



# A Special Trends Report

Perspectives on Employee Benefits Carriers  
from a Survey of Brokers  
(Q2, 2021)

National Employee Benefits Advisory Forum (NEBAF)

## Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted a special online information exchange in late December 2020 through February 2021 to understand its broker members' opinions of and experiences with the employee benefits industry, including their interactions with employee benefits carriers, specifically.

The information in this report is based on an online survey taken by 1,083 employee benefits brokers and consultants.

For this study, we asked brokers to identify those carriers with which they commonly work, and then asked a series of questions about one or more carriers that were randomly selected among the list each broker provided. We've aggregated these results and have reported average scores for the purposes of this briefing.

This exchange contains similar topics and questions to a previous special online exchange conducted in Q1 of 2020 (completed by about 1,200 group employee benefits brokers and consultants) and where possible, results of the two studies are compared.

## Executive Summary

This Briefing reports on findings from brokers about interactions with employee benefits carriers and the effects of those interactions on a range of business and operational aspects.

- On average, brokers spend more than half of their work day on medical benefits. About a quarter is spent on core non-medical benefits, and the remainder is spent on voluntary and other non-medical benefits.
- Consistent with last year's findings, the majority of brokers have had the following interactions with non-medical carriers in the past twelve months: renewed a benefits program, submitted an RFP, dealt with carrier reps, helped a client onboard a new carrier, and/or resolved a client's issue with a carrier.
- In general, more than four-fifths of brokers told us they engage with non-medical carrier sales and service reps, while fewer interact with non-medical carrier operations reps; this is also consistent with last year's findings.

This report also shares findings about brokers' satisfaction with various aspects of the broker-carrier relationship.

- Consistent with last year's results:
  - About half of brokers consider non-medical carriers to be "very easy" to work with, on average.
  - More than half say they are "very satisfied" with carriers' sales teams, on average.
- New this year, we asked brokers to rate their satisfaction with carriers' employee benefits products in general, and more than half reported being "very satisfied", on average.
- As would be expected and in line with satisfaction in other areas asked about, more than half of brokers indicate they are "very satisfied" with their overall relationship with the carrier.
- One area where we see some variation in brokers' responses is in carriers' support during the COVID-19 pandemic. While most brokers are "very satisfied", on average, about one in five say they are less than satisfied with carriers in this area.
- We asked brokers how satisfied they are with carriers in various aspects of the broker-carrier relationship.
  - Carrier reputation rated the highest; this also rated the highest in the Q1 2020 study.
  - How clear, concise and relevant carrier's proposals are scored second.
  - Brokers report the lowest satisfaction with carriers' ability to combine medical and non-medical benefits and carrier's proactive, consultative expertise in third-party and provider landscape; both of these also scored the lowest last year as well.

## Brokers & Their Activities

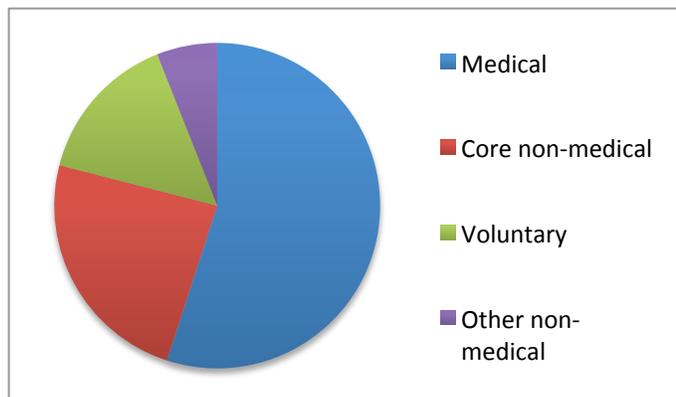
We asked participants a series of questions about their business, their activities, and their interactions with employee benefits carriers.

### Time Spent on Types of Benefits

First, we asked brokers, in general, when working on benefits, how much of their time, in an average day, they spend on various types of benefits.

**Participants report that they spend more than half of their day on medical benefits, on average.** They spend an average of about a quarter of their day on core non-medical benefits such as like, dental, and disability. Less than a quarter of brokers' daily time is spent on voluntary and other non-medical benefits.

#### Average Time Spent Daily on Types of Benefits



This question was also asked of brokers in the Q1 2020 study and these results are consistent with what brokers told us in that study. During the pandemic, there has been a focus on medical coverage, but other benefits, particularly those related, such as hospital indemnity, mental health services, etc., haven't fallen to the wayside.

