

## 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

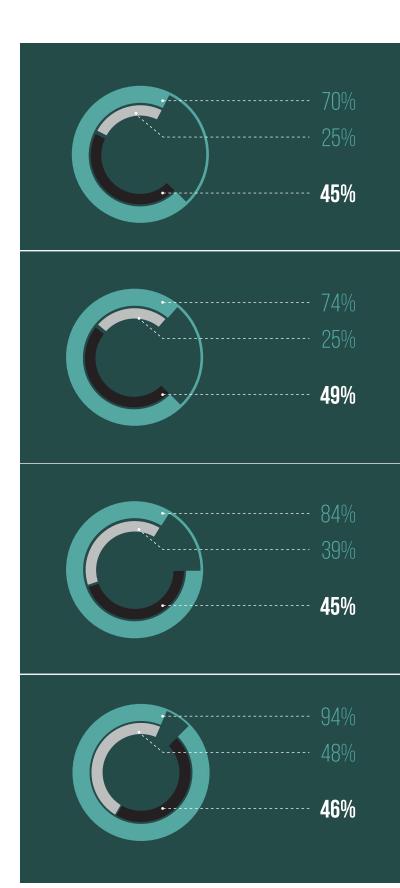
Gap

Provides total cost of risk information:

Important

Fully provides

Gap



## **KEY FINDINGS:** EXAMINING THE SERVICE GAP





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

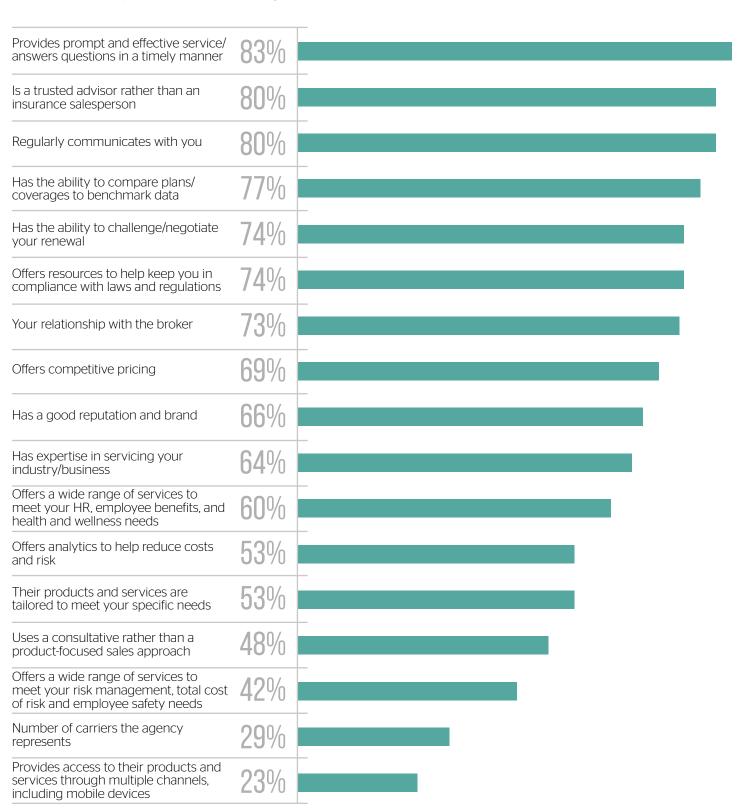
Gap

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.

