



Benefits Briefing Report

Perspectives on DEI Programs and Disability & Leave Carriers
from Surveys of Employers and Brokers
(Q3, 2022)

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) recently conducted two online information exchanges among its members.

One of the information exchanges explored members' experiences with and expectations regarding Diversity, Equity, & Inclusion (referred to as DEI) programs. Results on this topic are based on an online survey taken by roughly 100 HR decision makers at organizations with 500+ employees and roughly 300 benefits brokers and consultants. The exchange took place in July 2022.

The other information exchange measured members' impressions of disability and leave management carriers. Results on this topic are based on an online survey taken by roughly 300 HR decision makers (at organizations with 100+ employees and which offer disability insurance) and roughly 300 benefits brokers and consultants (who sell/recommend disability insurance). The exchange took place in August 2022.

Executive Summary

This Briefing shares findings about large employers' and brokers' experiences with and activities related to Diversity, Equity and Inclusion (DEI) programs.

- Nearly three in four employers (with 500+ employees) indicate that their organization has a formal DEI program. This percentage trends up with company size. We find a significant proportion of brokers, one in four, don't know whether their clients have DEI programs or not.
- The remainder of results regarding DEI are based on employer participants whose companies have 500+ employees and formal DEI programs, and broker participants who have 1+ clients with a formal DEI program:
 - Almost three-fourths of employers think their company's investment in its DEI programs will increase over the next two years.
 - Employers and brokers both report that race/ethnicity is the most common area of DEI that companies are focused on, followed by gender.
 - Nearly four-fifths of employers say that they are currently working to understand the benefits needs of specific employee populations within their company. This percentage increases with company size. Employee feedback in the form of surveys and town halls is the most common way companies are working to understand the benefits needs of specific employee populations within their company.
 - More than three-quarters of employers tell us that their company is currently actively seeking to attract certain groups of employees as part of their DEI programs/efforts. When we asked brokers the same question, again, we see that a substantial proportion, more than one in four, say they aren't sure.
 - Employers that are currently actively seeking to attract certain groups of employees as part of their DEI programs/efforts are most commonly focused on the area of race/ethnicity.

We also report on findings regarding impressions of disability and leave management carriers.

- Both employers and brokers rated their impression of various carriers for disability and leave management. Both groups identify the same carriers as most positive for both products. Employers name MetLife, Aetna and Cigna, in order, while Unum, MetLife and Guardian score the highest among brokers.

Diversity, Equity, and Inclusion (DEI)

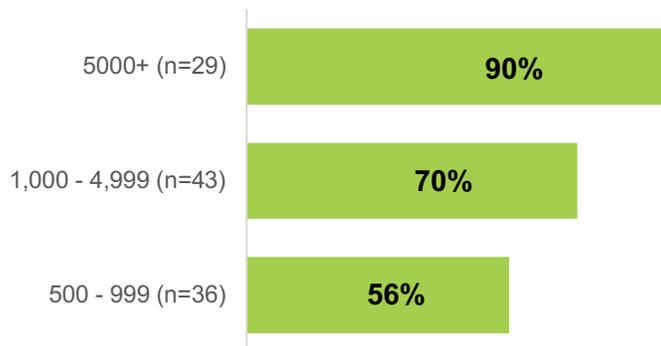
We asked participants about their experiences with and activities around Diversity, Equity & Inclusion (DEI) programs.

Prevalence of Formal DEI Programs

We first asked employers, those with 500+ employees (a total of roughly 100 employers), whether their organization has a formal DEI program or not.

Seven in ten employers with 500+ employees report having a formal DEI program. As might be expected, this proportion trends up with the size of an organization. Nearly all employers with 5000+ employees have a formal DEI. See chart below.

Has Formal DEI Program, % Employers by # of Employees



We also asked brokers to estimate what percentage of their clients have formal DEI programs.

One in four brokers say they don't know whether their clients have DEI programs or not. Beyond that, we see a range of responses. About two-fifths report that 40% or less of their clients have DEI programs, about one-fifth say 41-60% of clients, and 14% say 80+% of clients.

This marked difference between what employers are reporting and what brokers are seeing is not terribly surprising. Employers with 500+ employees most likely have designated personnel and/or whole departments of employees dedicated to DEI, which may be separate from benefits personnel.

