



## KEY QUESTIONS TO ASK YOUR BENEFITS BROKER

FIND OUT WHETHER YOUR BROKER IS PUTTING THE EMPLOYER—OR ITS OWN INTERESTS—FIRST

BY LIN GRENSING-POPHAL

**T**he end of the annual open-enrollment process for employee benefits is a good time for HR benefit managers to reevaluate their organization's relationship with their benefits broker.

Employers turn to benefits brokers for help in selecting health and other insurance coverage that's affordable and meets employees' needs.

However, asking the right questions when selecting a new benefits broker or evaluating the services of an existing broker is critical.

### KEY QUESTIONS

Joe DiBella, managing director for the employee benefits division of insurance brokerage Conner Strong & Buckelew, recommends asking brokers the following questions:

- Does the broker have in-house compliance resources to help employers deal with the litany of compliance issues?
- Does it have in-house data and underwriting experts?
- Does it use any data warehouse tools to help isolate drivers of cost for use in strategic planning?
- Does it have in-house communication experts to assist with employee engagement and education?
- Does it have experience in helping vet and select a benefits automation provider?
- Does it have in-house wellness experts who can help design wellness plans?
- What experience does it have in key areas like self-funding, pharmacy benefit management and reference-based pricing?
- Who is on the team that will work on the account? What resources does the team use, and how many other accounts does it handle?



Just as when they interview new employees, HR professionals need to get beyond practiced answers to see what the broker would really be like and the value it could provide. That insight is key to making a well-informed decision.

Employers should, of course, ask for references, DiBella said. In addition, he suggests providing the broker with anonymous plan data.

“Ask for comments and ideas the broker would suggest if they were handling the account,” DiBella suggested. “Avoid the dreaded RFP [request for proposal] where everyone will say they do everything. Employers should ask for sample work product and get the firm’s recommendation about what they would do with their plan, [using] tangible examples.”

## IDENTIFY CONFLICTED INTERESTS

Benefits brokers may not put employers’ interests first if insurance companies pay them commissions or bonuses to keep clients on the same plans, cautioned Dave Chase, co-founder of benefits consultancy Health Rosetta.

“Normally, benefits brokers are largely getting paid by the supply side [insurers], even though they’re representing the buyer [employers],” Chase said.

He recommends digging deeper when evaluating benefits brokers by asking three questions to identify possible conflicted interests:

- What commissions and bonuses do you receive from carriers, in total?
- Is more than half your compensation coming from one carrier?
- How do you shop the market and find the best offer available?

Health Rosetta, Chase said, requires its benefits advisors to sign both a bill of rights and a code of conduct to ensure their commitment to transparent and responsible practices.

## ENSURE A STRONG USER FOCUS

HR professionals and benefits administrators are concerned with finding cost-effective coverage options for the organization and its employees, but cost is not their only consideration. Communication and access are also important to ensure employees’ have the resources they need.

DiBella recommends asking about the broker's tools for member engagement and support:

- Is there an in-house advocacy center to help employees who have escalated benefit or claim issues?
- Is there a member engagement portal for participants to easily access information about their benefits plans?
- Does the broker offer any wellness advisory services to help promote healthier behaviors?
- Does it have access to or partner with a clinical advocacy program to help participants with chronic or catastrophic conditions?

The bottom line, said DiBella: Employers should ensure that the broker can provide services that help employees "navigate the health care delivery maze."

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