

Proposal to Serve
**State of
New Hampshire**

Request for Information
RFI# 2019-224

Twin State Voluntary Family
and Medical Leave Insurance Plan

March 2019

AnthemLife





Confidential Information

Certain confidential and proprietary information ("Confidential Information")* may be disclosed to Employer and/or to Employer's consultant (together referred to as "Employer") as a part of this Request For Proposal (RFP) process. Confidential Information is our ("Company") exclusive property and is a trade secret of Company. By accepting Company's RFP response, Employer agrees that the Confidential Information shall remain Company's sole property. Employer agrees to hold the Confidential Information in confidence, to only use or disclose it as necessary to review and evaluate Company's response to this RFP, and to maintain it with the same degree of care used in safeguarding its own confidential information. No portion of the Confidential Information may be disclosed, furnished, or otherwise made available to any other entity or person, including any competitor, third party administrator or other insurer without the prior written consent and agreement of Company.

* Confidential Information shall mean the systems, procedures, methodologies and practices used by Company in connection with the claims processing, claims payment, medical management and utilization monitoring functions (including but not limited to, software programs and other computerized medical and case management and claims processing systems), together with the participating provider network, including provider and/or customer contracts and arrangements, the negotiated fees, terms and discounts with providers, provider tax identification numbers, customer and supplier lists, information about our corporate structure and any affiliates, and other non-public information about Company. Confidential Information shall also include any other information specifically identified as such by Company prior to disclosure.



The Proposal

The terms of the proposal hereinafter set forth (the "Proposal") are subject to negotiation and execution of a written agreement, which will supersede the contents of the Proposal. The Proposal does not constitute an agreement, and is based on assumptions made from the written information in our possession which was provided by you. We retain the right to modify the Proposal if the information upon which the Proposal is based is changed or supplanted.



State of New
Hampshire

Cover Page

Request for Information
Twin State Voluntary Family and Medical Leave Insurance Plan
RFI#2019-224

Submitted by:

ANTHEM LIFE INSURANCE COMPANY (ANTHEM LIFE)

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Submission Date:

Thursday, March 7 by 3:00 p.m.

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Section 1

Vendor Information



State of New Hampshire

RFI# 2019-224

Vendor Information

The State is seeking information to aid in establishing an FMLI program available to all state employees and, on a voluntary basis, private employers and employees in New Hampshire and Vermont.

The RFI has 2 key objectives:

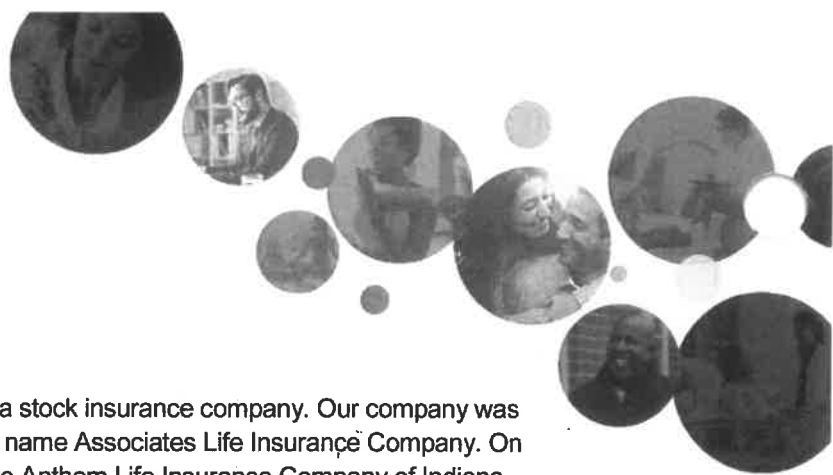
- Provide prospective respondents with information regarding the program's planned structural and operational features.
- Solicit respondent information to assist the State in preparing an RFP.

In response to this RFI, the State seeks responses from insurance carriers qualified to provide an FMLI plan meeting the requirements set forth in Section 2(b) above. Carrier responses should address the processes for claims administration as well as premium collection for both public and private employers (taking into account the fact that private employers may participate at differing cost sharing levels). Carrier responses should also address the potential per employee cost of the plan for state employees for both six weeks of wage replacement payments and 12 weeks. The State is interested in receiving pricing and administrative information on providing a higher wage replacement percentage for lower wage earners and/or progressively pricing the individual premium for lower wage earners. The state also seeks information from employers, organizations and individuals with knowledge of existing FMLI programs or the market/operational challenges for such programs.

Respondents are encouraged to provide feedback if they believe that the structural and operational features of the Plan as outlined in Section 2(B) above could be adjusted to better achieve the Plan's goal of providing affordable, cost-effective family medical leave insurance to public and private sector employees.

In addition, Respondents are encouraged to offer suggestions about the most cost-effective methods of creating and administering the pool described in Section 2(B) (11) for individuals who are self-employed or who work for employers who choose not to offer FMLI coverage.

The State is seeking feedback on the information in this RFI and will consider any information, including partial responses, received in response to this RFI. If the State moves forward in the development of an RFP, the RFP process will be open to all respondents regardless of their decision to participate in this RFI.



Anthem Life Insurance Company (Anthem Life) is a stock insurance company. Our company was incorporated in Indiana on June 7, 1956 under the name Associates Life Insurance Company. On October 1, 1990, the company changed its name to Anthem Life Insurance Company of Indiana.

Anthem Life, a leader in the group life and disability market, has distinguished itself as a strategic subsidiary of Anthem, marketing group life and disability products primarily within Anthem's Blue Cross and Blue Shield regions.

Our Manchester Sales and Service Office will provide all account management services.

Providing far more than just a benefit check, our Life and Disability plans offer employees and their families financial peace of mind and valuable services that help them stay healthy and productive. We specialize in Life and Disability insurance products backed by exceptional customer service and decades of experience for more than 4 million employees.

We have been providing a coordinated FML administration and STD product since 2006. In 2013, we launched our in-house FML administration product. Our FML product is integrated with Short Term Disability, our Resource Advisor program and with Anthem Medical when applicable. We also administer New York's new Paid Family Leave (PFL) program.

We have been administering Life and Disability coverage to our customers for more than 60 years. This experience allows us to provide you the benefits and services expected in a Life and Disability company.

Back to health, back to work, back to life

We offer a complete portfolio of products that deliver a powerful solution for absence and disability management. But we offer more than that. When you purchase stand-alone disability from us, you also receive the benefit of our company's medical expertise. That's a strong advantage of working with a leading health insurance carrier for your disability program.

FML/PFL Administration

We understand the challenges employers face maintaining compliance with FML and other state leave laws. That's why we offer leave administration services that are fully integrated with our STD program and Anthem medical plans, as well as 24/7 online claim status and customizable reporting through a secure web portal.

Our leave administration product gives employees a single point of contact for FML, STD and NY PFL claims submission, and it provides employers the assurance that leaves are managed consistently, efficiently and in full compliance with federal and state regulations. Both STD and standalone FML claims are managed by client-designated disability case managers. This allows us to track leaves concurrently and consolidate communications to both employees and employer representatives.



Our Experience will help the State of New Hampshire and the State of Vermont

We have decades of experience serving large employer groups with complex needs. With nearly 39 million members, we're one of the largest health plans in the country. What sets us apart isn't just our size and strength, but our determination to make health care fundamentally better—for everyone.

As you work through the process of determining the structure of your proposed FMLI program, we are excited to collaborate on plan design, eligibility, funding, billing and participation requirements based on our background in the life and disability industry. We recognize the importance of building a paid leave plan that will attract employers and employees to your states – and keep them there. If we do receive an RFP, we will use our expertise in providing disability, FMLA and NY PFL to illustrate our ability to offer a top notch approach to FMLI administration. "Easy to Do Business with," is one of our company's core values, and is the key driver in handling claims accurately and timely and promptly resolving issues when they arise.

With more than 32,000 clients and serving more than 4.2 million members with life, disability, FMLA and NY PFL plans, we are experienced and look forward to building our relationship with you should we have the opportunity to offer FMLI benefits.

We are committed to working collaboratively with you throughout the RFI process and prospective RFP process.

When you need us, we are there

Our dedicated call center is available 8 a.m. until 8 p.m. Eastern, Monday through Friday.



99.8%
claims accuracy



90.4%
of calls answered in
20 seconds or less
by a person,
not a recording



1.4 days
average claims
processing time
for Life



7.5 days
claims decision from
first notice of claim
for Disability

Providing far more than just a benefit check, our plans offer your employees and their families' financial peace of mind and valuable services helping them stay healthy and productive. We specialize in Life and Disability insurance products that are backed by exceptional customer service and decades of experience than 4.2 million employees.



Comprehensive support when your employees need it most

Our fundamental strategies include:

- o Putting people in control of their financial security when facing some of life's toughest challenges—the death of a family member or a disability
- o Supporting employers' efforts to provide complete benefit packages that help attract and retain valuable employees
- o Offering producers, agents, brokers and consultants product choices, expertise and resources to better serve their clients

What sets us apart is not just our size and strength, but our determination to make health care fundamentally better—for everyone.

A foundation of confidence

With consistent ratings for more than five years, our customers can be confident that we are financially strong and can pay what we promise, today and tomorrow. Our financial ratings are described below.

2018 financial ratings*

A.M. Best	A (Excellent)
Standard & Poor's	A+ (Strong)
Moody's	A2 (Good)
Fitch	AA-

*Held by our parent company

Section 2

Cost Estimates



State of New Hampshire

RFI# 2019-224

Appendix A: Cost Estimate

RFP 8.1: COST ESTIMATE TABLE

Item	General Requirements Description	Cost
1	Third party vendor one-time implementation fee	\$1,500 per group
2	Third party vendor monthly hosting fee	\$0.30 PEPM with a minimum of \$200 per group
3	Third party vendor monthly documents and file interface fee	\$600
4	Anthem internal staffing costs	\$1.50-\$2.00 PEPM
5	FMLI claims cost for state employees (assuming a 60% benefit)	Six-week benefit: 0.346% - 0.404% of covered wages Twelve-week benefit: 0.554% - 0.646% of covered wages
6	Premium Tax	2% of total premium
7	Risk and Contingency Margin	3-6% of total premium
8	Commission	A set percentage of total premium, if applicable

In the above table, we have broken out our estimated cost for offering an FMLI product into several components. On top of the FMLI claims payments, there are also costs related to the third party vendor that we use for administering leave type products, as well as Anthem's own costs for staff needed to implement cases and adjudicate claims. Below, we have included more detail as well as commentary on these cost components.

Third Party Vendor Fees

Anthem uses a third party vendor's services to track family, medical and other types of leaves. As listed in items 1 and 2 in the cost estimate table, this vendor's fees include one-time costs as well as monthly costs on a per group basis. The \$1,500 per group required for initial implementation and minimum of \$200 per group per month for hosting leads to our existing FML administration product being cost prohibitive for smaller group sizes. As such, we currently only offer FML administration to groups of 250 lives or more.



The proposed FMLI program requires that groups of 20+ group size with 100% participation be charged the state rate. Unless we are able to negotiate fee structure changes, we would have to undercharge smaller groups and/or overcharge the state employees to offer both populations the same rate. One solution may be to pool small cases together and administer them as one large case with one eligibility file, but we are unsure of how feasible this would be.

Item 3 is a monthly fee spread across all groups and would result in a minimal cost PEPM given that the state plan alone would have 18,500 people.

The third-party vendor also charges a one-time history file development fee of \$1000 per group. Since FMLI would be a new product, we anticipate that most groups would not initially need this service. Any other programming, consulting, or interface file development needed by a group would incur additional charges as well.

Anthem Staffing Costs

This cost component (item 4) covers Anthem's internal staff responsible for case implementation, leave tracking using the third party vendor's system, and claims adjudication. Smaller groups are often just as time-intensive to implement and set up as larger groups are. This is another reason why we currently only offer FML administration to groups of 250+ lives.

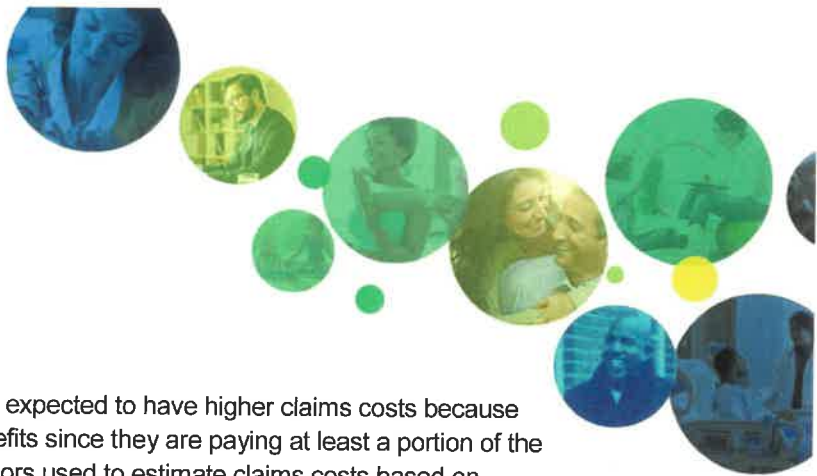
FMLI Claims Cost

Claims costs for state employees (item 5) have been presented as a percent of covered wages in order to demonstrate how FMLI rates can be income-sensitized. We are assuming that FMLI benefits will not be offset by any other benefits. We have also assumed a one-year rate guarantee. We can offer a two-year rate guarantee with a 3% load to claims costs.

Assuming the maximum covered annual wages of \$132,900, the estimated maximum PEPM claim cost for a six-week benefit plan would fall within the range of \$38.34 - \$44.73, while the maximum PEPM claim cost for a 12-week benefit plan would fall within the range of \$61.34 - \$71.56.

Employees with lower wages will receive a lower weekly benefit and have a lower expected claim cost, resulting in a lower premium rate.

Claims costs for groups with 100% participation would be assumed to have similar claims costs as the state employees. However, smaller group sizes would be expected to experience more volatility and we would adjust for this by applying a higher risk and contingency margin (item 7) when building up to their premium rate.



Groups with less than 100% participation would be expected to have higher claims costs because their employees would be more aware of their benefits since they are paying at least a portion of the premium. An illustrative sample of participation factors used to estimate claims costs based on participation percentage is shown below:

Participation	Factor
25%	1.60
30%	1.50
50%	1.27
75%	1.05
90%	1.02

The proposed FMLI program also references a separate risk pool for employees who are self-employed or work for an employer who does not offer FMLI. We would be uncomfortable quoting for this population. Offering FMLI on an individual voluntary basis would result in a high level of anti-selection that would be difficult to price adequately for, even if a modest level of subsidization by the state plan were allowed.

Retention Components

To build up to the final premium rate, we would add on the retention components of premium tax, risk and contingency margin, and if applicable, commission. These would be expressed as percentages of the total premium. The risk and contingency margin would be higher for smaller groups and lower for larger groups to account for anticipated differences in claims volatility.

Section 3

Business and Technical Requirements



State of New Hampshire RFI# 2019-224 Business and Technical Requirement

Statement of Work

5.1 ANTICIPATED REQUIREMENTS

The purpose of this RFI is to determine whether there are solutions capable of meeting the State's anticipated requirements and to determine alternatives for meeting those requirements that are consistent with the overall vision for the State.

The State's discovery efforts to date have resulted in a desire to obtain access to solutions with the following attributes:

5.1.1 Business Requirements

Establish a family medical leave insurance program which will cover all state employees in Vermont and New Hampshire as well as be available to private employers and employees on a voluntary basis.

Confirmed. Through Anthem, Inc., our affiliates Anthem Life would administer FMLI for the State of New Hampshire. Our UniCare affiliate would administer the State of Vermont.

Anthem Life has FML approved in the State of New Hampshire; however, there are special coverages added in this RFI that would require a special filing for approval to include in our current FML administrative agreement.

