



Choose products by value, not price

“YOU GET WHAT you pay for.” It’s a cliché because it’s true. Whether you’re choosing a restaurant, kicking the tires of a new car or trying on shoes, a lot more goes into your decision than price.

The same applies when you’re deciding which carrier’s voluntary product to offer. Price is an important consideration, but defaulting to the lowest-price option may not be the best choice.

Instead, look for the product that delivers the best value. Some of the important factors to consider are:

- **Benefits and features** — Does the product meet the needs of your client’s employees, considering the workforce demographics and other benefits the employer already offers?

- **Coverage level** — Can the product provide the amount of coverage employees are likely to need?

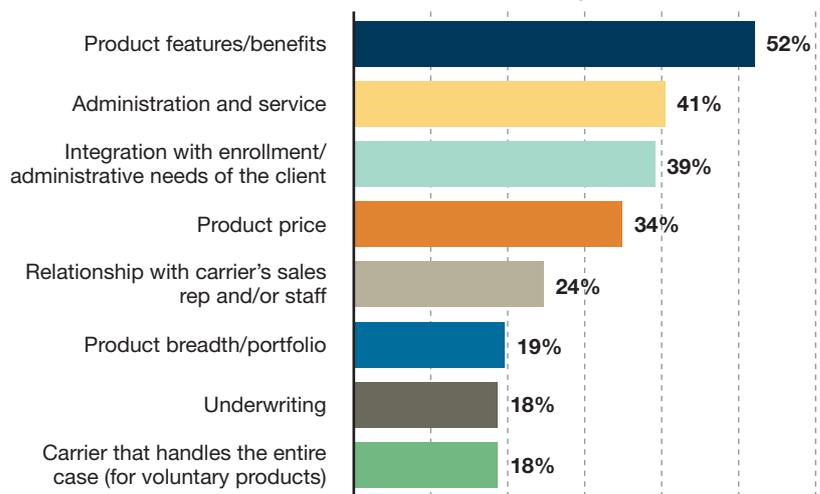
- **Underwriting options** — Does the product offer competitive guaranteed issue underwriting, or could it be cumbersome for employees to qualify for coverage?

Once you’ve checked these boxes, there’s another set of questions to ask:

- **Does the carrier offer excellent administration and service?** A recent BenefitsPRO/Eastbridge Consulting Group survey of voluntary benefits producers shows 41% of brokers think administration and service is a critical consideration when choosing a carrier. In fact, it’s the second-most important factor, topped only by product features and benefits.

- **What is the carrier’s reputation for claims?** Fast, accurate claims payment is a key driver of customer satisfaction, and claims turnaround times vary widely by carrier and product. For example, a recent Eastbridge survey shows most carriers

Most important factors in choosing a carrier



pay voluntary claims within 10 days, but the average turnaround time for a more complicated product such as critical illness ranges from two to 90 days.

- **How will you enroll the product?**

Ask if your client’s benefits administration system can handle the product. If not, see what other solutions the carrier has. Nearly 4 in 10 brokers in our survey name a carrier’s ability to integrate with an employer’s enrollment and admin system as the most important factor in choosing a carrier.

If the carrier you’re considering meets these criteria, you’re well on your way to making a strong, value-based decision. But you’re not quite done. A product only provides value to your clients and their employees if they understand it and how it helps fill gaps in their financial protection.

Next month, we’ll talk about balancing rich benefits with the need for products employees actually understand—and buy.

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