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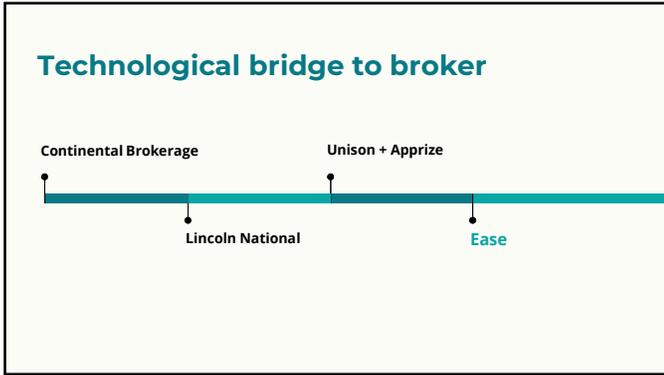
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## 1 | The Current Landscape



The slide features a dark blue background with the text "1 | The Current Landscape" in white. The "Ease" logo is positioned in the bottom right corner.

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### Big Risks and Big Opportunities

Demographic and market changes today are affecting the way small businesses operate, particularly in HR.



The slide has a light blue background. On the left is a white lightbulb icon with radiating lines. To its right is the title "Big Risks and Big Opportunities" and a paragraph of text. The "Ease" logo is in the bottom right corner.

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## Emergence of digital brokers

Digital brokers have raised the bar by:

- Offering comprehensive, integrated solutions for their clients
- Finding quality, integrated payroll solutions on a proactive basis
- Integrating robust benefits administration software and simple HRIS tools
- Servicing year-round with ongoing eligibility management as part of their standard offering



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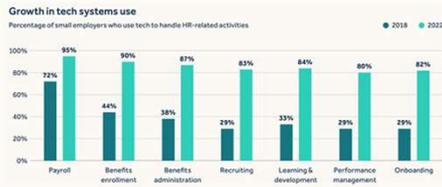
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## Transformation is accelerating

Technology offers a solution to businesses' problems, enabling them to satisfy the expectations of their employees and to increase their business efficiencies.



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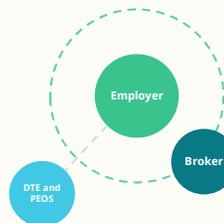
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## Top models for businesses to access benefits

An employer **partners with a broker**, who then provides benefit consulting and helps them through the benefit selection process.

Software functions as the broker, meaning an employer handles benefits entirely themselves through the software. These are referred to as **Direct-to-Employer companies (DTE)**.

Business owners purchase benefits and other services through a **Professional Employer Organization (PEO)**, paying as much as \$125 PEPM for a variety of HR tools and services.



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**2 | Meet Goliath**  
**The Fierce, Relentless Competition**



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**Competitors look to remove brokers from the equation by offering more than just benefits.**  
 They say they can offer more for less, but it's simply not true.



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**Even Amazon wants in**

The purchase was the first major deal announced since CEO Andy Jassy took the helm from founder Jeff Bezos in July 2021, and Jassy has indicated he sees health care as a major area of expansion. In a statement, he said health care is ripe for disruption, citing long appointment times and the complexities of primary care.

"Customers want and deserve better, and that's what One Medical has been working and innovating on for more than a decade," Jassy said in a statement. "Together, we believe we can make the health care experience easier, faster, more personal, and more convenient for everyone."

Currently, Amazon Care provides Washington state-based Amazon employees access to medical care via telehealth and in-person home visits. In summer 2021, Amazon Care will roll out to all Amazon employees across the country as well as other Washington-based companies. This first expansion is very likely just the beginning of Amazon's move into the healthcare space. And since Amazon Care is contracting directly with employers, they're setting themselves up as a viable alternative to large health insurance providers, and potentially circumventing their brokers entirely.




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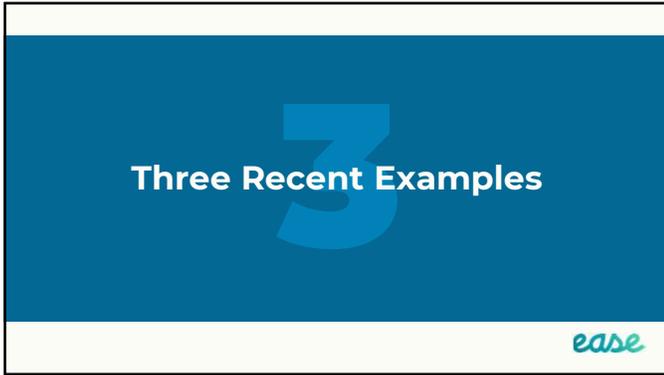
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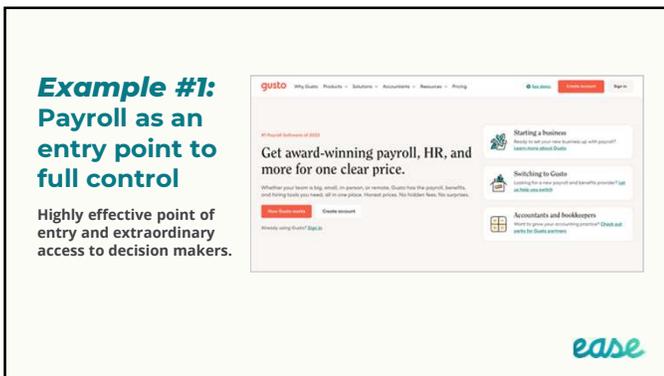
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### \$200M raised to expand brokerage operations



