

The Broader HR Advisory Role of Employee Benefit Brokers

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Businesses of all sizes have long relied on trusted advisors to assist their organizations in a wide range of operational areas. In some instances, an advisor's role is narrowly focused, while in other cases, it encompasses many aspects of a company's operations. Lawyers, for example, primarily focus on legal matters whether relating to contracts, intellectual property, employee relations, real estate investments, etc. The business advice accountants provide, on the other hand, often extends beyond matters of finance and taxation and into diverse areas ranging from strategic business and succession planning, to mergers and acquisitions, litigation consulting, systems consulting, materials handling, inventory management, etc. Insurance brokers too are filling a much broader role than their titles would suggest. For human resource executives, knowing what their brokers' broader consultative role can and should encompass, particularly as it relates to the employee health care benefits, affords significant value-add beyond the benefit packages they provide.

BEYOND THE TRADITIONAL BROKER'S ROLE

To begin with, HR executives should expect a level of service from their health care benefits broker that starts with assistance in selecting and designing the *optimum* employee benefit plan and includes advice regarding how best to fund that plan. In addition, a proactive benefits broker will assume a major role in helping the HR executive secure the best policy at the best price. This means the broker should be willing to provide options and assist in conducting a thorough, comparative cost analysis of the various plans. Once a plan is selected, the broker should be a strong advocate for the company in negotiating the optimum price.

From this point on, the broker's role is to assure the ease and seamless administration of the plan. The HR executive and staff members should be able to easily access information, address concerns, and coordinate additional value-added services.

Also encompassed within the traditional role of the broker is assistance in overseeing health insurance claims. The broker should periodically review the company's claim history and trends to make certain that the current health care plan and options are still in the best interest of the company and its employees. Also regarding claims management, the broker should be abreast of how claims are being handled to make sure that an expeditious, courteous service is being provided to the company's employees. When and if serious disputes arise or appeals must be made, the broker should serve as the voice of reason, almost in the role of ombudsman between the insured and the insurance company. Here is where the role of the benefits broker is already starting to expand into the HR advisory area.

EMPLOYEE COMMUNICATIONS

Typically, communicating information regarding benefits to employees is handled by a company's HR department. A broker serving in a broader HR advisory capacity, however, will play a major role in this area. He or she will provide guidance as to how communications should be crafted, what information should be left in and what should not be included, and how often employees should receive information about their benefits. To elaborate, the broker can share insight with the HR professional regarding how much more robust the company's plan may be in comparison to other companies; information which should be shared with employees to create goodwill and bolster employer-employee relations. The broker also might provide statistics that help demonstrate to employees how various healthy behaviors reduce illness and subsequent claims and help keep health insurance premiums down—a goal of every employer/plan sponsor. Even with respect to formatting of employee benefit communications, the broker can provide valuable guidance which encourages employees to read the communication, understand and retain it, as well as act on important information.

Another area in which brokers can assume a key role is in measuring and benchmarking

employee satisfaction with their benefits. They can assist in the development of blind surveys to elicit candid responses. These surveys can be useful tools in determining whether the benefits meet the employees' needs, whether employees fully understand their benefits and related value, and whether management is doing a good job of effectively communicating benefit information.

WORKSITE PROGRAMS

Often employee benefit programs receive the recognition and value they deserve from employees through the use of worksite programs. A proactive benefits broker will help develop a meaningful worksite program that educates employees about their benefit options, instructs them on how to file claims, and helps them understand their benefits' true value. This information is perceived to have more credibility when conveyed by a third-party rather than company management.

POLICIES AND PROCEDURES

A true "Best in Class" benefits broker will also assist the HR department in establishing employee policies relating to the benefit plan. These policies and procedures would provide direction relating to the chain of command that should be followed when inquiring about benefits, changing benefits of those covered and/or beneficiaries, privacy issues, COBRA-related issues, problems with claims, etc.

CLOSING REMARKS

Based on findings from the "National Compensation Survey: Employee Benefits in the United States," reported by the Department of Labor's Bureau of Statistics, 60 percent of businesses in private industry offer medical care benefits to their employees. A Hewitt Associates survey in January 2009 of 340 large employers representing more than five million employees found that 52 percent of these companies expect the economic downturn to have an

impact on their 2010 health care programs. The survey goes on to say that they do not plan to make drastic changes, but will be relying on traditional and progressive strategies to address health care costs with 65 percent saying they would be shifting more costs to employees.

Regardless of how health care reform in America shapes up, employee benefits will continue to be a part of the employer-employee relationship. Utilizing all resources available to optimize how benefits are positioned with employees is a sound HR strategy. Relying on a proactive broker who serves in a broad HR consultative capacity is an integral component to this strategy. ☺

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