



Vermont Family & Medical Leave Insurance

November 8, 2023
Vermont Chamber of Commerce



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Meet the Presenters



Sharon Andrus

Assistant Vice President, Product
Management for Paid Family and Medical
Leave (PFML)
The Hartford



Grant Van Der Beken

New England Regional Sales Director
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The Hartford



How We Got Here

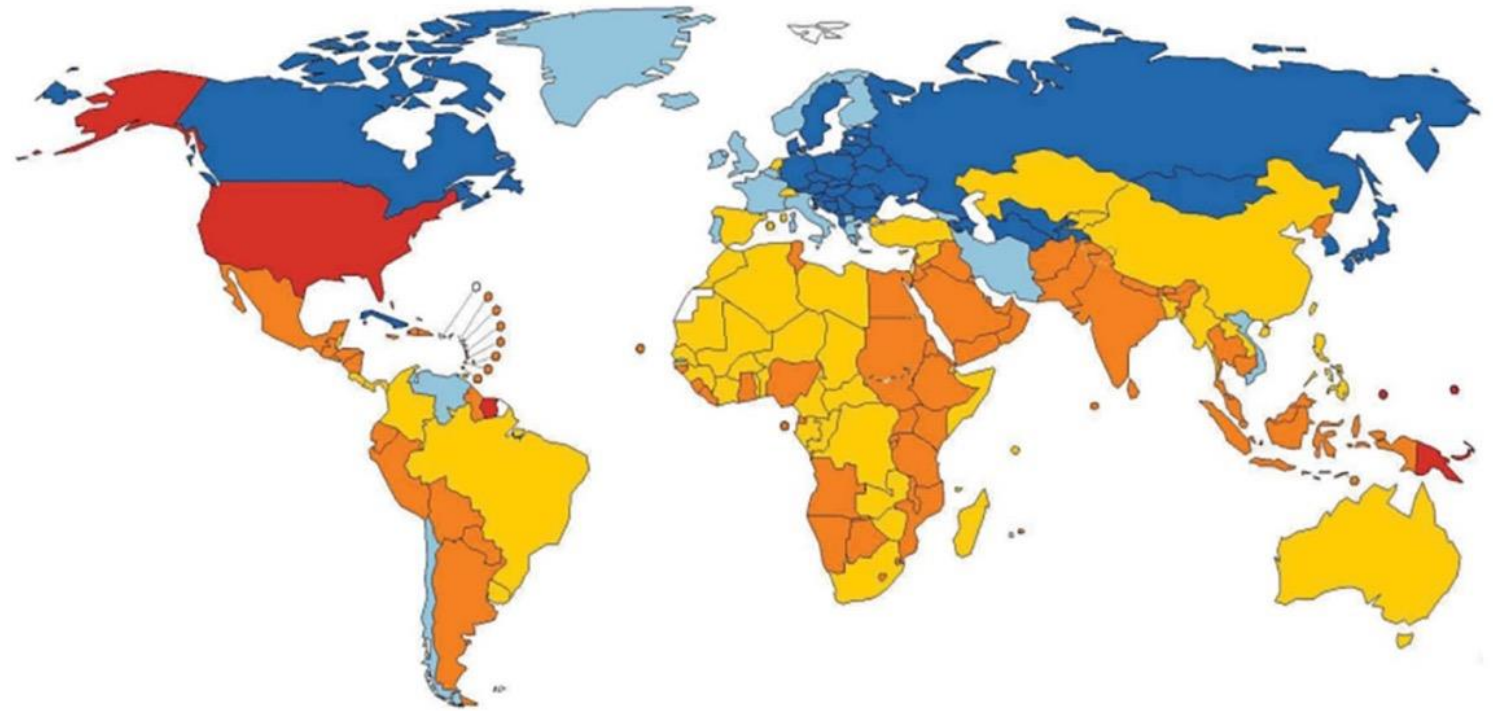
Paid Leave in the United States

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

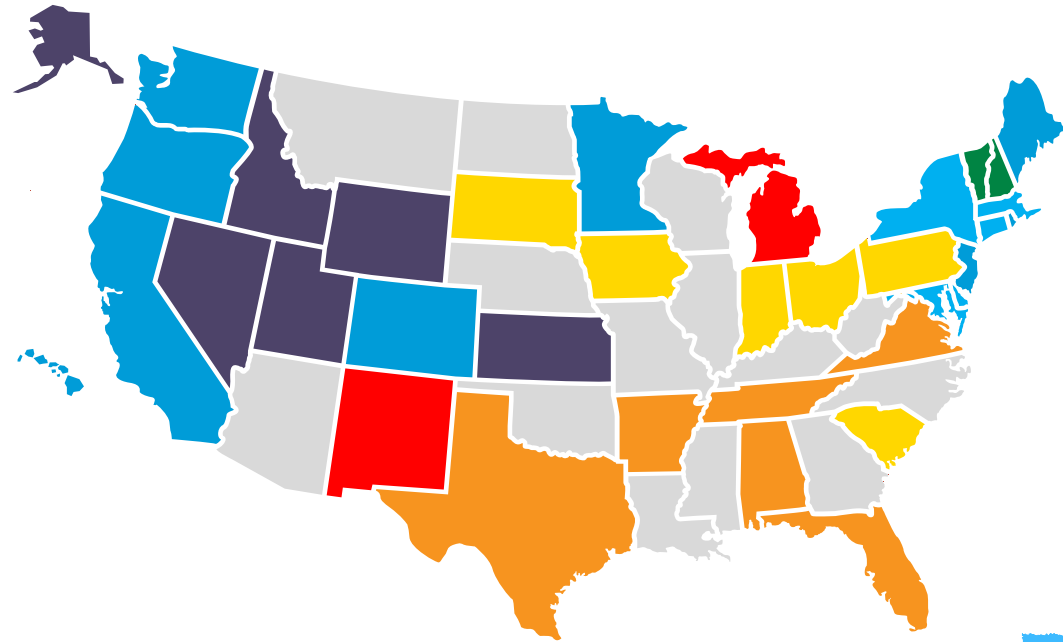
Offering fully insured coverage in:

- Colorado (PFML 1/1/24)
- Connecticut (PFML)
- Hawaii (TDI)
- Massachusetts (PFML)
- New Jersey (TDB/FLI)
- New York (DBL/PFL)
- Oregon (PFML 9/3/23)

