



# A Special Trends Report

Perspectives on Employee Benefits Carriers  
from a Survey of Brokers  
(Q2, 2023)

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 2023 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 994 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 2022 (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 includes findings from brokers about interactions with and satisfaction with employee benefits carriers.

- Almost all participating brokers, in the past twelve months, have interacted with non-medical benefits carriers in each of the following ways: evaluated quotations or proposals for non-medical benefits, submitted an RFP, and/or placed non-medical business.
- We asked participants how satisfied they are with carriers in different aspects of the broker-carrier relationship.
  - The top five areas of satisfaction for brokers have not changed since last year's study; carrier reputation continues to be the area rated highest in satisfaction.
  - Brokers' satisfaction is lowest with environmental sustainability and carriers' ability to find opportunities for brokers. While these areas were in the bottom five last year, support of Diversity, Equity, and Inclusion (DEI) programs and usefulness of education videos/webinars are new to this year's bottom five.
- Fewer than half of brokers say they are "very satisfied" with their overall relationship with carrier(s) asked about; this percentage is slightly lower than last year.
- When asked about the degree to which relationships with specific carriers have improved or declined in the past twelve months, brokers most commonly say relationships have not improved.
  - Just under two in ten brokers report "significant improvement" in relationships with carriers, which is fewer than last year.
- About four in ten brokers say they are "very satisfied" with carriers' technology and digital capabilities.
- New this year, brokers were asked about their satisfaction with local market empowerment of sales and service. About half of brokers report being "very satisfied" with these areas.

This Briefing also reports on how brokers' communication with carriers has changed in the past twelve months.

- When asked about the last time they met in person with their main contact at their carrier, brokers most frequently say it was over a year ago. Although this was the most common response last year as well, fewer say this in 2023 than did in 2022.

## Brokers & Benefits Carriers

We first asked brokers about their interactions with and satisfaction with employee benefits carriers (as described in the methodology section, left sidebar above).

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

We asked brokers what types of interactions they have personally had with 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:** evaluated quotations or proposals for non-medical benefits, submitted an RFP, and/or placed non-medical business with a carrier. As depicted in the chart below, a slightly greater percentage of brokers in 2023 has had interactions (of each type) with non-medical carriers, compared to last year.

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

	% Saying Yes	
	2023	2022
Evaluated quotations or proposals for non-medical benefits to an insurance carrier	97%	94%
Submitted a Request for Quotation or Proposal to an insurance carrier	96%	91%
Placed any non-medical business with an insurance benefits carrier	96%	90%

### Satisfaction with Aspects of Carrier Relationships

We then asked participants how satisfied they are with various carriers in certain aspects of the broker-carrier relationship. The top five and the bottom five areas of satisfaction, in aggregate, are shown below, as well as 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 demonstrates expertise in the local market
3. Ease with which broker can understand carrier's compensation plan
4. Proposal clarity and relevance
5. Amount of information needed for a quote

## A Look Back: NEBAF's Q3 2022 Benefits Briefing

In Q2 2022, NEBAF conducted an online information exchange exploring members' experiences with and expectations regarding Diversity, Equity, & Inclusion (DEI) programs.

Roughly 100 HR decision-makers at organizations with 500+ employees and roughly 300 benefits brokers and consultants participated in this exchange.

Key findings included:

- Nearly three in four employers (with 500+ employees) reported that their organization has a formal DEI program. This percentage trends up with company size.
- Of those employers who have a formal DEI program, almost three-fourths 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.
- More than three-quarters of participating employers (currently with a DEI program) reported that their company is currently actively seeking to attract certain groups of employees as part of their DEI programs/efforts.

The full report can be accessed at:

[https://www.nebaf.org/wp-content/uploads/2022/10/NEBAF\\_Q3-2022-Benefits-Briefing\\_final.pdf](https://www.nebaf.org/wp-content/uploads/2022/10/NEBAF_Q3-2022-Benefits-Briefing_final.pdf)

We are continuing to invite Human Resource executives, Finance executives, Brokers, and Consultants to join the **National Employee Benefits Advisory Forum (NEBAF)**. If you or someone you know is interested in joining, please visit [www.NEBAF.org](http://www.NEBAF.org) and click Join Us. Or, email us at [service@nebaf.org](mailto:service@nebaf.org) for more information on how to join.

