



Benefits Briefing

Perspectives on Experiences with Non-Medical Carriers,
From a Survey of Employers & Brokers
(Q1, 2023)

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted an online information exchange in January and February 2023 to understand its members' opinions regarding various employee benefits-related topics, specifically, experiences with employee benefits carriers.

The information in this report is based on an online survey taken by:

- **280 benefits professionals / HR decision-makers ('employers')**. *To participate in this survey, employers were required to work at companies with 100+ employees, that offer at least one non-medical benefit.*
- **296 benefits brokers and consultants ('brokers')**. *To participate in this survey, brokers were required to currently be selling non-medical benefits to employers and have a majority of their business with 100+ companies.*

For this study, we asked participants to identify those carriers with which they work, and then we asked a series of questions about one or more of those carriers, randomly selected. For the purposes of this briefing, we're reporting aggregated results.

This exchange contains similar topics and questions to a previous online exchange conducted in November/December of 2021. That exchange was completed by benefits professionals / HR decision-makers ('employers') only, approx. 275, and where possible, year-to-year results are compared.

Executive Summary

This Briefing shares the views of employers and brokers on characteristics related to non-medical carriers.

- Among a list of 20+ characteristics, **both employers and brokers rate 'Benefits are easy to administer and manage' the highest in importance** when selecting/recommending a carrier for non-medical benefits.
 - Beyond that, employers think 'Has fast response times' and 'Enables timely & smooth implementation' are next most important, while brokers consider 'Enables timely & smooth implementation' and 'Provides consistent customer service' to be next most important.
- Both groups rate the same characteristic **as least important** when selecting/recommending a carrier for non-medical benefits – **'Specializes in a single product/benefit'**.
 - Also, in the bottom ratings are: 'Provides thought leadership I can use to have an impact in my business', 'Offers a broad range of products/benefits that are easy to bundle' and 'Has demonstrated expertise in my/my clients' industry'.
- Considering the same list of 20+ characteristics, both groups were asked how well these characteristics describe non-medical carriers. Again, we see consensus between employers and brokers. **Both groups think that carriers best fit with the description 'Has a strong reputation'**, followed by 'Has knowledgeable account executives'.

This report also provides feedback from employers and brokers on issues they encounter with non-medical carriers.

- **Employers report that they most commonly experience the following issues** with non-medical carriers: 'Employees having issues with processing claims', 'Employees not being able to get in touch with someone from the carrier', and 'Administrative mistakes/errors with employee eligibility/coverage'.
- **Brokers most commonly experience the following issues with non-medical carriers:** 'Costs of benefits being higher than expected', 'Administrative mistakes or errors with employee eligibility/coverage', and 'Difficulty in contacting account execs/getting in touch with someone'.
- When we asked participants how satisfied they have been with the way carriers have responded/handled issues when they've happened, **roughly three in four employers and about three in five brokers** say they've been satisfied/extremely satisfied.
- Not surprisingly, both groups say that **issues impact their relationship with a carrier to some extent**. Issues related to costs, processing claims, and contacting a carrier are most impactful when they happen.

Characteristics of Non-Medical Carriers

We asked employers and brokers about various characteristics and how well various benefits carriers currently measure up against those characteristics.

First, we provided participants with a list of 20+ characteristics and asked them to rate how important each is in selecting a non-medical benefits carrier.

Most Important Characteristics of Non-Medical Carriers

Employers rated the following as the top five characteristics that are most important when selecting a non-medical benefits carrier (listed in order of importance – with a 3-way tie for 4th):

1. Benefits are easy to administer and manage
2. Has fast response times
3. Enables timely and smooth implementation
4. Offers a great employee experience
4. Offers the most cost-effective benefits
4. Has fast and easy claims process

Most of the top items relate to ease and speed of service.

During the similar exchange in 2021, the following characteristics were rated most important by employers (again, listed in order of importance):

1. Has fast response times
2. Offers a great employee experience
3. Benefits are easy to administer and manage
4. Has knowledgeable account executives
5. Has fast and easy claims process

This year, we see that ‘Benefits that are easy to administer & manage’ moves up in importance among employers, to the top spot. Also, this year, different than 2021, ‘The most cost-effective benefits’ is among the top most important.