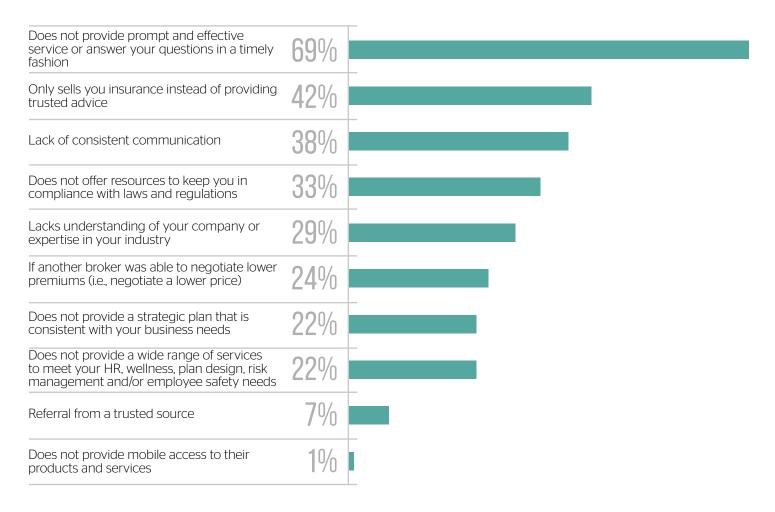
For benefits clients, compliance is the most important issue, with 99 percent of respondents listing brokers answering compliance-related questions as very or somewhat important. However, only 70 percent report that their broker fully provides this support, creating a service gap of nearly 30 percent. 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).

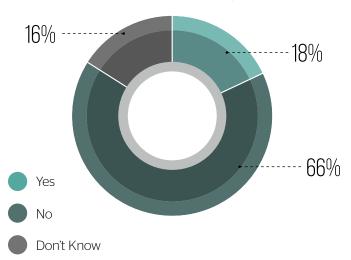
What criteria do you use when selecting a broker?



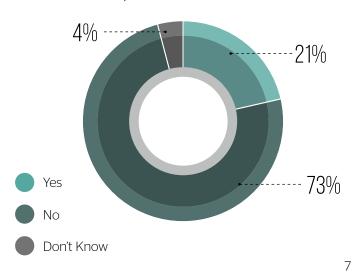
What are the three main factors that would lead you to make a change in brokers?



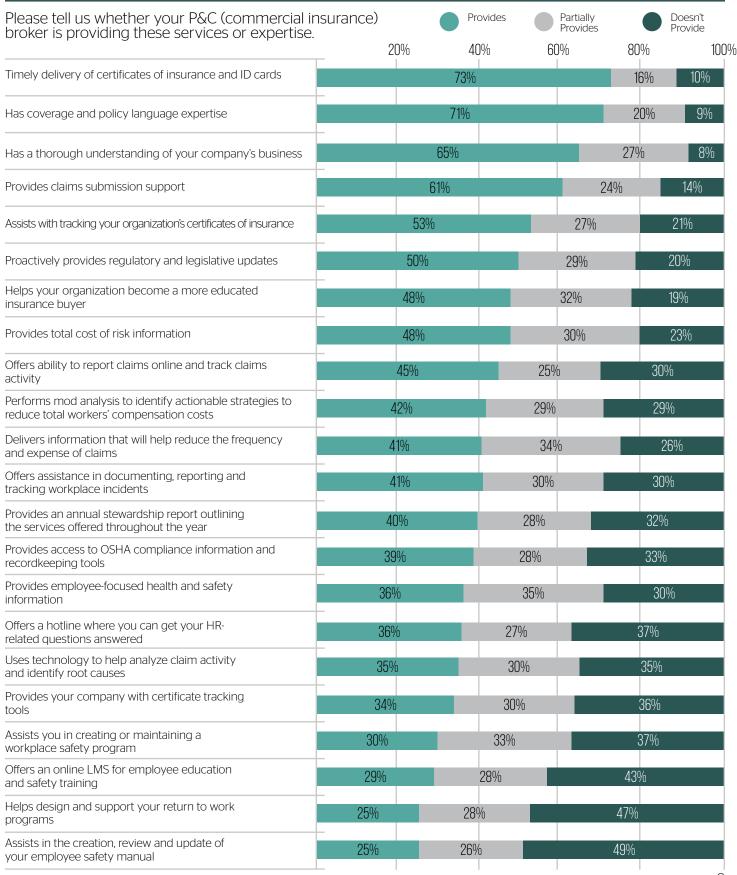
Have you made a change in your P&C (commercial insurance) broker in the last three years?



