



## Benefits Briefing VOLUME 24

Perspectives on One-to-One Enrollment Services and  
Outsourcing Benefits Administration from a Survey of Employers & Brokers  
(Q1, 2015)

National Employee Benefits Advisory Forum (NEBAF)

## Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted an online information exchange in April 2015 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 more than 600 group employee specialists (326 brokers and 298 employers).

The following pages include findings from brokers and employers regarding their perspectives on the following topics:

- One-to-One Enrollment Services, and
- Outsourcing Benefits Administration.

# Executive Summary

This Briefing explores brokers' and employers' experiences with and views on one-to-one enrollment services.

- About three-fifths of brokers who work with clients on voluntary benefits say they always or frequently recommend that their clients leverage one-to-one enrollment services; about half of employers who offer voluntary benefits report that they recommend one-to-one enrollment to employees.
- Both brokers and employers are more likely to recommend one-to-one enrollment services to employees in a factory/industrial/manual role, as compared to those in a professional/office/administrative/managerial role.
- When we asked both brokers and employers which carriers they are aware provide one-to-one enrollment, responses are similar. Both groups most commonly name Aflac.
- Both brokers and employers cite the same three attributes as most important when recommending/leveraging a new voluntary benefits product to be enrolled on a one-to-one basis – smooth implementation, easy to work with, and simple billing process, showing that ease and simplification are most valued.
- Brokers most commonly name Unum as best-in-class for key attributes for one-to-one enrollment. Employers name a variety of carriers including Unum, Aflac, and MetLife.
- About two-fifths of brokers and about a third of employers say they recall seeing, hearing or reading advertising for a voluntary benefits carrier related to one-to-one enrollment in the past 12 - 18 months. Both groups report that they most commonly recall such advertising from Aflac.

This report also shares findings from both brokers and employers with regard to outsourcing benefits administration.

- About a third of brokers said they weren't sure of their clients' current/future use of a benefits administrative platform for outsourcing the administration of their non-medical benefits. The remaining two-thirds of responding brokers indicated that most of their clients are not currently using a benefits administrative platform, but will considering using one in the next 3 – 5 years.
- Roughly two in five employers say they say they are currently using a benefits administrative platform for outsourcing the administration of their non-medical benefits.
- When it comes to clients' use of a private exchange for outsourcing the administration of some or all of their non-medical benefits, again, many brokers say they are unsure of current client practice in this area.

## Executive Summary (cont.)

- Brokers who are knowledgeable about their clients' use of private exchanges think that the majority of their clients are not currently using a private exchange and will not consider using one in the next 3 – 5 years.
- Many employers report being unsure about their future use of private exchanges for outsourcing the administration of their non-medical benefits. A small number of employers are currently using a private exchange (less than 10%).
- Brokers also report that very few clients are using or considering using a private exchange for the benefits administration of their **retiree population**, and employers show limited likelihood of moving their benefits administration for their **retiree population** to a private exchange in the next 3 – 5 years.
- We asked brokers and employers (whose clients are/who are either currently using and/or considering using a benefits platform or a private exchange) how likely they would be to recommend/consider various carriers if they were recommending/considering outsourcing benefits administration to a benefits platform and/or private exchange. Brokers most commonly named Unum, MetLife, and Guardian, while Blue Cross/Blue Shield and MetLife tied with the most mentions among employers, followed by Delta Dental.
- While both groups most commonly identified administrative support and enhanced technology as top attributes when outsourcing benefits administration to a benefits platform and/or private exchange, their opinions differed as to what was the single most important attribute. Brokers named enhanced technology as most important, while employers identified administrative support as most important.

## One-to-One Enrollment Services

We asked both brokers and employers various questions about their experiences with and opinions on one-to-one enrollment services.

### Frequency of Recommending One-to-One Enrollment Services

We asked brokers how frequently they recommend that their clients leverage one-to-one enrollment services when working with a client on a new voluntary benefit; and we also asked employers how frequently they recommend that their employees leverage one-to-one enrollment.

Among brokers who work with their clients on voluntary benefits, **about three in five say they always or frequently recommend that their client leverage one-to-one enrollment services.** Only about 5% say they never do.

Employers are less likely to recommend one-to-one enrollment to their employees. Among employers who offer voluntary benefits, **about half report that they always or frequently recommend that their employees leverage one-to-one enrollment services. About one in four say they never do.**

This approach may become more important to be included as part of a well-rounded communications and enrollment strategy, as we see an increase in voluntary benefits offerings in the future. This relates directly to several trends in enrollment recently identified by Guardian as critical (see left sidebar).

