

THE 2025 BENEFITS BROKER REPORT

Delivering more with less: The top challenges and opportunities for benefits brokers



For brokers and their employer clients, the past year's theme was trying to do more with less for employee benefits.

In the *2025 Annual Benefits Broker Report* survey, the results emphasized the need to find ways to bring down costs while also creating a more powerful targeted benefits package. Employers are looking to increase employee engagement—and they're looking to brokers for innovative ideas to do so.

Opportunities in a new benefits landscape

The goals of cutting costs and improving benefits are not new. However, new possibilities may help brokers achieve these goals. Emerging technologies can help brokers simplify administration and compliance. These efficiencies allow brokers to spend more time on the human side of benefits management, such as more 1:1 client interactions and even creating personalized education and training for employees. Alongside these advancements, benefit preferences are shifting, with a new focus on wellness in general that prioritizes both physical and mental health. [Understanding these trends](#) can help brokers improve the employee experience and stand out in a competitive market.



63% of the brokers surveyed reported being asked to enhance employee benefits while reducing costs

59% of brokers stated their clients are seeking new and innovative ideas for cost containment

49% of brokers said long-term care insurance was one of the top three supplemental products clients added last year

For this year's Annual Benefits Broker Report, Optavise surveyed 63 U.S.-based health insurance brokers, representing top brokerage firms.

Participants were asked about the key challenges their clients face, the most requested services, cost-control programs, voluntary benefits and ways they integrate artificial intelligence (AI) into their benefits strategies. On average, respondents reported that **57%** of their book of business was made up of employer clients with more than 500 employees. Additionally, **90%** of respondents had at least one client of more than 1,000 employees.

Employers need help controlling costs

Employers are trying to strike a balancing act in 2025. On one hand, they want to control spending in the face of rising healthcare costs and high inflation rates that still haven't fallen to historical norms. On the other hand, they're looking to attract and retain employees through a first-class benefits package, given the relatively low unemployment rate and the current competition for talent.



Brokers have a challenge on their hands: 63% reported being asked to enhance employee benefits while reducing costs. In other words, do more with less while maintaining the personal support crucial for their roles.

Popular healthcare cost management strategies

This balanced mindset shows the healthcare cost management strategies that clients reported being most interested in. Rather than cutting benefits, employers were seeking ways to reduce costs that preserve the overall package. For example:



65%

of brokers said their clients were interested in enhancing prescription drug management (mandatory generics, mandatory mail order, step programs, partnering with Rx affordability companies, etc.)



63%

said their clients were interested in offering healthcare navigation support to help employees make better healthcare decisions



50%

said their clients were interested in shifting cost share to employees via premiums, deductibles, copays or coinsurance



