2025 ENROLLMENT TECHNOLOGY STRATEGY SEMINAR

HR Tech 101: Navigating Basics & Beyond

LIMRA LOMA
Navigate With Confidence

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EY

Today's Focus Areas

- What are the key megatrends shaping the industry?

- How has the HRTech landscape evolved to meet these trends?

- What are the foundational elements to demystify HRTech?

- What is the industry call to action?

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Polling Question #1

137 votes

Based on the 2023 EY | LIMRA Harnessing Growth in Workforce Benefits research, **what percentage of employers surveyed stated that in 5 years digital capabilities will play a key role in carrier selection?**
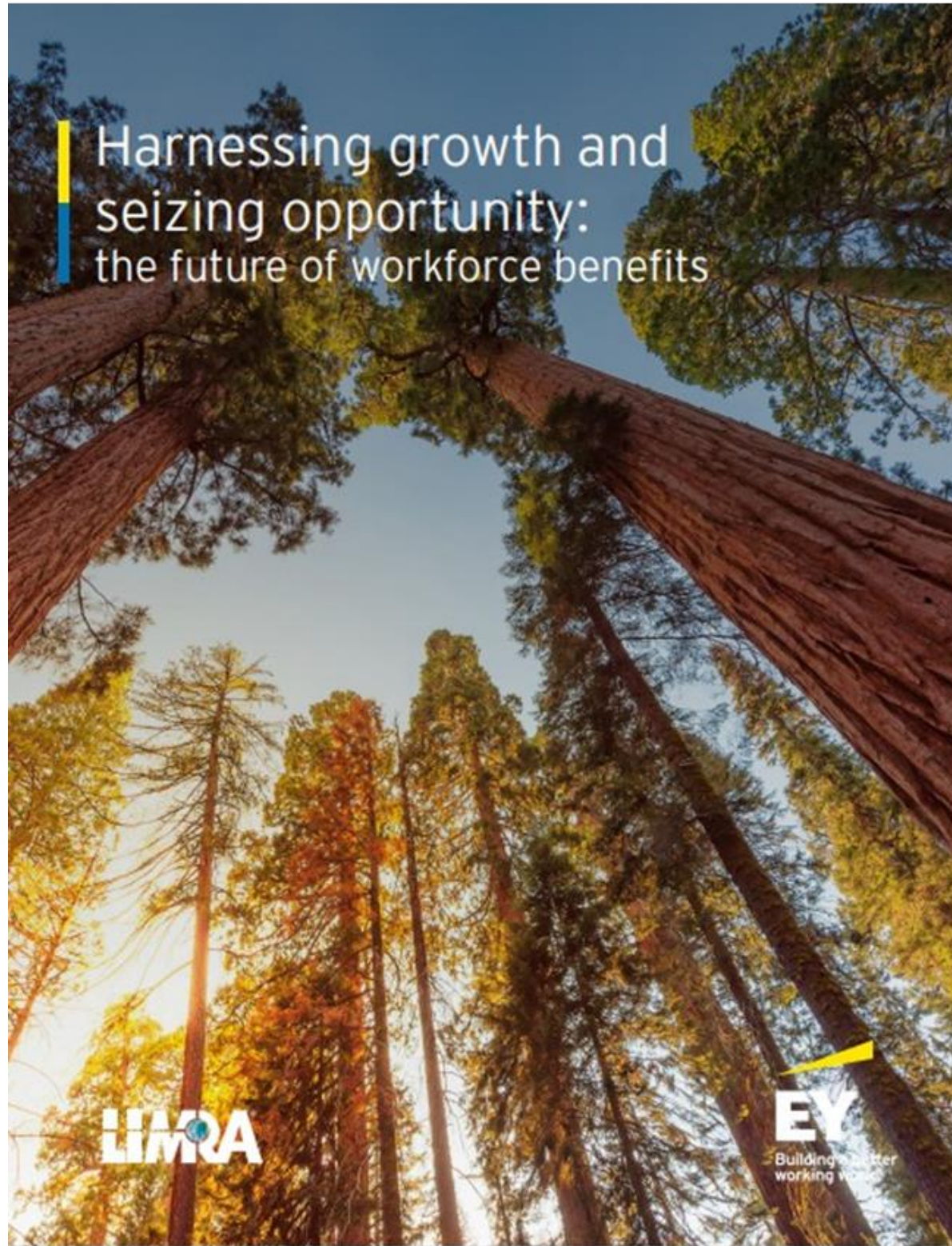
A. 42%
4%

B. 68 %
23%

C. 87%
55%

D. 96% ✓
18%

Harnessing Growth In Workforce Benefits

What are the next series of unmet needs for employees that can be addressed as potential white space for growth?

How will the workplace benefits distribution landscape change over the next 3-5 years?

How will the third-party landscape evolve, and what must carriers do to remain relevant and competitive?

What will be required of technology to address these needs to enable profitable growth?

How do these needs and trends differ across employer size segments?
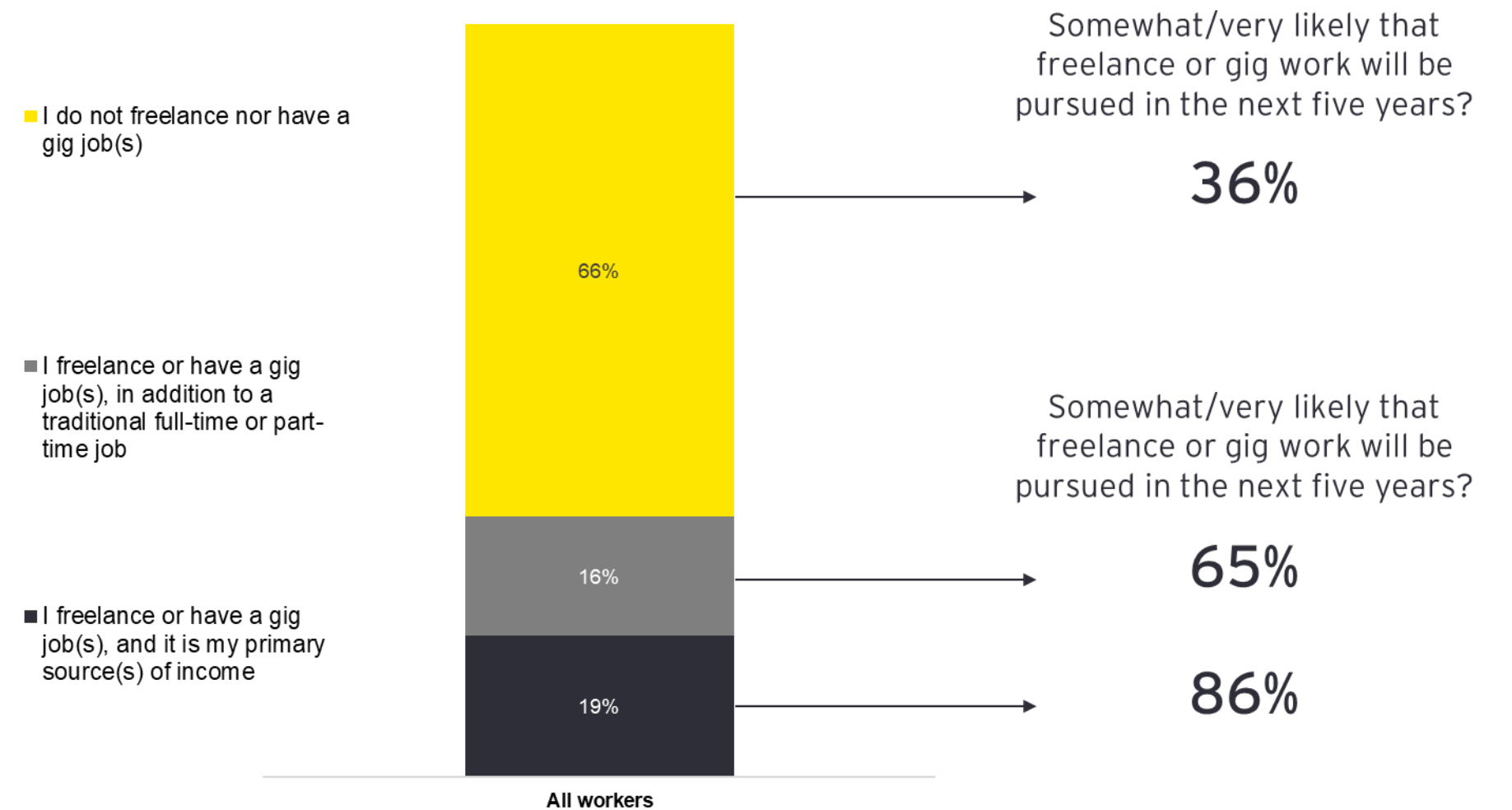
Finding #1: The gig economy is growing!

Key Findings

In 5 Years up to 29% of the workforce may rely on gig work as their primary source of income.

Which of the following best describes your participation in alternate work arrangements?

- I do not freelance nor have a gig job(s) — 66%
- I freelance or have a gig job(s), in addition to a traditional full-time or part-time job — 16%
- I freelance or have a gig job(s), and it is my primary source(s) of income — 19%

All workers

Somewhat/very likely that freelance or gig work will be pursued in the next five years?

36%

Somewhat/very likely that freelance or gig work will be pursued in the next five years?

