

2025 Employee Benefits Benchmarking Report

nova[®]



About the Survey

This report provides a snapshot of industry trends, highlighting key priorities, challenges, and trusted resources among benefits brokers and consultants focused on selling health benefit solutions or managing clients and supporting their employer benefit solutions. This survey also included input from employers in finance and human resources roles. Nova Healthcare Administrators, Inc. surveyed brokers and employers representing a range of organization structures and sizes across the United States.

Survey Conducted: February 11 – March 5, 2025

Survey Length: 5 mins (*average*)

Sample: 50 = (total respondents)

Collection Method: Online survey

Employee Benefits Experience: 30 years (*average*)



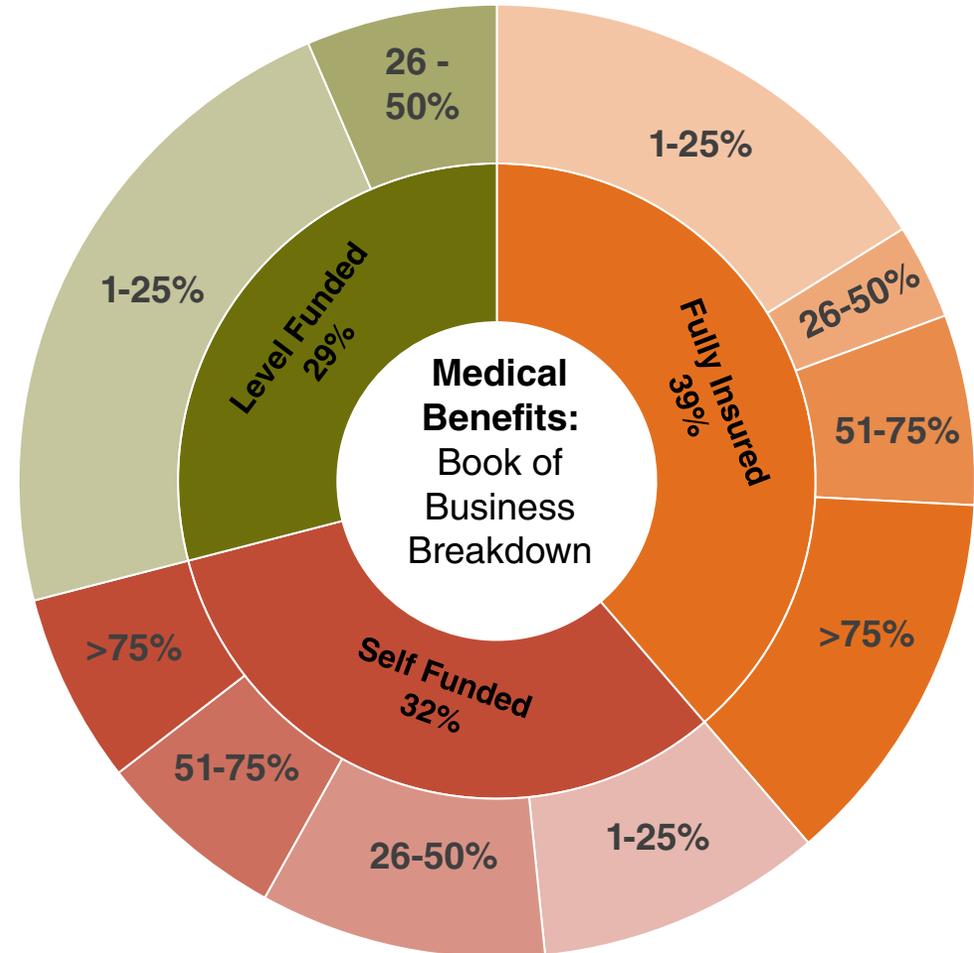
Medical Benefit Trends

BROKERS & CONSULTANTS

The vast majority (85%) of insurance brokers have clients with self-funded or level-funded plans, highlighting the widespread adoption of these funding models. Brokers tend to manage either a significant or minimal share of fully insured business. When asked about the types of plans their clients have:

- **92%** serve at least one client with **fully insured benefits**.
- **77%** have clients with **self-funded plans**.
- **70%** have clients with **level-funded plans**.