### Recommending One-to-One Enrollment by Workforce Characteristics

We went one step further and asked those who currently recommend one-to-one enrollment (both brokers and employers) about the frequency of recommending one-to-one enrollment based on the roles of employees.

**Brokers more frequently recommend one-to-one enrollment services to clients with a majority factory/industrial/manual workforce;** nearly three-fourths always or frequently recommend one-to-one enrollment to these clients, compared to about three-fifths of brokers recommending to clients with a majority professional/administrative/office/managerial workforce.

We also find that **employers more frequently recommend one-to-one enrollment services to their employees who are in factory/industrial/manual roles;** nearly two in three employers with factory/industrial/manual workers say they always or frequently recommend one-to-one enrollment to them, while less than three-fifths of employers with professional/office/administrative/managerial workers say they always or frequently recommend one-to-one enrollment services to these workers.

### What is one-to-one enrollment?

*When a plan participant meets with an enrollment specialist in-person or over the phone to learn about and enroll in their employee benefits.*

### Did you know? Trends in Enrollment...

Guardian recently released its *2014 Guardian Workplace Benefits Study*<sup>1</sup>. From these results, Guardian identified three key trends in enrollment that both employers and brokers should be aware of and keep in mind:

1. Employee education needs to keep pace with the rise in voluntary benefits. According to the study, nearly one-third of employers plan to replace employer-paid benefits with voluntary benefits.
2. Employers seek out brokers to help manage their enrollment. Two in three employers indicated that they rely on external experts to manage their enrollment processes.
3. Enrollment success depends on a multi-channel approach. Employees reported preferences for and use of multiple channels in enrolling for benefits.

To read the details of the study, visit: [wbs.guardianworkplace.com](http://wbs.guardianworkplace.com)

<sup>1</sup> *2014 Guardian Workplace Benefits Study*, retrieved online 5/13/2015 at <https://www.guardiananytime.com/gafd/wps/portal/fdhome/brokers/strategies-tools/enrollment-experience/top-enrollment-trends>

## By the Numbers: Voluntary Benefits

More than four-fifths of employers in our exchange indicated that they currently offer their employees voluntary benefits. About fifteen percent of employers say they are not currently offering voluntary benefits to their employees.

We asked those employers currently not offering voluntary benefits, how the availability of one-to-one enrollment would impact their likelihood to consider offering voluntary benefits. About one in three said that they would be at least somewhat more likely to consider offering voluntary benefits if one-to-one enrollment were available.

Employees are often confused about voluntary benefits. Employee education and assistance plays an important role in offering voluntary benefits. These findings suggest an opportunity for brokers to make sure that their clients are fully aware of one-to-one enrollment services and how these services can help employees, particularly as the use of voluntary benefits grows.

## Carriers Aware of for One-to-One Enrollment

We asked both brokers and employers which carriers they are aware offer one-to-one enrollment services.

The **most common mentions by brokers** are:

1. Aflac
2. Colonial Life
3. Unum
4. Allstate
5. MetLife

**Employers' top mentions** include:

1. Aflac
2. MetLife
3. Colonial Life
4. Unum
5. Aetna

For the most part, **brokers and employers are well-aligned in their responses and indicate similar awareness.** They both indicate being aware of Aflac, most frequently. Beyond that, we see similar carriers named – Colonial Life, Unum and MetLife. The most substantive difference is that brokers include Allstate in their top mentions, while employers cite Aetna more often.

## Most Important Attributes for One-to-One Enrollment

We asked participants which of various attributes are most important when recommending/leveraging a new voluntary benefits product to be enrolled on a one-to-one basis.

**Brokers name the following most commonly as most important** (in order of importance rankings):

1. Smooth implementation
2. Easy to work with
3. Simple billing processes
4. Breadth of products
5. Technology

**Top attributes among employers include** (in order of importance rankings):

1. Easy to work with
2. Simple billing processes
3. Smooth implementation
4. Deep experience in employee benefits
5. Breadth of products

We find that **brokers and employers answer similarly**, and again, for the most part, they show that they both identify the same attributes as important. It's clear that when it comes to one-to-one enrollment services, ease and simplification are valued, and carriers looking to offer these services should focus on these characteristics.



## Top Carriers for Key Attributes of One-to-One Enrollment

Next, we asked both brokers and employers which carriers they think are best-in-class for key attributes of one-to-one enrollment services.

