



Benefits Briefing VOLUME 40

Perspectives on the COVID19 Pandemic From a Survey
of Employers & Brokers
(Q3, 2020)

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted an online information exchange in July 2020 to understand its members' thoughts and experiences regarding the COVID19 pandemic.

Specifically, this summary includes perspectives from participants regarding the **effects of COVID19 on employers and brokers.**

The information in this report is primarily based on an online survey taken by 601 group employee benefits specialists (304 brokers and 297 employers).

Within this summary, we identify and call out differences in results by market size, where applicable. Market groupings include the following: Small (<100 U.S. employees), Mid-size (100 - 4,999 U.S. employees), and Large (5000+ U.S. employees).

Executive Summary

This Briefing is primarily focused on participants' views on and experiences with the COVID19 pandemic.

- Just over half of employers, and fewer brokers, say COVID19 has affected their organization negatively.
- When we asked employers (only) how the COVID19 pandemic has affected their own job, fewer than half report negative effects.
- Most brokers and employers say COVID19 has increased their workload, and even more say their job is more challenging due to the pandemic.
- Concern about the overall U.S. economy is high among both brokers and employers.
- Roughly half of employers, and a third of brokers, say they are concerned about the effects of COVID19 on the financial security of their organizations.
 - However, for the most part, brokers and employers are not concerned about their own employment.
- Most brokers are concerned about how COVID19 is affecting their clients, and most employers are concerned about how COVID19 is affecting their employees' well-being.
- Most employers report that their companies have responded to the COVID19 pandemic with a variety of efforts, including showing empathy for employees, making employees feel safe, and giving employees the tools needed for their jobs.
- Nearly all brokers agree they are recommending benefits or programs to help support clients' employees' well-being during the pandemic.
- While both brokers and employers expect COVID19 to affect their outlook on their job, employers foresee a greater impact.
- Most brokers and employers also anticipate the pandemic will have some impact on their personal/financial well-being, but more employers than brokers expect substantial impact.



Effects of COVID19 on Brokers and Employers

We asked *brokers and employers* about the effects of the COVID19 pandemic on their organization and their job.

Talking About: Ways in Which Brokers' and Employers' Workloads have Increased Significantly Due to the Pandemic

We asked brokers and employers how the COVID19 pandemic has affected their workloads. Brokers and employers who say the pandemic has increased their workload significantly offer the following reasons:

Brokers

"Clients depend on us more now than ever to navigate the fluid changes surrounding employee benefits, compliance, carrier/ market responses and conditions, etc."

"We spend a good amount of time fielding questions and keeping up with COVID-related legislation."

"Clients are leaning on our teams to help navigate layoffs and furloughs and plan changes affected by COVID and new laws."

Employers

"HR has had the added responsibilities of implementing changes and benefits associated with CARES, FFCRA laws. We have implemented furloughs and layoffs, written COVID leave and return to work policies, handled accommodations due to COVID, and had increased communication responsibilities."

"As the head of HR, I have been on point for communication to our employees on COVID19. From monitoring state/local guidance, remote work from home options, and continued monitoring of the situation. It has been constant and mentally exhausting!"

"Much more time spent responding to employee and customer health issues and needs."

Effects of COVID19 on Brokers' and Employers' Organization

We asked brokers and employers how the COVID19 pandemic has affected their organization.

More employers than brokers say COVID19 has had negative effects on their organization. Just over half of employers say COVID19 has negatively affected their organization, while fewer than a third of brokers say this.

Given the impact of the pandemic on a wide range of industries such as retail, travel, hospitality, etc., it's not surprising to see this proportion of employers reporting negative effects.

% of Brokers and Employers Reporting Negative Effects of COVID19 on their Organization



Effects of COVID19 on Employers' Jobs

We asked employers *only* how the COVID19 pandemic has affected their job so far.

Results vary. About one in three employers report COVID19 has had no effects on their job so far. Some, about two-fifths, say COVID19 has had negative effects on their job, while about one in three report a positive impact.

Effects of COVID19 on Brokers' and Employers' Workloads

We asked both brokers and employers how the pandemic has affected their workload.

Talking About: Ways in Which Brokers' and Employers' Jobs are More Challenging due to the COVID19 pandemic

We asked brokers and employers how the COVID19 pandemic has affected their jobs. Brokers and employers who say the pandemic has made their job much more challenging name specific reasons:

Brokers

"Additional demands from clients in addition to the regular workload. Having to become a subject matter expert on a constantly evolving topic and landscape."

