

# Reinventing The Group Insurance Broker In The Digital Economy

By Cynthia Coleman

The insurance brokerage practice, although more conservative when it comes to business transformations, has started to align operations with a more digitally-minded market landscape. The emergence of e-insurance and automation has accelerated change, substituting key functions that were handled manually by individual brokers and underwriters.

Technology has allowed increased efficiency and scale in the insurance sector, as well as provided more options for ever-demanding consumers. And although e-insurance and other insurance “disrupters” have not made as much of a wholesale change to the group insurance space, the market forces that have driven e-insurance also have impacted the group market landscape. These market forces include a do-it-yourself ethic in consumer culture, as well as a focus on holistic well-being.

The core of a broker’s expertise will remain the same when it comes to the services provided and the type of knowledge they offer their clients. A broker’s analysis of the impact of regulatory influences on insurance policies still is indispensable. A good example would be navigating the volatility surrounding the Affordable Health Care Act and its reappraisal by the new administration; brokers will still be needed to assure that all bases are covered in ensuring a customer’s health care needs.

However, amid this changing landscape, brokers must identify the services and value-adds that would allow them to remain relevant and competitive in the group insurance market.

## **Better Service for Employers with a More Holistic Approach**

Relationships will remain a core strength of a group insurance broker. However, in this new landscape, building these relation-

ships and ensuring engagement will require additional insight and services. Customers – both groups and the members they are managing insurance for – are both demanding more when it comes to access to information and services.

Key pieces of the service market that are integral to brokers have been impacted by technology substantially, and I’ve seen transformation on this front. Brokers should continue to partner with exchanges, benefit administration companies and enrollment firms to bring additional services to their customers. Brokers also have the benefit of leveraging and integrating new technologies to make the management process more seamless than ever.

Other, newer developments also are impacting the way employers are interacting with their workers. Those workers are demanding more from their employers, and by proxy, from group brokers.

Employee benefits are not just limited to insurance. One of the ways that companies increasingly are engaging with benefits is through holistic wellness initiatives - through health care progress, financial planning or even wearables that allow employers to track and be engaged in overall employee health.

The impact is not insubstantial. A 2016 study showed that participation in wellness programs increased employee engagement in their employer’s mission and goals by 67 percent. The usage of wearables is projected to hit 81.7 million by next year, and by some estimates, wearable tech could boost employee productivity by 8.5 percent and job satisfaction by 3.5 percent.

The smart broker, in order to differentiate themselves in the market and to add value to their relationship to their customer,

should look to these services and bring them to the table. This is a win-win situation for brokers and customers alike, presenting a way to increase engagement between the employer and employee, boost employee satisfaction and improve employee retention without substantially hitting the bottom line.

### **Making Technology Work for You**

Brokers also will need to learn new skills to realize the benefits of technology fully. At the very least, integrating all the previously mentioned services will require a working knowledge of tech management. Educating themselves on the tech changes in the industry would have a side benefit for brokers to be able to serve as a resource for their clients.

Brokers don't have to be data scientists, but it will become increasingly important to educate themselves in analytics. Data

analytics and intelligence also can be used by brokers to reorient their strategy for sustaining, strengthening and expanding their understanding of their customer needs.

The good news is that because of the changing regulatory landscape and the incredible service that group brokers offer employers, the group broker career is here to stay. But complacency could endanger brokers' vitality if they don't adapt and reinvent themselves in the digital environment. •

#### **About the Authors**

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