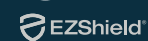


A woman with curly hair, wearing a dark blazer, is the central focus of the image. She is looking slightly to the right of the camera with a subtle smile. The background is a blurred office setting with windows and shelves. The overall color palette is dark teal and blue.

2020 BENEFIT BROKER SURVEY

Research by



 EZShield™  IdentityForce.



EXECUTIVE SUMMARY

Rapidly changing conditions in the 2020 labor market, swinging from historically low unemployment rates to record-breaking highs only months later, has put a spotlight on just how vital employee wellbeing is for organizations of all sizes. The paradigm of where you work has also shifted in 2020, with virtual offices becoming more the norm than not. With increased remote employees, new challenges around privacy and security are here now, and more devices are being used at home to access business systems than ever before. Security concerns and compromises, including breaches of both personal and company information, are taking a toll on the employee and the organization.

However, as the U.S. emerges from the impact of a global pandemic, hiring and unemployment rates will thrive again — though remote work may live on in greater numbers. As a result, organizations will rely on their trusted benefit brokers and advisors even more as they seek to attract and retain top talent within an embattled and weary employment pool. These hires will likely prioritize health and financial wellness more than ever before, as well as flexibility in their physical workspace — and organizations will need to pay close attention to personal and business security.

The 2020 Benefit Broker Survey, now in its third year, polled more than 100 employee benefit advisors throughout the U.S. to examine trends in the benefits market. From the top concerns expressed by HR, total rewards, and benefits teams to the most requested progressive benefits, and everything in between, this survey paints a picture of the current state of the industry — this year, while in the midst of the COVID-19 outbreak.

WELLBEING — A CONTINUING TREND

Here are three major changes between this year and last year's findings:

- 1. Wellness Matters** | "Employee Wellness", not even appearing in the top 3 in 2019, is now on equal footing with "Rising Healthcare Costs" in 2020, each cited as a top employer concern more than 63% of the time.
- 2. Identity Focus** | The interest in identity theft protection continues to climb, and 42% of benefit brokers are receiving more requests now than 12 months ago.
- 3. Easy & Accessible** | Organizations are overwhelmingly (88%) looking for benefits that add value for employees while being accessible anywhere at any time, meeting the needs of a remote workforce.

Nearly 40% of broker respondents support organizations averaging more than 500 employees, while another 40% represent those with 100-499 employees, and 20% work with companies with less than 100 employees. The survey was conducted between March and May of 2020.

SURVEY RESULTS

Employee Wellness Is Taking Center Stage

To better understand today's employee benefits market, and how benefit advisors and brokers are being asked to support their clients, we first examine the challenges organizations are identifying as significant concerns.



KEY FINDING | Employee Wellbeing jumped into a tie for the top spot as the primary concern for organizations of all sizes, as reported by more than 63% of survey respondents.

Employee Wellness (63%) is clearly at the forefront of organizational concerns this year, showing a considerable shift in importance compared to previous reports, where it has never ranked within the top three. **Rising Healthcare Costs** (63%) remains a top concern and is tied with employee wellness, but it shows a significant decline, dropping 30% compared to 2019. Following closely behind as the third most-voiced concern heard by benefit brokers was **Delivering Competitive Benefits Packages** (60%).

The COVID-19 pandemic has resulted in historically high unemployment rates, reaching 14.7% in April 2020. A stark change to 2019, when the *Gartner Emerging Risks Survey* showed talent shortage was the top risk for global organizations, and unemployment rates remained below 4%. Employees are being impacted even if their jobs remain secure, as additional stressors compound with remote work arrangements, social distancing requirements, and varying household concerns that run the gamut from health issues to financial woes.

Organizations are examining the full picture of employee wellbeing more than ever before, encompassing health and financial wellness in the form of benefits packages they can provide to reduce stress and improve employee productivity and overall peace of mind.

