



## A Special Trends Report

Perspectives on Providers of Non-Medical Employee Benefits, Important Characteristics of Providers, Industry Growth, & Media Trends Among Brokers

March 2017

National Employee Benefits Advisory Forum (NEBAF)

## Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted a special online information exchange among brokers to understand their opinions and experiences regarding employee benefits and recent industry trends.

The information in this report is based on an online survey conducted during January 2017, which was completed by roughly 308 group employee benefits brokers.

The following pages include findings from brokers regarding their perspectives on the following:

- Providers of Non-Medical Employee Benefits
- Characteristics and Services of Non-Medical Employee Benefits Providers
- Perception of Growth Potential, and
- Media Trends Among Brokers

## Executive Summary

In this report, brokers share their views on awareness and use of non-medical employee benefits providers.

- When asked, unaided, what non-medical employee benefits provider first comes to mind, brokers most commonly name MetLife, followed by Guardian, Unum, Delta Dental and Cigna.
- From a list of ten non-medical employee benefits providers, Unum rates the highest in aided awareness among brokers, followed by MetLife, Delta Dental and Hartford.
- When asked about their overall impression of certain non-medical employee benefits providers, brokers rated Delta Dental, Unum, and MetLife most favorably.
- Those brokers have the most favorable impression of are also the providers that brokers reported they are currently recommending to clients: Delta Dental, Unum, and MetLife.

Also discussed are important attributes of non-medical employee benefits providers.

- When asked about the importance of various attributes for non-medical employee benefits providers, responsive service is rated most important, followed by provides good value for the price, and easy to do business with.
- Brokers indicated that non-medical employee benefits providers' help in troubleshooting problems with their clients' non-medical benefits is the most important feature when it comes to carriers with whom they work.

This briefing also includes information on brokers' perception of growth potential for two different scenarios.

- We asked brokers how optimistic they are about the growth potential of the non-medical benefits industry. Most brokers indicated that they were very optimistic.
- Brokers were also asked about the potential growth of their brokerage firm and how optimistic they were about that. Again, the majority of brokers said that they were quite optimistic.

Finally, this report touches on media trends among brokers.

- When asked about their media viewing habits, brokers indicated that they spent the most time online over the previous seven days, while spending the least amount of time reading magazines.

## Spotlight on Trends: Financial Wellness Programs Becoming More Popular

In December 2016, Wells Fargo published its *2016 Strategy, Actions, and Behaviors Study* titled “Employee Benefits Trends in the Workplace and Marketplace.”<sup>1</sup> The study includes the perspectives of over 700 C-suite executives and HR or employee benefits managers and directors from across the U.S.

Wells Fargo conducted the study in order to learn about the role of employee benefits and how they relate to companies’ organizational goals. Participants were asked questions regarding employee benefit trends and concerns, as well as other current issues, including the effects of the Affordable Care Act (ACA) on benefits strategies.

According to the study, one of the key findings that emerged had to do with financial wellness programs. Specifically, the study found that financial wellness programs are becoming more popular as a non-medical employee benefit. The report states that 57% of companies included in the study are planning to add a financial wellness component to their benefits package.

The study explains that financial wellness programs are designed to evaluate and support employees’ overall financial health, knowing that if an employee is dealing with financial hardship, their work performance, productivity, and retirement can also suffer. The report states that the ultimate goal of these types of programs is to help employees manage their finances short-term, as well as long-term (retirement).

Full results of this Wells Fargo study can be accessed here:  
<https://wfs.wellsfargo.com/insights/research/2016-Strategies-Actions-and-Behaviors-Study/Documents/2016-SABS-Employee-Benefits-Trends.pdf>

<sup>1</sup> Wells Fargo Insurance, *2016 Strategies, Actions, and Behaviors Study*, 2016

## Providers of Non-Medical Employee Benefits

We asked brokers about their awareness and use of non-medical employee benefits providers.

### Unaided Awareness of Non-Medical Employee Benefits Providers

Participants were asked (unaided) to name the first provider of non-medical employee benefits that comes to mind.