For the State of Vermont, we will need to file a full FMLI administrative agreement for approval as this product is not currently in force with UniCare.



5.1.2 Functional Requirements

Provide administrative services for implementation of the program including premium collection, claims processing, information and outreach services to covered individuals, and benefits tracking and administration. It is anticipated that the successful carrier(s) will interact with the NH DAS in determining the eligibility of state employees and with private employers and human resource officers in determining the eligibility of private sector employees.

Anthem Life's FML/PFL provides job-protected, paid time-off for New Hampshire or Vermont workers to bond with a new child, care for a seriously ill family member, attend to family matters associated with a qualifying military exigency, or for the employee's own serious health condition.

The basics of the plan include:

Out of State Employees

We assume that an employer with employees working in New Hampshire or Vermont for a specified number of days in a calendar year would be eligible to offer FMLI coverage. FMLI is a benefit for people who *work* in New Hampshire or Vermont; it does not matter where the employer is headquartered or where the employee lives. Examples:



- o An employee who works from their home in New Hampshire is covered even if the employer is located outside of New Hampshire.
- o An employer that is located outside of New Hampshire does not need to cover employees who live in New Hampshire but work in Maine.

Billing

- o Funding options would likely be restricted to fully-insured plans
- o Premiums to be paid by employees through payroll deductions
 - Employers can choose to pay all or a portion of FMLI premium if they elect to offer a voluntary plan
 - State employees will have a non-contributory plan
 - We would recommend that the states handle billing and eligibility for the plan for self-employed individuals and employees of employers that do not participate in the FMLI program.
- o We would bill monthly along with other lines of coverage
- o We require a weekly or bi-weekly eligibility file feed for our leave management system, which may be a difficult deliverable for small employers. This feed enables us to:
 - Drive automated generation of notice of employees rights and responsibilities, letters, forms, etc. within timelines required under future FMLI regulations
 - Automatically notify employers of requests for FMLI
- o Employers will have online access to FMLI reports and claim status



Implementation - Communications

- New clients receive a FMLI policy
- Employees receive a brochure containing information about our telephonic claim filing process and FMLI FAQs

FMLI Claims Administration

Situations that Qualify for FMLI

- The birth of a child and to care for the newborn child within one year of birth
- The placement with the employee of a child for adoption or foster care and to care for the newly placed child within one year of placement
- Caring for the employee's spouse, child, or parent who has a serious health condition
- A serious health condition that makes the employee unable to perform the essential functions of his or her job, or
- Any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a covered military member on "covered active duty," or to care for a covered service-member with a serious injury or illness if the eligible employee is the service-member's spouse, son, daughter, parent, or next of kin (military caregiver leave)

Claim Filing and Payment

- Claims are filed telephonically
- Automated notice will be sent to employer advising them of receipt of claim
- Automated letter will be sent to employee acknowledging receipt of claim
- Weekly benefit payments via check
- We recommend that only full days of FMLI be tracked and paid. Employers would be responsible for their own leave policies for time period of less than a day
- FMLA and FMLI would run concurrently

Assumed differences between PTO and FMLI

- The state can allow employee to use PTO/sick time in full day increments in lieu of FMLI to receive full pay if employee chooses.
- Employee can designate how much PTO to use and does not need to exhaust PTO. The PTO used will count toward usage of the FMLI entitlement and employer can submit a claim for reimbursement for the PTO amount.
- The State of New Hampshire or the State of Vermont can also allow but not require an employee to use PTO together with FMLI in order to receive full pay.

It is important the State of New Hampshire and the State of Vermont provide notice that a period of leave under FMLI is also a period of FML leave.

State of New Hampshire Response to RFI # 2019-224 - Twin State Voluntary Family and Medical Leave Insurance Plan



MetLife Representative

Mike Abela

Senior Account Executive

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8th Floor

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mabela@metlife.com



Vendor Information

Your world is changing. Competition for talent is at an all-time high. We understand that you are looking for ways to attract and retain employees while keeping them engaged. We recognize that your workforce is increasingly diverse and multi-generational, with different needs and expectations from each. We're here to help the State of New Hampshire and the State of Vermont stay ahead of the evolving needs and expectations of today's workforce, so you can better recruitment, retain and maximize the productivity of your workforce. We do this through proactive consultative guidance, customer-focused solutions, and exceptional service.

Experience

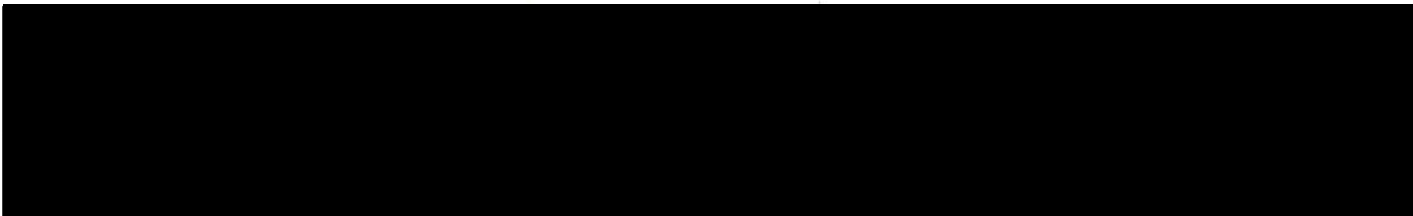
We are celebrating our 150th anniversary in the group insurance business and we have been providing Group Disability benefits for more than half a century. Today, we are the leading player in group benefits, with a market share of █% among state benefit plan for public employees. Overall, we provide insurance and benefits to █ million workers across █ organizations of all sizes; this includes small businesses with as few as 2 employees. Our Group Disability business provides protection to more than █ employees and we manage more than █ claims and leaves every year.


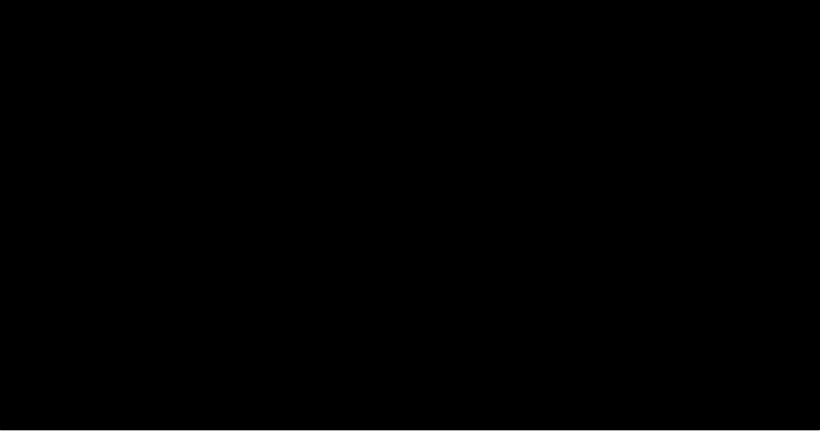
Products and Capabilities

Our product portfolio includes these flexible, competitive solutions to help you meet the diverse needs of your employees and retirees:

Life	Auto and Home	Worksite Short-Term Disability
Dental	Accident & Health (Critical Illness, Hospital Indemnity, Accident and Cancer)	Financial Education
Disability	Legal Plan Services, with Hyatt Legal	Retirement and Savings
Vision	Pet Insurance, through Nationwide	

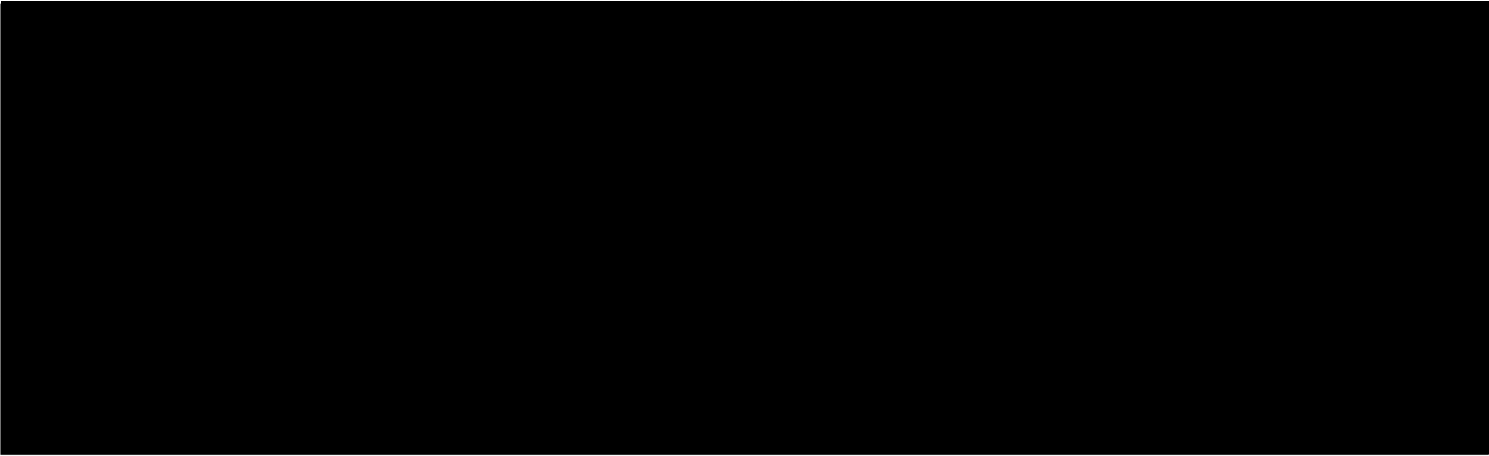
Our Disability and Absence Management services are a powerful blend of people and technology, offering a simply process for you and your employees. Our services are designed with tools to streamline processing by offering smart guidance and easy access to data to make the claims process as easy as possible for you and your employees. We provide comprehensive data access and regular status notifications, so you and your employees always know the status of a claim.




Investing for the Future

We're making significant investments to transform the way we operate internally and the way we interact with our customers. Here are some of the programs we're working on:



By choosing MetLife, you are partnering with a company that is committed to doing things right, making your job simpler and easier.

Assets

As of year-end 2017, MetLife, Inc. and its affiliates had over \$  in total assets under management.

Target Market

Our target market includes public entities and companies of all sizes. Our customers include group with between two employees to corporations/state plans with over 200,000 employees. Our experience within the public sector includes a broad range of customers such as educational institutions, employee health & welfare trust funds, and government agencies. We have a team designated to working with cities, counties, states, unions and other public entities of all sizes, made up of industry experts experienced in understanding the unique requirements of employers in the public sector. Our largest group customers are services by our National Accounts organization which is a dedicated, fully self-contained organization structured to provide specialized account management and related services to companies with more than 5,000 benefit eligible lives.



We're committed to building long-term relationships. You can see that in the way we deliver our services and account management models. Our financial strength ratings are some of the highest in the industry¹ meaning we can meet our obligations to you and your employees – today and in the future.

¹ View current ratings information and a more complete analysis of the financial strength of MLIC at <https://www.metlife.com/about/corporate-profile/ratings/index.html>.

State of New Hampshire
Twin State Voluntary Family and Medical Leave Insurance Plan

Structural and Operational Features of the Plan:
1. Qualified leave will match the types of leave protected under the federal Family and Medical Leave Act (FMLA) of 1993, including, but not limited to:
<ul style="list-style-type: none"> • the birth and care of the newborn child of the employee; • placement with the employee of a child for adoption or foster care; • care for an immediate family member (spouse, child or parent) with a serious health condition; • medical leave when the employee is unable to work because of a serious health condition;
<ul style="list-style-type: none"> • any qualifying exigency arising out of the fact that the employee's spouse, son, daughter or parent is a covered military member on "covered active duty," or to care for a covered service-member with a serious injury or illness if the eligible employee is the service-member's spouse, son, daughter, parent or next of kin (military caregiver leave).
2. The employee will receive 60% of their weekly wage (subject to the provisions of No. 4 below), with a cap on wages eligible for FMLI coverage equal to the Social Security Taxable Wage Maximum (currently \$132,900).
3. The maximum wage replacement will be six weeks per year, with no minimum duration required.

Illustrative Cost Estimates

	<u>Low Estimate</u>		<u>High Estimate</u>
Total number of employees	18,500		18,500
Assumed medical leave incidence (per 100 Ees)	4.0%		7.0%
Assumed family leave incidence (per 100 Ees)	2.0%		4.0%
Total number of annual claims	1,110	A	2,035
Average annual salary	\$51,000		\$51,000
Benefit percentage	60%		60%
Average weekly benefit per claim	\$588	B	\$588
Maximum number of weeks	6		6
Duration utilization	60%		85%
Assumed average number of weeks	3.6	C	5.1
Estimated annual claim cost (\$)	\$ 2,351,492	A X B X C	\$ 6,107,348
Estimated premium (after expenses) premium per employee per year			

Business and Technical Requirements

We applaud your efforts to create a bi-state family medical leave insurance programs for approximately 18,500 Vermont and New Hampshire state government employees as well as extending the option of participation to private and other public employers, their employees and self-employed individuals.

Providing wage replacement for employees and protecting their income has a significant impact to an individual's work-life health.

There are several existing paid family leave programs throughout the United States in various levels of maturity and complexity. Several of those states have implemented plans which pay higher benefits for those employees with lower incomes, recognizing that many workers cannot afford to miss even a single paycheck and that 60% may not be sufficient.

- California's plan ran for many years with a flat 55% benefit. In 2018, they moved to a tiered benefit offering 70% to lower wage workers and 60% to higher wage workers, allowing for a wider utilization in the lower income tiers. They have a maximum benefit over \$1200. There is not much demand for private plans in California because the state requires that any private plan has better provisions for the participants than the state plan thereby increasing plan cost as well as taking on the addition of administration costs by working with a claim administrator, driving most to stay with the state plan.
- New York's Disability Benefits Law (DBL) plan has been in place for over sixty years. The benefit has been set at \$170 per week since 1987. This creates the need for employers to have a short term disability plan layered over the state plan in order to create a meaningful benefit for employees. The NY Paid Family Leave plan, effective in 2018 with a 50%, 8 week benefit, will increase to a 67% benefit in 2021. The maximum benefit for their PFL program is based on the average wage in the state and is over \$700 in 2019. The PFL benefit is a rider to the DBL benefits plan and both are required to be administered together. Although the benefits cannot be used concurrently due to differing qualifying reasons, the maximum allowable time available under the PFL program is decremented by any time utilized under the DBL program. There are some challenges in the community rating methodology as the state determines the community rate and there are risks associated with such rate adequately covering planned enhancements and covering associated claim costs.
- Washington State and Massachusetts are coming up over the next couple years with premium set as a percentage of income for all participants, but benefits tiered to favor the lower income workers. They are offering 90% and 80% of salary respectively to those making less than half of the state average weekly wage. Private market participation in these plans will be limited.

In addition to offering tiered benefits, other areas of consideration include, but are not limited to:

•

[Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

6.1 Cover Page

- Response of RFI Title: NH RFI #2019-224
- Vendor's Name: ReedGroup Management LLC
- Contact Person: Judy Buczek
- Telephone Number: 610-807-6092
- Address: 6255 Sterners Way Bethlehem, PA 18017
- Fax Number: Not Applicable
- Email Address: Judy_Buczek@glic.com
- Contact Person: Mark Fallon, Vice President of Sales, Reed Group
- Telephone Number: 617-680-4303
- Address: 1035 Westmoor Drive, Westminster CO, 80021
- Fax Number: Not applicable
- Email Address: mark.fallon@reedgroup.com



Request for Information- Cost Estimates

There are two components that will make up the overall costs of an insured Family and Medical Leave Insurance Program:

1. Costs to administer the program
2. Insurance expense to cover the benefits payable.

Illustration 1 - Administration:

- *Administrative fees and implementation costs associated with the service may vary depending on administrative services requested between the state, administrator, technology and data requirements.*

Statement of Work

To fully understand the administrative costs associated with a State Employee program, a comprehensive statement of work should be developed. The statement of work should include expectations of customer service, reporting, training and education, technical solutions as well the product offered. We have extensive experience in developing complex solutions for our customers and would welcome an opportunity to share our expertise.

