



Driving the Benefits Win:
Making the Most of Every Opportunity

Customer-Focused Solutions | Exceptional Service | Proven Expertise

Insights and Opportunities: Connecting Different Points of View

The benefits environment has become more complex over the years. At a time when employers are juggling more than they can handle, having an expert broker resource for consultative advice, enrollment, and benefits administration support may be the coveted ticket to success. It's a good place for brokers and consultants to be in the next few years, one where they can truly make the most of every opportunity.

MetLife's 14th Annual *U.S. Employee Benefit Trends Study* continues to show that employees turn to employers for benefits and guidance that can help support and enhance their financial wellbeing. While most employers acknowledge this, many may not have the expertise and in-house bandwidth to know how to deliver what their employees are seeking. There are also often disconnects among brokers, employers and employees when it comes to benefits — from needs and offerings to implementation and utilization. As highly skilled, knowledgeable partners, brokers are a reliable bank of information and a trusted benefits resource. By using their market expertise and consultative approach with their clients, they can connect these unique perspectives and benefit expectations and recommend creative solutions that satisfy employer objectives and meet employee needs — ultimately driving a 'benefits win' for all.

Visit **BenefitTrends.MetLife.com** for additional findings, more insights and helpful resources from MetLife's 14th Annual *U.S. Employee Benefit Trends Study*.

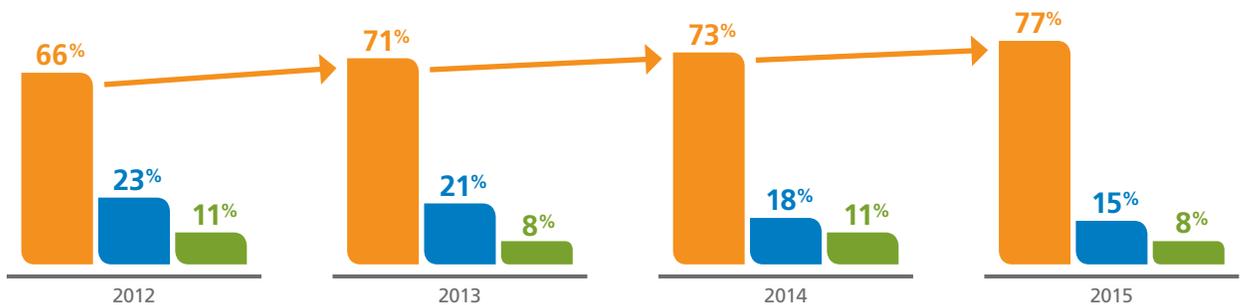
Seize the Moment to Shine

The Future is Bright

Brokers and consultants continue to feel optimistic about the future of the benefits industry. Even with growing trends towards technology-based solutions, brokers are confident that their expertise will continue to be in high demand in the future. When viewed over time, broker optimism is increasing, from 66% in 2012 to 77% in 2015, up 11 percentage points over a span of four years.

Broker optimism on benefits rising

OPTIMISTIC NEUTRAL "WAIT AND SEE" CONCERNED



Right now, brokers are focused on a few different things: the rising cost of benefits, data security and ensuring their clients are providing employees with the right products to meet their needs. Administrative support (enrollment, compliance, COBRA, financial reform) and reduction of benefits by clients are also areas of concern. This demonstrates that brokers understand the challenges that their clients face. Most employers want to retain employees and control costs — and they're looking to do this while increasing productivity, satisfaction and loyalty.

Brokers' Top Concerns

Rising cost of benefits	90%
Ensuring data security around employee information	73%
Making sure clients offer the right products that will meet the needs of their employees	72%
Managing increased demand for administrative/support services from clients	63%
Clients reducing benefits due to the economy	61%

Employers' benefit objectives, ranked by level of importance

Retaining employees	83%
Controlling health and welfare benefit costs	80%
Increasing employee productivity	78%
Increasing employee satisfaction	77%
Increasing employee loyalty	76%

It's clear that brokers have a good grasp of the market and understand the obstacles that can derail their clients from meeting their objectives. It's a great opportunity for brokers and consultants to leverage their expertise to help their clients succeed. Furthermore, understanding each client's specific short and long term goals means building stronger relationships that can grow as their needs evolve.

