



# 2021 MARKET FORECAST

MARKET INSIGHTS FROM KAPNICK INSURANCE GROUP

CELEBRATING  
**75** YEARS  
1946-2021



**Kapnick**

➔ Strength. Knowledge. Direction.®



# A LETTER FROM OUR CEO

I began my introduction to last year's market forecast with the note that 2019 was a year of both challenges and opportunities, but most would say 2020 was a year of straight challenges. In the US, social upheaval and an election cycle meant uncertainty and stress, while the lingering coronavirus pandemic brought considerable devastation to people's health, mental well-being, work-life balance, and businesses. Unfortunately, the hardening insurance market trends of 2019 continued, no doubt in part due to overall societal instability.

While we expect the insurance market trends to continue along their same path in 2021, we are not without hope for a better year. While 2020 brought many struggles for all businesses and organizations, it also provided tremendous opportunities for growth in the face of adversity. With disruption comes added incentive for innovation.

At Kapnick, we greet 2021 with better plans on how to quickly and effectively respond to catastrophe, more capabilities to service our clients in person or virtually, and hope for success. As always, we are here to serve you and have innovative solutions to meet your risk management, employee benefit, and personal insurance needs no matter the market conditions.





# CLAIMS TRENDS

## ONE EMPLOYEE EACH YEAR

4

DAYS LOST TO  
ABSENTEEISM

57.5

DAYS LOST TO  
PRESENTEEISM

NEARLY 3 WORKING  
MONTHS LOST



## TOTAL COST OF LOSS USA, AUSTRALIA AND UK

### ABSENTEEISM



\$150  
BILLION

### PRESENTEEISM



\$1,500 BILLION

The events of 2020 were unexpected and the full impact of a global pandemic—which caused shutdowns, layoffs, and sudden shifts to remote workforces—is still unknown. Moving forward into 2021, there are two key issues all employers should proactively plan to manage exposures.

#### Presenteeism

Presenteeism happens when people are physically at work—either on the jobsite or virtually—but their attention is elsewhere. Presenteeism is often caused by stress, such as financial or personal life worries, and distractions. With COVID-19 concerns, potential job insecurity, mental health stressors, and multiple people within a household attending work or school online while juggling childcare or illness, employees may be more distracted than ever. Distraction leads to errors and can impact safety.

See below for techniques for preventing presenteeism.

#### Cyber Security

An increased demand for remote workforces means organizations are increasing their technology security, and companies may want to strengthen their internal security as well. While no one wants to consider the possibility of internal theft, many of the conditions that increased fraud during the 2008 recession are prevalent again today—employee layoffs, financial insecurity, absent supervision, and IT and security teams that might be stretched too thin.

## HOW KAPNICK CAN HELP

For innovative leaders, risk can be used as a tool to create value and drive performance. The key is to strategically and proactively balance risks and rewards according to your goals. Kapnick can help. We have a variety of resources available to help you detect risks, provide risk insights, and manage risks in order to minimize claims. Best of all, these are all available virtually, so even if we're unable to come to your physical location, you can still have access to our specialists.

### *Some of our risk management resources include:*

#### Risk Services Center

An online platform with training modules, educational webinars and videos, sample policies and procedures to provide organizational guidance, and more—all available 24/7.

#### Innovative, Holistic Solutions

Achieving a desired outcome isn't always clearcut or easy. For example, to the issue of presenteeism mentioned above, a successful strategy has been to have employees participate in a comprehensive well-being program (such

as Kapnick Strive), which improve sleep, stress levels, and overall happiness, which ultimately improves productivity.

#### Virtual Walkthroughs

Provide access to the same expert advice with the same impact.

#### Trainer Training

Empower your leaders to train your workforce, perform safety assessments, and embrace a company-wide culture of safety.

# CASUALTY

10%  
to  
20+%

**Umbrella/Excess expected to increase 10% to 20+% depending on risk and limits**

>\$10  
million

**Umbrella/Excess carriers unwilling to assume more than \$10 million layers**

In the casualty market, reduced capacity and increased rates were prevalent before the COVID-19 outbreak, but effects of the pandemic have added additional pressures not only to rates, but also to the terms carriers are willing to offer, and tighter loss control.