The chart below outlines how brokers & consultants identified the medical plan types they sell as a percentage of their overall medical benefits portfolio.





Employee Benefit Trends

Medical Plans

The list below outlines the trends brokers and consultants shared they have noticed over the last few years. How does that compare to the trends you're seeing?

- **Move toward captives**
- **More opportunity in level-funding**
- **Openness to RBP and DPC**
- **Focus on managing pharmacy cost**
- **Consolidation in service providers reducing vendor options**
- **Modifying plan designs to manage cost**
- **Fear of change**
- **Concerns with state mandates impacting self-funded plans**

Overall, a move toward captives was the most commonly noted trend insurance brokers see in the market. More than half of all comments reference trends to address plan costs. Of those comments, a third referenced the impact of pharmacy costs on plan spend.

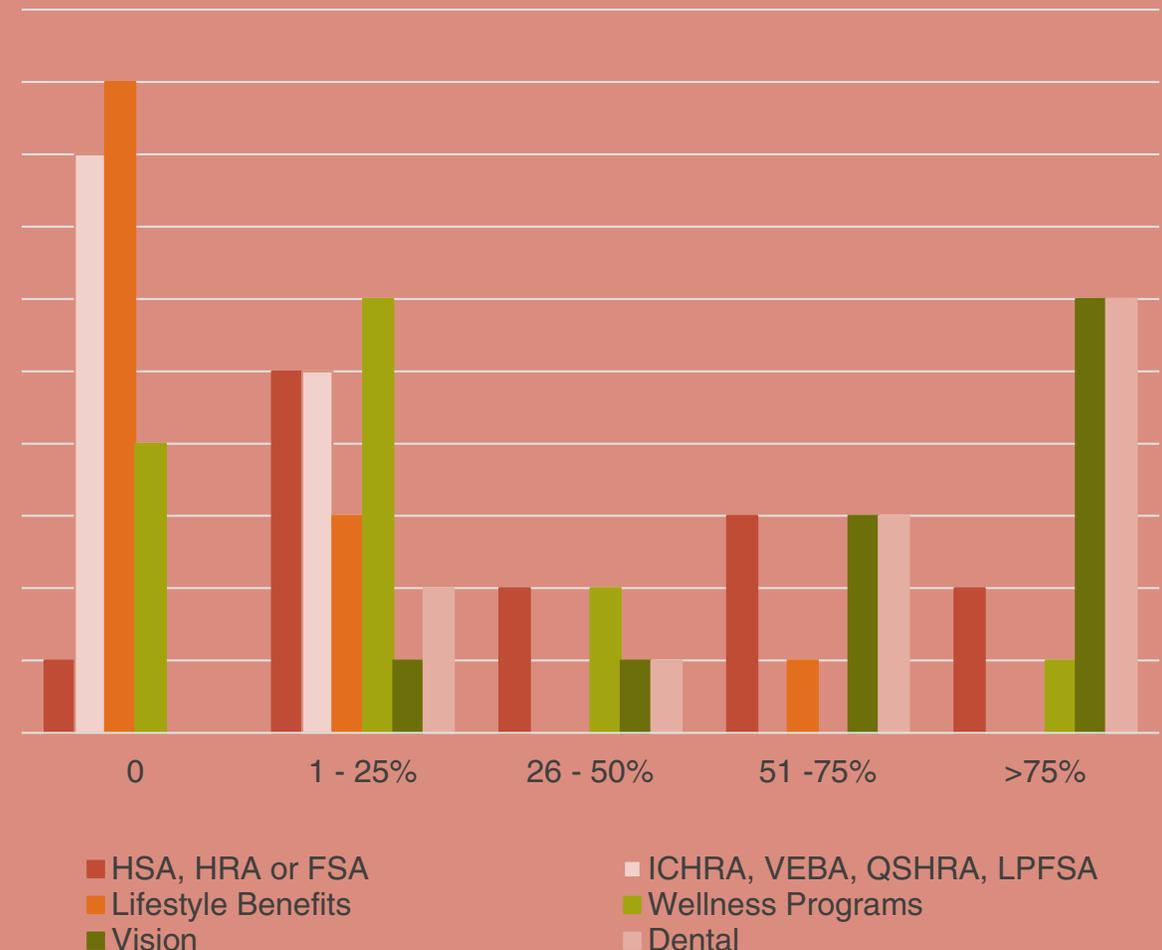
Benefit Trends — Beyond Medical

BROKERS & CONSULTANTS

The survey findings highlight a clear distinction between traditional and emerging employee benefits. **Vision and dental** coverage are nearly universal, with over **75%** of brokers indicating their clients offer these benefits. In contrast, HSAs, HRAs, and FSAs show a more varied adoption, while more specialized tax-advantaged accounts, including ICHRA, VEBA, QSHRA, and LPFSA, remain niche offerings, with most brokers reporting adoption rates of only 1-25%. Wellness program adoption appears inconsistent, and lifestyle benefits show minimal penetration. These results suggest that while employers prioritize core benefits, newer and more flexible options have yet to achieve widespread acceptance.



The chart below outlines the percentage of respondents' clients that offer supplemental benefits as a compliment to their core medical package.

