Benefits Briefing VOLUME 41

Perspectives on Group Auto and Home Insurance Products From a Survey of Employers and Brokers (Q4, 2020)

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted an online information exchange in August and September 2020 to understand its members' experiences regarding various employee benefits-related topics.

Specifically, this summary includes perspectives from employers and brokers regarding **group auto and home insurance offerings, important factors when selecting group auto and home carriers,** as well as their **experience with group auto and home insurance.**

The information in this report is based on an online survey taken by almost 300 benefits professionals (145 brokers and 150 employers). A total of 665 benefits professionals tried to complete the exchange, but about 370 (175 brokers and 194 employers) were disqualified because they didn't meet the qualifications (explained below).

To participate in this exchange, employers were required to be currently offering auto and/or home insurance or, if not currently offering, be at least somewhat likely to offer auto/home in the future. Brokers were required to currently be recommending either auto and/or home insurance to clients.

Executive Summary

This Briefing reports on employers' and brokers' feedback regarding which auto and home insurance products are offered/recommended and how they are offered/recommended.

- Most participating employers and brokers offer/recommend both auto *and* home insurance (as opposed to just one or the other).
- Among employers who offer auto/home, more of them offer employees a choice of multiple carriers than offer auto/home with a single carrier.
- Brokers most commonly say they recommend a mix of single carrier and a choice of multiple carriers to clients for auto/home.
- In the past 12 months, about two-thirds of employers have considered a change to their auto/home insurance benefit (e.g., switching to a different carrier, offering employees multiple options versus a single carrier).

This report also covers employers' and brokers' perspectives on the importance of these benefits, as well as the relative importance of specific factors when selecting a carrier for auto/home insurance.

- Most employers agree with statements affirming that these products are valuable and important for employees.
- For both employers and brokers, "good value for the money" is the most important factor in selecting a home and/or auto insurance carrier.
- Employers offering auto/home most often name Allstate, Liberty Mutual, and GEICO as the carriers they use for auto and/or home insurance.
- Participating brokers most often recommend or sell auto and/or home insurance from MetLife, Allstate, and Liberty Mutual.

Finally, this Briefing reports on participants' experiences with group auto and home insurance, including frequency of problems with carriers and extent to which carriers are meeting expectations.

- Fewer than one-fifth of employers offering auto/home have "frequently" experienced problems with their carrier(s).
- More than four in five brokers who recommend or sell home/auto insurance indicate that their experience with their auto/home carriers has exceeded expectations.

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Group Auto and Home Insurance Offerings

We asked *employers and brokers* whether they offer/recommend auto and/or home insurance and how these products are offered/recommended.

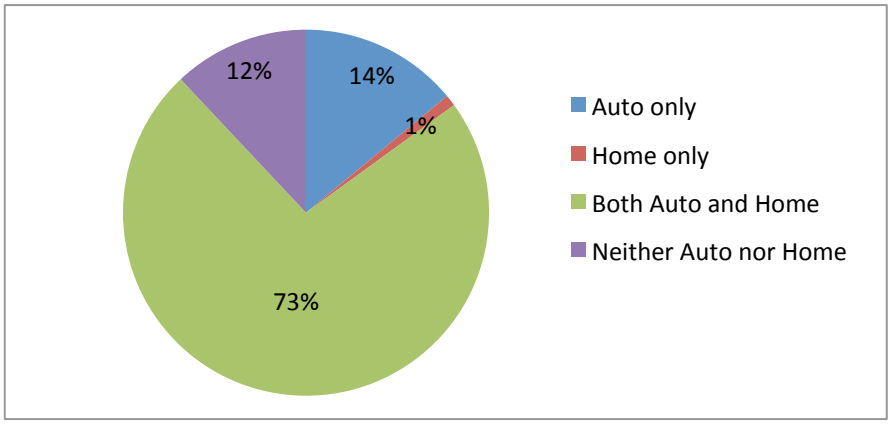
To participate in the survey, employers were required to be currently offering auto and/or home insurance or, if not currently offering, be at least somewhat likely to offer auto/home in the future. Brokers were required to currently be recommending either auto and/or home insurance to clients.