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



Please tell us the importance level you P&C (commercial insurance) broker se	ervices. *Rating	20%	Very important 40%	Somewhat important 80%	Not importa	ant 1009
las a thorough understanding of your ompany's business	2.75	2070	78%	1070	20%	
las coverage and policy language expertise	2.71		74%		23%	
imely delivery of certificates of insurance and O cards	2.70		73%		25%	
rovides claims submission support	2.60	65	%	3	1%	5%
elivers information that will help reduce the equency and expense of claims	2.55	63%	<b>%</b>	30%	0	7%
elps your organization become a more ducated insurance buyer	2.51	56%		40%		5%
rovides total cost of risk information	2.51	58%		36%		7%
roactively provides regulatory and legislative pdates	2.50	57%		37%		6%
ssists with tracking your organization's certificates of isurance	2.41	51%		39%	10	)%
erforms mod analysis to identify actionable strat- gies to reduce total workers' compensation costs	2.35	51%		34%	16%	
offers ability to report claims online and track aims activity	2.33	46%		41%	13%	0
rovides access to OSHA compliance Iformation and recordkeeping tools	2.26	42%		42%	16%	
lses technology to help analyze claim activity nd identify root causes	2.25	40%		44%	16%	
rovides employee-focused health and safety iformation	2.21	35%	5	50%	15%	
offers assistance in documenting, reporting and acking workplace incidents	2.20	39%		13%	18%	
rovides an annual stewardship report outlining ne services offered throughout the year	2.15	31%	529	6	17%	
ssists you in creating or maintaining a orkplace safety program	2.14	35%	43%	6	21%	
offers a hotline where you can get your HR- elated questions answered	2.11	34%	43%		23%	
rovides your company with certificate tracking ools	2.09	30%	48%		21%	
ffers an online learning management system .MS) for employee education and safety training	2.01	26%	49%		25%	
elps design and support your return to work rograms	1.98	24%	50%		26%	
ssists in the creation, review and update of our employee safety manual	1.97	28%	42%		30%	



Please tell us the importance level you attribute to the follow employee benefits broker services.	ing	Very important	Somewha importan		Not mportant
and the second s	*Rating	20%	40%	60% 80	0% 100
answers your compliance-related questions (e.g., ACA, COBRA, FMLA and HIPAA)	2.82		83%		16%
Provides updates and guidance on health care reform and other legislative changes	2.79		80%		19%
Helps to meet compliance dates and deadlines with reminders and resources	2.76		80%		16%
Provides compliant plan documents	2.74		79%		16%
offers employee communications to help your employees make benefit and nrollment decisions and understand the benefits that you provide	2.71		74%		23%
Provides solutions and tools that help your organization deal with the ACA (e.g., 5055/6056 compliance, ACA reporting and filing, full-time employee tracking)	2.64		71%	2	2% 7%
Provides customized employee benefits booklets	2.53		60%	33%	7%
Provides health and prescription drug claims analysis	2.51		61%	30%	9%
Provides plan design benchmark information	2.50		59%	32%	9%
Offers benefit statements to help your employees understand the value of their benefits	2.49		60%	30%	10%
rovides online access to policies and compliance and HR tools	2.45	52	2%	41%	7%
Offers employee communications to help your employees improve their health and ecome wise consumers of health care	2.43	51	%	41%	8%
rovides you with educational briefings on HR topics along with HR-related forms	2.41	49	%	43%	8%
Offers tools, resources or services to assist with onboarding new employees	2.37	51	%	34%	15%
creates a multiyear strategic benefit plan that aligns with company goals	2.35	479	%	41%	12%
offers a hotline where you can get your HR-related questions answered	2.34	479	%	39%	14%
rovides an annual stewardship report outlining services provided through the year	2.3	42%		46%	12%
offers compliance-related webinars	2.29	43%	)	43%	14%
offers a way to build total compensation statements to show employees the value of neir benefits	2.26	42%		43%	16%
Offers employee benefits online enrollment to your employees	2.24	46%	6	32%	22%
Offers a wide array of voluntary benefits	2.17	36%		45%	19%
rovides you with a sample employee handbook and sample handbook policies	2.12	35%		41%	23%
ssists you with creating or maintaining a workplace wellness program	2.05	29%	4	.7%	24%
offers employer compliance support and employee communications in video format	1.95	25%	44%		31%
ssists with tracking federal and state leave	1.79	21%	37%	42	%
rovides an employee portal with vacation tracking capabilities	1.53	14% 2	6%	60%	
Responses are weighed by the following scale: Very important = 3. Some	ewhat imno	ortant = 2 Not	imnortant	- 1	10