Among brokers, the following are top-rated in importance when recommending a non-medical benefits carrier (again, listed in order of importance):

1. Benefits are easy for clients to administer and manage
2. Enables timely and smooth implementation
3. Provides consistent customer service across online, phone, email, and in person
4. Has fast response times
5. Has fast and easy claims process

Brokers’ responses closely align with employers’ as far as which characteristics are most important, with the exception of the ‘the most cost-effective benefits’.

Least Important Characteristics of Non-Medical Carriers

Among the 20+ characteristics, the following are rated least important by employers when selecting a non-medical benefits carrier (starting with the lowest scoring characteristic):

1. Specializes in a single product/benefit
2. Provides thought leadership I can use to have an impact in my business
3. Offers a broad range of products/benefits that are easy to bundle
4. Has demonstrated expertise in my industry
5. Invests in building strong relationships/getting to know me

In 2021, employers rated the following least important (starting with the lowest scoring characteristic):

1. Specializes in a single product/benefit
2. Offers a broad range of products/benefits that are easy to bundle
3. Provides thought leadership I can use to have an impact in my business
4. Invests in building strong relationships/getting to know me
5. Integrates data across products for better employee outcomes

We see much consistency in year-to-year results. Employers continue to indicate that neither specialization nor its opposite, broad product range, are particularly important to them. New this year, industry expertise is among the least important characteristics.

Brokers think the following are least important when recommending a non-medical benefits carrier (again, starting with the lowest scoring characteristic):

1. Specializes in a single product/benefit
2. Provides thought leadership I can use to have an impact in my business
3. Has demonstrated expertise in my clients' industry
4. Invests in building strong relationships/getting to know me
5. Offers a broad range of products/benefits that are easy to bundle

Similar to the top-rated characteristics, brokers' and employers' answers agree as to the least important characteristics. Both groups name the same characteristics.

How Well Characteristics Describe Non-Medical Carriers

We then asked participants to rate how well these same characteristics describe non-medical benefits carriers. As mentioned in the methodology, we asked participants to identify those carriers with which they commonly work, and then we asked a series of questions about one or more of those carriers, randomly selected.

How Well Characteristics Describe Non-Medical Carriers (cont.)

In aggregate, **employers think non-medical carriers most often fit the following characteristics** (listed in order of 'how well describes' score, including a 2-way tie for 5th):

1. Carrier has strong reputation
2. Has knowledgeable account executives
3. Enables timely and smooth implementation
4. Benefits are easy to administer and manage
5. Has a fast and easy claims service
5. Has fast response times

Positively for carriers, they seem to match up well in areas that employers consider to be most important.

Results this year are very similar to those in the 2021 exchange.

In 2021, **employers rated the following as best fitting characteristics to carriers** (listed in order of 'how well describes' score):

1. Has knowledgeable account executives
2. Carrier has strong reputation
3. Has a fast and easy claims service
4. Benefits are easy to administer and manage
5. Has fast response times

The following are **rated as the best fitting characteristics by brokers** (listed in order of 'how well describes' score):

1. Carrier has strong reputation
2. Has knowledgeable account executives
3. Has a fast and easy claims service
4. Enables timely and smooth implementation
5. Offers a broad range of products / benefits that are easy to bundle

Brokers again answer similarly with employers; the two groups are very in sync when it comes to carrier characteristics.

It's clear from these results that a key strength for carriers is their strong reputation.

Employers Talking About: Sources of Frustration with Non- medical Carriers

We asked employers, unaided, what the single biggest frustration they encounter with carriers is.

Here are some of their responses:

"Representative retired and we were left in limbo for a while there. We didn't know who to contact for assistance. Needed a better exit plan and better transfer to another contact."

"Wait times can sometimes be long."

"My biggest frustration is using the admin portal to make enrollment changes. The system is VERY SLOW! It makes me mad every time I have to use it."

"Rise in cost of benefits and their dental in network providers are limited."

"Customer service and too many antiquated systems that don't talk to each other."

"Multiple claims reps, not one point of contact, so sometimes have inconsistencies between reps."

"Ability to reach the rep. Leaving messages and sometimes 3-4 days for response."

"Mostly our problems are billing related. They don't apply payment properly or the bill doesn't come."

Issues with Non-Medical Carriers

We asked both groups about issues that they experience with non-medical insurance carriers.

