



A Special Trends Report

Perspectives on Providers of Non-Medical Employee Benefits and Insurance
Industry Publications

November 2015

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted an information exchange among brokers and employers 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 September & October 2015, which was completed by roughly 650 group employee specialists (301 brokers and 346 employers).

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

- Providers of Non-Medical Employee Benefits,
- Key Characteristics for Non-Medical Employee Benefits Providers, and
- Insurance Industry Publications.

Executive Summary

In this report, participants share their views on, familiarity with, and use of non-medical employee benefits providers.

- When asked, unaided, what company is the leading provider of non-medical employee benefits, both brokers and employers most commonly name MetLife. Beyond that, brokers tend to name Guardian and Unum, while employers mention Cigna and Aflac most frequently.
- Among a list of a dozen employee benefits providers, Blue Cross Blue Shield rates the highest in familiarity among both audiences, followed by MetLife.
- When asked about recent usage and experience among the same list of a dozen employee benefits providers, brokers report they have most commonly recommended MetLife, followed by Guardian and Unum, in the past six months. Employers say they have most commonly renewed with MetLife, Blue Cross Blue Shield, and Cigna.

This Briefing also includes information on key characteristics of non-medical employee benefits providers.

- We asked both audiences to offer reasons for their choice for leading provider, and both audiences agree that breadth and quality of products is a top reason. Beyond that, brokers tend to name easy to work with/good service and competitive pricing, while employers more commonly cite reasons such as most experience with/good past experiences and well-known/good reputation/been around a long time.
- Among a list of attributes provided, both brokers and employers rated the following among their five highest in importance when considering non-medical insurance providers: exceptional service, experienced professionals, and has proven expertise.

Lastly, brokers and employers discussed their readership of insurance industry publications.

- Nearly three in four brokers indicate that they regularly read industry publications, while much fewer, slightly more than half, employers say they regularly read industry publications.
- When asked about which industry and business publications they read on a regular basis, both groups name the following among their top five: Employee Benefits News, Employee Benefits Advisor, and local newspapers. Brokers also commonly name BenefitsPro and local business journals, while employers tend to read HR Magazine and HR Executive.

Spotlight on Trends: Workplace Benefits & the Middle Class

Our Spotlight sidebar presents findings and excerpts from industry studies that have been conducted recently.

In 2014, **Guardian** published its *Workplace Benefits Study*¹. Conducted among 1,007 HR decision-makers and 1,704 employees, this study explored employers' benefits strategies, trends in employee benefits, and workers' opinions about employee benefits.

The study reported on several insights related to middle-class workers and their employee benefits:

- Nearly all middle-class workers (defined as earning between \$50K - \$100K) rate "making ends meet" as highly important to them, and one in five are not easily making ends meet.
- The workplace is critical for the financial security of America's middle-class; three-quarters of middle-class employees attribute at least half of their overall financial security to the benefits they receive at work.
- Nearly all middle-class workers who own Disability insurance say they obtain it through their employer. For Life insurance, nearly three-quarters say they obtain it from their employer.
- Middle-class workers admittedly understand the importance that workplace benefits play in their lives; four out of five report that their insurance and retirement benefits are critical when determining whether to stay with an employer.

Results highlight the importance of employee benefits offerings in the workplace for America's middle class. This underscores the need for clear, effective communication and guidance about employee benefits.

Full results can be accessed at: <https://www.guardiananytime.com/gafd/wps/portal/fdhome/employers/ideas-and-insights/workplace-benefits-studies>

¹ Guardian Life Insurance, *Workplace Benefits Study*, 2014.

Providers of Non-Medical Employee Benefits

We asked brokers and employers about their familiarity with and use of non-medical employee benefits providers.

Leading Providers of Non-Medical Employee Benefits

We asked both audiences to name the leading provider of non-medical employee benefits insurance.

Brokers mention the following providers most frequently (listed in order of mentions):

- MetLife
- Guardian
- Unum

Employers mention the following most often (listed in order of mentions):

- MetLife
- Cigna
- Aflac

While both audiences agree that MetLife is a leading provider of non-medical employee benefits, brokers' and employers' assessments differ beyond that, indicating some gaps in perceptions between brokers and employers. Brokers may want to explore these perceptions to better understand employers and their opinions.

Familiarity with Providers of Group Employee Benefits

We provided participants with a list of twelve employee benefits providers and asked them how familiar they are with each one.

Not surprisingly, brokers are significantly more familiar with nearly all providers on the list than employers.

