

KEEP IT SIMPLE

4 Keys for **Voluntary Benefits Success**



Introduction

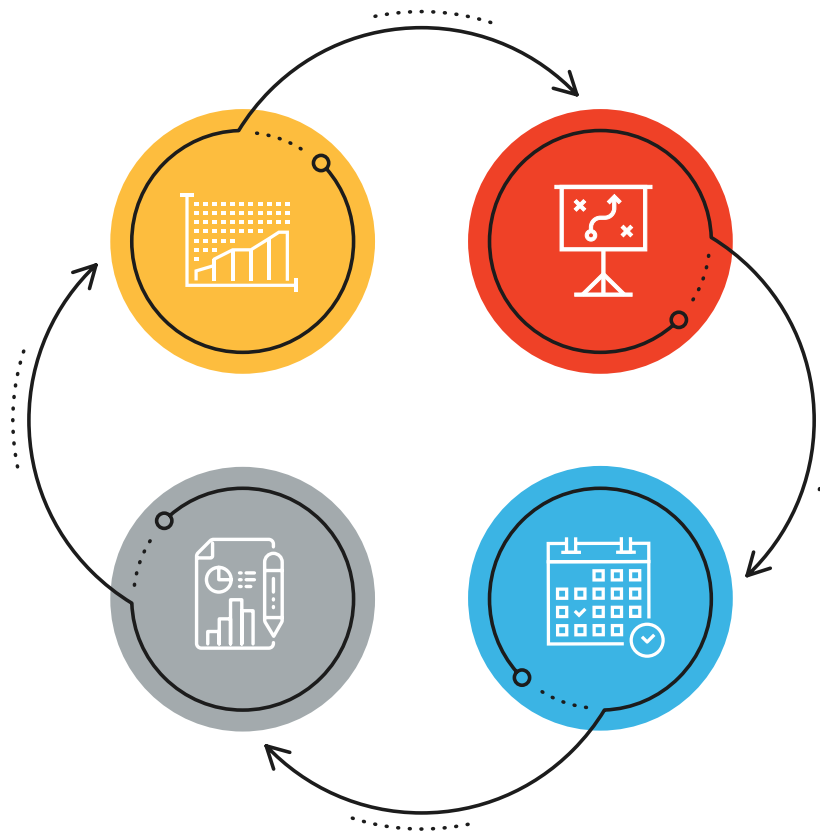


In a study conducted by Trustmark Voluntary Benefits and C+R Research that spanned several months and hundreds of employee benefit brokers, one primary message emerged: **keep it simple**. In an increasingly complicated world, brokers are looking for simple group voluntary benefit solutions for their clients. But what does simplicity look like?

Our research uncovered four key findings to focus on:

- Service experience for employers
- Service experience for policyholders
- Enrollment tactics
- Selecting the right products

We'll examine each of these topics in detail, highlighting key research findings and keys for voluntary benefits success.

