



A Special Trends Report

Perspectives on Voluntary Benefits, Including Voluntary Dental Insurance
from a Survey of Employers & Brokers
(Q2, 2017)

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted a special online information exchange in late February and early March 2017 to understand 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 (301 brokers and 300 employers).

This exchange contains similar questions to a previous special online exchange conducted in June 2016 (also completed by about 600 group employee specialists) and where possible, results of the two studies are compared.

This summary includes perspectives from brokers and employers regarding:

- **Voluntary Benefits, and, specifically,**
- **Voluntary Dental Insurance.**

Executive Summary

This Special Report shares the experience of brokers and employers with non-medical, non-pension voluntary benefits in general, followed by an in-depth focus on voluntary dental benefits. Where possible, results from this exchange are compared to results of a similar previous exchange conducted in 2016.

Both groups shared their perspective about which types of employees are offered non-medical, non-pension voluntary benefits.

- Brokers reported that about two in three clients, on average, offer non-medical, non-pension voluntary benefits to their full-time employees. Beyond that, brokers indicated that far fewer clients (less than 15%, on average) offer voluntary benefits to part-time employees and retirees.
- The majority of employers reported that they currently offer non-medical, non-pension voluntary benefits to full-time employees. Of those employing part-time workers, less than half offer them voluntary benefits. Very few employers say they offer voluntary benefits to retirees.
- Results reported above for both groups are consistent with 2016 findings.
- For both brokers and employers, we see differences in responses based on company size: both brokers servicing larger companies, and larger employers, are more likely to say their clients/they offer voluntary benefits to full- and part-time employees, as compared to smaller brokers/companies.

This report also includes information on brokers' and employers' use of and opinions around voluntary dental insurance.

- Consistent with the 2016 *Special Online Exchange* findings, the majority of brokers indicated that they work with clients on voluntary dental insurance, and the majority of employers said that they offer employees voluntary dental insurance.
- When we asked both brokers and employers which carriers they are aware of for voluntary dental, results are again consistent with 2016 results. Both groups reported having the highest awareness of Delta Dental, followed by MetLife. Brokers named Guardian third most frequently, while Aetna was named third most often by employers. Not surprisingly, brokers reported higher levels of awareness than employers with nearly all dental carriers.
- We asked brokers only how likely they are to recommend particular carriers when suggesting that a client offer voluntary dental insurance. Similar to 2016, Delta Dental is at the top of the list, followed by MetLife.



Executive Summary (cont.)

- When asked about the most important attributes when recommending/offering a new voluntary dental carrier, both groups agree 'ease of administration' is most important; this is consistent with what both groups told us in 2016. Beyond that, we see some differences; brokers cited 'past experiences with carrier' as second most important, while employers name 'simple billing processes' as second most important.
- We asked both groups which carriers they think are best-in-class for key attributes when deciding which voluntary dental insurance carrier to recommend/offer. Delta Dental is named most commonly by both groups as best-in-class for these attributes.
- We asked participants whether they recall seeing, hearing, or reading advertising for voluntary dental in the past 12-18 months. As seen in the *2016 Special Online Exchange*, brokers are more likely than employers to recall dental advertising. However, fewer employers report seeing, hearing or reading advertising in the past 12 - 18 months this year than last year.
- Among brokers and employers who said they recall seeing, hearing or reading advertising relating voluntary dental in the past 12 – 18 months, most brokers recall advertising from MetLife, followed by Delta Dental, while employers named MetLife and Delta Dental with equal frequency. These results are similar to results from 2016.

By the Numbers: Part-time Employment Results

We asked employers whether they currently employ any workers on a part-time basis. The same question was asked of employers in the last year's *Special Online Exchange*. **In comparing results from this year to last year, we see that employers report no significant changes.**

In the current exchange, three in four reported that they currently employ part-time employees, compared to nearly four in five in 2016.

Also consistent with 2016, larger employers (those with more than 100 employees) are more likely to currently employ part-time workers than those with less than 100 employees.

Did you know? From the BLS...

As of March 2017, about 27 million people in the U.S. (18% of the employed workforce) are estimated to be currently working on a part-time basis. Of those, about 6 million are working part-time for economic reasons, not by choice. These individuals, who would have preferred full-time employment, are working part-time because their hours have been cut back or because they were unable to find full-time jobs.

Voluntary Benefits Offered

Similar to our *Special Online Exchange* in 2016, we asked both brokers and employers questions about their experiences with non-medical, non-pension voluntary benefits in general (for example, life, dental, or vision insurance plans). We defined voluntary benefits as when an employee/retiree is responsible for paying at least some of the cost of benefits provided through an employer/former employer.