65%

86%

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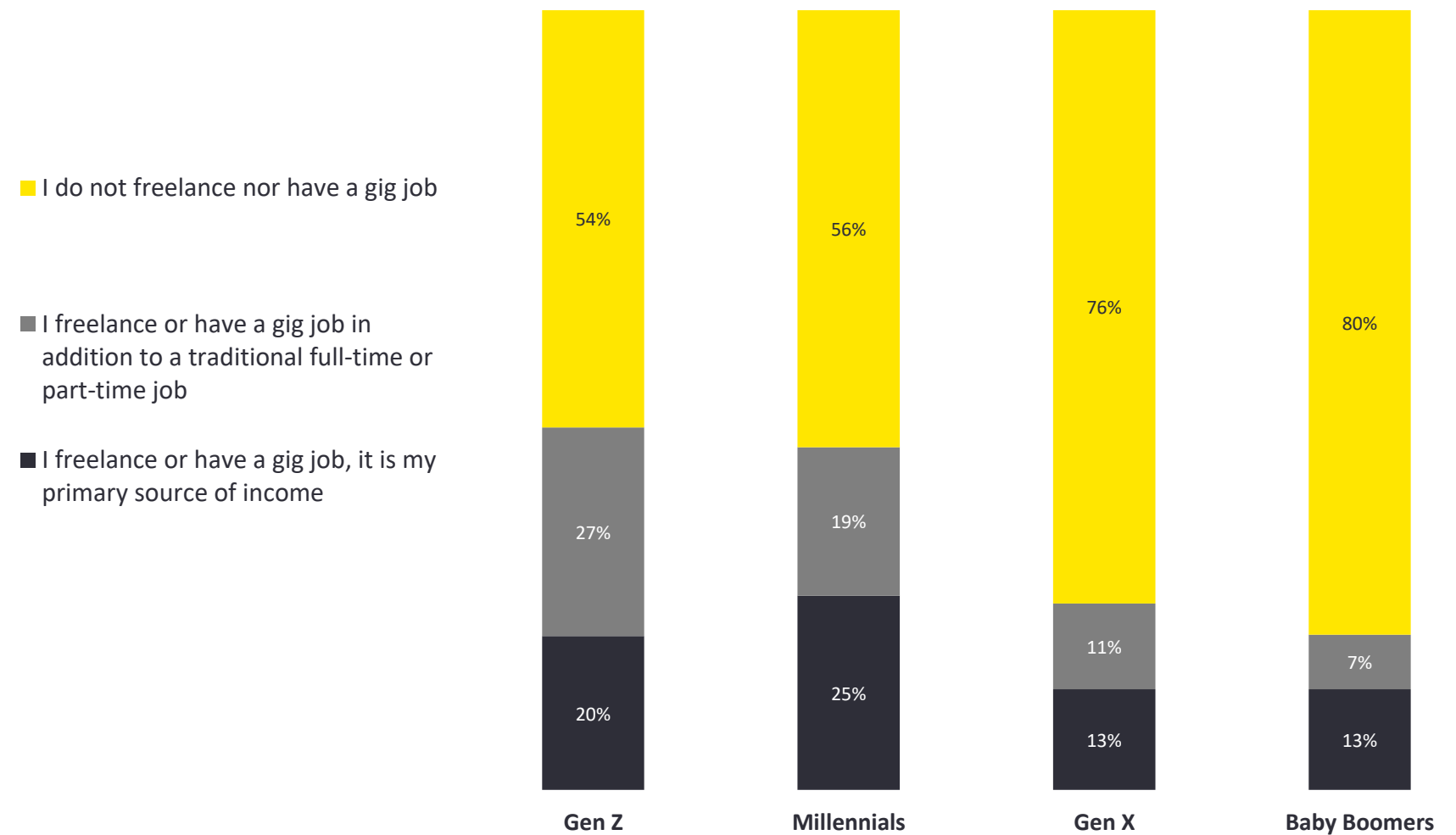EY

Finding #2: Younger workers are powering gig

Key Findings

Younger workers are more likely to participate in the gig economy, leaving a significant group of workers at risk for lack of coverage.

Some workers pursue freelance or 'gig' work. Which of the following best describes your participation in this type of work arrangement?

- ▮ I do not freelance nor have a gig job
- ▮ I freelance or have a gig job in addition to a traditional full-time or part-time job
- ▮ I freelance or have a gig job, it is my primary source of income

	Gen Z	Millennials	Gen X	Baby Boomers
I do not freelance nor have a gig job	54%	56%	76%	80%
I freelance or have a gig job in addition	27%	19%	11%	7%
I freelance or have a gig job, primary source	20%	25%	13%	13%

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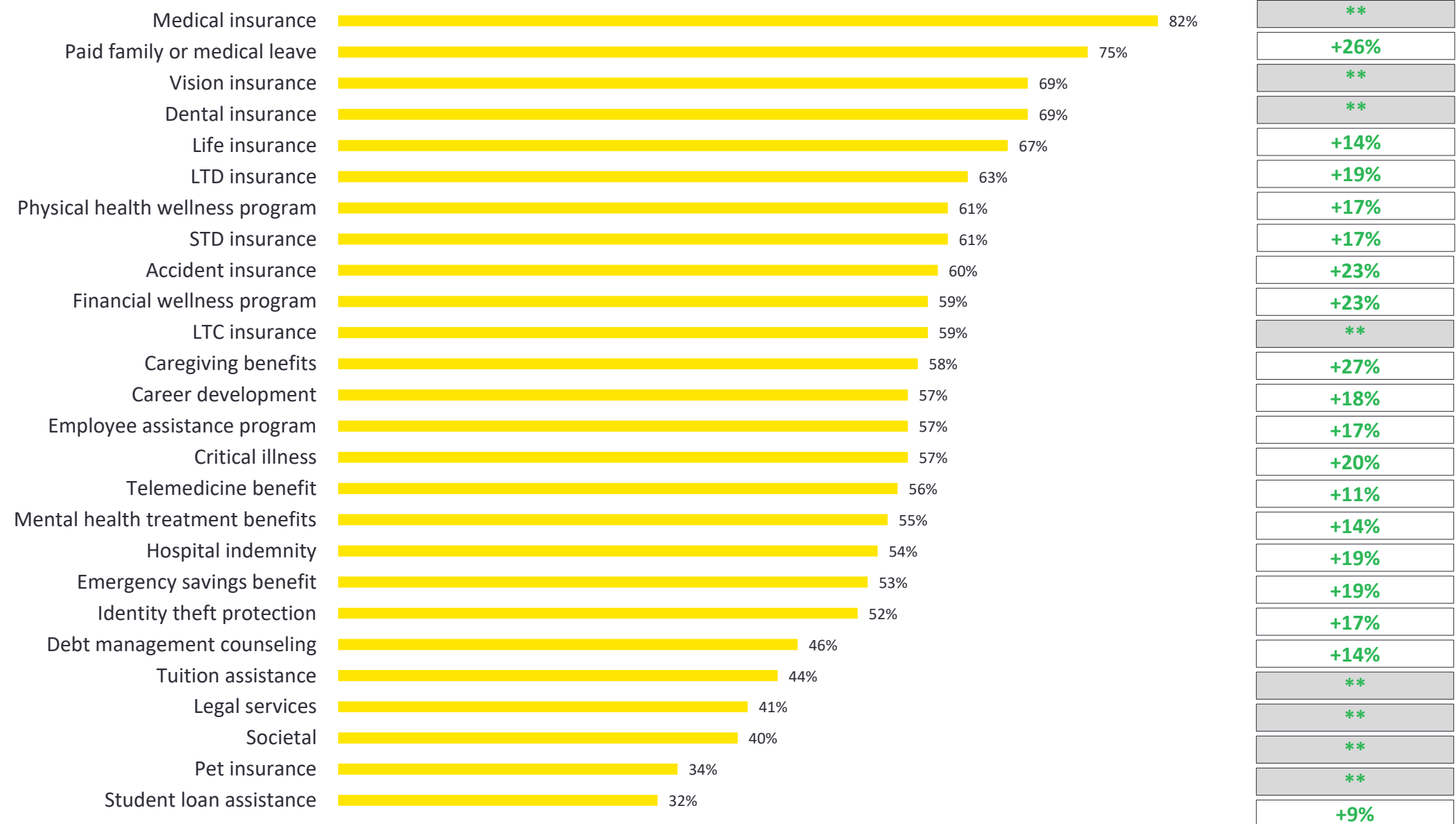# Finding #3: Benefit needs & interest are expanding

Key Findings

In the continued war for talent, employers are continuously emphasizing the role of a comprehensive benefits package to attract and retain workers as demonstrated by the significant uptick in interest (in particular for small employers).

5 years from now, how interested do you think your employees will be in the following type of benefits?