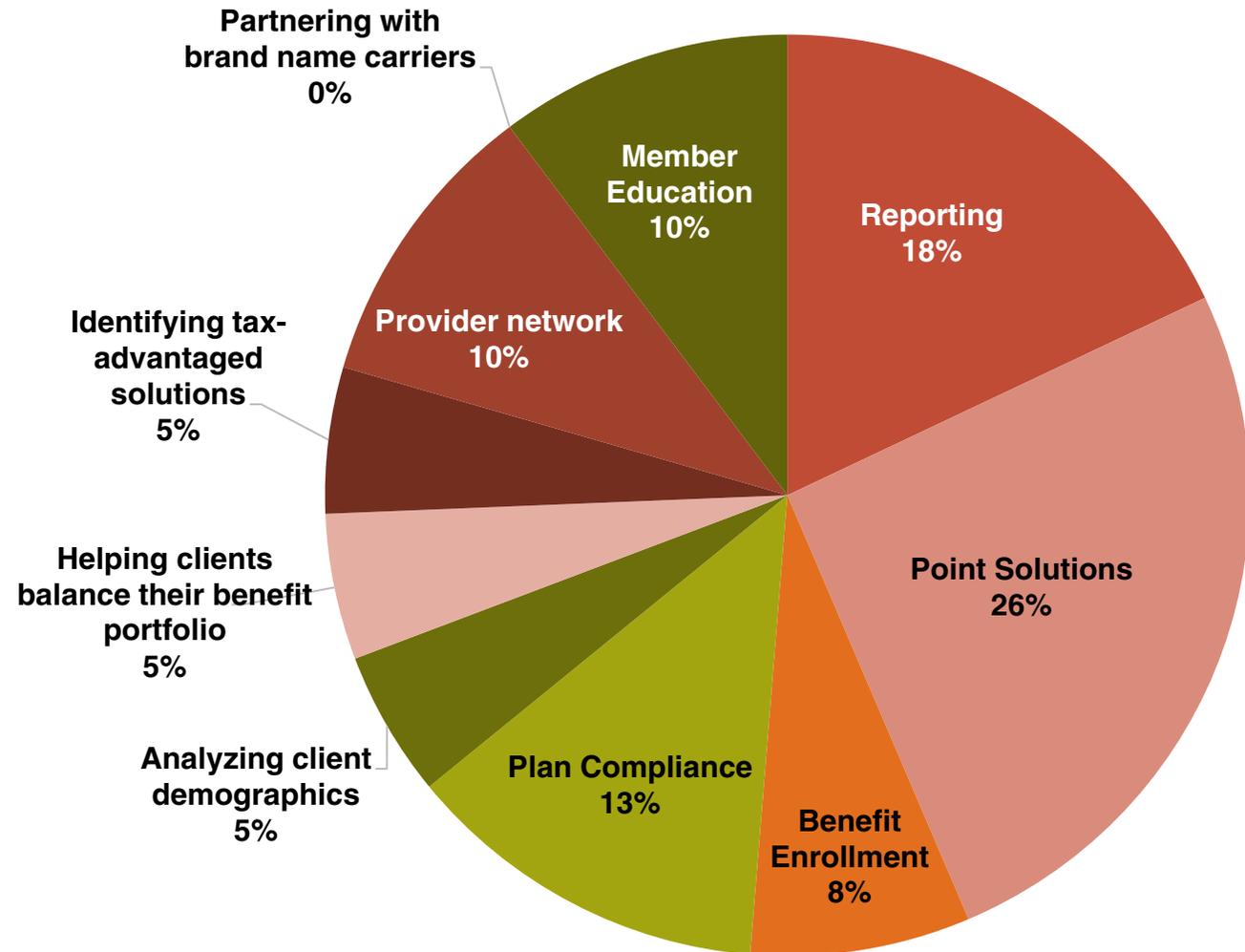


Priorities

BROKERS & CONSULTANTS

The results highlight brokers' focus on **cost containment and strategic plan management**, with a strong emphasis on **vendor partnerships, cost reporting, and compliance**. Prioritizing cost driver analysis suggests that brokers recognize the importance of data-driven decision-making for their clients. Additionally, network strength and pricing transparency remain key considerations, reflecting employer and employee demand for access to high-quality care at predictable costs. Brokers selected priorities from a predefined list, which may not fully capture the nuances of their strategic approach. While member education and workforce analysis were identified as key areas, brokers may place additional emphasis on personalized consultation and innovative plan design that were not explicitly listed in the survey. Acknowledging the need for benefit enrollment solutions further underscores the increasing role of technology in streamlining administration.

Overall, brokers and consultants cited the following priorities based on client needs.