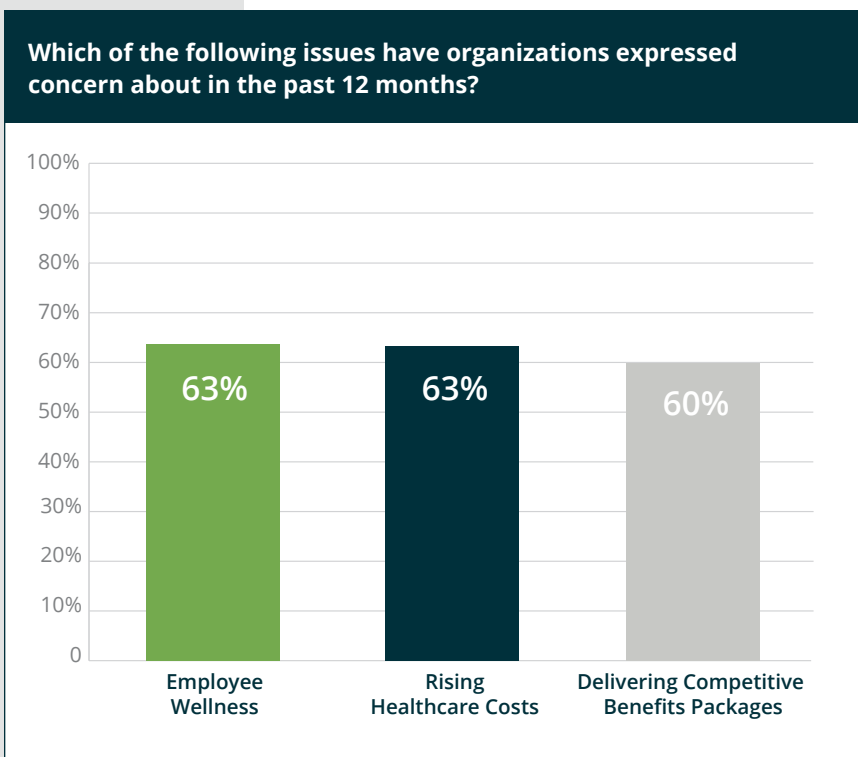


Figure 1 | The most pressing concerns expressed by HR and Benefits pros

THE MOST REQUESTED PROGRESSIVE BENEFITS

We identified the most requested, progressive benefits as those that were regularly requested (at least once a month) or were considered in high demand (multiple times per month or week) of our broker respondents.

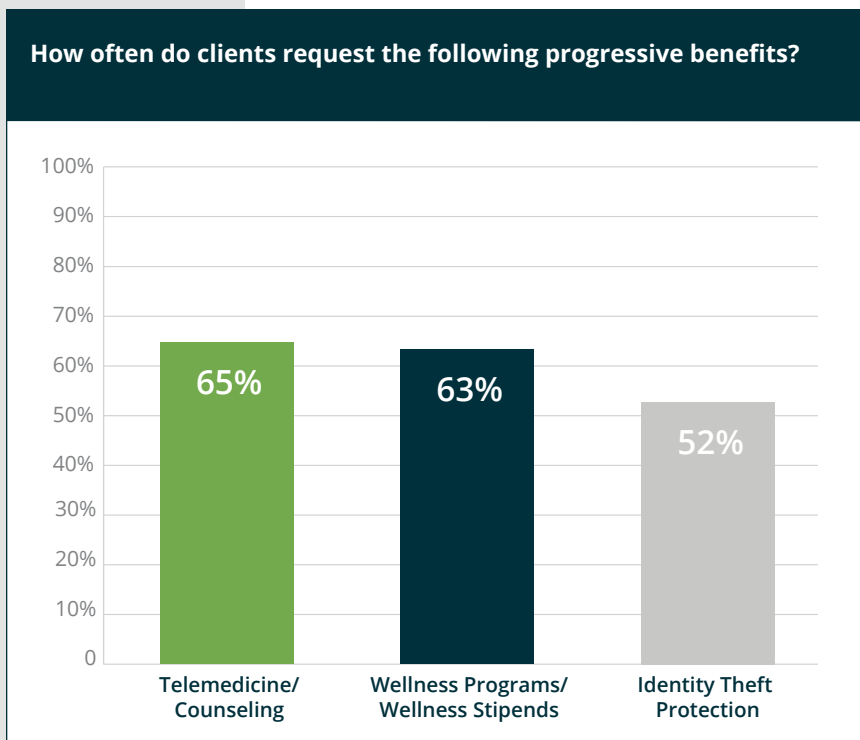


KEY FINDING | Identity Theft Protection remains one of the most regularly requested progressive benefits, with brokers reporting more than half (52%) of their clients are consistently expressing interest.

Shifting workplace environments due to COVID-19 is likely driving a renewed demand for **Telemedicine/Counseling** benefits, with 65% of employers regularly requesting this benefit that can be delivered virtually. Telemedicine/Counseling did not even register for many employers two years ago and was third on the list in 2019.

