# The Savvy HR Leader's Guide to Finding (and Hiring) a Benefits Broker

**A STEP-BY-STEP GUIDE**

Dive into what a benefits broker does, what to look for (and avoid), and how to make the switch.

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**YOUR CHOICE OF EMPLOYEE BENEFITS BROKER CAN HAVE A MAJOR IMPACT ON THE QUALITY AND COST OF YOUR BENEFIT PACKAGE.**

It also affects your employee satisfaction, your HR team's bandwidth, and your budget. But with thousands of brokers on the market, choosing a new employee benefits broker can be a tricky decision.

CHAPTER N.1

# Benefits broker basics

# What is an employee benefits broker?

**Employee benefits brokers help employers design, customize, and purchase benefit packages for their client's employees.** When it comes to annual renewals, these healthcare experts are here to help. They analyze employee population data and suggest the plans that best fit their needs while staying within budget.

But their support shouldn't stop after healthcare renewals are over. Your employees (and HR team) should continue to receive the help they need. Your broker should offer guidance and support to make sure you get the full value of your benefits - all year round.

In short, a great benefits broker is an employer's partner in all things benefits. They help make benefits management easy and efficient for HR teams, during benefits renewal season and year-round.

Benefits brokers can be employed by a larger brokerage or work as an independent consultant. Regardless of where they work, every broker must be licensed to provide these services.

# What kind of support should a good employee benefits broker provide?

Although your broker's services should flex to meet your team's unique needs, there are four areas of benefits management that any great broker should support:

**Healthcare renewals**

**Open enrollment**

**Compliance support**

**Employee advocacy and support**

## N.1

# Healthcare renewals

During your annual healthcare plan renewals, your broker should make the process efficient and collaborative. Their ultimate goal is to start the year with you feeling confident in your benefits package.

While some brokers specialize in certain strategies, all brokers have access to the same range of providers, plans, and healthcare costs. In other words, two different brokers will get you the same price for the same plan. For that reason, their real value lies in how well they support you and recommend the best plan for your employees.

### BROKER SUPPORT FOR HEALTHCARE RENEWALS

- Delivering renewal information with enough time to make any necessary edits before the deadline
- Proactively answering your team's questions through every step of the process
- Making benefits strategy recommendations tailored to your employee needs, budget, and company goals
- Proposing cost-saving strategies to keep your year-over-year budgets sustainable

## N.2

# Open enrollment

Your broker's approach to open enrollment (OE) can make the process easy for your HR team, or a big headache. But it also has longer term impacts.

OE is a critical opportunity to educate your employees on how to choose and use their benefits. If they don't understand the benefits available to them, your employees may not choose the best plans for their needs. Only 40% of Americans say they're "very confident" in their ability to choose the right health insurance plan.

Open enrollment is the time to make sure your employees feel confident about their healthcare benefits. Equip your employees with the right guidance so they can easily find providers, submit claims, and receive care throughout the year. This guidance helps your employees get the full value of their benefits.

### BROKER SUPPORT FOR OPEN ENROLLMENT

- Educating employers and employees about their available benefits options
- Supporting employee communication to ensure folks are equipped with the info they need to make their plan selection on time
- Providing tools and resources to help employees navigate the process, such as digital enrollment portals, mobile apps, or chatbots
- Proposing cost-saving strategies to keep your year-over-year budgets sustainable

## N.3
# Compliance support

Staying compliant can be complicated and time-consuming. But it's an essential part of the job.

Keeping up with requirements can feel like a chore, but failing to comply with federal and state regulations can cost your business hefty fines in the long run.

Your broker should provide you with tools and support to ensure you anticipate deadlines, avoid legal penalties, and stay compliant.

### BROKER SUPPORT FOR COMPLIANCE

- Keeping you up-to-date on relevant regulations, laws, and industry standards
- Providing guidance on how to comply with applicable regulations and laws
- Conducting regular audits to ensure you're in compliance
- Helping you review and update your policies and procedures
- Offering compliance-related tools such as digital compliance calendars and automated filing systems

## N.4

# Year-round employee advocacy & support

Benefits can be confusing for employees. And if they don't understand their benefits, they won't use their plans correctly (or, sometimes, at all.)