Benefit	%	Change from 2021
Medical insurance	82%	**
Paid family or medical leave	75%	+26%
Vision insurance	69%	**
Dental insurance	69%	**
Life insurance	67%	+14%
LTD insurance	63%	+19%
Physical health wellness program	61%	+17%
STD insurance	61%	+17%
Accident insurance	60%	+23%
Financial wellness program	59%	+23%
LTC insurance	59%	**
Caregiving benefits	58%	+27%
Career development	57%	+18%
Employee assistance program	57%	+17%
Critical illness	57%	+20%
Telemedicine benefit	56%	+11%
Mental health treatment benefits	55%	+14%
Hospital indemnity	54%	+19%
Emergency savings benefit	53%	+19%
Identity theft protection	52%	+17%
Debt management counseling	46%	+14%
Tuition assistance	44%	**
Legal services	41%	**
Societal	40%	**
Pet insurance	34%	**
Student loan assistance	32%	+9%

* Percent of employers who believe their employees will be "extremely" or "very" interested in the benefit.
** Not measured in 2021 survey

Change from 2021

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Finding #4: Cross-generational needs are highly heterogeneous

Key Findings

Physical health: older generations place highest value on physical health

Mental health: younger generation values mental health benefits more

Financial wellness: equal amount of value across generations, but underlying needs differ based on life stage

Professional development: early in their careers, younger generation values support in career development

Societal: younger generations are more passionate about the common good

Critical	High
Medium	Low

Product	Gen Z	Millennial	Gen X	Baby Boomers
Medical insurance	53%	70%	78%	79%
Dental insurance	47%	60%	66%	64%
Vision insurance	40%	49%	57%	57%
Life insurance	46%	53%	51%	42%
Paid family or medical leave	44%	55%	49%	39%
LTD insurance	33%	36%	42%	37%
LTC insurance	31%	38%	38%	36%
Physical health wellness program	39%	44%	31%	29%
Critical illness	35%	37%	37%	36%
STD insurance	27%	34%	39%	34%
Career development	38%	46%	32%	18%
Financial wellness program	35%	44%	32%	13%
Accident insurance	36%	37%	32%	24%
Emergency savings	36%	45%	30%	19%
Mental health treatment benefits	40%	39%	27%	14%
Identify theft protection	32%	37%	26%	24%
Employee assistance program	28%	40%	28%	13%
Hospital indemnity	30%	31%	29%	25%
Tuition assistance	37%	36%	23%	10%
Student loan assistance	40%	36%	20%	5%
Telemedicine benefits	24%	35%	25%	12%
Caregiving benefits	25%	32%	24%	15%
Legal services	27%	30%	20%	13%
Debt management counseling	25%	30%	19%	6%
Pet insurance	28%	26%	17%	6%
Societal	25%	24%	14%	3%

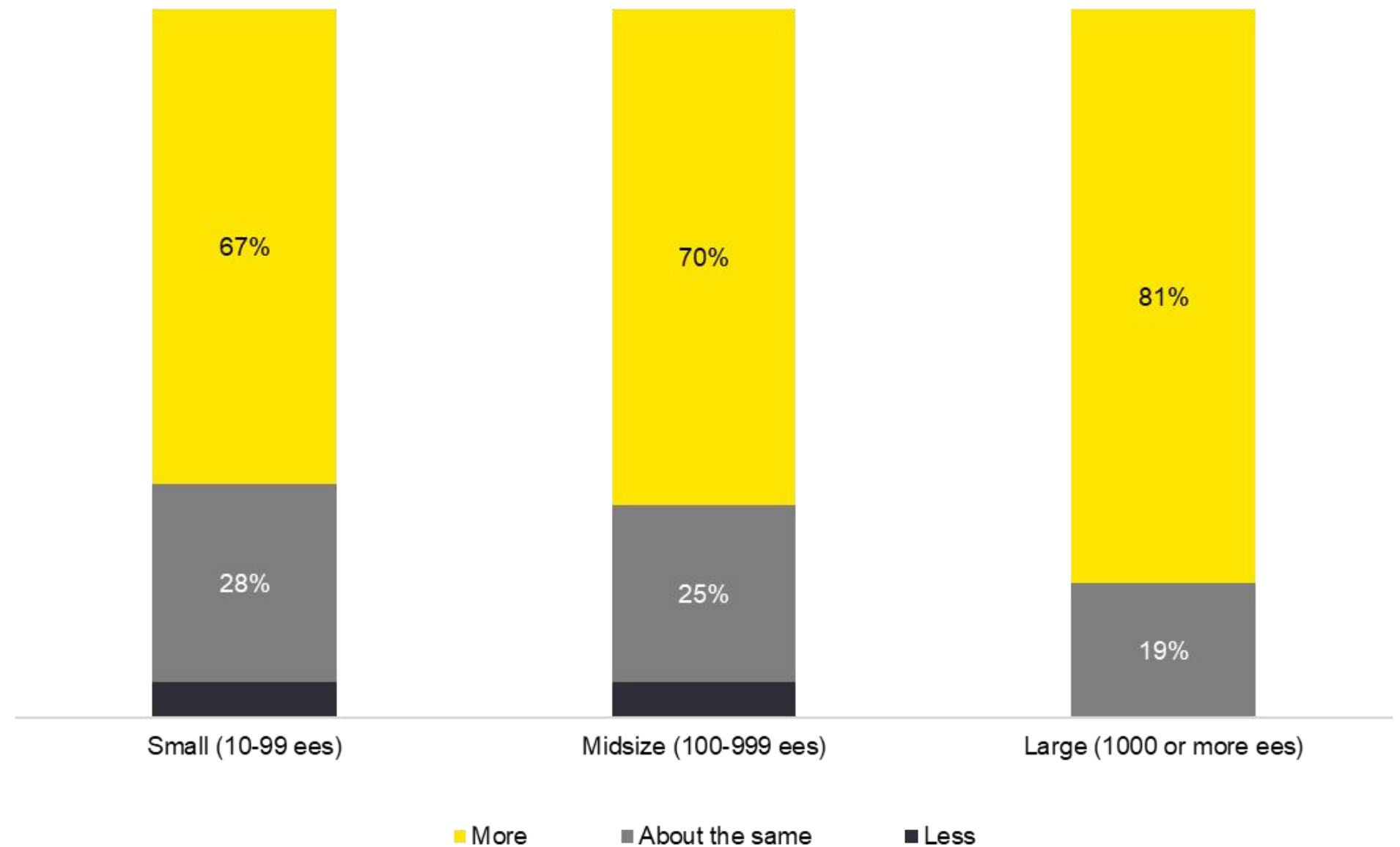# Finding #5: Digital continues to influence carrier selection
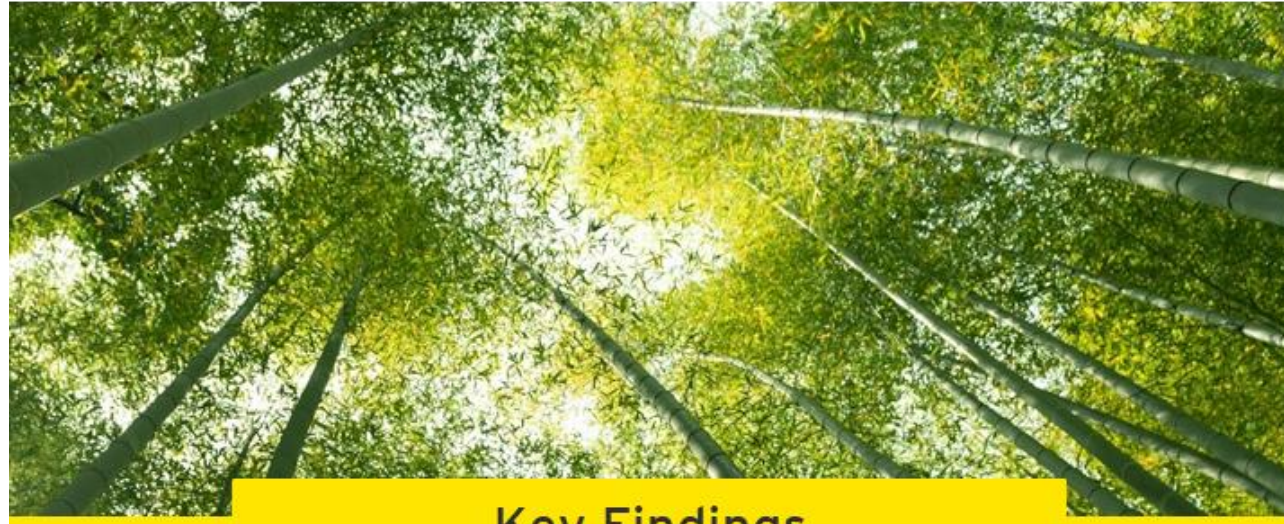
Key Findings

70%-80% of employers across small, mid and large segments believe technology will play a larger role in carrier selection in five years.

Five years from now, do you think carriers' digital capabilities will play a larger or smaller role in your company's selection of insurance benefits carriers?