"Trying to keep up with the ever-changing laws, the insurance carriers' notices and webinars, clients' requests for information regarding COVID-19 and the usual day-to-day of taking care of our clients."

"We are working in a different world right now where employers have different needs that have not really had to be addressed before. It is a struggle to get information in a timely manner to them that is accurate."

Employers

"Volume of things to deal with trying to be safe."

"Having to respond and prepare for COVID issues while at the same time maintaining much of normal workload. Have to reinvent policies and procedures continually."

"Working remote while everyone else is too. Loss of connectivity to other people, challenges with balancing work/home responsibilities."

Effects of COVID19 on Brokers' and Employers' Workloads (cont.)

Most brokers and employers say COVID19 has increased their workload. More employers than brokers say that their workload has increased significantly due to the pandemic.

See the left sidebar on the previous page for the ways in which brokers and employers explain how their workload is greater due to the pandemic.

Effects of COVID19 on Level of Job Challenge

We asked brokers and employers how the COVID19 pandemic has affected how challenging their job is.

The majority of brokers and employers say their jobs are more challenging due to the pandemic. More employers say their job is *much* more challenging due to the pandemic, whereas more brokers say the pandemic has made their job somewhat more challenging.

See the left sidebar for details brokers and employers provide when discussing how their jobs are much more challenging.

Concern about the Effects of COVID19 on the Economy

We asked brokers and employers how concerned they are about the effects of the COVID19 pandemic on the U.S. economy.

Most brokers and employers say they are concerned about the U.S. economy. Just under half of both say they are very concerned. Very few brokers and employers (<10%) say they are not concerned.

Concern about the Effects of COVID19 on Personal Employment

We also asked brokers and employers how concerned they are about the effects of COVID19 on their own employment.

Results are mixed, with most participants indicating they are not concerned about their own employment.

Only about one in four brokers is concerned about the impact of the pandemic on his/her own employment, compared to about one in three employers. Brokers are also less likely than employers to express serious concern.

This finding is especially interesting considering brokers' and employers' concerns about the U.S. economy. While brokers and employers are quite concerned about the overall U.S. economy, most do not express a correspondingly high level of concern for their own employment status.

Concern about the Effects of COVID19 on Organizations' Financial Security

We asked both groups how concerned they are about the effects of COVID19 on their organizations' financial security.

More employers than brokers say they are concerned about the effects of COVID19 on their organization's financial security.

About half of employers, and fewer brokers, say they are concerned. More employers than brokers say they are *very* concerned, and more brokers than employers, in turn, say they are not concerned.

Not surprisingly, smaller employers are more likely to be more concerned about their company's financial stability. As has been widely reported in business and other publications across the nation, small businesses are struggling the most to survive, particularly in industries that have been especially hard-hit.

Brokers' Concern about the Effects of COVID19 on their Clients

We asked brokers *only* how concerned they are about the effects of COVID19 on their clients.

Most brokers say they are concerned about how COVID19 is affecting their clients. Roughly half say they are highly concerned.

As this is consistent with the employer feedback gathered in this study, it's good to see that brokers have a similar level of concern regarding their clients as employers have for themselves.

Employers' Concern about the Effects of COVID19 on their Employees

We asked employers how concerned they are about the effects of COVID19 on their employees' well-being.

Nearly three-fourths of employers say they are at least somewhat concerned about how the COVID19 pandemic is affecting their employees, with almost a third saying they are very concerned.

Both employers and brokers are concerned about how the pandemic is affecting those they serve.

Organizations' Responses to COVID19

Employers' Agreement with Statements about Companies' Responses to COVID19

We then asked employers *only* to what degree they agree with various statements about their companies' responses to COVID19.

Employers' Agreement with Statements about Companies' Responses to COVID19 (cont.)

Employers are most likely to agree with the following statements (listed in order of percentage who say they somewhat or completely agree):

- ❖ My company has shown empathy for employees
- ❖ My company is concerned with making employees feel safe
- ❖ My company gives employees the tools necessary for their jobs
- ❖ My company has regularly communicated with employees about resources available to help them with the pandemic
- ❖ My company offers benefits to enhance employee well-being during the COVID19 pandemic

These responses demonstrate that employers are making a variety of efforts to support employees during the pandemic.

Brokers' Agreement with Statement about Recommendations to Clients

We then asked brokers to what degree they agree that they are recommending benefits/programs that have helped support clients' employees' well-being during COVID19.

Nearly all brokers indicate that they are helping their clients support employee well-being during this time.

While we didn't explore which programs and benefits they are recommending more at this time, brokers have shared in other research that they believe additional life and disability coverage, as well as EAP, could be helpful additional supports for employees during this time.