Specifically, we asked both groups about which *types* of employees are offered non-medical, non-pension voluntary benefits. We broke down employee status into four different types:

- Full-time employees (more than 35 hours/week)
- Part-time employees (less than 35 hours/week)
- Existing retirees (those who have retired in prior years)
- New retirees (those retiring in the current year)

Voluntary Benefit Offerings Among Employee Type

We asked brokers what percent of their clients currently offer non-medical, non-pension voluntary insurance benefits to the various employee groups listed above.

Not surprisingly, brokers indicated that their clients most frequently offer non-medical, non-pension voluntary benefits to full-time employees. On average, brokers said that roughly two-thirds of their clients currently offer voluntary benefits to full-time employees. Far fewer offer voluntary benefits to others. Brokers reported that only about 10% of clients offer voluntary benefits to part-time employees (those who work fewer than 35 hours per week), and less than 5% of clients, on average, offer voluntary benefits to retirees. These results are consistent with what brokers told us in the *2016 Special Online Exchange*.

When we look at results by brokers' client size, we see that brokers with larger clients (100+ employees) are more likely to report that a higher percentage of their clients offer voluntary benefits to both full and part-time workers, as compared to brokers who primarily service clients with less than 100 employees.

We also asked employers to which employee groups they currently offer non-medical, non-pension voluntary insurance benefits. In addition, we asked only those employers who indicated they currently employ workers on a part-time basis (see left side bar for details) whether they offer voluntary benefits to part-time employees.

Not surprisingly, employers nearly unanimously reported that they offer non-medical, non-pension voluntary benefits to full-time employees. **As they did in the 2016 *Special Online Exchange*, nearly all employers said that voluntary benefits are offered to full-time employees.**

While almost all employers said that they employed part-time

Voluntary Benefit Offerings Among Employee Type (cont.)

employees, less than half of those offer voluntary benefits to part-time employees. About 10% of employers indicated that voluntary benefits were offered to new and/or existing retirees.

Results by employer size support the broker perspective. Larger employers (those with 100+ employees) are more likely to report they currently offer voluntary benefits to full-time and part-time employees, than are employers with less than 100 employees. Very large employers (those with 5000+ employees) are more likely than those employing fewer than 5000 to say they currently offer voluntary benefits to existing and new retirees.

Voluntary benefits for retirees have emerged as a potential offering, however, based on this exchange, this does not appear to be a trend that is gaining much traction yet.

Voluntary Dental Insurance

As in our *2016 Special Online Exchange*, both brokers and employers were asked about voluntary dental insurance in more depth. We defined voluntary dental insurance as when an employee covers at least some of the costs of dental insurance provided through their employer.

Prevalence of Voluntary Dental Insurance

First, we asked brokers whether they work with any clients on voluntary dental insurance, and we asked employers whether they offer voluntary dental insurance.

Consistent with 2016, nearly all brokers in this exchange tell us that they work with clients on voluntary dental insurance.

Brokers don't report any differences based on size of clients.

Results from employers also remained consistent with 2016 findings; the vast majority of employers said that their company offers its employees voluntary dental insurance. Employers do report some differences based on size of company. Smaller employers (those with less than 100 employees) are more likely to indicate that they do not offer voluntary dental, as compared to those employers with 100+ employees.

Awareness of Carriers for Voluntary Dental Insurance

Next, we provided participants with a list of sixteen employee benefits providers and asked them which they are aware offer voluntary dental insurance. This same question was also asked in the 2016 exchange.

Awareness of Carriers for Voluntary Dental Insurance (cont.)

As we saw in 2016, brokers reported being aware of nearly all providers asked about, and significantly more than employers. The exception to this rule is Delta Dental, as both brokers and employers are equally aware of this provider.

Broker results in this exchange remain the same as in 2016. Top mentions include the following carriers (in order of number of responses):

1. Delta Dental
2. MetLife
3. Guardian
4. UnitedHealthcare
5. Principal

Employers' answers also remain consistent in this exchange compared to the 2016 exchange. Employers indicated being most aware of the following (in order of number of responses):

1. Delta Dental
2. MetLife
3. Aetna
4. Blue Cross / Blue Shield
5. Cigna

In this alignment in their responses, Brokers and employers display their shared high awareness of Delta Dental and MetLife. Beyond that, we see brokers identify Guardian, UnitedHealthcare, and Principal most often, while employers are more aware of Aetna, BCBS, and Cigna.

These differences in awareness of providers and their services could suggest an information gap. Brokers will want to be sure to keep clients up-to-date on carriers in the dental arena, as well as their products and capabilities.

Recommending Carriers for Voluntary Dental Insurance

We asked brokers only how likely they are to recommend particular carriers when suggesting that a client offer voluntary dental insurance.

