



# A Special Trends Report

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

National Employee Benefits Advisory Forum (NEBAF)

## Background & Methodology

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

The information in this report is based on an online survey taken by roughly 750 HR decision makers at organizations with 5,000+ employees.

For this study, we asked employers to identify those carriers that provide non-medical benefits to their organization, and then asked a series of questions about one or more carriers that were randomly selected among the list each employer 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 special online exchange conducted in Q1 of 2021 among about 1,000 group employee benefits brokers and consultants, and where possible, results of the two studies are compared. *Please note that employers' responses represent the views of those working in large organizations, while brokers' responses represent views of consultants and brokers serving a wide range of client sizes.*

## Executive Summary

This report shares findings about large employers' interactions with non-medical carriers and satisfaction with various aspects of the employer-carrier relationship. Where possible, we also provide comparisons to responses of brokers to similar questions from a recent study.

- Employers surveyed report being most commonly involved with non-medical carriers in the following ways in the past year: dealing directly with carrier reps (of some kind), renewing a benefits program, and reviewing a proposal from a carrier.
- When we asked participants about their satisfaction with specific carriers, we found consistency in responses across areas asked about. In aggregate, slightly more than half report that they are "very satisfied" in the following areas: carrier problem resolution, carrier enrollment support, ease of doing business (scores are slightly higher here), and overall carrier relationship. The remainder are not dissatisfied, but more moderate in their satisfaction.
  - In a recent study, brokers were also asked about satisfaction in ease of doing business and overall carrier relationship. Their ratings closely align with employer results.
- We asked employers how satisfied they are with carriers in various specific aspects of the employer-carrier relationship.
  - Overall, satisfaction with carrier reputation rated the highest; this also rated the highest among brokers asked the parallel question.
  - Satisfaction with information security, controls, and practices scored second-highest.
  - Large employers report the lowest satisfaction with carriers' proactivity of suggesting value-adds and design alternatives, as well as speed of request resolution. While brokers' answers in this area were somewhat different, they also discussed lack of proactivity and limits in design capabilities.
- Participants identify the following as the primary barriers to changing non-medical carriers: costs associated with changing, risks to employee's existing benefits, and systems integration challenges.

This Briefing also reports on resources used in purchasing and managing benefits plans. Not surprisingly, brokers/consultants are the most commonly used external resource when purchasing employee benefits package(s).

- When it comes to administering or managing their employee benefits, participants most commonly utilize a benefits administration provider, followed by an HRIS system.

# Employers and Employee Benefits Carriers

We asked participants about their interactions with non-medical employee benefits carriers, as well as their level of satisfaction with certain non-medical carriers (as mentioned in the Background & Methodology, see previous page) in various areas.

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

We first asked large employers to indicate with which of several interaction types they have been personally involved in the past 12 months with regard to non-medical insurance carriers. *In order to participate in this study, participants were required to have been personally involved in at least one of the activities asked about.*

In the past twelve months, **roughly two in three participants say they have interacted with carriers in the following ways:** dealt directly with carrier reps (of some kind), renewed a benefits program, and reviewed a proposal from a carrier. Fewer, less than half, tend to have been involved in on-boarding activities with non-medical carriers in the past year. Results are detailed in the chart below.

We asked brokers the same question in a recent special online exchange. **As would be expected, brokers report higher incidences of interacting with non-medical carriers in all activities asked about. Roughly nine in ten brokers say they have had the following interactions in the past year:** 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 also shown in the chart below.

### Interactions with Non-Medical Carriers in Past 12 Months, % Saying Yes

*Base: Employers were required to have been personally involved in at least one of the following activities in order to participate in this study*

	Large Employers	Brokers
Dealt directly with a non-medical insurance benefits carrier's benefits service, operations or sales representative(s)	66%	88%
Renewed a benefits program	65%	88%
Reviewed a proposal from an insurance carrier (Brokers: Submitted a Request for Proposal to an insurance carrier)	60%	86%
On-boarded / Implemented a new benefits program	47%	79%
Helped/on-boarded a new carrier or solved an issue with an insurance carrier	44%	87%

## 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 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)

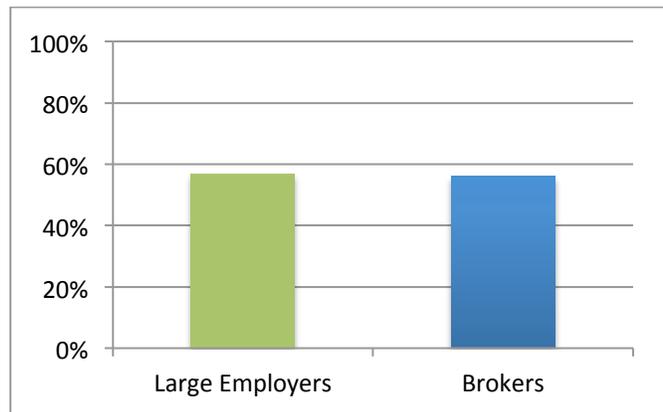
## Carriers & Ease of Doing Business

We asked participants to rate specific carriers (as mentioned in the Methodology) based on how easy or difficult it is to do business with the carrier.