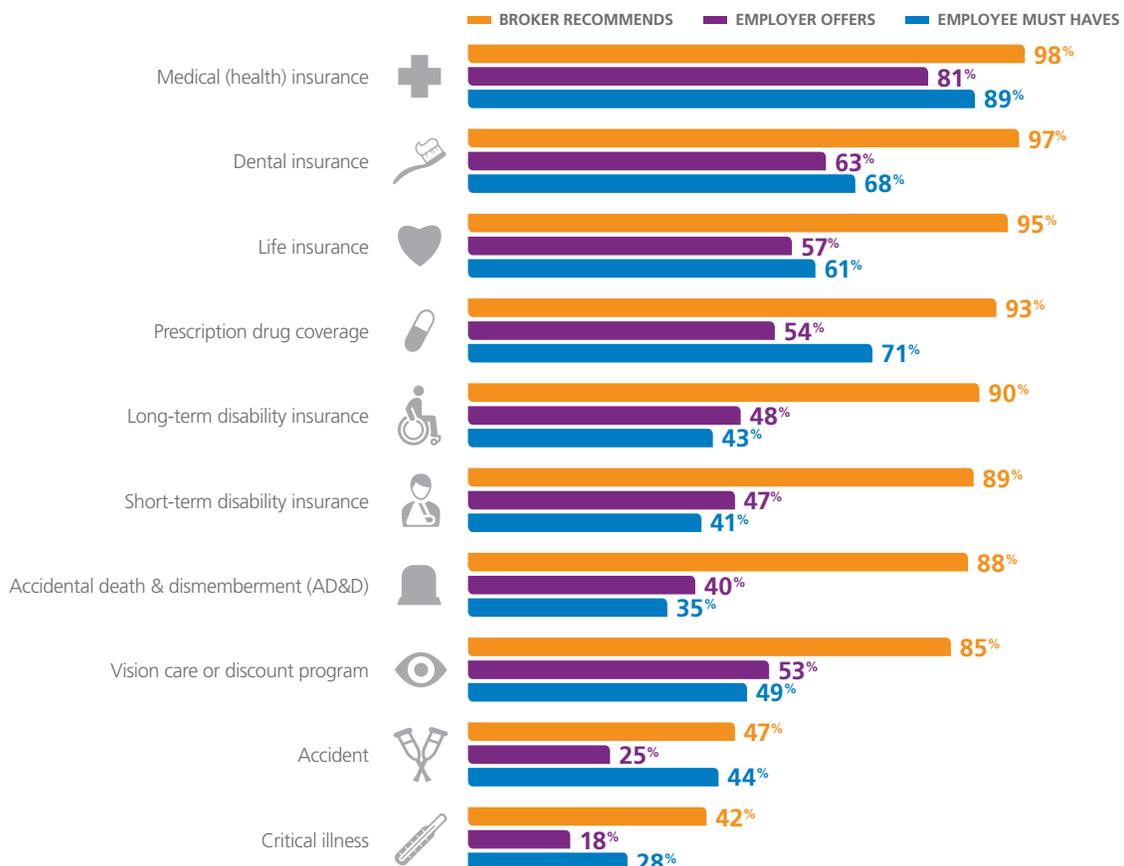
Customized Solutions Work

One Size Does Not Fit All

Workplace benefits often mean different things to an employer and an employee. The broker can see both sides objectively; especially when it comes to finding a cost-effective way their clients can meet the diverse needs of their employees. It is clear that brokers understand the importance of non-medical benefits and the role these benefits have in customized solutions. Brokers recommend them for specific reasons — the most important being that it's a great way to offer a broader range of benefits that meet the needs of diverse employee populations without increasing costs to the employer.

However, brokers' recommendations are not always in synch with the actual employer offerings. Brokers understand the value of each benefit and their potential role in helping to secure each employee's optimal financial wellbeing. In most cases, brokers recommend benefits based on workforce needs, but sometimes the employers don't always offer the recommended suite. The disconnect is heightened even more by employer offerings that aren't on par with almost each instance of employee "declared" must-have benefit products.

