

## PLOT POINTS

By Erin Marino and Nick Rockwell

# COVID-19 expected to impact voluntary benefits

**AS COVID-19 CONTINUES** to have far-reaching impacts on the workforce and in turn, the employee benefits landscape, brokers are concerned about the effects it will have on voluntary benefits. Eastbridge's recent survey of brokers found that the top concern for voluntary was a potential for reduced enrollment volume, with 71% of brokers agreeing this was of concern. Around half of brokers expressed concern that employer and/or employee interest in voluntary may be reduced, while one-third felt that COVID-19 may



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divert their time towards answering coverage questions on existing business.

A few brokers noted the potential impact of a reduced workforce through business closings and/or layoff and furloughs. However, only 11% of brokers say they are not concerned about the COVID-19 pandemic's impact on their voluntary business.

Some of the other specific comments brokers made about their top concerns included:

*"Inability to solicit new client companies"*

*"Lack of commission income"*

*"Loss of renewals"*

*"Cancellations of existing policies"*

Despite challenges in the near-term, there appears to be a potential upside for voluntary benefits. When asked whether COVID-19 will have a positive or negative impact on employer enthusiasm for voluntary benefits over the next 12 months, 39% of brokers believe employers will be more enthusiastic. As one broker expressed: *"When businesses are back up and running, I believe the need for voluntary benefits will increase."*

As brokers navigate the uncertainty that COVID-19 has introduced to voluntary benefits, the opportunity remains for strong partnerships between carriers, brokers and employers to creatively address the issues at hand and to create solutions for employees in this time of great need.

*Note: The survey was conducted during April 2020 and 55 brokers active in the voluntary business completed the survey.*

### Top COVID-19 concerns for voluntary

Reduced enrollment volume



Reduced employer interest in voluntary



Reduced employee interest in voluntary



Time diverted to answer coverage questions on existing business



Reduced workforce through businesses closing or impact of layoff/furloughs



Not concerned

