



WHITEPAPER

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ZYWAVE

2013 Broker Services Survey

The expectation and delivery gap widens

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Summary

Given the market challenges today for an employer, it's no surprise that the employers in our survey expect more than ever from their insurance broker. What we did find surprising was the wider-than-ever gap between what employers expect and what their brokers are actually delivering – leaving huge opportunities for the brokers who are willing to seize this information and provide the proactive services their clients are demanding.

Gone are the days in which people and service were enough to differentiate an agency. Yes, all employers say they value relationships and service – and they do – but to compete and truly position yourself for success in the marketplace, you need to offer much more, providing services that clients cannot live without. Not only are people and service unconditionally expected by any client, but every agency on the market is touting them—so crafting a value proposition that truly resonates requires a new mindset.

Our 2013 Broker Services Survey goes beyond people and service to examine what employers really want from a broker—and what they currently aren't receiving. Using the insight from over 5,500 respondents nationwide, examine how your agency compares to these employers' expectations, so you can position your agency miles ahead of those resting on their "relationships and service" laurels.

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Survey highlights

- This year, the top three criteria in selecting a broker were **exceptional service, education on compliance issues** and **competitive pricing**. Education on compliance issues jumped considerably from last year and is rated even higher than relationship or ability to negotiate a renewal.
- A deeper dive into what, specifically, these three factors mean revealed top factors that at least two-thirds of employers used in selecting a broker, including **regular communication, access to benchmark data** and **industry expertise**. Services like these and the others discussed in this survey are the foundation for a story that wins business and long-term client loyalty.
- Most employers want to hear from their broker **monthly** about benefits, HR, health, safety, risk management and/or compliance issues. If you're not communicating at least that often, your accounts may be at risk.
- **There is a widening gap between what employers expect of their broker, and what brokers are actually delivering. We found that this year employers expected more than ever, while what brokers delivered actually decreased.**

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Deliver what they expect and then go beyond

Success in today's market means going beyond satisfied customers. To lock down client loyalty, drive referrals, and pitch a story that trumps the competition, high-growth brokers use exceptional people and service as a starting point, adding valuable services that turn customer satisfaction into customer evangelism. In nearly every category below, the number of **employers who thought the service was important was higher than last year**, and **more employers were unsatisfied with the service provided by their broker**, illustrating a growing gap between expectation and delivery.

P&C expected services	Important	Unsatisfied
Provides claims submission support	95%	35%
Timely delivery of certificates of insurance & ID cards	96%	27%
Helps organization become a more educated buyer	96%	38%
P&C areas of opportunity		
Provides employee-focused health and safety information	86%	75%
Provides OSHA compliance and recordkeeping tools	78%	68%
Assists with creating or maintaining a workplace safety program	75%	68%
Benefits expected services		
Provides updates on health care reform and other legislation	97%	23%
Creates a strategic benefit plan that aligns with company goals	91%	43%
Offer employee benefits and consumerism communications	95%	41%
Benefits areas of opportunity		
Provides annual stewardship report	85%	58%
Assists with creating or maintaining a workplace wellness program	81%	66%
Provides a sample employee handbook and policies	71%	74%

How to go beyond

To pinpoint the keys to winning this new customer evangelism, the following charts highlight the top five criteria respondents ranked in selecting a property and casualty or a benefits broker and what services they most value (from highest to lowest percentage). Ideas to build your compelling story include services that high-growth brokers offer today to meet client needs and position themselves as the broker of choice in the marketplace.

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Top five criteria ranked in selecting a property and casualty broker

CLIENT NEED	%	WHAT TO ADD TO YOUR STORY
Proactively provides regulatory and legislative updates	96%	<p>Give clients immediate, thorough explanations of the latest regulatory and compliance updates first.</p> <p>Stay on top of developing legislative news so you can be the first to provide clients with breaking updates.</p>
Helps our organization become a more educated insurance buyer	96%	<p>Teach workers' compensation clients the importance of the mod factor and the cost-saving power of mod analysis to strategically identify and counteract cost drivers. Help clients impact the bottom line by developing loss control programs, supplemented by educational materials, safety programs, checklists and employee communications.</p>
Timely delivery of certificates of insurance and ID cards	96%	<p>Give clients a simple way to request certificates of insurance, ID cards and other similar services online—for your agency to quickly and easily provide.</p>
Delivers information that will help reduce the frequency and expense of claims	95%	<p>Educate workers' compensation clients on the importance of the mod factor and the cost-saving power of mod analysis to strategically identify and counteract cost drivers, to reduce losses and lower claims.</p>
Provides employee-focused health and safety information	86%	<p>Deliver regular employee communications to support health and safety efforts, including flyers, emails, videos, posters, etc. Provide a centralized portal for employers to access communications easily to disseminate to their employee group.</p>

