Sara Sladky (00:10)
Welcome back to The Accel Advantage podcast where we discuss insurance and financial services. I'm your host, Sara Sladky, and I'm here today with Jared Deines, Employee Benefits Advisor, and Josh Budke, President of Benefits and Financial Services at The Accel Group. Today, we're here to discuss trends in employee benefits. So, let's get to know our guests.

Josh Budke (00:29)
So I'll start off with a little story. So it's got to be 10 years ago now, Jared actually started at the agency we were both at at the time and started as an intern. Well, I've known Jared and his family, we're both actually from Cedar Falls. Jared's father was one of the principals at the high school that I went to and

most days I would get yelled at by Mr. Deines for being in the hall during study hall or where I should have been in class. And so we're introducing our interns, and I walked by Jared and instead of exchanging pleasantries, I said, hey, you know what? Your dad used to yell at me every single day and just kept walking. So the look on his face was priceless. But ,Åì

Jared Deines (01:18)
Ha.

Josh Budke (01:19)
Jared and I have had the opportunity to work together for many, many years since then and super excited that he's part of the Accel team.

Jared Deines (01:28)
Yeah, that was definitely not the way I thought that my internship and then career was going to start out, but wouldn't have it any other way. So yeah, thanks guys for having me on. Jared Deines, I live in Tiffin, Iowa, work out of our Cedar Rapids office, have a wife and four kids now. So four kids under the age of six, seven. So that's fun, keeps you busy.

But yeah, excited to talk what's going on in the benefit space.

Sara Sladky (01:54)
love it. Well thank you guys both for those introductions. Much appreciated.

Josh Budke (01:57)
All right, so just to jump in from again, benefits, trends, perspective, I think one of the interesting facts that not everybody is aware of, but benefit plans, they're typically the second largest expense to a business. They're vitally important, and many times they're overlooked. So employers can view their benefit plans as either an asset to recruit, to retain top talent or

they look at this as an expense that needs to be managed and mitigated and really offer the bare minimum for necessary employment. And really there's not a black and white or right or wrong answer as far as how employers do assess their programs, but it is something that all

employers need to take into consideration. So part of our role here at Accel is to work with our employers, our groups on just that.

what's important to them, what's important to their employees, and how do we help manage those costs.

Jared Deines (02:55)
I think that's kind of the, the cool part about our jobs is finding the balance between the financial numbers. Obviously this is a huge expense for companies. but as well as kind of the culture part or the people part, of having a well-rounded benefits program. I think that's what makes our side of, Accel a little bit different from property and casualty where we are a lot more into the weeds with people,

which I think is what attracted me to this industry, probably you too, Josh. ,Åì but just being able to meet with employees, impact people in a positive way.

Josh Budke (03:30)
Absolutely. And I think that's one of the things we have some very valuable insurance company or insurance carrier partners. But we very much get an opportunity to work with employees on a one on one basis, claim questions, issues, concerns. It just becomes a value that we're able to bring to an employer is that individual work with employees. So

things don't always get paid as they should. There are situations that come up where the hospitals, pharmacies, et cetera, aren't properly making payment or there's just some confusion as far as how these things work. And so that is definitely part of our role and part of, the value that we can provide to employers, but also super valuable for us and a great part of our job here.

Really, and again, pretty complex, but try to break it down into what would I like to refer to it as two different buckets, if you will.

So how do employers finance their benefit programs and then the administration of their benefit programs? And so you know, start on the finance side of things. For those of you that have heard some of the podcasts as we talk about the property and casualty side, one of the key differences as far as purchasing coverage on that side versus the employee benefit side.

The property casualty folks, oh shoot, they have probably 130, 140 plus different insurance carrier partners. And again, one of the key components of being an insurance advisor or on the broker side, our role is to access the insurance carrier marketplace for our employers. So we don't work for an insurance carrier, we assess the different insurance carrier partners that we work with and we place our employers with,

the best cost and coverage out there. So one of the things that's a challenge on the benefit side is, we have a handful of very few insurance carrier partners in our marketplace. And so when we look at Iowa, we look at the greater Midwest, there may be only two, three, four, five at the

high end insurance carriers that would be a good fit for our employers. So.

It's obviously important and one of the things that we do well as far as assessing which carrier partner that makes sense. But how they finance the insurance carrier purchase or buy is definitely an area that we spend a lot of time in. And just to get into a little bit of the weeds and here's what we mean by that. You can purchase what's considered a called the fully insured insurance program from our insurance carrier partner...

all the way to what's considered or called self-funding, where you're purchasing very little to no actual insurance product for your employer. And everything in between, it's really a matter of risk and reward on how much insurance you're actually buying. So that's something that we work to assess. Some of it's depending on the risk tolerance of our employer.

