

**HOW TO  
SELL MORE  
ANCILLARY PRODUCTS  
& INCREASE YOUR VALUE AS A  
CONSULTATIVE BROKER**





# TABLE OF CONTENTS

|   |    |
|---|----|
| <b>INTRODUCTION</b> .....                               | 3  |
| <b>CHAPTER ONE</b>                                      |    |
| Why more employers don't offer ancillary benefits ..... | 4  |
| <b>CHAPTER TWO</b>                                      |    |
| The need for ancillary benefits .....                   | 6  |
| <b>CHAPTER THREE</b>                                    |    |
| How to sell more ancillary .....                        | 8  |
| <b>CONCLUSION</b> .....                                 | 10 |
| <b>ABOUT DYNAMIS</b> .....                              | 11 |



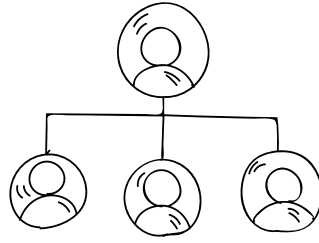
# INTRODUCTION

The employee benefits market is a tough one to navigate today with the uncertainty of health care legislation. At the same time, the industry is becoming more commoditized, making it harder for brokers to differentiate from the competition.

Employers are focused on managing health care costs, so their main employee benefits focus is finding a health plan and contribution strategy that fits their needs. Ancillary benefits are often overlooked, for various reasons:

- Employers are cost conscious and don't want to expand their benefits package (and may not realize that they can offer certain ancillary options with no cost to the employer)
- Employers are unaware of the increasing employee demand for ancillary benefit options
- Employers don't understand the tangible benefits of offering a comprehensive benefits package (or fail to realize the potential consequences of not offering one)
- Brokers often don't present ancillary coverage options in the most effective way, making it easy for employers to say no

Ancillary benefits are a major focus for workers today, but employers are lagging behind. In this ebook we'll examine the need and demand for ancillary benefits, why employers aren't offering them, and how brokers can sell more ancillary products. Brokers who successfully include ancillary options in their benefits discussions can position themselves as more consultative, as opposed to just quoting health plan options, promoting client loyalty and trust.



# CHAPTER 1

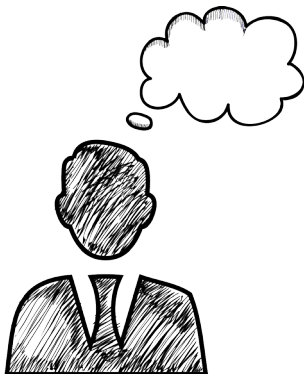
## WHY MORE EMPLOYERS DON'T OFFER ANCILLARY BENEFITS

As an employee benefits broker, you likely recommend ancillary benefits to many of your clients. However, many employers aren't prepared to expand their benefit packages—even though employees are demanding it. This chapter will examine that disconnect, along with common reasons employers don't offer ancillary.

### EMPLOYEE/EMPLOYER DISCONNECT

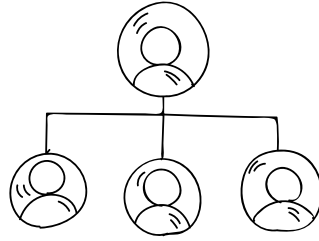
A comprehensive benefits package is important to most employees today, but some employers are falling short of employee demand. Below are a few examples of the disconnect between what employers offer, and what employees deem “must-have” benefit [options](#).

|                            | EMPLOYER OFFERS | EMPLOYEE “MUST-HAVE” |
|----------------------------|-----------------|----------------------|
| DENTAL INSURANCE           | 63%             | 68%                  |
| PRESCRIPTION DRUG COVERAGE | 54%             | 71%                  |
| LIFE INSURANCE             | 57%             | 61%                  |



Employees are going further than simply requesting or demanding certain ancillary benefits. They are putting their money where their mouth [is](#):

- 48% of employees would change jobs for better benefits
- 60% of employees say benefits/perks are a major factor in accepting or declining a new job offer
- 80% of employees would choose additional benefits over a pay raise



# CHAPTER 1, CONT.

## WHY MORE EMPLOYERS DON'T OFFER ANCILLARY BENEFITS

### WHY EMPLOYERS DON'T OFFER ANCILLARY

It's clear that employers aren't measuring up to employee expectations when it comes to ancillary benefits, and there are a few reasons behind this.

First, employers are (understandably) concerned about the uncertain health care market. Costs continue to skyrocket, putting pressure on employer bottom lines. Plus, not knowing the future of the Affordable Care Act may compel employers to be more conservative with benefits spending today, and/or reluctant to expand their current benefits packages.

Despite those reasons, brokers may be partially to blame for employers who resist adding ancillary coverage options. The way a broker presents or recommends ancillary benefits has a big impact on the employer's decision. Many brokers bring up ancillary options at the end of a renewal conversation, when the health plan and contribution strategies have already been determined.

Presenting ancillary as an "afterthought" like this doesn't represent the importance of these benefit options, and can encourage the employer to stick with their status quo. Later in this ebook we'll look at more effective ways to present ancillary options.





