

Going beyond by looking ahead

Brokers' and consultants' role amidst evolving benefits landscape



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Recognizing new opportunities

In the evolving benefits environment, employers need brokers to provide them with more comprehensive services and broader, more strategic advice. This will support a complete benefits experience for a range of employees with increasingly diverse profiles and workplace requirements.

The stakes have changed

New opportunities are opening up in the benefits environment driven by workforce change and digital disruption. Companies can enhance their employer brand by adapting to greater employee expectations, a growing interest in the gig economy, and an increasingly diverse workforce.

This is creating an important opportunity for brokers to increase their relevance by positioning themselves, not as benefits experts, but as workplace experts offering employers forward-looking, strategic advice. By addressing benefits issues in a more comprehensive way and bringing a holistic point of view to the table, brokers can become strategic partners to employers — cultivating long-term, high-value relationships.

Seeking expertise

Employers increasingly look to their brokers for full service support



Positioning for success

As digital and technological advances continue to drive change, brokers can enhance their value to employers by staying ahead of the curve and offering adaptive solutions. This means staying informed on all aspects of the workplace — not just benefits — to help clients navigate through the changes impacting their workplace. The aim is to connect the present situation with solutions that drive a more complete benefits experience for their client's workforce — now and as it evolves.

Tapping into clients' needs amidst big shifts

Navigating a changing environment requires a changing perspective. Brokers can enhance their value by demonstrating their keen understanding of employers' concerns and advocating new strategies to address them.

Aligned points of view

Brokers' concerns line up with those of employers, with rising costs, compliance and the need to offer sufficient coverage topping the list. This shared point of view is an important starting point for brokers to advise their clients across the entire benefits experience. Brokers should also be aware that employers have a strong focus on establishing competitive pay and benefits packages.

More than four out of five brokers are concerned about security of employees' information, reflecting the significant anxiety Americans express over data privacy. In 2016, a report from the TRUSTe/ National Cyber Security Alliance Consumer Privacy Index revealed that more Americans are worried about their data privacy than they are about losing their main source of income. How employee data is being protected will be an important area for brokers to address with all employers.

Brokers and employers agree on the top 5 things "keeping them up at night"

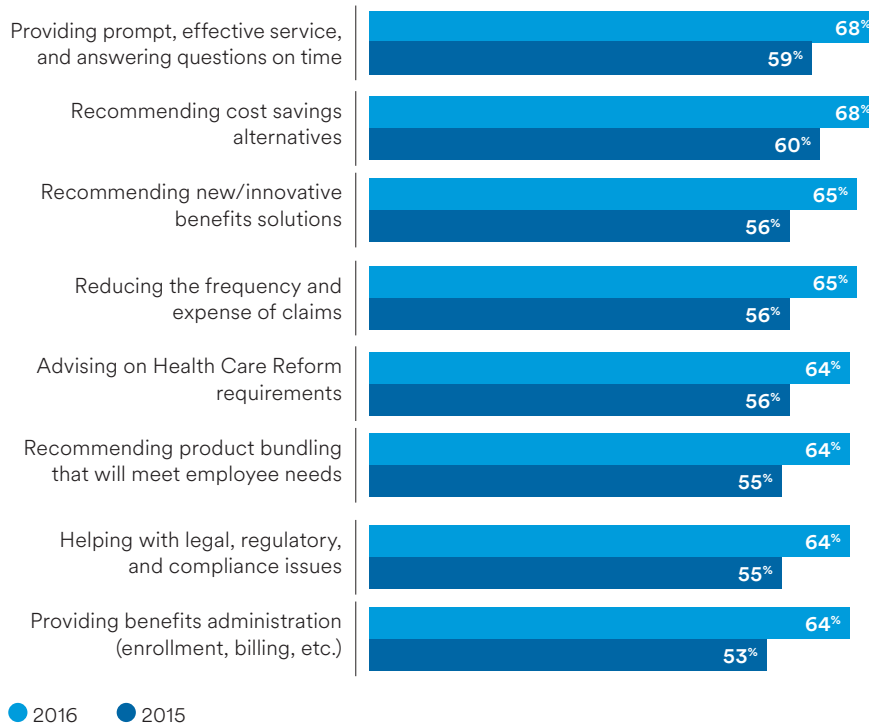
Broker concerns	2016	Employer concerns	2016
Rising cost of benefits	96%	Increased health care costs for the company	76%
Ensuring data security around employee information	83%	Complying with new legislation/regulations	68%
Making sure clients offer the right products that will meet the needs of their employees	83%	The amount of coverage the company can offer employees	69%
Clients reducing benefits due to the economy	73%	Establishing competitive pay packages	67%
Managing increased demand for administrative/support services from clients	71%	Establishing competitive benefits packages	66%

In addressing these top concerns, brokers have an opportunity to go a step further than their current approach, shifting the focus from the 'what' to the 'why'. Brokers are already adept at recommending what products will benefit both their clients and their employees, the cost saving solution or the innovative strategy. Now they can make these recommendations more powerful by connecting strategies to key drivers: the client's top objectives of retention, satisfaction, and productivity. In this way, brokers can demonstrate their strategic value by connecting the client conversation about recommendations to the bigger picture of meeting benefit objectives.