45%

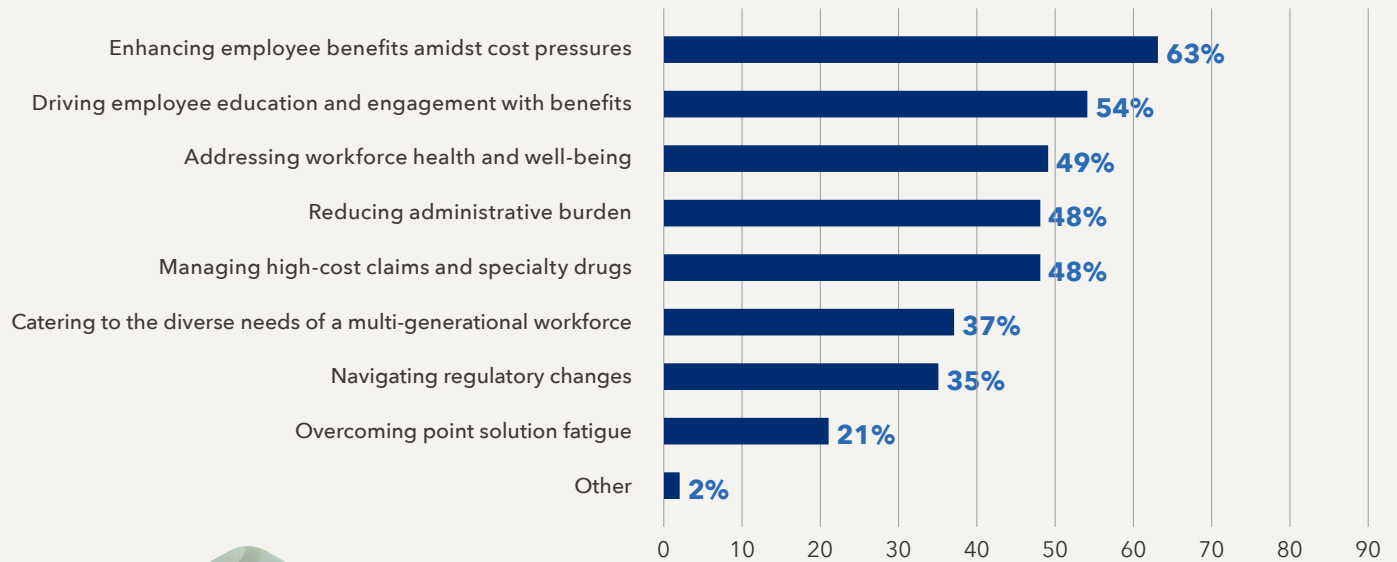
said their clients were interested in adding point solutions to address specific health needs

Employers depend on their employees to make smart healthcare decisions so the organization can continue providing high-quality benefits. Technology helps, but cost management often comes down to the individuals themselves. Brokers can support their clients by recommending a benefits platform that provides employees with effective cost-comparison tools guided by human experts for support.



Other employer challenges

Brokers reported several other key challenges and priorities for their book of business over the next 12-24 months. Replies were split between lowering expenses, such as reducing the administrative burden and managing high-cost claims and specialty drugs, versus improving the employee experience, such as driving benefits education and engagement and addressing the workforce's overall health and well-being.



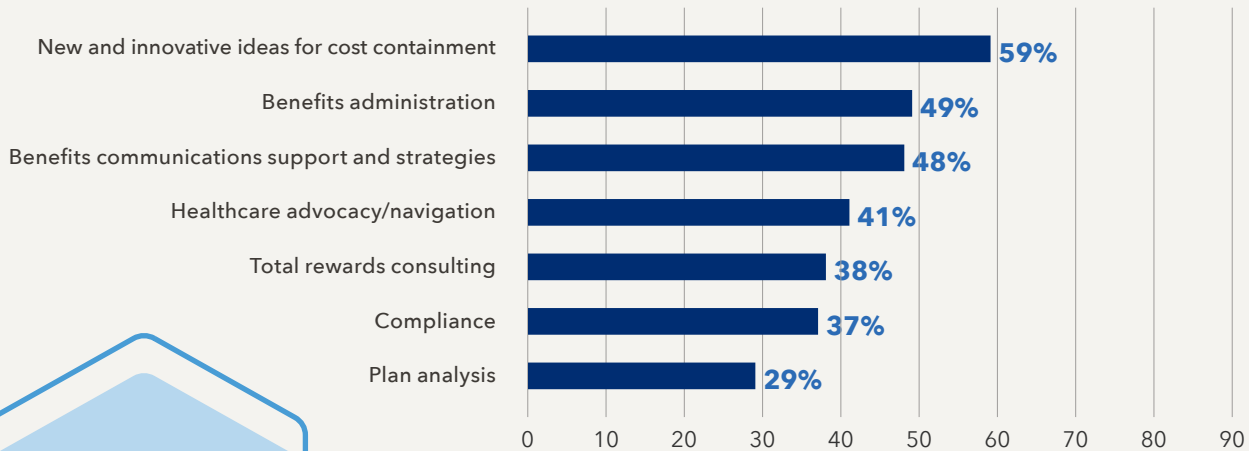
The goals of lowering expenses and improving the employee experience can work together. Employees who are educated on their benefits are more likely to make cost-effective choices, like searching for generic medications before using a brand-name drug. According to the Optavise 2023 Healthcare Literacy Report, [53% of employees who are extremely confident in their healthcare understanding report that they always or often compare service costs, as opposed to just 17% of those who are not confident in their healthcare understanding.](#) Healthier employees also need less care. The right employee training and support could allow employers to achieve both reduced spending and higher engagement.