Plus, employees who are confused about their benefits often opt to turn to their HR team with day-to-day questions. This can end up draining time from HR's already busy schedule.

Building a great benefits offering is only half the battle; your employees need to know how to use it. That's why your broker should offer resources and support to help employees understand, choose, and use their benefits.

**BROKER SUPPORT FOR EMPLOYEES**

- Answering day-to-day employee questions
- Helping employees navigate claims
- Providing educational resources and tools to help employees understand their benefits

CHAPTER N.2

# When should you change your benefits broker?

Choosing an employee benefits broker for your company is a pretty important decision for your HR team – but you also need to know when to walk away if the relationship is no longer serving your company and employees.

Here are **eight warning signs** that your benefits broker may not be the right fit.

1. You need to chase your broker down for an answer
2. Your HR team is spending too much time managing benefits
3. Your healthcare renewals were rushed
4. Your HR team has come close to missing compliance deadlines
5. Your HR team regularly fields benefits questions from confused employees
6. Your broker isn’t familiar with your business goals, employees’ needs, or company values
7. Your broker doesn’t keep you in the loop on industry insights
8. Your broker just doesn’t feel like a partner

WARNING SIGN #1

# You need to chase your benefits broker down for an answer

Year-round broker-client collaboration is a must-have in any effective benefits strategy. So if your broker is hard to reach outside of renewal season, that's a problem.

**A good rule of thumb:** Your benefits broker should respond to your queries within 24 hours or less on business days and first thing following a weekend or holiday.

Or even better, your benefits broker should be proactively reaching out to you on a regular basis.

Your broker shouldn't be a stranger – they should be a true partner.

WARNING SIGN #2

# Your HR team is spending too much time managing benefits

If your team is sinking their time and bandwidth into benefits admin tasks, your broker's support is not working. A good broker for your business will make managing benefits so easy that it takes the task off your team's shoulders entirely.

For example, here are just some of the key tasks your broker should be managing:

- Answering day-to-day employee questions and helping them solve problems as they arise (e.g. navigating surprise bills or claims issues)
- Navigating the complex benefits vendor landscape to recommend the best vendors for your needs
- Analyzing key data, like utilization or employee benefits survey responses
- Answering your questions on compliance, benefits administration, or industry best practices

WARNING SIGN #3

# Your healthcare renewals were rushed

When a broker sends your renewal information with little time to spare before the deadline, HR leaders often feel pressured to blindly accept what's given to them. That rush doesn't exactly lend itself to building a thoughtful strategy for the year ahead.

During renewals, your broker should be sending out renewal information early, allowing you the opportunity to review your plan thoroughly, pose any questions, shop around, and make necessary changes to your plans.

WARNING SIGN #4

# Your HR team has come close to missing compliance deadlines

On the HR hierarchy of needs, staying compliant is a top priority. And to stay compliant, you need to understand compliance regulations and keep up with deadlines.

Still, compliance is complex. When HR's jobs get hectic, it can be difficult to keep up. That's where your broker should step in.

At a minimum, your broker should offer reminders for key compliance deadlines, keep you up-to-date on any new laws, and make sure you understand what's required.

To prevent any stressful close-call scenarios with compliance (and legal fees of up to $150K for compliance missteps), your broker should have an ERISA attorney on staff to guide you and your team and field any questions as they arise.

WARNING SIGN #5

# HR is the front line for confused employees

Benefits can be notoriously difficult for employees to understand. And if they don't understand their plans, they won't use them correctly (or at all). Over time, a lack of benefits literacy can lead to high bills and frustrated employees.

Plus, if your employees are regularly confused by their plans, your HR team is probably spending several hours each day answering basic questions.

When your employees have questions, your broker should have the answers. Ideally your employees should have a way of contacting your broker's team directly, to answer day-to-day questions, navigate billing issues, and help them make the most of their benefits plans.