### Interactions with Non-Medical Carriers in Past 12 Months

We asked brokers which of several interaction types they have been personally involved in in the past 12 months with regard to non-medical insurance carriers.

In the past twelve months, **more than four in five participants report they have had the following interactions with non-medical carriers:** renewed a benefits program, submitted an RFP, dealt with carrier reps, helped a client onboard a new carrier, and/or resolved a client's issue with a carrier. Results are detailed in the chart on the next page.

This year's results are consistent with last year's results on this topic. We don't see any evidence that the pandemic had an impact on the type or prevalence of these interactions between brokers and non-medical carriers.

## Spotlight on Trends: MetLife's Annual U.S. Employee Benefits Trends Study

MetLife recently released the results of its annual employee benefits trends study, which was conducted in December 2020 & January 2021, among 2,500 HR decision-makers and 2,500+ full-time employees.

As part of their findings, MetLife identified the five top trends currently facing the workplace. Some of these are new and a likely direct or indirect result from the COVID-19 pandemic. Others predate the pandemic, but the pandemic continued to contribute to the intensity of the trend.

### MetLife's 2021 Top Trends:

1. Employees are more concerned with safety and expect their employers to play a greater role.
2. More than half of employees are now concerned about their well-being. And that's hurting productivity.
3. Flexibility is here to stay, but it will require creative solutions to foster collaboration and manage workloads.
4. Employers are evolving their benefits approach to meet the changing needs of employees, build employee resilience, and support worker well-being.
5. As they confront social justice concerns, employees need their employer's support.

To view the full details of the report, visit: [metlife.com/ebts2021](https://metlife.com/ebts2021)

## Interactions with Non-Medical Carriers in Past 12 Months (cont.)

### Interactions with Non-Medical Carriers in Past 12 Months

	% Saying Yes	
	Q1 2021	Q1 2020
Renewed a Client's benefits program	88%	89%
Dealt directly with a non-medical insurance benefits carrier's benefits service, operations or sales representative(s)	88%	87%
Helped a Client on-board a new carrier or resolved a client's issue with an insurance carrier	87%	84%
Submitted a Request for Quotation or Proposal to an insurance carrier	86%	88%
On-boarded / Implemented a new benefits program	79%	79%

## Relationships with Carriers

Then we asked brokers more specifically about their relationships with certain non-medical insurance carriers (as noted in the methodology).

**Overall, in aggregate, we find that brokers tend to take on some roles and activities more than others.** When it comes to interactions with carriers, the majority of brokers report that they interact with carrier sales and service representatives. Brokers indicate that they have less interaction with carrier operation reps (as compared to sales and service reps), but a substantial number, more than two in three, say they do interact with carrier operations reps. Full results are shown in the chart below.

### Roles and Relationships with Carriers

	% Saying Yes	
	Q1 2021	Q1 2020
Review carrier benefits programs with employers	90%	89%
Interact with carrier sales reps	89%	88%
Interact with carrier service reps/ account managers	85%	85%
Help with Onboarding carrier's new benefits programs	81%	79%
Interact with carrier operations reps (billing, claims, call center)	69%	67%

## Relationships with Carriers (cont.)

This year's results are consistent with last year's results on this topic, again, showing that the pandemic didn't particularly impact broker's broad roles and responsibilities.

## Satisfaction with Carriers

We asked brokers about their level of satisfaction with certain non-medical carriers (as mentioned in the methodology) in various areas.

### Carriers & Ease of Doing Business

First, we asked participants to rate carriers on how easy or difficult the carrier is to do business with.

**Overall, more than half of brokers say that carriers, on average, are "very easy" to work with.** Most others rate carriers more moderately, with none saying "very difficult". This is positive news for carriers, but does leave room for some improvement.

We don't see any significant changes or differences from when this was asked about in Q1 2020.

### Satisfaction with Sales Team

We also asked brokers to rate carriers on how satisfied they are with carriers' sales team.

We see similar scores as with ease of doing business. **In aggregate, on average, nearly three in five brokers indicate they are "very satisfied" with carrier sales teams.** Similar to ease of doing business, this year's ratings are consistent with last year's ratings. We don't see any significant changes or differences from Q1 2020 findings.

It's not surprising to see high levels of satisfaction with carrier sales reps. The carrier-sales rep relationship is critical to the overall relationship, and brokers have choices of carriers, so if they are dissatisfied with a relationship, they will be more likely to do more business with carriers with whom they are more satisfied.

### Satisfaction with Employee Benefits Products

Also, we asked participants how satisfied they are with the carrier's non-medical insurance benefits products, in general, this year (not by product).

