



Benefits Briefing VOLUME 9

Perspectives on Current Offerings and New Choices
from a Survey of Brokers (Q2, 2009)

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted an online information exchange in late May and early June 2009, to understand its members' interest and experience regarding important employee benefits and some new approaches to the kinds of choices employers and employees may have in the near future.

The information in this report is based on an online survey taken by 160 brokers. Where appropriate, we also compare the views of brokers with employers (96 in total).

The following pages include findings from brokers regarding their perspectives on

- Social media,
- The implementation process, and
- Recordkeeping services for non-medical insurance employee benefits.

Executive Summary

This Briefing includes insights from brokers *and employers* with regard to Social Media.

- About seven out of 10 brokers and employers already use some form of social media.
- Among those using social media, LinkedIn is the top social media site used by *both* brokers and employers, followed by Facebook. Yet, employers tend to be using more social media sites, whereas brokers seem to rely heavily on LinkedIn.
- The main reason *both* brokers and employers use social media is for staying in touch with/networking with friends outside work. Both groups also report using social media for professional purposes such as networking with peers.
- When we asked all participants about their interest in a web site(s) for communicating with their peers and others in the insurance industry, *both* brokers and employers show interest. Trends in employee medical benefits is a topic both groups are most interested in discussing on this type of site.
- Most brokers and employers say they would be at least somewhat likely to contribute content to a social media site geared toward their profession.

This report also presents information on brokers' views in two other areas:

1) The implementation process:

- More than three-quarters of brokers have had a new non-medical implementation(s) in the past 6 months. The majority of these brokers report being satisfied with the carrier they used. Also, the vast majority says that the timing on their most recent program implementation met or exceeded their expectations.

2) Recordkeeping services for non-medical employee benefits insurance:

- When we asked brokers which carrier/TPA (Third Party Administrator) is leading/best-in-class for recordkeeping services for various products, most brokers, for one reason or another, are unsure.
- Brokers report that the ability to accept eligibility files electronically, billing, online enrollment, and reporting are key features/capabilities that differentiate a best-in-class/leading carrier/TPA.

Social Media

We asked both brokers *and* employers about social media – types used, reasons for using, etc.

Use of Social Media

The majority of brokers and employers say they currently use social media. When we asked brokers about types of social media they use, nearly three-quarters report using at least one social media site. Results among employers are roughly the same; about seven in ten are currently using social media.

Among brokers that do use social media (74%), the top form of social media, by a wide margin, is **LinkedIn**. The next most popular site is **Facebook**, named by about half. After that, the next most common sites – about 40 percentage points below Facebook – are Plaxo and/or YouTube.

Among employers who use social media (69%), **LinkedIn and Facebook are the top two most commonly used** – *similar to brokers*.

The table below shows the percentage of brokers and employers using various types of social media.

Top Social Media Among Brokers and Employers

Base: Those that say they use social media

Social Media	Brokers	Employers
LinkedIn	71%	58%
Facebook	49%	55%
Plaxo	19%	11%
YouTube	19%	30%
Internal (to your company) message board, online forum, or blog	18%	24%
Twitter	10%	15%
My Space	7%	12%

What is social media?

Wikipedia defines social media as “online content created by people using highly accessible and scalable publishing technologies. At its most basic sense, social media is a shift in how people discover, read and share news, information and content. It’s a fusion of sociology and technology, transforming monologues (one to many) into dialogues (many to many) and is the democratization of information, transforming people from content readers into publishers. Social media has become extremely popular because it allows people to connect in the online world to form relationships for personal, political and business use.”

Basically, it’s a term used to refer to web sites, blogs, chat rooms, message boards, on-line forums where users provide content for discussion. The topics of discussion could cover personal or professional issues. Some examples of Social Media include Facebook, LinkedIn and Twitter.

Why Not Use Social Media?

We asked both brokers and employers who say they do not use social media their reasons for not using it.

The top response by both groups was 'it takes too much time', named by 49% of brokers and 33% of employers. Other common reasons include:

- Privacy concerns
- Do not see any value to it
- Don't know how to use social media - seems complicated
- Employer does not allow it

Reasons for Using Social Media

We then asked brokers (who use social media) how they use these sites. While social networking is at the top of the list (56% name as a reason for use), **brokers also use these sites for professional purposes**. The top 5 uses of social media sites are listed below, in order:

1. To stay in touch and/or network with friends outside of work (56%)
2. To stay in touch and/or network with other brokers, underwriters and other insurance professionals (47%)
3. To stay in touch and/or network with prospects (38%)
4. To stay in touch with clients (31%)
5. To learn about new developments in the insurance industry (22%)

Employers (who use social media) were asked the same question. The top 5 uses for social media by employers are listed below, in order:

1. To stay in touch and/or network with friends outside of work (73%)
2. To stay in touch and/or network with other HR professionals (61%)
3. To learn about employee medical benefits (21%)
4. To find new career opportunities (17%)
5. To learn about non-medical employee benefits (14%)

Again, **similar to brokers, social networking is the most common use of these sites among employers (73%)**. The next most common use is networking with other HR professionals, named by about three in five.

Use of Targeted Social Media

The majority of brokers and employers (who use social media) say they **do not follow any social media geared specifically to their professions** – brokers and HR professional – respectively.

Among the small numbers that do...

The most common sites for brokers are: NAHU, Employee Benefit Advisor, and EBIA.

