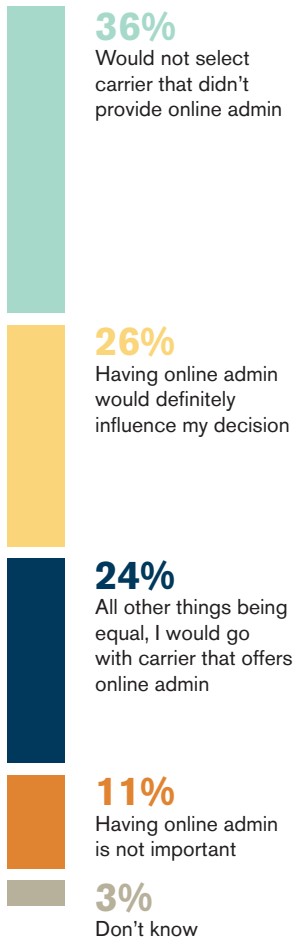


PLOT POINTS

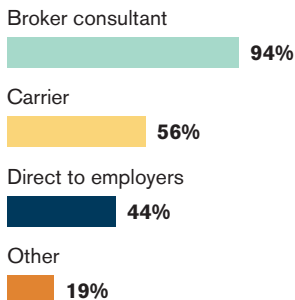
By Bonnie Brazzell
and Nick Rockwell

Picking your partners

Importance of online services 2018



Makeup of respondents



NOTE: Some platform providers used more than one distribution channel.

TECHNOLOGY IS becoming more critical each day to a broker's success in voluntary benefits. One technology trend that producers must navigate is the prevalence and growth of "platforms."

This catch-all term has become synonymous with enrollment systems, exchanges, benefit administration, and consolidated billing systems. Even some payroll processors are developing tools in this category, extending their portfolio of employer services. These platform providers are becoming more prevalent and important to the voluntary ecosystem, so it's important that producers understand how the services that these companies offer to employers, as well as how they approach them, may impact the broker-employer relationship.

A recent Eastbridge report, "Enrollment & Benefit Administration Platform Providers," found that the most common employer services offered by these companies are HRIS, human capital management and resource planning capabilities. When it comes to benefit enrollment and administration support, nearly all providers offer employer-funded group, voluntary and non-traditional products, and many cite HSA, FSA, COBRA and defined contribution capabilities.

Producers need to be aware of how such extensive technology offerings allow these providers to become entrenched with their employer clients. This entrenchment may allow the platform providers to gain considerable control in their relationships with employers.

Recent Eastbridge employer research suggests that employers of all sizes are



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becoming more demanding and technology aware, and it's not just large groups. Even the smallest size employers said they are only open to working with carriers that offer online administration.

The growing breadth of platform provider services raises the question of whether these companies are positioning themselves purely as service providers, or perhaps something more. In many instances, providers may be looking to establish one-to-one relationships with the employer, positioning themselves as a technology advisor or partner, rather than purely as a vendor.

The same Eastbridge report found that while almost all system providers cited brokers/consultants as distribution partners, nearly half of the providers also cited direct-to-employer distribution. This direct relationship may impact your role if you don't have a voice in the benefits technology conversation. For example, think of who your preferred carriers and platforms are today. Platform providers often have a group of "preferred" product manufacturers already established. This group of offerings represent a de facto recommendation from the platform and may reduce your ability to advise on product selection and which providers can be recommended.

The future success of your voluntary business may rest on becoming more knowledgeable about the trends in platform provider service offerings and market approach, as well as determining strategies that ensure your seat at the table in tech conversations. The increased use of technology is quickly becoming a battleground in voluntary benefits.