

Vermont Family & Medical Leave Insurance

Vermont League of Cities and Towns, January 18, 2024

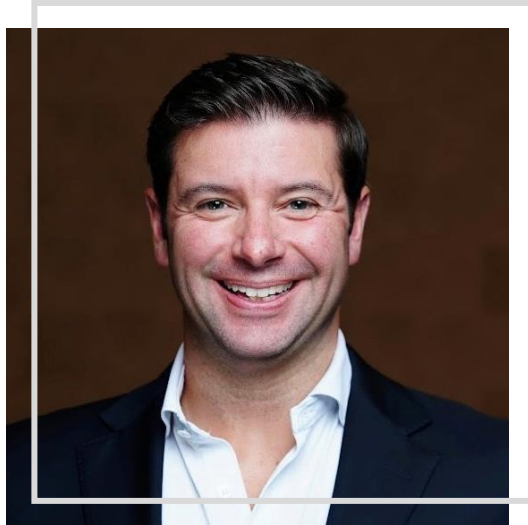
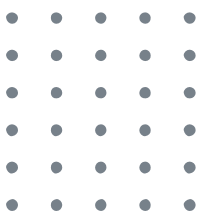
Presented by:

Grant Van Der Beken, Regional Sales Director

Jeff Moore, Regional Account Executive

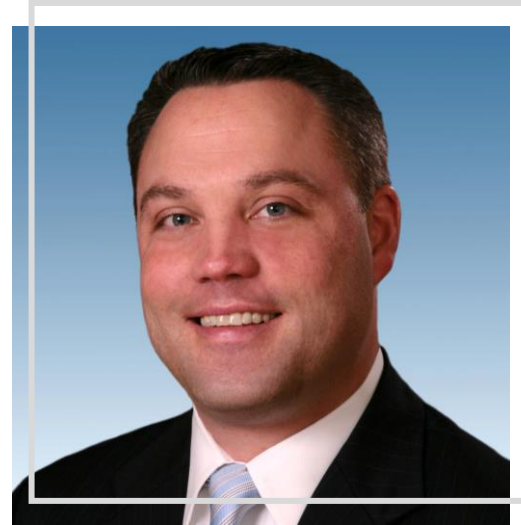


Meet the Presenters



Grant Van Der Beken

Regional Sales Director, New England



Jeff Moore

Regional Account Executive



How We Got Here

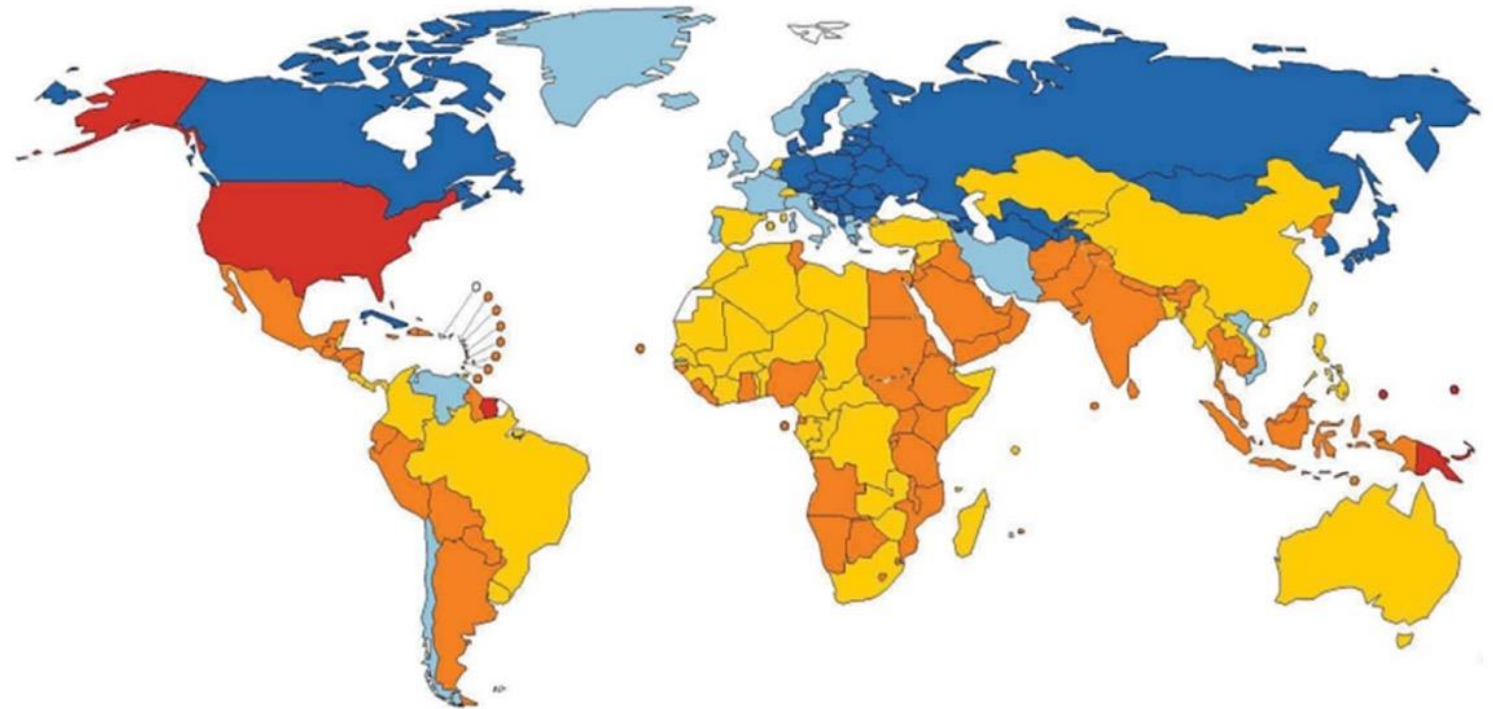
Paid Leave in the United States

The Need