The rest of the findings of the DEI section is based on employer participants whose companies have 500+ employees and formal DEI programs, and broker participants who have 1+ clients with a formal DEI program.

Spotlight on Trends: Culture Amp's 2022 Workplace DEI Report

Culture Amp, a platform that helps companies improve employee engagement, retention and performance, conducted a survey among HR and DEI practitioners on the topic of DEI activities. The company published results, based on 300 responses, in its *2022 Workplace DEI Report*. Here are some of the highlights:

1. 41% indicated that their company has a formal DEI policy in place.
2. 56% said their company has a formal DEI council, forum, or committee responsible for advancing DEI efforts.
3. 63% reported that they organize DEI events for employees.
4. 40% have dedicated DEI roles within their organizations.

To view the full details of the report, visit: <https://www.cultureamp.com/resources/reports/2022-workplace-dei-report>

Investment in DEI in Next Two Years

We asked employers (those with a formal DEI program) how they expect their company's investment in its DEI programs/efforts will change over the next two years.

Nearly three-quarters anticipate that their company's investment in its DEI programs/efforts will increase over the next two years. About one in five say their investment will remain the same, a few (2%) think theirs will decrease, and about 10% aren't sure.

The need and demand for such programs have moved to the forefront of our political and socioeconomic landscape in the past few years.

Areas of Focus for DEI

We asked employers which areas their company is focused on when it comes to diversity and inclusion initiatives.

Race/ethnicity is the most common area companies are focused on within their DEI programs. Nearly all participants (93%) report that their company is focused on race/ethnicity. Gender and LGBTQ+ are other common areas of focus, named by 86% and 75%, respectively.

We also asked brokers which areas their clients are focusing on when it comes to their diversity and inclusion initiatives.

Brokers' responses mirror employers'. They tell us race/ethnicity, gender and LGBTQ+ are most common among their clients, and in that order of prevalence.

This focus is not surprising. The riots of 2020 spurred a global racial justice movement that has inspired companies to commit to changes in this area.

Benefits Needs of Specific Populations

We then asked *employers only* whether they are currently working to understand the benefits needs of specific employee populations in their company.

More than three in four indicated that they are currently working to understand the benefits needs of specific employee populations in their company. This percentage increases with company size.

Employers are primarily doing this through employee feedback in the form of surveys, town halls, etc. The question for employers then becomes, what to do with this information once they've gathered it.

Roughly half of those working to understand the benefits needs of specific employee populations say they have an internal task force for this purpose, and/or they've hired DEI experts/consultants.

Whether Seeking Certain Groups as part of DEI

We asked employers whether they are currently actively seeking to attract certain groups of employees as part of their DEI programs/efforts.

More than three in four employers report that their company is currently actively seeking to attract certain groups of employees as part of their DEI programs/efforts. About one in ten say they don't know.

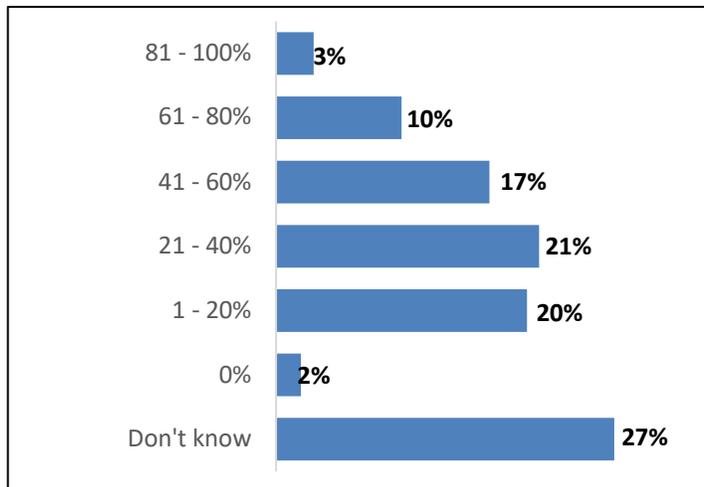
Whether Company is Seeking to Attract Certain Employee Groups as Part of DEI, % of Employers



We also asked brokers to estimate what percentage of their clients are currently actively seeking to attract certain groups of employees as part of their DEI programs/efforts.