Illustration 2-Insurance

Insured Product Offering for State Employee Population

The pricing for the state employee population will vary based on several factors. Leave qualification requirements may significantly impact the expected incidence. Based on our experience in the market, we would expect the following duration of claim and incidence per 1,000 lives.

Based on a 6-week duration:

	Duration	Incidence per 1000
PFL	4.5-6	13-15
Medical Leave	4-5.5	39-43

- This chart shows the Expected Weekly Claims weeks for a plan with a 6-week benefit that has a 1-week elimination (waiting) period.
- This percentage of tax rate necessary to fund the program will vary based on the specific demographics to be insured, program parameters, and expected administrative requirements.

- For example, administering leaves on an intermittent or part-time basis is much more costly than administration of non-intermittent.
- A lower tax rate may be necessary if it is applied against income above the SS wage.
- The average salary of the population, as well as the demographics will have a large impact on the variation of incidence, duration and required funding.
- Eligibility of employees to be covered, including the amount of full-time versus part-time employees, and the employment tenure may impact experience.
- How the leave benefit will interact with any other government or private plans may also impact incidence and benefits payable.
- Prior experience on disability and leave data to the extent it's available.
- The RFI indicated private, self-employed individuals, or individuals that are employed by an employer that has chosen to opt of the FMLI coverage, may be eligible may be allowed to opt into the state fund join a plan established as an adjunct of the state government employee plan. This type of eligibility may lead to adverse risk selection and may significantly increase the cost of the program. Eligibility parameters should be carefully considered.

Voluntary Private Employers (Non-State)- Insured Product Offering

At this time, we do not have experience with Voluntary Employer Paid Family Leave Programs that are electable at both the employer and the employee level. Further details regarding the population demographics and the likelihood of selecting benefits would need to be analyzed. It is our opinion that benefits that are employer and employee selectable may be subject to anti-selection and may require additional funding to cover the anti-selection expenses.



Guardian Overview

March 7, 2019

The Guardian Life Insurance Company of America® (Guardian) is one of the largest mutual insurance companies in the United States, providing high quality, affordable insurance and financial products through knowledgeable, service-oriented representatives nationwide. Guardian is headquartered at:

The Guardian Life Insurance Company of America
7 Hanover Square
New York, NY 10004

As a mutual company, our strategic investments are driven by our customers' needs. In 2012, we acquired ReedGroup, a leader in absence management services that helps employers comply with federal and state regulation and get employees back to work quickly and safely. ReedGroup operates as an independent, wholly owned subsidiary of Guardian.

Guardian History and Philosophy

Guardian is a Fortune 250 global financial services company with approximately 9,000 employees and a network of over 2,750 financial representatives in 55 agencies nationwide. As a mutual insurance company, we are owned by our policyholders, and have consistently paid dividends every year since 1868. Guardian and its subsidiaries are committed to protecting individuals, business owners, and their employees with life insurance, disability income insurance, annuities, and investments for individuals and providing comprehensive workplace benefits, such as dental, disability, vision, life, and supplemental health insurance. Guardian operates the third largest dental network in the United States and protects 6.4 million unique members and 120,000 unique planholders.

Being a mutual company allows Guardian to invest for the future without worrying about the short-term interest and demands of Wall Street. Guardian is managed for the benefit of its policyowners and has two primary obligations:

- To maintain the financial strength of the company to pay future obligations
- To pay a competitive dividend from surplus earnings

For more than 155 years, Guardian remains committed to maintaining our high performing organization through strong talent and enduring, time-tested values. These are the values that guide our organization – both in the way we treat our customers and the way we treat each other. These guiding principles are the foundation of our continued success:

- We do the Right Thing
- People Count
- We Hold Ourselves to Very High Standards

ReedGroup Overview

ReedGroup Management LLC (ReedGroup)—a division of The Guardian Life Insurance Company of America, a Fortune 250 mutual company—is headquartered at:

ReedGroup Management LLC
10355 W estmoor Drive
Westminster, CO 80021

Company philosophy, management, and brief history

ReedGroup is committed to improving health and productivity outcomes while controlling costs—this is at the core of our comprehensive absence management solutions, which are designed to return people to their active lifestyles and allow businesses to thrive.

ReedGroup's History and Philosophy

Dr. Presley Reed founded ReedGroup in 1977 to address workplace productivity and employee absenteeism issues in the corporate environment. In his career in private practice and occupational psychiatry, Dr. Reed concluded that a non-adversarial, personal approach to absence and disability helped employees recover more quickly and return to work sooner and in greater numbers than traditional, adversarial, and less personal approaches.

During the course of working with employers and unions, it became apparent that standardized duration information relating to employee medical disabilities did not exist. In effect, the treating physician's recommendation for a patient's period of disability was adhered to, even when the physician had little or no understanding of the workplace or the nature of the work performed by the employee.

Dr. Reed's research findings repeatedly demonstrated, within companies, across regions, and between corporations, that disability duration guidelines—hence, the genesis of ReedGroup's industry-leading *MDGuidelines*®—and proactive, consistent case management would provide invaluable benefit to anyone whose position required familiarity with the injuries and illnesses of the working population.

By helping employees return to work sooner, our founder, Dr. Reed, realized he could also assist employers by helping them reduce absence related expenses. This original source of inspiration and

Our Vision

Healthy and Productive People.
Thriving Businesses.

Our Mission

ReedGroup connects the ecosystem of work, life, and health with:

- ✓ The best service experience for clients and employees.
- ✓ Trusted content and expertise.
- ✓ Partnerships across healthcare and insurance.
- ✓ Technology to drive simplicity.
- ✓ The data to create meaningful insights.

purpose still fuels our drive to innovate and serve our clients, employees and employers alike. It informs our business decisions and the actions we take every day.

As such, our philosophy for case management is clinically-based, with a focus on treating-physician approved, return-to-work opportunities for the benefit of both the employee and the employer. We understand the real world implications of a leave event on an employee or family member, as well as on an employer, and our case managers are trained to treat all employees with respect and compassion, maintaining focus on return to work, but always within the context of our evidence-based guidelines, and never to the detriment of the employee's health and productivity, nor, even with accommodated or transitional duty, placing an undue burden or unreasonable risk on the employer.

ReedGroup is a recognized leader in helping organizations reduce the cost, compliance risk, and complexity of employee absence. Our services, software, and tools address workplace absence associated with FMLA, ADA/ADAAA, state and local leave laws, and unique company leaves, such as short- and long-term disability programs, and parental and military leaves.

Our Case Management Services and Resources

ReedGroup's products and services include, in addition to **MDGuidelines**[®], our web-based toolkit of real-world data, predictive modeling, and reference content addressing absence incidence and durations, medical conditions and treatment, leave laws, and return-to-work best practices; **LeavePro**[®], our web-based case management and reporting tool for managing disability, FMLA, ADA/ADAAA, paid family leave and other leave of absence claims; and, **ReedInsights**[®], our client-driven ad hoc reporting tool.

We began offering self-insured administrative services only (ASO) and advice to pay (ATP) disability management services and other leave of absence tracking programs in 1993, expanding to include federal and state FMLA services in 1997, and ADA/ADAAA administration in 2011. Our TPA services are provided for all fifty states as well as the District of Columbia and U.S. territories, including support for the integration and administration of statutory disability and paid family leave programs for California, Hawaii, New Jersey, New York, Puerto Rico, and Rhode Island.

In addition to these services provided from our headquarters location in Westminster, Colorado (just outside of Denver), with additional domestic customer service centers in Hartford, Connecticut; Orlando, Florida; Minneapolis, Minnesota; and, Houston, Texas, our Montreal, Quebec, and Toronto, Ontario, locations provide absence case management for Canadian self-funded short- and long-term disability, leave of absence, and workers' compensation claims.

Approximately 2,000 ReedGroup colleagues deliver absence services and solutions to over 1,800 clients, including 59 self-insured STD clients (approximately 1.9 million lives); 74 leave services clients (approximately 2.5 million lives); and, 17 ADA/ADAAA clients (approximately 600,000 lives). Our client retention rate over the past three years is 95%; and, for the approximately 1,200 clients using LeavePro, under SaaS agreements, representing approximately 7 million lives, our client retention rate has been 100% since 2009.

Our experience and our employees—many hold advanced degrees and professional licenses, commensurate with their roles, as well as specialty professional certifications and designations, including Certified Disability Management Specialist (CDMS); Certified Case Manager (CCM); Certified Occupational Health Nurse (COHN); Certified Professional of Disability Management

(CPDM); and, Legal Nurse Consultant (LNC)—have made ReedGroup a trusted partner to employers, insurers, third-party administrators, government agencies, physicians, and other professionals worldwide for over 40 years.

Our Commitment

In an industry full of impersonal call centers and bureaucracy, we operate like a smaller, hands-on organization. We are continuously reinventing absence management by finding new ways to improve processes and technologies, without losing sight of the people who need our help while they're off work. We consider our aforementioned client retention rates the centerpiece of industry recognition of our commitment and service.

ReedGroup solves the challenges of absence management with the following best practices, technology systems, and tools:

- 1. Personalized Employee Service.** We build relationships with employees through personalized conversations. We are an advocate, looking for opportunities to help employees return to activity safely and more quickly. Our professionals ensure cases are handled with empathy and oversight, with skill born from years of real-world absence industry and clinical experience.
- 2. Taking Care of People.** Our colleagues are trained to treat employees as if they were part of their own families, with respect and compassion. Our teams extend our clients' unique cultures to each employee, ensuring that we treat each with care. We help employees navigate the confusing maze of policies, laws, and regulations. We listen and understand what each employee is going through. Most importantly, we handle each case correctly.
- 3. Strength and Stability.** ReedGroup is a division of The Guardian Life Insurance Company of America, a Fortune 250 mutual company, allowing our clients to be confident in our financial stability and in the depth of expertise we can call upon from throughout the entire Guardian network of organizations.
- 4. Commitment to Innovation.** We are an innovator in processes, technology, and tools for return to work and compliance. We originated the concept of disability guidelines—our proprietary online version of *The Medical Disability Advisor*[®], now labeled *MDGuidelines*, has been for years the gold standard in duration management—and we continue to lead the market not only in this area, but also with our absence administration services and LeavePro technology, being the first to automate disability and leave management through the creation of our LeavePro software platform.

Our Value Proposition

THE PROBLEM:

Lost productivity and wage replacement costs employers more than \$354 Billion annually (IBI 2016).

“We always thought of ReedGroup as a niche player in the absence management market. Now, we see them as a valuable health solutions partner.”

-KATHY GERWIG
VP, KAISER PERMANENTE

THE SOLUTION:

ReedGroup is shifting the disability paradigm by breaking down silos and establishing integrated products and services that improve health and productivity and ultimately influence point of care.

AN INDUSTRY LEADER

30+

years of health and
productivity experience

8

global
locations

2000

dedicated employees
worldwide

60%

of Fortune 100
companies served

1800+

clients across our portfolio

ReedGroup's Absence Management Program

ReedGroup's leave of absence and self-insured, short-term disability absence management program is clinically focused; is compliance oriented; is designed to deliver a “high-tech” case management solution within a “high-touch” customer service experience; and, is offered in conjunction with ongoing fees-at-risk, client-specific, mutually agreed-upon, performance measures.

Clinical Focus

We offer a clinically-supported FMLA program. Clinicians are used by leave case managers on an “as needed” basis for case review, consultation, clarification, authentication, etc. Our clinical case managers, including behavioral health specialists, are available to provide clinical oversight, and may be tasked with contacting healthcare providers, since they are an internal escalation point for those claims that may necessitate clinical review, or where the leave case manager suspects fraud or abuse. “Clinical reviews” are defined for leave administration purposes as escalations involving ReedGroup clinical case managers and behavioral health specialists.

ReedGroup's clinical case management philosophy is informed by our clinical focus and our proprietary MDGuidelines, which is the industry's most comprehensive, evidence-based, return-to-work toolkit for managing disability, workers' compensation, FMLA, and other leaves.

Compliance Support

ReedGroup's in-house compliance team, licensed attorneys highly experienced with disability and leave of absence laws and regulations, monitors changes to federal and state leave legislation/regulations and case law developments daily, and is available to our clients for consultation on claim issues and to answer your questions. Our legal resources are able to provide

our clients with thorough and detailed compliance support and consultation both during the course of program implementation as well as when legislative or regulatory changes occur; however, we do not practice law and cannot be responsible for determining our clients' compliance with all applicable laws, regulations, etc. We perform claim administration services in accordance with the requirements agreed upon and approved by you.

Compliance and regulatory updates are provided to employers in a number of ways, including:

- **ReedGroup Blog:** Our compliance team actively blogs on our corporate website (<https://reedgroup.com/blog>) about case law developments and legislative updates on an ongoing basis.
- **Account Management Update:** Upon the passage of a new leave law or changes to an existing law, we alert our client partners via email, providing an overview of the changes or new law, the effective date, what ReedGroup is doing about the law (e.g., system updates), as well as our interpretation of the law and whether any associated system changes require coordination and training.
- **Quarterly Compliance Webinars:** Our compliance team hosts quarterly webinars in order to review case law developments, proposed or pending legislation, and other disability and leave-related compliance updates. These webinars are free and open to our clients.

“High-Tech and High-Touch” Case Management

Our proprietary LeavePro case management, reporting, and analytic platform enables ReedGroup to effectively engage our clients' employees proactively, driving optimal outcomes throughout the case management process, and channeling data into analysis for high visibility and detailed reporting. Seamless integration across different customer interfaces, business services, work processes, and data sources supports a unified infrastructure that enables us to achieve faster time-to-service than industry competitors and to respond flexibly to rapid changes in business requirements.

We provide a clinical case management model that is both “High-Tech” and “High-Touch.” The “high-tech” portion of our solution is attributed to our LeavePro technology platform for the management of claims through automation, including automated workflows, tasks, and correspondence, but not automated processing. Because these tasks are auto-generated, case managers can focus on delivering “high-touch” service, spending time helping claimants understand the leave and disability absence process, answering questions, setting expectations, and providing referral opportunities to employer-sponsored employee assistance/wellness programs. LeavePro's advanced business rules support automation, efficiencies, eligibility, and compliance with federal and state regulations, and company policies. The end result is increased accuracy, reduced costs, and improved outcomes.

Why ReedGroup?

ReedGroup will provide our leave of absence services in a professional, timely, and thorough manner. Our absence outsourcing solution will enable you to harness the power of your workforce while reducing the cost, compliance risk, and complexities related to employee leaves.

Each leave management program is unique, and we understand both the fundamentals that make every program successful, as well as the best techniques for configuration and customization, so that the employer's requirements and culture are maintained.

We understand the operational challenges—often 24/7—of the modern workforce, and we recognize that the most valuable resource of any employer is its employees. ReedGroup's mission is to help employees in their time of illness, injury, or family crisis. We built every aspect of our business around helping employees navigate through a confusing maze of policies, laws, and regulations. We believe that activity is a key part of the healing process, and we created our organization to help employees return to work—benefiting themselves, their families, and their employers.

We rely on our overall experience and expertise to provide high-quality leave administration services to a variety of different clients with different organizational structures, benefit plans, cultures, and needs. We provide absence claim administration for many complex clients. Whether this complexity is due to factors including the nature of the client's business, public or private sector, union or non-union, the number of policies/plans, the number of employees, multiple classes/categories of employees, or hourly or salaried, we are able to support the servicing of each individual client's needs, using best practice protocols, based upon our ability to understand those needs, our flexibility in meeting those needs, and our achieving the goals decided upon with each client.