# CHAPTER 2

## THE NEED FOR ANCILLARY BENEFITS

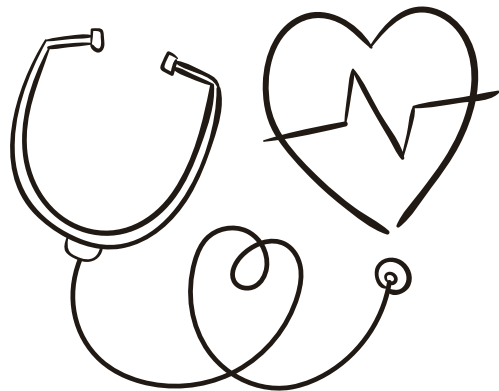
In the last chapter, we examined why employers don't offer ancillary benefits, despite the employee demand. However, there are countless benefits for employers who expand their benefits package and offer ancillary options.

### ATTRACT AND RETAIN TOP TALENT

A competitive benefits package is a must for companies seeking to attract top talent, and retain the employees they have. As mentioned earlier, 48% of employees would change jobs for better benefits, and 60% call benefits a major factor in accepting or declining a new job offer. In order to keep employees happy, engaged and productive, employers should consider expanding their benefits options.

### EASE EMPLOYEE UNCERTAINTY ABOUT HEALTH CARE MARKET

Employees are feeling the stress of health care uncertainty just as much (or more so) than employers. They aren't sure if their health care plans will change, if their employer will continue to offer coverage, if their costs will rise significantly, and more. Offering ancillary or voluntary benefits can help ease some of those concerns, by providing affordable options for benefits such as dental, vision, life and disability coverage.





# CHAPTER 2 CONT.

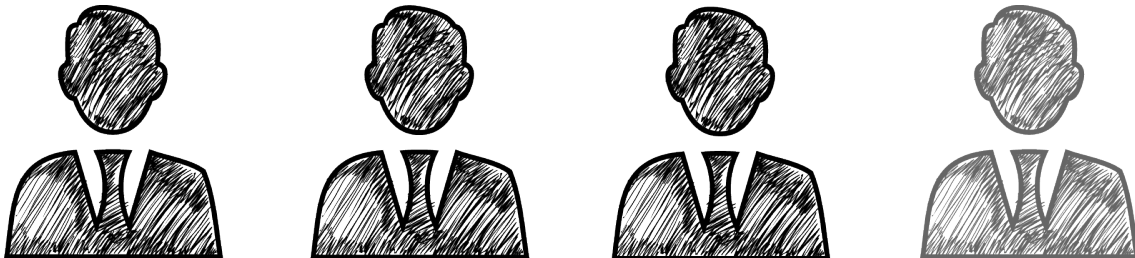
## THE NEED FOR ANCILLARY BENEFITS

### IMPROVE OVERALL HEALTH OUTCOMES

It is well established that healthier individuals pay less for health care, and that benefit trickles down to the employer as well. It is in the employer's best interest to help employees maximize their health, to reduce overall health costs and maintain productivity. This concept fits into the ancillary equation because benefits such as dental and vision can improve health outcomes. Employees who don't get regular dental or vision checks are at higher risk of related medical conditions and delayed diagnoses, which can result in costly health care and lost productivity.

### PROTECT EMPLOYEE FINANCIAL WELL-BEING

Finally, offering ancillary benefits such as life, LTD and STD can make a huge difference in the financial well-being of employees. Most workers don't buy these coverages if not offered through their employer, leaving them vulnerable. In fact, 70% of American workers live paycheck to paycheck, and **25% will experience some sort of disability by the time they [retire](#)**. Life insurance and disability coverage can help employees avoid financial catastrophe—and employees less concerned about money are more engaged and productive than those with huge financial burdens.





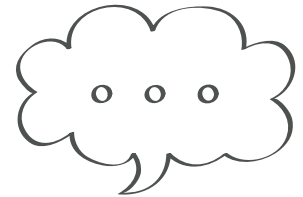
# CHAPTER 3

## HOW TO SELL MORE ANCILLARY

Now that we've examined why employers don't offer ancillary benefits, employee demand for ancillary, and the benefits for employers, we'll focus on the role of the broker. In many cases, the problem isn't that the broker omits ancillary from the benefits discussion, it's that ancillary isn't being presented in the most effective way. This chapter includes strategies to help brokers explain the importance of ancillary benefits to employers, and sell more ancillary products.

### MAKE IT PART OF THE LARGER BENEFITS DISCUSSION

A key mistake employee benefits brokers make when discussing ancillary options is the timing. The majority of the meeting is spent exploring medical plan designs, deciding on one or more health plans, and determining contribution strategies to fit the employer's budget. After all that, the broker will suggest looking at ancillary options, making it seem more of an afterthought than a critical piece to the benefits strategy.



