REPORT

State of Benefits Placement

2025 Insights

LETS TAKE A LOOK

What’s inside

Introduction

ThreeFlow is the largest benefits placement system provider in the market. It's relied upon by hundreds of brokers across the nation to manage the renewal and RFP process on behalf of their employer clients.

With over $1b in premium transacted annually, we are the only platform with a detailed view into what's actually being placed in the market. This report captures placement activity across nearly 5,000 employers in 2024, offering a fresh lens on coverage trends, plan designs, and broker compensation patterns.

The employers represented span industries and geographies, with workforces ranging from 50 to 30,000 employees (average: 250 FTEs). While this year's report focuses on stop loss and non-medical lines, ThreeFlow's expansion into fully insured medical and small business placement in 2025 will offer a broader set of coverages, deeper segmentation, and year-over-year trend tracking.

This report provides:

- **A snapshot** of which coverages are gaining ground
- **Benchmark data** on common plan design provisions
- **Observations** on compensation patterns across products

This is just the beginning. We look forward to making this report an annual resource for the industry.

SECTION 1

Executive summary: key signals in the benefits market

For decades, the employee benefits space has been full of habits—with everything from legacy carriers, to repeat placements, and even templated plans—certain playbooks and motions were the mainstay year after year. But in 2024, something became apparent: a world that has been slow to evolve is changing—and that change is happening fast. While those working in the benefits industry likely felt the truth of this reality, at ThreeFlow, we set out to prove it.

With $1 billion plus in premium placed through ThreeFlow during last year alone, the data doesn't just hint at rapid evolution—it shows it.

Some new patterns are emerging across nearly 5,000 employers and tens of thousands of benefit selections. Employers are leaning harder into voluntary coverage and brokers are rethinking the value conversation. Even more surprising is that old assumptions about what coverage options are "core" seem to be being rewritten in real time.

Hospital indemnity, once a voluntary darling, is now being outpaced by Accident and Critical Illness. Commission models, while still flat in structure, reflect the added lift of worksite benefits. As for income protection, it's full of cracks for high earners, who likely don't even realize they're underinsured.

In 2024, even stop-loss buying behavior told a story: in a macro environment filled with rising costs and price sensitivity, today's employers aren't just asking what's cheapest—they're asking what's going to protect them next year.

$1b+

in premium placed in 2024

If 2023 was the year of incremental change, 2024 was a bold leap forward. **As for what's coming in 2025? Let's take a closer look.** →

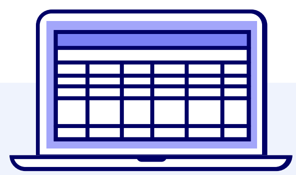
SECTION 2

Methodology and data notes

The narrative set out in this ebook is built on data—hundreds of thousands of placement records flowing through the ThreeFlow system in 2024.

This report exclusively focuses on stop loss and non-medical lines of coverage. That includes benefits like dental, vision, disability, life, accident, critical illness, hospital indemnity, and stop loss. All placements included in this analysis were real, broker-driven sales sent to market through the ThreeFlow platform. No projections. No hypotheticals.

Employer size ranged from 50 to 30,000 employees, with an average around 250 full-time workers. The companies denoted were also geographically diverse, making this dataset one of the most representative snapshots of the market available today.



BY THE NUMBERS

Employers:
4,937

Mean ER Size:
250

Coverage types tracked:
10+

What's not included in this year's edition? Broker performance metrics, engagement rates, or carrier-specific analytics. While those are not in focus for this publication, we plan to dive into those in future publications.

For now, this is about clarity: what's being placed, how it's being structured, and what that tells us about the market's direction.

SECTION 3

What employers are placing: coverage prevalence

If you want to know what benefits matter to employers, watch what they place.