Ultimately, employers still want to offer a first-class benefits package to stay competitive but are increasingly learning the costs of doing so. Brokers who can help them strike the right balance will likely stand out as valuable partners and have a competitive advantage for their services.

In-demand broker services

What, specifically, are employers asking their brokers to help with?

59% of employers selected “new and innovative ideas for cost containment,” showing an opportunity for brokers on top of the latest product, technology, and expense management trends, 49% of employers are asking for help with benefits administration, and 48% are asking for [benefits communication support and strategies](#). The personal support and expertise of brokers remain in high demand.



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Improved communication is key for engagement. Employees who don't understand their benefits may not appreciate the investment, and there's still a substantial knowledge gap. [Only 29% of employees said they were extremely confident in understanding how their health plan works](#) according to the 2023 Healthcare Literacy Report.

Better, more personalized communication and improved healthcare navigation are two ways brokers can help their clients drive engagement. There's also a growing push for price transparency in benefits, something that's increasingly easier with new technology. As a result, employees should have a clearer idea of how much care costs with different providers and how using a more cost-effective option would reduce their out-of-pocket spending.



Technology is top of mind

According to brokers, the most important factors for recommending a new product or service to a client involve technology. Yet, it's not as simple as the flashiest portal design or the highest level of automation.

When it comes to recommending a new product or service, the top three factors were:



59%

Ease of integration



54%

Employee experience



43%

Innovative technology

Product cost ranked number four at **38%**. Technology solutions that can bring down costs for employers are appealing but not at the expense of making life harder for employers and employees. As always, the correct mix balances controlling costs and increasing engagement. The personal experience continues to matter most.

For this reason, creating too many point solutions for each product and service can overwhelm employees as they try to learn each one. As a result, they might simply give up. A multichannel experience where employees and brokers can work on multiple needs simultaneously can help prevent point solution fatigue. Above all, these priorities show why human broker assistance remains essential even as technology improves.



How are brokers using AI?

No technology discussion in 2025 would be complete without covering AI – it's playing an essential role for brokers and workplace benefits. Brokers are using AI for data-heavy work, like data analysis, regulatory compliance, and risk management. But what's even more fascinating is how brokers use AI to complement their skills as human experts. Brokers reported finding ways to use AI to deliver more with less time.

For example, brokers primarily reported using AI to help improve employee engagement, with **59%** using AI to improve employee decision-making and enrollment and **57%** using AI to create personalized benefits education and communication. This is a fascinating possible use of AI for brokers.

The human element of AI

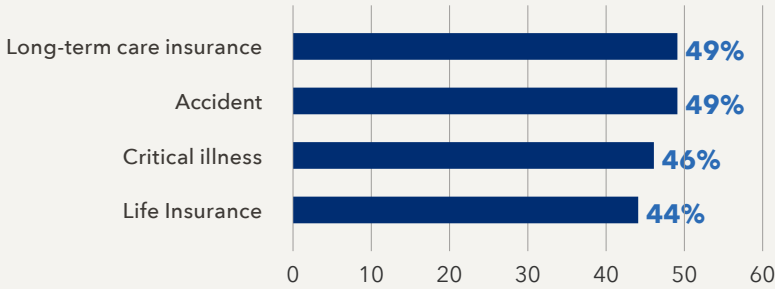
Traditionally, employee enrollment education materials, like webinars, group presentations and product overviews, had to be created with a standardized approach for an entire workforce. It would take an unreasonable amount of time for brokers to customize something for each employee. However, AI can now collect data from each employee to personalize their benefit education and provide tailored recommendations, improving overall engagement.

A trusted expert must guide this system, as there's no replacement for 1:1 human support. Health is human after all. However, brokers can use AI to deliver even more for the employee experience.