Jared Deines (06:35)
Yeah, there's a lot of, or quite a few new carriers that are coming into our space here in the Midwest, specifically Iowa. And part of our job is to evaluate those new carriers. Is it something that we would recommend to our clients? So we're constantly looking at that. There's been a few carriers in recent years that are maybe just kind of coming in trying to buy market share.

undercutting rates, things like that. Josh, you may have kind of more horror stories of that, but I think that's something, we're not going to everybody and then bringing everything back. We want to bring back the carriers that are gonna be, carriers that you want your people to have, right? So it's really a vetting out process. We don't wanna...

move one year for a huge savings for the next year for clients to come back and say, you know, that wasn't worth the headache. So that's certainly something that we evaluate.

Josh Budke (07:26)
And two points, I think, Jared, to what you're stating, that whole purchase or buying of an employer's plan for one year, meaning undercutting it from a rate comes in with a really attractive rate. But then that second year, it's 60, 70, 100 % increase. That's obviously creates a lot of volatility for employer and their employees. And

being an independent insurance advisor, we're going to give you the good, the bad, and the ugly as far as what's out there and at least set an expectation for our employers and what they can look for. That piece that you were also talking about, and this gets into one of the trends, is definitely what's considered level funding. And we are seeing some new insurance carrier partners, vendors in our space,

with this level funded product. And really what that's about, I would say kind of in a nutshell is they're able to look at an individual risk for an employer. And if they're able to underwrite or offer a really attractive rate, but they're able to pull a little bit more information to assess how an individual employer, what their risk, what their claims...

expected claims would be and they're going to rate based on that versus more of an insurance carrier in their pool. And that's a maybe more complex way of saying it's a way for an insurance company to underwrite or provide a rate for an employer.

Obviously it's a very expensive thing from buying employee benefits. So trying to mitigate that or minimize the cost for an employer, but to what end and making sure that they understand what the long-term plan is.

Jared Deines (09:10)
Yeah, we talk with clients about level funding, kind of a hybrid model between fully insured and either self-funded, partially self-funded, where, yeah, Josh, you hit it, bringing that underwriting back into groups under 50 where, ,Åì post ACA, they would not be, underwritten specifically. They're kind of put into that big bucket with all the other groups, in that small group market

in the state of Iowa. So good and bad. It's not for everybody. It's certainly, you know, something that we do a lot of education upfront on, making sure that client, employee is comfortable, know what they're getting into, but it has been a very successful model. And there's a number of, kind of a handful of carriers that we look at for those level funded plans.

Josh Budke (09:53)
Yeah, the risk and reward both short term and long term for our employers, just so again, the potential of saving cost.

But what impact does that leave to their employees in any change that would be made? Again, we're going to assess that for our groups and make recommendations.

Jared Deines (10:14)
Yeah, I like to think, or I like to say that we don't want to just be access to the marketplace for our clients. We want to be trusted advisors, people that our clients come to, and know that they can get a straight answer.

Josh Budke (10:27)
And I think one of the things that we do well is understanding an employer's culture. And so there are some employer cultures where any change in insurance carriers would be met with, a lot of resistance, where others, you know what, they're open to it. And if they can save a little bit of money, but it's not necessarily the name brand carrier here in Iowa, they're open for that.

And so very much a custom approach for our groups. That really segues pretty well into the second bucket, if you will. We talk about administration or I guess what we mean by administration.

for an employer and their group benefits.

Jared Deines (11:06)

Yeah, yeah, absolutely. There's very broadly kind of what we call the basic blocking and tackling. What you would expect from a broker on a benefits plan of basic ads and terms, prompt communication with upper management, with our account management staff, things like that. But I think we try to go a little bit beyond that.

Again, we don't want to just be access to the marketplace. We want to be that trusted advisor for our clients. So a lot of what we're adding or the tools and the resources that we're bringing are things that I think set us apart in our marketplace. And again, kind of give our clients the tools to be successful and to feel like they're being supported.

Josh Budke (11:48)
Yeah, great point and I think there's just a couple different areas that that administration falls into. For example, education, how do we make sure employees have information to make wise health care decisions to understand their health care and their insurance. Communication, how do employers, how do we as their broker, how do we get information in their hands?