	Small (10-99 ees)	Midsize (100-999 ees)	Large (1000 or more ees)
More	67%	70%	81%
About the same	28%	25%	19%

■ More   ■ About the same   ■ Less

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Finding #6: Digital interest span the full value chain

Key Findings

Top five unmet needs for digital experiences cited:

- Same day claim payments (43%)
- Self-service quoting (30%)
- Text messaging (27%)
- API for data exchange (27%)
- Digital onboarding (26%)

Importance of Digital Services (Employer)

Service	Have and Use	Have; Do Not Use	Don't Have but Want	Don't Have; Don't Want	Don't know
Online enrollment ★	73%	16%	10%	2%	
Online billing and payment ★	72%	13%	10%	4%	
E-signature capabilities	61%	20%	14%	4%	
Mobile app (for employer or employees)	61%	15%	19%	4%	
Online eligibility updates ★	60%	15%	20%	3%	
Digital employee communications ★	59%	16%	21%	3%	
Digital claim submission ★	56%	19%	21%	3%	
Digital EOI submission ★	56%	18%	22%	4%	
Decision-support tools ★	52%	18%	22%	6%	
Digital implementation ★	51%	14%	26%	5%	
Text messaging ★	50%	15%	27%	7%	
Self-service/real time quoting ★	44%	18%	30%	7%	
Live chat/chatbot	42%	23%	23%	10%	
API for employee data exchange ★	42%	19%	27%	7%	
Same-day claim payments ★	30%	20%	43%	5%	

Legend: ■ Have and Use ■ Have; Do Not Use ■ Don't Have but Want ■ Don't Have; Don't Want ■ Don't know

★ **HRTech enabled capabilities**

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Based on the LIMRA's Enrollment Experience & Provider platform study for Workplace products, what % of company's surveyed use a mix of proprietary and third-party platforms for enrollment.

AND

of that group, what % use the third-party platform as their primary enrollment platform?

132 votes
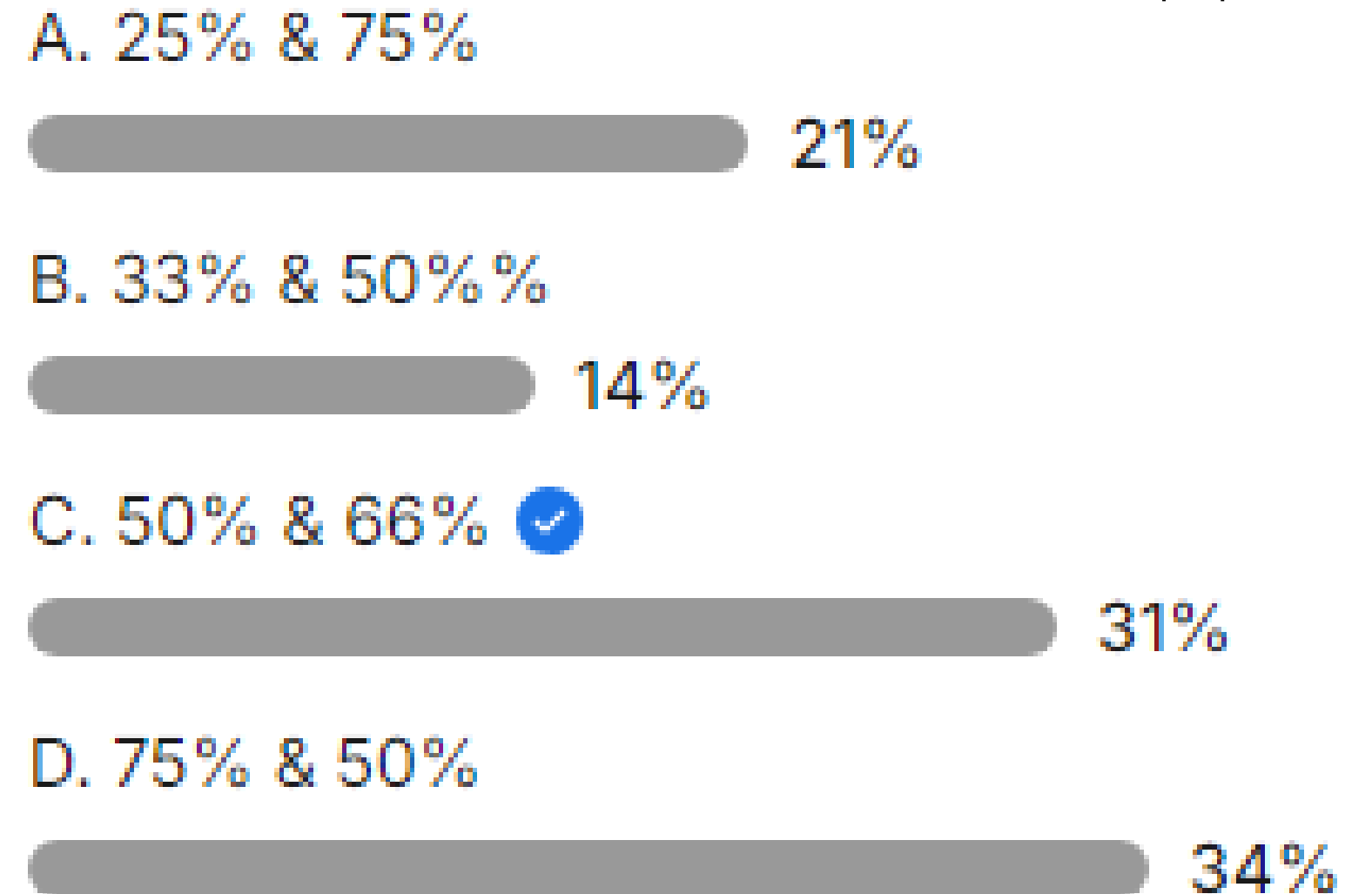
A. 25% & 75%
21%

B. 33% & 50%%
14%

C. 50% & 66% ✓
31%

D. 75% & 50%
34%

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HCM and Workforce Management solutions

Human Capital Management (HCM) key modules							
Benefits Administration	**Payroll**	**Talent Acquisition**	**Onboarding**	**HR Information System**	**Learning Management System**	**Employee Engagement**	**Performance / Compensation Management**
Determine and manage employee benefits eligibility, selection, enrollment, and administration	Process and manage payments to employees in compliance with tax laws and other financial regulations	Distribute initial outreach on job boards to managing candidates in the Applicant Tracking System	Collect employment data necessary to transition a new employee to working status	Manage sensitive employee data ensuring compliance with state and employer laws	Provide learning resources and track employees' compliance with training	Gain insight into employee satisfaction, capture feedback, and reward contributions	Promote performance development and manage employee compensation

Workforce Management (WFM) key modules			
Scheduling	**Time & Attendance**	**Reporting & Compliance**	**Business Intelligence**
Management and optimization of employee shift schedules	Automated tracking of employee work and presence through electronic time clocks	Real-time compliance tracking of employee data and related reporting, including for ACA	Analytics and reporting tools to visualize data relating to human capital management

There are a broad array of vendor cohorts

Benefits administration software competitive landscape overview

Pure-play benefits administration vendors	Adjacent full-suite software vendors		Full-service BPO/TPA
	Payroll vendors	**HRIS/ERP/HCM**	
Description	▸Companies focused on benefits administration solutions ▸Provide a mix of software and services for benefits programs	▸Payroll suite providers covering a broad range of services, including some or all aspects of benefits administration	▸Larger process-management support programs that include benefit admin support / software within a system of integrated applications	▸Outsourced HR services, including benefits administration ▸May include white-labeled or captive software

Certain third party intermediaries provide services across cohorts

Not all vendors focus across all market segments

Estimated US benefits administration software market share among pure-play vendors
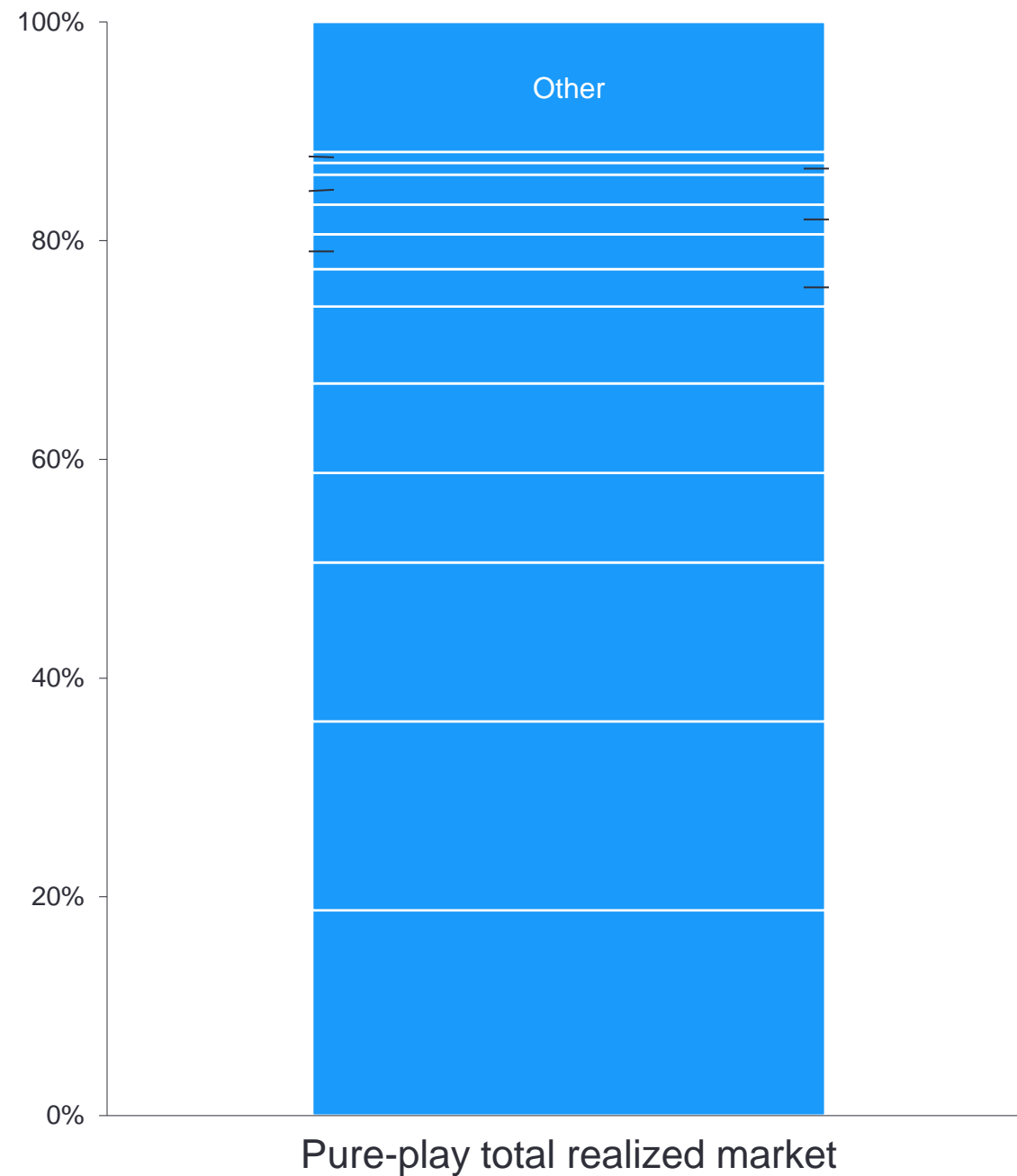
Target customer segment, by employee count