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Top five criteria ranked in selecting an employee benefits broker

CLIENT NEED	%	WHAT TO ADD TO YOUR STORY
Provides updates and guidance on health care reform and other legislative changes (COBRA, FMLA, HIPAA, etc.)	97%	<p>Give clients immediate, thorough explanations of the latest regulatory and compliance updates first.</p> <p>Stay on top of developing legislative news so you can be the first to provide clients with breaking updates.</p> <p>Provide tools specific to health care reform, such as calculators, timelines and other important information to help employers make important decisions and understand how health care reform impacts their business.</p>
Offers employee communications to help our employees make benefit decisions and understand the benefits that we provide	95%	<p>Provide a wide range of benefits and consumerism educational materials for employees.</p> <p>Offer comprehensive total compensation statements to help employees understand and appreciate their benefits.</p> <p>Provide reference tools to help employees make informed benefits decisions and assist employers with effective enrollment communications.</p>
Offers employee communications to help our employees understand how health care reform affects them	94%	<p>Provide easily understandable articles with health care reform updates and details, relevant to the employee audience, including enrollment support.</p>
Offers employee communications to help our employees improve their health and become wise consumers of health care	93%	<p>Provide communications and reference tools to help employees make informed benefits decisions and assist employers with effective enrollment communications.</p> <p>Make a variety of materials available, including presentations, articles, posters, videos, emails, etc.</p>
Provides online access to policies and compliance and HR tools	92%	<p>Deliver a centralized employee portal that can house company, HR and benefits information for employees to easily access from any computer or mobile device, for a streamlined employee experience and a decreased burden on HR.</p>

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What keeps clients up at night?

TOP RISK MANAGEMENT CHALLENGES	
Keeping up to date on regulatory changes	45%
Controlling workers' compensation costs	43%
Managing exposures	35%
Managing risk at multiple locations	28%
Educating employees on safety	28%
Reducing costs on existing claims	27%
Addressing management liabilities	23%
Cyber security (data breach, hacking, etc.)	21%
OSHA compliance	18%
Disaster planning	16%

TOP EMPLOYEE BENEFIT CHALLENGES	
Managing health care costs	76%
Keeping in compliance and up to date on changing legislation, including health care reform	53%
Benefits administration and employee education	32%
Helping employees become better consumers of health care	28%
Attracting and retaining employees	23%
Human resources issues	20%
Educating employees on health and wellness	18%
Worksite wellness programs	14%
Managing prescription drug costs	13%
Helping employees prepare for retirement	8%

Solutions to drive growth

How are you addressing these top challenges of prospects and clients? In reviewing these survey results, are you focusing on your agency's story to win new business and solidify client retention? Do you have the services and solutions to market to today's business owner, meet their expectations and become a strategic consultant? To learn more about how Zywave tools can help you strengthen your prospecting pitch to drive organic growth, call 877-MYZYWAVE.

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About the survey

The Broker Services Survey was conducted in March and April 2013 and was available to over 130,000 individuals through Zywave broker clients' MyWave® or MyWave Elements™ portal website. This survey was anonymous, so responses have not been validated for statistical significance or margin of error.

About Zywave

Zywave is the leading provider of software-as-a-service (SaaS) technology solutions for the insurance and financial services industries. The company's products include Web-enabled marketing communications, business intelligence and analytics, agency automation, and needs-assessment and financial planning tools. More than 350,000 financial and insurance professionals, including 90 of the Top 100 U.S. insurance firms and dozens of the world's largest financial institutions, use Zywave's proven solutions to help them differentiate from the competition, enhance client services, improve efficiencies and achieve organic growth. To learn more, visit www.zywave.com.