WARNING SIGN #6

# Your broker isn't familiar with your business goals, employees' needs, or company values

Your benefits strategy and your broker's level of ongoing support should be bespoke to your employer's unique situation. From day one, your broker should have made it a priority to get to know your company from the inside out — and they should strive to keep pace as your needs grow.

WARNING SIGN #7

# Your broker doesn’t keep you in the loop on industry insights

The benefits world is changing fast. Your broker should help you keep up.

As a professional benefits expert, your broker should be savvy about industry trends – and share their knowledge early and often. They should keep you up-to-date on new benefits trends and industry benchmarking data, so you can stay competitive.

WARNING SIGN #8

# Your broker just doesn’t feel like a partner

Because your broker handles something as essential as the health and care of your company’s entire staff, they should feel like an outsourced member of your team. And as a member of the team, they should elevate the entire group by making the jobs of their HR teammates easier.

If you do not feel comfortable and connected with your broker, or if they have become (or have always been) difficult to work with, that alone is reason enough to make the switch.

CHAPTER N.3

# How to find great broker RFP candidates

If you're planning to start the RFP process and choose a new benefits broker, start by building a list of candidates based on research. Here are three ways to source a pool of potential benefits brokers.

**N.1**

## See which brokers your HR peers recommend

Of all the strategies on this list, this one is the number one must-do. Your HR peers' recommendations can be the key to finding a great broker.

Here's why. Brokers should have a close and collaborative relationship with their clients' HR teams. This gives your HR peers insider intel on which brokers go the distance, and which fall short.

If fellow HR teams consider a certain broker "meh," then that's a major red flag. If a broker hasn't gone above and beyond to support your HR friends, then take them off the list.

Try to reach out to HR teams at similar-sized employers. They're more likely to know what level of support you'll need from your broker. For example, an HR leader at a midsize business (<500 employees) will have a very different relationship with their broker than the leader at a big employer.

Virtual HR communities can also come in handy here. These forums allow HR leaders to chat and share experiences with brokers candidly.

**N.2**

## Check out the contributors on benefits trade publications you trust

Your benefits broker should be on the up-and-up of industry data and trends. So if a broker is contributing perspectives and thought leadership to trade publications, it says a lot about their expertise and influence.

Why? If a broker's contributions are featured in a trusted benefits publication like HR Dive or Benefits Pro, it's a good sign that they know what they're talking about. A benefits broker who serves as an expert resource to HR leaders is someone who you want on your team.

Try doing a quick sweep of your favorite HR or benefits publications. Keep an eye out for brokers whose hot takes align with your values, or solve problems that are top of mind. Still, keep in mind that the loudest and most publicized voices still may not be the best partner for you. Don't base your decision solely on clout.

**N.3**

## Ask your favorite benefits vendors for their recommendations

Benefits vendors have an insider perspective of the market and tend to know which brokers do good work. When looking for the right broker, benefits vendors can provide insight based on your budget, needs, and preferences, recommending a potential fit for your needs.

Vendors can offer guidance on the strengths and weaknesses of each candidate they recommend – so you can make a more informed decision.

CHAPTER N.4

# What to look for when choosing your new broker

When it comes to employee benefits brokers, there is no one-size-fits-all solution. Finding a broker is easy, but finding the right broker for your needs is tricky.

Each employer has unique wants and needs for their benefits offerings, and finding the ideal partner to meet those needs isn't always simple. On top of that, the scope and quality of brokers' services can vary widely depending on who you're working with — and while some brokers do great work, others may leave your team feeling unsupported.

So if you're in the market for a new broker, here's what to look for.

## What services should an employee benefits broker provide?

Above all, your broker should make managing benefits easy for your HR team. While everyone's needs are different, there are a couple of essential services that every broker should offer to all their clients.

(But here's an unfortunate reality check: Not every broker offers all these services. Yeah, it's a bummer – but it makes it that much easier to sniff out the brokers who are worth your business.)