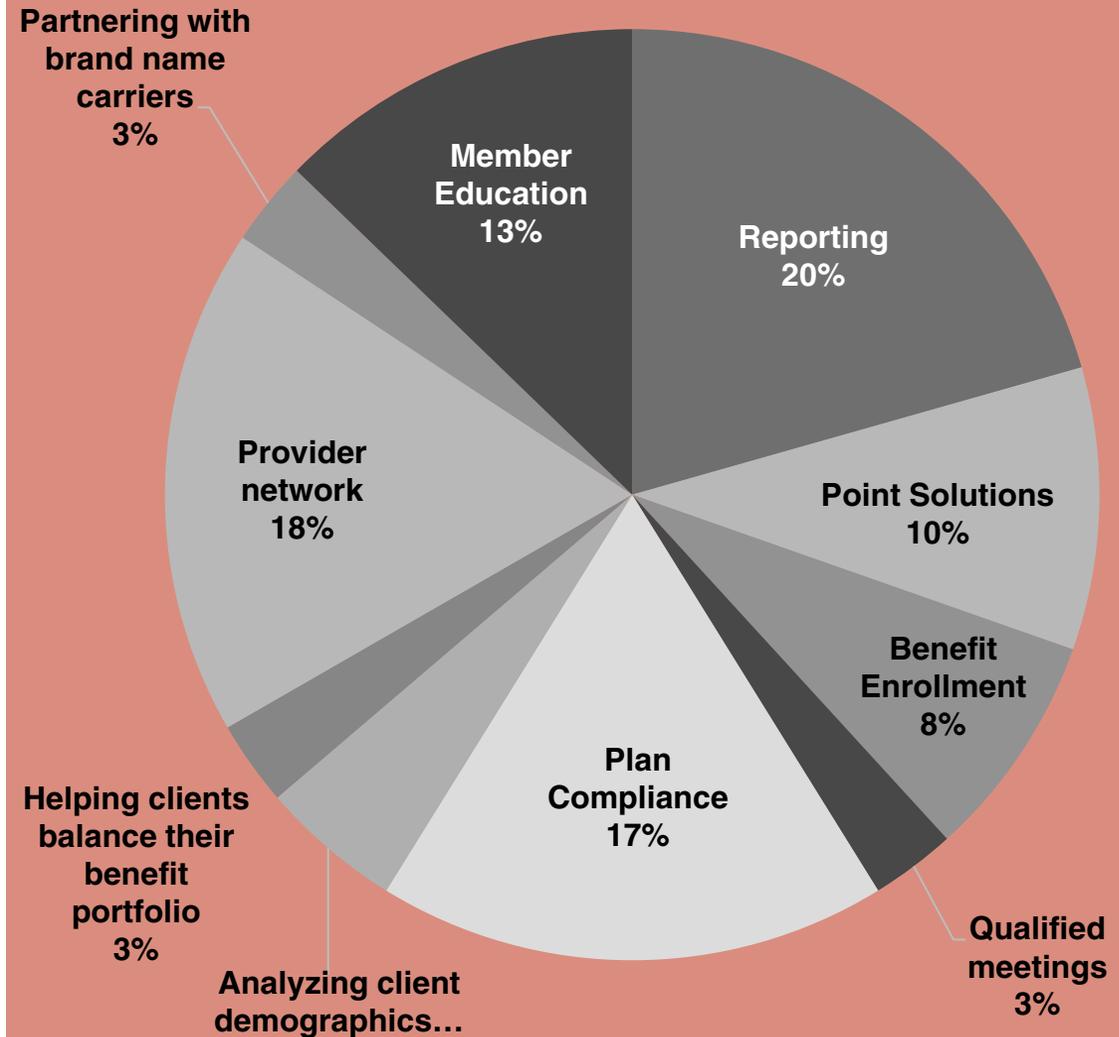
Pain Points

BROKERS & CONSULTANTS

Survey results highlight **cost management**, **compliance**, and provider **network access** as the top challenges brokers face in winning and retaining business. This underscores the pressure brokers face in controlling costs while delivering high-value benefit options for their clients. Additionally, **vendor partnerships** for health and cost-management programs and **member education** were common concerns, reflecting the need for external solutions and better employee engagement. While these insights are valuable, they may not fully capture issues like relationship-building or differentiation in a competitive market. However, the data makes it clear — brokers must navigate cost control, compliance, provider access, and administrative efficiency to stay competitive.



Brokers and consultants cited the following pain points and challenges to winning new business and meet the needs of current clients.



Trusted Resources

BROKERS & CONSULTANTS

Brokers, consultants and benefit advisors indicate they rely on the following to learn about topics and trends in the employee benefits space:

1. **Webinars**
2. **Vendors**
3. **A specific peer or colleague**
4. **Industry publications**
5. **Conferences**
6. **Industry groups**

Overwhelmingly, brokers and consultants attend webinars to stay current on opportunities and changes in the benefits industry. Through this survey it is not possible to determine who provides the most valuable webinar content — point solutions, industry groups or publications, or other brokerages.



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Benefits Benchmarking

EMPLOYERS

The Employer Perspective



The following insights reflect employer opinions on employee benefit solutions. Nova surveyed human resources and finance professionals representing a range of industries and company sizes across the United States. The variations in their perspectives showcase both common ground and differences that correspond to their job functions.

According to the survey, 100% of employers partner with an insurance broker, considering them a highly trusted voice in benefit decisions. Collaboration between TPAs and brokers is key to showcasing value, underscoring the importance of sharing our insights with the broker community.



Employee Benefits Focus

PLAN SPONSORS

The charts below outline the average number of employees* who spend at least 50% of their time on employee benefits along with the size of the benefit-eligible employee base according to HR & finance professionals.