Brokers named a wide variety of providers, with a list reaching nearly 40 providers. Those that **brokers mentioned most commonly (listed in order of mentions) as the first non-medical employee benefits provider that comes to mind include:**

- MetLife
- Guardian
- Unum
- Delta Dental
- Cigna

As seen in other similar research conducted in recent years, MetLife and Guardian received the most mentions. Brokers serving mostly mid-size and larger clients tend to name MetLife, while those serving mainly smaller clients more likely named Guardian.

### Aided Awareness of Non-Medical Employee Benefits Providers

We then presented brokers with a list of ten employee benefits companies and asked them to indicate which ones they were aware of that provide non-medical employee benefits.

Of then ten companies that were asked about, **the vast majority of brokers (more than 90%) indicated they are aware of the following companies** as being non-medical employee benefits providers (listed in alphabetical order):

- Delta Dental
- Hartford
- MetLife
- Unum

More than three in four said they are aware of the following providers (also listed in alphabetical order):

- Aetna
- Cigna
- Prudential

So, of the ten asked about, the majority of brokers reported being aware of nearly all of them. This is not surprising, as it's critical

## Aided Awareness of Non-Medical Employee Benefits Providers (cont.)

that brokers maintain this high level of awareness of providers and trends in order to be able to best advise their clients.

\* Of note, Guardian was not included on the aided list of providers.

## Impression of Non-Medical Employee Benefits Providers

Brokers were then asked about their overall impression of the non-medical employee benefits providers they said they were aware of (from the aided list of 10 providers).

Listed in order of “favorability,” **the following list shows the providers that brokers have the most favorable overall impression of** (based on top two box scores on a rating scale, and list in order of score):

- Delta Dental
- Unum
- MetLife

Interestingly, the above list contains three of the same providers that ranked highest in brokers’ aided awareness; however, when it comes to overall favorable opinion, Delta Dental ranked slightly higher than both Unum and MetLife.

## Currently Recommended Providers of Non-Medical Employee Benefits

Again, from the same list of ten non-medical employee benefits providers, we asked brokers to identify which carriers are currently being recommended to clients.

Not surprisingly, the providers that brokers had the most favorable overall impression of are also **the ones that are most commonly cited as currently being recommended (listed in order of mentions)**:

- Delta Dental
- Unum
- MetLife

Similar to brokers’ overall favorable opinion, Delta Dental rated slightly higher than Unum and MetLife, with about half of the brokers naming Delta Dental.

## Characteristics & Services of Employee Benefits Providers

Next, we asked brokers about key characteristics and services of non-medical employee benefits providers.

## Important Characteristics of Non-Medical Employee Benefits Providers

To learn what brokers perceive as important features of non-medical employee benefits providers, we asked them to rate a series of more than 20 attributes, in terms of importance.

The following table shows **the top five attributes**, listed in order of “importance” rating:

Importance Rating	Attribute
1	Has responsive service
2	Provides good value for the price
3	Is easy to do business with
4	Is trustworthy
5	Treats my clients with respect

As seen in the table above, service is most important to brokers, following by value.

## Important Services of Non-Medical Employee Benefits Providers

To learn what brokers perceive as important services of non-medical employee benefits providers, we asked them to rate five possible service features, in terms of importance.

The following table shows **how brokers view the importance of certain services**, listed in order of “importance” rating:

Importance Rating	Service
1	Resolve problems/issues with clients' non-medical benefits
2	Provide strategic advice about clients' non-medical benefits plan
3	Help educate clients and their employees about their non-medical benefits
4	Develop materials/collateral for clients' non-medical benefits program
5	Attend client meetings

As seen in the table above, brokers reported most valuing help in troubleshooting problems with their clients' non-medical benefits.

## Did you know? Potential Changes in Enrollment Technologies for 2017

As business practices, including enrollment of employee benefits, continue to evolve into an online process, there will inevitably be changes in the technology related to these platforms.

In the 2016 Aflac article, “8 Benefits Trends to Watch in 2017: Top Influential Benefits Trends to Expect in the Year Ahead,”<sup>2</sup> the idea of evolving enrollment technologies is discussed.

Specifically, the Aflac article explains that in an “Open Enrollment” study they conducted, half of participants said that they would prefer their open enrollment process to be more like the experience of using Amazon.com. Participants explained that it would be ideal to compare different benefits options side-by-side in an online marketplace.

The article states that there are some companies that have already made a shift to these online platforms for an improved enrollment experience; however, it will be interesting to see how this trend plays out in 2017.

