

The background is a solid teal color. It features a decorative pattern of white circles of various sizes and vertical white lines of varying heights, creating a modern, abstract aesthetic. The circles and lines are scattered across the page, with a higher concentration around the central text.

2017 BROKER SERVICES SURVEY

INTRODUCTION

Regular communication and prompt service are top criteria employers look for when selecting a broker. Slow communication and poor service would prompt nearly 70 percent of survey respondents to change brokers. Approximately 3 out of 4 clients want to hear from their broker every month, including 31 percent who want weekly communication. Other highly valued factors include the broker's ability to negotiate renewal and provide compliance support, legislative updates and benchmarking information.

The most important services a property and casualty (P&C) broker can provide are a solid understanding of each client's business needs, coverage and policy language expertise, and timely delivery of certificates of insurance and ID cards.

For employee benefits clients, compliance-related support is the most important service brokers can offer, especially regarding ongoing legislative changes

concerning the Affordable Care Act (ACA). Employee communications and strategic benefits plans are also vital components of brokers' services for a majority of employers.

The 2017 Broker Services Survey was conducted in mid-2017, and a total of 623 respondents completed the survey.

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Please note that due to rounding conventions, some graph percentages might not add up to exactly 100 percent.

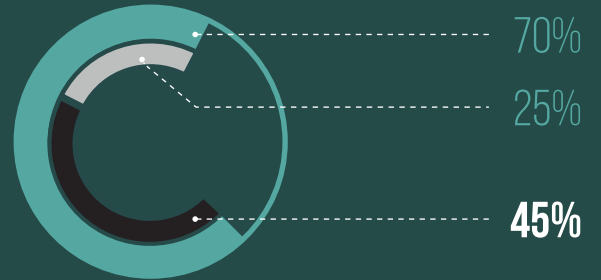
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KEY FINDINGS: EXAMINING THE SERVICE GAP

PROPERTY AND CASUALTY

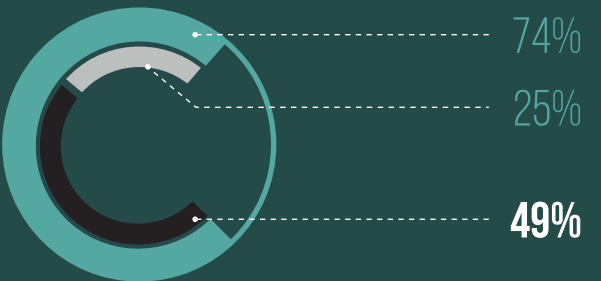
Assists in the creation, review and update of your employee safety manual:

- Important
- Fully provides
- Gap



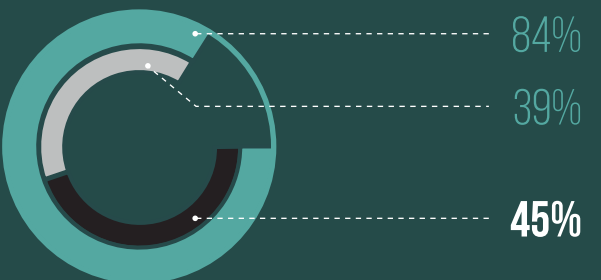
Helps design and support your return to work programs:

- Important
- Fully provides
- Gap



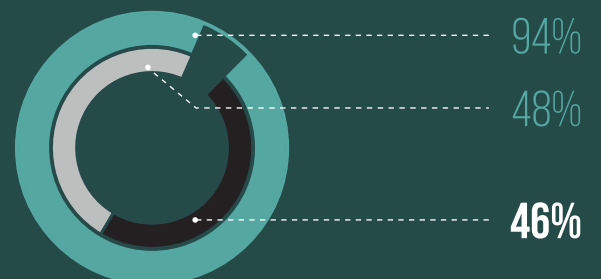
Provides access to OSHA compliance information and recordkeeping tools:

- Important
- Fully provides
- Gap



Provides total cost of risk information:

- Important
- Fully provides
- Gap



KEY FINDINGS: EXAMINING THE SERVICE GAP

BENEFITS

Creates a multiyear strategic benefit plan that aligns with company goals:

- Important
- Fully provides
- Gap

Offers employee communications to help your employees improve their health and become wise consumers of health care:

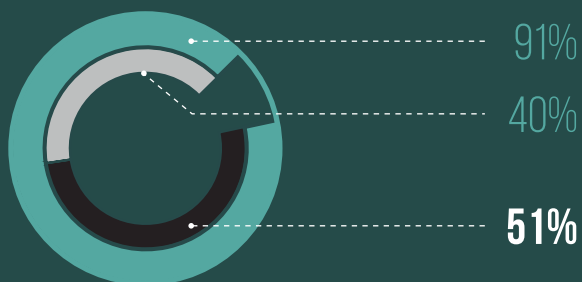
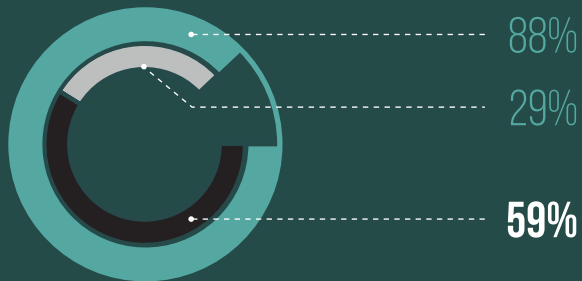
- Important
- Fully provides
- Gap

Provides online access to policies and compliance HR tools:

- Important
- Fully provides
- Gap

Provides plan design benchmark information:

- Important
- Fully provides
- Gap

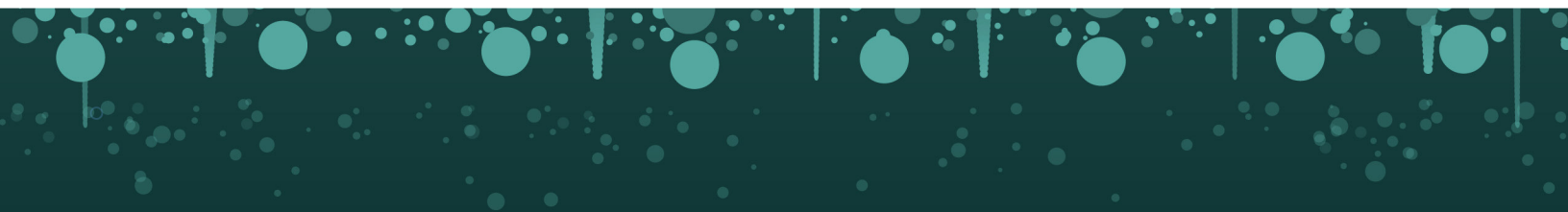


THE CLIENT-BROKER RELATIONSHIP

More than 80 percent of employers look for a trusted advisor, regular communication, timely service and prompt answers to their questions. Other broker criteria highly valued by employers include the ability to compare plans to benchmark data (77 percent), the ability to negotiate renewal (74 percent) and the ability to offer compliance resources (74 percent). Dissatisfaction with timeliness and ineffective service was the primary reason respondents switched brokers. About 18 percent of commercial P&C customers and 21 percent of benefits customers have changed brokers in the past three years.