Brokers' list of carriers most likely to recommend for voluntary dental is the same as in the 2016 exchange: (listed in order of likelihood):

1. Delta Dental
2. MetLife
3. Guardian
4. Principal
5. Cigna

Did you know? Trends in Dental Benefits

The American Dental Association has identified several trends that it believes will influence dental practices and benefits in the near future¹:

- Consumers with a dental benefit are more than twice as likely to visit the dentist. Yet, as with other benefits, individuals are being asked to pay a larger percentage of their premiums.
- Consumerism in dentistry is increasing. As individuals are being asked to bear a greater percentage of the costs of dentistry, they are seeking more information around costs and shopping around more often for their dental care.
- PPO plans define the dental benefit market. The market share of PPOs has been on the rise in recent years and currently accounts for 80% of the market, according to the NADP (National Association of Dental Plans).
- While there have been a few new trends in dental benefits such as "roll-over" of maximums, for the most part, dental plan design has stayed relatively the same for many decades.

¹ Retrieved at <http://www.ada.org/en/member-center/member-benefits/practice-resources/third-party-payer-advocacy/dental-benefit-trends>. April 2017.

Recommending Carriers for Voluntary Dental Insurance (cont.)

Not surprisingly, we find that the carriers that brokers are most likely to recommend to clients for voluntary dental insurance closely matches the list of carriers with which brokers are most aware.

Most Important Attributes of Voluntary Dental Insurance Carriers

We asked all participants about various attributes and to identify those that are most important when recommending/offering a new voluntary dental insurance carrier.

Brokers reinforce 2016 findings by selecting the same attributes in the same order as most important (in order of importance rankings):

1. Ease of administration
2. Past experience with the carrier
3. Smooth implementation
4. Breadth of products
5. Comfort level with the carrier's account person/team

For employers, we see slightly different answers this year compared to 2016. As the chart below shows, ease of administration is consistently the top-rated attribute in importance year to year. Beyond that, employers ranked 'simple billing processes' higher in importance this year. Additionally, 'deep experience in employee benefits' replaced 'past experience with the carrier' among the top five.

Most important attributes (in order of importance rankings) among employers

	2016	2017
1	Ease of administration	Ease of administration
2	Breadth of products	Simple billing processes
3	Smooth implementation	Breadth of products
4	Past experience with the carrier	Smooth implementation
5	Simple billing processes	Deep experience in employee benefits

Most Important Attributes of Voluntary Dental Insurance Carriers (cont.)

Both brokers and employers agree on what's most important when it comes to recommending/offering a new voluntary dental insurance carrier: 'ease of administration'. Both also agree that 'breadth of products' and 'smooth implementation' are also important, although the degree of importance of these attributes varies slightly between the groups.

Beyond that, we see some differences. Brokers indicate that they value experience and relationships, as they rate 'past experience with the carrier' and 'comfort level with the carrier's account person/team' among the top five most important attributes. Conversely, employers identify 'simple billing processes' and 'deep experience in employee benefits' as most important to them.

Top Carriers for Key Attributes of Importance

Next, we asked both brokers and employers which carriers they think are best-in-class for the attributes that are most important when deciding which voluntary dental insurance carrier to recommend/offer.

The chart below shows the most popular responses for the five top-rated attributes, shown in the previous section, among brokers.

Best-in-Class Carriers for Top Attributes: Brokers

Key Attribute	Carrier
Ease of administration	Delta Dental
Past experience with the carrier	Delta Dental
Smooth implementation	MetLife
Breadth of products	MetLife
Comfort level with the carrier's account person/team	Delta Dental

Brokers named **Delta Dental as a leader in top attributes** most frequently. MetLife is also viewed as strong in the areas of 'smooth implementation' and 'breadth of products'.

As seen on the next page, **employers overwhelmingly identified Delta Dental as best-in-class for these key attributes.**

Employers also named Cigna in this list of best-in-class voluntary dental insurance carriers when it comes to 'smooth implementation' (tied with Delta Dental).

A Look Back: Brokers & Media Consumption

In an online exchange conducted this past winter, we asked brokers only about their media habits, specifically, the number of hours spent with different media sources.

In the *Special Trends Briefing*, we reported that brokers spend an average of 37 hours per week consuming media. Brokers indicated spending the most time, 15 hours on average per week, consuming media online (mobile, PC, tablet, excluding video gaming and email). The next most common source for media consumption was TV; brokers said they spend 11 hours on average watching TV in a given week. Radio, newspaper and magazines are each viewed an average of less than 10 hours per week.

With so much time spent by brokers consuming media from various sources, it's critical for insurance carriers to maintain good presence across various sources - particularly online - in order to stay top of mind.

Top Carriers for Key Attributes of Importance

Best-in-Class Carriers for Top Attributes: Employers

Key Attribute	Carrier
Ease of administration	Delta Dental
Breadth of products	Delta Dental
Smooth implementation	Delta Dental / Cigna
Past experience with the carrier	Delta Dental
Simple billing processes	Delta Dental

It's clear that Delta Dental is a very strong player in the voluntary dental market.