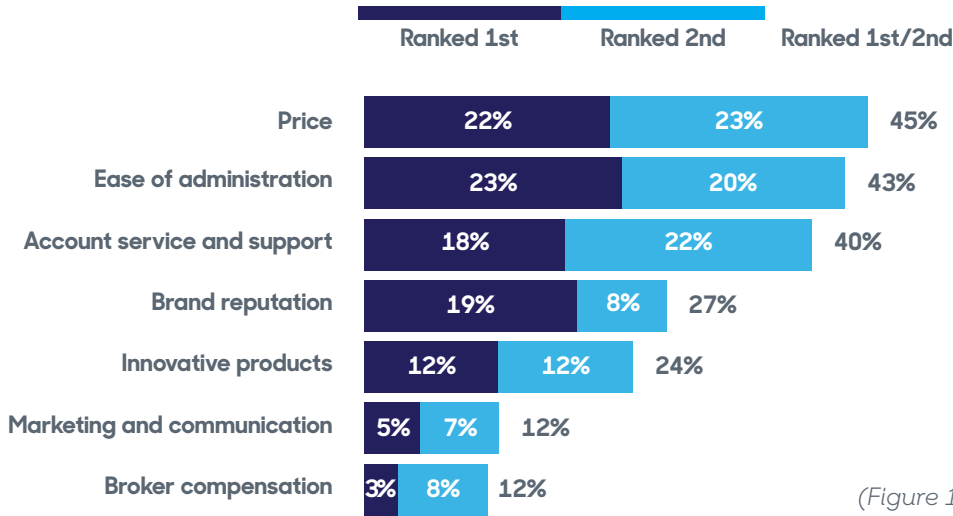




Keeping the service experience simple for employers

No one wants a benefits program that ends up being more trouble than it's worth. As you can see in figure 1, brokers ranked price as the primary factor when selecting a group voluntary carrier. However, the next two factors are both service-related: "ease of administration" and "account service and support." In fact, 41 percent of brokers cite their service-related issues as their top factor for selecting a group voluntary carrier.

Key Decision Factors for Recommending a Group Voluntary Carrier



(Figure 1)

Taking it a step further, what, specifically are brokers and their employer clients looking for? The research asked what value propositions would be most motivating and, in that research, 42 percent indicated that they would look for a "carrier that offers technology that easily integrates with employer platforms." Technology has always played an essential role in a benefits solution, but today, that's been accelerated. Simplicity when it comes to technology, achieved by integrating into all platforms and eliminating the need for multiple systems, is a key driver of purchasing decisions.

42%

of brokers list "technology that easily integrates with employer platforms" as a motivating factor for choosing a carrier.

41%

of brokers list "responds to service requests within 24 hours" as a motivating factor for choosing a carrier.

Service isn't just about tools that make life simple for brokers, employers and employees either. Sometimes it's more straightforward than that. Responsiveness means a lot in the world of voluntary benefits, and you can earn a lot of goodwill just by being responsive to service requests. More than 40 percent of brokers list "responding to service requests within 24 hours" as a motivating factor for choosing a group voluntary carrier. That's the third-highest of any attribute. Again, it's a simple solution – a phone call back, an email, a quick answer to questions, or some acknowledgment can make all the difference. Creating a sense that you'll be there for an employer is what most brokers are looking for in a carrier.

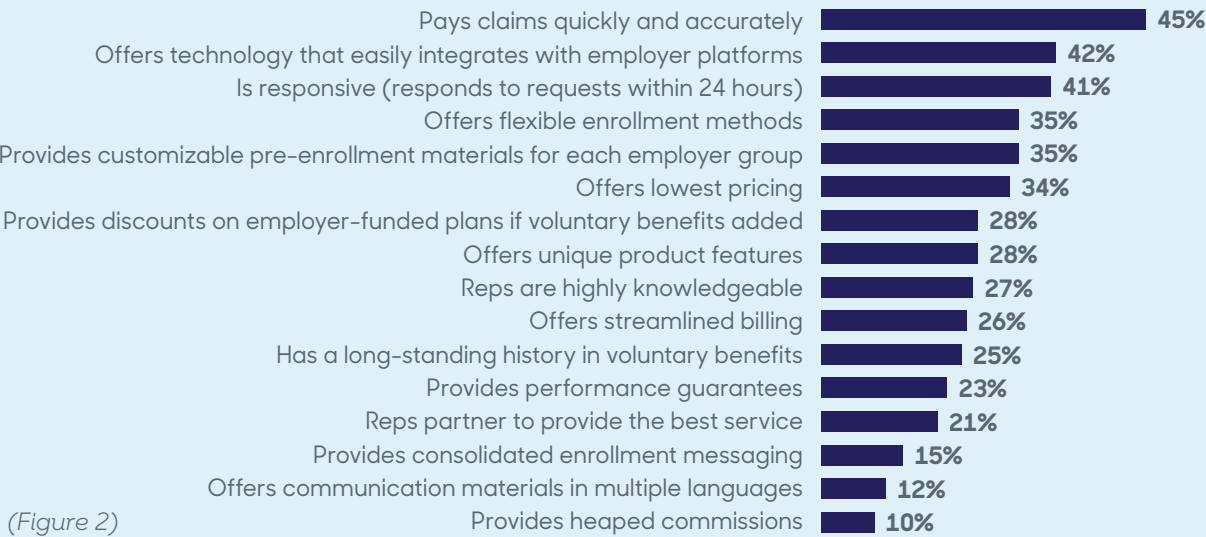
A positive service experience for employers translates to success for brokers and employers alike. That experience comes down to two things. First, simplifying administration – particular, technology. And secondly, doing the simple things well; responding and reacting quickly to inquiries.