Use of Auto and Home Insurance as Employee Benefits

We asked participating *employers* whether their companies currently offer group auto insurance, group home insurance, both or neither.

Among employers currently offering or likely to offer auto or home insurance, **the majority indicate that they currently offer both products.** Just over 10% of employers offer auto insurance only, while very few offer only home insurance. About 10% of participating employers offer neither auto nor home currently, but are at least somewhat likely to offer either in the future.

% of Employers Offering Auto and Home Insurance



In an April 2020 survey, the National Employee Benefits Forum (NEBAF) asked a small subset of employers who offer auto and/or home insurance why they offer these benefits. Employers most often say they offer auto/home insurance because these products are a nice added benefit for employees and/or they are bundled with other benefits from a carrier.

Brokers Recommending Auto and Home Insurance

We asked participating *brokers* whether they currently recommend or sell group auto insurance, group home insurance or both.

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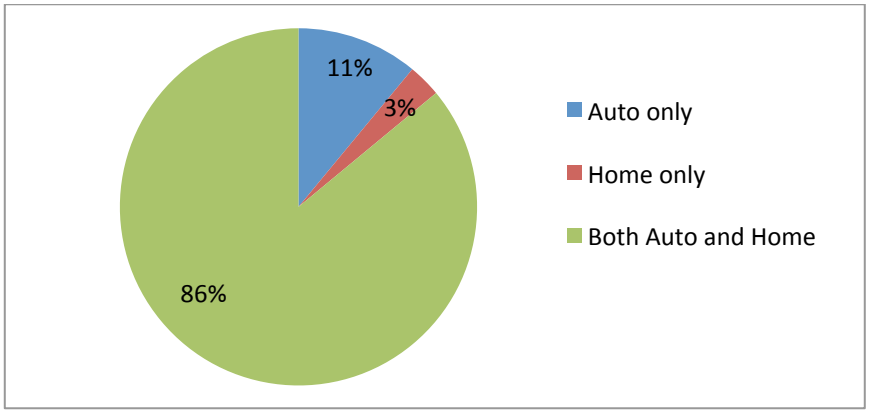
Brokers Recommending Auto and Home Insurance (cont.)

Among brokers recommending/selling auto and/or home insurance, **most tell us they recommend/sell both products.** More than eight in ten brokers recommend/sell both group auto and group home insurance, while about 10% recommend/sell group auto only. Few recommend/sell group home only.

These results are consistent with employer offerings.

% of Brokers Recommending Auto and Home Insurance



How Auto and Home Insurance are Offered as Benefits

We asked *employers who currently offer auto/home insurance* how they offer it to their employees.

Employers more often offer their employees a choice of multiple carriers. About six in ten employers offer employees a choice of multiple carriers, while others offer auto/home with a single carrier.

Those employers who offer a choice of multiple carriers for auto/home insurance shared their reasons for offering the products this way. See the left-hand column for employers' verbatim comments. Top reasons include: wanting to offer employees options and enabling employees to find the most competitive prices.

How Brokers Recommend/Sell Auto and Home Insurance

We also asked *brokers* who recommend auto/home insurance how they recommend/sell these products to employers.

Brokers most commonly recommend a mix of single carrier and choice for auto/home insurance; this is named by half. About one in three tend to primarily recommend a choice of carriers for auto/home; while fewer recommend a single carrier offering.

Talking About: Reasons Why Employers Offer Employees a Choice of Multiple Carriers for Auto and Home Insurance

We asked employers who offer their employees a choice of multiple carriers for auto/home products reasons for offering these products this way. Here are examples of responses:

"I want to give my employees options because everyone is in a different situation."

"They each offer different options and benefits. We need that for such a large employee base."

"Some of our employees like the ability to shop around for a better price."

"Our employees seem to like that option better than just having one carrier, they have more of a variety."

"I want my employees to pick the most advantageous product."

"To provide a choice of benefits options for employees."

"People have different expenses. I want to make sure everyone gets what they need."

