



# A Special Employer Trends Report

Employers' Perspectives on Current Employee Benefits Offerings,  
Experiences with Employee Benefits Providers & Activities,  
and Their Use of Outside Resources

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National Employee Benefits Advisory Forum (NEBAF)

## Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted a special online information exchange among employers only to gather their opinions and understand their experiences regarding various topics related to employee benefits.

The information in this report is based on an online survey conducted during January and February 2015, and completed by more than 100 employee benefits decision-makers. All participants of this special online exchange indicated that their company offers group employee benefits and at least one of the following voluntary benefit products: Auto, Homeowner's, Critical illness, Accident, Legal benefits, and/or Identify Theft insurance.

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

- Current Employee Benefits Offerings,
- Experiences with Employee Benefits Providers,
- Experiences with Employee Benefits Activities, and
- The Use of Outside Resources.

## Executive Summary

This report provides information on current employee benefits offerings as well as employee benefits activities.

- Nearly all survey participants indicate that their company currently offers all of the following: Life insurance, Disability insurance, Dental insurance, and Accident insurance. Critical illness insurance is currently offered by three in four participants.
- We asked participants who currently offer at least one of the following products: Auto, Homeowner's, Critical illness, Accident, Legal benefits, and/or Identify Theft insurance, about activities they have undertaken for these products. Requesting a quote and setting-up/overseeing payroll deductions are the two most common activities undertaken in the past 12 months.

Employers also shared feedback and insights on their experiences with a specific current provider of one of these products: Auto, Homeowner's, Critical illness, Accident, Legal benefits, or Identify Theft insurance.

- The majority of employers say they are at least somewhat satisfied with their current provider; yet, only roughly a fifth report being "extremely satisfied".
- Most participants say they are very likely to consider this provider the next time they evaluate their employee benefits program.
- When we asked employers to share their perceptions about this provider, most feel the provider is easy to do business with, but only slightly more than half feel it is forward thinking with innovative products and services.

This Briefing further delves into employers' experiences with the following activities: requesting a quote or proposal, implementing a benefit program, setting up and overseeing payroll deductions, and making changes or modifications.

- We asked participants to provide more details about one of these activities, selected randomly, which they had completed in the past 12 months.
- When asked about effort to complete the activity, employers cite implementing the benefit program as taking the greatest amount of effort, followed by requesting a quote.
- Yet, when it comes to satisfaction with the time spent on the activity, employers are least satisfied with the time it took to make changes or modifications, and most satisfied with the time it took to request a quote.



## Executive Summary (cont.)

- Participants report that they most commonly use email for communicating about the following activities: requesting a quote, setting-up/overseeing payroll, and making changes.
- When implementing a benefit program, talking with a live person over the phone is the most common method of communication.
- In general, employers rate company websites/online tools the highest in importance for communication channels. Live person over the phone and email were rated second and third in importance.

Lastly, employers reported on their use of outside resources for employee benefits.

- Nearly all employers surveyed say they are currently using a broker and/or consultant for employee benefits.
- Half of participants indicate that they are currently using the services of a third party administrator for employee benefits.

## A Look Back: Identity Theft Benefits

In our Q4 2013 online information exchange, we asked both brokers (447) and employers (159) about Voluntary Identity Theft Protection benefits (benefits designed to provide online personal information protection with an extensive level of digital security).

The *2013 Q4 Benefits Briefing* reported several key findings on this topic:

- About half of brokers said they are interested in learning more about this benefit.
- Slightly more than a third of brokers would be likely to recommend this product to their clients in the next year, and about a third of employers would likely consider offering this benefit at their company.
- About one in five brokers felt that the percent of clients offering Identity Theft Protection Insurance has increased in the past three years.

These findings indicate that Identity Theft Protection Insurance is a likely area of growth.

## Employee Benefits Offerings

We asked participants questions about which employee benefits their company currently offers and which activities they have recently undertaken for specific employee benefits.

### Current Employee Benefits Offerings

First, we asked employers (who offer at least one of the following: Auto, Homeowner's, Critical illness, Accident, Legal benefits, and/or Identify Theft insurance) which employee benefits they currently offer their employees.

Nearly all participants report that they currently offer the following employee benefits to employees: life insurance, disability insurance, dental insurance, and accident insurance. About three in four indicate offering critical illness insurance, and roughly two-fifths offer legal benefits. Fewer, less than third say they offer auto insurance, homeowner's insurance, and/or identity theft.

Not surprisingly, when we look at results by company size, we see some differences. **Larger companies with 500+ employees are more likely than those with less than 500 employees to be currently offering auto insurance, homeowner's insurance, legal benefits, and identity theft.**

As benefits offerings play a key role in talent acquisition and retention, employers will want to make sure they are maintaining the competitiveness of their benefits offerings against their peers.

### Employee Benefits Activities

We also asked participants, who currently offer at least one of the following: Auto, Homeowner's, Critical illness, Accident, Legal benefits, and/or Identify Theft insurance, about activities they have undertaken for these products.