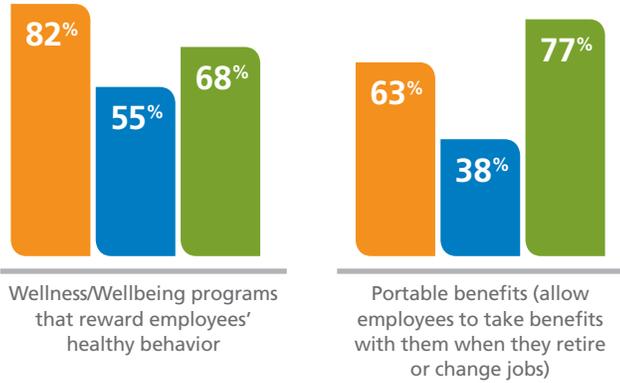
Recommendations, offering and must haves don't add up



Noticeable gaps for wellbeing programs and portable benefits exist as well. Over three-quarters of employees say they are interested in taking their benefits with them when they retire or change jobs. Sixty-three percent of brokers are recommending their clients offer these types of benefits, yet only 38% of employers are offering portable benefits. More often than not, the broker is in tune with the employee — they understand the need of the employee versus the reality of their available options. This is a great opportunity for the broker to be the voice of the employee and help their clients understand how closing these gaps can elevate the value of their benefit offering while controlling benefit costs.

Discrepancies exist among value-adds

— BROKER RECOMMENDATION — EMPLOYERS OFFERING — EMPLOYEE INTEREST



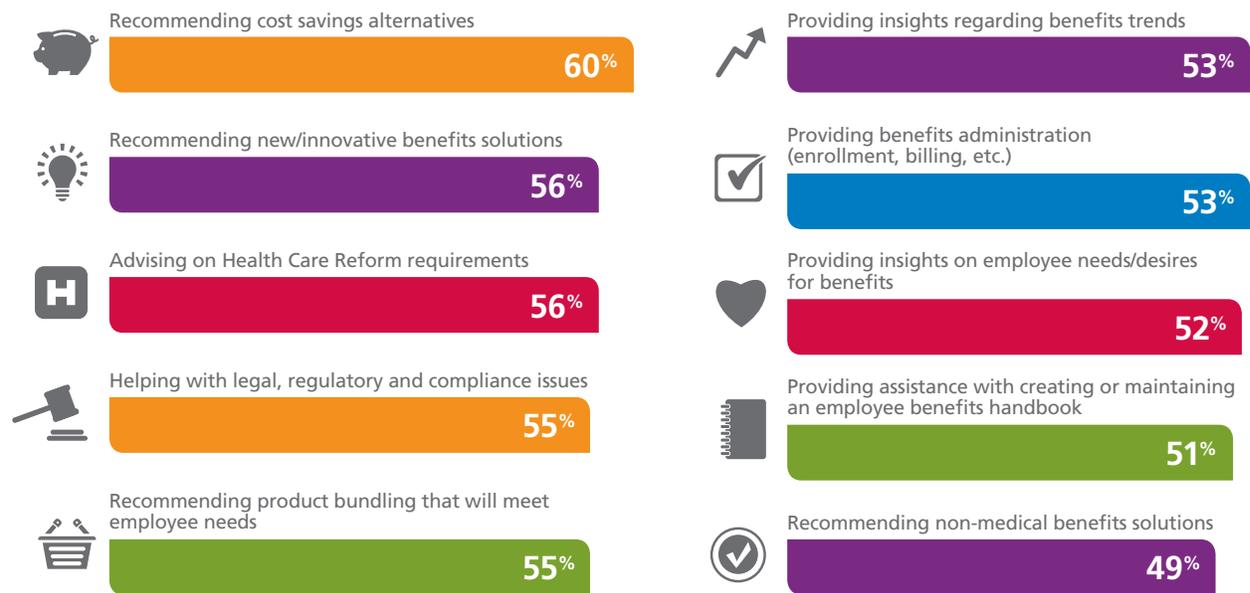
There are also times where employee demand is lower than the employer offering and broker recommendations. Employees are struggling to understand the value of some of these benefits and their role in overall financial planning. It may also be indicative of employees relying on sources outside their employer to obtain these certain must-haves. Either way, there is an opportunity for brokers to inform their clients of this trend. Having an awareness of these dynamics and behaviors can help reinforce the real-life value of products to help secure employees' financial safety and general wellbeing.