Voluntary benefits, long viewed as a supporting act, have now moved to the main stage. **The numbers are undeniable:**

- **Dental** coverage was selected by **69% of employers**.
- **Basic Life/AD&D** appeared in **57% of groups**.
- **Vision** plans showed up in **47% of groups**.
- **Voluntary Life/AD&D** came in just behind at **46%**.
- **Disability (STD/LTD)** landed at around **40%**.
- **Accident and Critical Illness** were selected by **over 20% of employers** —double the rate of **Hospital Indemnity**, which came in at just **10%**.

Over

20%

of employers selected Accident and Critical Illness

Accident and CI plans are appealing because they're immediate, relatable, and ultimately, impactful. Employees can innately understand a payout for a broken bone or a cancer diagnosis—and employers see the value of that clarity.

The broader trend isn't just about preference, **it's about strategy**. According to a report from Benefits Insight, supplemental benefits like Accident, CI, and hospital indemnity insurance are gaining traction as cost-conscious employees look for ways to buffer against rising deductibles and out-of-pocket medical expenses. What's more, these types of voluntary benefits are increasingly core to attracting and retaining top talent. When labor markets are tight, the right mix of benefit options can be the difference maker between "offer accepted" and "I went with another company."

One thing is sure—benefits are no longer just a back-office decision. They have become front and center in the employer value proposition.

SECTION 4

Plan design benchmarks: how employers structure benefits

Benefit selection is only half the story—plan design is the other.

Life Insurance: In most cases, simplicity rules. About 65% of plans offer a flat benefit—often pegged at $50,000 to avoid triggering imputed income under IRS rules. One thing of note is that fewer than 35% tie benefit levels to salary, even though that structure offers better income protection for higher earners.

Accident and Critical Illness: These products are on the rise, but the designs vary widely. Most Critical Illness plans offer a $12,500 maximum benefit. That sounds helpful—until you consider that the average cost of a critical illness in the U.S. is closer to $60,000.

Top-tier plans push the benefit to $30,000, which offers more meaningful protection. Accident plans generally offer max payouts at around $6,000 for fractures and $5,000 for dislocations. These benefits can help offset deductibles and out-of-pocket expenses; however, they can only deliver real value if employees understand how to use them.

DID YOU KNOW

Most Critical Illness plans offer

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MAXIMUM BENEFIT

→

However, the average cost of a critical illness is nearly

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SECTION 4

Plan design benchmarks: how employers structure benefits

Dental and vision: Dental maxes tend to land in the $1,000 to $1,500 range. Carryover features are moderately adopted and usually top out around $2,000. Vision plans are more standardized, with annual exams being the norm. Lenses and frames vary more widely in frequency and allowance.

Disability: For both short-term and long-term disability, 60% income replacement is the standard and is placed more than 80% of the time. But max monthly long term disability benefits often fall between $6,000 and $10,000, which doesn't go far for employees earning six figures. Most LTD plans also include a 90-day elimination period. In fact, a 13-week short-term disability duration with a 90-day LTD elimination period was placed 70% of the time.

*Max monthly long-term disability benefits fall between **$6,000** and **$10,000**, which doesn't go far for employees earning six figures.*

There's an opportunity here: help employers understand who is underinsured on their roster and offer solutions like gross-up or individual DI policies.

SECTION 5

Broker compensation patterns

Even in a world of transparency and tech-forward tools, some things hold steady. Commission-based compensation is one of them.

In 2024, nearly 93% of the plans placed through ThreeFlow included built-in commissions. Most stuck to a flat structure, ranging from 6% to 15% depending on the product.

Where things get interesting is in the worksite segment:

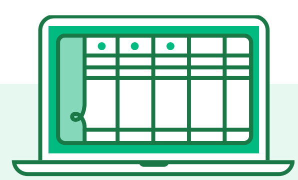
- **43.9%** of Critical Illness plans carried a 16–25% flat commission.
- **43.3%** of Accident plans did the same.
- Hospital Indemnity trailed slightly at **33.1%**.

These higher commissions reflect the added effort required of brokers to manage them. Worksite benefits require more education, more communication, and more engagement. The compensation aligns with the lift.