**Three out of four participants report that they have requested a quote or proposal for at least one of these products in the past 12 months.**

**Three in four also indicate they have set-up and overseen payroll deductions for at least one of these in the past year.** Those offering Auto and Homeowner's insurance are more likely than others to say they have never set-up and overseen payroll deductions for these products (about one in four).

More than half of participants say they made changes or modifications to at least one of these products in the past 12 months.

Nearly half report that they implemented at least one of these benefits programs in the past year. Those offering Identity Theft are more likely than others to have implemented the benefit in the past 12 months. This suggests that this product is growing in popularity, consistent with our Q4 2013 online exchange results (see left sidebar for details).

## Employers talking about satisfaction with employee benefits providers...

Here are participants talking about the reasons why they are satisfied with their current provider of one of the following products: Auto, Homeowner's, Critical illness, Accident, Legal benefits, and/or Identify Theft insurance:

*"I have heard good things from people who have filed and they have great customer service."*

*"Timely, responsive customer service. Variety of products and materials for employees."*

*"Easy implementation, great enrollment materials and communication to enrollees, customer service provided to enrollees, online portal."*

*"Customer service, competitive bid, problem resolution team internationally."*

*"Great line of products, well-priced products, excellent online services, extra free offerings as insurance add-ons."*

*"Employee feedback indicates they have been very responsive and the pricing for their products is reasonable."*

# Experiences with Employee Benefits Providers

We asked employers about their satisfaction with and perceptions of insurance providers for the following products: Auto, Homeowner's, Critical illness, Accident, Legal benefits, or Identify Theft insurance.

## Satisfaction with Current Provider

We randomly asked participants about their satisfaction with one of the insurance providers they are currently using for one of the following products: Auto, Homeowner's, Critical illness, Accident, Legal benefits, or Identify Theft insurance.

**The majority of employers report some level of satisfaction with their current provider, and less than 10% indicate they are dissatisfied. Yet, only about one in five say they are "extremely satisfied" with their current provider.**

This shows that there is room for improvement in the delivery and servicing of these particular products.

## Likelihood to Consider Current Provider

Next, considering the same provider (the one they are currently using for Auto, Homeowner's, Critical illness, Accident, Legal benefits, or Identify Theft insurance), we asked participants how likely they are to consider that provider the next time their company evaluates its employee benefits program.

**Two in three employers say they are highly likely to consider this provider the next time they evaluate their employee benefits program.** Yet, nearly one-quarter is neutral or not likely to consider their current provider.

These findings reinforce satisfaction results above, and again, demonstrate that there is room for improvement.

## Attributes of Current Provider

We also asked participants about their level of agreement that the following statements describe that same provider (the one they are currently using for Auto, Homeowner's, Critical illness, Accident, Legal benefits, or Identify Theft insurance):

- Is a forward-thinking company with innovative products and services
- Is easy to do business with

**We find that employers are more likely to say their current providers are easy to do business with, more so than forward-thinking.**

Nearly three in four participants highly agree that their current

## Employers talking about high levels of effort...

Here are employers talking about the reasons why certain activities require a high level of effort:

*"It's hard to navigate through coverage and get quick answers."*

*"They are okay. Need better response time."*

*"They were helpful but the process wasn't easy. Too many issues and lots of different people."*

*"A lot of manual processes that can be automated."*

*"Changes are made through their website and the website is not very user friendly."*

## Employers talking about low levels of effort...

Here are employers talking about the reasons why certain activities require a low level of effort:

*"Very little effort was involved in making any changes with the insurance carrier."*

*"We implemented through use of a broker and it was seamless and easy."*

*"Requesting a proposal was relatively easy and required little work on our behalf."*

*"The carrier's rep did most of the leg work. We just provided the information."*

*"All the implementation was done online. It was very easy and user friendly."*

## Attributes of Current Provider (cont.)

provider is easy to do business with. This compares to only slightly more than half of participants saying they highly agree that the their provider is forward-thinking with innovative products and services.

We see further evidence that insurance providers could make improvements, particularly when it comes to being innovative.

## Experiences with Employee Benefits Activities

This section presents employers' experiences with one of the following activities which they indicated they had completed in the past 12 months:

- ✓ Requested a quote or proposal
- ✓ Implemented this benefit program
- ✓ Set up and oversaw payroll deductions
- ✓ Made changes or modifications

## Effort Level for Various Activities

First, we asked participants to rate the level of effort it took to complete the activity.

Participants rated the activities in the following order from most amount effort to least amount of effort:

1. Implemented this benefit program
2. Requested a quote or proposal
3. Set up and oversaw payroll deductions
4. Made changes or modifications

**Not surprisingly, employers report that "implementing the benefit program" takes the greatest level of effort.**

Implementing a benefit program can often mean working with a new carrier, working with new benefits, procedures, documentation, etc., all which can result in additional time and effort that comes with anything new. Employers may want to assess their recent implementations and determine whether the effort they are exerting is typical and to be expected, or whether it could be improved.

**Employers indicate that "making changes or modifications" requires the least amount of effort from them.** As many mention, the ability to make changes online often makes this activity relatively easy for most employers. This suggests online technology and capabilities are important features when selecting a provider.