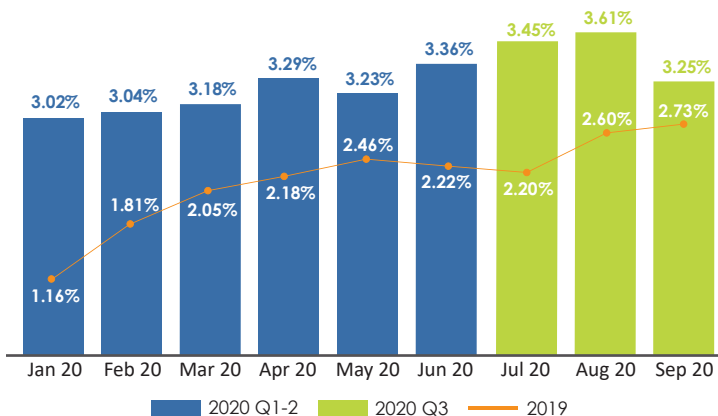
Key market drivers consist of:

- Supply chain complexity
- Event-driven litigation
- Nuclear verdicts
- Digital regulations
- Sexual abuse allegations
- Social inflation

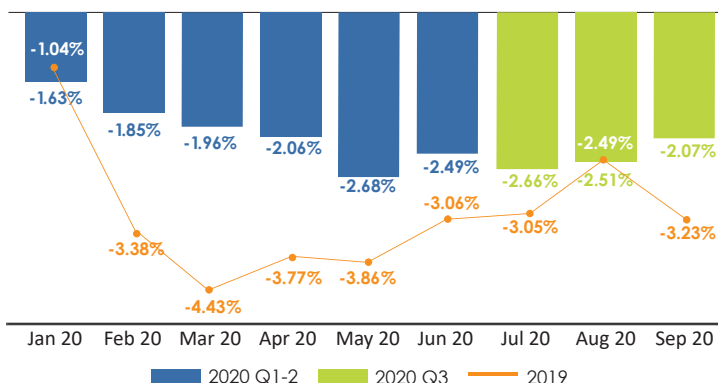
Capacity restrictions within the excess sector are the most prominent, requiring further layering of programs in order to obtain the same amount of umbrella coverage. In Q4 2020, umbrella/excess liability rates increased 12.7% on average, and we anticipate excess rates will increase even more in 2021. General liability premiums increased across most commercial lines in 2020. Commercial auto rates in 2021 will continue to face pressure due to escalating losses and litigation awards.

Workers' comp is the one segment that has not seen rate increases or capacity issues in 2020. For industries with significant drop in revenue due to the pandemic, reductions in payroll due to furloughs or layoffs are resulting in accounts renewing at a lower premium level. Carriers are also working with organizations for payroll reduction and return premiums if applicable. Unfortunately, we expect this trend to cease in 2021 and workers' comp will see an increase similar to other market segments and lines.

## GENERAL LIABILITY



## WORKERS' COMPENSATION



Source: The IVANS Index: Q3 2020

### HOW KAPNICK CAN HELP

Now it's more important than ever to work with a broker who understands both your business and the market, and has established relationships with various carriers.

At Kapnick, we have a variety of strategies to ensure you're paying the right price for the right coverage:

- ➔ Comprehensive, early submissions, especially for larger placements
- ➔ Clearly identifying the qualities of your risks, including your safety and risk mitigation programs
- ➔ Using analytics along with safety programs to strengthen negotiations
- ➔ Building programs with additional layers to obtain equivalent coverage



# PROPERTY

COVID-19's economic and risk impacts have accelerated market trends, and we anticipate a continued trend of increased rates in 2021. Pricing and retention increases alongside capacity reductions are common, with average property renewal rates at +7% to +20% for neutral risk profiles. Thirty percent and above increases even have become more common for those organizations with losses or large, more complex risks.

We are also seeing higher deductibles, and reduced limits with insurers scrutinizing catastrophe exposures including:

- Windstorms
- Earthquakes
- Convective Storms
- Floods
- Wildfires

Other changes to commercial property insurance that we saw at mid-year renewals included riot and civil commotion exclusions for urban, retail, real estate and most affected, municipal properties. Restricted availability of nonphysical business interruption coverages and strong communicable disease exclusions were also common.

Underwriting is more rigorous and technically focused. With increased submission activity due to increased prices and reduced capacity means underwriters are more selective on which risks they review and quote. We also anticipate much tighter loss control by insurers in 2021.