Segment	Vendors primarily focused on segment
20 – 99	1 3 4 2
100 – 999	4 3 6 2 7 1 8 5
1,000 – 4,999	8 11 5 9 7 10 6 4
5,000+	9 10 11 5 6

Automation & experience are key drivers of selection

	Perspectives	Commentary
Automation of workflows	▶ Solutions automate the administrative burden associated with benefits, seamlessly managing communications and data transfers	❝ I think it takes a lot **of administrative burden off employees, as well as employers** especially during open enrollment time. I mean, I don't know when the last time we've had manual paper enrollment forms done, but I think it takes off that administrative nightmare burden." Former Human Resources Director, Chemicals Company
Positive employee experience and decision support	▶ Customized platforms and interfaces provide scenario modeling and educational content for employees selecting benefits plans and account for unique aspects of an employer's benefits program	❝ It comes down to employee experience and making sure that, whether it's a life event or a new hire or open enrollment and making sure that we're providing **an experience to our employees that makes it as easy and as simple as possible** to enroll in the right solution." Former Executive Vice President, Business Development & Chief Administrative Officer, Clothing Manufacturer
Employee support and benefits expertise	▶ Employees have access to a customer service center, staffed by experts trained in their organization's benefits plans, to assist with enrollment, general benefit management and issue resolution	❝ **Our software vendor is our first line of defense. We have benefits specialists assigned to our account**, who had been trained on our benefits. We even went to their headquarters to share about out culture so they a better understanding of the organization and how to respond to our employees." Associate Vice President, Compensation, Benefits and HRIS, Healthcare Company
Ensured reliability and regulatory compliance	▶ Benefits admin systems limit errors and streamline the compliance processes ▶ API connectivity and ease of use are emerging priorities for larger employers	❝ **We always look at errors**. The data exchange is not as automated as you would think it should be here in 2022. But big dollars are on the other end of it. For example, if someone is on leave of absence for over a year, their **life insurance should have lapsed. But it didn't**. And then they passed away. Then that might be **a million-dollar issue**. And the life insurance company is not going to pay it." Senior Director of Benefits, Restaurant Management Company
Facilitated employee engagement and wellness	▶ Benefits admin solutions educate and engage employees in their healthcare and wellness, leading to lower healthcare costs for employers	❝ Benefits administration software helps us to **understand where we have opportunities** to reduce utilization and subsequently **reduce our costs and medical spend**." Former Executive Vice President, Business Development & Chief Administrative Officer, Clothing Manufacturer

Increasing importance ⬆

121 votes

How would you rate your current knowledge of the HRTech landscape?

A. Beginner: What is HRTech?
2%

B. Padawan: I am quickly learning!
32%

C. Leader: I got it, but want to learn more
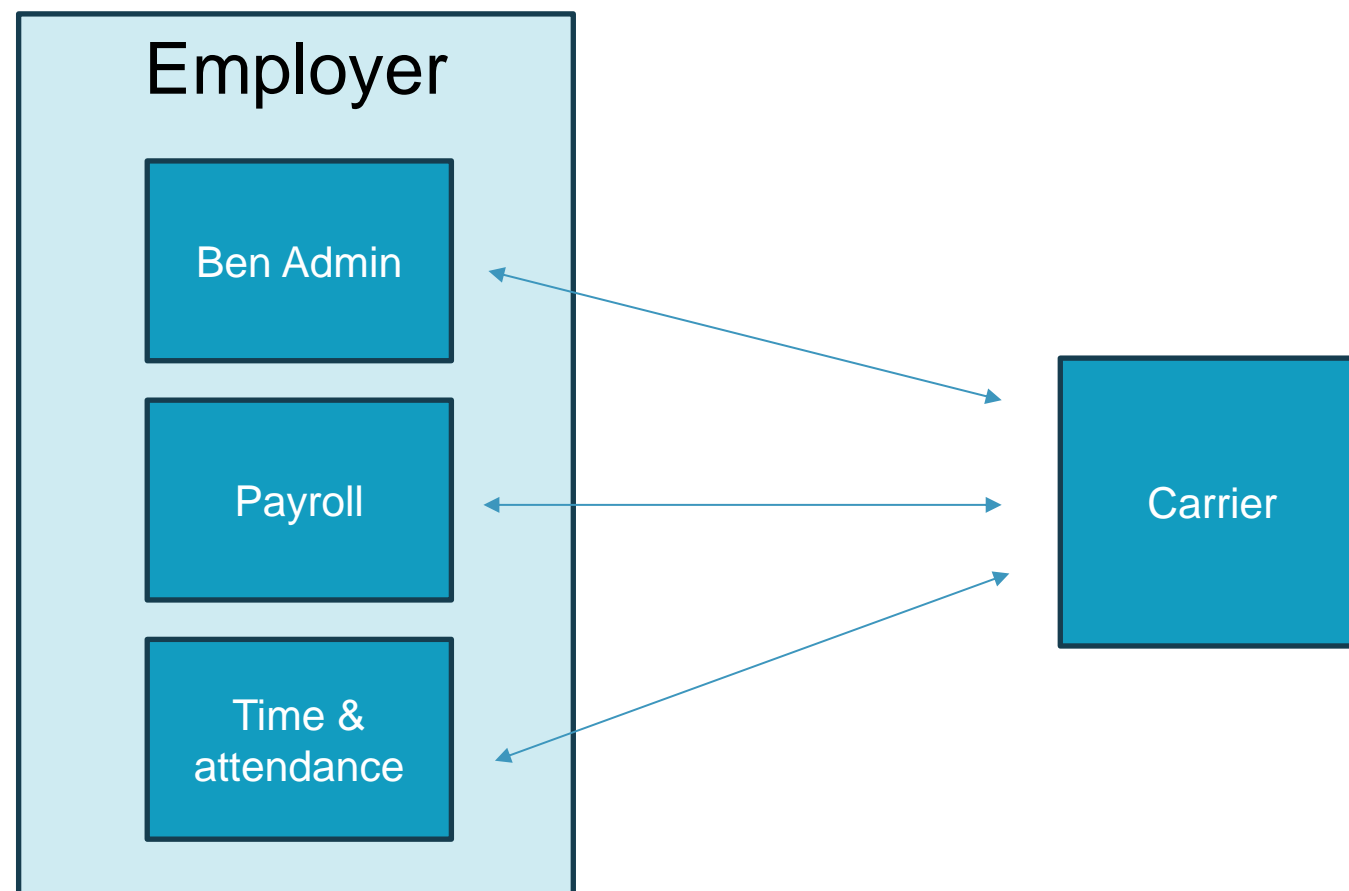55%

D. The Master: I will be on stage in 2026!
10%

Benefits Technology

*While many insurance carriers focus on benefits administration, it's not that simple*

Standalone Solutions

A carrier may need to source data from multiple technology platforms to get the data they need

Employer
- Ben Admin
- Payroll
- Time & attendance

Carrier

All-In-One Solutions

Carriers need to understand the modules being used by an Employer and whether the data is easily accessible across modules