Our implementation project management methodology, system development strategy, absence service offering, and staffing model are designed to meet the needs of diverse organizations; we have designed our services to support multiple plans and programs, a variety of different system interfaces, and, the needs of a culturally-specific customer experience within a diverse and extensive client industry base. In addition to programs we provide to various states, an abbreviated, representative client list by industry served, includes clients in the airline, automotive, banking, construction, education, energy, engineering, entertainment, food and beverage, hospital/healthcare, hospitality, manufacturing and consumer products, pharmaceutical, retail, and telecommunications industries.

A Word About LeavePro

Our proprietary case management, reporting, and analytic system, LeavePro, is engineered to be the most effective, user-friendly, and flexible leave management application available to employers today and going forward. The system features powerful business engine and process engine support, with workflow engines allowing eligibility determinations and workflow tasks to be handled quickly and efficiently.

LeavePro is web-based and is fully integrated using an N-tier, Microsoft architecture as well as a Service Oriented Architecture, and supports a variety of Web services. Client data is housed at a managed service/hosting provider, at a highly-secure, Tier 3+ facility. The platform is managed, maintained, and supported by our Technology and Analytics Division.

Users require only a web-enabled computer—complex enterprise installations or special infrastructure are not required—with Microsoft Internet Explorer 11 or higher, Mozilla Firefox, Google Chrome, or Safari, as well as an Internet connection. No particular operating system is required. A PDF reader application (e.g., Adobe Reader) is required in order to access employee and employer claim notifications within the case management application. Response time will be a function of speed of the Internet connection. There are no additional hardware requirements.



Platform upgrading/patching is timed so as to have minimal, if any, impact on the operating environment. We make continual, two-week rolling releases adding new functionality, patches, and compliance updates to the system. Patching takes place monthly unless a threat is identified as a zero-day vulnerability in which case the patch will be applied as soon as it is validated in a non-production environment.

"Evergreen" Absence Management Technology: We continually evaluate and invest in our case management, reporting, and analytics capabilities to ensure that we are proactively responding to the needs of our clients, incorporating ad hoc feedback, new customizations, and industry best practices to enhance our capabilities at every opportunity.

Updates and enhancements we apply to LeavePro, including those required due to changes in applicable law, are provided to clients at no cost. As we continue to invest in our system, our clients benefit from ongoing system and process enhancements; your technology solution will neither become stagnant nor, in consideration of our supplied enhancements, incur additional expense, since, with an eye on emerging market trends, we will continue to invest in our system to provide market-leading capabilities and functionality to our clients.

**Request For Information:
Twin State Voluntary Family and Medical Leave
Insurance Plan**

Sun Life Financial
1 Sun Life Executive Park
Wellesley Hills, MA 02481

James R. Slotnick
617-821-0804
James.slotnick@sunlife.com



James R. Slotnick
AVP, Government Relations

Sun Life Assurance
Company of Canada
One Sun Life Executive Park
Wellesley Hills, MA 02481-5699

March 8, 2019

Mr. Ryan Aubert
25 Capitol Street
Concord, NH
03301

Dear Mr. Aubert:

On behalf of Sun Life Financial, one of the country's largest employee benefits insurers, we respectfully submit this letter in response to New Hampshire's Request For Information (RFI) regarding the Twin State Voluntary Family and Medical Leave Insurance Plan (Twin State Plan).

We applaud the work of Governor Sununu in raising the level of awareness regarding this important public policy issue. Currently, six states (CA, MA, NJ, NY, RI, and WA) and the District of Columbia have enacted laws providing leave and income replacement benefits not only for Paid Family Leave but also for absences due to an employee's own medical condition (i.e., "Paid Medical Leave" or "statutory disability income" benefits). We refer to such combined statutory benefit programs for Paid Family Leave and Paid Medical Leave as PFML legislation. In addition, over the past two years, a number of other states, including New Hampshire, have proposed PFML legislation, and we anticipate that this trend will continue. We also note that in 2017, President Trump signed H.R.1 into law, which contains a temporary tax credit for employers who offer between 2 and 12 weeks of PFML benefits in certain circumstances.

As proposed, the Twin State Plan would partner with disability insurers to build a new PFML solution. Currently, more than 30 employee benefits insurers provide disability insurance benefits that businesses can voluntarily offer to their employees. Through this employer-based system, 38% of working Americans are covered by a short-term disability policy.¹ These policies generally provide workers with a maximum of 26 weeks (the length of the benefit will depend on the condition) of between 50% and 70% of their income while they are unable to work.²³ With the exception of the employers in the few states that have created PFML, employers today offer, and often either fully or partially pay the premiums for, these benefits without any Government involvement or incentive. We agree with the Twin State Plan's concept that the private disability insurance marketplace can be a partner for government sponsored PFML programs.

¹ <https://www.bls.gov/ncs/ebs/benefits/2017/ownership/civilian/table16a.pdf>

² <https://www.bls.gov/ncs/ebs/benefits/2017/ownership/civilian/table25a.pdf>

³ <https://www.bls.gov/ncs/ebs/benefits/2017/ownership/civilian/table26a.pdf>



James R. Slotnick
AVP, Government Relations

Sun Life Assurance
Company of Canada
One Sun Life Executive Park
Wellesley Hills, MA 02481-5699

There have generally been three approaches to creating government sponsored PFML programs (“Government Program”):

1. All employees are covered by the Government Program (District of Columbia and Rhode Island).
2. All employees are covered by the Government Program, with the employer having the option to create a “private plan,” which provides their employees with coverage that is equal to or greater than the Government Program (California, Massachusetts, New Jersey, New York, and Washington).
3. Employers are provided with a tax credit for offering their employees PFML benefits (.H.R.1).

All three of these approaches have an important consistency: an employee does not have the ability to choose whether or not they will participate in the program. This is an important element of these proposals in that it creates a risk pool that can be properly priced and is more likely to avoid anti-selection.

If the Twin State Plan was solely to provide PFML coverage for the 18,500 New Hampshire and Vermont government employees, insurers could adapt their disability policies to offer benefits that match the proposed requirements. The inclusion of the employee-level choice of whether or not to participate in the program could pose a challenge for insurers.

We would welcome the opportunity to discuss our ideas and share more details of how different states and the federal government are proposing to expand PFML access to more Americans. Please do not hesitate to reach out to me directly with any questions.

Thank you,

A handwritten signature in black ink, appearing to read "James R. Slotnick".

James R. Slotnick
AVP, Government Relations

PROPOSAL PREPARED FOR

State of New Hampshire

Twin State Voluntary Family and
Medical Leave Insurance Plan

RFI # 2019-224

Submittal Due: March 7, 2019

SUBMITTED TO:

State of New Hampshire

C/O Ryan Aubert, Administrative Services
New Hampshire Bureau of Purchase
and Property
25 Capitol Street
Concord, NH 03301-6312



PREPARED BY:

Derrick Daniel
Vice President, Public Sector
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e | Derrick.Daniel@tasconline.com

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Cover Letter

March 7, 2019

State of New Hampshire
C/O Ryan Aubert, Administrative Services
New Hampshire Bureau of Purchase and Property
25 Capitol Street
Concord, NH 03301-6312

RE: *RFI # 2019-224 Twin State Voluntary Family and Medical Leave Insurance Plan*

Dear Mr. Aubert,

Total Administrative Services Corporation (TASC) is pleased to submit this proposal for *Family Medical Leave Insurance* services to the states of New Hampshire and Vermont (Twin States).

With TASC's revolutionary **Universal Benefit Account** platform, our state-of-the-art architecture adds FMLI wage replacement as a smart, easy and connected solution for the Twin States.

We are experts in large market projects of this size. Please consider that TASC:

- Is the largest privately-held Third-Party Administrator in the country (not an insurance carrier).
- Has over 1,000 employees.
- Annual revenues exceed \$115 million with an unblemished record for regulatory oversight.

As to our capacity to handle the Twin States, our largest client is the United States Federal Government, Office of Personnel Management (OPM). Additionally, TASC has public-sector state clients including the State of Wisconsin and the State of Kansas.

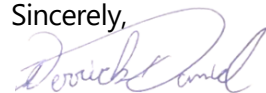
Our FMLI solution is one that will support the following high-level Twin States' goals:

- Providing a cost-effective FMLI program to state employees, as well to private employers.
- Encouraging workers to relocate to New Hampshire and Vermont by providing solutions to support families and a younger workforce (attract and retain top talent).

We commend the Twin States for correctly addressing the concerns surrounding the risks and costs of implementing FMLI as well as the need for the administrator to possess a sophisticated level of technical expertise. Using our model to administer the FMLI plan, the risk of insolvency for a paid leave fund is shifted from taxpayers to TASC; the startup and ongoing administrative costs of establishing the new programs is shifted from taxpayers to TASC; and the coverage will be available more quickly as it will not be necessary for each state to develop the required administrative infrastructure or to initially fund a paid leave trust.

I will serve as TASC's primary contact throughout the State's evaluation, and I can be reached at 404-908-5907 or by e-mail at derrick.daniel@tasconline.com.

Sincerely,



Derrick Daniel

Vice President, Large Market: Public-Sector

Vendor Information

Our origin story comes from humble beginnings. It all started with a friend helping a friend.

TASC was founded on a simple belief: **regular people should benefit from employee benefits.**

The solution worked so well, we continued to invent products that transformed the lives of states governments, towns, farmers, entrepreneurs, their families and their communities. And we are still in the life-changing business today for employers of all sizes, in all markets especially public-sector employers like the Twin States.

Brief Description of TASC

When benefits feel like work, we make benefits feel like benefits again. TASC provides innovative outsourcing solutions for a wide variety of employee benefits programs. We offer an infinite number of innovative products and services through our Universal Benefit Account platform that leverages commonalities in benefit types to administer a wide-array of accounts.

TASC is an innovator in the employee health, wellness and well-being space disrupting the industry. We have revolutionized how employers and the industry think about benefits

Long before 'total administrative services outsourcing' became a marketing slogan or buzzword in the benefits industry, TASC was providing comprehensive benefits administration services by delivering solutions through an integrated centralized source. Through a combination of highly skilled people, business processes and technology, we help public-sector clients by managing benefits processes, so they can focus on the strategic issues facing their organizations.

We provide "best in class services" in the areas of FMLI, benefit accounts, customer service, automated enrollment, compliance services, premium services, account management, cafeteria plan administration, tax-favored accounts administration (Flexible Spending Accounts, Health Reimbursement Arrangements, Health Savings Accounts, Qualified Transportation/Commuter benefits), Funded HRA, COBRA/Retiree/Leave administration, PCORI compliance, FMLA services, ACA solutions, Student Loan Reimbursement, Wellness Payments, etc. TASC delivers a single-source, end-to-end solution for its customers. Our services are streamlined and intended to remove the confusion oftentimes experienced by employees and employers when dealing with benefits-related matters.

TASCC offers its own proprietary stored-value "debit" Card, the TASC Card.

We use a proprietary benefits administration application that was developed, is written and maintained by TASC employees. We are not reliant on outside vendors to upgrade our administration software.

TASC makes benefits feel like benefits again.

Organizational Structure

TASC is a privately-held Subchapter-S Corporation.

Cost Estimates

1 APPENDIX A: COST ESTIMATE WORKSHEET

1.1 : COST ESTIMATE TABLE

Item	General Requirements Description	Cost Estimates (preliminary figures)
1a	Complete Project Low Estimate	\$3.00 per employee per month
1b	Complete Project High Estimate	\$4.00 per employee per month
1c	Complete Project Estimate with a Trust Pool	\$2.75 per employee per month
1d	Complete Project Estimate (<i>without a Trust pool</i>) if TASC is also awarded the contract for our FSA/HRA proposal response to the State of New Hampshire's RFP that is currently under evaluation, separate from this RFI.	\$2.50 per employee per month
1e	Complete Project Estimate (<i>with a Trust pool</i>) if TASC is also awarded the contract for our FSA/HRA proposal response to the State of New Hampshire's RFP that is currently under evaluation, separate from this RFI.	\$2.25 per employee per month

Business and Technical Requirements

This Twin States tandem FMLI RFI offers a great opportunity to uniquely position TASC's combined service-product linking our Universal Benefit Account capabilities with our superior Compliance offering. With TASC's unique Universal Benefit Account, we will establish an account that would accommodate the funding and disbursements required in a smart, easy and connected way.

This would include the use of the **TASC Debit Card** that will allow a methodology to easily place wage replacements right on the Card. This creates such a positive impact for the employee experience as it provides a form of payment using the most popular medium. Please consider:

- We have a breadth of knowledge and experience with Family Medical Leave Act administration considering our many years of providing this service to our clients.
- TASC is also well-versed at claims administration as we are a TPA proficient in Benefit Account adjudication and processing.
- Further, with over 80,000 clients (2,200 public-sector), TASC is also experienced at premium collection for employers with different cost sharing levels.
- Additionally, we have addressed the potential per employee cost of the plan for Twin State employees (for both six weeks of wage replacement payments and 12 weeks).
- Our pricing and administration are based on the Twin State's FMLI model of providing a higher wage replacement percentage for lower wage earners and/or progressively pricing the individual premium for lower wage earners.

For this project, TASC can accommodate the FMLI services requested without the need of a carrier. TASC asks the Twin States to consider non-insurance carriers when the RFP is officially let. We would think a "service-provider" would be a suitable description for any potential bidders in lieu of strictly "insurance carriers" so as not to limit competition.

We understand the Twin States is asking vendors to take the estimated costs of wage replacement payouts and determine an appropriate funding amount for each employer based on their population. TASC has several preferred relationships that have core competencies in actuarial rate calculations that would provide us a best-in-class partnership to meet this requirement. While we are not an insurance carrier, there is no identified need to exclude a TPA like TASC from being considered for an eventual award. In fact, we would venture to state that the requirements from the Twin States seem to be geared more toward a TPA than a carrier, notwithstanding the calculation of the premium.

As TASC has a proficiency in Leave administration (several years of FMLA administration), other carriers will have a difficult time relative to the interaction for paying out wage replacement and coordination with other types of paid time-off the employee may utilize. Twin States would not want a scenario where an employee could double dip and use eight (8) hours of vacation and get 60% of wage replacement. One possible solution could be to require all client participants to have the same PTO policies and figure out the triggering events or ways to vet before disbursements are made. There is also functions to be gleamed from the premium collection. Generally, being on Leave with wage replacement, employers would deduct benefits so there is

no gap in coverage. If TASC is issuing the payment and has the premium collection account, we could also set the premium collection to deduct from the wage replacement account.

Using the strengths of our total solution, our team would initiate the wage replacement payouts to individuals once the payouts had been approved and had the time validated that was taken away from work.

Optionally, there is an alternative model where we do not require the FMLA purchase, and simply require the employee to request this replacement wage outside of their employer. In this scenario the FMLA approval is provided as substantiation.