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### Example #2: HRIS providers "managing" their way to BOR

Funding Rounds					
Number of Funding Rounds		Total Funding Amount			
Number of Funding Rounds		11	Total Funding Amount: \$217.8M		
Namely raised a total of \$217.8M in funding over 11 rounds. The latest funding round for a Series E round on Aug 8, 2019.					
View all funding rounds for Namely on our website.					
Round	Date	Amount	Lead Investor	Other Investors	Valuation
Series E	Aug 8, 2019	\$100M	GGV Capital	GGV Capital, Coatue	\$1.5B
Series D	Jan 18, 2017	\$25M	Frontier Capital	Frontier Capital, Coatue	\$250M
Series C	Jan 18, 2017	\$25M	Altimeter Capital	Altimeter Capital, Coatue	\$250M
Series B	Feb 23, 2015	\$25M	Sequoia Capital	Sequoia Capital, Coatue	\$250M
Series A	Jan 18, 2015	\$10M	Altimeter Capital	Altimeter Capital, Coatue	\$10M
Series A	Jan 18, 2015	\$10M	Altimeter Capital	Altimeter Capital, Coatue	\$10M
Series A	Jan 18, 2015	\$10M	Altimeter Capital	Altimeter Capital, Coatue	\$10M
Series A	Jan 18, 2015	\$10M	Altimeter Capital	Altimeter Capital, Coatue	\$10M
Series A	Jan 18, 2015	\$10M	Altimeter Capital	Altimeter Capital, Coatue	\$10M
Series A	Jan 18, 2015	\$10M	Altimeter Capital	Altimeter Capital, Coatue	\$10M

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### Also offering brokerage services



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**Enabling BOR change is visible to customers**



**Namely**

**Changing Benefits Brokers Is Easier Than You Think**

Rachel Berke  
04/19/23

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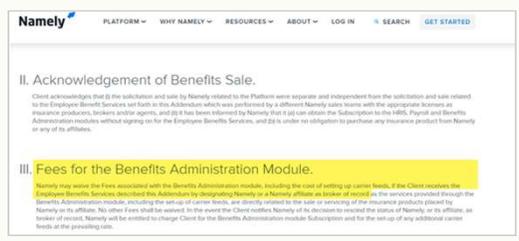
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**Offering product discounts when named broker**



**Namely** PLATFORM WHY NAMELY RESOURCES ABOUT LOG IN SEARCH GET STARTED

**II. Acknowledgement of Benefits Sale.**

Client acknowledges that the subscription and sale by Namely related to the Platform were separate and independent from the subscription and sale related to the Employee Benefits Services set forth in the Acknowledgement which was performed by a different Namely sales team with the appropriate brokers as insurance producers, brokers and/or agents, and that it has been released by Namely that it will not release the Subscription to HRSA, Payroll and Benefits Administration modules without signing on for the Employee Benefits Services, and that it is under no obligation to purchase any insurance product from Namely or any of its affiliates.

**III. Fees for the Benefits Administration Module.**

Namely may waive the Fees associated with the Benefits Administration module, including the cost of setting up carrier benefits, if the Client requests the Employee Benefits Services describing the Acknowledgement to discontinue Namely or a Namely affiliate as broker of record on the services provided through the Benefits Administration module, including the set-up of carrier benefits, are directly related to the sale or servicing of the insurance products placed by Namely or its affiliate. No other Fees shall be waived. In the event the Client notifies Namely of its decision to request the status of Namely or its affiliate as broker of record, Namely will be entitled to charge Client for the Benefits Administration module Subscription and for the set-up of any additional carrier needs at the prevailing rate.

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**Like Gusto, successfully securing BORs**



From: [Redacted] <[Redacted]>  
Sent: Friday, June 4, 2022 12:41 PM  
To: [Redacted]  
Cc: [Redacted]  
Subject: [Redacted]

Hi [Redacted],

We wanted to let you know that we are moving forward with another broker of record effective 7/1/21. As you know, we are limited in our bandwidth and really require a one stop shop company to take over our benefits and payroll. You will be receiving a **BOR letter from Namely** in the next couple of business days.