The entire Aflac article, “8 Benefits Trends to Watch in 2017: Top Influential Benefits Trends to Expect in the Year Ahead,” can be found here: <https://www.aflac.com/business/resources/aflac-workforces-report/articles/8-benefits-trends-to-watch-in-2017.aspx>

<sup>2</sup> Aflac, *8 Benefits Trends to Watch in 2017*, 2016

## Perception of Growth Potential

We asked brokers to share with us their level of optimism regarding two separate scenarios as described below.

### Growth Potential of the Non-Medical Benefits Industry

First, we asked brokers how optimistic they are about the growth potential of the non-medical benefits industry, on a scale of one to seven.

**Interestingly, most brokers indicated that they are very optimistic (6 or 7 on the 7 point scale).** There were no brokers who cited that they are not at all optimistic.

Perceived potential for growth in non-medical benefits may be a result of the Affordable Care Act (ACA) and the perception that there will be a greater need for non-medical benefits to fill gaps in medical coverage and/or supplement medical coverage.

### Growth Potential of Personal Brokerage Firm

We then asked brokers about the potential growth of their brokerage firm and how optimistic they were about that, on a scale of one to seven.

**Results show that brokers are even more optimistic when it comes to the growth potential of their brokerage firm, nearly three-fourths said they are very optimistic (6 or 7 on the 7 point scale).** Again, there were no brokers who cited that they are not at all optimistic.

These findings are very positive in light of all the changes the industry has experienced in the past few years.

## Media Trends Among Brokers

In this section, brokers were asked about their media habits, specifically, the number of hours spent with different media sources.

### Number of Hours Spent with Media Sources

First, we asked brokers how many hours they have dedicated to particular media over the past seven days.

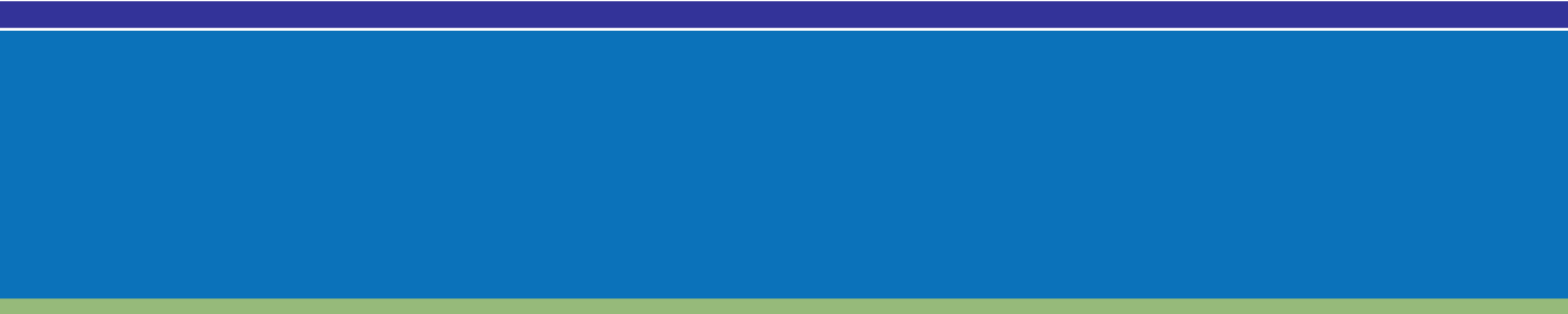
**Not surprisingly, brokers indicated that they spent the most time online over the previous seven days,** while spending the least amount of time reading magazines. In total, brokers reported spending an average of 37 hours consuming media in a given week.

The table on the following page shows the average numbers of hours that brokers spent with each source.

## Number of Hours Spent with Media Sources (cont.)

Average Number of Hours Spent by Brokers on Different Media Sources over the Past 7 Days

Media Source	Average # Hours
<b>Online</b> (Mobile, Tablet, PC - excluding video games and email)	<b>15</b>
<b>TV</b>	<b>11</b>
<b>Radio</b> (excluding Sirius/XM and online)	<b>7</b>
<b>Newspaper</b> (paper version, not online)	<b>2</b>
<b>Magazines</b> (paper version, not online)	<b>2</b>



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