The Administrative Balancing Act

Service Doesn't Have to Be a Struggle

Managing the increased demand for administrative support from clients can be challenging. When employers were asked what they are looking for from brokers and third party consultants, their responses show high and varied expectations with many involving administrative support.

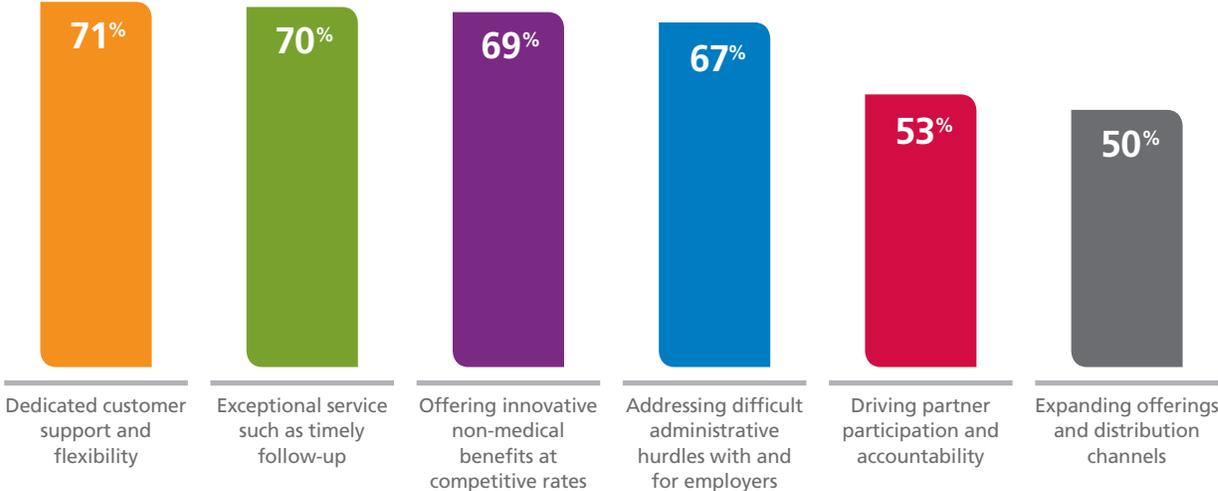
What employers are looking for from their broker



The ask may seem large, but the good news is that employers see great value in working with both brokers and third party administrators (TPAs). Fifty-three percent of employers express interest in their broker providing expertise in benefits administration (enrollment, compliance, billing, etc.) and 34% say that outsourcing HR administrative functions (e.g., FMLA, enrollment, etc.) is an important benefit strategy for their company. Understanding what broker services clients value is not only critical in tailoring administrative solutions that resonate with employers, but can also help optimize partnerships with TPAs.

For a broker, the collaboration with non-medical providers and carriers is just as important when working to fulfill their clients' request for service and support. Brokers place great value on the administrative solutions that non-medical providers bring to the table, including dedicated customer support and service follow-up. Offering competitive rates, help driving participation rates and expanded offerings are also of top interest.