Brokers indicate being most familiar with (ranked in order of "very familiar" scores):

- Blue Cross Blue Shield
- MetLife
- Guardian

Employers have the highest familiarity with (ranked in order of "very familiar" scores):

- Blue Cross Blue Shield
- MetLife
- Aetna

Familiarity with Providers of Group Employee Benefits (cont.)

Brokers and employers are both most familiar with BCBS, followed by MetLife. Guardian is third among brokers, and Aetna is third among employers.

As would be expected, brokers have a broader and deeper familiarity with providers. It's critical that brokers maintain this high level of familiarity in order to stay abreast of trends and new products and be able to best advise their clients.

Recent Use of Non-Medical Employee Benefits Providers

Then we provided participants with the same list of twelve providers. We asked brokers which providers they have recommended most in the past six months, and we asked employers which providers they have added/renewed within their benefits program most recently. Both groups were allowed to select up to three providers.

Interestingly, **the providers that brokers named most commonly as leaders are also the ones they have recommended the most in the past six months** (listed in order of mentions):

- MetLife
- Guardian
- Unum

Among employers, **the most common mentions are a combination of those providers seen as leaders and those with whom they are most familiar** (listed in order of mentions):

- MetLife
- Blue Cross Blue Shield
- Cigna

Similar to participants' views of the leading provider in non-medical employee benefits, here we also see that both groups cite MetLife most commonly as recently recommending/using. Beyond that, brokers' and employers' answers differ.

When we look at results *by size of market...*

We find that brokers that serve mainly small and mid-size employers are more likely to name Guardian, Unum, Delta Dental and Principal, while brokers serving mainly larger employers tend to say MetLife, Cigna, Aetna, Prudential, and Sun Life.

Small employers indicate they have most recently added/renewed with Blue Cross Blue Shield, while large employers are more likely to say MetLife or Prudential.

These results by size show that experiences with some providers generally differ based on size of market or employer size.

Brokers talking about reasons for leading provider choice...

Here are observations from brokers about the reasons they selected the insurance provider they did as the leading provider of non-medical employee benefits:

"Good rates, reasonable renewals, easy online access, good ongoing service."

"They have been consistently competitive and renewals have been fair."

"I enjoy working with them and they are very competitive and have a great plans."

"They offer all ancillary options at competitive prices. Excellent customer service and reliable company."

"They have a wide variety of voluntary products, great Group pricing, great service and their reps are knowledgeable and the sales people really fantastic."

"They have great products as well as the ease of doing business with them."

Employers talking about reasons for leading provider choice...

Here are employers' views about the reasons they selected the insurance provider they did as the leading provider of non-medical employee benefits:

"They have a wide range of product offerings and are nationally recognized."

"I have had great experience with them in the past, along with great premiums."

"They seem to have visibility at all levels with a wide range of products."

"Based on experience as a customer but also name recognition and commentary provided by brokers and consultants."

"Because of their national status and being widely accepted. They are also very competitive with their rates and coverage provided."

"Based on their advertisements and product information received."

Key Characteristics for Non-Medical Employee Benefits

Next, we asked both groups about key characteristics for non-medical insurance providers.

Reasons for Leading Provider

As mentioned above, we asked participants who they think is the leading provider of non-medical employee benefits insurance. We followed up and asked why they named the provider they did.

Brokers and employers both most commonly name breadth and quality of offerings as the top reason for their leading provider choice. Beyond that, we see some different reasons.

The most commonly mentioned reasons by brokers include:

- ✓ Breadth & quality of products
- ✓ Easy to work with/good service
- ✓ Competitive pricing

The most commonly mentioned reasons by employers include:

- ✓ Breadth & quality of products
- ✓ Most experience with / good past experiences
- ✓ Well-known / good reputation / been around a long time

See left sidebar for representative comments.

Results show that brokers and employers look at and consider different characteristics when considering a carrier to be a leader.

Importance of Attributes When Considering Non-Medical Insurance Providers

We also provided both audiences with a list of attributes and we asked them how important each attribute is when considering non-medical insurance providers.

Results show that service is critical for both audiences. Both brokers and employers rate exceptional service highest in importance. Both groups also rate experienced professionals second in importance. Beyond that, we see some differences between the two audiences.

Brokers' top five most important attributes when considering providers include (listed based on 'highly important' scores):

- ✓ Exceptional service
- ✓ Experienced professionals
- ✓ People are experts
- ✓ Builds strong relationships
- ✓ Has proven expertise

Did you know? Trends in Magazine Media

The future of print media is somewhat unclear. To combat this uncertainty, most publications have moved to digital formats as well as or in place of printed publications.