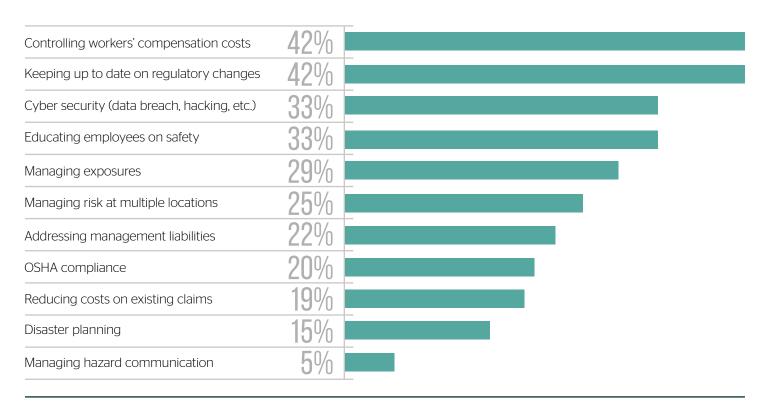
## **CHALLENGES**

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.

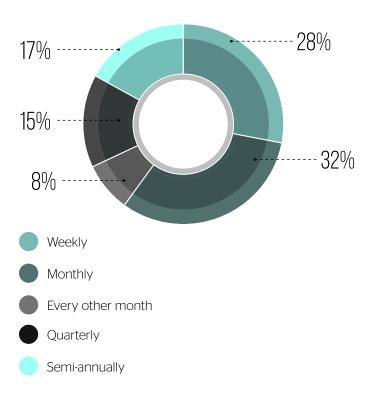
Managing health care costs	64%
Keeping in compliance and up to date on changing legislation, including the ACA	42%
Helping employees become better consumers of health care	34%
Benefits administration and employee benefits education	32%
Attracting and retaining employees	28%
Educating employees on health and wellness	18%
Reporting requirements under the ACA	18%
Human resources issues	17%
Managing prescription drug costs	13%
Helping employees prepare for retirement	10%
Workplace wellness programs	8%
Identifying full-time employees under the ACA	3%

## **COMMUNICATION**

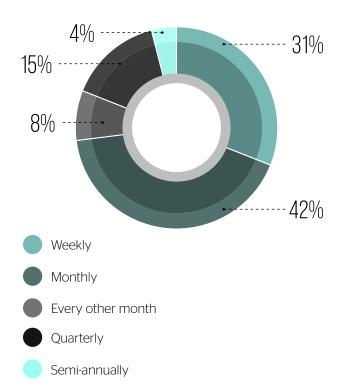
Forty-two percent of respondents want to hear from their broker monthly, and another 31 percent want to have weekly communication with their broker. As renewal time approaches, more than half of respondents (55 percent) would like to be contacted by their broker at least three months ahead of time, with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