What brokers value when collaborating with non-medical providers and carriers



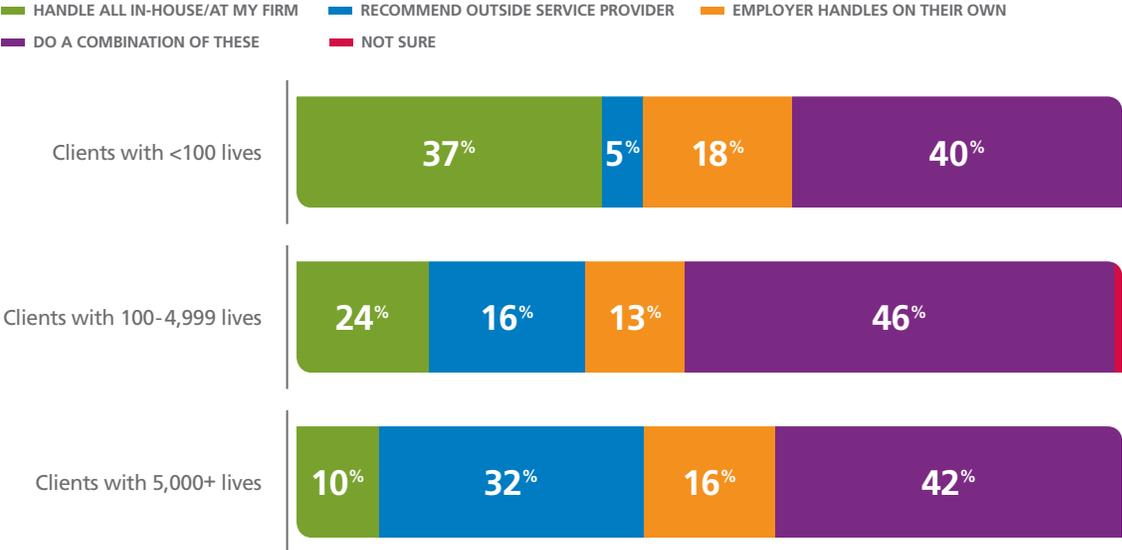
Brokers know that non-medical providers offer up a level of unique expertise that can help them manage and deliver on client expectations. The services they value are those that also benefit their clients. In fact, along with employee education and communication and comparative pricing information, 50% of employers are looking to brokers to help reduce administrative problems.

What employers are looking for from brokers and non-medical providers/carriers



It's important to note that broker management of administration differs by the size of the employer. Some brokers handle benefits administration services in-house and reach out to TPAs for help with outsourcing. When it comes to enrollment-related administration for smaller clients, tasks are more likely handled by the brokerage firm, or the employer handles it on their own. For larger clients, these administration tasks are typically outsourced.

How brokers handle administrative tasks



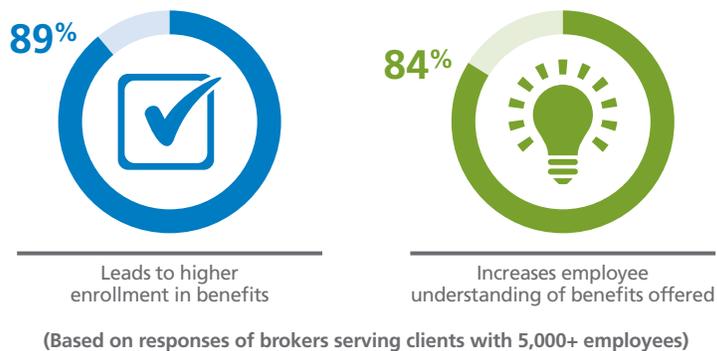
Many factors are involved when it comes to managing a client's administrative service expectations. Each client is as different as every broker — but there are options and expertise available to help manage the demand and find the right balance that works for everyone. Understanding client objectives and the services they value most can help drive decisions on how to best engage and leverage TPAs and non-medical providers to meet those needs.

Educate and Influence Leveraging Consultative Expertise

As brokers look to help their clients meet the growing needs of employees with simple, effective solutions, it is important to remember that offering the right benefits, with zero benefit costs to employers, is the first step to a successful benefits program. Employees want more options, but they may be struggling to understand the practical value of many non-medical benefits.

Brokers agree that enrollment firms, whether they work with them or not, have a positive influence on the overall enrollment process. This is especially true of brokers who work with mid-size and large employers. For example, 89% of brokers working with large employers agree that working with an enrollment firm leads to higher enrollment in benefits. And 84% of brokers working with large employers say that working with an enrollment firm increases employee understanding of the benefits offered.

