

Are You Feeling Your Client's Pain: How Voluntary Benefits As a Value-add Can Be An Opportunity

by Art Brooks, BeneTrac

It has been said before that every new challenge provides an opportunity.

How can we maintain the cost of benefits and still provide employees with an added value over their existing salary and compensation plans? It's a question corporations are asking and an opportunity for brokers and producers to step forward with alternatives that can offer new solutions.

A recent survey of large companies by the National Business Group on Health found that employers estimate their health-care-benefit costs will increase by an average of 8.9% in 2011, compared with an average increase of 6.9% in 2010. According to HR and outsourcing consulting firm Hewitt Associates, the average total health care premium per employee for large companies will be \$9,821 in 2011, up from \$9,028 in 2010 and double what they paid in 2001.

Because of trends like this, many employers are looking to flexible savings accounts (FSAs), non-insurance voluntary benefits and other options, to boost benefits offerings.

At BeneTrac we are seeing employers offering everything from auto and home insurance, 529 college savings plans, deferred compensation, estate planning, profit sharing and stock options to fitness programs lunch programs, medical opt-outs, pet care, and uniforms, to name a few. When the non-insurance voluntary benefits provided hold a high level of perceived value on the part of workers, organizations can maintain a greater level of employee satisfaction.

Brokers and producers can be an excellent resource to HR in identifying these alternatives.

Even for those that may not yet be considering voluntary benefits, brokers can educate HR and corporations about the benefits of offering these options at little to no cost to them. The cost of health club memberships, discounts on supplies and other benefits options may be low to the corporation however, they may rank high on employee perception. Employees may feel the company has their best interest in mind and has leveraged its buying power to offer a better deal.

Employee audits can help to determine non-insurance voluntary benefits that might make the biggest impact. Those who have forged valuable relationships with clients can assess the needs of the employee base, offer new and often more cost-effective alternatives, and provide creative options to employers' traditional plans.

Brokers and producers can also help organizations determine the answers to questions such as: Would employees collectively benefit from a selected program? Or would they prefer to have greater options in selecting specific benefits that meet their needs? Brokers can implement technology to assess current employee demographics and execute surveys to find pain points and other sources of need from employees.

Make it easy. As organizations look for more innovative ways to manage the rising costs of providing benefits, brokers and producers can play a pivotal role in helping to manage information surrounding more complex offerings. Brokers can provide access to technology to manage a greater number of benefits through a benefits management system that can make it easy for HR to keep track of information and for employees to enroll and make changes. As plans and options grow in complexity and number, technology is essential to make sure the company is not overpaying or insuring dependants and others that are not eligible.

For brokers, the increasing costs and growing uncertainties in the benefits market are challenges and opportunities to grow client relationships. The most successful brokers and producers actively pursue options and use their knowledge and access to information to look for new opportunities to address prospects' needs.

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