Option to Consider for Additional Cost Savings

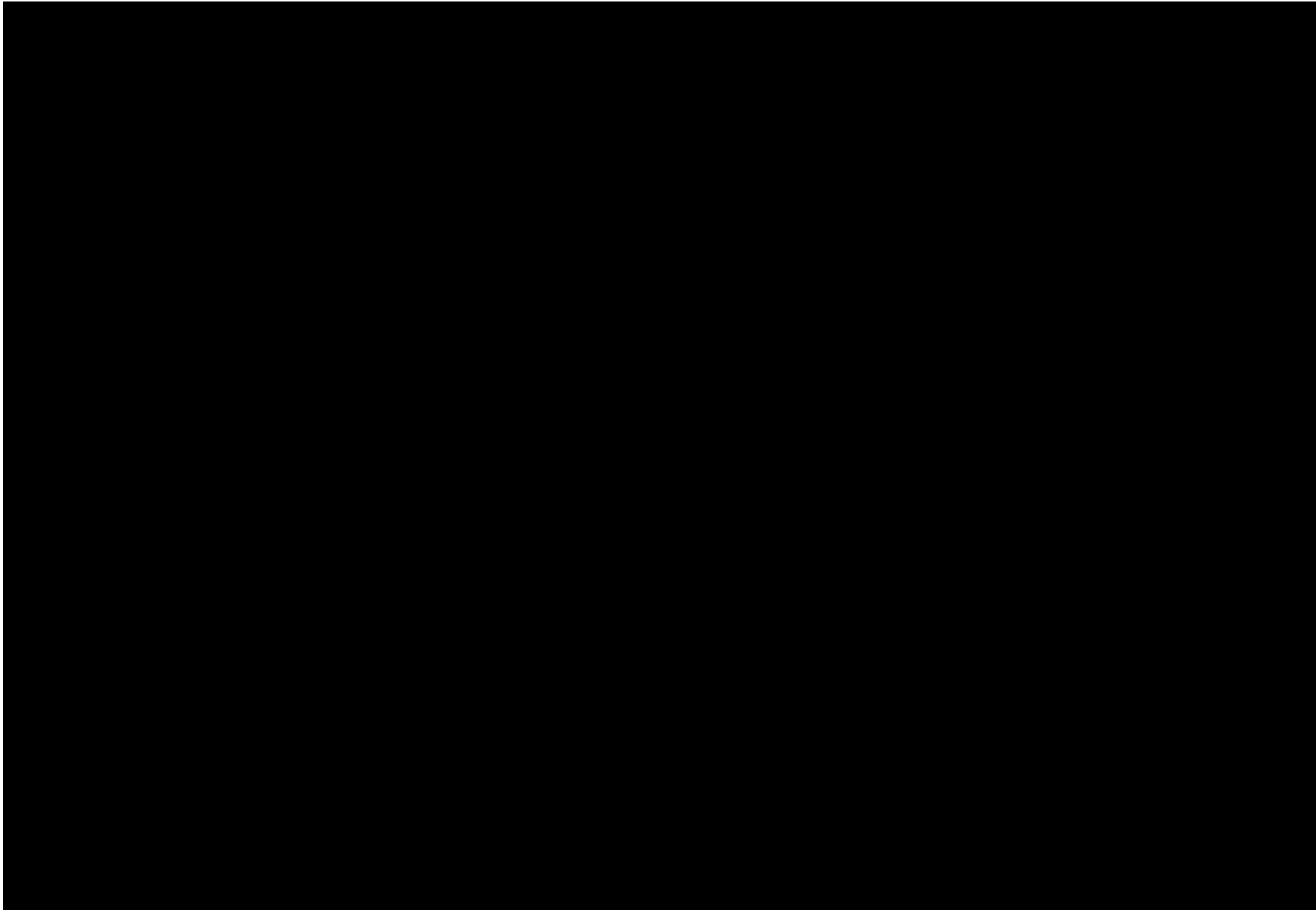
[Redacted content]

Knowledge of Existing FMLI Programs on The Market/Operational Challenges

TASC believes the Twin States FMLI program has been designed to uniquely address the specific set of circumstance pertinent to its Plan with mandated state laws. Be cautious in grouping all Paid FMLI programs from other states together.

Administrative Flow Preliminary Model

What follows on the next page is a preliminary flowchart mapping out the administrative model for our FMLI services to the Twin States.



Trade Secrets, Confidentiality, and Proprietary Information

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TASC has made all reasonable efforts to accurately respond to your Request for Proposal (RFP). TASC views this response solely as a tool to aid your knowledge. TASC is not rendering legal, accounting, or other professional advice.

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Prepare. Protect. Prevail. With The Hartford.®

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RFI # 2019-224

Twin State Voluntary Family and Medical Leave Insurance Plan



**THE
HARTFORD**

Business Insurance

Employee Benefits

Auto

Home

Cover Page

March 7, 2019

State of New Hampshire
Ryan Aubert, Purchasing Agent
Department of Administrative Services
Bureau of Purchasing and Property
25 Capitol Street, RM 102
Concord, NH 03301

Re: Hartford Life and Accident Insurance Company's response to the Request for Information for Twin State Voluntary Family and Medical Leave Insurance Plan

Dear Ryan Aubert:

Thank you for considering The Hartford as the Twin State Voluntary Family and Medical Leave Insurance Plan carrier of choice for State of New Hampshire. As the second largest group life and disability insurer in the market and leader in Leave Management, we are committed to doing the right things, the right way for our customers.

It is our mission to provide an unparalleled standard of Group Benefits experience for you, at every touch point to help you attract and retain valuable employees. We welcome the opportunity to provide the best solution to meet your Twin State Voluntary Family and Medical Leave Insurance Plan benefit needs.

We offer flexible and customized benefit plans to suit your business objectives and the compassionate care your employees should expect from their benefits provider. Our knowledgeable claim professionals can assist employees through every step of the claim process when they experience a disabling event or need to care for a family member.

We realize you have a choice in carriers when providing these important benefits to your employees, and we thank you for considering The Hartford. We look forward to hearing the results of your review and would welcome the opportunity to discuss the design of the States' program, so that it meets the needs of your residents and is cost effective.

Sincerely,

Meghan Pistritto

Meghan Pistritto
Director Product Management
Hartford Life and Accident Insurance Company
One Hartford Plaza, 21st floor
Hartford, Connecticut 06155
860-547-2619
866-913-0495
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RFI # 2019-224

Twin State Voluntary Family and Medical Leave Insurance Plan



**THE
HARTFORD**

Business Insurance

Employee Benefits

Auto

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Cover Page

The Hartford is The Hartford Financial Services Group, Inc. and its subsidiaries including issuing companies Hartford Life Insurance Company and Hartford Life and Accident Insurance Company. Home office is Hartford, CT.

This letter includes one or more products, which are issued on the following forms: Accident Form Series includes GBD-2000, GBD-2300, or state equivalent. Accidental Death and Dismemberment Form Series includes GBD-1000 and GBD-1300, or state equivalent. Critical Illness Form Series includes GBD-2600, GBD-2700, or state equivalent. Disability Form Series includes GBD-1000, GBD-1200, or state equivalent. Life Form Series includes GBD-1000, GBD-1100 or state equivalent. Hospital Indemnity Form Series includes GBD-2800, GBD-2900, or state equivalent. Blanket Accident Form Series includes BTA-1000, BTA-1300, BSR-1000, BSR-1200 or state equivalent.

All insurance benefits are subject to the terms and conditions of the policy. Policies underwritten by the issuing companies listed above detail exclusions, limitations, reduction of benefits and terms under which the policies may be continued in force or discontinued. This proposal explains the general purpose of the insurance described, but in no way changes or affects the policy as actually issued. In the event of a discrepancy between this proposal and the policy, the terms of the policy apply. Complete details are in the Certificate of Insurance issued to each insured individual and the Master Policy as issued to the policyholder. Benefits are subject to state availability.

7094 NS 05/18



RFI # 2019-224

Twin State Voluntary Family and
Medical Leave Insurance Plan

Vendor Information

The Hartford's Capabilities



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The Hartford

Organization & Description

The Hartford Financial Services Group, Inc. (known as “The Hartford”; NYSE: HIG) is a leader in property and casualty insurance, group benefits and mutual funds. As of December 31, 2017, total assets and total revenue of The Hartford were \$225.3 billion and \$17 billion, respectively.

We are currently ranked 153rd on the 2017 Fortune 500 list. The Hartford, headquartered in Connecticut, is among the largest providers of Group Life and Group Disability insurance products, and Property and Casualty insurance products in the United States. Hartford Fire Insurance Company, founded in 1810, is the oldest of The Hartford’s subsidiaries.

Based on 2017 LIMRA reporting, when including the acquisition of Aetna’s U.S. group life and disability business, The Hartford ranks 3rd in the fully-insured Disability & Group Life sales and 2nd for in force business. The relatively large size and underwriting capacity of the Company’s business provides it with market opportunities not available to smaller competitors.

The Hartford provides a portfolio of group insurance products to employers, association and affinity groups including STD, LTD, Life, AD&D insurance as well as Leave Management services. We also offer a comprehensive suite of voluntary employee insurance products, including Critical Illness, Accident and Hospital Indemnity, to meet the needs of today’s consumer.

The company is also a leading provider of commercial property and casualty insurance for small and midsize businesses and large companies, automobile and homeowners’ coverages, and Mutual Funds.

More information on our company, including financial performance, is available at www.thehartford.com.

Commitment to our Clients

We demonstrate our commitment to our clients through:

- The experience of our people – we offer knowledge, consultative skills, ongoing quality assurance and training.
- Our staff’s personal dedication – we work responsively with each employee, showing empathy and understanding when they need it the most; we facilitate resolutions by working directly with claimants, employers and medical providers.
- Customized handling – we listen to each claimant’s personal needs and simplify the claim process for them.
- Technology to ease your administrative burden – we strive to make your jobs easier with tools and technology, including automatic real-time reporting.



At The Hartford we are also distinguished by our:

- Ability Philosophy – we focus on abilities – what a claimant can do – rather than perceived limitations. This approach defines our products, services and innovative programs, which help businesses retain productive employees and help individuals return to productive lives. We demonstrate our philosophy through our Ability Contract as well as our proactive Claim Management procedures.
- Commitment to U.S. Paralympics – as a founding partner, The Hartford has long been the official disability insurance sponsor of U.S. Paralympics. We support individuals and teams that participate in various camps, clinics and competitions, to include the Paralympic Games, held every two years in conjunction with the Olympic Games.
- Customer-focused solutions – we offer products and services with customer service in mind, including:
 - Technology solutions such as our employer and employee websites, which provide 24-hour access to customized benefit information for employers and employees
 - Disability-trained staff to assist with clinical intake, claim management and other services such as Social Security advocacy
 - A dedicated Customer Support Team comprising tenured claim professionals focused solely on the customer experience
 - Independent networks of medical consultants whose compensation does not depend on whether a claim is approved or denied
 - Telephonic STD claim and leave intake, as well as immediate telephonic and online access to personal claim information
 - An efficient and effective outcome-driven approach to claim management that helps employees return to work and reduces employer costs



Leave Management

Leave Management Program and Process

The Hartford offers a Leave Management program that integrates with our Disability program. Our Leave Management services provide support which makes leave management easier for both the client and its employees. We administer a wide range of federal and state leaves.

- Common leaves we administer include:
- Federal FML, including military leave provisions
- Over 185 State leave laws (i.e., domestic violence, military, school activities leaves and more)
- Concurrent tracking of FML with STD and Workers' Compensation claims

Our processes and procedures provide employers with a comprehensive cost-effective solution through consistent, centralized administration of federal and state job-protected leaves. Our procedures maintain strict adherence to state and federal requirements for notification, certification, tracking and reporting. In addition, we provide a highly integrated process between Leave & Disability management:

Intake

- The Hartford's leave intake process offers a telephonic method as well as an online method through our employee website. This makes it easier for employees to report an intermittent or continuous leave; therefore, we do not need to support a paper leave intake process.
- The Hartford's integrated STD and FMLA intake process provides one single toll-free number to report claims for STD with Leave, as well as stand-alone leaves. No reason to contact multiple vendors for this process. Employees reporting a STD claim with concurrent leave will speak with a Customer Care Nurse (or an Intake Analyst for maternity and early notice surgery claims) who will obtain information for both the leave and the STD claim – no need for multiple calls in our Absence Management process.
- Employees can initiate new continuous and intermittent Leave events, report intermittent dates or modify pending Leave requests online via our employee website.
- The client may also initiate a Leave request through our employer website on behalf of the employee.

Combined Handling

- Concurrent disability and leave events are managed by the same Absence Ability Analyst to ensure a single point of contact for our claimants and a holistic Absence Management experience.

Communication

- The Absence Ability Analyst mails the employee a leave packet that includes a cover letter, a *Notice of FMLA Eligibility and Rights & Responsibilities* and the *Certification of Health Care Provider (CHCP)* form.
- For all non-expedited STD and Leave Management claims that run concurrently, the Absence Ability Analyst will make a call out to the claimant within one day of claim intake to set expectations about next



steps for the claim.

- The Absence Ability Analyst emails the client's contact to inform them of the Leave initiation and status and also obtains any additional information.
- We provide the employee with single (combined) determination and extension letters for concurrent STD and Leaves. This improves the employee experience by providing a single letter on their absence to explain the status of both the income replacement and the job protection determinations.

Certification

- Eligibility for federal, state, and employer sponsored Leaves is determined by review of the client information provided on the eligibility feed.
- Upon review of the required documentation, a Leave determination is made. If clarification on the CHCP form is needed, we utilize our clinical resources to call out to health care providers, upon employee consent.
- A reminder letter is generated and sent out five business days prior to the due date if the medical certification has not been received. In the event information is not received within the allowed time, the Leave request is denied and both the employee and the client are notified accordingly.

Tracking

The Hartford's Leave Management system captures, tracks and reports on intermittent, reduced schedule, and continuous Leave time available and used under federal, state, and company Leave policies. The Leave information includes type/reason, start/end dates, frequency, usage and time remaining and scheduled return-to-work date. Additionally, the client can view and run Leave data online through our employer website. Employees can also view Leave information online through our employee website.

On-Going Tracking of Approved Leaves

For Leaves associated with a Disability claim, our Leave Management and STD processes are coordinated to reduce duplication in gathering of information and medical investigation. When an employee's medical condition makes him/her eligible for STD, we base our approval of the associated Leave upon the approval of the STD claim, up to the point where the employee returns to work or exhausts his/her Leave entitlement. For Leaves not associated with a Disability claim, the Leave is approved based on the required certification. If the employee requests an extension of their Leave, an updated certification is required.

Return-to-Work

For concurrent STD/Leave Management, or standalone continuous Leaves, we proactively confirm return to work five days prior to approved-through date (if return to work was unknown) or a projected return to work date. Preferred contact method is text or email; however, we will call the employee if they did not elect text/emails. Notification will be sent to the Employer of the outcome of the return to work attempt. We also inform the employee and employer when the employee has exhausted his/her available Leave under FMLA.



Recertification for Leaves may be required based on the Leave regulations, as indicated on the *Notice of FMLA Eligibility and Rights & Responsibilities*, which is sent to the employee.

In addition, during the STD period, The Hartford is proactive in returning employees back to work by providing Vocational Case Managers and a Return-to-Work program to help guide and assist them safely back to productive work.

Calculating Leave Allotment under FMLA

We track Leave entitlement based on the tracking method selected by the employer.

Technology

Our Leave Management system is rules-based to accurately support Leave eligibility and determinations. It provides extensive communication, tracking and reporting capabilities.

State and Employer Leaves

In addition to federal FMLA, our Leave Management system captures all information necessary to administer many state Leave laws and certain employer-specific Leaves. Our system calculates the total number of Leave days an employee has available based on the employee's work schedule. We are able to calculate when an employee exhausts applicable available Leave time.

Documentation

We keep a complete electronic history of forms, scripts and letters sent to the employee with respect to FMLA, State Leave laws, and employer-specific policies and regulations. We use Department of Labor forms as a basis for our communications to employees; these forms include the *Notice of FMLA Eligibility and Rights & Responsibilities* and *FMLA Designation Notice* forms. We have made modifications to these forms where appropriate.

