



A Special Trends Report

Perspectives on Employee Benefits Carriers
from a Survey of Brokers
(Q2, 2022)

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted a special online information exchange in January and February 2022 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 1,099 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 2021 (completed by about 1,000 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 and satisfaction with employee benefits carriers.

- Nearly all brokers have had the following interactions with non-medical benefits carriers in the past twelve months: submitted an RFP, placed non-medical business, and/or evaluated quotations or proposals for non-medical benefits.
- We asked brokers how satisfied they are with carriers in various aspects of the broker-carrier relationship.
 - As in the 2021 study, carrier reputation rated the highest in satisfaction.
 - Brokers are second most satisfied with the extent to which the carrier's sales team is consultative and demonstrates expertise in the local market; this area did not rank in the top five last year.
 - Brokers satisfaction is lowest with carriers' ability to combine medical and non-medical benefits and carrier's proactive, consultative expertise in third-party and provider landscape; these areas also scored lowest in 2021.
- Consistent with 2021 results, about half of brokers say they are "very satisfied" with their overall relationship with carrier(s) asked about.
- New this year, brokers were asked about the degree to which service and then relationships with specific carriers have improved or declined in the past twelve months.
 - Brokers most commonly say service and/or relationships have not improved. However, about a quarter of brokers each report "significant improvement" in service and/or relationships with carriers.

This report also informs on how brokers' roles and communication with carriers have changed in the past twelve months.

- Nearly three in five say their role is more online, less face to face, compared to last year.
- When asked about the last time they met in person with their main contact at their carrier, brokers mostly commonly say it was over a year ago.
- Brokers' responses vary about whether the trend toward virtual meetings has had a positive or negative impact on their relationships with carriers; while just under half say the trend toward virtual meetings has not had a positive impact on carrier relationships, almost a third say the trend has had a "very positive" impact.
- Most brokers say they have not replied to a request in the last six months to provide feedback via a survey sent by a carrier after they had an issue with, or asked a question of, a carrier.

Brokers & Benefits Carriers

We asked brokers about their interactions with and satisfaction with employee benefits carriers (as mentioned in the methodology).

Interactions with Non-Medical Carriers in Past 12 Months

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

In the past twelve months, **more than nine in ten participants report they have had the following interactions with non-medical carriers:** submitted an RFP, placed non-medical business, and/or evaluated quotations or proposals for non-medical benefits with a carrier. Results are detailed in the chart below.

Interactions with Non-Medical Carriers in Past 12 Months

	% Saying Yes
Evaluated quotations or proposals for non-medical benefits to an insurance carrier	94%
Submitted a Request for Quotation or Proposal to an insurance carrier	91%
Placed any non-medical business with an insurance benefits carrier	90%

Satisfaction with Aspects of Carrier Relationships

We 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.

This year, brokers report the highest satisfaction, on average, with the following aspects of their broker-carrier relationship (top five, in order of scores):

1. Carrier's reputation
2. Extent to which the carrier's sales team is consultative and demonstrates expertise in the local market
3. Ease with which broker can understand carrier's compensation plan
4. Proposal clarity and relevance
5. Information needed for a quote

Satisfaction with Aspects of Carrier Relationships (cont.)

Consistent with last year's results, reputation is the highest area of satisfaction. While proposal clarity/relevance and information needed for a quote were in both this year's and last year's top 5, expertise of the sales team and ease with which broker can understand the carrier's compensation plan are new to the top 5 this year.

Brokers indicate they are least satisfied, on average, in the following areas this year (bottom five, in order of scores lowest to highest):

1. Ability to combine medical and non-medical benefits
2. Proactive, consultative expertise in third-party and provider landscape
3. Environmental sustainability
4. Ability to find opportunities for brokers
5. Carriers' use of technology to improve the broker experience

Areas of lowest satisfaction are generally consistent from this year to last year. Similar to last year, brokers 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. The 5th area of low satisfaction this year is carrier's use of technology to improve the broker experience, whereas last year it was usefulness of online tools and guides.

Satisfaction and Overall Relationship

We then asked participants to rate carriers on how satisfied they are with their overall relationships with carriers.

