps associates engaged day-to-day and year over year.

One example of a long-term incentive that Lockton uses is healthcare discounts. Lockton deploys the use of Vitality Status[®], a status-based system using metallic-colored stages to quantify a member's engagement. From bronze to platinum, achieving a higher status level requires active participation in the program. For example, it takes members approximately five months to achieve Vitality Gold Status. A Lockton member must achieve Gold Status by the end of the program year to receive "engaged status" medical premium discounts, which range from 50-75 percent, and Health Savings Account contributions the following year. Incentives that are aligned to Vitality Status, specifically Gold or above, can have a dramatic effect on initial and long-term engagement, up to an 18 percent increase in the population at Gold Status or above.

Another example of Lockton using incentives to build healthy habits is through the Vitality Mall[®]. Within the Vitality member portal, the mall is constructed of a broad set of leading consumer brand offerings from fitness devices to gift cards. The Vitality Mall is designed in a way that appeals to the broadest set of members and provides motivating rewards that encourage members to participate in the program. For participating in the program, members earn points which convert to Vitality Bucks[®], a form of program currency that members can redeem for items in the mall. Achieving a significant amount of Vitality Bucks[®] requires longterm participation in the program, tapping into principles of new habit-forming behavior.

Lockton was an early adopter of Vitality Active Rewards® + Apple Watch, aimed at tackling the health challenges that come with physical inactivity. Through Active Rewards, members receive weekly personal physical activity targets that, once met, provide a chance to win Vitality Points or a gift card from leading consumer brands, through a gamification mechanism, the Vitality Wheel™. Additionally, those with iOS devices have the opportunity to get the latest Apple

Watch, and as members continue to increase participation in physical activity, what they pay is solely determined by their engagement in physical activity. This lasts throughout a 24-month period, leveraging principles of lasting behavior change. With this innovative intervention in place, Lockton is experiencing significant shifts in physical activity, as seen in the results below.

Shifts in Physical Activity

92%

increase in Standard or Advanced workouts per month with Active Rewards + Apple Watch.

19%

increase in average daily steps with Active Rewards + Apple Watch.

3.6x

increase in mobile platform engagement.

Social Network Influence

Lockton has tapped into the science of social networks and their influence on people's health. They are integrating the wellness program into associates' work and personal lives – this includes the establishment of peer program ambassadors known as Vitality Champs®, leadership involvement, and the inclusion of spouses in the program.

C-suite buy-in is key, and Lockton knew it had to achieve that for the program to be successful. Tapping into the company's competitive nature, Lockton began publishing Vitality Status breakdown by location. Once the senior leadership saw that their location didn't have the most Gold Status associates, they took action and worked to achieve Gold Status themselves. Leading by example got the attention of the associates and now the company-wide race to gold has become a contest every year.

Lockton, understanding the influence that spouses have on behavior, included spouses in the program from the start. Three years into the program, Lockton decided to establish a spousal points requirement for an associate to earn engaged status. Not only did this evolution increase spousal levels

of engagement, but it also led to an increase in the number of activities completed per month by both the spouses and the associates, as shown in the results section.

Lockton utilizes the use of peer program leaders, known as Vitality Champs®, to encourage participation, oversee communication and organize activities for the wellness program at each location. Lockton knows that champs are essential to the success of the program, so it tries to have at least one champ at every U.S. location, with approximately fifty champs in total. Since more than 50 percent of the company is located away from the main office, it is important that every location localizes the program to meet the employees' needs. Champs administer a variety of health-promotion activities that are relevant to their locations – from Lunch and Learn sessions to sports leagues and group fitness classes. The champs' commitment to taking ownership of the program and delivering individualized activities, challenges and communication is evident – according to a Vitality member survey, 98 percent of associates feel encouraged by Lockton to participate in Vitality.

Culture

With Vitality, Lockton's culture has transformed. As experts in insurance and wellness programs, Lockton has always promoted wellness by having on-site fitness centers at some locations. But prior to the program, associates at these locations didn't feel encouraged to use this benefit during the day.

Now that Lockton has taken the extra step to deploy Vitality's wellness program and has buy-in from all levels of the company, associates feel empowered to use the gym during all hours of the day, and it is uncommon to see an empty workout facilities. Multiple locations have even taken the additional step to install

treadmill desks to promote activity. With associates who are empowered to embrace Lockton's culture of wellness, it has become common to host walking meetings outside. Lockton has also integrated Vitality into monthly 5K races, awarding points to participating associates.

This shift in culture isn't evident only when walking the halls of the office. Results of the Vitality member survey show that 94 percent of associates believe Vitality improves workplace culture, which is why Lockton uses Vitality as a selling point when recruiting new employees.



Notable Results

Lockton's commitment to integrating its wellness program into its culture has led to positive results and national recognition. Most recently, Lockton has been recognized by Business Insurance as a Best Place to Work, and Lockton was a 2016 recipient of the When Work Works award. Lockton also received Honorable Mention for the C. Everett Koop National Health Award in 2014. Numerous offices, including Charlotte and Chicago, have been named Best Places to Work in their respective states.

Notable Results

23%

increase in members reaching Gold Vitality Status and above.

5.1%

net improvement in health risk factors for higher engaged members (Gold or above).

4x

increase in employee activities per month.

8x

increase in spouse activities per month.

94%

of associates believe that Vitality improves the culture of their workplace.



Vitality®