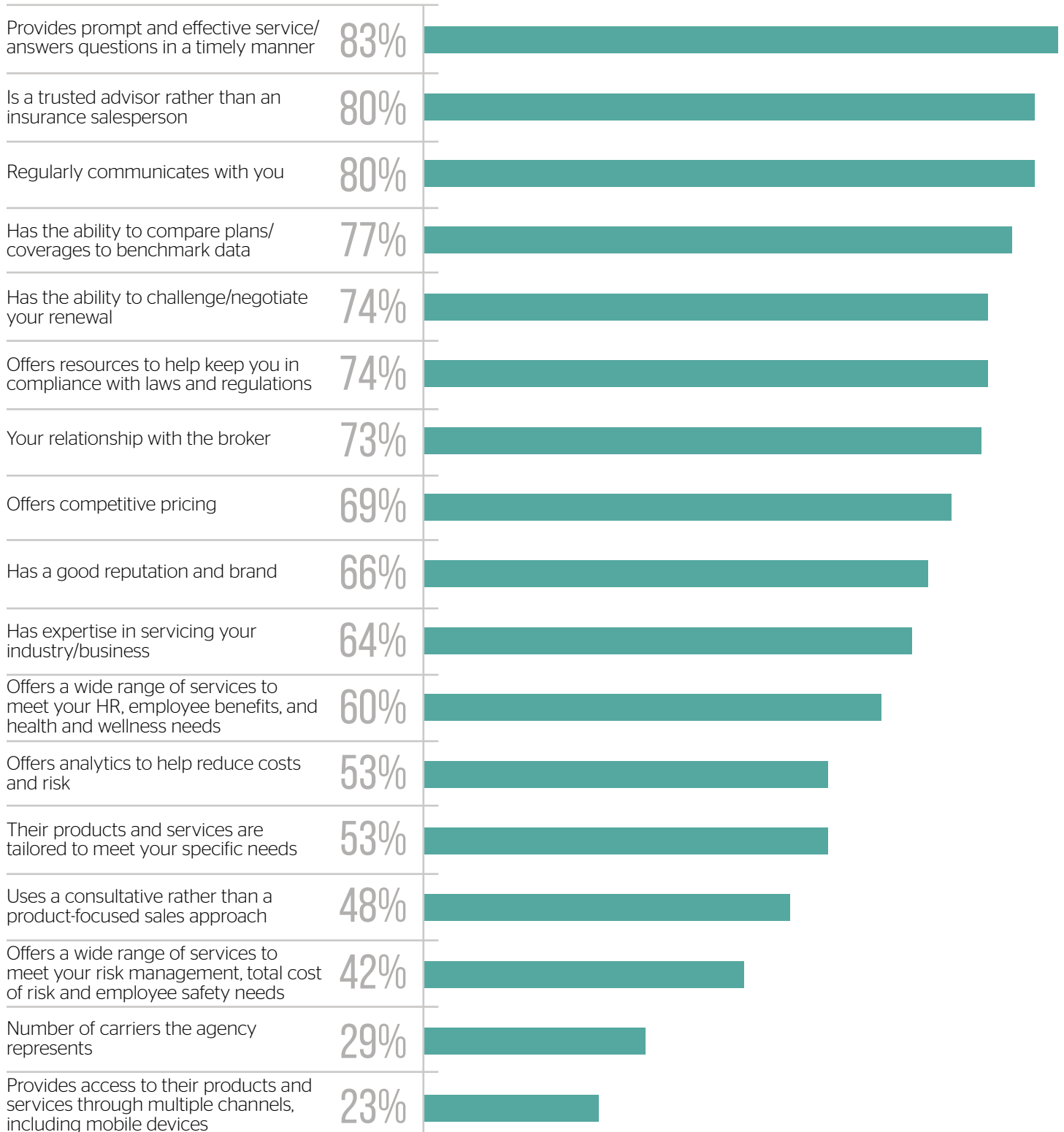
For benefits clients, compliance is the most important issue, with 99 percent of respondents listing brokers answering compliance-related questions as very or somewhat important. However, only 70 percent report that their broker fully provides this support, creating a service gap of nearly 30 percent. In fact, service gaps in most areas have increased since 2016, illustrating a growing need and a great selling opportunity for brokers.

For P&C clients, a broker's understanding of their company's business is very or somewhat important to 98 percent of respondents, but only 65 percent feel that their broker fully provides this expertise, creating a 33 percent service gap. There is also a significant service gap between the number of clients who want to receive claim frequency and cost reduction information from their broker (93 percent) and the percentage of brokers fully satisfying that demand (41 percent).



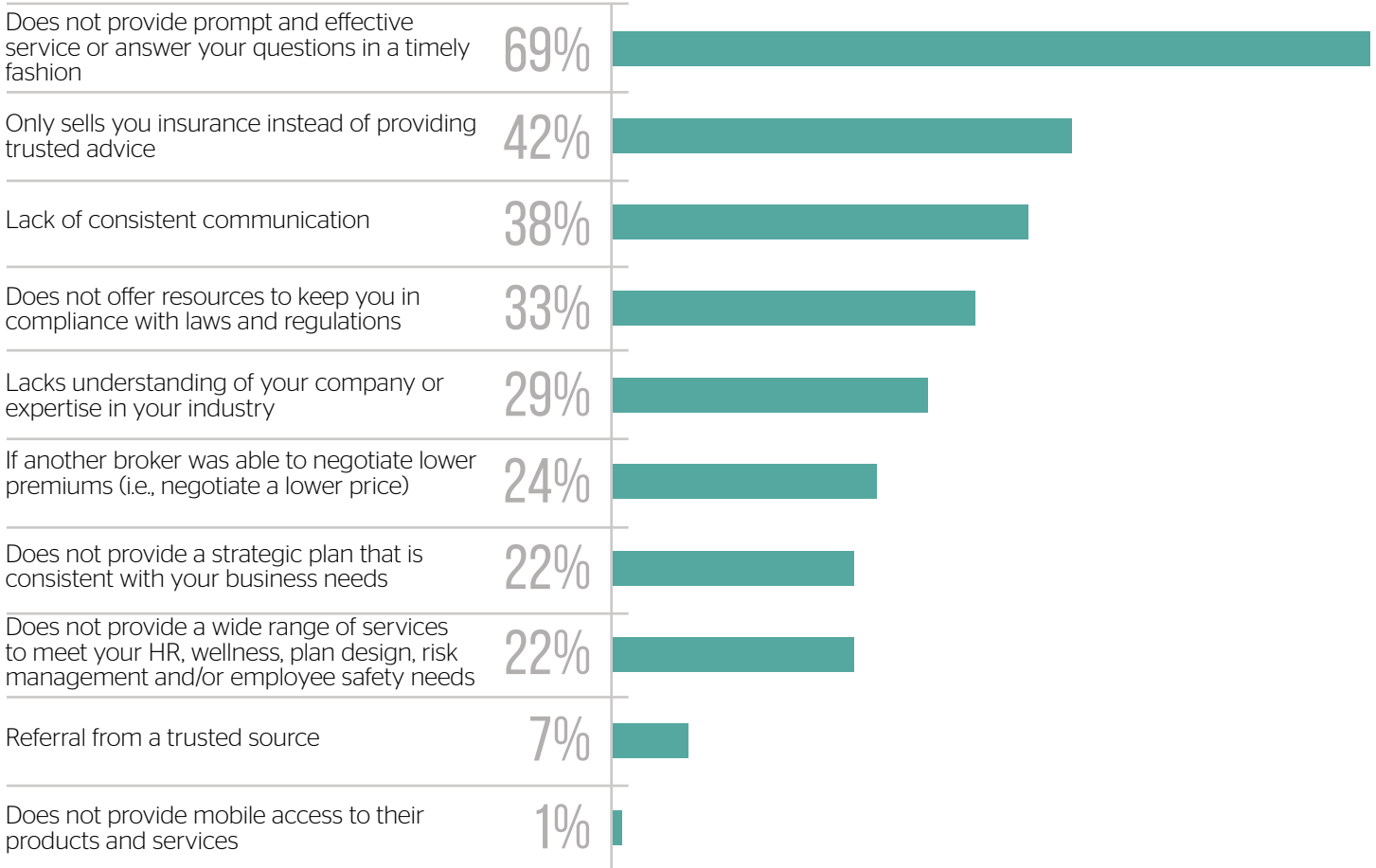
THE CLIENT-BROKER RELATIONSHIP

What criteria do you use when selecting a broker?