Just over half of brokers say they are, on average, “very satisfied” with their overall relationships with their carrier teams. Some, about a third, report being neutral, while fewer than one in five say they are less than satisfied.

Although this is generally positive for carriers, there is some room for improvement in carrier teams' relationship building with brokers.

Carriers & Degree to which Service has Improved/Declined

New this year, we asked brokers about the degree to which service has improved/declined in the past 12 months.

Although about a quarter of brokers report a “significant improvement” in service, more than four in ten don't report service improvements. About a third are neutral about whether service has improved/declined.

Among brokers reporting that service has not improved, very few say service has declined, and no brokers report a “significant decline.”

Spotlight on Trends: *Remote Work during the COVID-19 Pandemic*

The U.S. Bureau of Labor Statistics recently released a new report on telework during the COVID-19 pandemic, which was conducted in July and September of 2021, among 83,000 private-sector employers.

As part of their findings, the Bureau of Labor Statistics noted the following:

- Information, professional and business services, and financial activities are the business sectors with the greatest percentage of employees working remotely at least some of the time.
- Just over a third of jobs in U.S. private sector businesses allow teleworking at least some of the time, including 13% allowing telework full-time.
- Telework increased at a third of organizations during the pandemic.
- Higher paying organizations are more likely to offer telework, and to have increased telework during the pandemic, as compared to lower paying organizations within the same sectors.

To view the full details of the report, visit:

<https://www.bls.gov/opub/mlr/2022/article/telework-during-the-covid-19-pandemic.htm>

Carriers & Degree to which Service has Improved/Declined (cont.)

It is encouraging that brokers do not report appreciable declines in service levels the past year, despite challenges related to the COVID-19 pandemic.

Degree to which Relationships with Carriers have Improved/Declined

Also new this year, we asked brokers about the degree to which their relationships with specific carriers have improved/declined in the past 12 months.

A quarter of brokers say relationships with carriers have significantly improved in the past 12 months, just under a third are neutral, and more than four in ten do not report relationship improvements.

Overall, similar percentages of brokers report improvements in service and also relationships with carriers. There appear to be opportunities for improvement in both these areas.

Carriers may wish to explore ways to build stronger broker relationships, perhaps by focusing on those areas brokers scored lowest for relationship satisfaction (listed earlier in this report), such as ability to combine medical and non-medical benefits, and/or proactive expertise in the third-party and provider landscape.

Brokers & Communication

We then asked how brokers' roles and communication with carriers have changed in the past twelve months.

Evolution of Brokers' Roles

New this year, we asked brokers how their role as a broker/consultant has changed over the past twelve months.

As might be expected, more than half of brokers say their role has been more online, less face to face, in the past twelve months. The second most common change, mentioned by almost four in ten participants, is that their role is more consultative.

A greater number of brokers say their role is more strategic than say their role is more reactive (26% vs. 15%), though just over one in five say their role hasn't changed. Administrative work has increased for about a quarter, while fewer than one in five say their role is more

Evolution of Brokers' Roles (cont.)

sales oriented. Full results are shown below.

It will be interesting to see if brokers' increased online interaction/roles will continue and become the "new normal".

Changes in Brokers' Roles

	% Saying Yes
More online, less face to face	58%
More consultative	39%
More strategic and less reactive	26%
More administrative	24%
My role has not changed over the past twelve months	22%
More reactive and less strategic	15%
More sales oriented	15%