The chart below shows the most common response for the three top-rated attributes for each group.

Brokers identify Unum commonly as a leader in top attributes across the board, as well as a few others, while employers tend to cite different carriers as best-in-class for the various key attributes.

### Best-in-Class Carriers for Top Attributes

	Brokers	Employers
Smooth implementation	Colonial Life/ Unum	Unum
Easy to work with	Unum	Aflac
Simple billing process	Allstate/Unum	MetLife

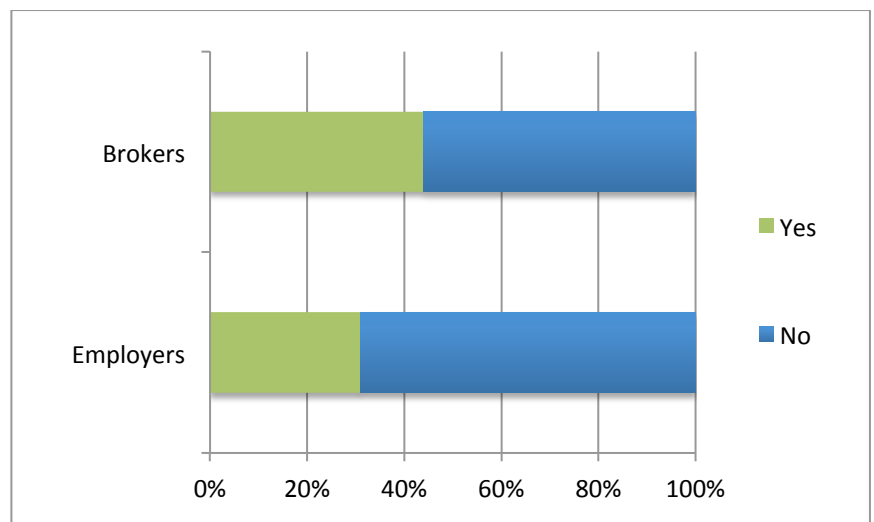
## Advertising Recall for One-to-One Enrollment Services

We asked both brokers and employers whether they recall seeing, hearing or reading advertising for a voluntary benefits carrier related to one-to-one enrollment in the past 12 - 18 months.

The chart below shows the results.

As might be expected, **brokers are more likely to recall advertising than employers.** Generally, recall among both groups, is moderate - with a third to just under half of brokers and employers indicating they recall advertising in the past 12 – 18 months. See left side bar for details on specific carriers that participants recall.

### Advertising Recall in the Past 12 - 18 Months



## Top Carriers for Advertising Recall

We asked brokers and employers who said they recall seeing, hearing or reading advertising relating to one-to-one enrollment services in the past 12 - 18 months, which carriers' advertising they recall.

The majority of both brokers and employers said they recall seeing, hearing, or reading advertising related to one-to-one enrollment from Aflac.

Other common mentions among brokers include: Allstate, Colonial Life, Guardian, MetLife, and Unum; while employers named the following: Aetna, Allstate, Blue Cross/Blue Shield, MetLife and Prudential.

As would be expected, advertising recall aligns pretty closely with awareness. We see similar carriers named in both areas.

# Outsourcing Benefits Administration

In this section, we asked both brokers and employers about outsourcing the administration of non-medical benefits.

## Use of a Benefits Administrative Platform

We asked both brokers and employers about their/their clients' use of a benefits administrative platform (a third party administrator that typically provides a guided enrollment experience, billing, etc.) for outsourcing the administration of some or all non-medical benefits.

About two-thirds of brokers report that **most of their clients are not currently using a benefits administrative platform, but will considering using one in the next 3 – 5 years** (about 40% on average). Brokers estimate that about nearly a third of clients are currently using a benefits administrative platform, while another third are not currently using and will not consider using in the next 3 – 5 years.

The remaining third of brokers said they weren't sure of their clients' current/future use of a benefits administrative platform for outsourcing the administration of their non-medical benefits. Brokers may want to understand their clients' needs and opinions in this area in order to be able to best help advise them.

**More than 40% of employers say they are currently using a benefits administrative platform** for outsourcing the administration of their non-medical benefits. One in four are not currently using such a platform, but report that they will consider using one 3 – 5 years from now. Fewer, about one in five, are not currently, and will not consider, using one in the next 3 – 5 years.

These results indicate that five years from now, if actions proceed as planned, most employers will be using a benefits administrative platform for outsourcing administration for non-medical benefits.