See left sidebar for employers talking about about their experiences, both those requiring high levels of efforts and also those requiring low levels of effort.

## Satisfaction with Time on Various Activities

Next, we asked participants to rate their satisfaction with the amount of time it took to complete the activity.

The activities were rated as follows based on satisfaction with time spent on the activity (highest to lowest):

1. Requested a quote or proposal
2. Implemented this benefit program
3. Set up and oversaw payroll deductions
4. Made changes or modifications

**Here we see that participants report the highest level of satisfaction with the time it took to request a quote, closely followed by the time it took to implement the benefit program.**

Despite the fact that participants exert the most effort on implementing the benefit program, most are highly satisfied with the time it takes to undertake this activity. Conversely, participants exert the lowest amount of effort in making changes, but they are least satisfied with the time it takes to complete this activity.

This suggests that employers may want to work with brokers and/or their carriers to identify ways they can make the activities they are least satisfied with - setting-up/overseeing payroll and making changes - more efficient. Brokers may be able help and/or they may be able to share best practices in the industry.

## Communication Methods Used for Activities

We asked participants which communications methods they used to communicate with their carrier regarding the activity in the past 12 months.

**The chart below shows the top three most common communication methods used for each of the activities.**

Top Three Most Common Communication Methods Used

	Requested a quote	Implemented a program	Set-up / oversaw payroll	Made changes
1	Email	Phone – live person	Email	Email
2	Phone – live person	Email	Phone – live person	Phone – live person
3	In person	In person	In person	Carrier website/ tool

As we see, **email is the most commonly used communication method**; it's the top mention for all activities with the exception of

## LIMRA Study Results on Employee Benefits Communication

A recent LIMRA study of more than 1,300 employers tackled the topic of mobile technology for employee benefits communications, particularly related to voluntary benefits.

The results, which were released in September 2014, revealed that nearly one in four employers identify mobile technology as very important for voluntary benefits enrollments. Roughly two in five feel that mobile access to plan information is critical after the sale, and nearly half feel that post-sales live web-based support (i.e. web chat) is important.<sup>1</sup>

The use of and importance of mobile technology continues to grow. Employers will want to keep abreast of developments and best practices as they incorporate this technology into their employee benefits communications.

For full results, visit the LIMRA website.

<sup>1</sup> LIMRA.com, *LIMRA Study Finds Employers Interested in Offering Voluntary Benefits*, [http://www.limra.com/Posts/PR/News\\_Releases/LIMRA\\_Study\\_Finds\\_Employers\\_Interested\\_in\\_Offering\\_Voluntary\\_Benefits.aspx](http://www.limra.com/Posts/PR/News_Releases/LIMRA_Study_Finds_Employers_Interested_in_Offering_Voluntary_Benefits.aspx), Retrieved 3/13/15.

## Communication Methods Used for Activities (cont.)

implementing a benefits program. Talking with a live person over the phone is the second most common, again, with the exception of implementing a benefit program, where it is the top method.

Participants indicate that meeting with a carrier rep in person is still very common. Interestingly, a carrier's website/tool is only among the top three for changes and modifications.

These results recognize that email and phone communications are critical to interactions with providers, while in person interactions are lower in usage. This also demonstrates the importance of carriers needing to maintain multiple channels of communication.

## Importance of Communication Channels

We also asked participants generally (not necessarily related to employee benefits) how important various channels of communication are.

### **We find different results in importance than seen for usage.**

Employers rate the following communication methods as most important (in order of importance, based on mean rating):

1. Company website or online tool
2. Phone – live person
3. Email

This may suggest that employers would like to be using online tools and capabilities more with their insurance providers, and it also underscores the importance of good, responsive phone support.

## Use of Outside Resources

In this section, we asked employers about external resources they use with regard to employee benefits.

### Use of Brokers and/or Consultants

We asked participants whether they use brokers and/or consultants for their employee benefits.

### **The vast majority of employers report that they are currently using a broker and/or consultant.**

For this group of employers (those who offer at least at least one of the following voluntary benefit products: Auto, Homeowner's, Critical illness, Accident, Legal benefits, and/or Identify Theft insurance), there are no differences in use of a broker/consultant by company size. Both those employers with less



## Use of Brokers and/or Consultants (cont.)

than 500 employees and those with more than 500 employees report equal and overwhelming – nearly all – use of brokers and/or consultants.

These results demonstrate that employers who are offering products such as Auto, Home, etc. are highly likely to use brokers and/or consultants. Reasons for this might include: the complexities of these offerings, the workload additional benefits bring, and/or the level of sophistication of these benefits departments.

## Use of Third Party Administrators

We also asked participants about their use of the services of third party administrators (TPAs).

**Here we see that only about half of employers say they currently use the services of a TPA for employee benefits.**

Interestingly, here again, we do not see any differences by company size. Those at companies with less than 500 employees are equally as likely as those companies with more than 500 employees to say they use a TPA.

More employers are using the services of brokers and/or consultants than are using the services of TPAs; this suggests that more employers want and/or need expertise in finding and designing employee benefits programs than do in administering them.



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