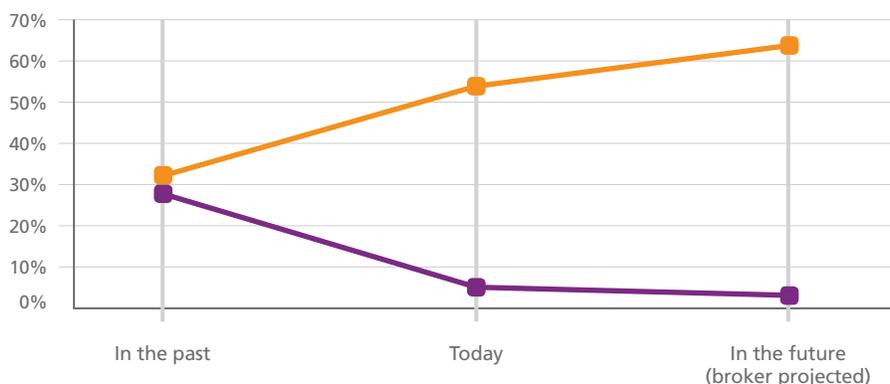
Working with enrollment firms: how brokers perceive impact on enrollment



Currently, about one-third of brokers partner with an outside enrollment firm, and the vast majority have done so for two or more years. Brokers who work with enrollment firms are more comfortable with this approach than they were in the past, and expect that their comfort level will increase in the future. The percentage of those who are very comfortable with working with an enrollment firm increased from 32% in the past, to 54% now, and is projected to grow to 64% in the future.

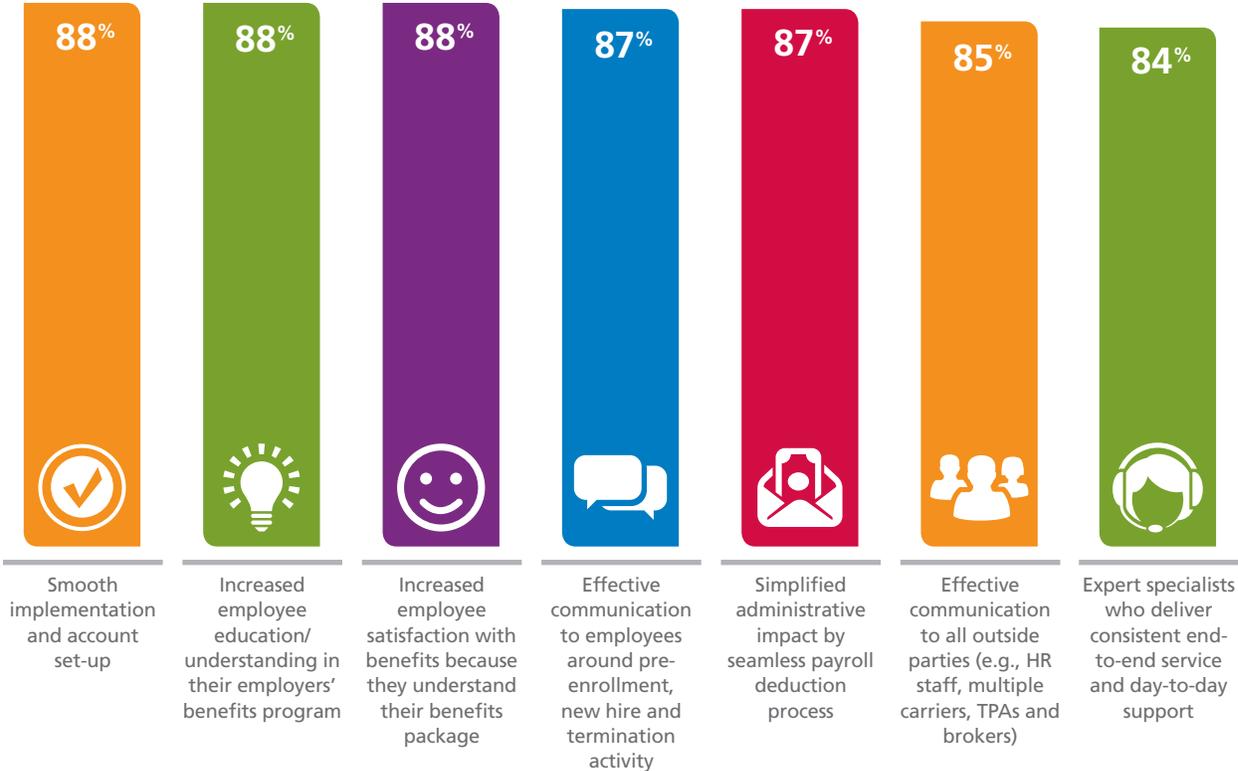
Comfort with enrollment firms

EXTREMELY COMFORTABLE NOT AT ALL COMFORTABLE



The majority of brokers also see value in all of the services offered by enrollment firms — including smooth implementation and account set-up (88%), services that increase employee understanding and satisfaction (88%), and effective communication (87%) are somewhat more valuable than others.