Pandemic's Future Impact on Brokers and Employers

We then asked *brokers and employers* about how they think the pandemic may affect the future.

Effects of COVID19 on Job Outlook for Brokers and Employers

We asked brokers and employers how they expect the COVID19 pandemic to affect their outlook on their jobs.

Most brokers and employers expect COVID19 to have some impact on their jobs, but employers anticipate a bigger impact.

Did You Know? Some Consumers Say Life Insurance is More Important in Light of the Pandemic

A 2020 study from Lincoln Financial Group reveals that COVID19 has changed some consumers' perspectives on life insurance.

More than half of life insurance policyholders surveyed say they reviewed their policies due to the COVID19 pandemic, and a third made some changes to it.

Among all consumers surveyed (those with and without life insurance), a third say they think life insurance is more important since the pandemic.

Almost half of millennials (ages 24-39) surveyed say they purchased or plan to purchase life insurance due to COVID19, although this was not the case with Gen X (ages 40-55) and Baby Boomers (56-74). Consumers in these older age groups did not say they purchased or planned to purchase life insurance specifically as a result of the current pandemic.

<https://www.businesswire.com/news/home/20200819005667/en/COVID-19-Raises-Importance-of-Life-Insurance-and-Drives-Consumer-Purchase-Intent-Study-Shows>

Did You Know? Consumers are Switching Insurance Providers More Frequently in 2020

A 2020 survey by Bain & Company asked 43,600 consumers about the effects of the COVID19 pandemic on their perceptions and behaviors related to life and P&C insurance.

According to the survey, since the pandemic, almost two in ten consumers have requested temporary relief on their life insurance premiums, and one in ten has requested deferred payments on P&C policies.

Consumers have also switched insurance carriers in 2020 more frequently than in previous years. Among consumers who switched carriers, price was most frequently cited as the reason. Additionally, the rate of switching was much higher among those who requested relief from premiums, suggesting the COVID19 pandemic has had a role in this trend.

<https://www.bain.com/insights/how-insurance-customers-are-responding-to-covid-19/>

Effects of COVID19 on Brokers' and Employers' Job Outlook (cont.)

More employers than brokers say they anticipate COVID19 will 'impact greatly' the future of their jobs (12% of employers vs. 4% of brokers). Similarly, more brokers than employers say they don't anticipate the pandemic will impact the future of their jobs (see chart below).

% of Employers and Brokers who Say COVID19 Will Have Little or No Impact on the Future of their Jobs

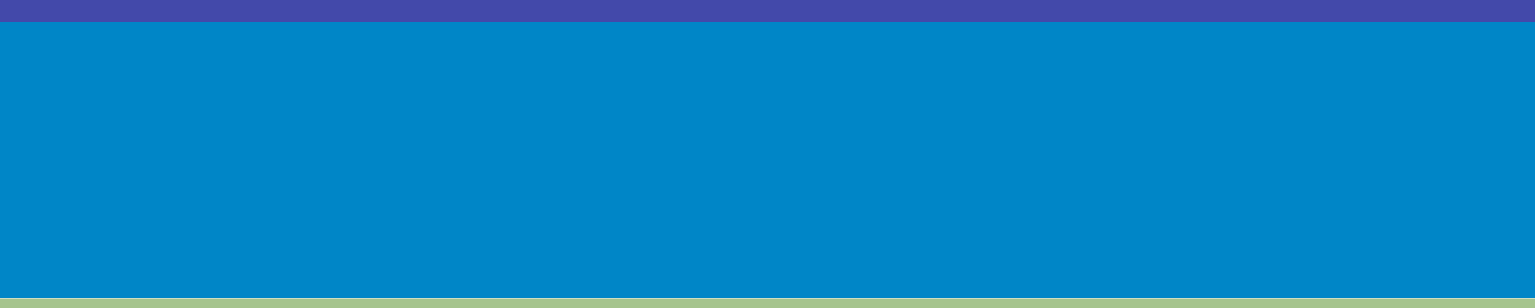


Effects of COVID19 on Brokers' and Employers' Personal/Financial Well-Being

We then asked brokers and employers how they expect the pandemic to affect their future personal and financial well-being.

More than half of both brokers and employers expect the COVID19 pandemic to have some impact on their personal and financial well-being. More employers than brokers say they think the pandemic will greatly impact their personal and financial well-being.

While most brokers and employers foresee some personal future impact of COVID19, brokers' attitudes are slightly rosier than employers. This may reflect varying effects of the pandemic on diverse industries, as well as growing demand for brokers' services throughout the pandemic.



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