## HOW KAPNICK CAN HELP

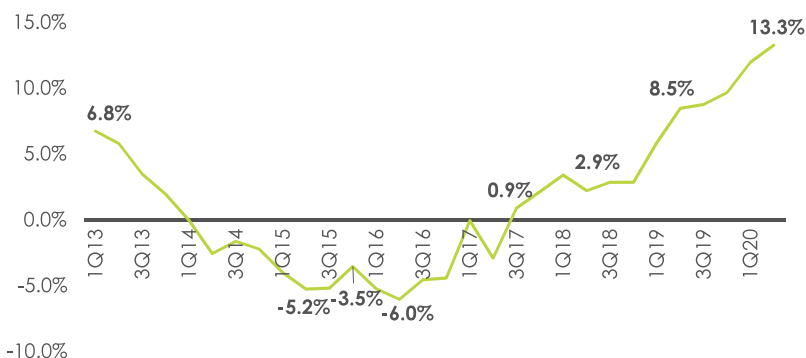
Despite a hard market and national uncertainty, Kapnick can help you cover your risks.

We have innovative solutions and strategies including:

- ➔ Exploring your options through risk transfer, alternative placement structures, reinsurance capacity and captives
- ➔ Focusing on timely, robust, and clear submissions
- ➔ Advise on limit reduction, provide risk management solutions, claims advocacy, and help reduce exposure

average  
renewal rates  
**+7% TO +20%**  
neutral risk  
profiles

## PREMIUM CHANGE FOR COMMERCIAL PROPERTY







# EMPLOYEE BENEFITS

With the COVID-19 pandemic and subsequent shutdowns and remote workforce pivots, the global working world has fundamentally changed. Whereas in 2019, most HR teams' pain points were recruitment and retention, those concerns have shifted for many companies to a fight for survival. At the same time, employees' priorities have also changed and they may need additional support from their employers. Most are asking "what's next?" We have some ideas.

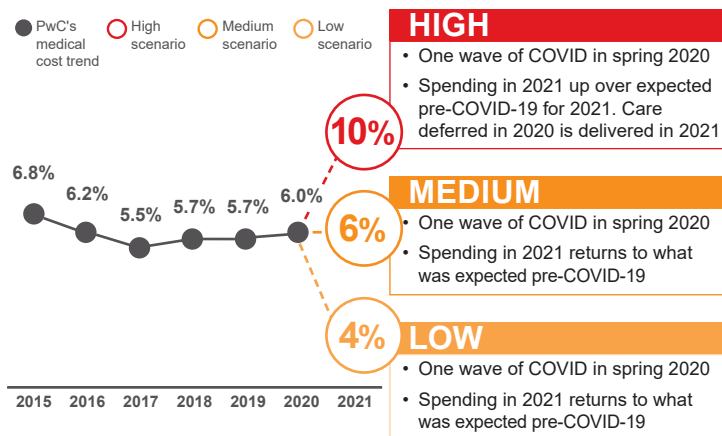
## Delayed Care

There's no doubt that COVID-19 has revolutionized healthcare. While virtual care usage has become mainstream, in-person visits and procedures are down considerably, causing financial stress for many providers.

Total employer healthcare spending could ultimately be lower in 2020 than in 2019. The likelihood of costs rebounding in 2021 is high, though still unknown due to uncertainties around increased COVID-19 cases. Experts expect 2021 medical cost trends to range anywhere from +4% to +10%, with large variances in different geographical areas as some regions are more profoundly impacted by COVID-19 than others.

There is also concern around later-stage, more advanced conditions and deteriorated health of the overall population as people delayed care in the midst of the pandemic. In a recent survey by the

## Experts predict 2021 medical cost trends to range anywhere from +4% to +10%



Source: PwC Health Research Institute medical cost trends 2007-21

Health Research Institute, 22% of individuals with employer healthcare had delayed some care since March 1, 2020. Delays in diagnosis often makes treatment more difficult and more expensive with more complications and an increased likelihood of long-term effects and even disability. It is more important than ever to encourage employees to continue to seek care when they need it and to provide preventive screenings through corporate well-being programs such as Kapnick Strive.

