



Case Study

Conditions and Product Mix Drive Project and Profit Results

Employer 1 Case Specifics

- » HR needed additional resources to educate and communicate a new FSA plan to 602 white collar employees across 4 different locations
- » HR chose face to face communication for each location with call center back up although the meetings were not mandatory
- » An online scheduling tool was implemented for employee sign ups and post card mailers announcing the enrollment and product offering were sent out to each employee
- » The broker and employer chose to offer voluntary Accident, Critical Illness and Hospital Indemnity as the product mix

Employer 2 Case Specifics

- » HR needed additional resources to educate and communicate a High Deductible Health Plan to 486 grey collar employees across 8 locations
- » HR chose face to face meetings for all employees with call center backup and the meetings were mandatory
- » Benefit guides and post card mailers announcing the enrollment were sent out to each employee
- » The broker and employer chose to offer voluntary Accident, Critical Illness, Individual Disability and Term to 100 Life Insurance as the product mix

The Results

Employer 1 made the meetings mandatory only for those who wanted to sign up for the FSA plan and the decision yielded 284 of the 602 employees seen by WBS counselors or 47% of the population. The total premium written in the case was \$82,084. Since the employer did not offer a life product, the leading product premium was Critical Illness. After the enrollment expenses were funded, the broker made \$12,575 on the case.

Employer 2 made the employee meetings mandatory and WBS counselors were able to meet with 439 of the 486 employees or 90% of the group. The total premium written in the case was \$221,258 and the life insurance product accounted for \$94,467 or 43% of the premium. The life insurance product was the leading choice of all the voluntary offerings and contributed 62% of the commission profit in the case. After the enrollment expenses were covered, the broker made \$76,000 on the case.

The Take Away

While both employers deployed similar resources and accomplished the goal of funding an enrollment project with the buying power of voluntary benefits, the results from a profit perspective were drastically different for each broker. In order to maximize each broker opportunity with voluntary benefits, the project conditions and the product mix are critical decisions which directly affect the results.