

Playing offense: A benefit broker update



Using the broadest definition, benefits are increasingly becoming voluntary in nature. It's now common for employees to have benefit choices, allowing them to tailor their benefit packages, and to exert direct influence over where and how benefit dollars are spent.

Over a year ago, we introduced the Benefit Broker Learning Curve (*Benefits Selling* September 2008). That article defined the curve and the implications for broker behavior. Today, we provide additional detail about benefit brokers' progress in offering voluntary coverages, in part based on Eastbridge's recent Employee Benefit Broker and Worksite Sales Spotlight report.

Looking at the chart, we can now characterize selling behavior for the four phases of benefit broker maturity and provide updated estimates of the broker populations in each phase.

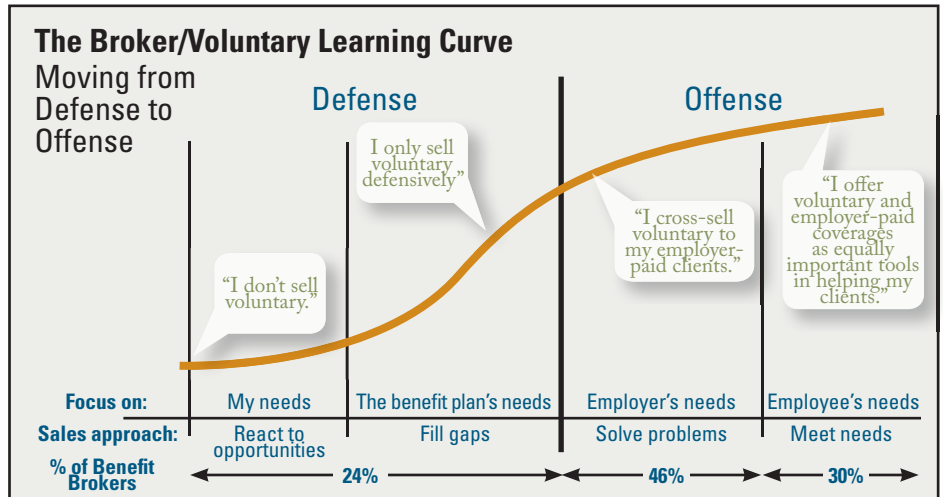
The first two phases are termed defensive selling and less than a quarter of all benefit brokers describe themselves as being in these two phases. In the first phase, brokers are purely reactive, only selling voluntary when there is a clear opportunity presented to them, usually at the request of their employer-client. For these producers, their concerns about the complexities and their lack of expertise in voluntary often override client needs. In other words, where possible, they still avoid offering a voluntary solution. And when they do, they often partner up with a voluntary specialist or full-service voluntary carrier. They often are surprised to discover that many of their accounts have already added voluntary coverages, but through some other broker or agent.

By the second phase, an additional sales behavior emerges: selling in reaction to incursions from voluntary salespeople. These brokers offer voluntary when asked by a client, or when they discover another salesperson approaching their account with voluntary solutions. Again, reliance on third-party expertise is common.

Brokers in the third phase describe the important potential that voluntary offers, both to their clients and to their own sales efforts. They see themselves as using voluntary as a common cross-selling tool in their existing cases, advancing from defensive selling to using these products as offensive weapons. Impressively, almost half of all benefit brokers now accept these opportunities as a permanent part of the benefits landscape and have developed internal capabilities for offering, analyzing and sometimes even enrolling voluntary coverages. And finally, 30 percent have entered phase four, seeing voluntary as a full member of their toolkit, and focusing on using those tools to meet employee needs in addition to addressing employer concerns.

These phase four brokers have developed the highest level of internal expertise and have often built partnerships with carriers and third parties for billing, enrollment and other services. Phase four brokers use both types of benefits to open new cases as well as to cement existing account relationships.

This is great progress and points to the maturing of both the



voluntary industry and the benefit broker population. As benefits morph more and more toward voluntary forms, brokers need to continue advancing, leading their agencies and carriers toward a modern, more mature selling style. As we all know, you score more points when playing offense.

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