Here are six essential services every broker should offer:

1. Renewal support
2. Open enrollment support
3. Year-round compliance support
4. Year-round employee advocacy
5. Transparency in pricing and support
6. Financial alignment

# What are the signs that a broker will be a good partner?

On top of those non-negotiable services above, your broker should approach your partnership with thoughtfulness, proactivity, and a support model to fit your needs.

In other words, your broker should be easy to work with. Remember that they're a partner – and partnership is a lot more effective when you enjoy working together.

**Here are some signs that a broker is a good partner:**

- **They have a dedicated customer service team:** A broker is only as good as their client support team. Ideally, you want to be assigned to a CS team with strong professional backgrounds. Pay attention to their CS team's average tenure – high turnover rates often don't bode well for consistent support.

- **They're committed to providing proactive support throughout the year:** Benefits management is a year-round commitment – so you should feel comfortable relying on your broker throughout the benefits lifecycle. And it's even better if they're the ones to reach out first.

- **They offer tech-driven tools and resources:** If you want to build and manage an effective benefits strategy for the 21st century, you can't rely on outdated tools. Your broker's offering should come complete with easy-to-use, modern tech to streamline your benefits support.

- **They're responsive and easy to reach:** You shouldn't have to chase your broker down. Brokers should ideally respond to your inquiries or return your calls within 24 hours.

- **You've heard good things about them:** The HR community is nothing if not strong – and when HR pros find a reliable partner, they'll want to share the good news. When you're considering a new broker, ask around in your network and check out their reviews on third-party websites. (Pro tip: Digital HR networks — like Nava's HR Slack Community — can be a great source for this info.)

- **They have a strong library of client quotes and case studies:** Sure, any broker can talk about their service and value – but can they back it up with case studies or data? Consider it a benefit if a potential broker can offer you case studies and in-depth reports that showcase the impact they've already made on existing clients.

- **They're committed to understanding your employer's unique values:** Your employer deserves benefits strategies and support that are bespoke to your needs – because one-size-fits-all won't do you any favors here. The first step? Your broker needs to take a distinct interest in learning about your employer

# What red flags should I watch out for?

There are plenty of “green flags” to look for when you’re choosing a new broker, but keep an eye out for these concerning behaviors as well. If you notice one or more of the following red flags, it may be time to look for a different broker.

- **They refuse to disclose their compensation:** Whether the broker gives you vague answers or none at all, failing to disclose compensation is not only a red flag, it violates a law called the CAA. Under the CAA, brokers are legally required to share info that's been previously kept under wraps. This includes their compensation (both their salary as well as any carrier commissions, kickbacks, and "perks" like fancy trips or dinners) as well as the services they provide.
- **They’re making big promises:** A good broker can help you choose the best benefits options for your company, but they can’t perform miracles. If their claims sound too good to be true, or if they don’t have a clear roadmap to take you from point A to B, stay skeptical.
- **Their answers are unclear or vague:** If a broker can’t answer your questions about their experience in your industry or with companies of similar sizes, you have reason to be concerned.
- **They claim they can get you better prices for the same plan:** All brokers have access to the exact same plans and prices. So if your broker suggests that they can negotiate a lower rate for the same plan, it’s simply not true.
- **Their recommendations aren’t data-driven:** Brokers should be able to provide market data or benchmarks to support their recommendations. If they can’t offer that data – or if the data they do provide is incomplete – it’s better to continue your search elsewhere.
- **They don’t volunteer a client reference:** A great broker has superfans in their corner, ready and willing to share what they’ve accomplished together. If the broker hesitates to connect you with their existing clients, it may be a bad sign.

The broker you choose can make or break your employee benefits strategy, budget, HR bandwidth, and employee satisfaction. It’s an important decision, so choose wisely.

**Benefits are hard. And you're busy.**

# Let us handle benefits, so you can focus on what you love to do.

Nava is a modern benefits brokerage that fuses innovative technology and deep industry expertise to make managing benefits easy for growing businesses. By delivering tailored renewal strategies, year-round back-office support, and always-on modern member support, Nava manages every step of the employee benefits lifecycle.

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