Will you be willing to [Redacted] or is that something we need to take care of?

Thanks,  
[Redacted]

[Redacted] Director of HR & Recruiting

[Redacted] | Direct  
[Redacted] | Mobile  
[Redacted]

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**Example #3:**  
Control the  
"identity layer"  
and broaden  
onboarding

**Featured Article**  
**Rippling raises \$45M at \$270M to be the biz app identity layer**  
Zenefits founder Parker Conrad is back with a vengeance

Josh Cozine @joshcozine · 8:19 AM (ET) · April 9, 2019

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**It started with Zenefits. . .**

**For Airbnb, the target was 'Hotels'.  
For Uber, the target was 'Taxis'.**

**For Zenefits, the target was brokers.**

Having a major impact, they affirmed SMBs want more from their broker...  
But they still want their broker.

**2-year-old Zenefits is now a \$4.5 billion company that just raised a whopping \$500 million**

The meteoric rise of the San Francisco startup Zenefits is astounding even by Silicon Valley's standards.

The company just celebrated its second anniversary by raising a massive infusion of capital: \$500 million (yes, half a billion).

Zenefits is now valued at \$4.5 billion, or a 1/2 unicorn.

And that's up from a \$200 million valuation less than a year ago when it raised \$66.6 million. All

Zenefits founder CEO Parker Conrad. Business Insider/Scott Hart

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**From Zenefits to Rippling**

**Magically Simplify HR, IT, and Finance**

Select your medical coverage

Satisfaction scores

Zenefits 66%

Rippling 96%

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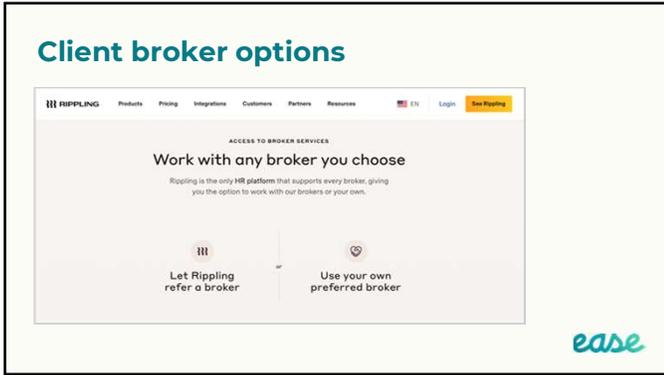
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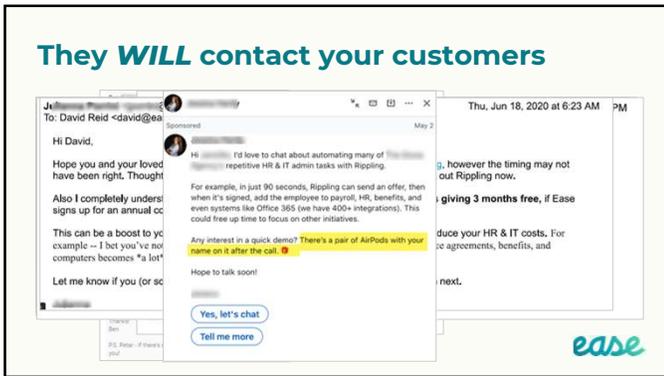
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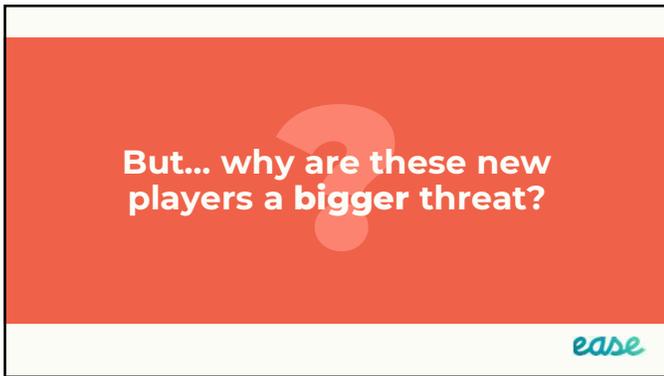
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## Benefits, payroll, and HR are merging

- Simple concepts such as “single point of entry” set the stage
- Benefit and HR share common data element that, without technology, are burdensome
- The emerging Digital Brokers have raised the bar by including HRIS as part of their standard offering
- In the past, buyers had to purchase these solutions separately, but no more



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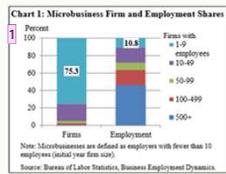
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## Small Group – Historically Ignored, But Now the Focus

98% of businesses have fewer than 100 employees and nearly 40% of the employee population exists in the small group space.

