

Ensuring the right fit for your business

Questions to ask your Broker

A broker can be a great partner to help you navigate insurance decisions and administer your health benefits to your employees, but not all brokers are created equal. A good broker is transparent, collaborative, and oriented toward your business goals. Read on to learn how to find a broker to partner with and how to evaluate the value of your existing broker relationship.

When looking for a broker, ask these questions to evaluate if the broker is a good fit for your business:

1. Have you worked with businesses like mine? Do you understand my company's business needs and culture?

With so many insurance 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 your business and employee needs before recommending insurance products to buy. Ideally, your broker will also have experience working with companies like yours — in size, needs and budget — to inform their perspective on what offerings will most meet your needs.

2. How do you get paid for our business? Do you receive any incentives from insurance companies?

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. Be sure to also ask specifically if their fees will change depending on which health plan and/or other vendors you select.

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

Employee benefits are highly regulated, with requirements that change frequently. Large companies have teams dedicated compliance teams, but small and mid-sized businesses often find the details overwhelming. A good broker should proactively monitor new regulations and update you well in advance of any new reporting or administrative requirements. As your business grows, you will need a broker who can adapt to increasing regulatory demands.

It's also important to ensure that the broker is licensed and in good standing with your State Insurance Department. To check for any filed complaints by using the National Association of Insurance Commissioners' Consumer Insurance Search System or call your State Insurance Department.

4. Can you describe your approach to customer service and communication?

A good broker promptly answers your questions and breaks down complex terms into simple language. When looking for a broker, seek referrals from fellow business owners and read online reviews for insights into their performance, customer service, and overall professionalism.

Your broker will be oriented towards your business goals and transparent about any incentives from insurance companies. A reliable broker will help you compare options from insurance companies, select the best plan for your needs, and assist in administering it to your employees.

How to assess your current broker

If you already have a broker, ask yourself these questions to evaluate the value of the existing relationship and to ensure that your broker is still able to meet your business needs:

1. Does my broker bring me new options that I haven't seen before?

Small and mid-sized businesses typically have more limited options for health benefits compared to 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 proactive broker will stay attuned to market developments, making sure to bring you innovative product options as they become available. If your broker consistently brings you the same options year after year, challenge them to introduce something new and different.

2. Does my broker serve as a strategic partner for my business? Does my broker ask me questions about what I want my business to look like in 3-5 years?

A good broker will understand and orient around your business' immediate and long-term goals. They will advise you on solutions that meet the ever-evolving needs of your employees while keeping your budget top of mind. As your business grows and evolves, your employees will likely have questions about their benefits every year and will need help understanding how to use their health benefits effectively. The best brokers will offer exceptional service not only to you but to your employees as well, like education and support during open enrollment and on-call customer service throughout the plan year.

3. Do I know how my broker gets paid for my business? Have they disclosed any commission or fees that are paid by the insurer?

Most health care brokers earn commissions by the health plans their clients select with fees ranging between 3-6% of the premium cost. Brokers are required to disclose these fees to clients, so asking your broker how their fees vary depending on which health plan and/or vendor you select can reveal if your broker is truly supportive of your business needs and goals.

4. Does my broker engage me throughout the year, not just before renewal?

A good broker will engage with you and your employees' multiple times throughout the year. If your broker only checks back in around open enrollment and/or before renewals, this could indicate that you might not be getting the maximum value out of your broker partnership.

5. How is my brokers' customer service? Can my broker answer me and my employee's health care questions in clear, easy to understand language?

A good broker will be responsive to your questions and concerns, embodying a client-first attitude. They should guide you and your employees through the enrollment process and provide ongoing support for claims, renewals and questions. The best broker will also provide exceptional service to your employees, helping with support, education, and answering questions during open enrollment and throughout the year.

How to partner with your broker

Building a strong partnership with your broker is important for maximizing the value of your health insurance offering for your business and your employees. Follow these three steps to build a collaborative relationship with your broker:

1. **Be proactive:** Engage your broker early in your business planning process.
2. **Share your vision:** Make sure your broker understands your 3–5-year business plan and strategic goals (e.g., plans for growing your business and team, products or services you may discontinue or grow, financial objectives, etc.)
3. **Discuss Growth:** Have conversations with your broker about the most suitable options for your business as it grows and evolves.