Only industrialized country without a national Paid Family Leave Policy

Taking Care of Our Workforce

In this country, we have the talent and technology to make just about anything - except paid time off for family.



Putting Our Size and Experience To Work For You

Providing statutory coverage since 1950

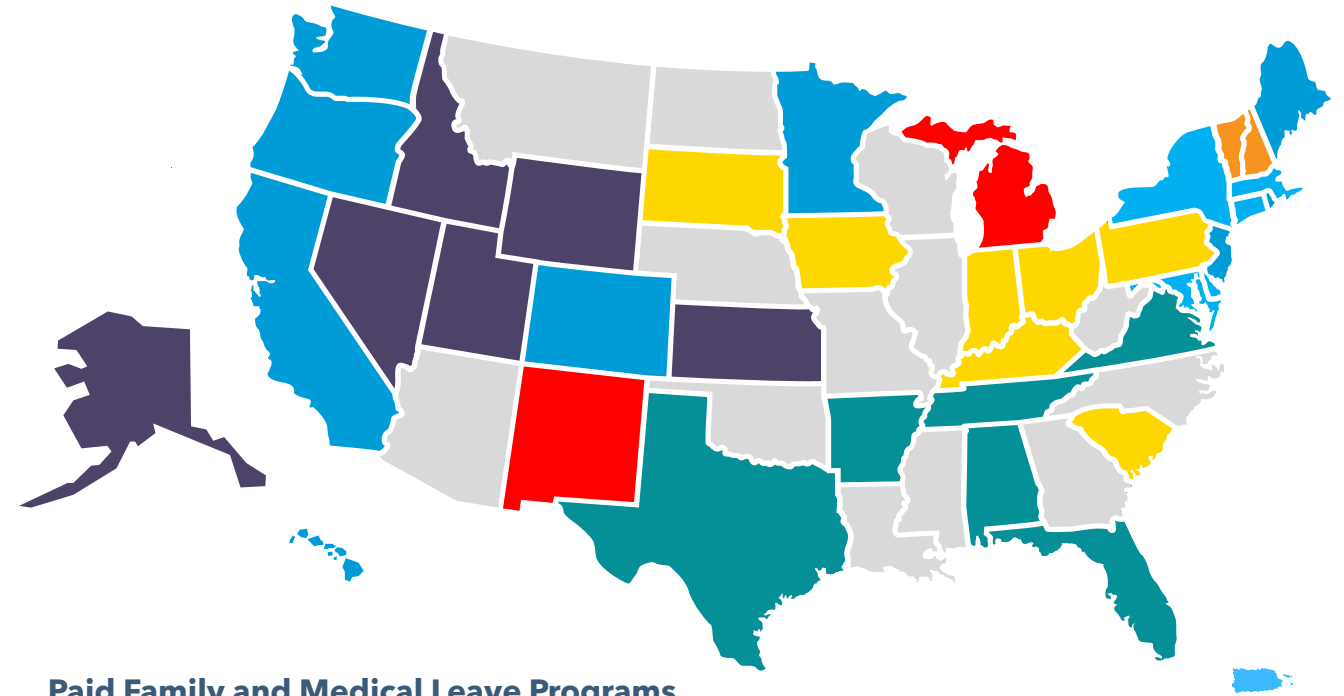
Offering fully insured coverage in:

- Colorado (PFML)
- Connecticut (PFML)
- Hawaii (TDI)
- Massachusetts (PFML)
- New Jersey (TDB/FLI)
- New York (DBL/PFL)
- Oregon (PFML)
- Vermont (FMLI/FLI 7/1/24)

Offering administrative services for self-insured plans in:

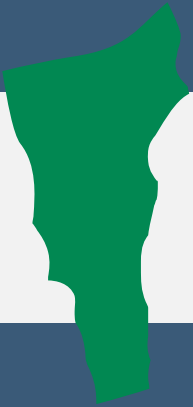
- California (CAVPDI/CAVPFL-approved plans > 500 lives)
- Colorado (PFML)
- Connecticut (PFML)
- Hawaii (TDI)
- Massachusetts (PFML)
- New Jersey (TDB/FLI)
- New York (DBL/PFL)
- Oregon (PFML)
- Vermont (FMLI/FLI 7/1/24)
- Washington (PFML)

* The programs in DE, ME, MD, MN are new legislative mandates. The Hartford is exploring our offerings.



Paid Family and Medical Leave Programs

- PFML mandates:
 - CO, CT, DE*, MA, MD*, ME*, MN*, NJ, NY, OR- either insured or self-insured
 - CA and WA may only be self-insured
 - RI and Washington D.C. do not allow private plans
 - HI and PR have Temporary Disability Insurance only
- Voluntary/Optional FMLI insurance plan:
 - NH, VT
- Voluntary/Optional FLI insurance plan only:
 - AL, AR, FL, TN, TX, VA,
- Likely to pass PFML mandate in next two years
- Interested in Voluntary/Optional PFML insurance plan
- PFML legislation introduced since 2019
- Has **not** introduced PFML program



What we've heard from VT Employers and Brokers about VT FMLI



Vermont Employers

Between FMLA, Mandated PFML, Employer, and the Governor's Program, I'm very confused

When it comes to caregiving, I'm not sure how to set up and provide leave

I haven't heard about Family Medical Leave Insurance

Family Medical Leave Insurance seems straightforward like Short-term Disability Insurance

VT FMLI needs to integrate well with my client's existing leave programs

The customization/variability that VT FMLI offers is important in designing a plan that works for employers

VT FMLI needs to integrate well with my client's existing leave programs

I would recommend a 100% employer-paid plan

Vermont Brokers



Phase 1– FMLI Highlights

FMLI Product Development

- Leveraged our resources and expertise for new product designed specific to the needs of Vermonters
- Updates to internal systems ready for go live and support of phase 2

Collaboration

- State of Vermont HR
- Department of Financial Regulations on policy/rate filing

Delivering on our promise

- Ready to take early notice claims as of 6/1/23
- Claim payment ready on effective date of 7/1/23

VERMONT
FMLI

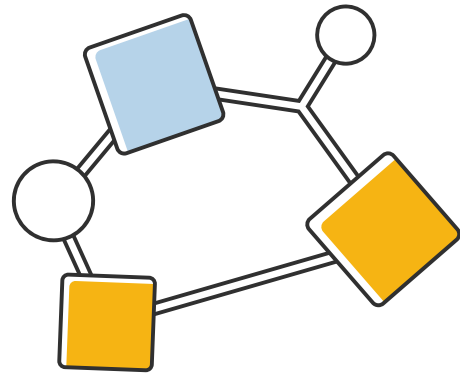
Family &
Medical
Leave
Insurance



Vermont Family & Medical Leave Insurance Differs From Mandated PFML

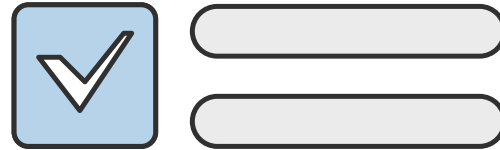


Optional



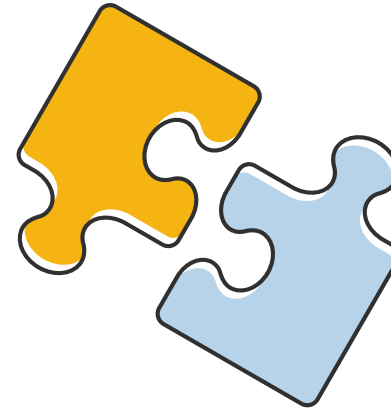
Employers have the option of offering this benefit to employees vs. mandated or being required by state law

Flexible



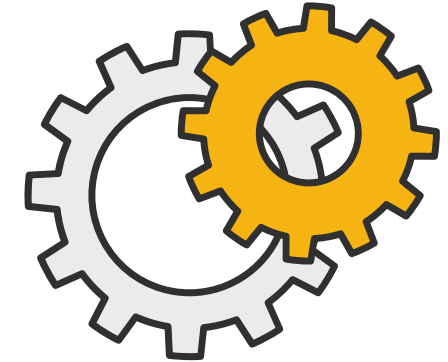
Design a program that addresses your unique business needs and the needs of your employees

Simplified



A less-complicated structure than statutory PFML programs.