**22%** PEOPLE WITH EMPLOYER HEALTHCARE DELAYED CARE SINCE MARCH 1, 2020

## Telehealth

While many avoided in-person care, those who did need to see a doctor often turned to telehealth during the pandemic. Many experts believe telehealth will continue to be a popular alternative to visiting a provider in person, which should provide cost savings on two fronts:

- Telehealth has lower prices per visit compared to in-person visits

**A recent study estimated telehealth visits for the same conditions to be \$162 cheaper than an in-person visit to a PCP, or \$1,735 cheaper than an ER visit.**

- Savings from fewer diagnostics resulting from telehealth visits compared to in-person visits

With telehealth utilization likely to remain high compared to pre-pandemic usage, employers should review their telehealth contracts and determine whether contracting with a national telehealth provider, local providers, or both best fits the needs of your employees.

**NEARLY 60% EMPLOYEES WHO STRUGGLE WITH MENTAL HEALTH CLAIM THEIR WORKPLACE DOESN'T OFFER THE MENTAL HEALTH PROGRAMS THEY NEED**

## HOW KAPNICK CAN HELP

Despite changes, one thing remains constant: employers who understand their employees' needs and prioritize helping them managing their challenges—both at the worksite and beyond—will have a more engaged, effective, and successful workforce.

When creating an employee benefits program to address disparate employee demographics and lifestyles, a holistic model is key. Kapnick can help. Utilizing Kapnick Lens—our data analytics platform—we go beyond descriptive metrics to design programs that meet your employees' current needs and anticipate future risks so your employees can feel secure. We also provide in-house services to provide your HR teams with guidance and support for open enrollment and beyond. These include online benefits platforms, compliance alerts and webinars, a call center with translation services, COBRA and FSA administration, and more.

## Mental Health

Mental health has been a leader in the movement to telehealth, which is fortunate, because it has been needed during the pandemic more than ever. Work-life balance while working remotely or additional hours for some, layoffs and furloughs for others, remote learning environments, civil unrest due to systemic racial injustice and a tense election cycle, has left many employees stressed, overwhelmed, and struggling with their mental health.

Nearly 60% of employees who struggle with their mental health claim their employer doesn't offer mental health programs that meet their needs, or that the programs they do offer are too difficult to access or understand. It is essential to provide employee education, reduce the stigma around getting help, and communicate what resources are available to those feeling depressed, anxious, or otherwise struggling with mental illness.

### PRE-COVID-19



**employees stated they struggle to navigate the demands that come with today's more flexible "always-on" work-life world**

### START OF COVID-19



**employees state the COVID-19 pandemic has impacted their daily routine**



# SPECIALTY RISK

In specialty risk, market conditions are generally challenging. An already firming marketplace has been exacerbated by the COVID-19 crisis. Rates continue to increase with uncertainty. Much depends on the line of coverage and the organization's industry.

## Directors and Officers - Public

For public companies, the negative global impact of COVID-19 is leading to an increase in breach of care, loyalty, and obedience claims against directors and officers alleging mishandling and lack of corporate oversight. Bankruptcy D&O risk is anticipated to increase dramatically. Thus, rates continue to increase with the vast majority of renewals in the +25% to +50% range for public company D&O.

## Directors and Officers – Private

Private companies are not immune to claims by stakeholders alleging mismanagement, lack of compliance oversight and regulatory enforcement arising out of the COVID-19 crisis, yet private D&O increases are moderate compared to public. Assuming insurers are comfortable with the financial outlook of the organization, rates are increasing based on actual changes in exposure (financial size/condition, employee count, claims). Most renewals are now trending in the 7.5 to 15% increase range assuming a neutral risk profile.

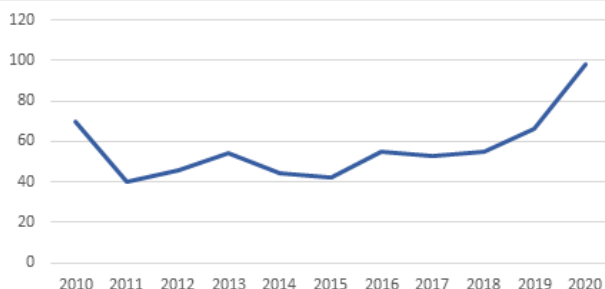
## Employment Practices Liability

Even prior to the COVID-19 crisis, recent high-profile social movements focused on sexual harassment and pay equity have led to increased claim frequency and underwriter scrutiny of organizations' culture, claims history and overall employment practices leading to higher premiums and retentions in Employment Practices Liability. With COVID-19 furloughs and layoffs increasing the inventory of EPL litigation dramatically, renewal rates in the 5 to 15% increase range are common for neutral risk profiles. ADA, FMLA, FLSA and common law discrimination and wrongful termination claims will be the focus as the economic impact of the crisis manifests itself directly on employment.