Then from a compliance perspective, making sure everything is done correctly. What information needs to go over to our friends in the government? What are employers responsible for reporting on? And what do we handle from a broker perspective? And then we have enrollment tools and that's definitely one of the trends we have seen as far as...

the old school paper enrollment, which is definitely something that we still do. And we have clients that based on their workforce, they appreciate that. And then there's the technology side of things and what employers are expecting on that.

Jared Deines (12:48)
Yeah, I think it's a unique time to be in the benefit space just because there's so many generations in the workforce right now. So having to, be flexible in how employees communicate or make elections, make changes to their benefits plans is something that, that we've kind of taken on as a project. So yeah, Accel Navigator is an online enrollment system, which we provide to our clients at no additional cost.

B√üut essentially puts all of their benefit information into the palm of their hand onto their smartphone. It's website, smartphone, but a really cool tool. We will at our open enrollment meetings kind of walk through Navigator with employees to make sure they're comfortable with it.

As the world around us is kind of moving more towards the technology side, we've done that as well with some of the tools. So Navigator has been just an awesome tool for us to roll out to clients. It's great for...

the HR staff, the CFO to administer the benefits. Employees love it because it simplifies things and they've got it in the palm of their hands. And then it helps us on the backend from data kind of clarity and keeping ads and terms, making sure nothing's missed. So it's been a great tool for us.

There was a SHRM study a couple of years ago, just talking about the importance of education, communication around a benefits plan where they kind of benchmark different plan designs. So super rich, the gold plan, but employees knew nothing about it versus kind of a middle of the road bronze silver plan, but the, the employees were well educated.

And those employees on the silver or bronze plan actually appreciated, you know, they got a lot more out of their benefits, they were more favorable towards their benefit package than the people on the gold plan that didn't know kind of even how to use their plan or the specifics of it.

Josh Budke (14:43)
Yeah, absolutely. And I think one of the pieces we get asked many times, and there are plenty of quality competitors, folks that do what we do out in the space. One of the things that's asked of us frequently is well, what makes you guys different? Why would we work with The Accel Group? I think that execution is key.

There are plenty of other brokers, advisors that have the tools, the resources that we do, but one of the things that we do well is that execution. A couple examples of that. So we talk about Employee Navigator. It is not a technology tool that we hand to our employers and expect them to learn, update, understand,

so it becomes an actual resource that they use. It becomes part of their business practice. And you talk about employees understanding and getting value out of their benefit programs. That's really that whole education and communication. A lot of these are kind of cliche and you'll have plenty of folks that talk about that this is what they do for their groups. But I would say

one of the things that we do well is execution and understanding what they need and how to get those tools and resources implemented into a business. So they actually use those and it's not just something that we talk about and it's cool stuff that we have, but they really don't use or are not able to find value.

Jared Deines (16:06)
Yeah. I think our team does a nice job of integrating well or working well with our account management staff, and I think Kara Roeder on our team, Director of Operations on the benefits team has done an awesome job of, okay, yes, we have these tools, but again, it's not here you go client ABC. It's, we want to be there to support you. We're going to build these things out.

If you have a question, come to us. It's not, you know, 1-800 on the back of their card. But we've got our Accel Support Team where we want employees of our clients to reach out to us directly. And a lot of times we're getting, you know, if it's a phone call, email, we're getting back to those people within, the same day and getting those things resolved. So.

Josh Budke (16:51)
Yeah, so just to get into a little bit more detail around, some of the trends. I think part of when we talk about trends, it's also what can employer expect from a benefits advisor? And I think those kind of tie hand in hand. So we talked a little bit about employees understanding and valuing

their benefits, their benefit programs. One of the challenges for employers is do they understand really what is value? So one of the things that we have seen, and this is not a brand new concept by any means, but more employers are surveying their employees, really finding any avenue to get a better handle on what employees are looking for,

what they are looking to spend their hard-earned money on when it comes to the employee benefits program. And so I would say that part of then what ties to us from a education, communication value that we bring to employers are, what benefit programs are out there? What are some of the new things? Give you an example, an employer,

reached out to us and they were just asking, we've got a younger workforce. What are some of the things that you see other groups that you work with implementing? I never thought I would see a day when pet insurance was one of those products. It is absolutely something that I was incorrect about...

the value for some employees to be able to have that peace of mind and purchase that insurance coverage if something happens to their... example. I'm a dog person, so we'll use dog. Something happens to their dog and being able to go to the vet and have security and coverage for that is value to a certain segment of the workforce, that their employers population values that. And so

we spend time and energy understanding what products are out there so we can bring that to employers. Pet insurance is just one example.

