

Auto Casualty

COVID—A Year Later

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7 MIN READ

How the World (May Be) Forever Changed by COVID-19

One year ago this week, our Company sent out the first set of employee notices to adopt a work-from-home status, “effective immediately.” Like millions of others, we promptly packed the laptops, the power cords, and (hopefully) whatever we had in the office refrigerator, before heading home to what we all assumed would be a temporary disruption. At home we were greeted by suddenly-out-of-school children who thought they were on vacation, and by spouses vying for the “good” home office space, or family members in newly-dangerous careers of “essential work.” We scrambled to buy face masks, toilet paper and office chairs, we replaced commuting hours with binge watching hours and we realized how few sweatpants we had (and how many more we needed). Very few of us, however, prepared for these changes to be long-lasting. A year after the COVID crisis abruptly upended life around the world, we are all anxiously awaiting a return to “normal,” but it is important to understand that our future “normal” may be very different, with ripple effects far beyond the sweatpants and the office chairs.

How We Work

According to PwC’s US Remote Work Survey conducted in December 2020, “Remote work has been an overwhelming success,” with 83% of employers reporting that the shift to remote work was successful, up 10 points from an already large majority of 73% back in June of 2020. With that kind of “success,” it is not surprising that business leaders everywhere are contemplating whether to go back to the office or not, or whether to adopt a new model altogether—hybrid; the latest Covid-borne buzzword. A recent Pew Research Center study found that 54% of adults who are currently working from home want to continue working remotely full-time, and PWC found that 65% of adults surveyed want to work from home at least some of the time. For a large segment of the population, a hybrid working model is a very real, potentially very beneficial opportunity. “Finance and insurance has the highest potential, with three-quarters of time spent on activities that can be done remotely without a loss of productivity. Management, business services, and information technology have the next highest potential, all with more than half of employee time spent on activities that could effectively be done remotely.” With more than half of employees’ time spent on activities easily done outside of the office, questions arise not just about the amount of office space needed, but rather, how the enterprise will function differently. What changes will be needed for a successful hybrid workforce? Many experts agree that a big part of the change starts with IT and Facilities. "The implications for IT are many: extended support desk hours, remote-support and remote-management tools, work-specific user training, cloud enablement of all software

possible, appropriate security for distributed work, enabling multiple forms of collaboration and related activities like scheduling, whiteboarding and availability tracking," just to name a few. The same challenges persist for the physical office, which will have to work much harder to function well for onsite employees working seamlessly with those who are remote. Upgraded video conferencing capabilities in meeting rooms, scheduling systems for employees using hoteling spaces, and facility reconfigurations to avoid touch-heavy surfaces or social distancing will all present challenges for the newly hybrid workforce. With so much change to how and where employees get their work done, Property and Workers Comp insurers will surely spend the next few years grappling with the blurred lines between home and work and the widespread implications for policy and claims administration.

How We Live

As large segments of the population permanently migrate to full or part-time work from home, the way we shop, dine, drive or seek medical care is also poised for change. Across the U.S., real estate is booming as many people who were considering a purchase at the start of the pandemic, jumped into homeownership en masse in the last six months. As the largest generation ever—Millennials—enter their home buying years, real estate is poised to cater to their preferences for some time to come. Without the daily commute, hybrid workers are free to purchase homes further away from city centers, changing why or how much we drive, while more hours working at home means a greater need for office space. All of these considerations will have lasting impacts on the homes we build, the cars and miles we drive, and of course, the way we insure or repair our property when accidents happen. Speaking of why we drive, delivery services have also taken on significantly greater meaning in the last year, as many consumers found themselves ordering groceries or meal delivery for the first time. While “indoor dining” is cited by consumers as one of the top five activities they are most anxious to return to, it is also true that delivery services which were new to many consumers at the start of the pandemic, may become ongoing fixtures of daily life. McKinsey reports a 20%–40% expected growth in consumers who will make purchases online in virtually every consumer goods category in a post-Covid world, and as much as an 80% increase in the number of consumers who purchase most or all of their goods online. This delivery armada could permanently represent a significant proportion of the workers and the cars on the road, affecting how and for whom we provide property and casualty insurance for many years to come. Additionally, consumers and healthcare providers have adopted remote healthcare—aka telemedicine—in large numbers over the course of the last year. While the industry was in the early stages of deploying telemedicine before the pandemic began, the closed offices and social distancing protocols quickly accelerated the use—and the acceptance—of telemedicine as a standard part of healthcare offerings. Surveys indicate that usage of telemedicine for both physical and mental health steadily increased between April and December 2020, and as early as June of 2020, guidelines and rules concerning telemedicine had changed in 35 states.

How We Innovate

The change to more frequent use of telemedicine, however, is spurring more than just fewer crowded waiting rooms. With remote medical appointments gaining acceptance in the wake of large-scale social distancing, so too is the use of Remote Patient Monitoring (RPM). While many hospitals and health systems had adopted some RPM usage prior to the pandemic, challenges with scale and cost had been prohibitive to widespread adoption. COVID-19 has changed all of that, as medical facilities that were simultaneously overwhelmed and understaffed turned to RPM technology and telemedicine as a means of keeping patients safe at home without disrupting the continuity of their medical care, while also relieving some of the strain on medical facilities. This rapid shift appears to be more than just a temporary trend since results are so far positive for patients *and* care providers. “Patients love the fact it’s more convenient, time-saving, and feel more connected to their provider. They feel a sense of assurance and peace of mind on a daily, ongoing level,” reports HealthTech Magazine, while “from the

clinician's point of view, the ease of access to patient data and the ability to provide higher-quality care to a larger base makes it a win-win. Finally, healthcare providers are encouraged by lower costs and higher efficiency. Additionally, they see the value of a layered approach and understand the value of the home setting. As innovation continues to enhance or create technological solutions, more benefits are likely to emerge and the adoption rate will climb even higher." With the momentum of win-win medical care and broad acceptance of telemedicine, this large-scale shift has accelerated innovation, with the RPM market projected to be worth $117 billion by 2025. While the industry will continue wrestling with regulatory challenges or cybersecurity as more patients use an ever-growing variety of RPM devices, the market has shown increasing readiness for the benefits of fewer waiting rooms, better patient monitoring and potentially lower costs for administering routine healthcare through virtual health platforms.

How We Evolve

There is no shortage of prognostication about what life after Covid will look like or when it will arrive, but with sustainable and beneficial shifts in how we work, where we live or how we receive our healthcare, predicting the emergence of a society that is forever-changed is hardly a stretch. The challenge, it seems, that we will face is being ready for this new society, whatever form it takes. If Covid has taught us anything, it has taught us that no one knows for sure what lies ahead, and that the only real constant is change. If we are to thrive in a post-Covid world, we will have to remain flexible and open to change, and we will have to embrace innovation, with an eye for the benefits it may bring. If we keep our eyes open for new opportunities, and recognize the silver linings of this global struggle when we see them, we can work together bring about the change we want and shape the next "normal" we all want to see.



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