Instead, brokers should aim to incorporate ancillary options into the discussion from the start. Doing so has many advantages:

- It helps employers understand the importance of ancillary, and the benefits of offering a comprehensive, competitive benefits package
- The budget discussion integrates all coverage options (medical and ancillary), making it easier for employers to see the big picture and make decisions
- The discussion becomes a more strategic one, positioning the broker as a consultative advisor, rather than someone who just quotes plan options





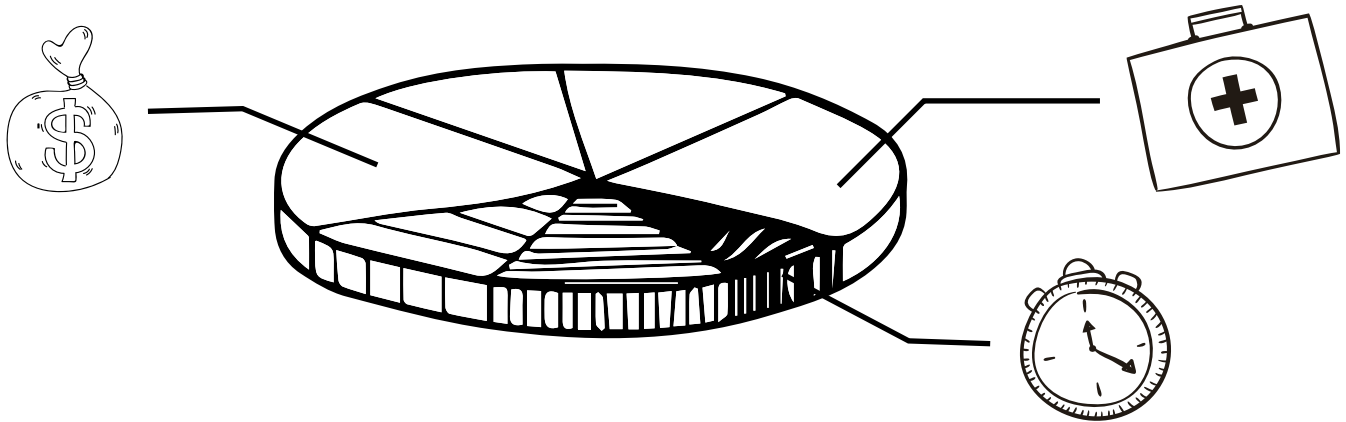


# CHAPTER 3 CONT.

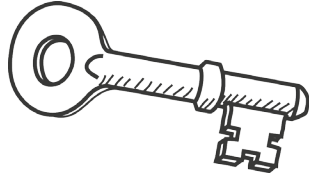
## HOW TO SELL MORE ANCILLARY

### HOW TO EXECUTE

To present ancillary most effectively and sell more ancillary products, brokers should focus on education and continuity. Many employers don't realize all the advantages of offering ancillary options—or the potential consequences of providing a lackluster benefits package. This is an education opportunity for the broker, to share relevant statistics and recommendations related to offering ancillary.



Continuity is just as important. As noted earlier, presenting ancillary as an “afterthought” isn't the most effective. Likewise, ancillary options should be included seamlessly into the medical discussion. A common scenario is that the broker will present medical plan options with a modern technology tool, and then show ancillary options on spreadsheets. This disjointed presentation leads employers to de-value ancillary benefits. Instead, the broker should produce a consistent presentation that includes all benefit options, allowing the client to see budget and employee impact on a bigger picture.



# CONCLUSION

Ancillary options are not usually the focus of a renewal meeting, but they should be a critical consideration. Employers who offer more competitive benefits packages can attract top talent, keep current employees happy, improve productivity and more.

The broker, of course, also benefits. Besides the commission included with selling ancillary products, using a big-picture approach to benefits creates a more strategic, consultative conversation. Clients will appreciate the broker's advice and counsel, leading to long lasting relationships. Plus, by providing ancillary products on top of medical, the broker controls a bigger piece of the benefits pie for the employer, making it tougher to switch brokers.

# ABOUT DYNAMIS

Dynamis was founded in Milwaukee, Wisconsin by insurance brokers. Unsatisfied with the traditional spreadsheet-based plan models, static reports and three-ring binders, the founders sought a way to engage employers in an interactive way.

The Dynamic Plan Designer was the result of hundreds of hours of interviews with agents, producers, account managers and most importantly, employers. CEOs, CFOs, HR leaders and benefits managers all agreed that annual meetings with their group health brokers were frustrating (to say the least). They helped design an interactive method to provide competitive health care coverage at affordable rates — all in one meeting.

Through the Dynamic Plan Designer, Dynamis drives collaboration between brokers and their clients, cementing each and every customer relationship. The Dynamic Plan Designer rapidly models innovative benefit plans in a clear, visual format that's easily understood by customers. By doing so, on-site decision-making becomes the standard, positioning the broker as an indispensable asset to the customer's business. Employers will never go back to the spreadsheet method after working with a Dynamis broker.

Dynamis works with leading brokers throughout the country, helping them grow and retain their books of business by finding the most effective plan designs for their employers. Learn more at <http://www.dynamiscorp.com>.



[support@dynamiscorp.com](mailto:support@dynamiscorp.com)

877.511.7944

[dynamiscorp.com](http://dynamiscorp.com)