Coordination of STD and Leave

Our highly integrated process starts with intake, where our Customer Care Nurses obtain all of the necessary information to initiate both the leaves and concurrent STD claims during the same call. The concurrent disability and leave events are then managed by the same resource, called an Absence Ability Analyst, who continues the highly integrated process and provides a single point of contact for employees. When an employee is eligible for STD and is also eligible for leave under the FMLA and any applicable state leave laws, we leverage the medical information from the STD claim to make a determination of the "serious health condition" on the leave event. The leave is approved for the duration of the STD claim or for the amount of leave available to the employee under federal or state requirements, whichever is less. During this process we provide combined STD and leave communications to the employee, which provides a much better experience.



For leave events unrelated to a STD claim, specially trained Intake Analysts initiate the leave. Trained Leave Management Analysts manage the leave process, and are able to identify trends and patterned absences, while ensuring we are accurately administering leave requests.

In situations where an employee may be eligible for leave under both the FMLA and a state leave law, eligibility is determined separately based on the regulations governing each leave law. Approval or denial of the leave is also determined separately, driven by the specific regulations. Federal and state leaves will run concurrently where allowed by law.

Leave Staff

When a leave runs concurrently with an STD claim, the first contact an employee has will be with a Customer Care Nurse or an Intake Analyst for maternity and early notice surgery claims. After the initial contact, any concurrent STD/Leave event will be handled by one of our Absence Ability Analysts, who utilize all available resources to manage the disability aspect of the claim and leave simultaneously. This ensures a single point of contact for the employee and promotes a smooth experience.

The Hartford's integrated STD and FMLA intake process provides one single toll-free number to report claims for STD with Leave, as well as stand-alone leaves. There is no need to contact multiple vendors for this process. Employees reporting a STD claim with concurrent leave will speak with a Customer Care Nurse who will obtain information for both the leave and the STD claim.

Staff Training

We consider training the first step in our high quality process. New hires receive intensive formal classroom training and extensive on-the-job training. All of a new leave management analyst's work is audited to ensure quality and proficiency. Mentors provide new staff the support they need to make the most accurate claim/leave decisions.

In addition, our absence analysts are required to participate in on-going training and development programs. They undergo formal assessment training to identify areas of strength as well as developmental opportunities.

Staff members are also provided training on other topic areas related to our ADA and STD product offerings.

Intermittent Leave

When an employee reports an intermittent leave, our leave management analysts gather important information including:

- Verification of all personal information provided on the eligibility file, e.g. address, date of hire, supervisor name, etc.;
- Dates of absences if they have already missed work time; and
- Reason for the leave. If the leave is to care for a family member, we document the family member's



Tracking

The Hartford's Ability Advantage system is a rules-based, configurable system and the workflow is configured with the client during the implementation process, taking into account any customer-specific requirements to ensure that the appropriate system tasks are generated throughout the leave event.

Our analysts are aware that an action is necessary because a task is generated to their work queue. If an action is required of an employee, they are notified in writing and the employers are notified by email.

History and Takeover

History and takeover fees are not included in the fee quoted for Leave Management administrative services.

The Hartford's preferred method is to provide all employees with a full allotment of Leave entitlement as of the effective date of administration of our Leave Management services. This approach provides a positive experience for the employer and the employee. It alleviates the employer from the large and often complex responsibility, and associated problems, of gathering required historical employee data, which can be inconsistent, inaccurate, or unavailable.

The Hartford will manage leaves that are open on the effective date and new leaves that begin after the effective date, based on leave history provided by the Employer. Employer provides leave history in the XML format corresponding to The Hartford's file layout. This is a pass-through file that can be uploaded and transmitted to The Hartford's Leave Management system.

The employer provides leave history in a format other than the required XML format.

Open/Active Takeover Leaves

If the client provides leave history leave information in The Hartford's standard XML format, then there is no charge. If leave information is not provided in our standard format or other excel (xml) format, there is a charge of \$2,000.00

If the client chooses to have The Hartford assume management of leaves open on the effective date and to provide leave history, there is a charge of \$125.00 for each takeover leave.

If the client requests that The Hartford assume the management of active leaves as of the effective date of our Leave Management services, we require that you provide us with all historical information necessary for us to administer active leaves.

This includes, but may not be limited to:

- Leave start dates
- Planned end dates



- Copies of medical certifications and any applicable recertifications
- Actual absences associated with intermittent leaves
- Copies of correspondence with the employee

Compliance

The Hartford's role is to help the client with the difficult task of FMLA tracking and administration of leave requests without interfering with the client's need for control over its employees and related employment decisions.

The client cannot outsource its responsibilities to comply with the FMLA. When an employer turns to an outside administrator for compliance and tracking support, the employer retains its responsibility for its FMLA program because the administrator is acting on behalf of the employer and relies upon the employer's records, policies, and practices to base leave decisions.

Efficiencies Gained by Outsourcing Leave Management

Our goal is to help relieve you from administering federal, state, municipal and county leave laws. The efficiencies gained by outsourcing Leave Management administration to The Hartford include:

- *Ease of Administration and Coordination of Leaves with Disability*
We know your Human Resource staff is busy. Removing the burden of managing leaves will allow them to focus on other initiatives. Our process is simple. One call initiates both the disability and leave process. We provide your employees with information and support throughout their absences.
- *Fair and Equitable Leave Decisions*
We make sure that decisions are applied in a consistent manner. This reduces your legal exposure and ensures compliance with leave laws and statutes. Our absence professionals help your employees understand their rights and responsibilities under each leave program to they may be eligible for.
- *Improved Compliance*
With the high cost of defending an FMLA lawsuit, there is little margin for error when managing employee absences. Our skilled legal team ensures the administration of your leave program complies with changing leave laws and requirements. We also keep you up-to-date on relevant changes to leave laws. We can help protect your business from the costs and risks associated with an ineffective Leave Management program through ongoing communication and education.
- *Employees Get Back to Work Sooner*
On average, our Return-to-Work Case Managers have successfully assisted returning employees to work 2.64 days sooner than estimated by their attending physicians.



Criteria for Certifying a Leave

Eligibility determinations for federal and state leaves are based on information you provide in the eligibility feed and the rules for each leave law. A leave determination is made when we receive and review all the information needed to support the absence.

If the leave is associated with a disability claim, the information supporting the disability claim is used for the leave request. If the disability claim is approved, the leave is also approved. If the disability claim is denied, we'll determine if the employee's condition meets the definition of a serious health condition under the FMLA. If so, the leave will be approved. The leave will be denied if it doesn't meet the definition of a serious health condition.

If the leave isn't associated with a disability claim, we'll obtain the necessary information to determine if the leave can be approved (e.g., applicable *Certification of Health Care Provider* (CHCP) form, etc.). A leave determination is made once we've received all information. If clarification or authentication of a CHCP form is necessary, we'll utilize our clinical resources to call Healthcare providers, if we've received employee consent as required by law.

A reminder letter is sent five business days before the due date if medical certification hasn't been received. In the event information isn't received within the allowed time, the leave request is denied and all parties are notified accordingly.

ADA

We understand navigating ADA compliance can be challenging. At The Hartford, we've helped employers manage ADA-related activities since 2014 through the use of our claims, medical, and vocational resources. We can't guarantee your ADA compliance, but we can offer a variety of services to support you in meeting your responsibilities under the law.

The Hartford's ADA Workplace SolutionsSM includes:

- Tracking and recording of ADA events
- Obtaining information needed for the interactive process and making accommodation decisions
- Communicating decision milestones
- Providing consultation and referrals to ADA resources
- Training for employers and their representatives
- Reporting that captures:
 - ADA requests from date of notice
 - Type of accommodation needed
 - Temporary vs. permanent disability
 - Outcome of the accommodation process
- ADA is provided at an additional cost.



Our Vocational Case Managers can also work with you, your employees and their medical providers to define job accommodation options. This assistance can be provided for both stay-at-work and return-to-work ADA situations.

We also offer ADA Coaching Services. Our coaches will work with you to:

- Offer guidance on organizational policies and practices
- Answer common ADA questions
- Refer you to professional resources to help make individual and company-specific decisions

In addition to ADA management support, we can help you with your ADA training and education needs.

Education and Support

You and your management team will have access to several on-demand training webinars to help educate you on the key components of ADA.

We also maintain a strong partnership with the Job Accommodation Network (JAN). They are a government-sponsored resource for both employers and disabled workers.

This service doesn't guarantee compliance with requirements for "reasonable accommodations" under the ADA.

Integrated STD and Leave Intake Process

The Hartford's coordinated STD and FMLA intake process provides one single toll-free number to report claims for STD with Leave, as well as stand-alone leaves. Employees reporting a STD pregnancy claim concurrent leave will speak with a trained Intake Analyst who will obtain information for both the leave and the STD claim – no need for multiple calls in our Absence Management process.

Additionally, our STD and Leave Management processes are tightly managed by a single absence analyst providing a single point of contact for the employee and employer to eliminate redundancy in gathering information to support the disability and leave events. This single point of contact will provide an even smoother claim experience.

When an employee is eligible for STD, all employee options are explained at the time of the call as well as advising that the call is also initiating leave under the FMLA and any applicable state leave laws. We base our approval of the leave on the approval of the STD claim. The leave is approved for the duration of the STD claim or for the amount of leave available to the employee under federal or state requirements, whichever is less.



During the initial intake, it is part of the Leave Management scripting to validate if the employee wants to take the bonding time for all maternity claims and if so for how long. In the initial packet sent to the employee, we would include any require state inserts which advise of applicable state leaves they can apply for (CA, CT, NJ, and DC) and we also have the option to send any employer specific inserts that could include bonding information. Five days prior to the end of the continuous disability leave, the Leave management analyst will contact the employee to validate if they will be returning to work or if they would like additional bonding time. At which time, the Leave management analyst would also discuss any employer leaves that would run concurrently with FMLA and applicable state leave laws.

Leave Management System

The Hartford's rules-based Leave Management system captures, tracks and reports individual leave data applicable to leaves taken under the federal FMLA, state leave laws, and company-specific leave policies.

The Hartford's Disability Claim system is integrated with our Leave Management system. Information related to the STD claim status is automatically fed to the Leave Management system which ensures that the absence associated with the Disability claim can be initiated. If the employee is eligible for federal or state FML leave, the leave is approved based on the STD claim approval.

Utilization Patterns

Once an intermittent leave has been established, the employee is required to notify us by telephone or online of all absences associated with the leave. The reporting of these absences should conform to the employer's policy for reporting any absence. All absences are reviewed against what is certified by the Healthcare provider on the CHCP and we received automatic triggers if the requested time is outside of what is supported. In addition, the Absence Analyst utilizes the online calendar tool to review for any pattern of absences. If absences deviate against what is certified, we request clarification or recertification from the Healthcare provider, as allowed by law. As part of the recertification process, we may share the pattern data with the health care provider for review and comment when applicable.

Paid Family Leave

New York Paid Family Leave

As a leading New York State Disability and Leave Management insurance carrier, we will begin administering NY Paid Family Leave (PFL) on all NY DBL cases effective January 1, 2018. In addition to new business, we will automatically add this coverage to all in-force policies effective January 1, 2018.

PFL is job-protected coverage for an employee to:

- Bond with a newborn, an adopted or foster care child during the first 12 months
- Care for a seriously ill family member
- Address important needs related to a family member's military service



An employer covered by the New York Workers' Compensation Law will have to permit eligible employees to take PFL and they will have to deduct contributions for their employee's pay to fund the PFL benefits. Participation is not optional. PFL benefits must be available to employees regardless of the number of employees a business employs.

New Jersey Paid Family Leave

If an employee in New Jersey requests a leave of absence that may qualify under the New Jersey Paid Family Leave (PFL) law, The Hartford will provide the employee with information on the New Jersey PFL program, as well as information on how to apply for these benefits with the state.

The Hartford has opted to assume a consultative role in lieu of comprehensive administration as follows.

- If The Hartford administers a policyholder's NJ TDB benefit, maternity claimants will be notified that they may be eligible for New Jersey Paid Family Leave during the initial telephonic claim intake.
- Maternity claimants will be given the phone number and web address to the New Jersey Department of Labor and Workforce Development. If a claim is approved, the claimant is sent a letter which provides her employee identification and directs her to our employee website to download Frequently Asked Questions, the claim form and the notification of employee rights.
- If the employer utilizes our Leave Management services, employees will be transferred to our Leave Management unit where a leave management analyst can answer any questions related to the New Jersey Paid Family Leave Insurance law and determine if a job-protected leave should be set up.
- All employees who work in New Jersey, when we administer leaves on behalf of their employer, will receive a *New Jersey Department of Labor and Workforce Development Notice* which outlines the specifics of the New Jersey Paid Family Leave Insurance Law with their initial leave packet.
- The leave management analyst will also provide the caller with contact information to the New Jersey Department of Labor and Workforce Development so the employee can file a claim for benefits, as appropriate with the State of New Jersey.
- If the employer does not utilize The Hartford's Leave Management services, the caller will be directed to the New Jersey Department of Labor and Workforce Development and/or his/her employer.

California Paid Family Leave

The Hartford can provide California Paid Family Leave (CA PFL) on approved CASDI Voluntary plans, but not on a standalone basis. The State of California requires that if an employer opts out of one plan, they must opt out of the other.



Statutory Disability

State Disability Experience

As one of the largest private insurers of Statutory Disability programs in the U.S., we have significant experience in handling state disability programs. We have effectively integrated our processes with the mandated state programs in New York, New Jersey, California and Hawaii. While complying with each state's regulations, we have consistently delivered a seamless, uninterrupted managed disability process.

Statutory Disability plans for New York, New Jersey and California are administered from any of our six Regional Claim Centers located in Florida North; Florida South; Minneapolis, MN; South Portland, ME; Portland, OR; and Sacramento, CA. Our Honolulu office adjudicates Temporary Disability Insurance (TDI) claims in Hawaii. We can also supplement Statutory plans for Rhode Island TDI and Puerto Rico on a fully-insured or self-insured basis.

New York Paid Family Leave (PFL) is administered in our Florida North.

We can accommodate a telephonic claim process where allowed by law, except in Hawaii.

For claims where we administer both Statutory and enhanced/enriched non-statutory benefits, the claimant files a single claim. The same claim analyst handles the adjudication of both claims, eliminating the need to submit duplicate information.

Additionally, we issue separate checks for the Statutory and enhanced benefits, which ensures that the monies paid are accounted for appropriately.

Statutory Disability Coverage

We can integrate and administer the following Statutory plans on a fully-insured basis*:

- New York Disability Benefits Law (DBL) including New York Paid Family Leave (PFL)
- New Jersey Temporary Disability Benefits (TDB)
- Hawaii Temporary Disability Insurance (TDI)

We can also integrate and administer the California State Disability Insurance (CASDI) Statutory plan, including Paid Family Leave, for an employer who is approved as self-insured.

We can supplement Statutory plans for Rhode Island Temporary Disability Insurance (TDI) and Puerto Rico Disability Benefits (DB) on a fully-insured or self-insured basis.

Statutory plan administration is integrated with LTD and/or any supplemental ASO STD plans through the same claim office as the LTD and ASO plans. Statutory plans are set up in accordance with statutory regulations and filed on behalf of the employer with the statutory state, keeping you in compliance at all times.



We conduct business and provide insurance products, and related insurance and non-insurance services, in all 50 states. We can provide Life/AD&D, STD and LTD coverage in Puerto Rico. We cannot offer coverage for the Puerto Rico Statutory disability plan because Puerto Rico's statutory regulations require that insurance carriers providing Statutory coverage have a local presence; we do not have a local presence in Puerto Rico.

* If you are approved as self-insured by the statutory state in question, we can provide administrative services only. (The Hartford does not prepare filings for employers seeking approval to self-insure.)

Claim Process

The Hartford's claim management process is the same for employees in non-statutory and statutory states. If the policyholder has non-Statutory STD as a supplement to its Statutory plan, the same claim analyst adjudicates both claims to ensure that the correct benefits are paid for each one. We process two checks, but only one claim needs to be filed.