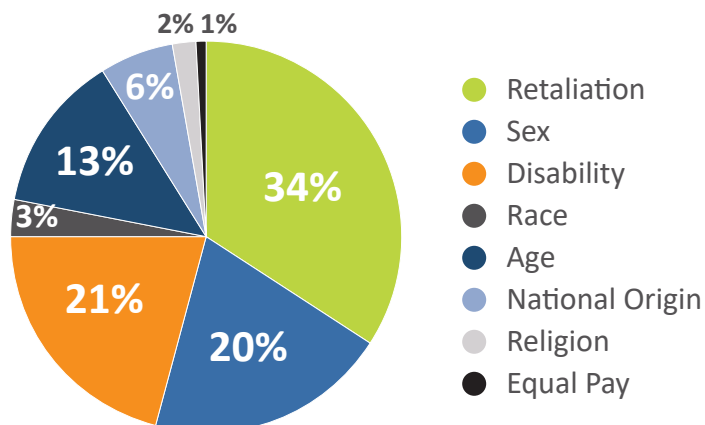
**\$50M**

**U.S. Bankruptcies >\$50 Million in Net Liabilities**  
(5/20 year-to-date)

## RAPIDLY INCREASING BANKRUPTCIES



## PERCENTAGE OF EEOC CHARGES BY TYPE





### Fiduciary Liability

The fiduciary liability market remains relatively stable with ample capacity, and modest rate increases in the 0-10% range.

### Crime

Crime premiums in 2020 are trending in the 5-10% increase range depending on loss history and exposure changes (employee count and/or location count increases, financial growth) with some restricted capacity as two carriers have recently withdrawn from the market.

#### Crime losses are expected to increase for a variety of reasons during the coronavirus crisis:

Procedural distractions and inability to follow previous internal control mechanisms

Financial desperation by individuals (as seen in 2008)

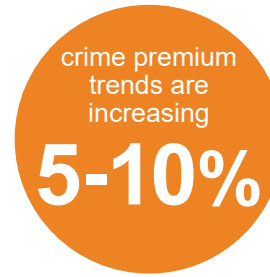
Large uptick in social engineering and phishing schemes

Increased usage of mobile devices and virtual closings requiring broadened use of electronic wire transfer mechanisms

Ponzi schemes, insider trading fraud, pump & dump, deep-fakes, and COVID-19 investor scams

### HOW KAPNICK CAN HELP

Our Kapnick Specialty Risk experts consider themselves an extension of your team throughout the year, not just at renewal, and will work with you to find the coverage you need for the complex and evolving risk of today's corporate and individual liability risks. With a proven track record of better-than-market premium and coverage outcomes for a wide variety of businesses and risk profiles, our experts consistently deliver superior results.



### Network Security & Privacy Liability (Cyber)

Surprisingly, premiums are generally stable and competitive due to capacity with few exceptions. Firming is occurring on renewals due to ransomware payments by select global cyber insurers; healthcare and public entity – overall rates continue to increase 5-10% year-over-year.

COVID-19 has already led to the following:

- Significantly more malware, social engineering and hacking incidents – up 700% 1H 2020
- Uptick in actual data breaches
- Gaps in network security given stretched IT resources
- Remote workforce and accidental loss of data coupled with the sheer volume of PII, PHI and other sensitive/confidential data being exchanged remotely



# PERSONAL RISK

## FLOODING IS MORE COMMON AND COSTLY THAN YOU THINK

# #1

source of property damage is non-weather-related water losses

# 45%

of all interior property damage is caused by water, more than fire or burglary

# \$65,000

average interior water damage claim payout

# 3 MONTHS

average time clients are out of their home after additional living expense is activated

# 2X

as likely to suffer a second water loss if you've already experienced one

Source: Chubb Personal Risk Services claims

## Cyberattack Threats Consumers Are Most Concerned About



**IDENTITY THEFT 73%**



**BANK FRAUD 71%**



**HACKING 67%**



**MALWARE 67%**

Source: Verisk Analytics: Understanding the Opportunities for Personal Lines Cyber Insurance Created with Datawrapper

## HOW KAPNICK CAN HELP

Our personal insurance experts are always glad to have a conversation to discuss how to build a personal insurance program to meet your specific needs while protecting the life you've worked so hard to build. We can also help you with simple preventive techniques to avoid common household claims.