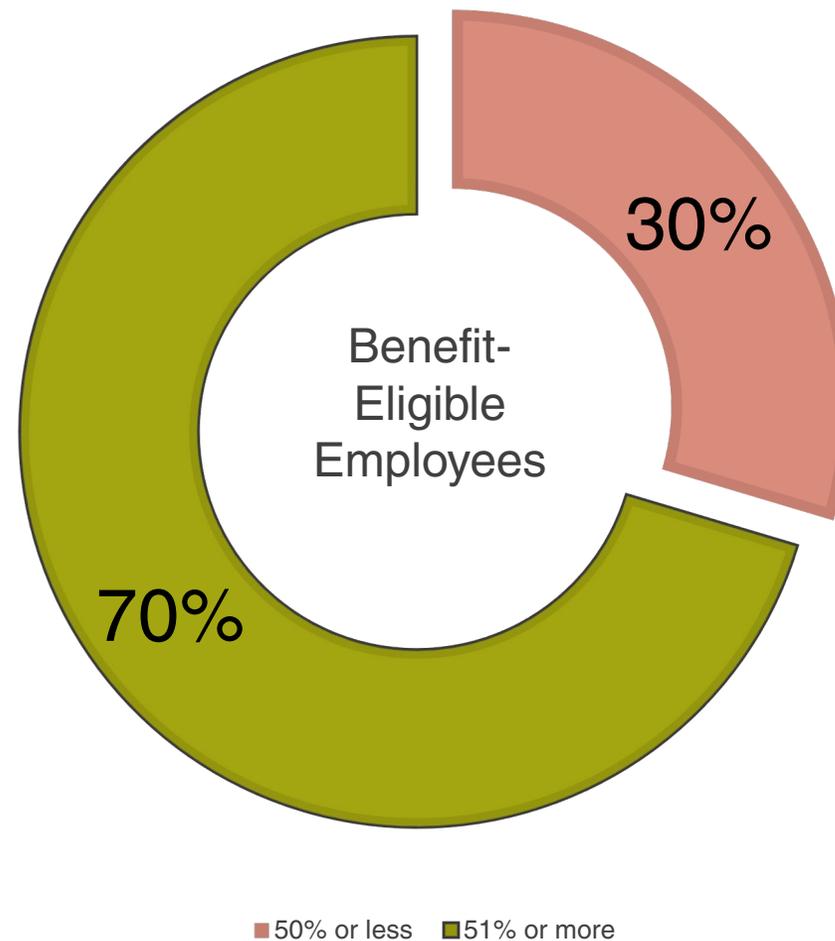
# of Benefit Eligible Employees	Benefits Team Size
<100	1.1
101-250	2.5
251-500	2.5
501-1,000	2
2,501-5,000	10
5,001-10,000	6

**Responses exclude the support of external benefits consultants.*

Benefit Participation

70% of employers surveyed indicate that **more than half of all eligible employees participate** in the employer-sponsored plan.

There were no discernable trends related to the number of benefit-eligible employees and the rate of enrollment on the plan. To address lower participation rates, we need to explore whether cost, plan design, or gaps in employee education are contributing factors.



