

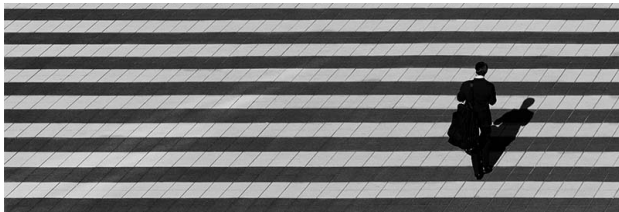
THE INSTITUTE FOR INSURANCE TRANSPARENCY

WHY CHANGE BROKERS? A CHALLENGE TO THE STATUS QUO

The Institute for Insurance Transparency seeks to shatter long-standing beliefs in the insurance industry, prompting company leaders - CEOs, CFOs, and CHROs - to question complacency and ponder why they may want to change brokers. In an era where insurance ranks among a company's top four expenses, having the right advisor is critical for financial health, risk management, and talent retention.

One formidable obstacle in securing the right insurance programs is the reluctance to change brokers. Let's face it, parting ways with a broker, especially if they have personal ties to the organization, is not a pleasant task. However, as stewards of the company, it's the fiduciary duty of leadership to ensure they have a broker/consultant providing the best advice and services to manage one of the company's largest expenditures efficiently.

To shed light on this challenging topic, we interviewed five seasoned executives representing both large public corporations and small private businesses to uncover their thoughts on the merits and pitfalls of switching brokers.



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Allow us to introduce our panel of experts:

- **Dennis Berger** - The current Executive Partner and CHRO Practice at Gartner and former CHRO of CDW, AutoNation, and Suffolk Construction.
- **Michael “Mick” Beyer** - The current CEO of Linc System and former CFO of Henniges Automotive, Chassis Inc., and Wolverine Advanced Materials.
- **Jim Hart** - The current President of Burwood Group.
- **Nicole Mutzenbauer** - The current Director of HR at Sid Grinker Restoration and former Director of People at ACS Architectural and HR Manager at Herzing University.
- **Anne Sidio** - The current CHRO of LanzaJet and former CHRO of AM Castle, Compsych, and Illinois Bone & Joint.

See page 2 for Q&A with our panel of experts.

What were the positive outcomes you observed after switching brokers?

Berger emphasized that fresh perspectives and new ideas consistently led to cost-effective solutions, challenging the status quo. Beyer pointed out that a new broker's candid assessments and action-oriented approach were invaluable. Sidio highlighted that new brokers provided significantly more support for HR teams, enhancing overall efficiency. Beyer appreciated the transparent communication and the departure from protecting outdated practices, while Hart experienced improved service and pricing with every change. All agreed their key stakeholders were pleased with the outcome.

What were the negative consequences of making the switch?

Mutzenbauer acknowledged the loss of historical knowledge but stressed that it faded quickly. Sidio mentioned internal resistance due to relationships. Berger noted initial apprehension but highlighted that even skeptics eventually recognized the benefits. Hart shared that they hadn't faced any negative impacts, as improved service and pricing consistently outweighed any concerns.

Were you nervous about changing brokers?

Hart admitted to some skepticism but emphasized the importance of asking the right questions and checking references for reassurance. Berger stressed the necessity of pressure-testing the new broker on the transition, timing, and expected outcomes. Sidio pointed out that the nervousness centered around aligning stakeholders on the improvements. Mutzenbauer emphasized the improvements were worth the concern of any speedbumps.

Did you have any regrets?

Beyer regretted not making the change sooner. Sidio, Berger, and Mutzenbauer expressed satisfaction with the improvements and fulfilling their fiduciary responsibilities to their board, senior team, and employees.

“
As leaders, it is our job to manage change, especially when it improves our business. That is our fiduciary responsibility.
”

- Michael “Mick” Beyer
CEO of Linc System

What improvements did you achieve?

Mutzenbauer highlighted improved coverage, cost savings, compliance, technology, and employee communication. Hart mentioned that a more sophisticated broker enhanced understanding of insurance contracts and provided greater comfort with the risk protection of the balance sheet. Berger emphasized opportunities for process improvements and cost savings, while Sidio valued having a multi-year strategic plan aligned with her CEO and Board's cost and culture objectives. Beyer stressed that having a reliable broker allowed them to focus on their core business. All the interviewees mentioned positive feedback from their executive teams and employees.

Share your advice for those concerned about the disruption change might cause.

Sidio encouraged confidence in recommendations backed by data and recommended speaking with references who had made similar changes. Berger asserted that the benefits of change outweighed potential disruptions, emphasizing the importance of leveraging fresh perspectives. Mutzenbauer underlined the value of upgrading the partnership with a broker who can provide cutting-edge ideas and reliability. Finally, Beyer stated, “As leaders, it is our job to manage change, especially when it improves our business. That is our fiduciary responsibility.”

CONCLUSION

While change can be challenging, these seasoned executives unanimously agreed that embracing change in insurance brokers was necessary and highly rewarding. Their experiences demonstrated that when coupled with careful planning and a strategic mindset, disruption leads to substantial improvements in cost, coverage, compliance, and overall organizational effectiveness.

As you consider your insurance broker relationship, remember that the path to a better future may lie in breaking free from outdated paradigms. It's time to reevaluate your insurance broker and explore new possibilities to enhance your company's bottom line, reduce risks, and elevate employee satisfaction. It's time to challenge the status quo and pave the way for a brighter insurance future.

Check out the *BrokerShift* and *Clarity Accord* documents on the **Institute for Insurance Transparency's** website (www.The-IIT.com) to start your broker change off with accountability and transparency.

MEET THE EDITORS



EDITOR

Mitchell Andrews

Partner – The Plexus Groupe

Mitchell Andrews is a fearless disruptor in the insurance industry with over 35 years of experience. He never hesitates to challenge the status quo or question authority when it comes to achieving the best possible outcome for his clients. Mitchell is known for his unrivaled expertise in Employee Benefits and Business Insurance as one of the founding partners of The Plexus Groupe. He is an uber-inquisitive and outspoken professional, always searching for what is new and different to drive client success including serving on numerous insurance advisory boards and participating in state and federal lobbying efforts to improve the efficiencies within the entire insurance ecosystem.

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