Employer
- Ben Admin
- Payroll
- Time & attendance

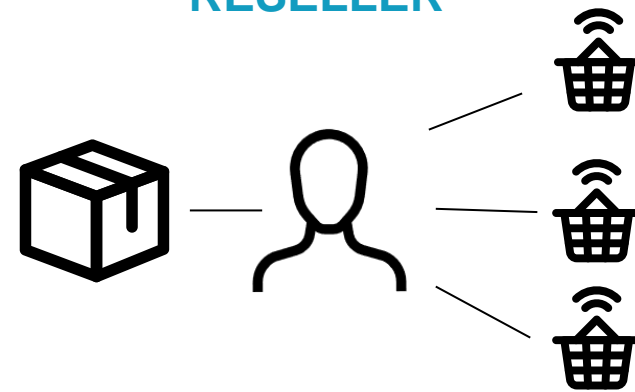Carrier
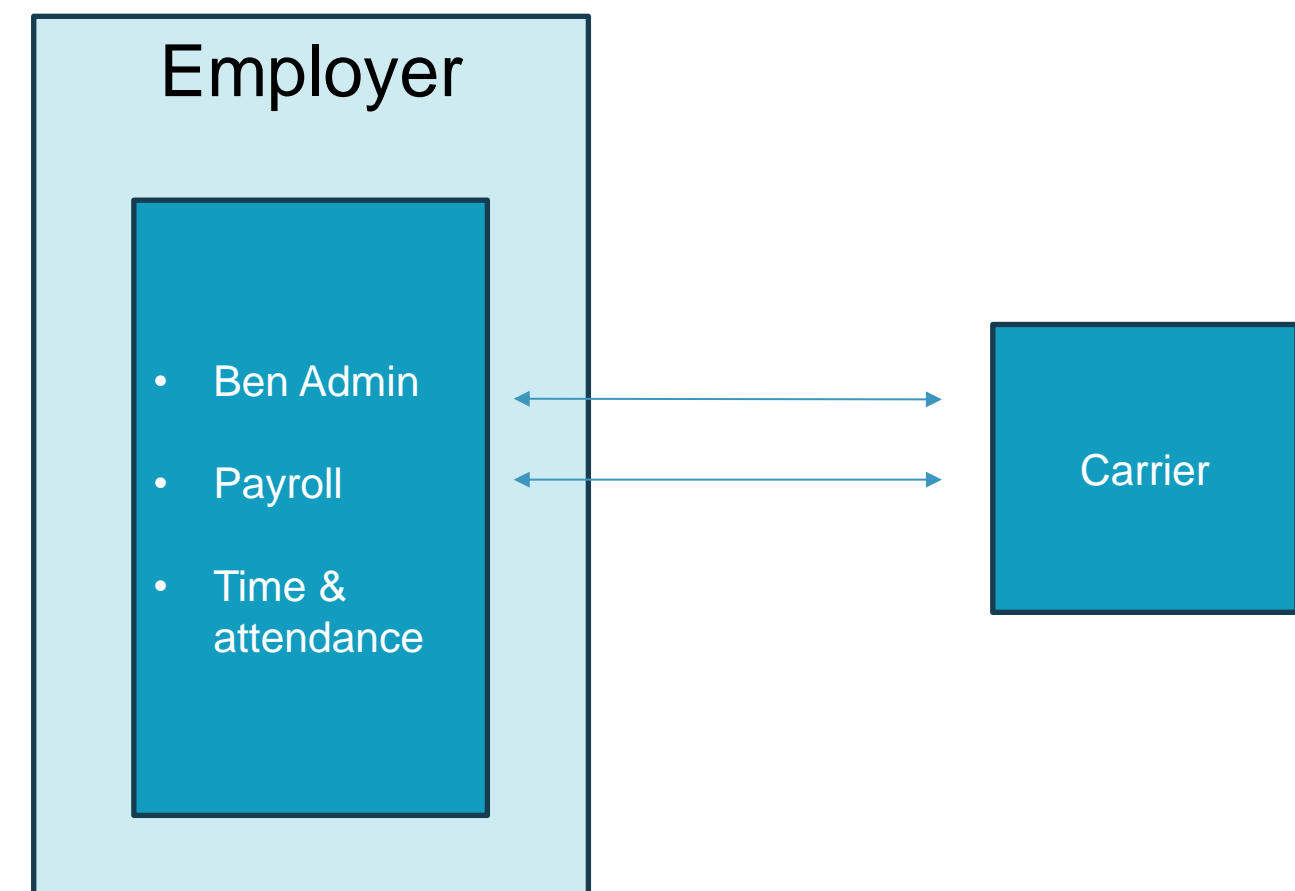
Different Ben Tech Sourcing Models Exist

Employers purchase technology **direct** or through a **reseller**

DIRECT
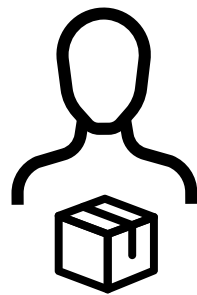
Purchasing directly from the technology provider

RESELLER

Purchasing technology through an intermediary who buys from the provider and sells it through their own distribution channels and with their own services
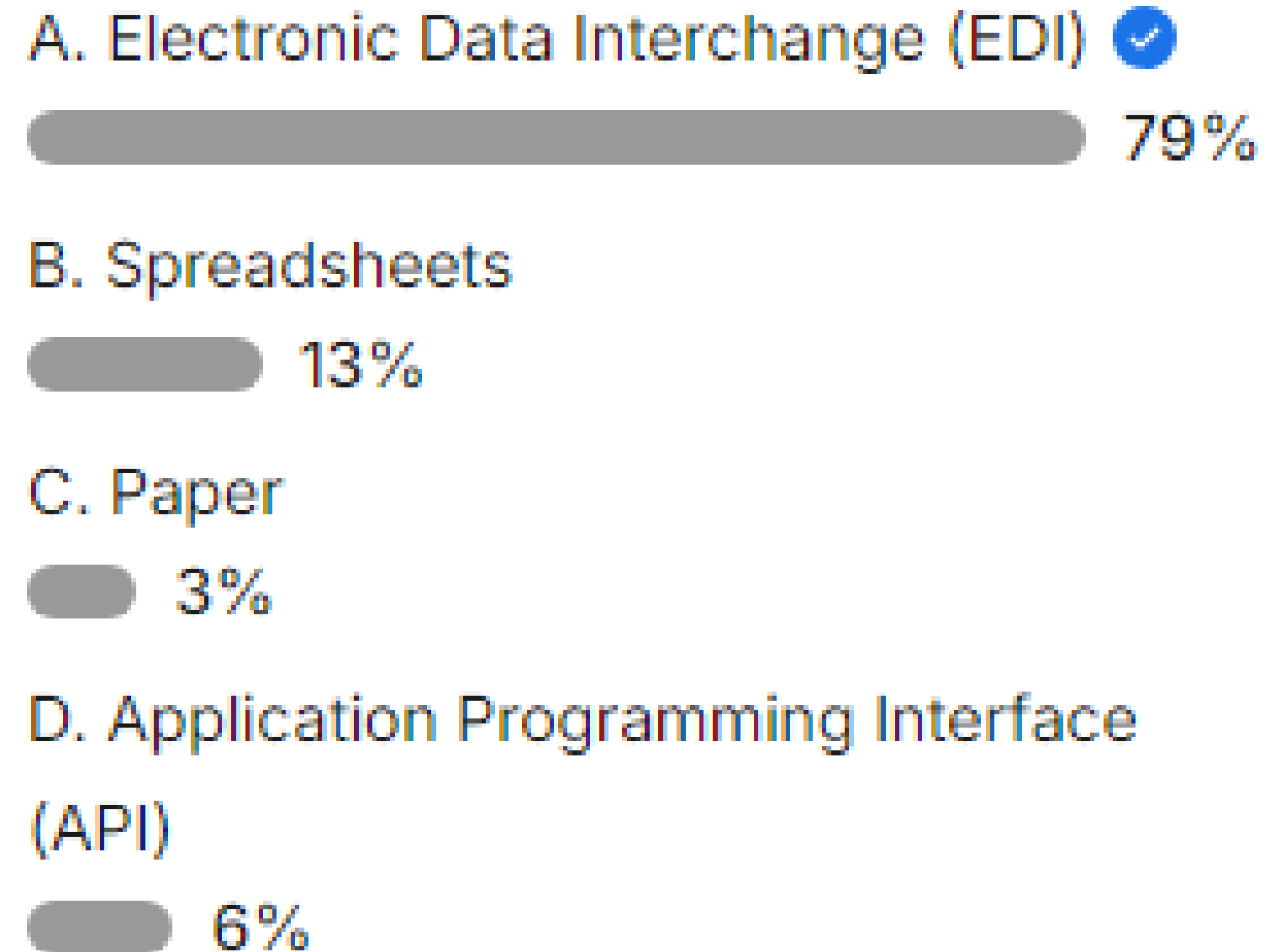
Support varies based on the technology offering and needs of the Employer

❖ Full outsourcing: the employer fully outsources support to the technology provider

❖ In-house support: the employer supports it through their own resources (ex: IT, HR, etc.)

❖ Consultant: the employer hires a specialized third-party to support the technology

❖ Hybrid: an Employer may choose to support some functions themselves while outsourcing other functions to the technology provider or consultant

Polling Question #5

Which of the following methods is most prevalent in data exchange?