Value of enrollment firms



By leveraging powerful communication and education strategies, along with an improved benefits selection experience, brokers can further elevate their level of customer service — helping their clients maintain the positive momentum seen in worker appreciation trends.

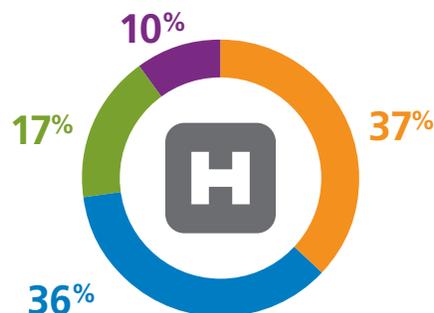
Adapt to the Changing Landscape

Managing Healthcare Reform

The consultative role of the broker has become even more important since the initiation of the Affordable Care Act (ACA). Healthcare reform is a concern for many employers, and the reliance on brokers for advice and guidance increases. The Study shows that healthcare reform continues to impact employers' benefits decision making. In the last two years, almost 25% of surveyed employers added the option to enroll in benefits through an exchange — 40% of those employers plan to move more employees to an exchange in the next two to three years.

What type of exchange has your company moved or will move employees to?

■ PUBLIC (FEDERAL OR STATE)
 ■ PRIVATE
 ■ COMBINATION
 ■ NOT SURE



Healthcare reform has affected the way brokers offer and recommend services as more of their clients look to the exchanges to help control costs. Now brokers need to demonstrate the benefits of both private and public exchanges and make a recommendation based on their clients' needs. For example, simplified employer administration stands out as a top benefit of a private exchange. For a public exchange, premium subsidiaries and tax credits for qualifying applicants are highlighted as the top benefits.

Brokers speak about the benefits of exchanges

Top benefits of a private exchange



Top benefits of a public exchange



Right now, there is moderate employer interest in obtaining broker guidance on the legislative details of healthcare reform; services which nearly all brokers believe will increase in demand as legislation evolves and ACA administration for employers increases. While current employer interest may be catching up to brokers' estimates of future demand, the need for this specialized assistance is a worthwhile opportunity to keep in mind.

In its third fully operational year, there is still confusion when it comes to healthcare reform. ACA legislation is ever-changing and the advice brokers provide should be just as dynamic and flexible — going beyond basic education of rules and regulations so that clients fully understand its implications. There is great value in the broker elevating the fundamentals and making that knowledge work for their clients — a consultative approach to define what ACA's role may be in helping their clients meet their benefit goals.

Final Thoughts

There is great opportunity for brokers and consultants to continue impacting the benefit outcomes of their clients and their employees, now and in the future. Brokers are well-positioned to take their roles as a benefits expert and strategist to the next level. They have a deep understanding of both employer goals and employee needs and can leverage this knowledge to bring the two closer together to help influence enrollment outcomes — building stronger relationships with their clients. Understanding the different perspectives and being able to identify gaps can give a broker the competitive edge in delivering solutions that meet clients' goals and keep their employees happy.

Turning Insights into Action

Brokers who are positioned for future success are:



Helping clients understand employee needs in order to deliver more valued benefit solutions



Easing clients' administrative workloads by effectively partnering with enrollment firms and non-medical providers



Providing timely and actionable benefits, legislative and trend information to clients and their employees

FOR MORE INSIGHTS FROM METLIFE'S ANNUAL U.S. EMPLOYEE BENEFIT TRENDS STUDY, visit BenefitTrends.MetLife.com

MetLife

Metropolitan Life Insurance Company
200 Park Avenue
New York, NY 10166
www.metlife.com