Service experience for policyholders

It's easy to see why a simple service experience for policyholders is critical. Questions about pricing, claims, and administration often routes through HR and, in turn, to brokers; creating a less than ideal experience. A carrier needs to make life easy for policyholders. First and foremost for the policyholder's sake, but also for brokers and employers who can get pulled into the employee's confusion.

Motivating value propositions for brokers



(Figure 2)


1/3 More than one third of brokers list customized pre-enrollment communication materials as a motivator for selecting their group voluntary benefits carrier.

As we discussed above, service issues for employers, when taken together, tend to outrank policyholder-related factors such as paying claims or price. When we broke that out into more specific value propositions, the service issues really rose to the front and the number one factor (as illustrated in Figure 2), is “paying claims quickly and accurately.”


While not explicitly stated, there’s also overlap here with the technology factor that features prominently in a broker’s decision. Part of paying claims quickly and accurately is providing a good customer experience for claim submission and processing, which should include an easy, online process.

The other element that jumps out is the importance of pre-enrollment materials. Though not at the top of the list, it was still a motivator for more than a third of brokers. Creating a superior experience for employees by communicating with them before enrollment and helping them understand the benefits is a part of what makes a unique experience for policyholders, or in this case, potential policyholders. This comes back to the theme of simplicity in that understanding the benefits offering makes it easier to enroll. Employees don’t want to be left guessing, so carriers that make life easy on them upfront with communication, really stand out.

In summary, the keys that create a superior customer experience are:



Fast processing of claims



Reliable, accessible technology for submitting claims



Effective communication before enrollment



Enrollment Trends

This may be related to the policyholder service experience, but it's an important enough distinction that it warrants its own examination. It's no surprise that in 2020, the COVID-19 pandemic has disrupted what brokers, employers, and employees were used to in terms of enrollment. As with the other areas discussed, the trend is towards ease of doing business and making life simpler for employees and employers.

CURRENTLY USED ENROLLMENT METHOD:

45% IN-PERSON
54% VIRTUAL

IN-PERSON

In-person assisted (Subnet):	29%
In-person assisted enrollment by a carrier representative	10%
In-person assisted enrollment by a broker	11%
In-person assisted enrollment by an enrollment company	8%
Group meetings	16%

VIRTUAL

Virtual assisted (Subnet):	32%
Virtual assisted enrollment (call centers/co-browsing)	17%
Virtual assisted enrollment by a carrier representative	15%
Virtual self-service enrollment (online)	22%

(Figure 3)

PREFERRED ENROLLMENT METHOD:

56% IN-PERSON
44% VIRTUAL

IN-PERSON

In-person assisted (Subnet):	40%
In-person assisted enrollment by a carrier representative	17%
In-person assisted enrollment by a broker	17%
In-person assisted enrollment by an enrollment company	7%
Group meetings	17%

VIRTUAL

Virtual assisted (Subnet):	25%
Virtual assisted enrollment (call centers/co-browsing)	14%
Virtual assisted enrollment by a carrier representative	11%
Virtual self-service enrollment (online)	19%

(Figure 4)

Virtual enrollments are on the rise, as seen in Figure 3: 54 percent of enrollments are now being conducted virtually. That's not much of a surprise since the COVID-19 pandemic has pushed much of our lives toward the digital realm. The challenge of coordinating an enrollment in-person while maintaining safety measures makes in-person enrollments complicated.