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

Brokers' top five areas of satisfaction remain unchanged since last year, with carrier reputation still the highest area of satisfaction.

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

1. Environmental sustainability
2. Ability to find opportunities for brokers
3. Benefits programs' support of Diversity, Equity, and Inclusion (DEI) goals
4. Ability to combine medical and non-medical benefits
5. Usefulness of benefit education videos, webinars, etc.

Unlike areas of highest satisfaction, brokers' areas of lowest satisfaction have changed somewhat since last year. While environmental sustainability, ability to find opportunities for brokers, and ability to combine medical and non-medical benefits were in both this year's and last year's top 5, environmental sustainability has moved to the area of lowest satisfaction (from the 3<sup>rd</sup> area of low satisfaction last year). How effectively benefits programs support clients' DEI goals and the usefulness of education videos and webinars are new to the bottom 5 this year.

In case you missed it, NEBAF asked questions related to DEI initiatives of both employers and brokers in its Q3 information exchange. See sidebar for more details.

## Satisfaction and Overall Relationship

We then asked participants to rate how satisfied they are with their overall relationships with carrier(s), based on their responses to earlier survey questions (again, as mentioned in the Background & Methodology).

**Fewer than half of brokers say they are "very satisfied" with their overall relationships with their carrier teams, on average.**

This is a lower percentage than last year (45% versus 52%), when slightly more than half said they were "very satisfied." Very few report being dissatisfied.

Brokers may have dropped any exceptions they were affording carriers due to the pandemic.

## Degree to which Relationships with Carriers have Improved/Declined

We also asked brokers about the degree to which their relationships with specific carrier(s) have improved/declined in the past 12 months (again, as mentioned in the Background & Methodology).

**Although just under two in ten brokers report relationships**

## Spotlight on Trends: SHRM's Employee Benefits Survey

Every year SHRM conducts an annual study on employee benefits trends in the U.S. This year's study, conducted in early 2022, was undertaken by more than 3,000 HR professionals (members of SHRM).

SHRM's findings highlight the differences since and changes as a result of the COVID-19 pandemic. Key take-aways from the study include:

1. This year, health-related, retirement savings, and leave benefits were rated the top three most important employee benefits.
2. Employers rated all employee benefit types asked about as more important today than they were pre-COVID-19 pandemic.
3. Telehealth benefits offerings increased in prevalence by 20 percentage points from pre-pandemic levels to this year.
4. Mental health coverage hit an all-time high in prevalence this year, with more than 9 in 10 employers saying they offer these benefits. Also, 1 in 5 employers reported they currently offer mental health days.
5. Nearly 2 in 3 employers said they offer most of their workers the opportunity to adopt a hybrid work model, which involves a combination of working both remotely and in person.

The full report can be accessed at:

<https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Pages/2022-Employee-Benefits-Survey.aspx>

## Degree to which Relationships with Carriers have Improved/Declined (cont.)

**with carriers have significantly improved in the past 12 months, the majority do not report relationship improvements.** Of participants who report no improvements in carrier relationships, very few say relationships have declined, and almost none report a “significant decline.”

This year, fewer brokers (19% versus 26%) experienced significant improvements in carrier relationships. These results are consistent with broker satisfaction ratings. Given these trends, carriers will want to pay closer attention of broker-carrier relationships.

Carriers might improve relationships with brokers by making improvements in areas with low satisfaction ratings this year (listed above). These include taking environmental sustainability more seriously (and acting in a way to minimize depletion of natural resources), finding more opportunities for brokers through book of business analysis, data, and insights, or by more effectively supporting clients' DEI goals through benefits programs.

## Satisfaction with Carriers' Technology and Digital Capabilities

We asked brokers, new this year, how satisfied they are with the technology and digital capabilities offered by carrier(s).

**Almost four in ten brokers, 37%, say they are "very satisfied" with carriers' technology and digital capabilities.** Most are moderate, while only 5% are less than satisfied.

These percentages suggest improving technology and increasing digital capabilities could be avenues for boosting brokers' satisfaction with carriers.

## Satisfaction with Local Market Empowerment of Sales & Service

Finally, in this section, we asked brokers, new this year, about their satisfaction with local market service and sales empowerment.

**About half of brokers say they are “very satisfied” with local market service empowerment.** We find that most brokers are moderate and fewer than ten percent are less than satisfied.

