Is Your Broker a Good Match?

10 Questions to Ask

If you buy insurance, benefits or retirement products for your company, you probably work with an advisor. But if that advisor is simply a catalyst for quotes, or an annual visitor around renewal time, you're not getting the value you deserve out of that relationship.

Good advisors are far more than conduits between client and carrier. They're consultants, strategists and valuable resources for compliance, technology, program setup and execution. They're the people who present options you've never thought about, supported by the information you need to make the best business decisions for your company. Most importantly, they're trusted advisors fully focused on your organization's long-term stability and success.

So, what should you expect – and demand – from your advisor relationships? We went to some of the most respected advisors in the country for the answers. Here's their top-ten list:

1. Objectivity

An advisor who works directly for a provider is charged with selling that portfolio of products. An independent advisor, on the other hand, should be product-agnostic and can evaluate funds and provider options objectively, without any conflict of interest. As independents, they also have more leverage to negotiate rates. These days, this includes many technology solutions as well. If your advisor is truly objective and looking out for your best interest, they shouldn't be in the business of selling their own widgets at the expense of your needs.

It comes down to this: Do you want an advisor who works for another company, or one who works for you?

2. Deep Expertise, Specialization and Integration

If your property & casualty advisor "also does benefits" or retirement or anything else on the insurance spectrum, you're simply not going to get the expertise you need to make a solid business decision, much less set up a viable program.

It's important – even advantageous – to be allied with a broker or firm with a wide variety of specialized advisors, ones who care deeply and holistically about their clients. And it's helpful to have all of your benefits, risk management and other business protection needs under one roof — but if your individual advisor sells benefits, that should be his or her sole focus. If it's retirement plans, that should be all your advisor does. Just keeping up with compliance, ERISA and a rapidly changing marketplace is a full-time job. If your advisor isn't up to the task, your company and, possibly, your leadership could be at financial risk.

The same is true for commercial property & casualty insurance. Without deep expertise, the advisor may not have the knowledge to properly uncover all of your exposures, or ask about things that could impact coverage, like building vacancies or new leases. The wrong coverage increases your organization's liability and could have serious financial consequences.

The reality is, commercial insurance, benefits and retirement plans are getting more complex every day. A true specialist can help you navigate the complexity and avoid the hazards — and a team of discretely capable specialists, collaborating together at one comprehensive, holistically minded firm can integrate your business needs to make sure you're completely covered.

3. Ability to Present Different Options — With Supporting Data

In the world of insurance, benefits and retirement plans, there are always options — not only in the choice of carriers or programs but, in the case of employee plans, in how companies fund those plans. A good advisor is continually assessing options on behalf of their clients, and running the data to gauge impact. Every recommendation should come with a data analysis, so you can make an informed, fact-based business decision.

For example, if your advisor might think you're a good candidate for self-funding, they should run the numbers – based on your company's actual utilization data – so you can see the cost difference among self-funding, level funding and your company's current status.

If you're thinking of switching health plans, your advisor should first run a disruption report to compare the doctors included in the proposed plan with the providers your employees currently use. If there's a big delta, a change isn't desirable. If there isn't, the less expensive plan may be the way to go.

Working with a proactive advisor with analytic capabilities enables you to make decisions based on real facts — so you make the best choices for your company and the people who work there.

4. Takes Time to Become an Expert in YOU

It's one thing to have expertise in their specific line of business, but your advisor should also be an expert in you, your company, your industry and your plans for the future. Expect your advisor to take the time to learn your organization's goals, culture and values — all of which should impact your overall program strategy.

The hallmark of a good advisor is that he or she does more listening than talking. If you're working with someone who is constantly pitching, quoting and moving on, maybe it's time for you to consider doing the same.

5. Focuses on Strategy

Insurance isn't "once and done." Benefits and retirement programs aren't just about the products or funds themselves. They're about overall strategy — a comprehensive plan that includes:

- Every aspect of the program
- How you communicate that program
- How you increase adoption
- How that program will evolve over the next three years as your organization grows

In a world where business moves at light speed, and HR departments and business leaders have little time to do more than react, a good advisor can help you focus on long-term impact. Some advisors are reactionary, but a good advisor is always on top of recent legislative and industry developments, anticipating where business is going next — so you get more value out of the money spent on your plans.

6. Full Breadth of Support, Beyond the Product Itself

When you purchase a benefits plan, does your advisor also help you with vetting benefits systems, enrollment platforms or outsourcing providers to help you manage the program? Do they help you create communications materials? How about develop a customized wellness program that really zeroes in on your company's specific needs?

Does your retirement advisor make sure your investment committee is established correctly and assist with your investment policy statement and ERISA documentation? Do they meet one-on-one with your staff and offer seminars on overall financial wellness?

Does your property & casualty advisor stay one step ahead of industry changes that could impact your coverage?

A good advisor should have a team of specialists at the firm who are focused on technology, compliance, industry trends and pending regulations — depending on the specialization. Just as important, your advisor should go above and beyond to help you execute your programs effectively — and do some of the heavy lifting for you.

7. Complete Fee Transparency

How much is your advisor making on your business? That's a question every client should be able to answer. Independent advisors are product agnostic, which means they evaluate funds and providers and recommend options based on what's best for the client — without conflicts of interest. Based on the products they recommend, they're paid with a combination of commissions and fees — each of which they should fully and openly discuss with their clients.

If you don't know what your advisor is making, you have no way to evaluate his or her value. Advisors should fully and openly disclose all sources of direct and indirect fees up front. If they don't, ask for a complete breakdown — and an explanation of why you had to ask.

8. Low Client-to-Advisor Ratio

Even if the individual advisor or consultant is a pro, there's only so much a human being can accomplish in a day. Brokerage firms all balance workloads differently. Those more focused on acquisition than consultative relationships have a much higher client-to-consultant ratio. As a result, it's nearly impossible for customers to get the level of service they need — particularly with something as complex as benefits or retirement programs.

Ask your advisor how many clients they handle for the firm, as well as how many clients your specific account team covers. If that number is high, you'll never get the focus, results monitoring and ongoing support you need.

9. Measurable Impact

There's more to benefits plans than deductibles. There's more to retirement plans than fund performance. Are employees participating? Are they saving enough? Is the program delivering real value to employees? Are their prescription needs taken care of? Are your wellness programs having a positive impact on employee health and claims?

Your advisor should conduct ongoing analyses of your programs as the year goes on and report not only on costs and claims, but impact, based on the company's strategic goals. Otherwise, you're spending tens of thousands of dollars on programs that you hope are working. Your advisor should show you where they're working and where they're not, and offer up solutions to continually make your programs better.

10. Makes Your Life Easier

Ultimately, your advisor should make your life easier, using their expertise and resources to think about all the details of your policy and program on your behalf. Sometimes that means mapping out a year-long communications plan for physical or financial fitness. Other times, it's filling you in on regulatory changes, new industry developments or recommendations to better manage your risk as your company grows.

The Bottom Line

A good advisor is a strategic consultant, a problem solver and a catalyst for your organization's ongoing success. Make sure you're getting everything you deserve out of your advisor relationships — and your company will see the benefits.

Working with the right advisor can make all the difference.

Your Strategic Partner — And a Whole Lot More

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