Integrated



Recognizes existing employee benefits like STD/salary continuation programs and allows integration with FMLI or FLI



How is Vermont's Family and Medical Leave Insurance Program Being Rolled Out?



State Employee Phase

State of Vermont government employees became covered under a non-contributory Family and Medical Leave policy of insurance on July 1st of 2023.



Employer Phase

Non-State Public and Private Employers may purchase or sponsor FMLI plans with effective dates of July 1, 2024, and later. The Hartford will begin offering quotes in February of 2024.



Individual Phase

Vermont workers who do not have access to coverage through their employers, self-employed and sole proprietors will be able to access coverage through an individual purchasing pool beginning on July 1, 2025.



Why Employers Need Vermont Family & Medical Leave Insurance



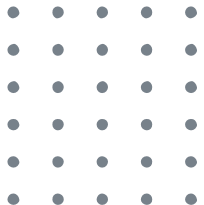
- Aids in employee retention and recruitment
- Promotes employee wellbeing
- Provides similar leave reasons to the statutory programs in surrounding states
- Provides the flexibility to design a plan that aligns with unique business requirements and employees' needs
- Can be designed to work together with other employee benefit programs (Salary Continuation/STD/LTD/PTO)
- Standalone Family Leave insurance can round out an employer's benefit package
- This insurance may lessen the employer's financial risk versus providing a salary continuation program



Why Employees Need Vermont Family & Medical Leave Insurance



- Helps replace lost income when an employee needs to care for themselves or a loved one
- Provides support for employees who need to take leave for certain caregiving reasons
- Provides employees with peace of mind so that they can focus on what matters most
- Gives the employee flexibility in how they take their time off. Allows for non-continuous time-off.
- Helps foster employee wellness



Vermont Family & Medical Leave Insurance: Two Offerings

FMLI FAMILY & MEDICAL LEAVE INSURANCE

Allows employees to receive a portion of wages to:

MLI:

- Recover from their own serious health condition, including childbirth

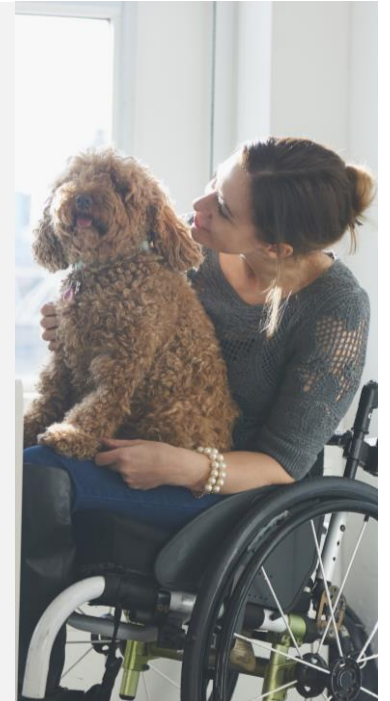
FLI:

- Bond with a new child (newborn, adoption and/or foster placement)
- Care for a family member with a serious health condition
 - Military Exigency
- Care for military service member

FLI FAMILY LEAVE INSURANCE









Allows employees to receive a portion of wages to:

- Bond with a new child (newborn, adoption and/or foster placement)
- Care for a family member with a serious health condition
 - Military Exigency
- Care for military service member



Employer Choice

Flexibility in Plan Design

	Eligibility Waiting Period	The ability for the employer to define employee's eligibility waiting periods
	Elimination Period	Variations on benefit elimination periods and whether they apply to the overall available leave durations (a short period of time, 7 calendar days, at the beginning of a leave that is unpaid)
	Coverage Amount	A range of benefit percentages beginning at 60% and going up
	Leave Duration	A range of leave durations beginning at 6 weeks and going up to 26 weeks
	Maximum Benefit Amount	A maximum weekly benefit expressed in a flat \$ amount or indexed annually based on the Social Security taxable wage cap
	Contribution Options	<p>A variety of ways to pay for the coverage:</p> <ul style="list-style-type: none">• employer pays all;• employer and employee share in the cost• employee pays all. <p>For 100% employee-pay-all plans, an eligibility waiting period will be required</p>
	Funding Methods	Fully Insured and self-insured (with ASO services that include check cutting available)
	Integration with Paid and Unpaid Leaves and Other Income	Options for integration with other employer sponsored benefits and salary continuation programs

I offer Short-Term Disability to my employees, do I need FMLI?



Consider the following:

- FMLI provides coverage for family events that STD does not, such as:
 - ✓ Time to bond with a newborn, adopted or foster child
 - ✓ Time to care for an ill family member
- FMLI can be taken intermittently
- FMLI may cover particular medical events that STD does not.

Moving forward together



Questions?

Learn more:

fml.thehartford.com





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