The trend towards virtual is what we're seeing in the current environment, but what is actually preferred by brokers is a little different. Brokers indicated that, for voluntary group enrollments, they still prefer an in-person enrollment – 56 percent indicated a preference for more direct contact through tactics like group meetings, HR-assisted enrollment or enrollment firm assisted enrollment. (Figure 4)

Given the discrepancy between what's happening and what's preferred, it's easy to chalk that up to the conditions presented by COVID-19. A thread that runs through both virtual and in-person is a preference to provide some personal assistance. People want someone to talk to about their benefit choices. Both for virtual and In-person enrollments, **providing assistance was preferred to having employees go it on their own through approaches** such as online self-service or by relying on a group meeting.

You might say that coordinating some assistance for employees while enrolling runs contrary to our theme of simplicity. That may be true from a broker's or an employer's perspective, but that in-person experience often makes life simpler

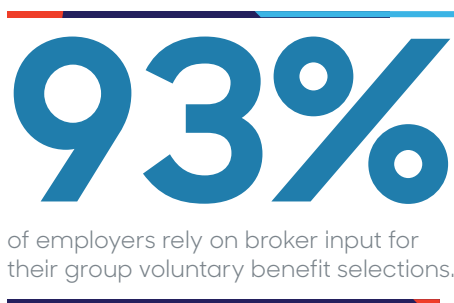
for employees. Having someone available who can talk to them, answer their questions, and guide them through enrollment simpler for them than trying to navigate on their own and, potentially simpler for brokers and HR who may have to field employee questions.

So, when we talk about the simplicity of enrollment, that often means going virtual. Whether or not that will last after the COVID-19 pandemic remains to be seen. Regardless of the trend towards virtual enrollments, **an element of personal touch remains preferred** by brokers for group voluntary benefits. You have to find the right balance of simplicity with a personalized element.

Product selection

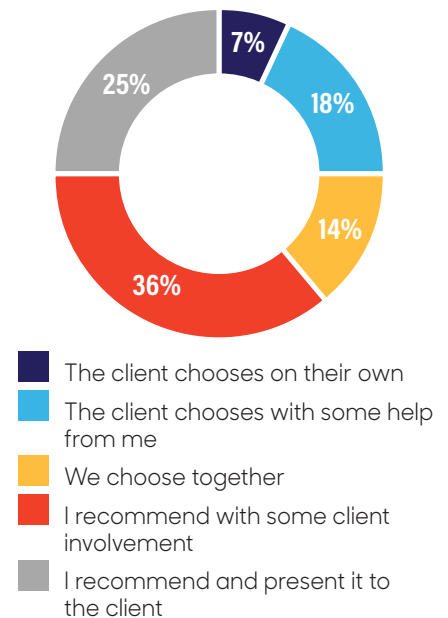
Choosing the right group voluntary products can be a challenge. What fits best with the employer's medical plan? What voluntary products are already offered? How many carriers are they working with? Brokers don't want to confuse employers' processes and don't want to overwhelm employees with benefits. Trustmark research looked at two key areas: the benefits selection process and the bundling of products.

When it comes to the benefit selection process, most employers look to brokers to take the lead. As seen in Figure 5, 61 percent of brokers take the lead on choosing benefits for the employer, and a quarter of employers select benefits



on their own. Given the number of available benefits, the number of carriers, and the complexity of putting together a benefits plan, it's not surprising that employers rely on brokers to simplify the benefits selection process by having them take the lead.