**Overall, slightly less than three in five large employers surveyed think that carriers are, on average, "very easy" to work with.** None of the participants report that carriers are "very difficult". About two in five react more moderately in this area. While this is positive news for carriers, it leaves room for improvement.

We also asked brokers the same question in the same way in a recent special online exchange. **Brokers reported the same views as employers; almost three in five say carriers are, on average, "very easy" to work with.**

### Aggregate Ease of Doing Business with Non-Medical Carriers Rated, % Saying "Very Easy"



## Satisfaction with Carrier Problem Resolution

We also asked large employers to rate their satisfaction with specific carriers' abilities to follow up and ensure problems or issues are resolved.

We see slightly more moderate ratings as compared with ease of doing business. **In aggregate, 52% of participants, on average, indicate they are "very satisfied" with carriers' ability to follow up and ensure problems or issues are resolved to the client's satisfaction.** While nearly half provide moderate responses, none say they are not satisfied.

Again, this is positive news for carriers, but leaves room for improvement. In research we've conducted, we often hear that billing and claims fulfillment are common areas where issues arise, and brokers tend not to get involved unless the problem or issue is significant.

## Satisfaction with Carrier Enrollment Support

Also, we asked participants how satisfied they are with the same carrier's ability to support employee enrollment through communication and engagement activities.

**In this area, similar to with problem resolution, slightly more than half of employers surveyed are "very satisfied" with the carrier(s) they rated, on average.** Similar to other areas, no employers report being not satisfied in this area.

The pandemic has certainly affected benefits enrollment and education in the past year. For the majority of employers, lockdowns restricted their ability to hold in-person meetings or fairs and forced them to rely even more heavily on technology for education and enrollment. It's unclear whether or how this influenced carrier ratings in this area, but again, there's room for improvement.

## Satisfaction with Overall Relationship with Carrier

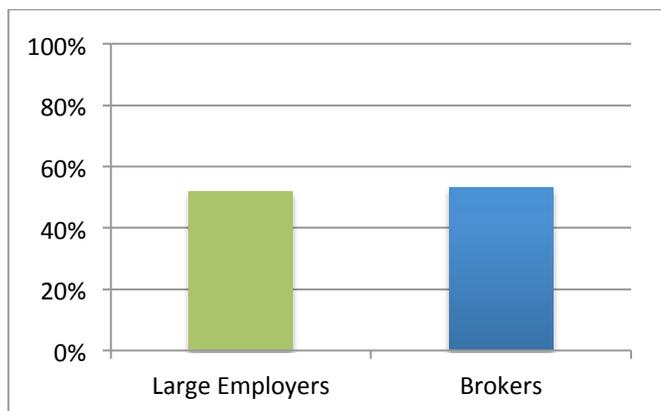
We then asked participants to rate their satisfaction with their overall relationship with the carrier(s).

Overall, we find the positive satisfaction trends to continue. **Just over half of large employers indicate they are "very satisfied" with their overall relationship with the carrier(s) asked about.**

We also asked this question of brokers in a recent special online exchange. **Interestingly, responses by the two groups are almost the same.**

This is good news for some carriers (i.e. that about half of both groups are "very satisfied"), but that does mean that almost half are something less than "very satisfied" with a current relationship.

### Aggregate Satisfaction of Overall Relationship with Carriers Rated, % Saying "Very Satisfied"



## Satisfaction with Aspects of Carrier Relationships

Lastly, we asked large employers how satisfied they are with certain carriers in various aspects of the employer-carrier relationship.

## 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://neba.org/wp-content/uploads/2021/01/NEBAF-Benefits-Briefing-Q1-2021final.pdf>

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

Below we list the top five and the bottom five areas of satisfaction, in aggregate, along with comparisons to broker responses of the same question asked of them in a recent exchange. Employers and brokers were asked about different aspects of their carrier relationships as applicable.