Advertising Recall for Voluntary Dental

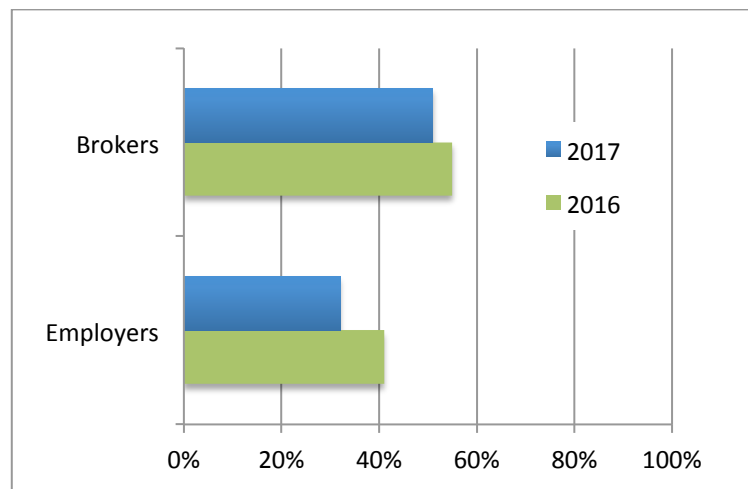
As in the 2016 exchange, both groups were asked whether they recall seeing, hearing, or reading advertising for voluntary dental products in the past 12 - 18 months.

Consistent with 2016 findings, brokers are more likely than employers to say that they recall seeing, hearing or reading advertising for voluntary dental products in the past 12 – 18 months.

Brokers' advertising recall in 2017 is consistent with 2016 results, but employers report lower advertising recall this year compared to 2016.

The chart below shows the results for each group for both exchanges.

Advertising Recall in the Past 12 - 18 Months



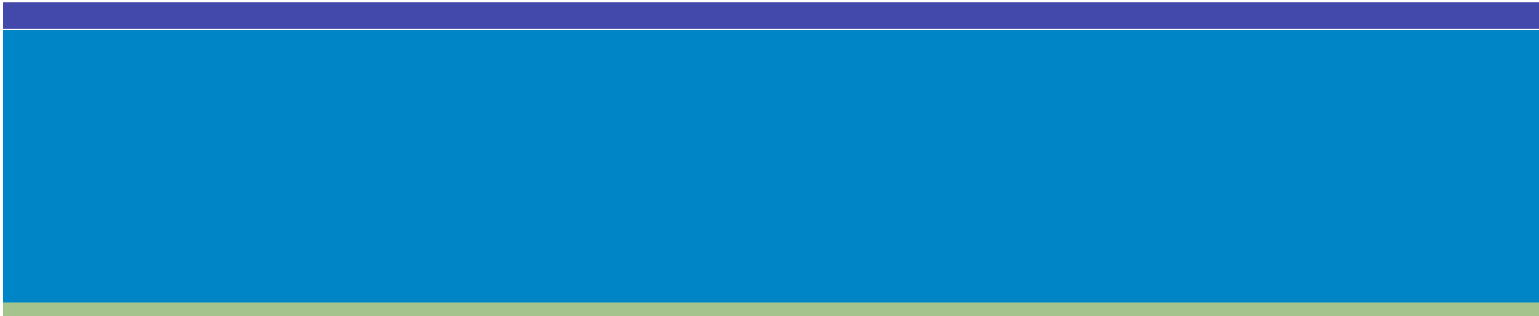


Top Carriers for Advertising Recall

Brokers and employers who said they recall seeing, hearing or reading advertising relating to voluntary dental in the past 12 – 18 months were asked which carriers' advertising they recall.

Brokers most commonly recall advertising from MetLife; about two in three brokers said that they recall seeing advertising from MetLife relating to voluntary dental insurance in the past 12 - 18 months. The second most commonly cited carrier for advertising recall was Delta Dental, followed by Guardian. These results are consistent with 2016 findings.

Also, consistent with 2016 results, **employers named Delta Dental and MetLife most often** when it comes to voluntary dental advertising recall. The third most frequently cited carrier among employers was Blue Cross/Blue Shield.



National Employee Benefits Advisory Forum
Sponsored by Center for Strategy Research, Inc.
101 Federal Street, Suite 1900
Boston, MA 02110
(617) 451-9500
nebaf@csr-bos.com

We are continuing to invite Human Resource executives, Finance executives, Brokers, and Consultants to join the **National Employee Benefits Advisory Forum**. If you or someone you know is interested in joining, please visit www.NEBAF.org and click Join Us. Or, email us at nebaf@csr-bos.com for more information on how to join.