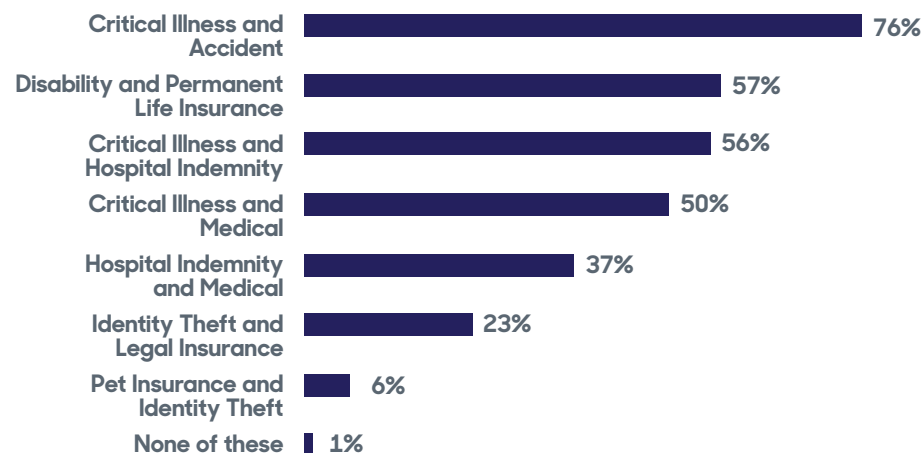
How brokers and employers choose benefits



(Figure 5)

2 Paths to simple benefits selection

Bundling to make life easy: Many brokers look to simplify even further for employers by bundling the products they offer with a given carrier. Roughly two of every five brokers indicated that they typically prefer to bundle products from a single benefit carrier. There were many combinations, as illustrated in Figure 6, but critical illness/accident was by far the most common, with 76 percent of brokers who bundle products indicating that they prefer to do so.



(Figure 6)

Picking the best products:

1/3 Nearly one-third of carriers still pick the best in class carrier for each product.

It's worth noting that nearly one-third (32 percent) of brokers indicated that they pick the best carrier for each product. So, there's not a complete focus on bundling seen in the market; many brokers prefer to pick the best products and leave it at that.

While there are a couple different approaches, the predominant trend is making life easy. Either by having the broker take the lead on selecting benefits choosing best-in-class products or bundling products with one carrier – **the goal is to simplify the employer's process.**

Conclusion

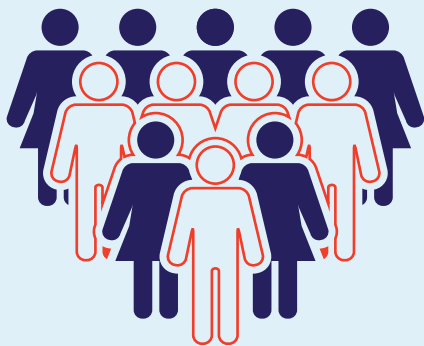
Today, a broker's success in the world of voluntary benefits hinges on their ability to make life easier on their clients. From the claims experience to the simple act of being responsive to customer inquiries, **it's about making the process of offering, and enrolling in, benefits less work.** But, amidst that, it's important to note that simplicity doesn't mean a decline in quality.

As was shown in the findings on enrollment and products, there still needs to be a focus on delivering positive enrollment outcomes and adequate employee protection. **Enrollments with a personal touch are still the preferred method** and, while many brokers choose to bundle their products, there's always a significant portion that's looking to choose the best in class carrier for each product.

The key for carriers will be finding a balance between the two: **simplicity and effectiveness.** The carriers who champion simplicity without sacrificing an ounce of quality service will be the most critical players in the market. Savvy brokers who can capture that, translate it and deliver that experience to their clients are poised to take the lead in building lasting, rewarding relationships with employers.



KEEP IT SIMPLE



Methodology

An online, self-administered quantitative survey was conducted by C+R Research using a sample provided by a trusted sample partner from July 27th through August 9th, 2020. A sample size of 200 was used with the following criteria for screening purposes:

- Males and females 21+ years old
- Be employed full-time for a company in the U.S.
- Have been in current role at least one year
- Sell voluntary group benefits including accident, cancer, critical illness, disability, hospital indemnity, and or permanent life insurance (at least two types of plans)
- Sell voluntary group benefits to companies with 100+ benefit-eligible employees

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