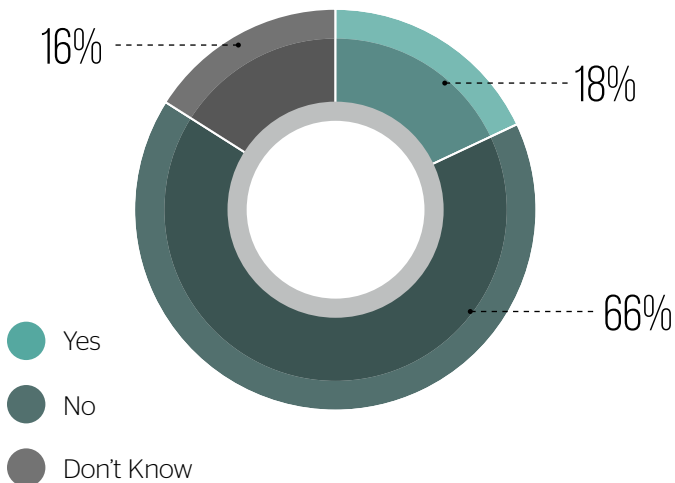


THE CLIENT-BROKER RELATIONSHIP

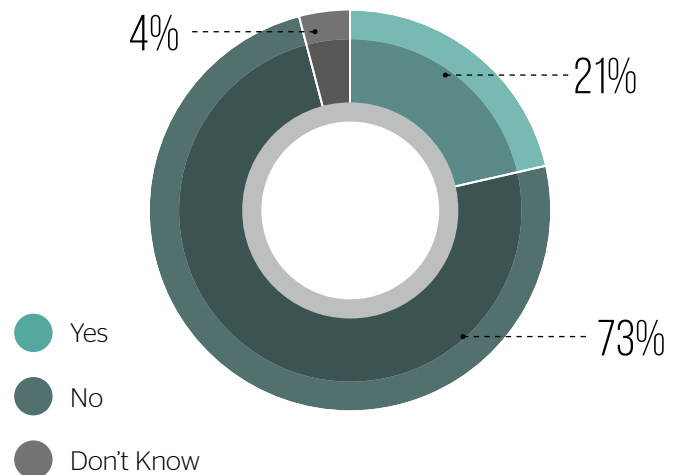
What are the three main factors that would lead you to make a change in brokers?



Have you made a change in your P&C (commercial insurance) broker in the last three years?

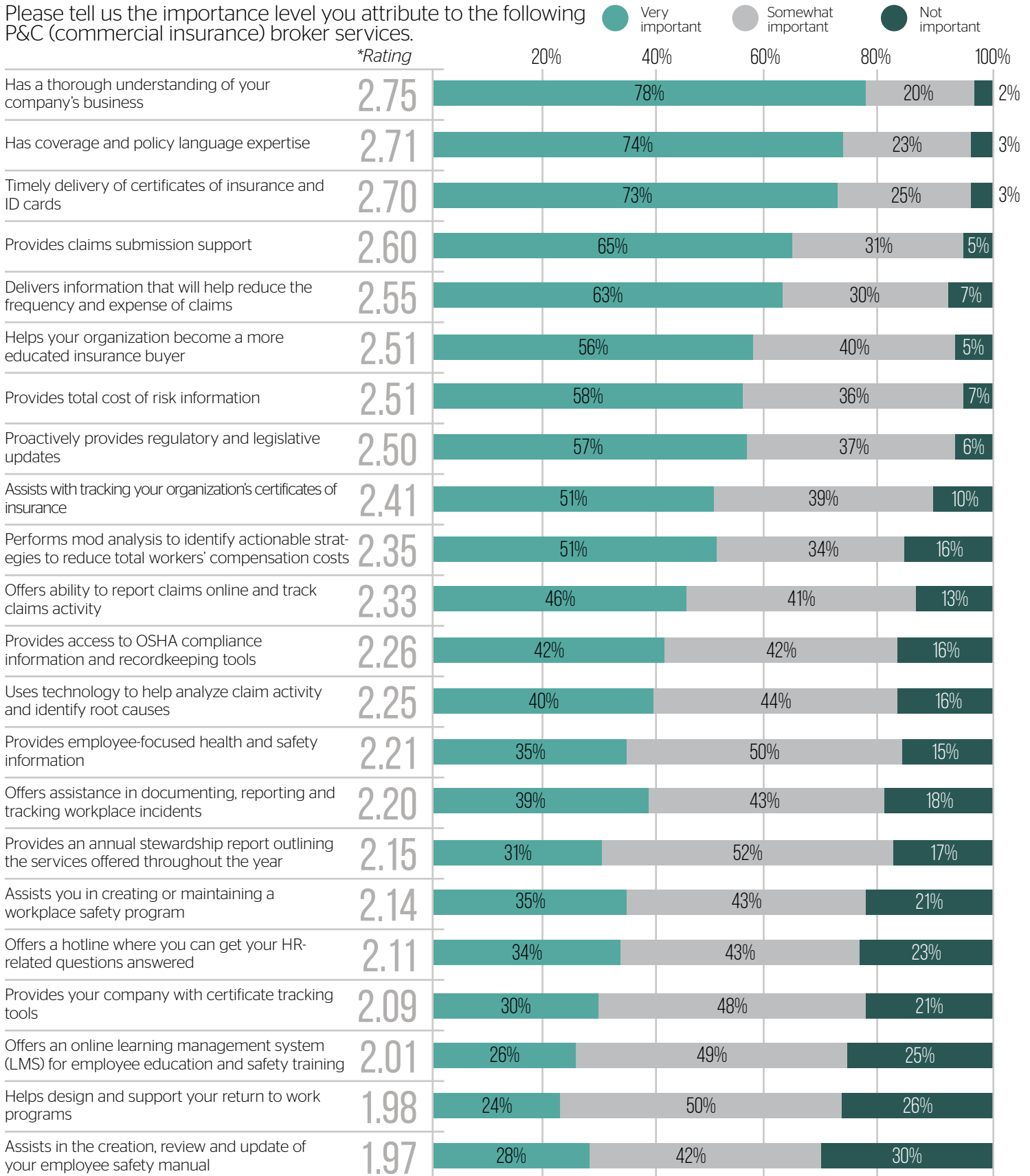


Have you made a change in your benefits broker in the last three years?