Flat structures dominated overall:

- **83%** of plans used a flat model.
- **8%** used a graded approach.
- **7%** used a heaped structure (front-loaded comp).
- Only **2%** came in net of commission.

As conversations around pricing and transparency evolve, compensation design will play a bigger role in how brokers continue to differentiate their value.



Product: **Flat 16–25% Commission Usage**

Critical Illness	Accident	Hospital Indemnity
43.9%	43.3%	33.1%

SECTION 6

Stop loss snapshot

Today's self-funded employers aren't just looking for protection—they're looking for peace of mind. That's why stop loss designs are starting to reflect a shift in priorities.

In 2024, more than 60% of stop loss policies included a "no new laser" guarantee. That implies that employers are willing to trade slightly higher premiums for more stability. And nearly 73% of quotes came in net of commission, suggesting leaner structures and a more transparent approach.

Paid and 24/12 contracts remain dominant, and deductibles varied widely—$100,000 to $150,000 was the most common range.

In the face of today's market uncertainty, one fact is clear: **employers want predictability**, and they're relying on their brokers to help them find it.

60%+

employers appear willing to trade higher premiums for more stability

Nearly

73%

of quotes came in net of commission which suggests leaner structures and a more transparent approach

SECTION 7

Key takeaways and strategic opportunities

The data tells a compelling story—but it's what we do with those insights that really matters. Across all stakeholders in the benefits ecosystem, we rounded up the top opportunities we suggest based on the data to turn trends into impact.

For employers:

- Take another look at disability coverage for higher-earning employees. Many plans still fall short regarding income replacement, and that gap may go unnoticed until it's too late.
- Reassess Hospital Indemnity in your plan mix. Employees are responding strongly to benefits like Critical Illness and Accident coverage that offer clearer value, plus more direct relevance.
- Explore value-adds like dental carryover provisions. These features can help improve utilization and reinforce benefits as a long-term investment in employee wellness.

For brokers:

- Elevate the role of voluntary benefits in your consulting. These are no longer bolt-on products—they're strategic levers for experience, retention, *and* differentiation.
- Use data to strengthen your positioning. Bringing benchmarking insights (like those found through ThreeFlow) into the conversation gives clients clarity, giving *you* an edge.
- Don't be afraid to push for higher maximums when designing Critical Illness plans. A modest premium increase can make a life-changing difference at claim time.

For carriers:

- Design with pain points in mind. Products that proactively address income gaps, simplify usage, or align with real employee behavior will stand out.
- Consider smarter defaults around benefit frequency and structure, especially in dental and vision. Removing complexity helps employers make faster, better decisions.
- Transparency isn't just a trend; it's becoming an expectation. Clear, consistent pricing and commission structures will be a competitive advantage in a market increasingly driven by data.

What's next: the evolution of *placement intelligence*

In 2025, ThreeFlow plans to introduce several major enhancements to our platform. These include expansion into fully-insured medical lines, tailored support for small group segments, and deeper behavioral analytics to understand how brokers engage with carriers throughout the placement process. We'll also begin year-over-year tracking of plan designs, placement outcomes, and win/loss patterns across a broader range of markets.

Our mission is simple: **help the industry get smarter, faster.** We're turning benefit placement into a data-informed practice that drives better outcomes for employers, brokers, and carriers alike. Whether you're a broker helping clients navigate benefit design, a carrier shaping product strategy, or an employer looking to stay competitive, the correct information at the right time can change everything.

At ThreeFlow, we believe the future of benefits isn't about guesswork. It's about intelligence, *placed*.

LEADING THE INDUSTRY

$4.1b+
Premium under management

330+
Broker locations

24,000
Employer groups

80+
Certified carriers

ThreeFlow
A Benefits Placement System

ThreeFlow is a Benefits Placement System, enterprise software that allows benefits brokers and insurance carriers to maintain their relationships and enhance collaborative efforts to help employers make the best benefit decisions for their employees. We connect people, systems, and information to enable operational advantages, data-driven decisions, and top-talent retention.

→ To learn more, request a demo

threeflow.com