Rounding out the top three most requested benefits are **Wellness Programs** (63%) and **Identity Theft Protection** (52%). These types of wellbeing-focused benefits are increasingly important to employees' mental, physical, and financial wellness. And, the underlying benefit of improved "presenteeism" cannot be understated as a boost for organizational productivity.

When identity theft strikes it can take a significant toll on personal and mental health. Severe emotional distress, physical pain, and monetary losses are frequently reported by victims of identity theft.



An employee victimized by identity theft will need time off work to resolve the issue, putting additional burden on coworkers as well as the employee. And even when an employee is working, they are likely distracted and not fully functioning. A Salary Finance report found at least 48% of workers spend company time dealing with personal financial issues, equating to about a month of lost productivity each year. Identity theft increases that time dramatically, as it can take hundreds of hours of work and several months to recover from an identity theft incident.

Figure 2 | The progressive benefits most requested by organizations

THE EVALUATION PROCESS

When we asked benefit brokers to identify the top two factors for their clients to offer a new, company-paid benefit, **Price Per Employee** (63%) and **Value to Employees** (57%) remain the most pivotal considerations for HR and benefits teams.



KEY FINDING | Price replaces Value to Employees as the leading factor in benefit selection this year, as economic pressures are felt across most industries.

Which factors do organizations consider most when selecting benefits?

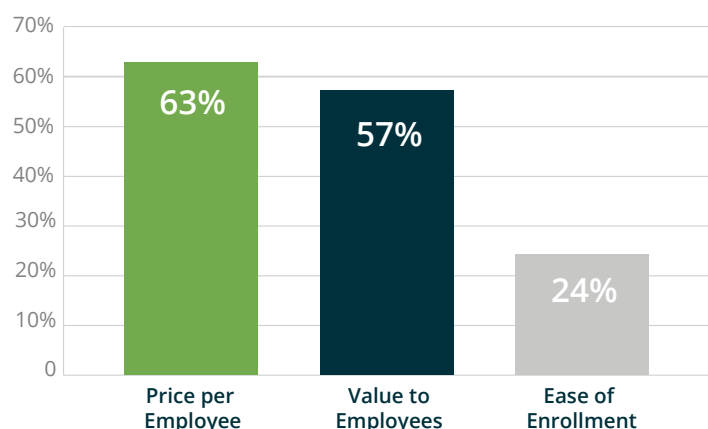


Figure 3 | Drivers of company-paid benefit adoption

How important is having mobile app access to employee benefits?

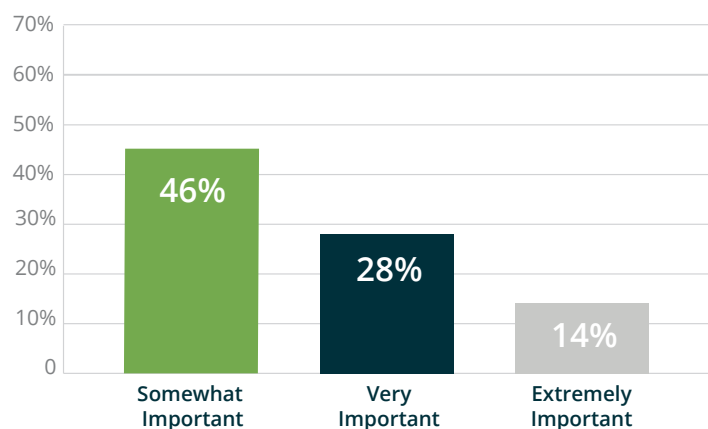


Figure 4 | Significance of flexible employee access to benefits

It may not be a surprise under strained economic conditions that Price Per Employee has regained its position as the leading factor, increasing 16% over 2019. Dropping to second place, Value to Employees also showed an increase (+5%) from 2019. Receiving 24% of responses was **Ease of Enrollment**.

More telling may be the factor with the greatest drop: **Competitiveness with Other Employers** declined by 78%, falling out of the top three. Again, substantial shifts in unemployment rates may explain why organizations are less fixated on benefits packages that compete with other employers. Instead, they are prioritizing employee wellbeing initiatives at affordable rates.

Benefits that are easy to use is a common theme from the survey respondents. Nearly 9 out of 10 (88%) of brokers say their clients are looking for benefits with easy access, allowing employees the flexibility to access their benefits quickly, easily, and remotely, through mobile devices. With more remote workers in 2020 than any year previously, brokers are well-served to provide benefits recommendations that deliver on this expectation of convenience and access, especially those focused on employee wellbeing, to ensure employees are receiving these valuable benefits anywhere, anytime.