THE CLIENT-BROKER RELATIONSHIP

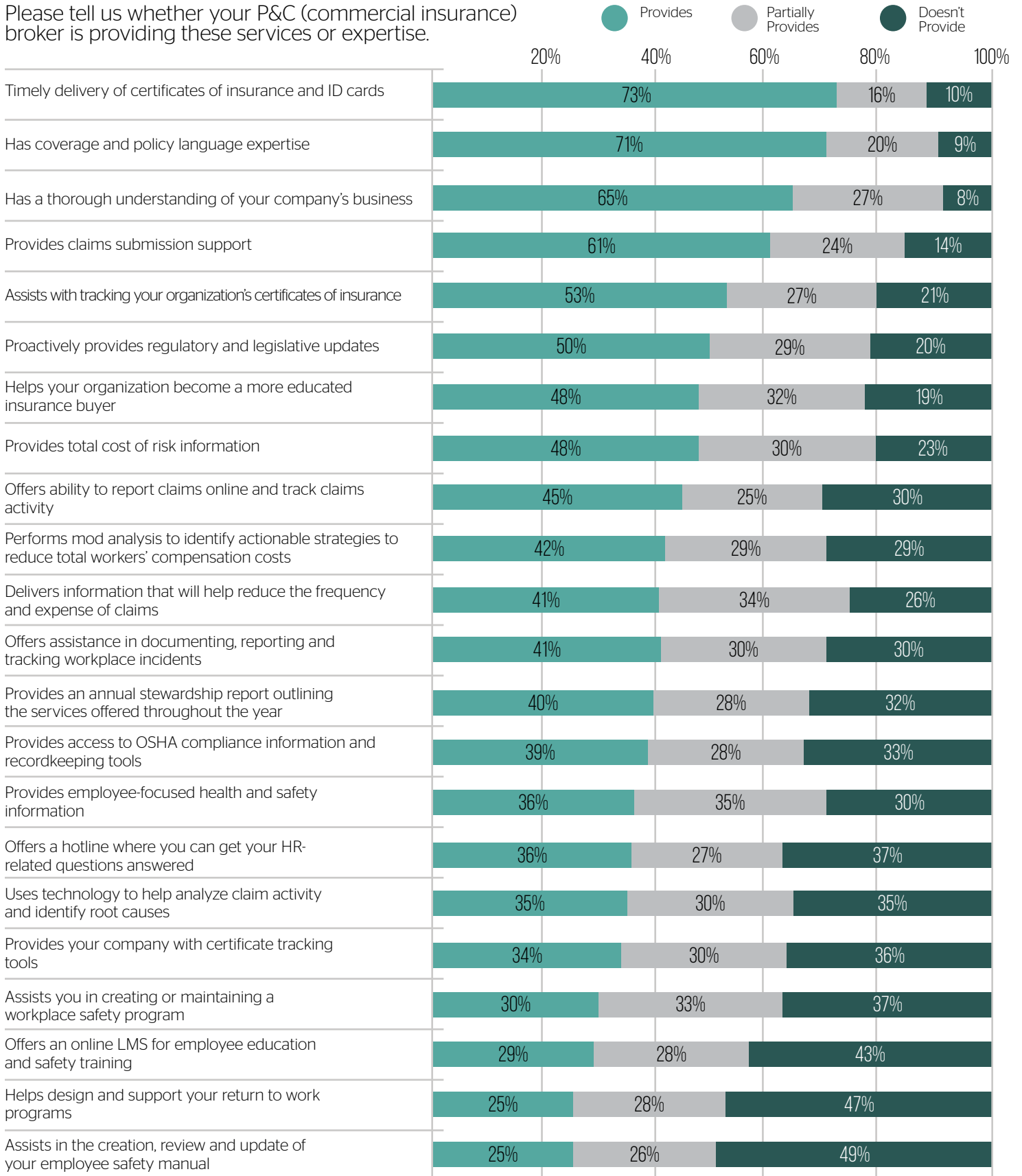
Please tell us the importance level you attribute to the following P&C (commercial insurance) broker services.



*Responses are weighed by the following scale: Very important = 3, Somewhat important = 2, Not important = 1

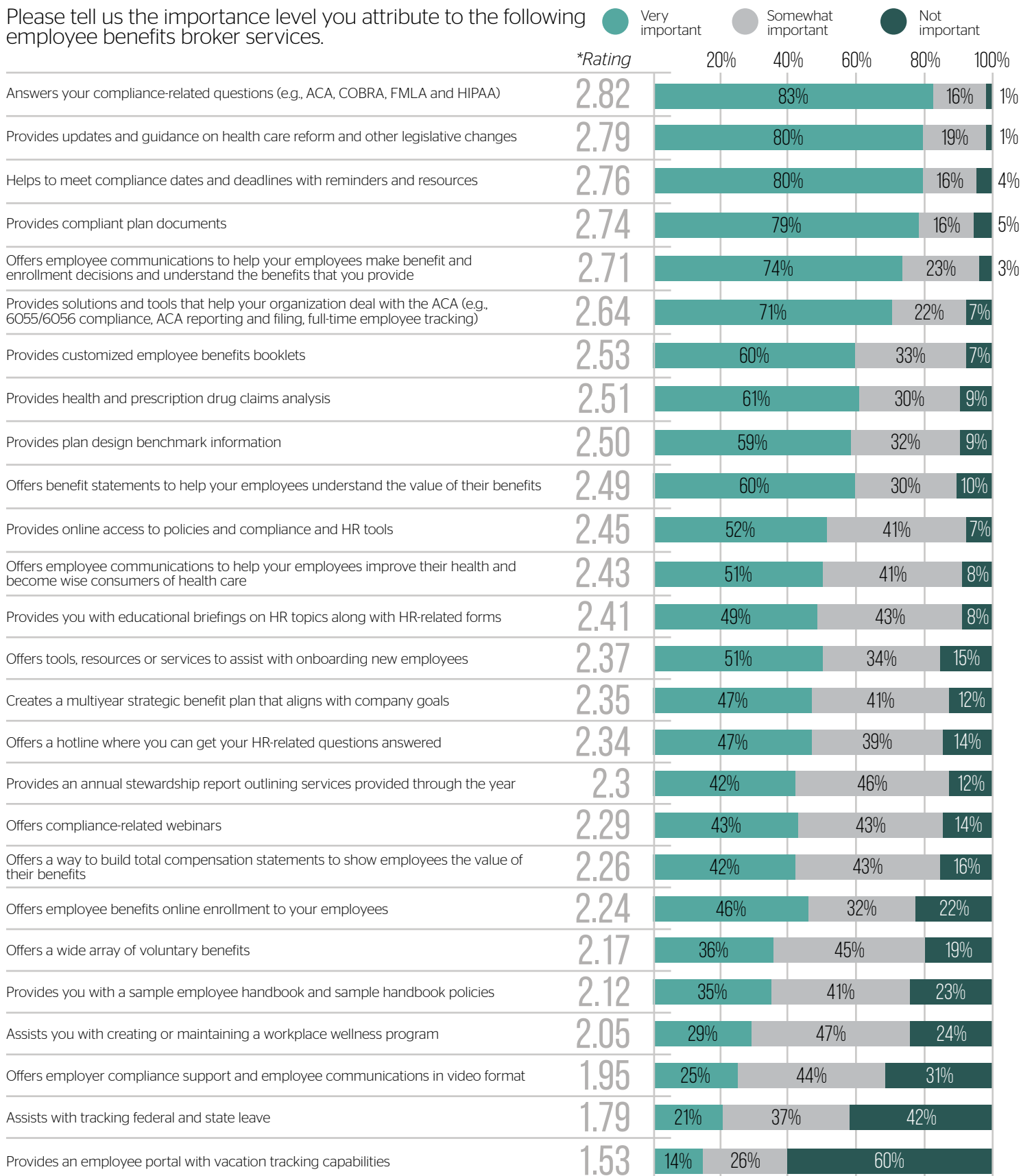
THE CLIENT-BROKER RELATIONSHIP

Please tell us whether your P&C (commercial insurance) broker is providing these services or expertise.