**Roughly half also report they are “very satisfied” with local market sales empowerment.** Again, we find that many brokers are moderate and very few are less than satisfied with local sales empowerment.

While these are positive findings, there is still some room for improvement in local market empowerment.

## Brokers & Communication

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

### In Person Meetings with Main Contact at Carriers

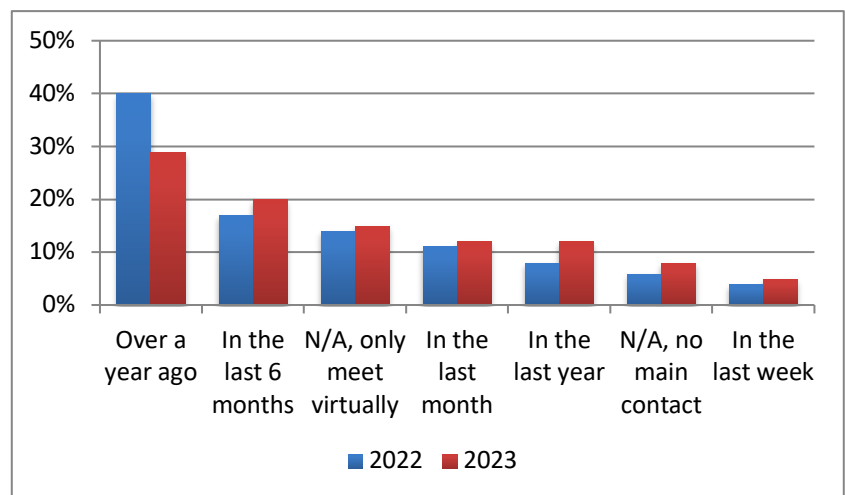
We asked brokers when they last met with their main contact at their carriers in person.

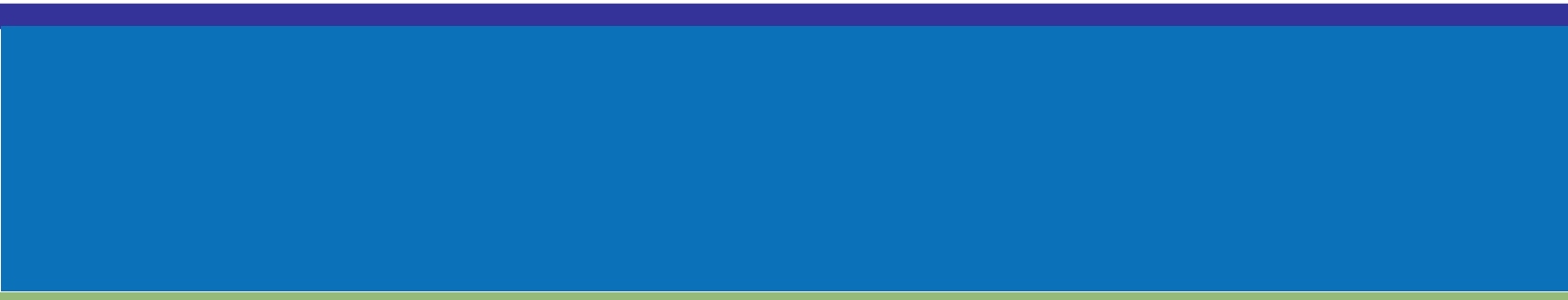
**Just under three in ten brokers say they last met in person with their main carrier contact over a year ago.** This was their most common response, followed by "in the last 6 months" (selected by two in ten). Fifteen percent report they only meet virtually now (by phone or video call).

As shown in the chart below, since last year, the percentage of brokers who say they last met with their main contact over a year ago has decreased (29% versus 40% last year). Accordingly, the percentage of brokers who say they last met within the last year (12% versus 8%) or last 6 months (20% versus 17%) has increased.

Although this data suggests brokers are meeting in-person somewhat more frequently, the percentage of brokers who now only meet virtually has barely changed since last year, suggesting that some changes in interactions post Covid-pandemic may be here to stay.

### Last Time Brokers Met In-Person with Carrier





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We are continuing to invite Human Resource executives, Finance executives, Brokers, and Consultants to join the **National Employee Benefits Advisory Forum**. If you or someone you know is interested in joining, please visit [www.NEBAF.org](http://www.NEBAF.org) and click Join Us. Or, email us at [service@nebaf.org](mailto:service@nebaf.org) for more information on how to join.