"We get better rates."

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Whether Employers Considered Changing/Stopping Auto and Home Insurance Coverage in the Past Year

We asked *employers who currently offer auto/home insurance* whether they have, in the past 12 months, considered changing or stopping the type of auto and/or home insurance they offer employees.

In the past year, about two-thirds of employers have considered a *change* to their carrier for auto/home insurance; 36% have considered offering auto and/or home insurance from a different carrier, while 31% have considered offering multiple carrier options for auto and/or home insurance to give employees a choice.

Just over a quarter of employers have not considered changing or stopping the auto and/or home insurance they offer. Five percent have considered *stopping* offering auto and/or home insurance altogether.

Employers' interest in changing plans may present opportunities for brokers to share their experiences and offer best practices for these products.

Factors in Selecting Auto and Home Benefits

We asked *employers and brokers* a variety of questions about the importance of auto and home insurance, as well as the importance of various factors in selecting/recommending specific carriers for these products.

Employers' Agreement with Statements about Auto and Home Insurance

We asked *employers only* how much they agree or disagree with a variety of statements about auto and home insurance.

The majority of participating employers report that they **strongly agree or agree** with the following statements:

- Auto/Home insurance is a valuable employee benefit
- The primary reason to offer auto/home insurance is to get employees a discount
- It is important that employers offer an auto/home insurance offering to employees

The strong agreement with the above statements indicates that employers who offer auto and/or home insurance, or are likely to offer these products in the future, see benefits in offering these products to employees.

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Snapshot: Resources Employers Use When First Selecting an Auto/Home Carrier

In April 2020, the National Employee Benefits Forum (NEBAF) asked a small subset of employers who currently offer auto and/or home insurance which of a variety of resources they used to inform their decision to first select their current auto and/or home providers.

According to these employers, the five most commonly used resources are the following:

1. Benefits Broker
2. Representatives from the Carrier
3. Benefits Consultant
4. Independent Agent
5. Other HR Professionals

Interestingly, the most common resources are people, as opposed to marketing materials or websites. Employers considering offering auto/home insurance may want to utilize these resources, if they aren't doing so already.

Factors Important to Employers and Brokers in Selecting/Recommending Auto Insurance Carriers

We asked *employers who offer, or are likely to offer auto,* to rank the importance of a variety of factors in choosing a carrier for the auto insurance they offer employees.

We also asked *brokers who recommend auto* to rank the importance of a variety of factors in recommending a carrier for auto insurance to clients.

In selecting an auto insurance provider, the majority of both groups consider many factors to be highly important. Employers and brokers most often identify the following as very important or extremely important factors in selecting an auto insurance carrier:

- Offering products that provide good value for money/getting good value for money
- Having a competitive offering/Saving employees money
- Having great customer service

Factors Important to Employers and Brokers in Selecting/Recommending Home Insurance Carriers

We then asked *employers who offer home, or are likely to offer home,* to rank the importance of these factors in choosing a carrier for home insurance.

In selecting home insurance, value is highly important, as well as the claims process. Employers most commonly rank the following as very important or extremely important factors in selecting a home insurance carrier:

- Offering products that provide good value for money/getting good value for money
- Having a competitive offering/Saving employees money
- Having a great claims process

We also asked *brokers who recommend home* to rank the importance of a variety of factors in in recommending a carrier for home insurance to clients.

While value is very important to brokers, coverage and service are also top factors. Top-ranked factors by brokers in choosing a carrier for the home insurance include:

- Offering products that provide good value for money/getting good value for money
- Offering products that provide comprehensive coverage/Getting comprehensive coverage
- Having great customer service

Among brokers and employers, we see similar factors as highly important in selecting/recommending carriers for auto/home insurance, with "good value for the money" leading the list. Given

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Factors Important to Employers and Brokers in Selecting/Recommending Home Insurance Carriers (cont.)

the current COVID-19 pandemic and related economic uncertainty, we expect "good value for the money" will likely remain a primary factor for the foreseeable future.