119 votes

A. Electronic Data Interchange (EDI) ✔

79%

B. Spreadsheets

13%

C. Paper

3%

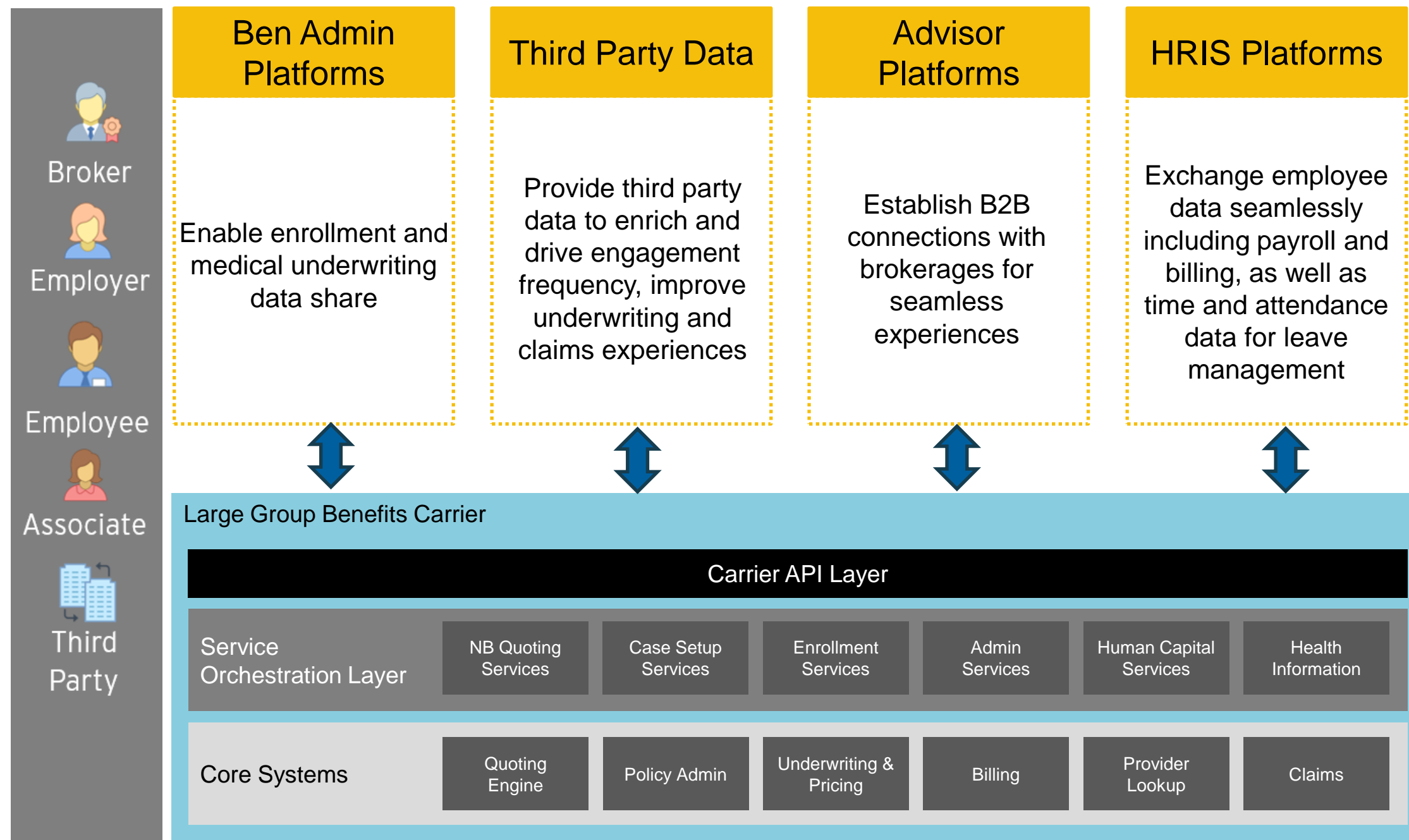D. Application Programming Interface (API)

6%

Where is the industry today?

Which of the following methods does your organization currently utilize to transmit and accept new enrollment data?
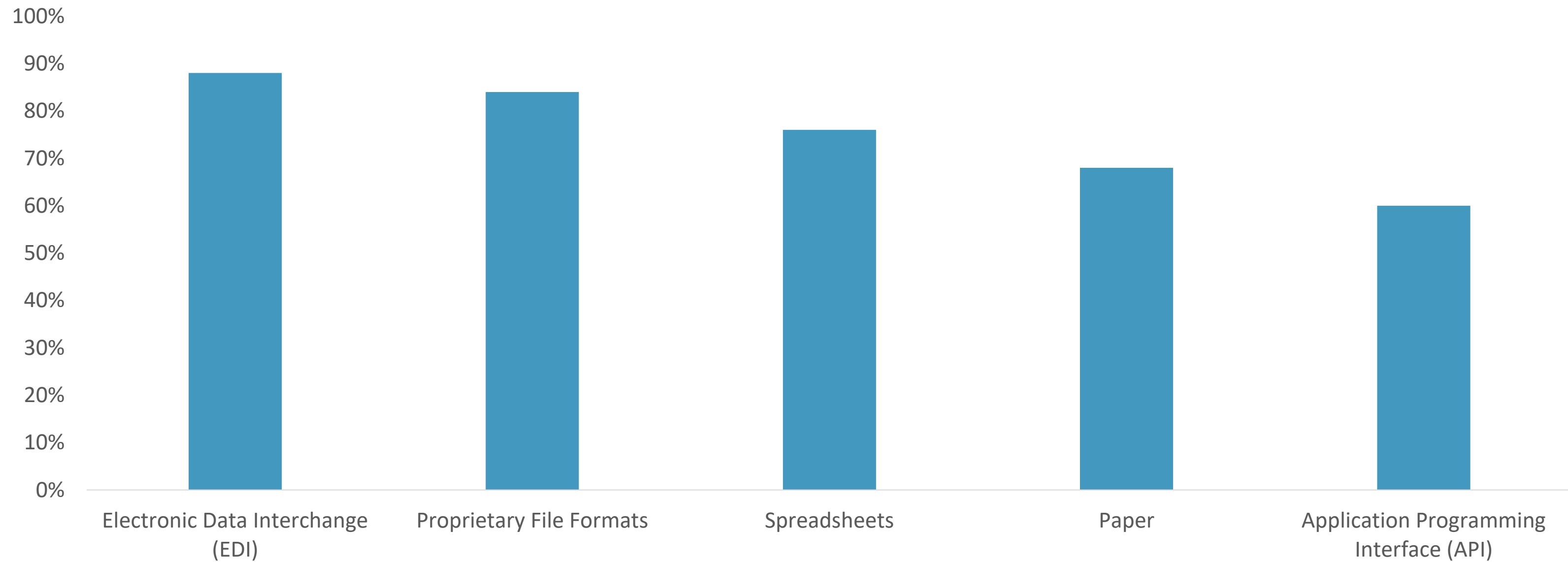
HR technologies today interact with the complex technology ecosystems of carriers.

Broker	Ben Admin Platforms	Third Party Data	Advisor Platforms	HRIS Platforms
Employer	Enable enrollment and medical underwriting data share	Provide third party data to enrich and drive engagement frequency, improve underwriting and claims experiences	Establish B2B connections with brokerages for seamless experiences	Exchange employee data seamlessly including payroll and billing, as well as time and attendance data for leave management

Employee

Associate

Third Party

Large Group Benefits Carrier

Carrier API Layer

Service Orchestration Layer	NB Quoting Services	Case Setup Services	Enrollment Services	Admin Services	Human Capital Services	Health Information

| Core Systems	Quoting Engine	Policy Admin	Underwriting & Pricing	Billing	Provider Lookup	Claims

Challenges

- Legacy system challenges with integrations, file processing, and error handling leading to manual data exchange (e.g. paper enrollment applications)

- Manual and time-consuming data reconciliation process resulting from different file formats and ingestion patterns

- Disruptions in key customer touchpoints such as claims processing

- Risks around compliance and cybersecurity to preserve and safeguard sensitive data

- Shortage of skilled talent with expertise in both technology and group insurance