Offering administrative services for self-insured plans in:

- California (CAVPDI/CAVPFL-approved plans > 500 lives)
- Colorado (PFML 1/1/24)
- Connecticut (PFML)
- Hawaii (TDI)
- Massachusetts (PFML)
- New Jersey (TDB/FLI)
- New York (DBL/PFL)
- Oregon (PFML 9/3/23)
- Washington (PFML)

* The programs in ME, MN, MD and DE are new legislative mandates. The Hartford intends to provide an offering.

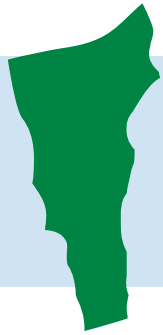


July 12, 2023

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

Vermont
Brokers

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

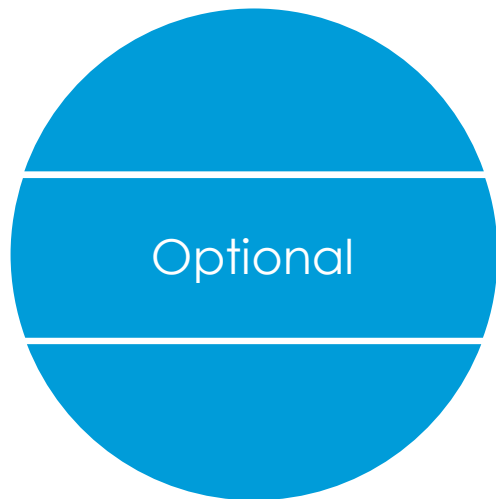


VERMONT
FMLI

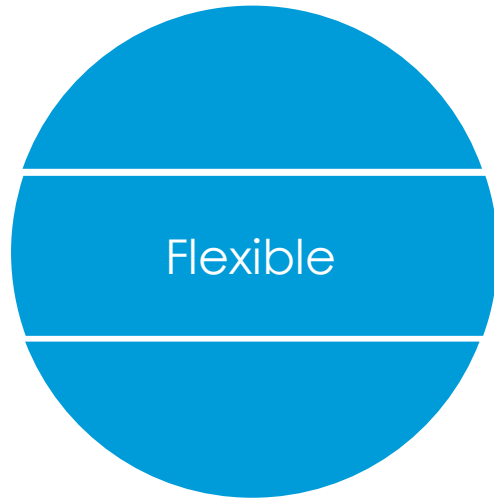
Family &
Medical
Leave
Insurance



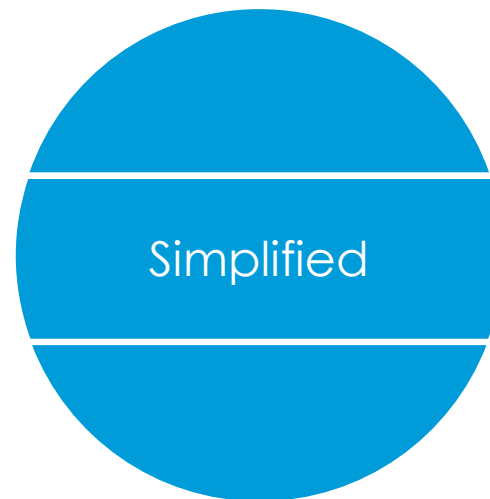
Vermont Family & Medical Leave Insurance Differs From Mandated PFML