The most popular sites among employers are: LinkedIn HR, and SHRM.

Interest in Targeted Social Media Web Sites

We asked all brokers their level of interest in a web site where they could communicate with other brokers *and* employers. **The response was very positive**; four in five say they would be somewhat or very interested.

Similarly, employers are interested in a web site where they could communicate with other HR professionals. Both groups are interested in discussing trends in medical benefits, the insurance industry, and employee benefits.

Contributing to Targeted Social Media Sites

Most brokers and employers say it's likely they would provide/contribute content (in addition to reading information) on a web site(s) for communicating with their peers and/or others in the insurance industry. Employers would be slightly more likely to contribute than brokers:

- Nineteen percent of employers say they would be very likely to contribute, and 58% say they would be somewhat likely, compared to...
- Fifteen percent of brokers say they would be very likely, and 48% say they would be somewhat likely.

This highlights the fact that both groups utilize the interactive format of these types of sites, beyond just reading information on a web site.

The Implementation Process

We asked participants about recent implementation experiences.

Most brokers (77%) say they have had a new non-medical case(s) implemented in the past 6 months.

Satisfaction with Carriers in Implementation Process

Participants who have had a case implemented in the past 6 months were asked about their satisfaction with the carrier(s) that they selected.

In general, **more than four in five brokers (81%) report being satisfied** with the carrier(s) they used in their recent implementations. This is very positive feedback for carriers.

Recordkeeping Services for Non-Medical Insurance Employee Benefits include...

Plan Administration services that a Human Resources department might handle in-house or outsource to a Third-Party Administrator (TPA), their benefit carrier, or another entity, as part of the day-to-day administration and managing of records associated with that benefits plan. Services may include billing, reporting, and online claims submission, enrollment, statement-of-health (SOH) submission, among other tasks.

Employee benefits in this category could be employer-paid and/or voluntary. Specific insurance benefits could include group life, disability, dental benefits, and long-term care, among others.

Timing of New Benefits Program Implementation

We also asked these participants to think about the amount of time it took to implement the most recent new benefits program they were involved in, and comment on how this timing met or did not meet their expectations. **Four in five (80%) say the timing met their expectations.** Some (12%) say the timing exceeded expectations.

While this is also clearly good, positive feedback for carriers, it does leave room for improvement – moving more brokers into the exceeded expectations category.

Recordkeeping for Non-Medical Insurance Benefits

'Best-in-Class' Providers

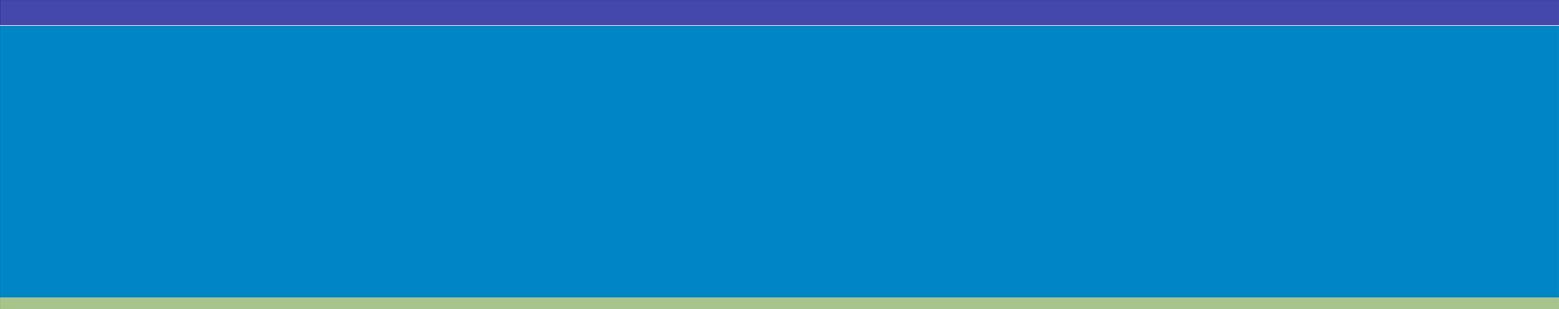
In this area, we asked brokers which carrier or TPA (Third Party Administrator) is leading/best-in-class for recordkeeping services (using the definition provided in the left-hand column). We asked this specifically with regard to the following kinds of group employee benefits insurance: group life, group dental, group disability, multiple non-medical group insurance benefits, and voluntary products (such as Long-term Care insurance, Auto and Home insurance).

Currently, **no one carrier or TPA particularly stands out in the area of recordkeeping;** at least half of all survey participants are unable to name a 'best-in-class' carrier/TPA for each type of insurance. This presents an area of opportunity for carriers/TPAs.

Among those brokers that could name a carrier/TPA, the ones most commonly mentioned across the various products are: Allstate, Ameritas, Assurant, CIGNA, Delta, Hartford, Guardian, Lincoln Financial, MetLife, Principal, Prudential, and UNUM.

Key Features and Capabilities

Lastly, we then asked those brokers about the key features and capabilities that make a carrier/TPA 'best-in-class' at recordkeeping services. For the various products asked about, the top responses are the same: *the ability to accept eligibility files electronically, billing, online enrollment, and reporting.* When asking about dental insurance and disability insurance specifically, both online claims submission and online claims status are important.



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