

## WHAT WE LEARNED THIS SPRING?

Our HR clients are amazing and have worked tirelessly to support their organizations.

Our brokers are even more amazing, supporting their clients in ways they had never imagined would be needed.

The employees of our clients are more tech adept than we assumed. If they can Zoom (even if it's just happy hour with friends and family) manage shopping lists through online supermarkets, and perfect online gaming, they can manage benefits online. No one needs to do in-person enrollment meetings (ever).

As we revisit our relationship with real estate and decide where our employees will work, the cloud is the place to be.

## RENEWAL SEASON – WHAT TO THINK ABOUT

Your technology may get you through this year and if it does, that is one less thing to do.

But if you need new technology, either a replacement, an upgrade, or a first-time solution, now is the time to secure competitive RFPs. Platform and payroll companies are looking for new clients and pricing and services are crazy competitive.



## IT IS LIKELY YOU AND YOUR CLIENTS DO NOT KNOW THE TERMS OF THEIR CONTRACTS

Three terms that are often overlooked once your benefits administration contract is in place:

1. Contract dates – this date is generally not the same date as the plan year. You need to know the contract date because it determines your platform's renewal activity. As an example, you might have entered into a contract on 4/1 for a January plan year. Contract date is then 4/1.
2. Evergreen provisions – the platform contract automatically renews unless the client triggers a termination. Most termination clauses require a 90-180 day notification prior to the contract date. If the dates do not line up, the contract will automatically renew.
3. Fee Basis – clients pay on a formula that includes PEPM X cost of service. The PEPM count is set at the time the contract is executed and generally has a provision that includes the greater of the actual employee count or the headcount established in the Scope of Work when the contract was initially executed. The scope of work became the floor for charging fees. But what happens when headcount is reduced?

This is important now, as your clients may have changed or intend to change the number of employees they will employ.

- Think about the 1200 life group, that is now 800 employees at what rate are you paying for technology services?
- What about the 500 life group that is now 200 employees? Does your current supplier want a 200 life group?
- And what about the 75 life group (now 50 lives), that doesn't want your agency platform and might be headed towards a PEO? How do you protect them?

Employers are just now announcing their "re-staffing" plans and it is not size specific. Large and small employers will emerge with different headcount and some may need to resize again for 2021.

All of your suppliers want to do the right thing, but they too, have businesses to run. No need to be heavy handed with these negotiations, but a conversation on behalf of your clients who need assistance, might be in order.



## INDUSTRY HAPPENINGS

PlanSource will be moving their Spring Eclipse meeting to an online forum, beginning in May. Boost program now boasts 12 participating carriers.

Empyrean is now a solid down-market solution to 500 lives. Pilot Plus program integrates claim and provider direction.

Benefitfocus introduced BenefitPlace.com

Flock and TeemWurk were added to our Shortlister platform bringing our vendors to 37. In addition to direct contacts, half a dozen resellers now participate in our RFI/RFP requests.

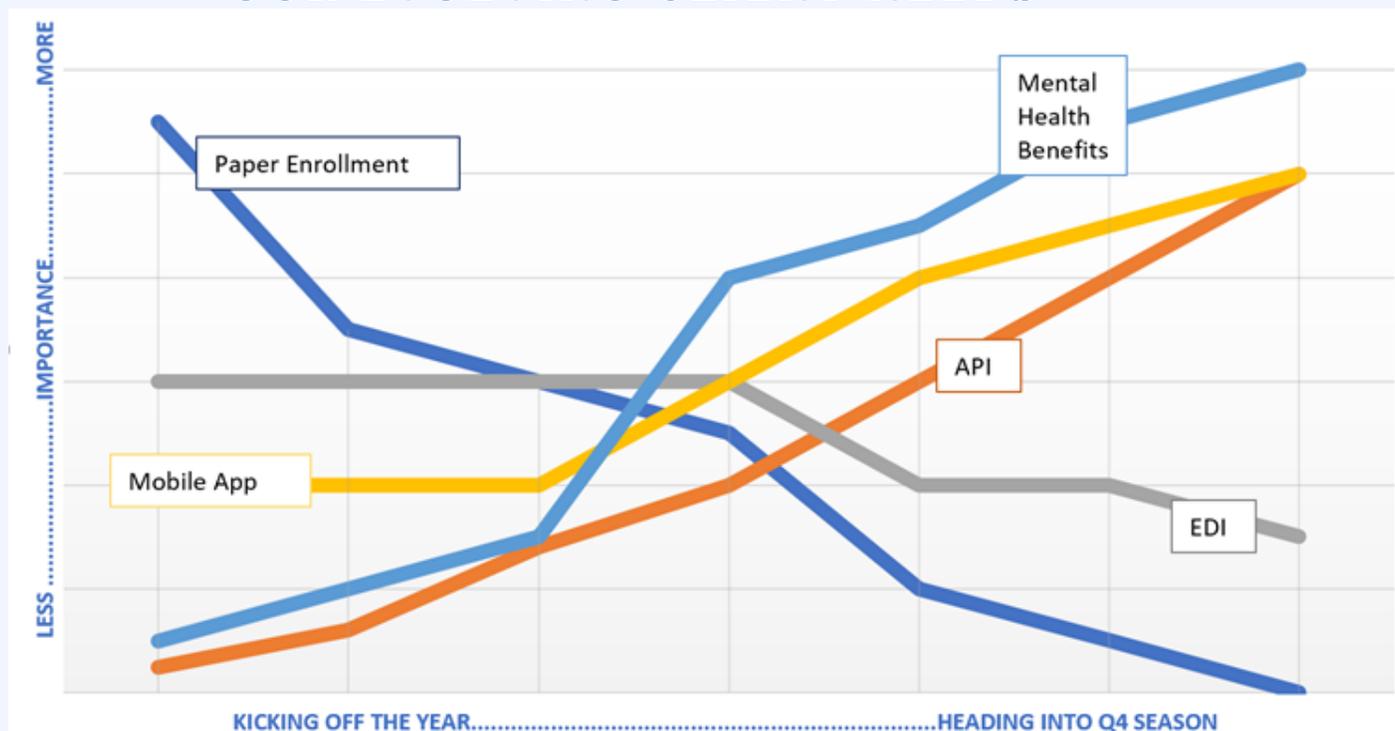
### THE INDUSTRY IS GETTING SMALLER

Big layoffs at Benefitfocus and Namely. Benefitfocus reduced its staffing by 20% and Namely by 40%.

### SOME TECH COMPANIES ARE GETTING BIGGER

Companies in the online financial services business, telemedicine, and mental health are all hiring like crazy, anticipating a big demand for services.

## OUR EVOLVING CLIENT NEEDS



### LMCIS - HERE TO HELP

We can help you during Q3 as you manage your renewal process. If you need to focus on your insurance services, we can be an extension of your team on the tech front.

Are you running out of capacity? Are you in need of technology solutions for groups that never really thought about online and in-the-cloud connectivity situations? Renegotiating contracts?

We can help you on a retained basis or one group at a time. Let us know what your needs are.

Leslie Miller - [leslie@lesliemillerinsurance.com](mailto:leslie@lesliemillerinsurance.com)

Jill McCarthy - [jill@lesliemillerinsurance.com](mailto:jill@lesliemillerinsurance.com)

LMCIS - Leslie Miller Custom Insurance Solutions

<https://www.lesliemillerinsurance.com>