- Prior to technology, the only way to access this space was via a manual, paper process.
- Group Insurance commissions are overwhelmingly the largest part of the financial opportunity, so DTEs use their point of entry to move over to group insurance.
- The ACA has allowed for a packaged, commoditized sale of the insured market.
- ‘At scale,’ this is seen as a multi-billion opportunity to DTEs and draws massive investments to disintermediate the current broker.



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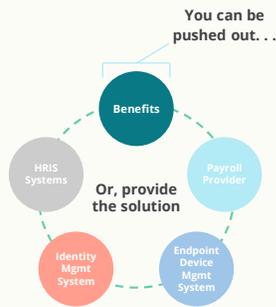
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## Broker role is de-focused by DTE offerings

DTE provided solutions that claim to partner with the broker, pushes them out. The Digital Broker provides the solution and remains central to the employer's solution.



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## Slide 29

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- 1 Got it. Leaving this comment open for him to see.  
Rocio Carrasco-Gras, 3/16/2021
- 1 Cleaning... cleaning....  
Jay Kleymann, 3/17/2021
- 1 I'd love Jay to clean this up  
Lara Andrews, 3/17/2021

**3 | Discover Your Action plan**



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**Benefits alone are no longer enough**

Expertise and a trusted relationship cannot be bought... But software can.




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**The broker manages the largest expense. Leverage this advantage.**

**Employer Costs:**



**Benefits \$800**  
 HRIS \$50  
 Payroll \$6  
 Identity Mgmt \$3  
 Device Mgmt \$3



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**Choose a Benefits Administration Solution**

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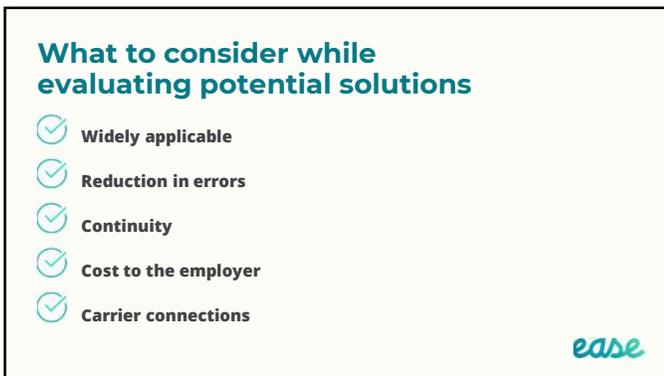
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**What to consider while evaluating potential solutions**

- ✓ Widely applicable
- ✓ Reduction in errors
- ✓ Continuity
- ✓ Cost to the employer
- ✓ Carrier connections

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**Provide a Complete Suite for HR**

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**Table stakes for brokers to be single point of entry**

- ✓ Employee Onboarding and Offboarding Functionality
- ✓ PTO Tracking
- ✓ Mobile
- ✓ 24/7 Access
- ✓ Payroll Connections

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**Offer security**

- 📁 Device Management - setting up computers
- 🛡️ Single Sign On - one password for everything

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**Expand Your Benefits Offering**



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### Voluntary benefits

Today's high deductibles and the rising Millennial generation has created a higher demand for voluntary benefits than ever.

- Average commission = **40% (may be low)**
- Average participation = **40%**
- Average annual premium = **\$600**
- Your average case size is **15 employees**
- You have **30 accounts**
- Compensation = **\$43,200 (+32%)**

In a modern experience, you can 'turn on' revenue generating integrations with ease.



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### Create a Digital Marketing Strategy



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### Your online presence impacts your growth

**It's essential.**

You can build an excellent offering, but it doesn't help if you don't tell people about it.

Whether you realize it or not, your online presence—or lack thereof — has a serious impact on the growth of your agency.



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### Where to start

- ✓ Set up Google My Business
- ✓ Establish (or Upgrade) Your Website
- ✓ Start and Cultivate an Online Presence
- ✓ Create Ongoing Email Marketing Campaigns




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### The Digital Broker's Playbook

A Guide to Modernizing Your Insurance Agency, a book to guide you through the process of bringing technology to your agency.

The playbook for how brokers can add technology to manage, protect and grow their business in the modern era.




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### Navigator + Ease

- Top-rated benefits administration and HR software
- More than 4,500 agencies trust Ease to help them and their clients grow
- 9,300+ digitally-mapped forms
- Over 150,000 businesses and 13 Million+ employees use our platforms
- We partner with top insurance carriers delivering over 300 connections




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