THE CLIENT-BROKER RELATIONSHIP

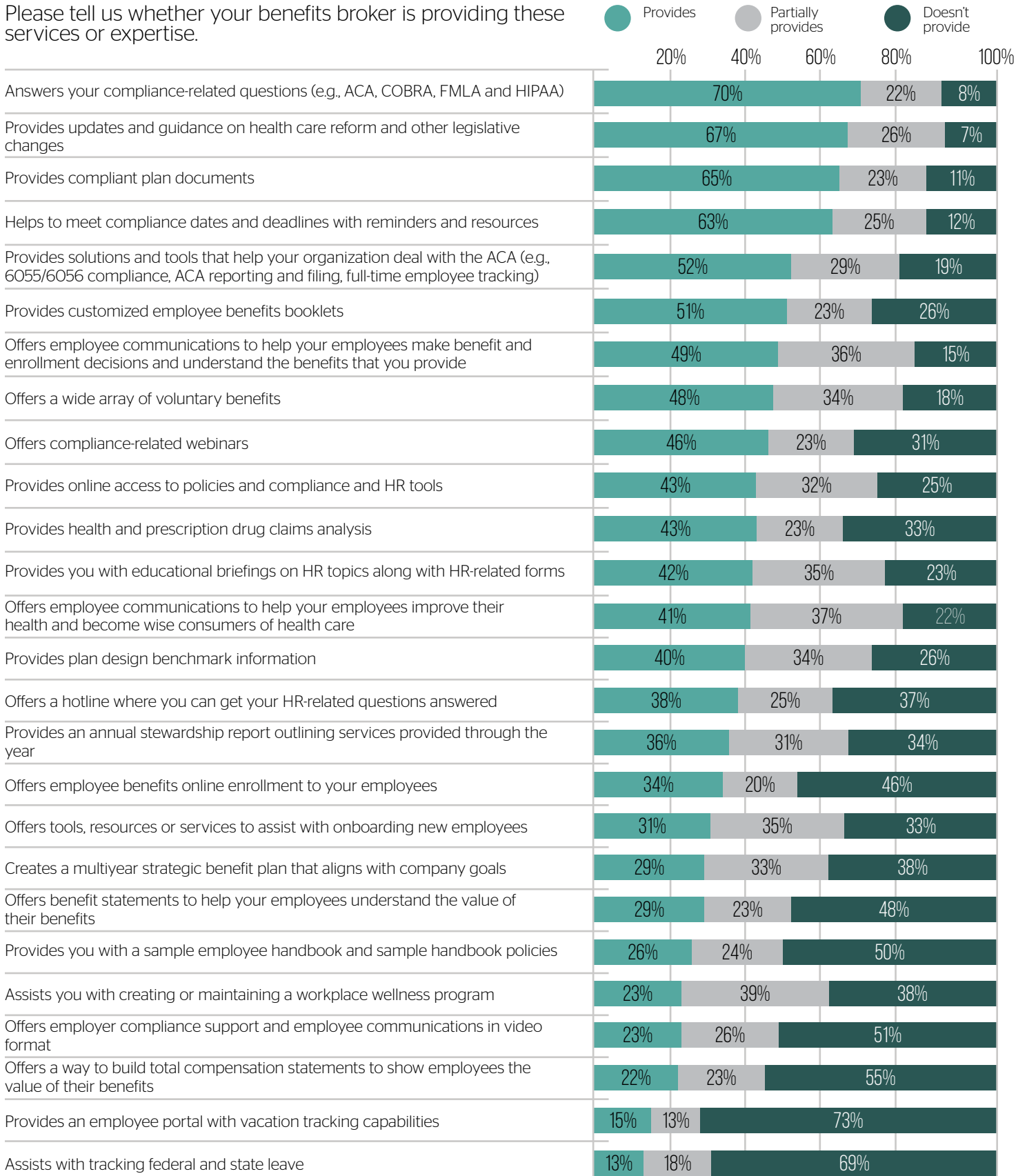
Please tell us the importance level you attribute to the following employee benefits broker services.



*Responses are weighed by the following scale: Very important = 3, Somewhat important = 2, Not important = 1

THE CLIENT-BROKER RELATIONSHIP

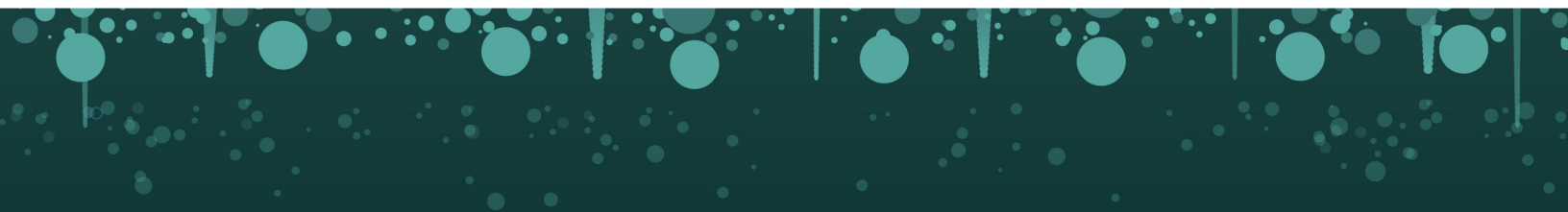
Please tell us whether your benefits broker is providing these services or expertise.



CHALLENGES

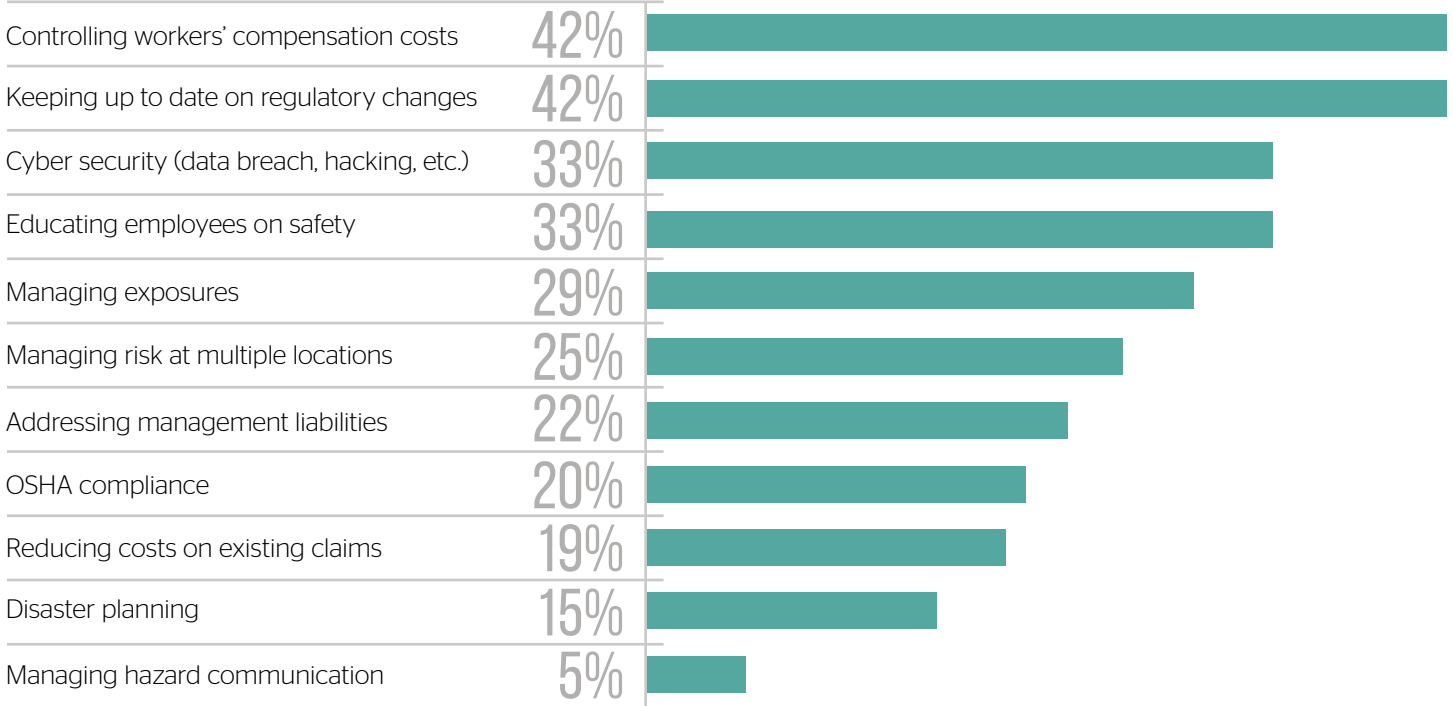
Top risk management challenges for respondents include controlling workers' compensation costs (42 percent) and keeping up to date on regulatory changes (42 percent), which are the same main challenges as last year. Other top concerns include cyber security and educating employees about safety. In fact, 33 percent of brokers said cyber security is one of the top three challenges facing their agency, up 5 percent from 2016.