THE STATE OF IDENTITY THEFT PROTECTION AS AN EMPLOYEE BENEFIT

This year, 65% of brokers report that their clients regularly request a recommendation for identity theft protection to add to their employee benefits mix, a 12% increase in two years. Nearly one in five broker respondents said they receive even more frequent (multiple per month or week) requests.



KEY FINDING | More than 42% of brokers say the demand for identity theft protection as a benefit offering has increased compared to 12 months ago.

All benefit advisors reported some demand for identity theft protection, and that frequency has increased for 42% of brokers compared to 12 months ago. In fact, an overwhelming **97% of brokers are seeing steady or increasing demand for ID theft protection benefits.**

As one broker responded in this year's survey, *"Affordable benefits are needed now more than ever."* And identity theft protection certainly fits that need,

delivering peace of mind as an affordable, employee wellness-focused progressive benefit.

How frequently do you receive requests from your clients to evaluate/recommend an identity theft protection vendor?

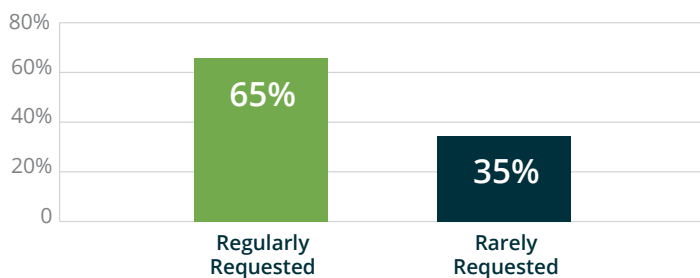


Figure 5 | The demand for identity theft protection

What do organizations look for in an ID theft protection benefit?

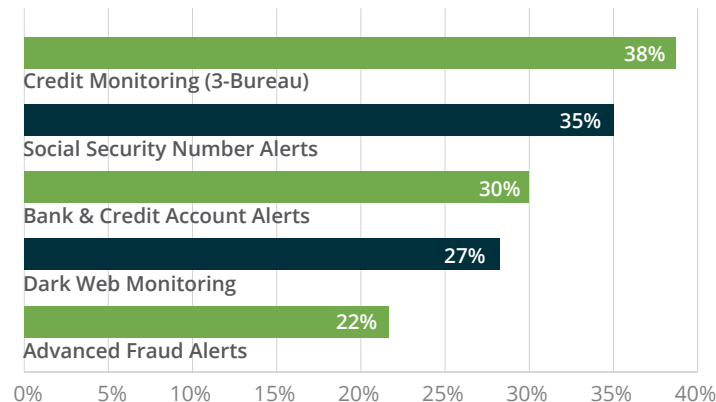


Figure 6 | Most requested identity theft protection features

When it comes to features, organizations expect robust ID theft protection plan options to include **Credit Monitoring** for all three major credit bureaus (38%), as well as **Social Security Number Alerts** (35%), and **Bank & Credit Account Alerts** (30%). Also frequently sought is **Dark Web Monitoring** (27%), which is a crucial element of a proactive identity theft protection plan. Making the distinction between a one-time historical Dark Web Scan and ongoing daily Dark Web Monitoring is important for added peace of mind that employees' sensitive information is safeguarded against malicious activity by cyberthieves.

The increase in organizational demand for price-conscious benefits focusing on employee financial and emotional wellness is a key indicator of the continued trend popularity of identity theft protection. Brokers should research and have conversations with ID theft protection providers, so they are prepared with informed recommendations for their clientele.

CYBERSECURITY PREPAREDNESS

Showing little change compared to 2019's report, more than half (51%) of benefit brokers are not ready, or are not sure if they're ready, to help their clients handle a data breach or security incident. Benefit advisors are an essential player in the day-to-day operations of a business. More than 60% of survey respondents advise Small to Medium-Sized Businesses (SMBs) of less than 500 employees, and their role as a valued advisor can be even more impactful when it comes to such preparedness.



KEY FINDING | Nearly half (48%) of respondents have had clients express concern over data breaches, cyber threats, and security issues in the last 12 months.

The unfortunate truth: Small business identity theft is a big business for hackers. These attacks come at a painful price, costing small businesses more than \$200,000 per fraud incident. Plus, they can cause reputational damage and stress to employees and business owners.

One reason hackers target small businesses is that they are vulnerable. They often lack the time, money, and expertise to detect and repel threats. For smaller organizations that don't know where to turn to, benefit brokers can step in to be an invaluable resource for clients experiencing a worst-case scenario.