While 2020 has been a difficult year, the pricing trends for personal insurance in the Midwest have remained fairly steady—a trend we expect to continue into 2021.

Four trending personal insurance policies we believe every individual should consider, when applicable:

# 1

## UMBRELLA

Personal umbrella insurance, which covers you beyond the limit of your home or auto insurance policy, is a relatively easy and inexpensive way to purchase additional liability.

# 2

## FLOOD INSURANCE

Most homeowners don't carry flood insurance—especially if their home isn't located in a historical flood zone—yet flooding is becoming more common, and as it's not covered by typical home insurance policies, it can be devastating.

# 3

## VACATION RENTALS

With interest rates down, many individuals are considering buying a secondary home for both personal use and as a vacation rental. Unfortunately, vacation rentals can be difficult to insure. At Kapnick, we have options to take into consideration before purchasing.

# 4

## PERSONAL CYBER INSURANCE

Working remotely or having family members attending virtual school can open families up for cyber fraud. If your workplace doesn't offer a satisfactory policy to protect your identity and your family finances, personal cyber insurance can often be purchased for a low cost.



# REAL ESTATE

The effects of COVID-19 on the insurance market will significantly impact future insurance costs for real estate organizations. Rate increases are expected to continue to rise between 15% and 25% with multi-family residential rates increasing 20% to 50%. As rates increase across the real estate sector, more underwriters want to see specific, actionable plans—including capital investment building repairs and maintenance and business continuity plans—in place for real estate companies in 2021.

This is especially true for businesses who have had to pivot to repurpose their assets as a result of cancelled tenant leases, the demand for smaller office spaces, or vacancy.

## HOW KAPNICK CAN HELP

At Kapnick we can help communicate your resiliency and risk management efforts to underwriters in order to position your properties in the best light. We're also prepared to replace or add in participants to fill in capacity in your excess program, collaborate with you as you determine the potential value and risks of additional product developments or properties, and provide insight as you weigh loss mitigation strategies to find the right coverages for the right rate.



# CONSTRUCTION

For many in the construction industry, 2020 has left balance sheets battered and profit margins compressed. While many contractors and subcontractors began the year in a healthy financial position, unexpected (and unbudgeted) COVID-19 closure costs, schedule delays, and labor expenditures have caused significant stress.

Moving into 2021, we anticipate lingering challenges including supply chain disruption, labor availability, and coronavirus worker safety issues. Combined with raising insurance rates and reduced capacity, the construction industry will experience challenges.

## HOW KAPNICK CAN HELP

As always, effective use of analytical tools, clear and frequent communication, and early, strategic renewals are key.

In the current environment, an experienced insurance advocate is essential. At Kapnick, we work with you to anticipate risks in order to proactively, effectively manage them. We can provide guidance on risk selection—essential in a hardening market—and provide alternative risk options. We can also provide insight into how to improve your quality tracking and safety protocols, which are essential differentiators to overworked underwriters.

## SELECT CONSTRUCTION LINE RATE PREDICTIONS



### Project Specific Builders Risk

TRENDING UP **+5% TO +15%**



### Master Builders Risk/Contractors Block Programs (renewable business)

TRENDING UP **+10% TO +20%**



### Contractors Pollution Liability

TRENDING **FLAT TO +10%**



### Project-Specific/Controlled Insurance Programs

TRENDING UP **+5% TO +15%**

**+10% TO +25% FOR EXCESS**







# MANUFACTURING



## FOOD AND AGRIBUSINESS

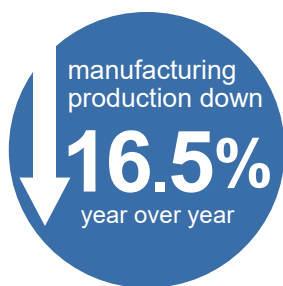
The US manufacturing industry has felt the impact of 2020. Forced shutdowns in early spring caused declines in manufacturing employment (the lowest since 2010) and production (down 16.5% year over year). The resulting uncertainty combined with the hardening property and casualty insurance markets, means manufacturers' agility and resilience will continue to be tested in 2021.