A full quarter of brokers say they do not know whether clients are actively seeking to attract certain groups of employees as part of their DEI programs/efforts, or not. Beyond that, brokers that provide estimates give a range of answers. See full results below.

% of Clients Seeking to Attract Certain Groups as Part of DEI, % of Brokers





Whether Seeking Certain Groups as part of DEI, cont.

Brokers serving primarily larger employers are more likely to report higher percentages of their clients seeking to attract certain groups.

Groups of Employees Sought as part of DEI

We then asked employers – those that are currently actively seeking to attract certain groups of employees as part of their DEI programs/efforts – which groups are they focused on attracting.

Race/ethnicity is the most common; nine in ten employers are currently actively seeking to attract certain groups as part of their DEI programs/efforts are focused on race/ethnicity. Gender is second most common, with about seven in ten saying they are focused on that area in attracting new employees. Half are focused on LGBTQ+.

We also asked brokers – those with clients that are currently actively seeking to attract certain groups of employees as part of their DEI programs/efforts – which areas clients are focused on attracting.

Brokers overwhelming say clients are focused on race/ethnicity, almost twice as often as gender and LGBTQ+.

Talking About: Reasons Why Employers Have Positive Impressions of Carriers for Disability / Leave Management

We asked employers who have positive impressions of carriers for disability /leave management about the reasons for the positive impressions. Here are examples of responses:

"Because they are a trusted company that always does the right thing by us, and we have a seamless business where they always exceed our expectations for what we require."

"It is a well-known brand with affordable options."

"They are a quality company that I have dealt with at past jobs."

"Solid name, good past experience."

"Prior experience working with them was positive. No major negative experiences."

"They're a good solid company with great rates and customer service."

"Even though we do not use this company we've heard only good things in the last year, and we will be considering this company in the future."

"I've worked with them, and they definitely know what they are doing."

Carriers for Disability Insurance & Leave Management

As mentioned in the methodology, in a separate information exchange, we asked participants about disability insurance and leave management, specifically related to a set of top carriers.

Disability Insurance & Carrier Impressions

We asked both employers and brokers about their impression of ten insurance carriers, specifically for disability insurance.

For the most part, employers have positive impressions of disability insurance carriers asked about. The following companies rate the highest for impression:

1. MetLife
2. Aetna
3. Cigna

Brokers' impressions range more widely than employers'. Given that brokers have more widespread experiences with carriers, it makes sense that their impressions are more wide ranging. Brokers report the most positive impressions with the following:

1. Unum
2. MetLife
3. Guardian

Employers' positive impressions of Aetna and Cigna may be extensions of or "halo effects" from these carriers' presence in health insurance, since it's clear that brokers think of different carriers more favorably when it comes to disability insurance.

Leave Management & Carrier Impressions

We then asked both employers and brokers about their impression of the same ten insurance carriers, specifically for leave management.

Both groups report significantly less experience with carriers and leave management.

Employers that answer and have impressions of carriers indicate the most positive impressions with the following. These are the same top scoring carriers as with disability:

1. MetLife
2. Aetna
3. Cigna



Talking About: Reasons Why Brokers Have Positive Impressions of Carriers for Disability / Leave Management

We asked brokers who have positive impressions of carriers for disability /leave management about the reasons for the positive impressions. Here are examples of responses:

"They continue to do a good job with a broad product portfolio."

"Easy to work with, good experience."

"During a request for proposal, learned about the offering, it sounded good."

"Continued growth and evolution in the marketplace, listens to and absorbs feedback."

"I have always had positive experiences with them."

"They are always so friendly and helpful, and their system is user friendly."

"They've maintained their service levels and have exhibited flexibility in resolving issues."

"Competitive products and good customer service."

Leave Management & Carrier Impressions, cont.

Brokers' impression scores are also consistent with results for disability carriers. They score the following the highest:

1. Unum
2. MetLife
3. Guardian

There may be a 'halo effect' happening from product to product, given the consistency in results between disability and leave management carriers. Or, groups may just have similar impressions when it comes to these two products.



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