In Person Meetings with Main Contact at Carriers

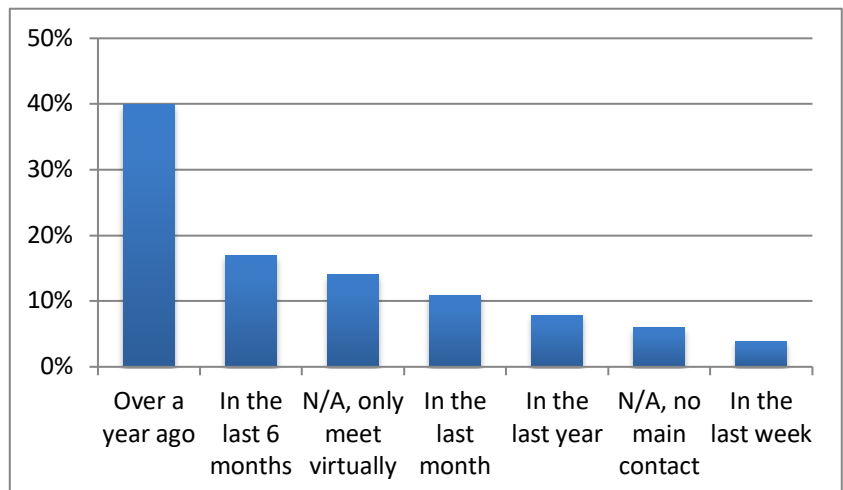
We asked brokers when the last time was they met in person with their main contact at their carriers.

Brokers' most common response, selected by four in ten, is that they last met in person with their main carrier contact over a year ago. The second most common response is in the last 6 months (which was selected by just under two in ten).

Approximately 15 percent say they now only meet virtually. Results are detailed below.

While we see some in person interaction, it's clear that interactions are significantly different than they were pre-pandemic.

Last Time Brokers Met In Person with Carrier





Impact of Trend toward Virtual Meetings on Carrier Relationships

We also asked brokers, new this year, if the trend toward virtual meetings had a positive or negative impact on their relationships with carriers.

Just under one in five brokers answered “not applicable” to this question. **Beyond that, almost half of brokers say the trend toward virtual meetings has not had a positive impact on their relationships with carriers.** Interestingly, just under a third of brokers says the trend toward virtual meetings has had a “very positive” impact on their carrier relationships, while a quarter respond neutrally.

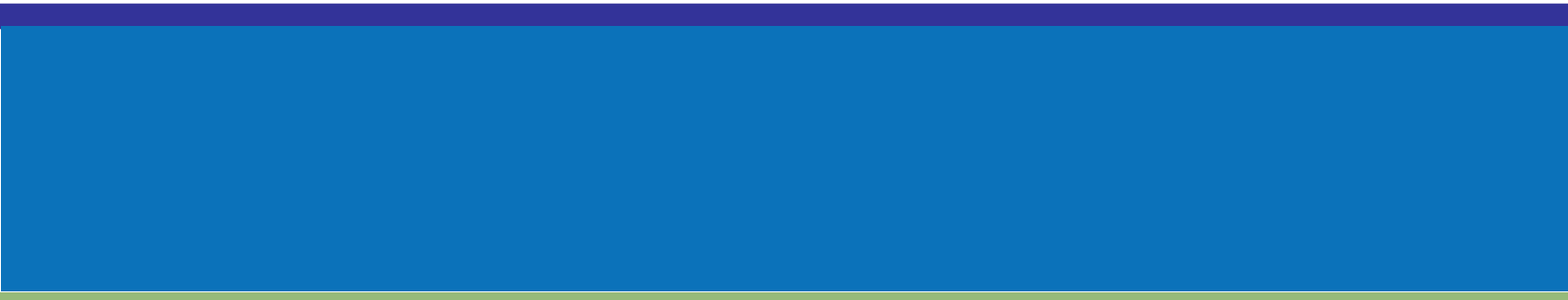
Insurance carriers had to make many adjustments during the pandemic, including meeting virtually instead of in person. As pandemic restrictions ease, carriers may wish to offer more in person options to brokers, in order to strengthen relationships which may have weakened in the absence of face-to-face contact. However, since almost a third of brokers say the trend towards virtual meetings has had a very positive impact, carriers may also choose to offer virtual meetings as an option for those who prefer them.

Real Time Survey Participation

Finally, we asked brokers if, in the last six months, they replied to a request to provide feedback via a survey sent by a carrier after they had an issue or a question to that carrier.

More than eight in ten brokers say they have not replied to a request to provide feedback via a survey sent by a carrier following an issue or question.

We didn’t explore the reasons that brokers are not providing survey feedback following interactions with carriers, but lack of time and incentive most likely play a part.



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