Managing health care costs continues to be the top employee benefits challenge (64 percent), followed by staying in compliance with changing legislation such as the ACA (42 percent) and helping employees become better consumers of health care (34 percent). Other top concerns include benefits administration, and attracting and retaining employees. One benefits challenge that saw the most significant increase from previous years was employee benefits education, up by 8 percent.

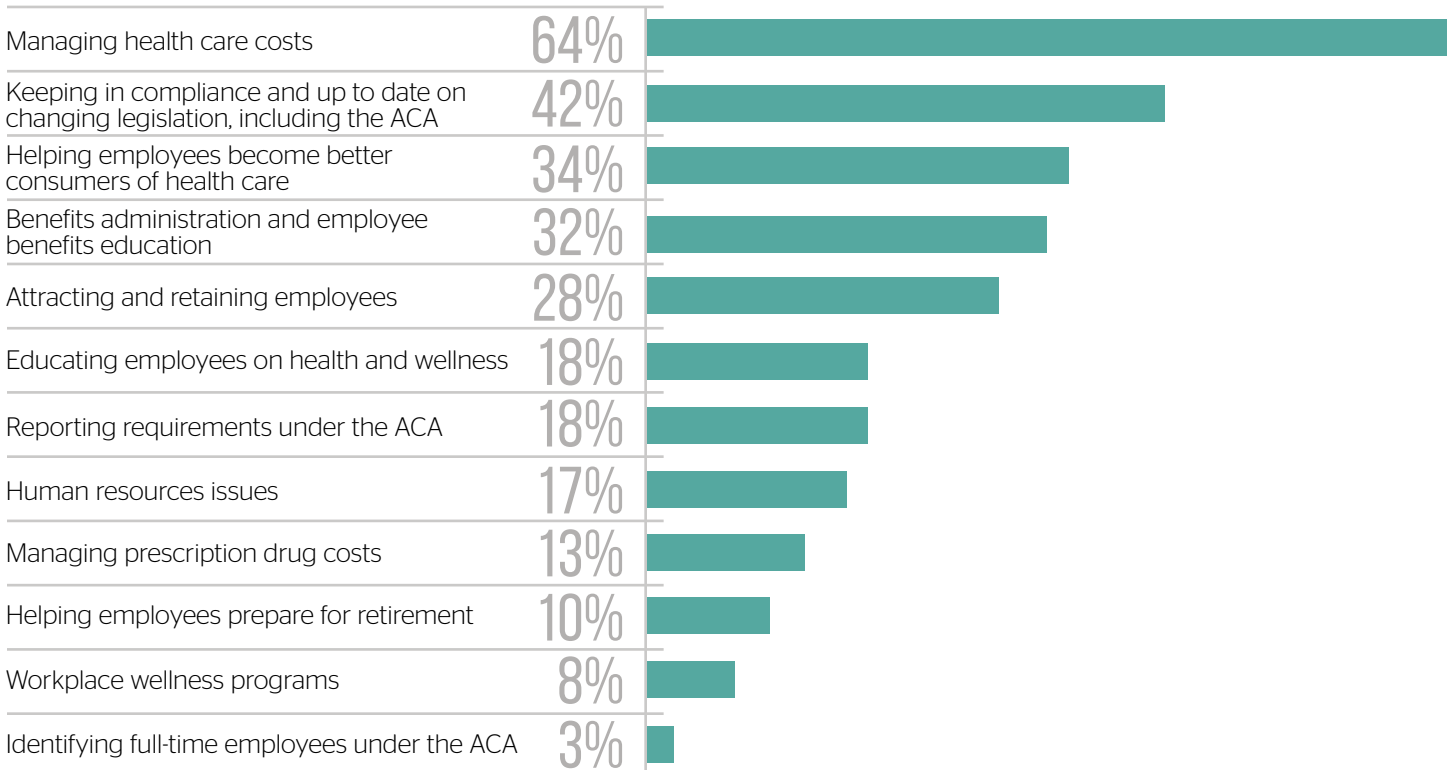


CHALLENGES

Select your company's top three risk management challenges.

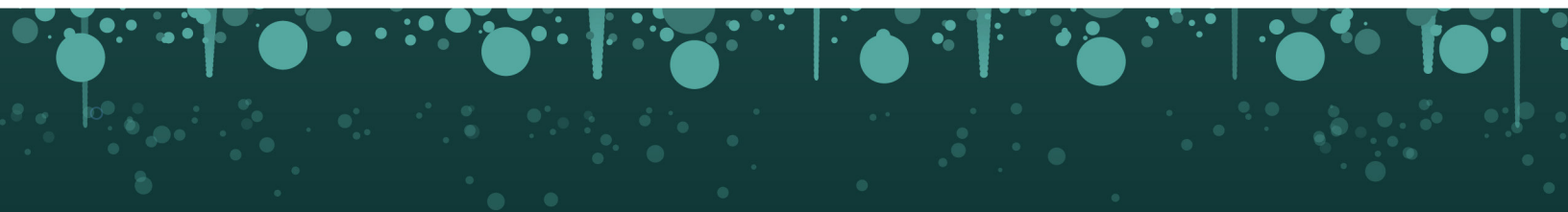


Select your company's top three employee benefits challenges.



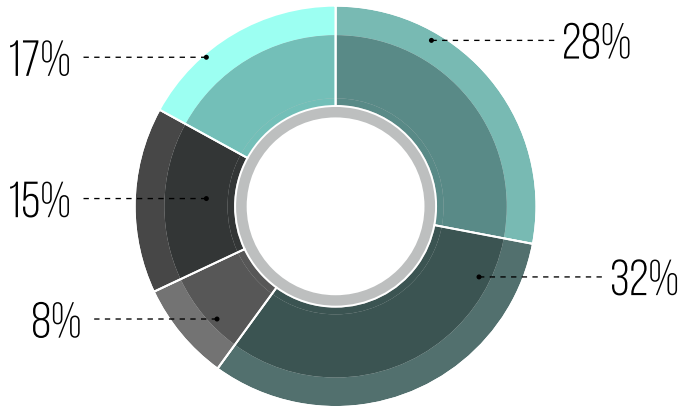
COMMUNICATION

Forty-two percent of respondents want to hear from their broker monthly, and another 31 percent want to have weekly communication with their broker. As renewal time approaches, more than half of respondents (55 percent) would like to be contacted by their broker at least three months ahead of time, with another 43 percent looking for broker communication six months in advance.



