
5 Important Questions to Ask a Benefits Broker, and One to Ask Your Company

Licensed employee benefits brokers can save you time and help you navigate confusing health benefit choices. However, because they may also be paid a commission by insurance companies, it's important to ensure that your broker prioritizes your business needs.

If you are thinking about working with a broker or you already have one, ask these questions to ensure you find a partner that is bringing you the best options for your business.

5 Important Questions to Ask Your Current or Prospective Benefits Broker, and One To Ask Your Company

1. Do you understand my company's business needs and culture?

Have you worked with clients like me?

With so many health care products available to purchase, you want to make sure that the options you choose meet the needs of your employees and your business, while fitting within your budget. A good broker will work to understand you, your business, and your company culture before recommending insurance or health care products to buy. Ideally, your broker will also have experience with companies like yours — in size, needs and budget — to inform their perspective on what offerings will most meet your needs. **You should ask outright if a prospective broker has served companies like yours.** Ask them about specific scenarios that you have faced or expect to face and see whether their answers reflect an understanding of your needs.

2. How do you get paid for our business?

Most health care brokers are paid commissions by the health plans their clients select. These fees often range between 3-6% of the premium cost, and health plans may also provide bonuses to brokers for hitting new business or business retention thresholds. Since 2021, brokers have been required to disclose these fees to their clients, but sometimes, these disclosures are buried in long contracts and are difficult to understand. **Regardless, you shouldn't wait until the end of a plan year to understand how your broker will be compensated.** Ask how your broker will be paid for their services and ask specifically if their fees will change depending on which health plan and/or other vendors you select.

3. Can you bring me differentiated benefit options that I haven't seen before?

Small and mid-sized businesses typically have more limited options for health benefits than larger companies. However, that is changing: new market entrants are designing innovative products specifically for smaller businesses with different network designs and funding options that work well for the small and middle market. A good broker will have their ear to the market, making sure to bring you innovative product options as they become available. **New products may not offer your broker the same incentives as long-standing plans, so they may be less likely to share them with you unless you request them explicitly.** If your broker keeps bringing you the same options year after year, ask them to show you something you haven't seen before. There could be options to suit your needs, like a high-quality narrow network, ICHRA (individual coverage health reimbursement arrangement), or small-business-friendly self-funding option.

4. How will you support my employees and improve their health benefits experience?

Your employees will likely have questions about their benefits every year and will need help understanding or using their health benefits effectively. Any significant changes to plan design will require even more employee education and support. **The best brokers will offer exceptional service not only to you but to your employees as well.** This can include education and support during open enrollment and on-call customer service throughout the plan year. Great brokers will also help you build a benefits communication plan that explains benefit options, highlights changes from previous years, and spells out practically what the changes mean for employees and their families. If your workforce speaks multiple languages, be sure to ask your broker what language or translation services they have available.

5. Will you help me with compliance regulations and mandatory filings?

Employee benefits are highly regulated, and requirements change frequently. Large companies have teams dedicated to compliance with regulations and requirements, but the details may be too much for small and mid-sized businesses to manage independently. **Your broker should stay on top of new regulations and requirements so you don't need to.** They should update you as changes are made and share well in advance any new reporting or administrative requirements you will face in the coming year. As your business grows and you face more regulatory requirements, you will need a broker who can grow with you and your business.

What does value mean to your company?

Defining your value drivers will help you make sound purchasing decisions that meet your needs. Do you want to make sure your employees can see the highest quality doctors in their area? Is it most important to shield your employees and their families from cost increases? Do you want to be known for offering comprehensive benefits, including for needs like mental health and fertility? **Defining value — and articulating the tradeoffs you are or aren't willing to make — will help your broker find plans that best meet your needs.** Asking these questions at the outset of a process can help ensure that your health plan offerings reflect the values of your business.

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