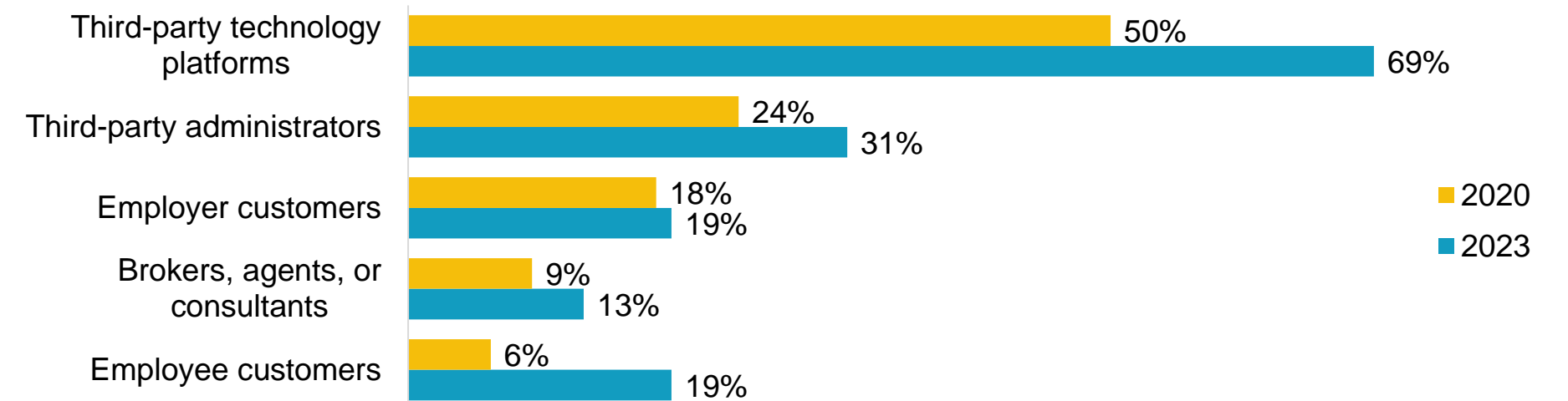LIMRA LOMA   EY
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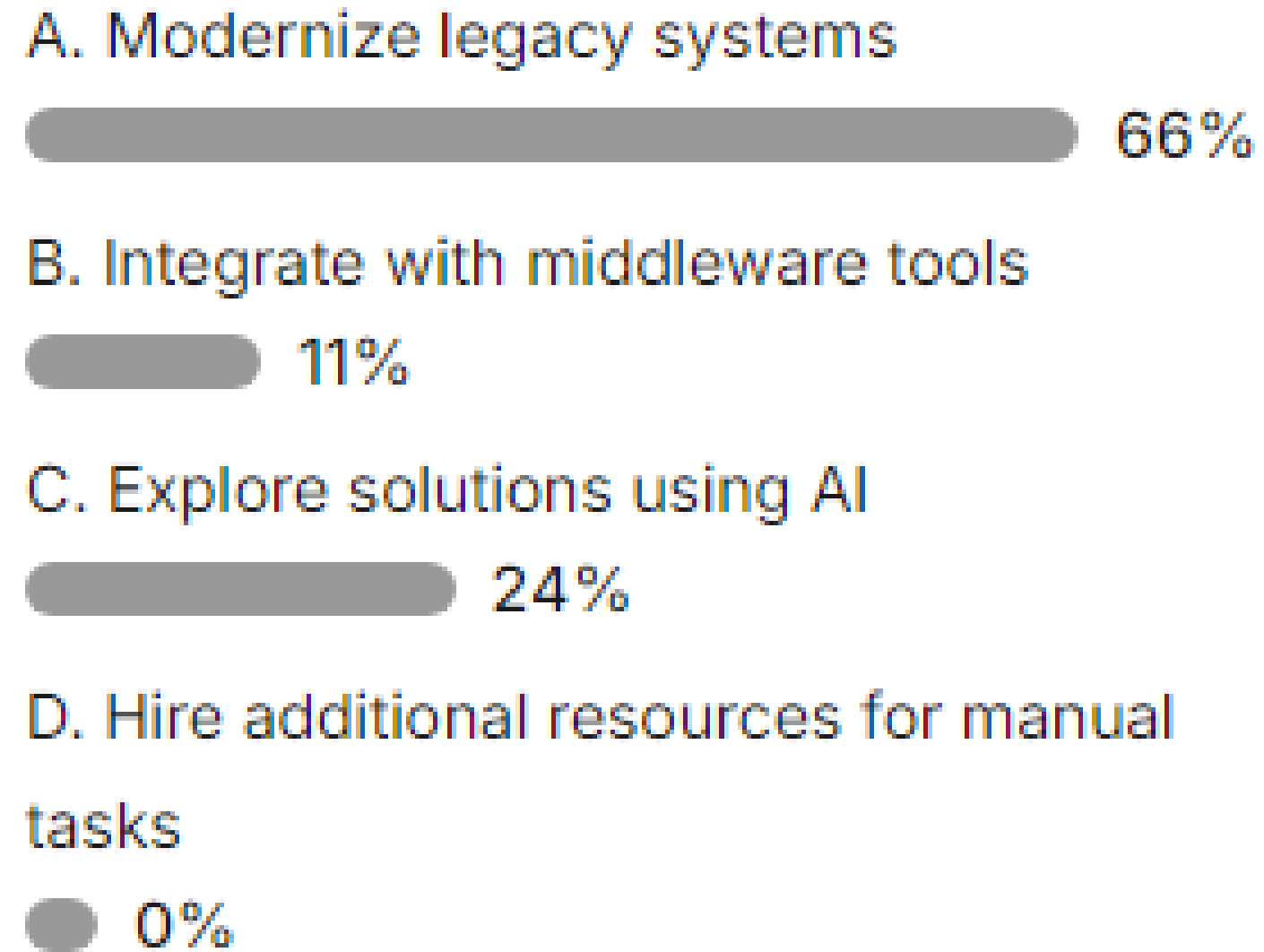
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Where is the industry headed?

Carriers' ability to connect with external stakeholders via API has **increased considerably over the past three years**, with the largest increase in connections to third-party technology platforms. More than 7 in 10 carriers can connect with at least one type of external stakeholder via API, up from roughly 6 in 10 in 2020.

Use of APIs With External Stakeholders Over Time* *(percent of carriers)*

Stakeholder	2020	2023
Third-party technology platforms	50%	69%
Third-party administrators	24%	31%
Employer customers	18%	19%
Brokers, agents, or consultants	9%	13%
Employee customers	6%	19%

Legend: 2020, 2023

NEAR-TERM SOLUTIONS	
Standardization	Use APIs to reduce manual file uploads and streamline data exchange
Simplified integrations	Simplify connections between payroll vendors, benefits administrators, and insurance carriers to minimize errors
"Crawl, Walk, Run" Adoption of Next-Gen Tech	Incremental adoption of LLMs across the process

| LONG-TERM SOLUTIONS	
Modular yet end to end Platforms	Consolidation and modernization of current technology stacks
Embedding Intelligence	Fully embedded intelligence through the use of LLMs and ML/ AI techniques
Education and Selection Advancements	High degrees of personalization for education and selection of products

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What can you do about it
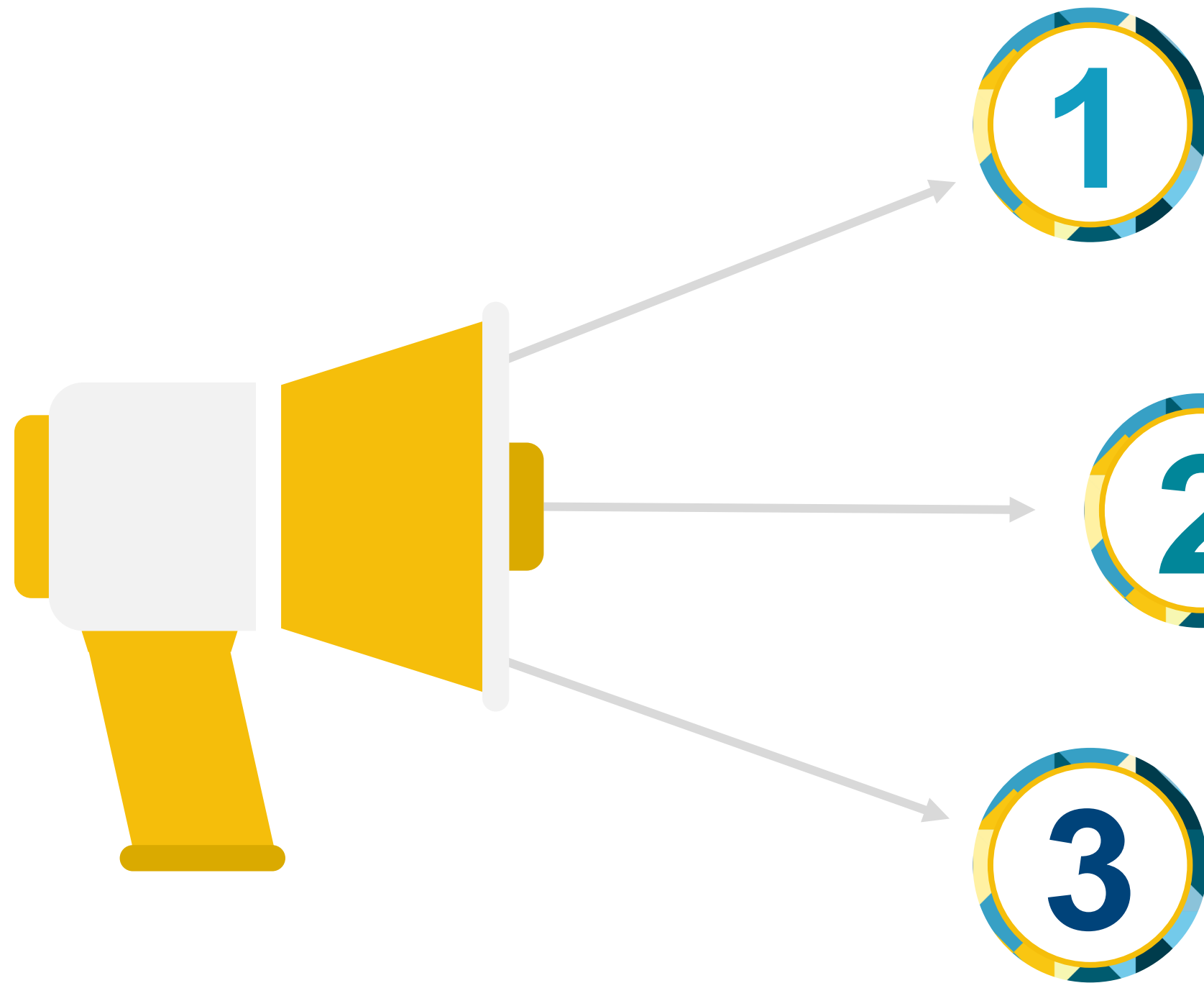
Embrace Shared Standards

1

Adopt shared data standards and invest in scalable, future-ready systems to ensure consistency and long-term adaptability

Harness AI for Impact

2

Leverage LLMs and AI to unlock efficiencies and create new value streams

Elevate Experience

3

Prioritize employee engagement by implementing innovative tools and fostering user-centric design for improved satisfaction

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Thank You