Top Carriers for Auto Insurance

We asked *employers who offer auto insurance* which carrier(s) they offer for auto insurance. Employers most often name the following carriers (in order of percentage of employers who offer that carrier):

1. Allstate
2. GEICO
3. Liberty Mutual
4. MetLife
5. State Farm

We also asked *brokers who recommend auto insurance* which carrier(s) they recommend/sell for group auto insurance. The most common carriers who brokers recommend include (in order of percentage of brokers who recommend that carrier):

1. MetLife
2. Allstate
3. Liberty Mutual
4. Nationwide
5. Travelers

Top Carriers for Home Insurance

We then asked *employers who offer home insurance* which carrier(s) they offer for home insurance. The most common mentions among employers include (in order of percentage of employers who offer that carrier):

1. Allstate
1. Liberty Mutual
3. GEICO
4. State Farm
5. MetLife

We also asked *brokers who recommend home insurance* which carrier(s) they recommend/sell for group home insurance. Brokers most commonly name the following carriers as those they recommend (in order of percentage of brokers who recommend that carrier):

1. MetLife
2. Allstate
2. Liberty Mutual
4. Nationwide
5. Travelers

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Top Carriers for Home Insurance, (cont.)

For brokers, top carriers for group home are very similar to group auto, with MetLife, Allstate, and Liberty Mutual leading the list for both. For employers, Allstate, Liberty Mutual, and GEICO are the top three carriers offered, for both auto and home.

Talking About: Reasons Why Brokers say their Experience with Auto and Home Carriers has Been Better than Expected

We asked brokers **who recommend auto and/or home insurance** why they say their experience with auto and/or home carriers has been better than, or much better than, expected. Here are examples of responses:

With Auto Carriers

"The customer service and personal attention that the representatives provided to the clients and their employees exceeded my expectations."

"Getting good feedback from customers and fast claims."

"They have been excellent. I've had no complaints. They offer great insurance with great prices."

"They provide great quality services to their customers and clients. They offer some of the best benefits and discounts."

With Home Carriers

"This was easy to add to their suite of benefits. There is very little cost to the employer, and it is seen as a good value-added benefit."

"Most of the carriers have great pricing, customer service."

"High number of quality choices for insurance and the ability to bundle it with other coverages."

"Implementation was easy and comms pre-built."

"We are hearing positive feedback from clients on both service and price for coverage."

Experience with Auto and Home Insurance

We asked *employers and brokers* about their experience with home and auto insurance, including frequency of employers' issues with carriers and to what extent carriers are meeting brokers' expectations.

Frequency of Employers' Issues with Auto and Home Insurance Carriers

We asked *employers who offer auto and/or home insurance*, when thinking of the auto/home carrier they offer to employees, how frequently they have experienced a variety of issues.

While fewer than one in five employers have "frequently" experienced issues with their auto/home provider, most have experienced issues at some point. Specifically, more than seven in ten employers have experienced the following at some point (in order of percentage of employers' who have experienced them):

- Having to provide detailed employee information (e.g. emails, SSNs)
- Employees complaining that they aren't being approved for coverage
- Trying to get the employer to offer products or additional coverage options that the employer doesn't want to offer
- Receiving complaints from employees about the customer service they are getting
- The onboarding process creating more administrative work

It's very positive to find that employers do not frequently encounter problems with their auto/home providers. Yet, employers do experience some issues with their providers; these are areas that employers may want to investigate further if they are making or considering change in carriers.

Extent to Which Carriers are Meeting Brokers' Expectations

We then asked *brokers who recommend auto/home insurance* to what extent their experience with their auto and/or home insurance carriers has met their expectations.

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Extent to Which Carriers are Meeting Brokers' Expectations (cont.)

The majority of brokers are happy with the experience they've had with their auto/home carriers; more than four in five say their experience has been better than expected.

See the left sidebar on the previous page for reasons brokers say their experience with auto and/or home insurance carriers has been better than expected.

Clearly, auto/home carriers are doing a good job from brokers' point of view. But, brokers may want to understand if there's more assistance they can provide in the areas where clients experience issues.

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