And we've talked about specific insurance carrier, specific insurance products. I say one of the part, or part of our role, it doesn't always get into what they can purchase from an insurance carrier. There are definitely employee benefits that go outside of that. And just to give you a few examples, we talked about benefits being typically the second most expensive, payroll being first.

So one of the requests that we get from a lot of our employers is a total compensation statement or basically a way for an employer to show the total value of what they're offering an employee. So that will get into their wage, their benefits, their time off, their retirement program. So just an opportunity to communicate the value that an employer is bringing. So just to get in there, spend another minute or two on some of the

the other areas from a consultative perspective or things that we get asked, you know, what are ways to... sick time versus PTO? What are the rules, regulations and how our employers, you know, from an FMLA

perspective and just that time off aspect of a benefit program? There are different benefits from a how do you access

primary care doctors, so direct primary care. We have larger employers that have implemented on-site benefit clinics. That's certainly not for everyone, but areas where we're not looking to sell them any insurance product, but it's around healthcare, benefit programs, employee programs in general.

Jared Deines (20:23)
Yeah. Good point. So we had a manufacturer client who was right across the street from their, their top competition. And they found that they were losing, quite a bit of their employees to that competition for a dollar an hour raise where the, our client had a really competitive benefits package and the group across the street did not, but employees didn't see the value in it. And so they were leaving for a dollar an hour raise. But on the

the total compensation statements. Once we ran those for employees at a year end or at renewal, it was seeing employees faces at renewal meetings or open enrollment meetings of, I didn't realize how much the company was contributing there. So yeah, it was a great retention tool for these people to be able to see

that the employer was contributing to their compensation in more than just their hourly rate.

Josh Budke (21:15)
And it's a great example of this is where a customized approach is super important because we've had other employers that have started to cut their benefits, meaning higher deductibles, spending a little less on their benefit programs so they can increase wage. We're not just here to sell a product and we're not compensated more to sell more insurance to them. And I think that's a big piece and a component of a customized approach.

How are employers using their benefit programs to, back to that whole recruiting and retaining key employees. That's a piece that we want to understand- culture, who they're competing for, talent against, and really to provide some advice for those type of items.

Jared Deines (21:59)
Yeah, Josh, think our clients would say that you and I are not very good salespeople. And I don't think that we really try to be. I think we just try to develop relationships, get to know our clients, and honesty and transparency kind of comes first for us. So putting that forward when we're having conversations or dialogue with our clients, I think is something that our clients certainly appreciate.

Josh Budke (22:26)
Just to kind of wrap things up, so just a few key takeaways that, advice if you will for employers. Review what you have today. Make sure you understand what options are out there available for you,

what resources available for you and your team. So we talked again from a finance and administration perspective. What do your employees value? Helping you, you as an employer, understand and find what your employees value. And then are there ways to spend your benefit dollars differently? Are there more, are there ways to spend those, to save those?

So you can affect wages, this is an example. And one of the things that we see many times is the employee benefits purchase. It revolves around their open enrollment or annual enrollment. One area of encouragement is take a look outside of your open enrollment, understand what you have and do that when you have a little bit more time. And so it can become a rush when you find out what your...

your benefit renewal looks like as far as how, what the increase or what the change is. So we definitely like meeting with our clients off renewal and walking through some of these things. So that would just be an encouragement to have folks take a look, not just once a year when it renews.

Jared Deines (23:44)
A lot of our best clients are people that have, you know, it is a long term relationship. They don't really look at the benefits. They're not looking for creative ideas, thinking outside the box. And then when we're able to come in and bring some ideas or have, some of those conversations or that dialogue, that's where it's kind of an eye opening moment for those people of, you know,

if you fall asleep at the wheel for a few years, there's quite a few things that you can be doing. And honestly, there's better products, there's better resources available to you that we'd be happy to show you.

Sara Sladky (24:19)
That's awesome. Wow, this has been a great conversation. This can be a really complex industry and at the end of the day, it's about people and what you're providing for them and their livelihood and life at work. And so, yeah, you guys have just shed so much light on this today, obviously for our employers, but also for our employees, our listeners out there. Maybe you don't own a business, but as a listener or as an employee yourself, maybe you're thinking about what benefits that you've been offered or.

employers, both Josh and Jared, Jared shared- don't wait. You have an opportunity to connect with them now. So again, thank you for listening. Be sure to check us out at acceladvantage.com or accelwealthmanagement.com and follow us on Facebook, LinkedIn or Instagram and be sure to subscribe so you don't miss our next episode and feel free to share this with anyone who could benefit from these tips. Thanks everybody.