**Slightly more than half of brokers are "very satisfied" with the carrier's non-medical insurance benefits products.**

Those less than "very satisfied" may be providing this feedback, along with the 'what' and 'why' to carriers, but if not, they may want to consider doing so.

## Carriers & COVID-19 Support

New this year, we asked brokers how satisfied they are with the carrier's ability to deliver and provide support and resources during the COVID-19 pandemic.

**In this area, we see more mixed reviews for carriers.** Most brokers say they are "very satisfied" with carriers, on average. Some, more than a third, report being neutral, while one in five is less than satisfied with carriers in this area.

While insurance carriers had to make many adjustments during the pandemic, clearly, some did a better job than others. But some of these less than stellar ratings could be a result of the added stress and workload on brokers themselves. They were likely looking to carriers for higher levels of support during this time than they typically might.

*As you may recall*, NEBAF conducted a survey in July 2020 to understand its members' thoughts and experiences regarding the COVID-19 pandemic. Roughly 300 HR professionals and 300 brokers participated in this online exchange and shared their opinions.

At that point in the pandemic, most brokers said that COVID-19 had increased their workload and the majority of brokers felt that their jobs were more challenging due to the pandemic. Brokers talked about the workload and challenge of keeping up with constant changes in laws and rules, and in turn, trying to keep their clients updated.

**To read the full results**, click here or copy and paste into your browser:

<https://nebaf.org/wp-content/uploads/2020/10/NEBAF-Benefits-Briefing-40-COVID.pdf>

## Satisfaction with Overall Relationship with Carrier

We then asked participants about their satisfaction with their overall relationship with the carrier.

Overall, we find the satisfaction trend to continue. **More than half of brokers indicate they are "very satisfied" with their overall relationship with the carrier.** Again, more positive news for carriers, but with room to do better in some brokers' views.

## Satisfaction with Aspects of Carrier Relationships

We then asked participants how satisfied they are with certain carriers in various aspects of the broker-carrier relationship. Below, we are presenting the top five and the bottom five areas of satisfaction, in aggregate, this year, along with comparisons to last year.

## A Look Back: Perspectives on Executive Benefits From a Survey of Employers

NEBAF recently conducted a study on the topic of executive benefits. In case you missed it, here are some details and a link to the full report below.

In November and December 2020, NEBAF surveyed employers regarding executive benefits, particularly Executive Supplemental Disability Insurance and Group Variable Universal Life Insurance. Roughly 300 HR professionals participated in this online exchange and shared their opinions. *Participants were required to be from an organization with at least 1 employee earning \$150,000+ per year.*

Key findings included:

- About two in five participants currently offer Executive Supplemental Disability Insurance and/or Group Variable Universal Life Insurance to employees earning \$150,000+ per year.
- About four-fifths of those employers currently not offering these products say they didn't consider offering them in 2020.
- About three in five don't offer any other executive benefits (other than Executive Supplemental Disability Insurance and Group Variable Universal Life Insurance).
- The majority of those currently offering Executive Supplemental Disability Insurance and/or Group Variable Universal Life Insurance plan to continue offering these products in 2021, whereas most of those not offering these products do not plan to add them.

The full report can be accessed at:

<https://nebaf.org/wp-content/uploads/2021/01/NEBAF-Benefits-Briefing-Q1-2021final.pdf>

## Satisfaction with Aspects of Carrier Relationships (cont.)

**This year, brokers report the highest satisfaction**, on average, with the following aspects of their broker-carrier relationship (top five, in order of scores [there's a tie for 3<sup>rd</sup> place]):

1. Carrier's reputation
2. Proposal clarity and relevance
3. Information needed for a quote
3. Ease of doing business
3. Proposal timeliness

Consistent with last year's results, reputation continues to be the highest area of satisfaction. This year, other high-scoring areas relate to the proposal process.

**Brokers indicate they are least satisfied**, on average, in the following areas this year (bottom five, in order of scores lowest to highest [for this group there's a tie for 2<sup>nd</sup>]):

1. Ability to combine medical and non-medical benefits
2. Proactive, consultative expertise in third-party and provider landscape
2. Ability to find opportunities for brokers [new this year]
3. Environmental sustainability [new this year]
4. Usefulness of online tools and guides

Broker's top areas of low satisfaction are consistent from this year to last year; in both years, they report the lowest satisfaction with carriers for their ability to combine medical and non-medical benefits and their proactive, consultative expertise in third-party and provider landscape.



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