Educating the client on the bigger picture and logic behind recommendations can help close the gap between perceived value/interest and the employer actually using the services. This will be especially important when it comes to non-medical or supplemental products.

Brokers going beyond product offering

An increasing number of employers see value in their brokers providing expertise on all benefits topics:



This highlights the important role many brokers play in not just benefits selection, but a wide range of challenges facing their clients, including Health Care Reform and other legislative requirements, and underwriting and efficient benefits administration. As demand for these service increases, keeping up with legal, regulatory/compliance and data security issues clearly remains a top broker concern, essential to meeting client needs.

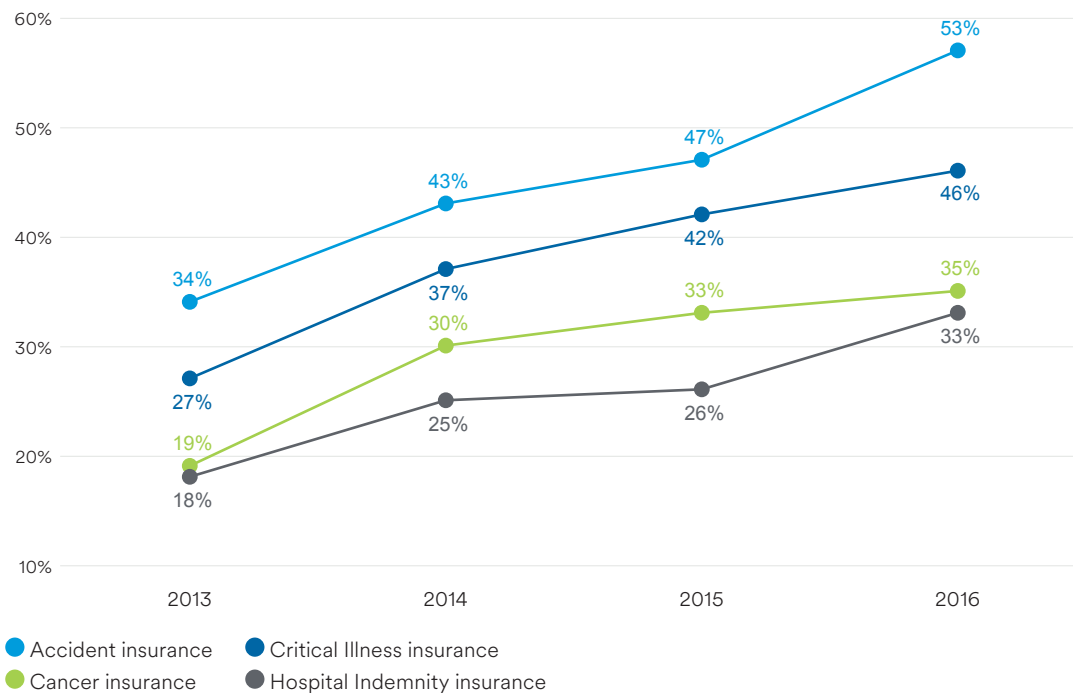
Driving value through benefit recommendations

Many employees want different benefits than those currently being offered by their employers. Brokers can advise employers on options that better align with employee interests by recommending forward-looking, creative solutions that can adapt to changing needs. This will drive value for clients and their employees — now and in the future.

Interest in voluntary is on the rise

Brokers understand the importance of non-medical and voluntary benefits, which are becoming more and more mainstream. More than three-quarters of brokers frequently recommend non-medical or supplementary products to help fill gaps in medical plans. In particular, recommendations of accident insurance, critical illness insurance, cancer insurance, and hospital indemnity insurance are on the rise in recent years.