In 2014, the Association of Magazine Media put together a factbook of magazine media facts, figures, and trends. Here are some key takeaways:

- 91% of Americans read magazine media (print and/or digital editions).
- In 2013, the number of total consumer print magazines exceeded 7,000.
- 59% of readers took action or plan to take action as a result of exposure to print magazine ads.
- The number of magazines downloaded between 2012 and 2013 grew 170%.
- The digital-only magazine media audience grew 84% from Spring 2012 to Spring 2013.
- Readers access digital issues an average of 2.5 times.

Importance of Attributes When Considering Non-Medical Insurance Providers (cont.)

Employers rate the following attributes the highest (listed based on 'highly important' scores):

- ✓ Exceptional service
- ✓ Experienced professionals
- ✓ Has proven expertise
- ✓ Offers customer-focused solutions
- ✓ Understands your needs

These results show a great deal of consensus between brokers and employers. Providers with the most experience and best customer service will be well positioned in the marketplace.

Insurance Industry Publications

Lastly, we asked both groups about their use of and experiences related to industry publications.

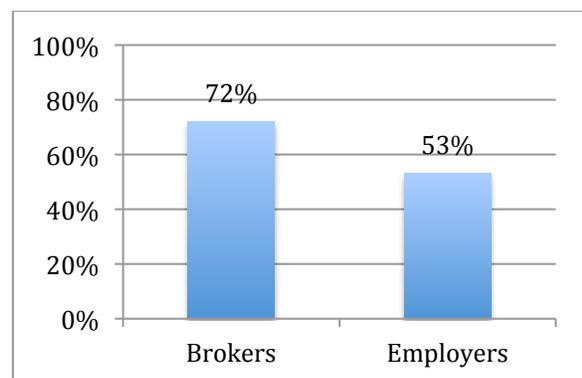
Readership of Industry Publications

First, we asked participants whether or not they regularly read any industry publications.

We found that **brokers more commonly read industry publications** than do employers; nearly three-quarters of brokers say they read industry publications regularly, compared to about half of employers. See the chart below.

Whether Regularly Reads Insurance Publications

Those Answering 'Yes'



When we looked further into these results, we see some interesting differences by gender and size of company.

Among brokers, men are more likely than women to say they regularly read industry publications (77% saying 'yes' compared to 66%).

About Us

The National Employee Benefits Advisory Forum (NEBAF) is an exclusive organization formed to exchange information, advice, and opinions concerning employee benefits among benefits providers, brokers, consultants, and HR leaders.

Did you know...the NEBAF currently has more than 4,000 active members and we are growing every day?

If you're not currently a member of NEBAF, for joining (which is free), you will have access to all reports in the NEBAF library. To join, please visit: <http://nebaf.org/join-2/>

Readership of Industry Publications (cont.)

Among employers, those from small companies (less than 100 employees) are less likely than those at other size companies to say they regularly read industry publications.

In general, this gap in readership between brokers and employers suggests an opportunity for brokers to provide value to their clients by sharing interesting and pertinent industry information they learn from industry publications with employers.

Key Industry Publications

Then, we provided those brokers and employers who indicated they regularly read industry publications with a list of industry and business publications. We asked them which they read on a regular basis.

The chart below shows the most common publications read on a regular basis by each group, as well as several similarities and differences between the audiences.

Similarly, both groups name the following publications among the most common top five: Employee Benefits News, Employee Benefits Advisor, and local newspapers.

In contrast, Employee Benefits Advisor receives the most mentions among brokers, while the publication is less common among employers, among whom it is rated 5th most common. HR Magazine is received the most mentions among employers, but it is not in the brokers' top five most common. Brokers identify BenefitsPro as a commonly read publication, while employers cite HR Executive as a popular read.

Top Five Most Commonly Read Publications

	Brokers (n= 217)	Employers (n= 182)
1	Employee Benefits Advisor	HR Magazine
2	Employee Benefit News	Employee Benefit News
3	Local newspaper	Local newspaper
4	BenefitsPro	HR Executive
5	Local business journal	Employee Benefits Advisor

When we looked further into these results, we find additional differences based on the age of the study participant.

Brokers age 50 – 59 are more likely than brokers age 30 – 39 to regularly read: Employee Benefits Advisor and Employee Benefits News. Brokers age 50 – 59 are more likely than those age 40 – 49 to regularly read local newspapers and BenefitsPro. This older subgroup is also more likely than those 30 – 49 to read local business journals.



Key Industry Publications (cont.)

Results are similar among employers: those age 50 – 59 are more likely to say they regularly read the following publications, than those age 30 – 39: HR Magazine, Employee Benefit News, local newspapers, and HR Executive.

As would be expected, these differences by age demonstrate that younger professionals are using different, and less “traditional”, sources for information than their older counterparts.



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