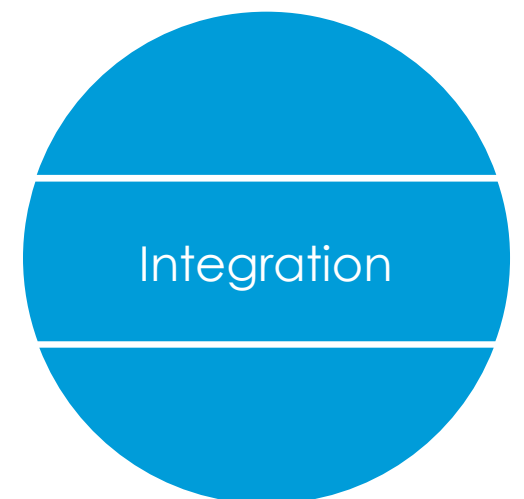
Employers have the option of offering this benefit to employees vs. mandated or being required by state law



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



A less-complicated structure than statutory PFML programs.



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?

Phase 1:

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

Phase 2:

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.

Phase 3:

Vermont workers who do not have access to coverage through their employers 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 your unique business requirements and your 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 your employee needs to care for themselves or a loved one
- Provides support for your 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

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

FLI is available as a stand-alone offering

FMLI FAMILY & MEDICAL LEAVE INSURANCE

When combined with FLI, MLI allows employees to receive a portion of their wages to:

- Recover from childbirth
- Recover from their own serious health condition

MLI MEDICAL LEAVE INSURANCE

Employer Choice

Flexibility in Plan Design	
Eligibility:	The ability for the employer to define employee's eligibility waiting periods
Elimination Waiting 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 (durations can be separate or shared)
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 may be required</p>
Product Options:	The ability to purchase/sponsor only the Family Leave insurance Fully Insured and self-insured (with ASO services that include check cutting available)
Integrating with Other Employer Sponsored Benefits:	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 designed to wrap around STD, providing additional coverage in terms of durations and benefit amounts.
- Intermittent leave available

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 FAMILY AND MEDICAL LEAVE INSURANCE PLAN INFORMATION



Family and Medical Leave Insurance (FMLI) is a benefit that gives employees the opportunity to take the time they need to care for a loved one or for themselves, without worrying about lost income.

This benefit provides income replacement for employees who take time away from work to take care of a family member with a serious health condition, bond with a new child, tend to their own serious health condition, care for a military service member's serious injury or illness, and address certain needs related to a family member's covered active military duty or call to active duty.

Employers may make Family and Medical Leave Insurance available to employees beginning July 1, 2024.

PRODUCT OFFERING:	<ul style="list-style-type: none"> • FMLI: COMBINED FAMILY AND MEDICAL LEAVE INSURANCE • FLI: STAND-ALONE FAMILY LEAVE INSURANCE 	
Leave Reasons:	FLI: <ul style="list-style-type: none"> • Bonding • Family care • Military exigency • Care for a military servicemember 	MLI: <ul style="list-style-type: none"> • Employee's illness or injury (non-work related) • Birth of a child
Eligibility:	Determined by the employer, including elimination periods	
Elimination Waiting Period:	None or 7 days with various ways to apply them	
Benefit Duration:	6-26 weeks per 12-month period	
Coverage Amount:	60-70% wage replacement* *Benefit percentages greater than 70% require underwriting review	
Maximum Benefit Amount:	Up to \$2,500. Larger amounts are available with underwriting review.	
Contribution Options:	<ul style="list-style-type: none"> • Fully paid by employer • Paid by both employer and employee • Fully paid by employee 	
Options for integrating with other paid employer benefits:	Has flexibility to meet an employer's business needs while supporting an employee's needs for income replacement	
Intermittent Leave Durations:	<ul style="list-style-type: none"> • Full Day • Hour increments (Min/Max) • Down to the minute 	
Product Options:	<ul style="list-style-type: none"> • Fully Insured • Self-Insured. The Hartford offers administrative services for self-insured plans. 	
Offset FMLI Benefits with Other Income:	<ul style="list-style-type: none"> • This policy is designed to be the secondary payer to other group insurance policies and employer sponsored benefits, where permitted. The employer has flexibility to determine how FMLI and existing benefits may work together. • For example, employers can choose to: <ul style="list-style-type: none"> ➢ Offer the Medical Leave Insurance along with the Family Leave Insurance and it can be coordinated to enhance Short Term Disability, providing additional Medical Leave coverage in terms of durations; or ➢ It can be used to top up and/or wrap around other benefits. 	

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Moving forward together



Questions?

Learn more at fml.thehartford.com