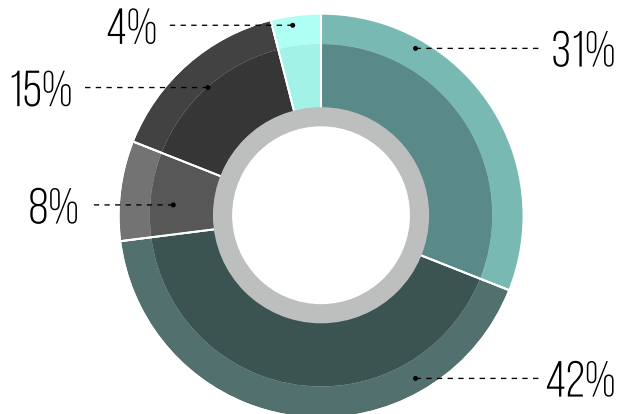
COMMUNICATION

How often does your broker communicate with you about benefits, HR, health, safety, risk or compliance issues?



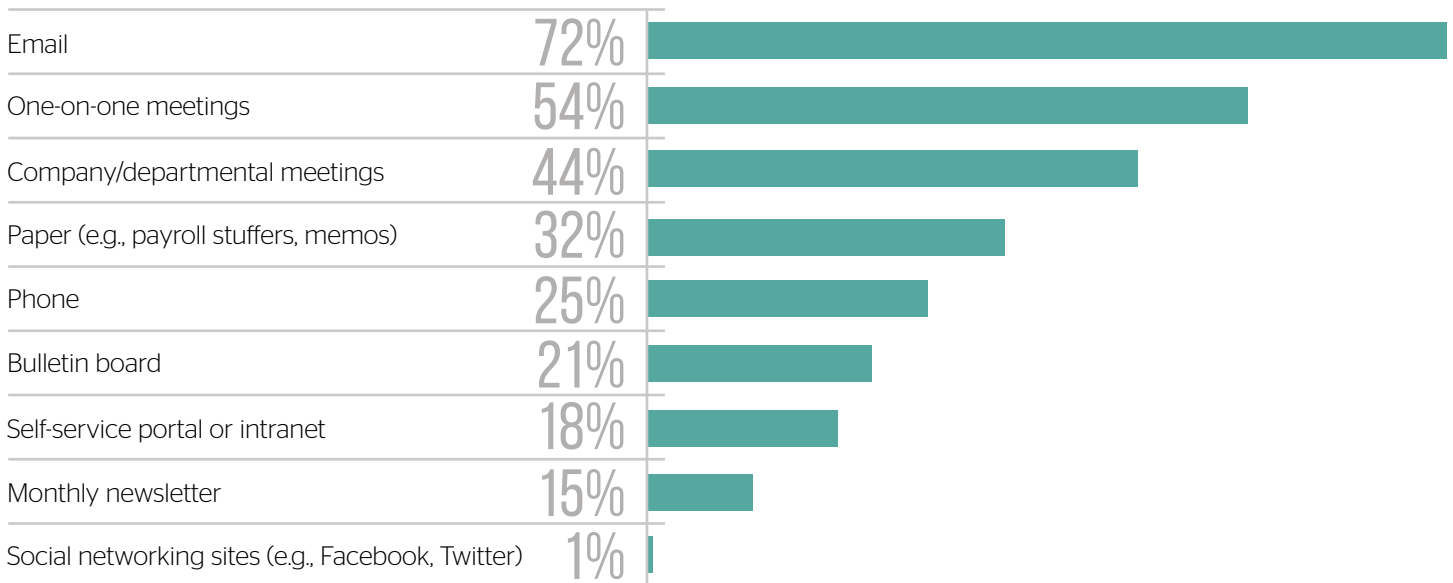
- Weekly
- Monthly
- Every other month
- Quarterly
- Semi-annually

How often would you like your broker to communicate with you about benefits, HR, health, safety, risk or compliance issues?



- Weekly
- Monthly
- Every other month
- Quarterly
- Semi-annually

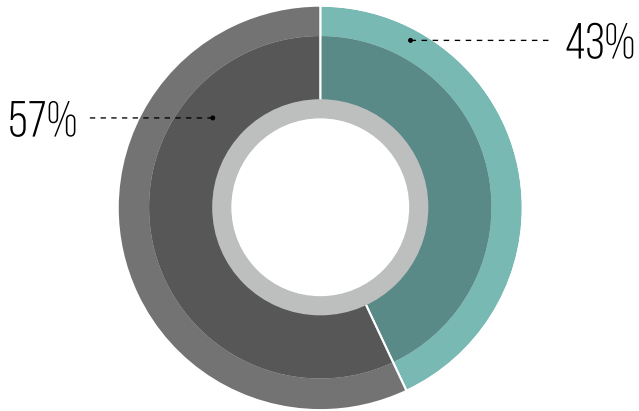
In what three ways do you most often communicate with your employees?



COMMUNICATION

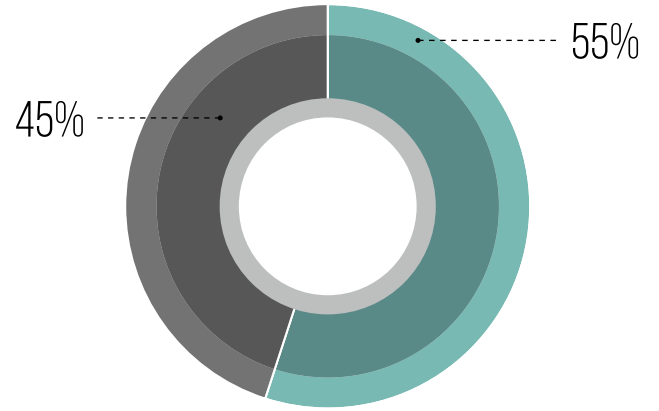
How far in advance of renewal would you like to hear from your broker?