**Employer participants report the highest satisfaction**, on average, with the following aspects of the employer-carrier relationship (top five, in order of scores [with a tie for 3<sup>rd</sup> place]):

1. Carrier's reputation
2. Information security, controls and practices
3. Accuracy & quality of implementation & enrollment
3. Value from bundling
3. Timeliness of implementation

**Comparatively, brokers' top five areas of satisfaction**, on average, are (top five, in order of scores [with 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

Both groups are most satisfied with carrier reputation. Beyond that, employers name a number of different areas they are most satisfied with, while brokers tend to focus on the proposal process.

**Employer participants indicate they are least satisfied with the employer-carrier relationship**, on average, in the following areas (bottom five, in order of scores lowest to highest [there are a number of ties across these results]):

1. Proactivity of suggesting value-adds & design alternatives
1. Speed of request resolution
2. Flexibility, Customization of plan design
2. Ability to partner with enrollment firms
2. Use of technology to improve employee experience

**For brokers, the following are areas of lowest satisfaction**, on average (bottom five, in order of scores lowest to highest [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
3. Environmental sustainability
4. Usefulness of online tools and guides

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

We find that employers and brokers identify different areas of lowest satisfaction. Employers may want to look to their brokers for assistance in some of the areas where they experience the greatest frustrations. For instance, brokers may be aware of alternatives in either benefits offered or carrier choice to better meet customized plan needs or design alternatives.

## Barriers to Changing Non-Medical Carriers

We asked participants what, if any, are the main barriers that prevent their organization from changing their existing non-medical carrier(s). We provided a list of nine possible barriers.

**The top three barriers among large employers surveyed are** (listed in order of percentage mentions):

1. Costs associated with changing
2. Risks to employees' existing benefits from changing
3. Challenges of integrating a new carrier's systems

Roughly one in ten say there are no barriers that prevent their organization from changing their existing non-medical carrier(s).

## Resources & Benefits Plans

We also asked participants a number of more general questions about resources used in purchasing and managing their benefits plans.

### Resources Used in Purchasing Benefits

First, we asked large employers about which resources, if any, they used when purchasing their company's employee benefits package(s).

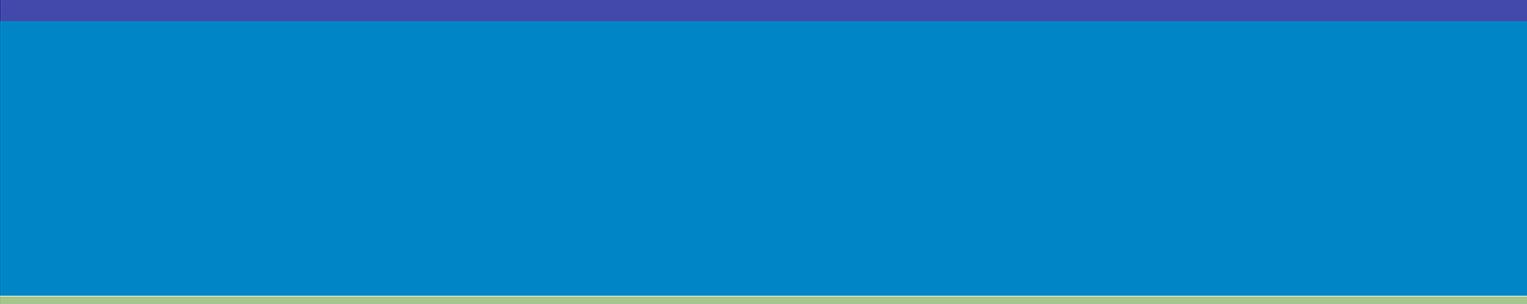
**Not surprisingly, participants say they most commonly utilize brokers and/or consultants when purchasing their company's employee benefits package(s).** Some say they use an industry association and/or a private online market exchange. About one in six say they do not use any of these resources when purchasing employee benefits.

### Use of Resources in Managing & Administering Benefits Plans

We then asked participants whether they use a benefits administration provider, HRIS, an enrollment/communications firm, Human Resources Outsourcer (HRO), or other HR technology to administer or manage their employee benefits.

**About half of large employers tell us they use a benefits administration provider to administer or manage their employee benefits;** this is the most common resource used. More than two in five say they use an HRIS system, and slightly more than third use a Human Resource Outsourcer. About a quarter use an enrollment/communication firm and/or other HR technology provider. Less than 10% say they don't use any of the resources asked about.

Based on these responses, it's clear that some number of large employers are utilizing multiple resources to administer or manage their employee benefits, yet others of similar size appear to be utilizing only one.



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