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

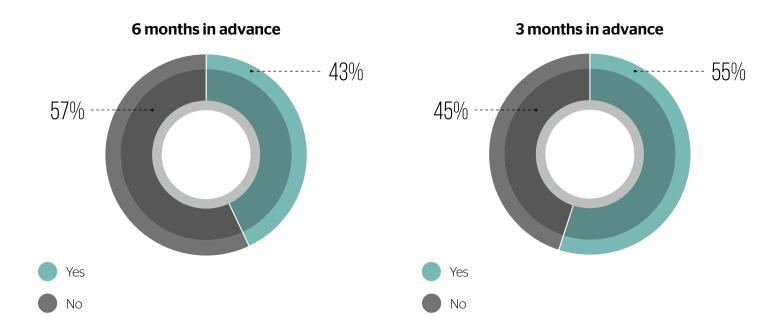


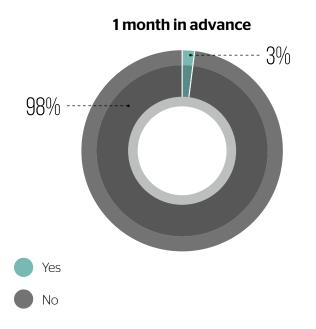
In what three ways do you most often communicate with your employees?

Email	72%
One-on-one meetings	54%
Company/departmental meetings	44%
Paper (e.g., payroll stuffers, memos)	32%
Phone	25%
Bulletin board	21%
Self-service portal or intranet	18%
Monthly newsletter	15%
Social networking sites (e.g., Facebook, Twitter)	1%

## **COMMUNICATION**

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



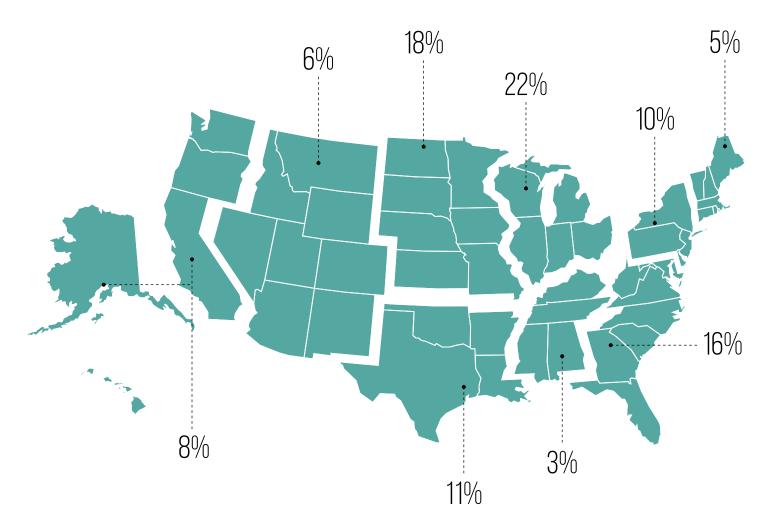


## **DEMOGRAPHICS**

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.

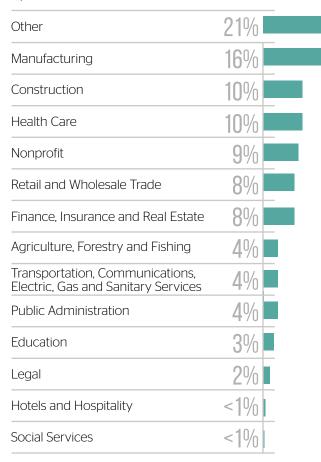
## **DEMOGRAPHICS**

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

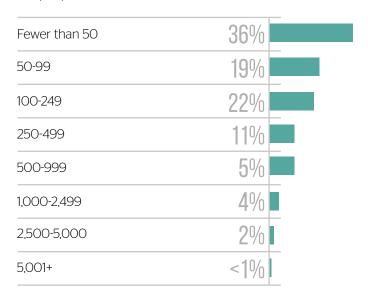


## **DEMOGRAPHICS**

## In which industry sector does your organization operate?



## How many employees does your organization employ?



#### What job title most accurately applies to your position?

HR professional (e.g., VP, director, assistant, coordinator)	43%
Office manager/administration	14%
President/CEO/COO/CFO	13%
Benefits professional (e.g., VP, director, administrator, coordinator, manager)	10%
Finance executive (e.g., controller, comptroller, business manager, accountant)	10%
Other	<b>4</b> %
Safety manager	3%
Risk manager	1%
Owner	1%
Operations director	<1%