

A man with short dark hair, wearing a dark suit, white shirt, and a purple patterned tie, is sitting and looking towards the camera. He is positioned in front of a large window with a brick wall visible outside. The lighting is bright, suggesting an indoor office setting.

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*By Amanda McGrory | Photography by Austin Walsh*

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BRANDON SCARBOROUGH

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# Broker of the Year

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**W**hen Brandon Scarborough, co-founder of Power Group worksite division and PowerEnroll at Power Group Cos. in Overland Park, Kan., first jumped into the benefits business, it was at Healthcare Services Group, where he focused on offering benefits services to housekeeping and dietary employees in nursing homes; but, there was a problem. Scarborough quickly learned many of these employees made little in wages and couldn't afford the available benefits, he explains. >>

“I found out these employees got offered basically nothing because they didn’t make enough money and couldn’t afford benefits, so I made a couple of phone calls to friends I knew were in the insurance industry to see about figuring out a way to offer these employees some sort of benefits,” Scarborough says. “I decided I knew enough people in the nursing home industry that I could start a company and be successful at offering benefits.”

In 2005, Scarborough founded Benefit Design Group, which allowed him to focus strictly on providing voluntary benefits to low-wage workers employed by nursing homes. Scarborough continued his business until he merged with Power Group Cos. in 2007 when the company wanted him to run a new worksite division.

#### ENROLLMENT MATTERS

Since Scarborough joined Power Group, enrollment emerged as a large part of his responsibilities, he says. Setting up the enrollment, working with the carriers and implementing the most effective technology are all part of Scarborough’s responsibilities, which keeps him plenty busy, but he also takes the time to personalize each enrollment approach. For some employers, sponsoring wellness fairs and conducting biometric testing helps increase enrollment engagement while distributing prefilled applications works for other populations.

“The goal at the end of the day for any employer is to have their employees understand exactly what benefits are being offered and to help them make the educated decision as to what they need and don’t need,” Scarborough says. “Enrollment is the

time to provide the right education and communicate in the best way possible. Every single enrollment is different, and it’s so much more dynamic now. Having those various

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enrollment options and being flexible with those enrollment options has really been a differentiator for us.”

In fact, Scarborough has seen certain enrollment methods work well for some groups but cause adverse reactions in others. While providing employees with a benefits statement that outlines how much their benefits cost can be an effective way to increase enrollment engagement; there are some employee populations that are turned off by this method. Rather than

seeing how much their employer is spending on health care, they’d rather take the salary increase.

Even the employer’s industry can impact what type of enrollment best suits a client, Scarborough adds. In Scarborough’s experience, employees who work in technical industries, such as a software company or architecture firm, are more open to enrollments that rely heavily on technology.

“How involved employees want to get into technology during enrollment is completely based on how technologically savvy the employees are within the company,” Scarborough says. “Those technical-focused groups tend to prefer those technical-based enrollments more than other segments.”

#### A NEW APPROACH

Not too long ago, Scarborough and his group tapped into some new technology when they conducted an enrollment strictly using avatars, he says. This group of employees was mostly white collar, comfortable with the technology and seemed to feel they didn’t have time to call in for enrollment. Instead, they preferred to enroll online as this virtual person explained their benefits to save time, and the process went smoothly, which even surprised Scarborough.

“I was skeptical of completely enrolling through avatars, but it was an extremely successful enrollment,” Scarborough says. “Out of 1,500 employees, we probably had fewer than 100 total phone calls.”

Besides taking a personalized approach to enrollment, having the employer’s support is also important, Scarborough says. Successful enrollments require that the conditions be right to encourage

employee engagement, and that comes from the employer environment. Without employer support, it can be challenging to promote employee engagement.

“You always try to get to know the employees and understand what their hot buttons are, but the employer knows its employees much better,” Scarborough says. “We’ve done all kinds of enrollments, but getting the employer to buy in at the beginning is the No. 1 thing I look for when we start enrollments.”

Voluntary benefits are also a large part of Scarborough’s business, he says, especially as group worksite products become more available. Worksite voluntary products were first introduced to the benefits industry as individual policies, but this is changing as more carriers now offer worksite voluntary products as an option to the group plan.

#### **VOLUNTARY RENAISSANCE**

Employees are showing a greater interest in group worksite voluntary products, too, Scarborough says. In the past, group worksite voluntary products, particularly accident policies and critical illness, served more of a niche market. Most people who considered critical illness had a history of cancer in their families while those picking up accident policies often had children involved in injury-prone sports, such as football.

But that’s beginning to change, Scarborough says. More employees are now interested in group worksite voluntary products as a way to manage rising deductibles in a health care landscape plagued with ever-rising costs.

“Those out-of-pocket expenses to reach the deductible have become



further out of reach, but group worksite voluntary benefits help fill those gaps on deductibles,” Scarborough says. “Group worksite voluntary benefits go along with the health insurance plan, and they’re becoming more looked at as a type of product that can help control costs.”

As the health care exchange system is set for implementation in 2014, more employers could start turning to ancillary products. Scarborough expects an employer’s benefits offering, especially regarding voluntary products, to be even more important once health reform takes full effect.

Although many in the benefits industry are worrying about the changes that health reform could bring, Scarborough is taking it one day at a time, he says. The future of health care reform is still in doubt. While health care reform could go forward as planned, there also could be some major changes to the current model, or it could even be scrapped completely. Rather than worry about what implications health care reform could bring, Scarborough is focusing on staying educated in this unsure environment.

“At this point, there’s so much speculation about health care reform from week to week,” Scarborough says. “You’re constantly hearing something different. In my agency, we listen to everything and get as much education as we can. You just have to keep your head down and do your job, which is doing what’s right by the client.”

To better serve his clients, Scarborough takes the time to help human resources managers oversee the enrollment process, he says. HR departments are still running lean, and they no longer have

the time manage the many steps involved in the enrollment process. Between setting up the enrollment, managing the enrollment through the various carriers and working on

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the deductions, HR managers are overwhelmed, and this is a chance for brokers to prove their value to clients.

“Those nitty-gritty tasks that HR managers used to do that were so time-consuming for them—they don’t have time to do those anymore,” Scarborough says. “Instead, they’re leaning on brokers to help them with those tasks.”

Following an open, honest policy

is also important to Scarborough, he says. Many benefits brokers fail to disclose how much they are being paid, but that practice is only a disservice to clients. Scarborough makes a point to disclose all fees he earns, which has helped him separate himself in the industry and even retain clients.

“One way you can stand out in the benefits industry is by getting that reputation of being open and honest,” Scarborough says. “It doesn’t come over night, and it doesn’t come without a lot of hurdles, but it has given us about a 97 percent retention rate. I’ve made it my goal to retain clients, and I think you do that by doing more than other brokers.”

By not disclosing how much he makes, Scarborough believes that it gives a client a better understanding of the services they request and what is provided by him as the broker. Most clients don’t truly understand what it is they’re paying for, but disclosing those fees sets a level of expectations. Fee disclosure establishes what services are available and allows clients to take advantage of the services that best suit them.

“So often I see firms that offer various types of services, but they don’t provide them to the client because they weren’t asked about them or weren’t required to provide them,” Scarborough says. “They didn’t bring them up because these value-added services, such as COBRA or flexible spending, cost agencies money. There’s so many different ways to make extra money if you’re a broker, and you can separate yourself by adding those services or letting your clients know all of the services you provide. Give them the choice to take advantage of these services or not.” ■