The same claim analyst handles the non-Statutory STD and Statutory plans if both are covered by The Hartford and the claimant is eligible. The claim analyst sets up the claim under both plans and the non-statutory plan offsets for the statutory benefits. The claimant receives two checks, one for the Statutory benefit and a second one for the supplementary non-Statutory STD benefit.

If Statutory Disability coverage is not with The Hartford, the claim analyst notes the work state (NY, for example) and supplements the Statutory benefit with the STD plan (offsetting for the Statutory benefit). The employee will be asked to file a claim through his/her Statutory Disability carrier to obtain the Statutory benefit.

Telephonic STD Claim Intake Process

The Hartford's telephonic STD Claim Intake process is as follows:

Business Day 0:

- The employee calls to report the claim.
- The Customer Care Nurse captures information and explains the claim process.
- The Customer Care Nurse contacts the attending physician by fax when additional medical information is needed to process the claim. If the claim meets the criteria for the expedited claims process, a clinical assessment is made and the claim is referred to a claim analyst for a determination.
- If medical information is still outstanding on the fifth or tenth business day, we advise the employee of such and reaffirm expectations that they should authorize their attending physician to release information to The Hartford.



Business Day 1:

- For all non-expedited STD claims, the STD claim analyst will make a call out to the claimant within one day of claim intake to set expectations about next steps for the claim.

Business Days 5 and Day 10:

- The claim analyst contacts the employer if employer information is missing.
- If medical information is still outstanding on the fifth or tenth business day, we contact the employee and advise of such and reaffirm expectations that they should authorize their attending physician to release information to The Hartford.
- We remind the employee if missing information is not received by the 15th business day, the claim will be closed until it is received.
- Employee contact for missing physician information is made by phone or by email (if email address is provided).
- If the employer or attending physician information is missing and we are unable to reach the employee by phone or email, the claim analyst sends the employee a letter detailing a delay in the claim process.

Business Day 15:

- If the employer or attending physician information is not received, the claim analyst closes the claim for lack of information.
- Claim analyst calls the employee and sends a letter of notification to the employee indicating that the claim has been closed and what information is missing.

Claim Adjudication:

- An STD claim analyst adjudicates the claim after receiving a completed claim file.
- The claim analyst calls to notify the employee of the STD claim approval or extension, and sends the appropriate notice to employee, either a combined leave/STD approval letter or an Explanation of Benefits.
- If additional provider information is necessary, the claim analyst calls the provider. If the information is available, the claim analyst immediately adjudicates the claim. If the claim analyst is unable to reach the provider or must leave a message, the claim analyst follows up twice over 48 hours. While waiting for clarification, the claim analyst calls the employee to advise of the delay.
- If additional information is needed from the Employer, such as part-time status or the Employer's ability to accommodate restrictions, the claim analyst will attempt to gather it twice within 24 hours. The claim analyst also notifies the employee of the delay by phone.



Transition from STD to LTD:

- The Hartford's claim system drives the transition process from STD to LTD using automated tasks that result in an LTD claim form (Income Benefit Questionnaire) being sent to the claimant.
 - For STD cases with a 26 week maximum duration or longer, this happens 5 to 9 weeks prior to the effective date of LTD, depending on the diagnosis.
 - For STD cases with a 13-week maximum duration, this happens LTD 5 weeks prior to the effective date of LTD.
- If the LTD claim form is not returned, two follow ups are performed at 15 day intervals. If the claim form is not returned after the two follow ups, further pursuit of the form is discontinued. An LTD claim analyst will begin their review if/when the form is subsequently received.
- The LTD claim form asks questions about other income, past work experience/education and medical providers. It also includes an updated authorization form. There is not an LTD claim until the form is returned.
- Once the LTD claim form is returned it is considered a new LTD claim. New LTD claims are triaged and assigned to an LTD claim analyst based on the characteristics of each claim file. Our LTD Team Leaders review all new claims transitioned from STD in lieu of automated claim assignment. This is important because we can identify and segment claims based on their unique medical, occupational or financial characteristics. The LTD Team Leaders uses an analytic tool that produces segment recommendations and a recovery profile based on historical data for similar claims. The team leader considers these aspects and the claim holistically to identify the appropriate claim segment.
- The LTD claim analyst reviews the information contained in the STD file and interviews the claimant to obtain any necessary information and explain the next steps to the claimant.
- The LTD claim analyst determines what additional information may be needed in order to make the LTD decision, and requests that information from the claimant, employer or physician(s). The claimant is encouraged to speak with their physician to make sure that we receive a timely response to any requests so that a final LTD determination can be made.

We may also obtain additional information from the employer and/or attending physician on a case-by-case basis.

Claim System

Our Claim system automatically adjudicates and calculates statutory and ERISA plan benefits, including taxes; however, it is the claim analyst who makes the decision to approve or deny liability.

For non-contributory plans, the taxable benefit percentage is typically 100%. For contributory plans, the employer advises the taxable percentage for each class/plan and reports this figure to The Hartford. The claim analyst enters the taxable percentage into the claim adjudication system which performs the tax deductions/calculation.



Compliance

We have a dedicated team of Statutory Disability Underwriters, Administrators, Premium Analysts and a Program Director. The Statutory Disability staff partners with Client Relationship Managers, as well as with the policyholder, to submit filings whenever legal changes occur and relay this information via appropriate statutory filing procedures with the state. The Hartford's Statutory staff also keeps policyholders apprised of any applicable changes to the laws.

Statutory plans are set up in accordance with the statutory regulations of a particular state. The Hartford also receives statutory information directly from the states and attends semi-annual conferences. We adhere to all regulations for a particular statutory state, and update our in-force Statutory Disability customers, staff and systems as we learn of state changes.

Case Management Process

STD

Our case management process begins at intake. Employees who call to report a new non-maternity STD claim immediately speak with a Customer Care Nurse, who:

- Conducts an in-depth interview to assess functionality
- Provides a clinical impression regarding the employee's disability claim
- Recommends a diagnosis and assigns ICD-9/ICD10 codes and/or CPT codes to the claim
- Contact the attending physician if additional medical information is needed based upon the complexity of the diagnosis and any complicating factors (e.g. multiple diagnoses)
- All Behavioral Health claims are immediately referred to Behavioral Health Case Manager for initial clinical impression and development of ongoing clinical management plan.
- For all non-expedited STD claims the STD claim analyst will make a call out to the claimant within one day of claim intake to set expectations about next steps for the claim

For example, if the claim is considered complex, the Customer Care Nurse provides a clinical impression and recommendation for further management by a Clinical Resource once the initial claim investigation is complete. If the claim meets the criteria for the expedited claims process, a clinical recommendation is made and the claim is referred to a claim analyst for a determination.

All complex claims are managed in coordination with clinical resources throughout the duration of the claim.

LTD

Determining disability durations during LTD is a function of confirming an individual's present abilities based on clinical information. The LTD claim analyst may use clinical resources at any point during a claim, who may arrange for a claimant to have an Independent Medical Exam, Functional Capacity Evaluation or independent peer physician review. The Medical Consultant's review and the claim analyst's assessment will determine the use of a particular resource.



The LTD claim analyst conducts milestone reviews whenever there is an expected change (financial or medical) to re-evaluate the need for clinical involvement.

Another way we manage disability claims is through predictive analytics. The Hartford's claims data analytics helps us to gain an understanding of our predictive modeling, the tools, and the systems that differentiate us as a claims leader in the industry.

For STD and LTD claims, we use both structured and unstructured data for our predictive modeling. Structured data is the information captured in specific fields within our system. Examples would be employee demographic information, diagnosis, physical capabilities. The unstructured data is more of the freeform information that is captured within our claim notes. This text mining process translates commonly used claim management terminology into meaningful "flags" that will drive the claim management process. These flags are leveraged to identify the right resources for appropriate claim management.

In 2018, 37% of non-statutory STD claims were referred to a Medical Case Manager and 2.08% were referred to a Vocational Case Manager.

(Of the 2.08% referred to a Vocational Case Manager, there were 8% that accepted the offer to facilitate a return to work and 30% were successfully returned to work.)

In 2018, 50.6% of LTD claims were referred to a Medical Case Manager and just over 13.1% were referred for vocational rehabilitation potential.

(Of the 13.1% referred for vocational rehabilitation potential, there were 71% that accepted active vocational rehabilitation case management and approximately 30% were successfully returned to work.)

Payment Process

STD

For STD, the start of disability payments to claimants is generally within one business day of the claim approval unless the claim was submitted early. We will pay accrued benefits at the end of each week that the claimant remains disabled. We may, at our option, make an advance benefit payment based on our estimated duration of Disability. If any payment is due after a claim is terminated, it will be paid as soon as Proof of Loss satisfactory to us is received. There is no difference in the process for statutory disability.



LTD

For LTD, claim payments are made in arrears. Benefits accrue as of the first day after the Elimination Period and are paid monthly. We will pay accrued benefits at the end of each month that the claimant remains disabled. We may, at our option, make an advance benefit payment based on our estimated duration of the disability. If any payment is due after a claim is terminated, it will be paid as soon as Proof of Loss satisfactory to us is received.

New York Statutory Plan

In the New York Statutory plan, no partial benefit is paid. If a claimant returns to work for 15 minutes a day, one day a week, he or she is no longer entitled to benefits. You can be reimbursed directly for the Statutory amount, plus a portion of the enriched benefit, if appropriate. The claimant receives one check, either from The Hartford or from the employer.

New Jersey Statutory Plan

The New Jersey Statutory plan provides a partial benefit only when a claimant has both a full-time and a part-time job, and has been cleared by a physician to work at the part-time job and no full-time work can be done. The claimant is paid benefits (1/7th of the weekly calculated benefit) for each day no work is done. Any time the claimant works at the part-time job, no payment is made that day.

In New Jersey, The Hartford can send disability checks to the employer, but because of statutory requirements, the claimant must approve this process and the check must be made out to the claimant. Typically, the check is sent to the employer who, in turn, has the claimant sign it over. The claimant then receives only one check, which comes from the employer. FICA taxes are taken as applicable since the check is made payable to the claimant in New Jersey.



Voluntary

Voluntary Benefits Program

For over 60 years, The Hartford has developed voluntary benefit solutions for today that engage and empower employees while delivering value to help support your bottom line. Our voluntary strategy leverages the strength of our existing relationships by delivering consultative support to you and your employees. By focusing on benefits education, we partner with you to help place each eligible employee in the best possible position to understand what is being offered to them.

We have developed keys to successful participation that involve hassle-free enrollment and service experiences, consumer-focused education and communication, and simple products with affordable choices.

While employee participation is important, the participation of the employer in the education of employees is paramount. We will partner with State of New Hampshire to help boost your plan participation by setting a clear voluntary strategy for you. Our methodology uses sophisticated targeting techniques and consumer education to help drive enrollment results.

Guidance and Support

The benefits landscape has changed. We make choosing, implementing and administering the right benefits easier; offer transparent solutions, efficient technology and personalized support.

Building Trust with All of Our Customers

We are committed to providing the most satisfying employer and employee experience in the industry. We work hard to understand and respond to your needs at every life stage and in every step of the process – from initial education to fulfilling our claims process.

Super Execution

The Hartford's advanced enrollment systems, experience and service model allow us to deliver seamless end-to-end solutions. Our solutions help minimize administrative burden and maximize participation.

Reasons to partner with The Hartford in your voluntary marketing effort are as follows:

- *A proven employer and employee-paid product offering:* Benefits can be funded by the employee or employer, or costs can be shared to accommodate customers' needs.
- *A Portfolio of Valuable Products:* Our insurance portfolio includes STD, LTD, Life and Accidental Death and Dismemberment, Critical Illness, and Accident.
- *Capabilities Designed to Sell:* The Hartford is fully committed to helping enrollment efforts through compelling analytical and consumer education tools. We also continue to invest in our voluntary capabilities with people, process, and technology.
- *Enhanced Service and Administration:* We offer a dedicated staff and robust capabilities to help reduce



employer/employee burden.

- *Trustworthy Know-How:* We are trusted by many of America's top companies to protect the lives and incomes of their employees in an evolving Voluntary Benefits landscape.
- *Consistent Market Leadership:* We weave our experience into solutions that honor our relationships and make good on our promises. That is why we are a market leader in the group life and disability business.

Enrollment Services

The Hartford knows each client is unique. That is why we keep our Voluntary process flexible, and support it with reliable technology and people. We can work with your system, our system, or a combination, offering fully integrated benefit administration or stand-alone services.

Our online enrollment platform, BenSelect, supports The Hartford products only or a combination of our products and other employer benefits- including medical, dental and vision – for one-stop, convenient enrollment. The platform is provided free of charge for Hartford products only and available at a discounted rate for multi-carrier products.

For Employers

During and after the enrollment period, employers can use the enrollment platform to:

- Administer group benefits
- Maintain eligibility records for list billing
- Enroll new employees
- Make salary adjustments
- Update employee terminations, reinstatements, rehires and personal information
- Check on participation rates for the enrollment event
- Run reports and download report data to a spreadsheet

For Employees

Employees can access the enrollment platform at any time to:

- Elect their benefits during their open enrollment period or new hire event
- Modify elections for specific life events throughout the year
- Make changes to their status which can trigger updates in their benefits options and choices
- Enter and update beneficiary information

In addition to our easy-to-use online enrollment platform, The Hartford provides comprehensive enrollment call center support where employees can speak with licensed benefit representatives to receive answers, assistance, and the full enrollment support they need when they need it. The licensed rep can even enroll employees over the phone if they prefer.



The Hartford also offers online Evidence of Insurability submission, leveraging single-sign-on technology to integrate platforms and help create a seamless employee experience with real-time decisions.

Post enrollment, employees can access the enrollment site to update beneficiaries or to confirm current elections. They can also access our employee website to:

- Submit an STD and LTD claim
- Check the status of Disability and premium waiver claims
- Check the status of applications for medical underwriting
- Enroll or update direct deposit bank information for STD and LTD claim benefit payments
- Manage personal data, such as their email address, password and preferences

Employers can access the self-service website to manage their Hartford group benefits, obtain specific case information, inquire about claims, view evidence of insurability status, and access reports and online forms instantly. We can also provide online enrollment and EOI reporting to help manage enrollment data.

A demo of our online enrollment platform can be found at the following URL:
<https://www.brainshark.com/thehartfordpc/benselect>

We can also provide a live demo of BenSelect on request.

Enroll and Educate

The Hartford's advanced enrollment systems, experience and service model allow us to deliver seamless end-to-end solutions, which helps minimize administrative burden and maximize participation.

Our Assess – Educate – Enroll methodology uses targeting techniques and consumer education tools to help drive enrollment results.

ASSESS

Helping to Boost Participation through Strategy

Your Hartford team partners with you to help improve plan participation by assessing enrollment needs and setting a clear, customized Voluntary strategy.

Our Voluntary Enrollment Analysis Tool (for 1000+ lives)

Developed to showcase varying plan participation by demographics, our Voluntary Enrollment Analysis tool allows the enrollment strategy to reach a specific targeted audience.



The Hartford's Enrollment OptimizerSM (for 1000+ lives)

By combining census-driven data from our Voluntary Enrollment Analysis with our proprietary research on Voluntary consumer purchase patterns, we help reveal the unique enrollment and benefits-buying behaviors of your employee base. Using these personas, the Enrollment Optimizer provides a custom report with added insights on the preferred ways your employees want to learn about and enroll in benefits. We analyze this data and provide recommendations that may include employee information/education and targeted outreach.

In addition, each Enrollment Optimizer report includes sample communications for the top two personas that make up a particular employer's employee population.

EDUCATE

The first step is to educate employees about their benefit options to help them make more informed benefits decisions. We provide a variety of learning tools to help guide employees in selecting the coverages that work for them.