Brokers always/often recommend

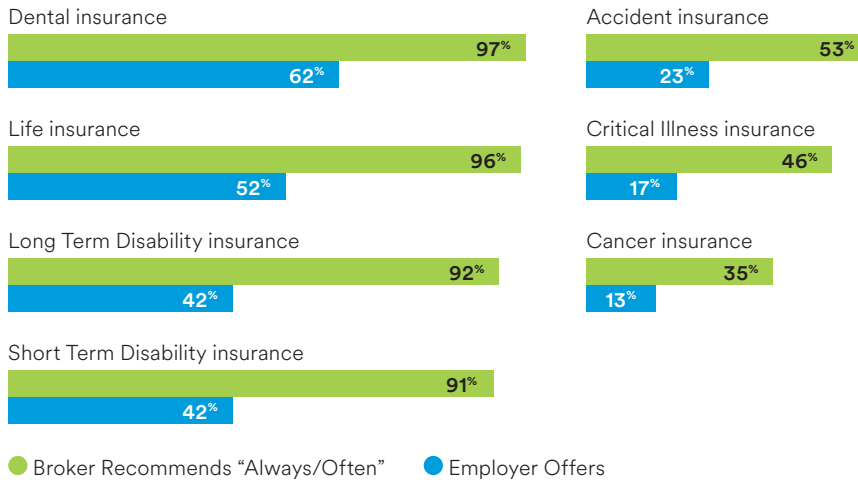


Opportunity to close coverage gaps

Broker recommendations and employee interest in non-medical benefits outpace employer adoption. Why? 65% of brokers believe employers fear the effort of implementation.

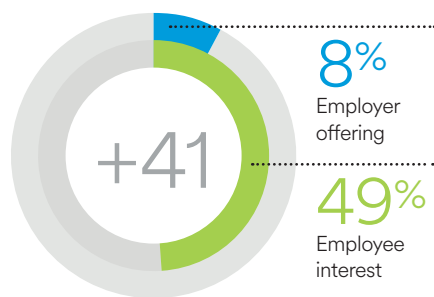
Yet employees are clearly interested in these benefits. For example, two-thirds of employees express an interest in well-being programs that reward healthy behavior, but such programs are only offered by 8% of employers. Brokers have an opportunity to add value by “voicing” these and other employee needs. By becoming an advocate for the employee, recommending appropriate solutions, and taking on part of the burden of implementation, brokers can help employers to create more relevant and compelling benefits packages.

Sizeable gaps between broker recommendations and employer offers

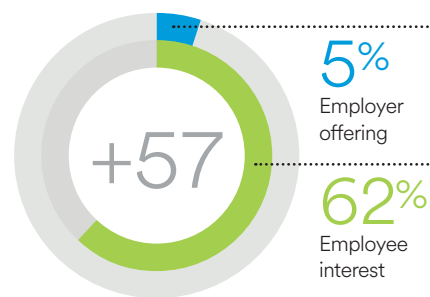


Employee interests out pace employer offerings

Well-being programs that reward employees' healthy behavior



Allow employees to take benefits with them when they retire or change jobs



Making it easy and effective

Brokers should consider proactively removing barriers to employers adopting forward-looking and innovative benefit offerings. The majority of brokers already recommend improving communications to increase employee participation. But employers don't always see the relevance of these recommendations.

There is an opportunity for brokers to educate their clients about the options available to support holistic solutions. In the future, strategies such as encouraging participation, improving communication, and working with enrollment firms or third-party administrators (TPAs), are likely to become increasingly important.

Educate to increase participation



Easing administration

More than 60% of employers are increasingly concerned about managing benefits administration, a noticeable uptick from 55% just a year ago. As customization and variety in benefits become increasingly popular, we can expect to see employers' concern with managing benefits continue to rise — and with it, an additional opportunity for brokers to provide value.

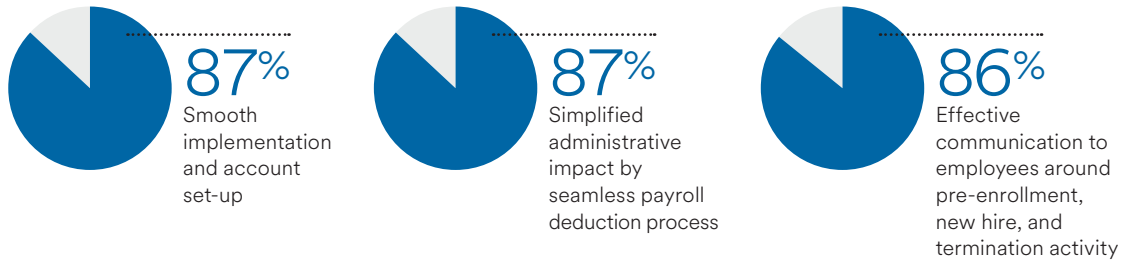
To meet this need, brokers may find success partnering with benefits carriers or third party administrators who help to smooth out administrative processes.