Frequency of Experiencing Issues with Non-Medical Carriers

We asked participants how frequently they experience various issues or problems with their non-medical carrier(s). Again, we randomly asked participants to answer about one or two specific carriers that they indicated they currently work with.

In aggregate, employers indicate that they most commonly experience the following issues with their carriers (in order of prevalence):

1. Employees having issues with processing claims
2. Employees not being able to get in touch with someone from the carrier for support
3. Administrative mistakes or errors with employee eligibility / coverage
4. Inconsistent employee experience across different touch points
5. Billing and payment are confusing and not always accurate

In the similar 2021 exchange, employers reported that the following were most common (in order of prevalence):

1. Employees having issues with processing claims
2. Inconsistent employee experience across different touch points
3. Difficulty in contacting account executives / getting in touch with someone
4. Employees not being able to get in touch with someone from the carrier for support
5. Costs of benefits being higher than expected

Issues with claims processing continues to be the most common problem that employers have with their non-medical carriers. Different than 2021, in this year's results, employers indicate they often face administrative mistakes/errors with employee eligibility/coverage.

In aggregate, brokers report that they most commonly experience the following issues with their carriers (in order of prevalence):

1. Costs of benefits being higher than expected
2. Administrative mistakes or errors with employee eligibility / coverage



Frequency of Experiencing Issues with Non-Medical Carriers (cont.)

3. Difficulty in contacting account executives / getting in touch with someone
4. Clients' employees not being able to get in touch with someone from the carrier for support
5. Billing and payment are confusing and not always accurate
5. Clients' employees having issues with processing claims

Here we see some differences in brokers' and employers' responses. Brokers identify 'costs of benefits being higher than expected' as the most common issue. Billing also appears on the broker's list but not the employer's.

Satisfaction with Issue Resolution

We followed-up and asked participants how satisfied they've been with the way carriers have responded/handled issues when they've come up.

Consistent with last year's results, about three in four employers, this year, say they are extremely satisfied/satisfied with the way carriers have responded /handled issues. Only 5% report being not satisfied.

Brokers are less satisfied with the way carriers have responded /handled issues, as compared to employers. Roughly three in five brokers say they are extremely satisfied/satisfied. 12% have not been satisfied.

Brokers often get involved in issues after the client has already tried to resolve them on their own and may end up dealing with more complex issues. There's clearly room for improvement from carriers.

Impact of Issues on Carrier Relationship

We then asked both groups to what degree various issues impact their likelihood to switch carriers or not expand their relationship with a carrier, when they do occur.

In general, when employers experience issues with a carrier, it impacts their relationship with that carrier to some degree.

Issues that have the greatest impact on a carrier relationship include: (in alphabetical order)

- Costs of benefits are higher than expected
- Carrier is not flexible / cannot tailor benefits to my / my employees' needs
- Difficulty in contacting account executives / getting in touch with someone

Brokers Talking About: Sources of Frustration with Non-medical Carriers

We asked brokers, unaided, what the single biggest frustration they encounter with carriers is.

Here are some of their responses:

"Account team is non-responsive, and the carrier is relatively inflexible."

"Red-tape. Corporate structure doesn't always serve to enhance the employer/employee experience. For mid-market groups, the platform and claims process is clunky."

"Service issues. We have had consistent problems and their service team has changed on us many times."

"A revolving door of sales reps and admin."

"Account executive team and account manager are unresponsive."

"Uncompetitive rates. Slow claim processing times."

"Customer service team; inability to correct the same reoccurring issue. Clients have become frustrated."



Impact of Issues on Carrier Relationship (cont.)

- Difficulty understanding and ensuring compliance with regulatory requirements
- Employees having issues with processing claims

Not surprisingly, **brokers also feel that when issues with carriers occur, they have at least some impact on their relationship with that carrier.** Those issues that brokers feel have the greatest impact are: (in alphabetical order)

- Clients' employees not being able to get in touch with someone from the carrier for support
- Clients' employees having issues with processing claims
- Costs of benefits are higher than expected
- Difficulty in contacting account executives / getting in touch with someone
- Hard to get things done / lack of trust in their execution

Employers and brokers agree on some of the most impactful issues. Beyond that, we see both groups each have a few issues more impactful to them.

When selecting carriers, employers may want a good understanding of a carrier's incidences of the most impactful issues.



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