Supplemental benefit trends

Voluntary benefits remain a popular option, especially with larger organizations. **55% of employers with between 1,000 to 2,499 employees offer some form of supplemental benefits, versus 33% of employers with 10 to 49 employees.** Accident (49% of employers), critical illness (46%), and life insurance (44%) were among the top benefits that brokers said their clients added this past year. That makes sense, as these are typical staples of voluntary benefits.

Top voluntary benefits chosen for 2025



Pet insurance continues to grow in popularity, as people see their animals as family members who need proper care. About **27% of brokers said their clients added pet insurance in 2025** versus 23% in 2024.

Long-term care coverage for an evolving workforce

Long-term care insurance is surging in demand, with **49%** of brokers reporting that their clients added some type of long-term care insurance over the past year versus only **17%** in the previous year's survey.

There could be a few reasons behind this shift. First, the Baby Boomer generation is around retirement age, yet many continue working later in life. Group long-term care insurance could be an appealing way to attract older, talented workers and motivate them to stay on board, especially since they may struggle to buy coverage in the individual market. Gen X workers are also the prime age to consider long-term care insurance.

Many Millennial workers care for their retired parents and see first-hand the need and cost of long-term care services. That could motivate them to purchase insurance for themselves to prepare ahead of time, especially if employer plans can help make coverage more affordable than the costly individual market.



Brokers may want to continue thinking about how to promote long-term care insurance to their clients, especially given the product's versatility. Depending on an employer's goals, it could be offered as a standalone long-term insurance policy or as a rider for life insurance or annuities.

Compliance with new long-term care legislation

The [Washington Cares Fund](#) in Washington State created a state-wide long-term care insurance program for residents. Other states are considering similar legislation, putting the need for long-term care insurance at the forefront of employees' minds. Brokers can help their clients stay on top of these new compliance requirements while promoting the value of long-term care insurance.





A shift to wellness overall

Employers continue investing in employee wellness on top of health insurance by offering wellness resources, employee assistance programs, and additional supplemental benefits.

Mental health services remain popular, with **41%** of brokers reporting that they have clients considering adding mental healthcare services beyond what's offered on a standard health insurance plan. However, this is a noticeable drop compared to last year, when **59%** of brokers reported employer interest in additional mental healthcare services.

It appears that employers are focusing on employee wellness overall instead of mental health. Mental healthcare was front and center during the early COVID-19 pandemic years when issues like stress, anxiety, depression, and insomnia increased. Now, employees are mostly back to in-person interactions rather than staying home, and protecting their physical health is a priority.

Ultimately, this trend isn't a shift away from supporting mental health, but rather a more holistic view of what wellness means. Each employee needs different resources to live healthily. This is one more reason why human engagement from brokers is important to get the feedback needed to design a wellness package that fits.





Priorities by client size

What clients want often depends on company size. Knowing these goals can help brokers optimize presentations for different clients. Here's what brokers reported their clients valuing most based on company size.



Brokers who primarily serve large employers (1,000+ employees) say their clients want:

- ▷ More focus on controlling cost pressures while enhancing benefits
- ▷ Ideas to share more costs with employees
- ▷ Amplified life insurance and long-term care offerings
- ▷ More focus on technology and innovation



Brokers who primarily serve small employers say their clients want:

- ▷ To reduce the [administrative burden](#)
- ▷ An increased interest in benefits administration
- ▷ To drive employee education and engagement
- ▷ Supplemental health products, like critical illness and hospital indemnity insurance

Looking ahead

Over the next year, employers want to balance reducing costs while improving engagement, which is no easy ask. New technology trends and benefits ideas are available that can achieve these goals, but employers may not have the capacity to figure them out alone. This is where skilled brokers can fill a valuable role by offering innovative solutions that can reduce costs, improve engagement and increase satisfaction. Technology solutions, like AI, only deliver to their full potential when guided by a professional. **Health is human remains truer than ever.**



Optimal benefits,
well-advised.