Enhancing enrollment

There is a disconnect between broker recommendations, employee agreement and employer usage of channels and resources for enrollment.

Both brokers and employees see the value in communication tools. However, employer use of these tools is low. This suggests that brokers can educate clients about the importance and effectiveness of communication tools and their popularity with employees.

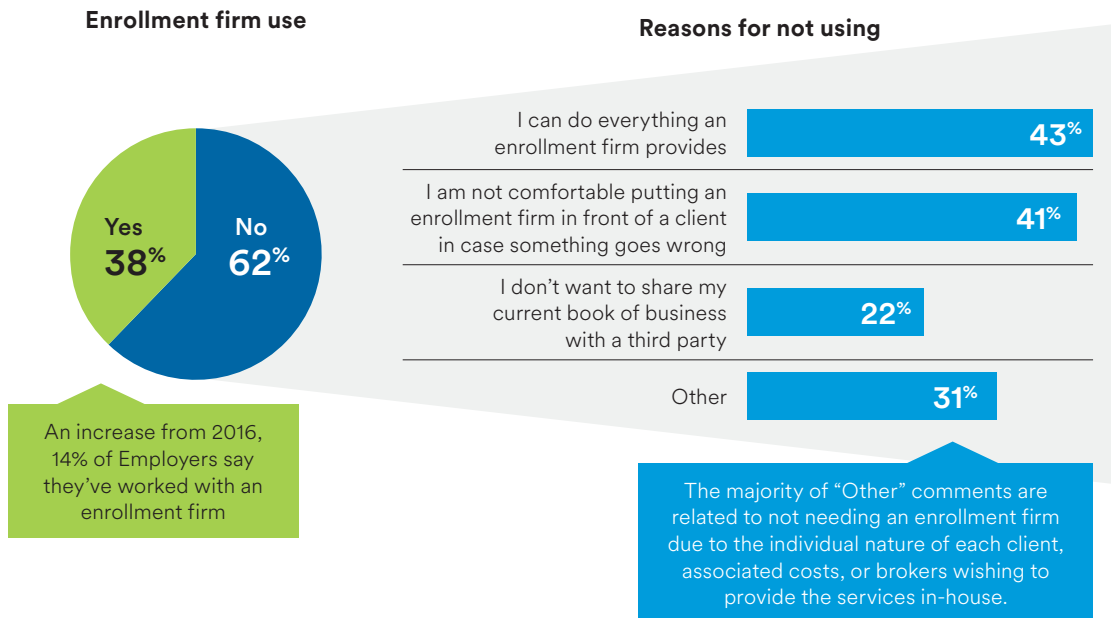
Top 3 enrollment firm services valued by brokers



Missed opportunity

Brokers recognize the value and effectiveness of enrollment firm services, but only a third actually work with these organizations. The most common reasons for avoiding enrollment firms center around brokers either believing they can do the work themselves or not feeling comfortable trusting another organization in front of the client. This suggests brokers may have important opportunities to free up internal resources by finding trusted enrollment firms they can do business with.

These resources can then be transitioned from administration to more value adding work consulting with clients. Yielding improved enrollment rates for employers.



Winning in the face of change

In the dynamic benefits environment, brokers can increase their relevance and value to employers by positioning themselves as workplace experts offering strategic advice.

What they do:

- 1** Address benefits issues in a more comprehensive way, linked to employee needs and specific benefits objectives.

- 2** Provide forward-looking, adaptive recommendations that position clients to succeed amidst change extending their value beyond benefits.

- 3** Leverage external resources, including enrollment firms and TPAs, to ease administration and make things simple for the client.

Methodology

MetLife's 15th Annual U.S. Employee Benefit Trends Study consisted of three distinct studies fielded by ORC International, a leading business intelligence firm. The broker survey comprised 731 interviews and was conducted from January through March 2017. The employer and employee surveys were conducted from October 2016 through November 2016. The employer survey comprised 2,504 interviews with benefits decision makers at companies with at least two employees. The employee survey comprised 2,652 interviews with full-time employees, ages 21 and over, at companies with at least two employees.

About ORC International

ORC International is a leader in the art of business intelligence. Its teams are passionate about discovering what engages people around the world. By combining quality data, smart synthesis and best-in-class digital platforms, ORC delivers insight that powers the growth and drives the future of its clients' businesses. To learn more about ORC International, visit www.orcinternational.com.

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