Regardless of size, it's only a matter of time before companies face a cyber incident of their own. By having an identity theft protection provider on hand to safeguard employees, customers, and partners, while at the same time offering a [proactive data breach response plan](#), brokers can be the lifeline that helps to see organizations through the turbulent atmosphere following a data security incident.

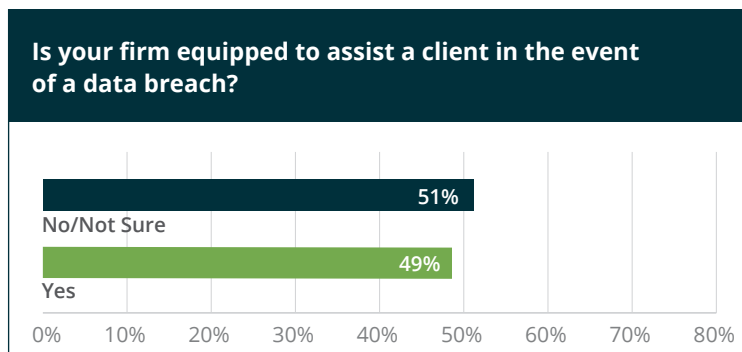


Figure 7 | Helping clients if employee or customer information is compromised



A KEY ELEMENT OF EMPLOYEE WELLNESS

It's no surprise that employees are worried about financial health, no matter their household income. Their outlook has been further stressed as the coronavirus pandemic impacts the economy. The National Endowment for Financial Education reports that 9 in 10 Americans are experiencing personal financial strain because of the COVID-19 pandemic, and the impact may be long-lasting.

Physical health and financial health can both contribute to improved mental health and overall wellness, which is why Employee Benefits brokers regularly identify progressive, wellbeing-focused benefits as the most-requested by organizations. As this year's report confirms, identity theft protection continues to be a high-demand wellness perk. It guards financial, physical, and mental wellness against the serious and growing problem of identity theft, which is only highlighted further in 2020 by the overwhelming number of [coronavirus scams](#), and some of the [worst data breaches of the year](#).

Adding to the pressure facing employees and companies is the shifting dynamic of the workforce. As organizations balance the increase of remote workplaces and the introduction of new, personal devices accessing business systems, the risk exposure to cyber threats escalates, and the vulnerability to cybercrime compounds for individual and business alike.

Benefit brokers are more essential partners than ever as organizations are leaning on their advisors to help control costs while also producing benefits packages that support the financial, emotional, and physical health of their employees and the business' safety and security. By easing people's stressors both inside and outside of the workplace, benefit advisors can help organizations create happier, more productive employees while retaining key client relationships.

WHAT BENEFIT BROKERS ARE SAYING ABOUT IDENTITY THEFT PROTECTION

It's a great benefit that continues to become more of an essential.

A necessity in this day and age.

Important benefit that should be a part of benefit packages.

It is a necessary coverage in this age of technology and ID theft.

A valuable benefit for the employer as it helps with "presenteeism".



TOP-RATED IDENTITY THEFT & MOBILE THREAT PROTECTION



Give Your Clients Best-in-Class Protection Against Data Breaches & Security Incidents

*"Expanding a core benefits offering to include **Identity Theft Protection** is a must for all employers! IdentityForce offers the best protection package including proactive monitoring, alerts, and recovery services. Employees can speak with a dedicated professional to resolve their issue with the highest level of recovery. IdentityForce is easy to implement and not an administrative burden on HR."*

Tiffany McClellan, CEBS | Regional Director Employee Benefits | EPIC

Competitively Priced Individual & Family Plans | Voluntary & Employer-Paid Packages

A group of four people (three women and one man) are in an office environment. They are sitting on desks, looking at documents and talking. The scene is dimly lit with blue and green tones. A text overlay is centered in the upper half of the image, enclosed in a light green square frame.

Go about your business
securely.

To learn more about how Sontiq can protect your clients' employees and their businesses from identity crimes and cyber threats, contact us [online](#) or call us at 1-888-6-SONTIQ.

ABOUT SONTIQ

Sontiq is an **Intelligent Identity Security** company arming businesses and consumers with award-winning products built to protect what matters most. Sontiq's brands, **EZShield** and **IdentityForce**, provide a full range of identity monitoring, restoration, and response products and services that empower customers to be less vulnerable to the financial and emotional consequences of identity theft and cybercrimes. Learn more at www.sontiq.com or engage with us on [Twitter](#), [Facebook](#), [LinkedIn](#), or [YouTube](#).

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