## Use of a Private Exchange

We also asked both brokers and employers about their/their clients' use of a private exchange (an online marketplace from which individuals and employers can purchase insurance and receive assistance in the selection, enrollment and administration of insurance, not including public exchanges) for outsourcing the administration of some or all of their non-medical benefits.

Here we see even more brokers – nearly half – are unsure of their clients' current/future use of a private exchange for the outsourcing of administration for their non-medical benefits.

Brokers indicate that **most of their clients are not currently using and will not consider using a private exchange in the next 3 – 5 years (more than half on average)**. They report that an average of

## A Look Back: Private Exchanges

In our Q1 2014 online information exchange, we asked employers (n=262) about private exchanges.

Key findings included:

- Employers indicate similar familiarity with private exchange providers and offerings for both medical and non-medical insurance benefits. About three in ten employers are very familiar with private exchanges for medical benefits, slightly higher than about one in four employers who say they are very familiar with private exchanges for non-medical insurance benefits.
- Almost half of employers say they would be at least somewhat interested in learning more about private exchange providers and offerings for both medical and non-medical insurance benefits.
- About one-quarter of employers say they don't know if their company would consider switching to a private exchange or not. Among those providing an answer, slightly more than one in ten employers indicate they are very likely to switch to a private exchange provider for either medical or non-medical insurance benefits in the next 3 - 5 years.

Employers' lack of familiarity with private exchanges may be partially influencing their likelihood to consider these options. It's clear that this is an area where brokers could help their clients become more informed.

## Private exchanges for outsourcing the benefits administration for retiree population

We asked brokers (who indicated that some percentage of their clients are either currently using and/or will consider using a private exchange in the next 3 - 5 years) what percentage of their clients are currently using or considering using a private exchange for the benefits administration of their **retiree population**.

About a fifth say they aren't sure. Among those answering, the average percentage is about 10%.

We also asked employers (who indicated that they are either currently using or will consider using a private exchange for outsourcing benefits administration in the next 3 - 5 years) how likely they are to move the benefits administration for their **retiree population** to a private exchange in the next 3 - 5 years.

Half of employers report that they do not offer benefits to retirees. Among those who do and answered, about a third said they would be at least somewhat likely to move the benefits administration for their retiree population to a private exchange in the next 3 - 5 years.

## Use of a Private Exchange (cont.)

about 5% of their clients are currently using a private exchange. Also, they feel that about a third of clients are not currently using but will consider using in the next 3 – 5 years.

Not surprisingly, **a small number of employers, less than 10%, say they are currently using a private exchange** for outsourcing the administration of their non-medical benefits. About a third say they are not currently using one but will consider using in the next 3 – 5 years. Another third are not currently using and will not consider using one in the next 3 – 5 years. **About one in four employers are unsure about their future use of private exchanges.**

The large percentage of both brokers and employers who are unsure on the future use of private exchanges is not surprising and indicates the need for continued information and education in this area.

## Top Carriers for Outsourcing Benefits Administration

We asked brokers and employers (whose clients are/who are either currently using and/or considering using a benefits platform or a private exchange) how likely they would be to recommend/consider various carriers if they were recommending/considering outsourcing benefits administration to a benefits platform and/or private exchange.

### Brokers are most likely to consider the following:

1. Unum
2. MetLife
3. Guardian
4. Colonial Life
5. Blue Cross/Blue Shield

### Employers' top mentions are:

1. Blue Cross/Blue Shield/ MetLife (tied)
2. Delta Dental
3. Aflac
4. Cigna/ Aetna (tied)

We see some interesting similarities and differences between brokers' and employers' top responses. Brokers may want to understand these differences and make sure that their clients are well-informed about the capabilities and offerings of all carriers.

## Most Important Carrier Attributes for Outsourcing Benefits Administration

Lastly, we provided those same brokers and employers with a list of various carrier attributes and asked them which attributes are





## Most Important Carrier Attributes for Outsourcing Benefits Administration (cont.)

most important when outsourcing benefits administration to a benefits platform and/or private exchange.


**Brokers cite the following attributes as most important** (ranked by number of responses):

1. Enhanced technology
2. Administrative support
3. Easier administration

**The top attributes among employers include** (ranked by number of responses):

1. Administrative support
2. Straightforward design
3. Enhanced technology

In this areas, we find differences in opinions between brokers and employers. The two groups value some similar attributes, but in different orders of importance. Beyond that, brokers most commonly include easier administration as a key attribute, while employers identify straightforward design as a most important attribute when outsourcing benefits administration to a benefits platform and/or private exchange.



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