The product recall market remains healthy with ample capacity, though tightened underwriting guidelines due to an increase in both the frequency and severity of losses. As supply chains are disrupted due to the worldwide pandemic, new concerns regarding quality have risen for manufacturers.

### HOW KAPNICK CAN HELP

At Kapnick, our manufacturing experts can provide you with access to the right markets to secure your best placement, connect you with strategic crisis response partners, and seek coverage that protects your balance sheet.

As supply chains are disrupted due to the worldwide pandemic, new concerns regarding quality have risen for manufacturers.



Food and agribusiness is in a period of feast or famine, with some clients operating at record capacity and others closing locations due to the impact of COVID-19. Businesses that import or export products internationally have experienced significant disruption, as have packagers who are struggling to hire and retain enough employees to meet increased demands as at-home food consumption increases. With food service businesses operating at lower capacities, many food producers are pivoting to serve retail and wholesale grocers or customers directly instead. These shifts in product distribution can also shift a business' risk profile, or even create additional exposure.

The product recall market remains healthy with ample capacity, though underwriters have tightened their guidelines and often require additional and more detailed information, especially as supply chain disruption has caused concerns over food safety and contamination.

### HOW KAPNICK CAN HELP

Managing the escalating insurance costs that all industries are experiencing while keeping your employees safe and healthy, complying with shifting regulations, and hustling to either meet increased demands or pursue new revenue avenues is a difficult task, but Kapnick can help. We will navigate 2021 with you, providing insights into your coverage options, alternative risk strategies, compliance, and risk prevention strategies. We will also help you create a narrative of your exposures and goals so that we can move into your next renewal with confidence that you will find the right-size coverage and program structure for your evolving needs.



# TRUCKING, TOWING & TRANSPORTATION

Unfortunately, in 2021 many of the same issues we've seen the past few years will persist for the trucking, towing, and transportation industry:

- A significant shortage of experienced drivers
- Poor safety scores
- Increasing frequency of nuclear verdicts
- Limited capacity

All of which contribute to increasing insurance costs and fewer options.

Additionally, the coronavirus pandemic has caused significant disruptions for the transportation industry, shifting fleet assets and supply chains,

altering routes, and impacting regulations. Also, depending on the commodity being hauled, some organizations could be experiencing a surge or decline in freight. New liability concerns have risen with the government's temporarily relaxed regulations, increased demand for services, and a rise in third-party exposure for delivery drivers.

## HOW KAPNICK CAN HELP

At Kapnick, we're with you for the long haul. We can provide suggestions for technological investments to effectively manage your risk, create multi-year and/or structured programs to reduce your premium costs while still mitigating catastrophic exposures, and differentiate your business to underwriters throughout the renewal or placement process.



Schools, universities, municipalities, and associations have faced unprecedented challenges in 2020. In addition to COVID-19 outbreaks on your campuses and in your classrooms and offices, organizations have dealt with layoffs, shutdowns, worker shortages, and social unrest in your communities.

Unfortunately, 2021 may bring additional challenges with budget shortfalls already stressing infrastructures and increased premiums for health care and business insurance coverages.

## HOW KAPNICK CAN HELP

At Kapnick, our SUMA (schools, universities, municipalities, and associations) group has strategies to leverage technology, claims data, provider and insurance carrier partnerships, and more in order to balance your short-term budgetary constraints with your long-term goals. We also work hard to provide education and insight, so you and your employees fully understand your health care costs and benefits.



# VOLUNTARY BENEFITS

## JOB SATISFACTION RISES WHEN:



Now, more than ever, a comprehensive benefits program that supports your employees beyond traditional medical coverage is critical. Holistic approaches that consider various needs, work-life stressors, and risk preferences are essential. However, we recognize that 2020 has been a difficult financial year for many organizations and expanding employer-sponsored benefits may not be possible. Voluntary benefits can help bridge the gap.

Trending voluntary benefits currently include:

### EMPLOYEE ASSISTANCE PROGRAMS (EAPs)

Provide free counseling and education for stress management, family dynamics, work, personal relationships, financial education, and more

### PET PERKS

Animals can help reduce stress and loneliness, and have been adopted in record numbers during stay-at-home orders. Pet perks can include offering pet insurance, paid time off for new pet owners, and allowing employees to bring pets into work.

