

Benefit Advisors Becoming Integral Part Of HR Team

They can help navigate the complex world of employee benefits

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The landscape of the health care marketplace is constantly evolving. Acquisitions and strategic partnerships among insurance companies are re-defining the options available to employers in different markets. New and innovative plan designs and products, such as consumer-driven models, are making waves as cost-containment strategies. Wellness programs and initiatives are starting to be seen as an essential component of a healthy bottom line and a powerful method of employee engagement. And more than ever Human Resources, as a strategic arm of executive management, is being relied upon to ensure the security and retention of valued employees.

HR managers have the daunting responsibility of making sure their benefits program remains competitive while also achieving efficiency. Unfortunately for them, legislative changes such as state health care reform initiatives make this a difficult task, particularly for large, multi-site companies where state mandates can impact how a benefits program is administered in different areas or how it will be underwritten. It doesn't help that in some parts of the country the medical trend is still in the double digits despite an abating national average.

For this reason benefits brokers or advisors have come to be relied upon as more than just renewal negotiators. The role of *benefits advisor* has taken on expanded responsibilities to the point where many employers see their advisors as fully integrated components of a successful benefits program. Benefits advisors are industry experts who can help HR and finance navigate the increasingly complex and challenging world of employee benefits.

To stay competitive HR managers should know what the trends are in health care and benefits and use this information to determine where their organization stands relative to its peers. Benchmarking not only serves to establish a program's relative worth when compared to the competition, but also establishes the value position of the program as an employee attraction and retention tool.

Once the value proposition of the program has been determined, to keep the program competitive HR should then establish a 24- to 36-month plan that outlines the program's goals (for example, become a pioneer in innovative cost containment strategy), the execution of which requires constantly monitoring industry trends, evaluating program performance, and surveying employee sentiment. From a technical standpoint, HR will also need to engage in planning methods such as prospective modeling, job demand forecasting and budgeting.

Most HR managers won't have the appropriate resources readily at their disposal to perform the necessary benchmarking, plan analysis and industry monitoring that is required to properly plan for and achieve their program goals. These responsibilities *can and should* be taken on by a trusted broker/advisor who operates as an extension of the HR manager or HR team. In addition, an advisor can provide any assistance that is needed to implement and support advanced initiatives such as a comprehensive wellness program with the infrastructure and expertise to back it up.

HR managers can also benefit from having an advisor act as an advocate for them in the marketplace. Because they live and breathe it everyday, advisors know their primary markets inside and out and apply this knowledge subjectively over the course of a renewal process.

Furthermore, advisors can keep their clients apprised of developments and innovations in benefits and insurance to ensure HR is always on the cusp. HR managers who choose not to tap into an advisor's knowledge base and technical expertise may open themselves up to the risk of losing perspective and negotiating power. As well, those who rely solely on professional networks and colleagues for exposure and education may end up receiving incomplete, untimely, or piecemeal information on a reactive basis.

As an extension of the HR team, advisors are also now far more invested in and integrated with the benefits program than in the past. They can help HR stay in tune with the employee culture and environment and identify how these factors impact program administration, communication and accessibility. More important, they can offer suggestions and provide the tools for improvement in any of these areas. For example, advisors can hold on-site focus groups or conduct employee surveys to measure current employee sentiment and test organizational readiness for new ideas.

Finally, you cannot put a price on compliance. Particularly with the recent tightening of 403(b) plan regulations and the increasing frequency of random Department of Labor audits, it is important that a benefits program be fully compliant with ERISA, the Internal Revenue Code, HIPAA, and every other relevant governing body or statute. Staying compliant also may require ongoing measures to meet minimum guidelines such as regular investment committee meetings for a 401(k) or annual Form 5500 filings. Falling short on compliance can be costly, but an advisor can support you in your compliance efforts and keep you on track.

The role of a benefits advisor has had to evolve with the evolution of the benefits marketplace. A good advisor will establish a trusting relationship with HR and finance that is built on credibility and results. The advisor who serves his or her clients only in a renewal capacity will undoubtedly soon find themselves displaced, and the employer who does not use, or cannot rely on, an advisor as a trusted resource may be missing out on a valuable partnership.

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