6 months in advance



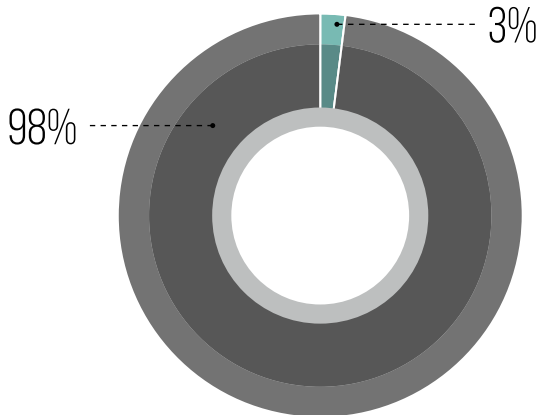
- Yes
- No

3 months in advance



- Yes
- No

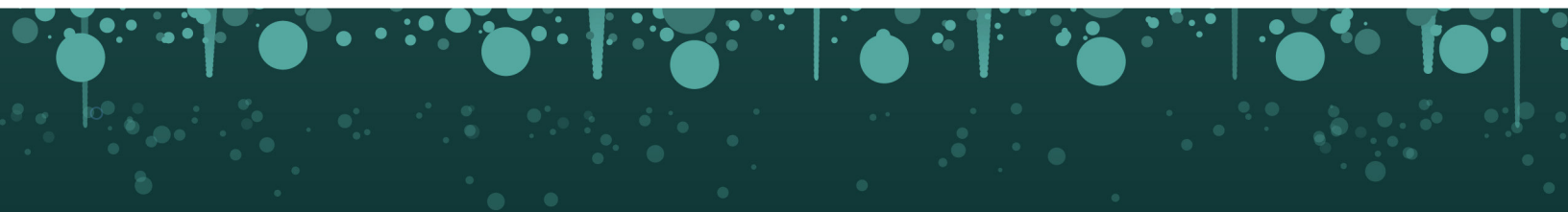
1 month in advance



- Yes
- No

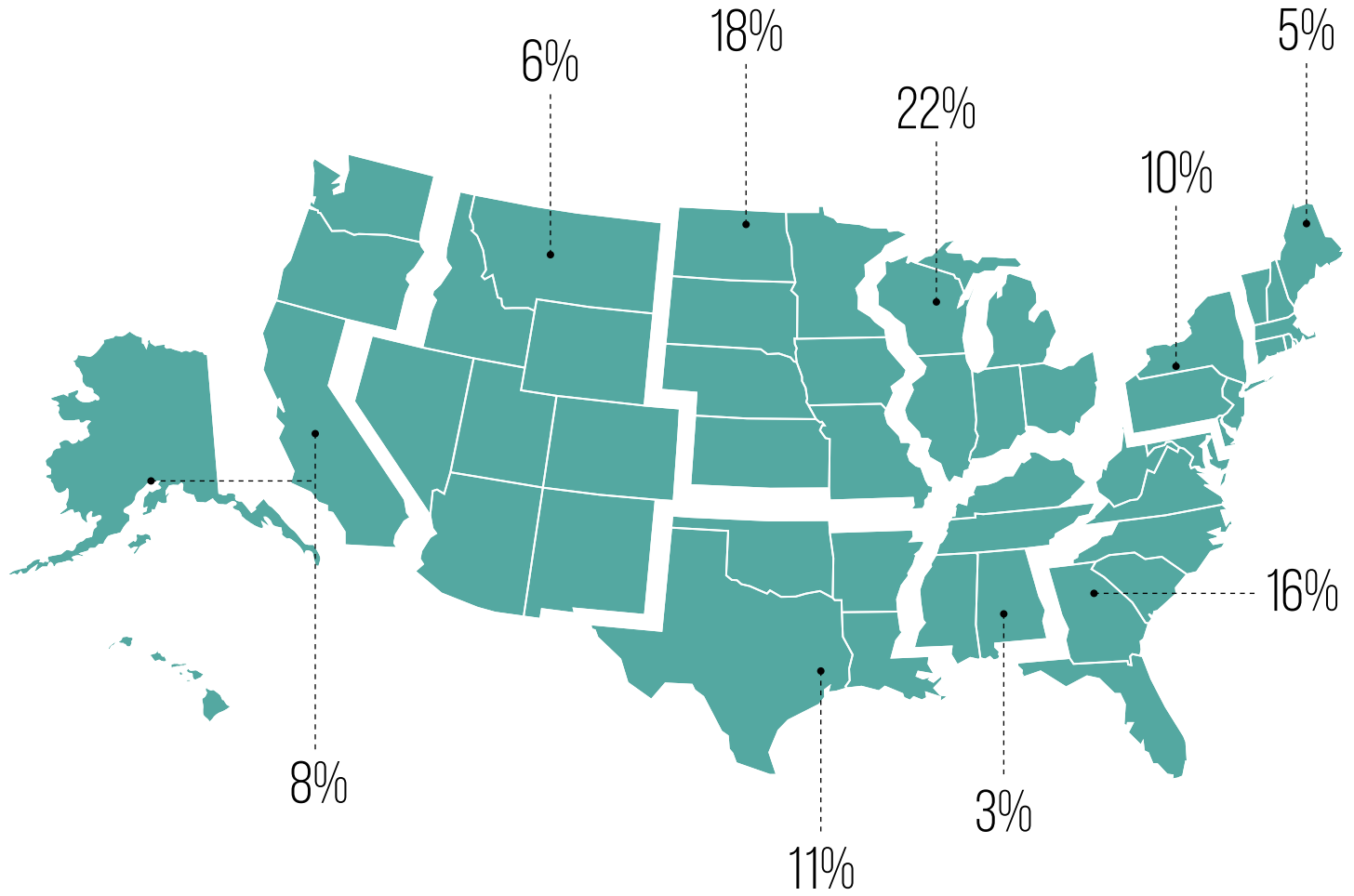
DEMOGRAPHICS

This survey was completed by employers in all regions of the United States. The overwhelming majority of survey respondents were from organizations employing fewer than 500 employees.



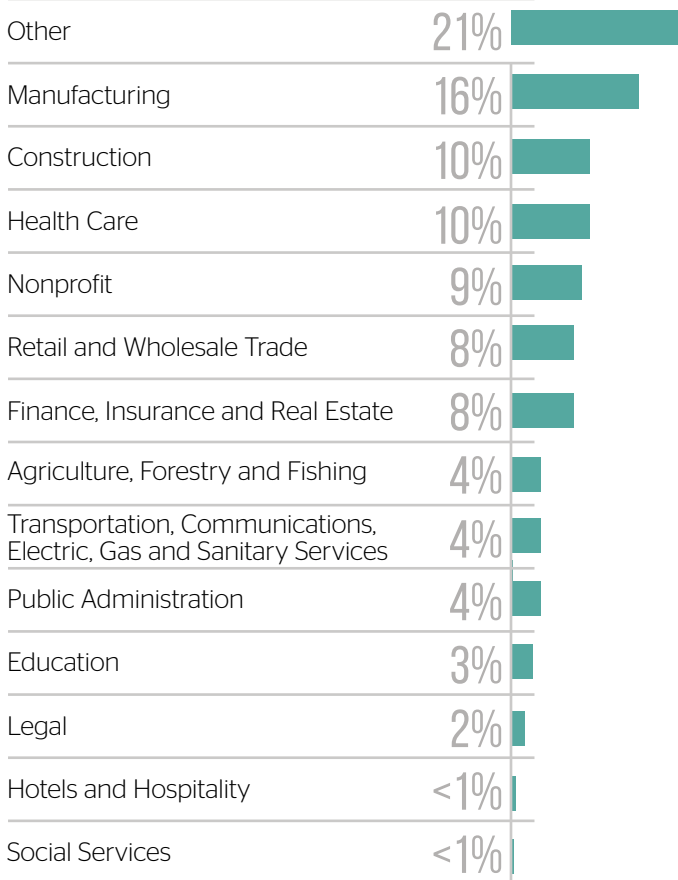
DEMOGRAPHICS

In which region is your organization based (the most employees)?

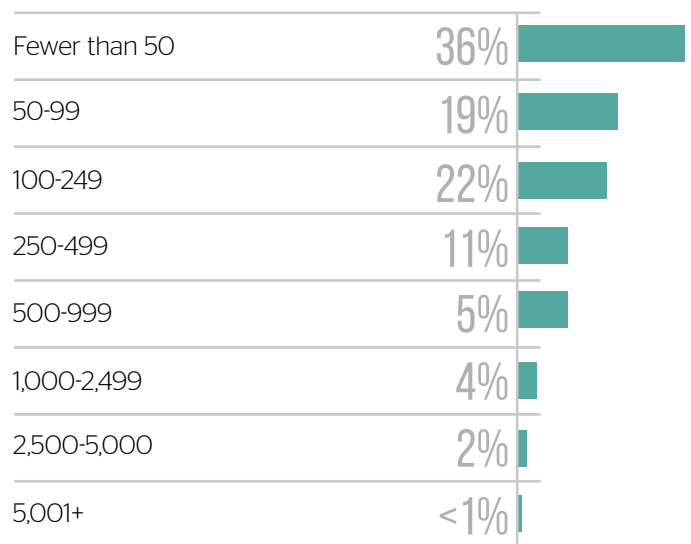


DEMOGRAPHICS

In which industry sector does your organization operate?



How many employees does your organization employ?



What job title most accurately applies to your position?