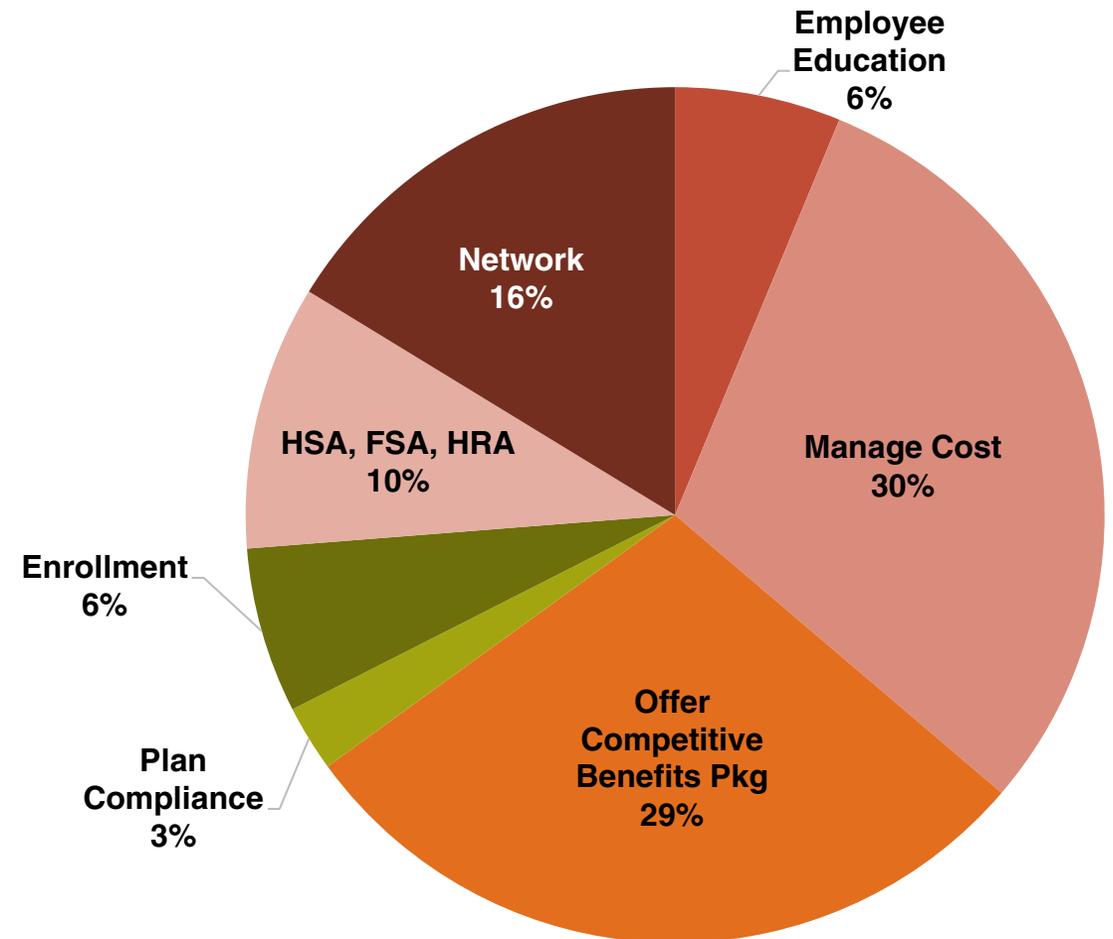
Priorities

FINANCE & HR

Overall, employer representatives overwhelmingly agreed that managing the **cost** of their health plan and **offering a competitive benefits package** are top priorities. Ranked third, employers are focused on offering their members a **provider network** that meets their needs.

When we drill into the data based on job role, HR leaders' number one priority is offering a competitive benefit package whereas finance leaders are, unsurprisingly, most concerned with cost.

Currently, what are the three (3) biggest priorities for your company related to employee benefits:



Pain Points

FINANCE & HR

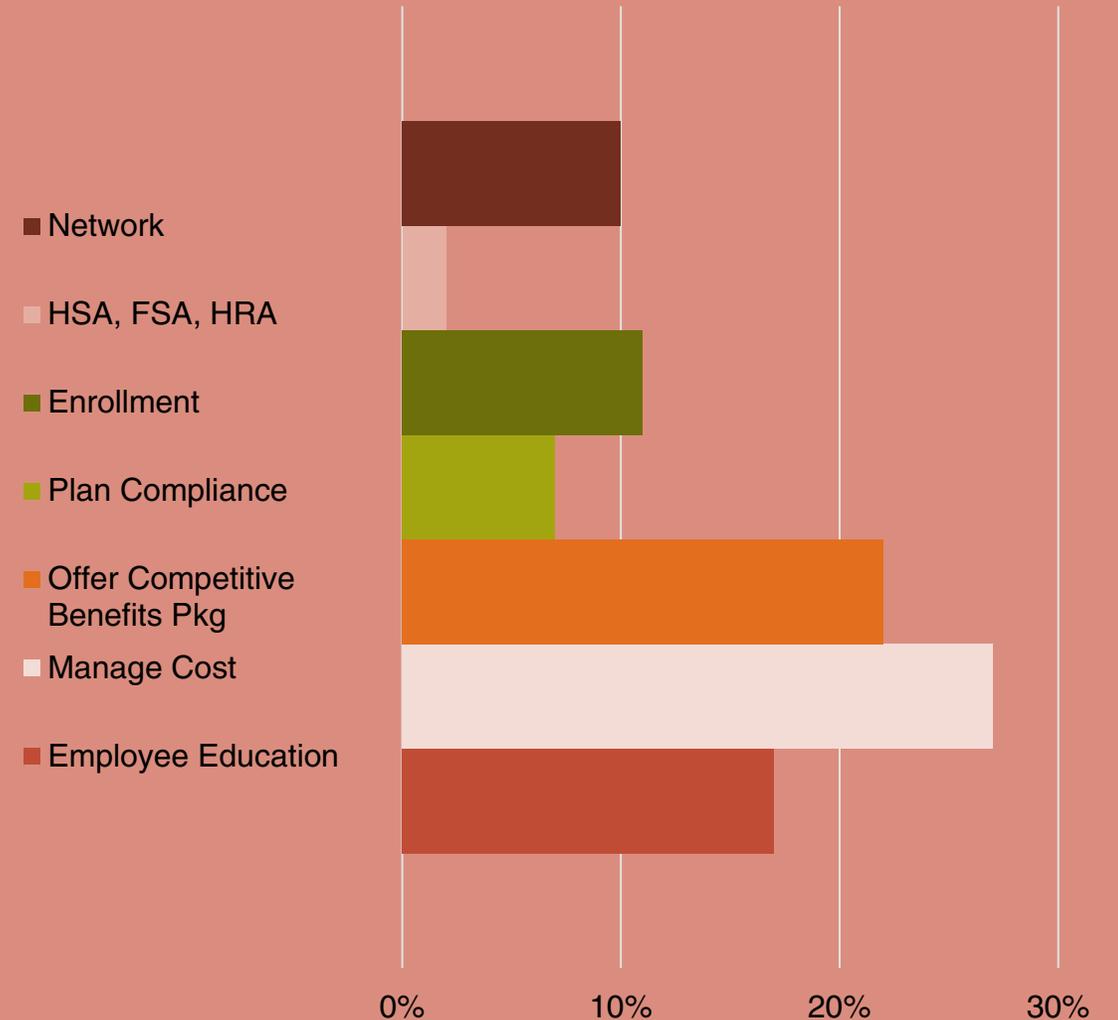
Finance executives and HR teams aligned in identifying their top three pain points as **managing the cost of their plan**, followed by **the ability to offer a competitive benefits package**, and **employee education**.

On write-in, one HR executive noted **claims processing** as a challenge. The summary of results highlights that finance and HR teams consider both the **cost** and **quality of benefits** to be both **important and worrisome**.

Recognition of the value of **employee education** across both HR and finance functions indicates an area of opportunity for brokers and plan administrators. Addressing this challenge could lead to better plan utilization, greater enrollment, or an improved sense of employee satisfaction with their plan.



Select the three (3) biggest pain points for your company related to employee benefits:



Trusted Resources

FINANCE & HR

When asked to provide the resources they turn to when they want to learn about employee benefits, outside of their insurance broker, financial professionals and HR representatives indicate they rely on **webinars** and **a specific peer or colleague** among their top three trusted sources.

They stray in other areas where HR representatives trust **industry publications** and employees focused on finances leverage the expertise of **vendors** for benefits information.



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Nova Healthcare Administrators, Inc.

2025 Employee Benefits Benchmark Report

Our mission is to be a **trusted strategic partner** in benefit plan administration, offering **flexible** and **creative solutions** to **improve health outcomes** and **manage cost**.

By fostering a culture of **integrity**, **collaboration**, and **accountability**, we provide **expert support** to clients and **compassionate service** to their members.

We strive to provide **best-in-class** benefit plan administration by helping clients **navigate challenges** and **improve health outcomes**.

Learn More

Contact Todd Martin tmartin@novahealthcare.com

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