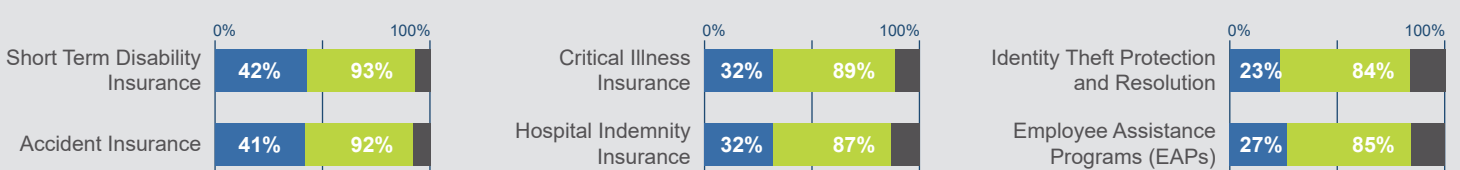
### SHORT-TERM DISABILITY

Disability can provide valuable income protection during extended illnesses or injuries that keep them out of work, and can ensure employees feel financially secure in case they're diagnosed with COVID-19. It can also help supplement parental leave following the birth of a child.

### IDENTITY THEFT

With more people working, attending school, and shopping online more than ever, identity theft is on the rise. Identity theft coverage is often low cost and reimburses victims for money spent on reclaiming their financial identities and repairing their credit reports.

## WHAT DO EMPLOYEES CONSIDER MUST-HAVE BENEFITS?



## HOW KAPNICK CAN HELP

At Kapnick, we are your advocates and partners. We work to ensure you understand how your voluntary programs benefit your employees, and how they're structured. Kapnick can work with you and the carrier to ensure that the products you've chosen actually bridge the gaps you want them to bridge. For instance, critical care insurance doesn't always provide coverage for every illness, including COVID-19, while others include more. It's important to work with your carriers to ensure voluntary benefits mesh with the reality of employees lives and circumstances.

We also work hard to educate your employees on their options, as the critical success factor for voluntary benefits is clear explanations of the plans and how they work.





# WELLNESS

In a typical year, employees may struggle with one or two areas of well-being, but COVID-19 and the social unrest of 2020 has impacted the workforce significantly. Beyond the physical impacts of the coronavirus itself, physical health can deteriorate from reluctance or lack of access to preventive care; shelter-in-place orders and isolation from family, friends, and colleagues have had tremendous impacts on social and emotional health; while job insecurity or layoffs impact financial health.

Some trends we're seeing in well-being include:

## The need for extra mental health support and resources

Employees are struggling to navigate the demands that come with working and caregiving in a pandemic. Stress and burnout are major concerns, not only because they harm health and overall well-being, but they also have a tangible impact on businesses. Stress directly causes declines in productivity, engagement and loyalty.

## Rejuvenation of outdoor activities and interest in virtual wellness programs

Last year, we anticipated a growing trend in the use of well-being technology which has only increased with the pandemic. Though, the opposite is also true. With gyms closed and indoor activities reduced, many employees are hitting the trails and waterways for recreation or seeking out virtual fitness classes that they can do from the safety and comfort of home.

## HOW KAPNICK CAN HELP

Employers have always played an important role in their employees' well-being. At Kapnick, we embrace a holistic model consisting of physical, financial, social and mental components. With the right resources and support, employees can better manage their lives and work while remaining healthy, which ultimately improves your organization by way of increased productivity and engagement with lowered stress, burnout, and presenteeism.

## EMPLOYEE TOP SOURCES OF STRESS



**60%**  
of employers stated their organization is struggling to keep up with the blended work-life world

**4 IN 10**  
employees stated they struggle to navigate the demands that come with today's more flexible, "always-on" work-life world

Employees who struggle with the work-life blend stated that they felt the following more than half of the time at work:

**50% TIRED**

**50% STRESSED**

**43% BURNED OUT**

**DISCOURAGED**

**34%**

**DEPRESSED**

**28%**



Kapnick  
Strive

FOLLOW THE LATEST WELLNESS  
TRENDS BY SUBSCRIBING TO OUR  
STRIVE NEWSLETTER AT [KAPNICK.COM](mailto:info@kapnick.com)



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