Additionally, we partner with producers and employers to develop the most comprehensive communication campaign, delivered in a variety of mediums to target any generation or persona including:

- Customized email campaigns
- MyTomorrow[®] mobile-ready, interactive decision-support tool
- Award-winning consumer education videos
- Cost calculator
- Life and Disability insurance needs calculator
- YourVoice program ratings and reviews
- Intranet banner ads
- Life and Disability insurance needs calculators
- Direct mail:
 - Postcards
 - Letters
 - Payroll envelope stuffers
- Worksite materials:
 - Customized posters and flyers
- Licensed, non-commissioned Benefit Counselors for onsite and virtual support

ENROLL

We Execute

Our dedicated Enrollment Managers work with customers throughout the process to successfully execute on their enrollment strategy and help ensure enrollment goals are met.



We Integrate

The Hartford can work with your system, our system, or a combination, offering fully integrated benefit administration or stand-alone services.

Our online enrollment platform, BenSelect, supports The Hartford products only or a combination of our products and other employer benefits – including medical, dental and vision – for one-stop, convenient enrollment. The platform is provided free of charge for Hartford products only and available at a discounted rate for multi-carrier products.

In addition to our easy-to-use online enrollment platform, The Hartford provides comprehensive enrollment call center support where employees can speak with licensed benefit representatives to receive answers, assistance, and the full enrollment support they need when they need it. The licensed rep can even enroll employees over the phone if they prefer.

If a customer prefers to use paper enrollment, we can provide customized paper enrollment kits and final census tabulation.

In terms of EOI, we offer online submission that leverages single-sign-on technology to integrate platforms and create a seamless employee experience with real-time decisions. We also offer an electronic Personal Health Application called ePHA that provides a simple, streamlined solution for smaller groups looking to transition off paper applications.

Post enrollment, employees can access the enrollment site to update beneficiaries or to confirm current elections.

Employers can access our employer self-service website to manage their Hartford group benefits, obtain specific case information, inquire about claims, view EOI status, and access reports and online forms instantly. We can also provide online enrollment and EOI reporting to help manage enrollment data.

Communications Support

The Hartford is proud to offer dedicated enrollment communication support through our Group Benefits Marketing department. This seasoned team possesses broad experience in enrollment communication campaigns for companies of all sizes. Our marketing and creative services staff provides full support – consultation, planning, copywriting, editing, design and distribution. Our desire is to ensure you and your employees have the best possible enrollment experience.

Initially, we will use our patent-pending Enrollment Optimizer tool to analyze your employee census and current voluntary enrollment to segment the employee population into one of five personas. The Enrollment Optimizer proposes a highly targeted communication plan for the personas showing the most room for participation rate increases. The Hartford then executes on an approved integrated marketing communication plan using



consistent and targeted messaging across all platforms accessed by employees. In addition, each Enrollment Optimizer report includes sample communications for the top two personas that make up a particular employer's employee population.

Our approach to benefit education is to provide information relevant to employees to help them make the best decisions for their lifestyle. We provide fun, "non-insurancey" online education and decision support with MyTomorrow® (powered by Jellyvision) as well as through humor videos, chalk talk videos, print materials, webinars, meetings and other vehicles. Our job is to educate, not scare, and help employees understand why income protection is critical to their overall financial health.

In addition, we provide a variety of marketing communications and forms of enrollment support:

- Integrated marketing communication strategies designed for company-specific employee populations
- Customized mobile-ready, interactive decision-support tool outlining benefit options
- Cost calculator to demonstrate product affordability
- Informative and engaging product education videos
- Customized enrollment materials
- Onsite group meetings
- Customized communications may include: postcards, posters, email messages, text messaging campaigns, social posts/content, intranet banner ads, benefits site content, envelope stuffers, product flyers, cost calculator

Printing costs for standard enrollment and communication materials are included in our premium rates. We can accommodate unusual printing requirements or color printing at an additional cost.

The following chart outlines the communication materials The Hartford offers to its customers.

Communication Materials	Description
<i>Enrollment Kit</i>	Bulk shipped to the employee's work location and, for an additional charge, mailed to active employees' and retirees' homes prior to enrollment. The kit includes: <ul style="list-style-type: none"> • Welcome letter • Personalized Enrollment Form • One-page product flyer(s) • Benefit Highlight Sheet • Employee website Insert highlighting the features of our 24/7 online access for employees. • Spanish language versions are available.

Communication Materials	Description
<i>Personalized Enrollment Forms</i>	<p>Available for new voluntary plans and re-enrollments, providing specific information about benefit costs and the value of coverage for each individual.</p> <p>Personalized forms for Supplemental Life, AD&D, STD and LTD, and any combination of these coverages are also available for new hires and changes in life or family status.</p>
<i>Intranet Banner Ads</i>	A Web banner ad for your employee website communicating available product, enrollment period dates and links to online enrollment or MyTomorrow [®] . The ad can be posted at enrollment time and modified throughout the campaign.
<i>Worksite Poster</i>	A four-color poster for company common areas highlighting benefit plans, ease of enrollment and benefits fairs.
Postcard	A customized four-color postcard alerting employees to enrollment event dates, online educational resources and available products.
Flyers, Stuffers and Handouts	These materials can be distributed to employees digitally or as a printed piece, alerting them to important benefits enrollment information and educational resources. Various sizes available.
Email Campaign	Fully designed HTML e-mails sent to employees before or during the enrollment, reminding them of online educational resources, enrollment period dates and how to enroll (a link to online enrollment platform).
Text Messaging	An opt-in text message campaign can span pre-enrollment through the enrollment period to alert employees of important dates, meetings, and information regarding their benefits.
Content for Employer-Sponsored Communications	<p>We can provide content to be included in employer-produced communications. Examples include:</p> <ul style="list-style-type: none"> • Newsletter articles • Social Media • Benefits Intranet Site or Enrollment Site
<i>MyTomorrow - Online Decision Support Tool</i>	A customized and mobile-ready, interactive online resource designed to help employees understand the coverage and why it's an important part of their overall financial wellness. A unique URL for this site is provided for placement on various materials and digital communications.
<i>Cost Calculator</i>	Provides an accurate per-paycheck cost of benefits for employees by taking into account your plan design and their key details, like age, salary, and covered dependents.



Communication Materials	Description
<i>Life & Disability Insurance Needs Calculators</i>	Employees can see how much life and disability insurance they may need based on their lifestyles.
<i>Product Education Videos</i>	Employees want to learn about their benefits in a variety of ways. Engaging humor videos and product chalk talk videos are effective options to help educate employees on their insurance options.

Educational Tools

MyTomorrow[®] is a mobile-ready, interactive decision-support tool that educates employees on their benefits. By answering a few questions about themselves – if they are married, have kids, etc. – MyTomorrow is able to tailor the conversation to an employee’s situation.

By partnering with us on a marketing strategy, MyTomorrow can be communicated through benefit/enrollment communications to help employees learn about their options. It can also be linked or embedded on your benefits site through a unique URL, and accessed securely from home as well as work.

MyTomorrow:

- Provides customized plan information and offers an interactive conversation with virtual benefits coach
- Explains benefits in plain English with a touch of humor
- Educates, makes coverage recommendations, and persuades employees to take action
- Uses game design theory and behavioral economics at its foundation
- Does not require setup or complicated rollout process
- Links to enrollment platform or communications campaign, and can be accessed securely from home or work

The Hartford’s cost calculator is customized with your plan information and rate tables so employees can see an accurate per-paycheck cost for their benefit selections. By simply entering key details like salary, age and dependents, they can view and adjust coverage amounts to see just how affordable their benefits can be.

Our needs calculators are also available to help employees understand how much coverage is right for them. Employees enter information like their age, salary and savings, as well as debts and expenses. The needs calculators can advise and help employees better understand how much coverage will help them be well-protected.

Another engaging resource offered to employees are videos. Our chalk talk videos present high-level product information in an animated and easy-to-understand format. We also offer light-hearted videos, which make the benefits relevant through the use of humor.



Other media options include:

- An online employee portal which provides employees with secure access to start a Disability claim, check claim status and payment history, enroll in direct deposit and update bank information, and more.
- Educational and humorous videos to help employees better understand the need and relevance of the benefits available to them
- Text messaging campaigns are available to raise employee awareness of the enrollment opportunity and the tools available for them to learn more
- Automated text alert functionality is available to customers with Disability and Absence Management claims and Leave events. These capabilities consist of status and payment push alerts (through text or email) as well as a responsive communication via text to confirm employees' return-to-work dates.

Benefit Counselor Team

Our Benefit Counselor team is available to support your onsite enrollment events in locations with at least 200 eligible employees. Our preference is that all onsite events require mandatory employee participation. We are able to provide representatives that can speak Spanish at the meetings.

We currently have a group of over 110 experienced, licensed Benefit Counselors who primarily enroll for The Hartford (but are not exclusive to us). Our ongoing quality measures for training our enrollers are as follows:

- Most counselors have 10 to 30-plus years of experience in the insurance industry
- New recruits attend a three-day class new hire class that covers product and presentation skills and attend ongoing training calls every quarter
- Counselors are audited throughout the year via a performance survey directed toward the customer
- Counselors are paired periodically with The Hartford's Field Enrollment team as a means of mentoring and supporting their efforts

To help maintain the level of high quality, onsite expertise required by The Hartford, we conduct a survey to gather customer feedback at the end of the event. The survey assesses how well The Hartford is being represented by our Benefit Counselors during enrollment events and measures customer satisfaction so that we can:

- Determine whether customer's needs and expectations are being met
- Identify opportunities where we can improve our enroller services

Online Tracking

We use an eligibility data management system to load and track eligibility changes through regular data feeds from the employer. We will partner with the client to meet any additional needs while using our existing capabilities.

For claim tracking capabilities, employees and employers can track claim status and paid claims using our employer and employee websites.



All reports that are available on our employer website can be run for specific policy numbers, loss units, claim types and date ranges. The results can be viewed in PDF or downloaded in Excel for data manipulation.

Also, our online enrollment solution supports year-round enrollments events. As new hires or family status changes occur, the employer simply directs the employee to the web-based online enrollment system where the employee can make changes as permitted by the rules of the employer's plan design. The client may obtain reports throughout the plan year.

Eligibility Management Process

Utilizing The Hartford's Enrollment System

Employees who use our enrollment system can select and confirm their benefits online and receive verification of their enrollment choices in a benefit summary statement. They also receive information on how to complete the EOI process, if needed.

When enrollment is complete:

- Eligibility files are updated
- Elections that require EOI are determined
- Payroll deductions are calculated according to the benefit plan
- Confirmed data is stored in our database

At the end of the enrollment period:

- Our enrollment system synchronizes the information received
- Final EOI decisions initiate the eligibility and payroll deduction calculation process
- The database and payroll files are updated with any new information as EOI decisions continue to be processed
- Once all files are constructed, we transmit eligibility data directly to the client's HRIS/Payroll systems or third party administrator
- At point-of-claim, our claim team accesses the eligibility and beneficiary records to initiate the claim process

Utilizing The Client's Enrollment System

If employees use the client's own enrollment system to enroll in their Hartford benefits, the process is as follows:

- We maintain the client's employee and retiree records based on the ability of the client to provide ongoing change files. These records are used to support individual employee transactions.
- We provide the client with a detailed description of the minimum data requirements for the services requested. While we have a recommended file format, we can accept all common file formats.
- We execute a detailed testing process to ensure adherence to structure and coding elements,



comprehensiveness of the data, and proper functioning of the chosen method of encryption, data transmission and decryption.

- Final production data is uploaded to our system. File processing becomes systematic subsequent to the initial production file. Error reports are produced by the system and sent to the client's team for resolution.
- We monitor incoming files for changes to initiate any administrative services, such as direct employee communications regarding enrollment, EOI, portability and conversion. Approved EOI amounts are automatically added to the client's HRIS/payroll files.
- At point-of-claim, our claim team accesses the eligibility and beneficiary records to initiate the claim process.

Enrollment Reports

In addition to the standard reports listed below, the BenSelect platform can customize or build reports. Customer requests can utilize any category that is captured within the system.

Enrollment Status Follow-up Report:

- Summarizes the enrollment status
- Provides a contact list for employees in various stages of enrollment
- Computes totals and percentages by enrollment status
- Provides detail tabs for each enrollment status

Generic Payroll Report:

- Shows deductions effective for the pay date within the reporting period
- You may run this report as a full file (to get all payroll deductions) or a change file (to get only those deductions that are changing on the pay date)

Generic Payer Report:

- Provides a summary of benefit coverages in each selected plan by enrolled employees and enrolled individuals (including all covered dependents)

Open Enrollment Summary:

- New Volume/Premium
- Renewal Volume/Premium
- Drops Volume/Premium
- Total Volume/Premium

Open Enrollment Status Report:

- Lists employee data and their current Enrollment Status (not begun, incomplete, complete)



Employee Notes:

- Summarizes notes taken for each employee, including:
- Admin user name
- Date taken
- Note text

Voluntary Sales:

- Summarizes enrollment activity within the specified time period for voluntary products (those products not marked as core benefits in the case setup)

Enrollment Report:

- Shows overall employee benefit enrollment, including:
- Details about current and prior benefits
- Employees with benefits

Self-Bill:

- Monthly bill spreadsheets for self-billed plans with separate worksheets for Monthly Billing and Details
- Age-banded plans are tallied up separately for each age band

RFI # 2019-224

Twin State Voluntary Family and Medical Leave Insurance Plan



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Cost Estimate

8.1: COST ESTIMATE TABLE

Item	General Requirements Description	Cost
1	Premium cost estimate	.8-1.2% of total state payroll
2	We look forward to discussing with you the additional cost of the program.	
3		
4		
5		

Twin State Voluntary Family and Medical Leave Insurance Plan



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NH-VT RFI Rate Range and Guidelines

For the State employees' rate, our estimate of the benefit payments proposed ranges from .8-1.2% of total state payroll. This is based on a 60% benefit to the max covered salary of SS wage max, a 12 week duration, is based on our interpretation of the RFI and is subject to change.

This estimate is based on insurers' experience underwriting short-term disability insurance, which covers a person's own health condition, and industry experience underwriting paid family leave in the state of New York. The range also leveraged costs of other state and private programs.

We would encourage the State to ensure there is proper risk management of the plan to lessen the potential for fraud as well as ensure solvency of the plan. Those guiding principles are:

Principles	Examples	Why?
Provide Employers and Carriers with a Policy Template	<ul style="list-style-type: none"> New Jersey provides a packet which includes a template for Employers to file a private plan 	<ul style="list-style-type: none"> Streamlines the review and approval process for the State and Employers
Separate Medical Leave (Disability) and Family Leave	<ul style="list-style-type: none"> New Jersey allows employers to split coverage Example: Employer receives coverage for medical leave (disability) from a private carrier, but receives paid family leave from the State. 	<ul style="list-style-type: none"> Most employers already provide Short Term Disability thru a private carrier, satisfying the statutory requirements separately lessens the burden on the Employer and the state administration, because the maximum duration of time allowed can be calculated by each without coordination. Lessens administrative expenses and lowers cost of the program
Allow for Underwriting the risk	<ul style="list-style-type: none"> New Jersey allows the private market to Underwrite the business based on risk and expenses However, the employee contribution can not be greater than what the State's deduction is 	<ul style="list-style-type: none"> Ensures the program is solvent Limits the employee's financial burden to be equal to or less than the State's plan Among private industry workers in 2017 with short-term disability plans, 84% of the plans did not require an employee contribution.
Ensure all terms are clearly defined	<ul style="list-style-type: none"> Serious health condition/Disability/Medical Leave Family member 	<ul style="list-style-type: none"> Avoids unexpected claims; disputes with customers and creates clear expectations for employees
Ensure an incentive to return to work	<ul style="list-style-type: none"> Limit time of benefit (e.g., 12 weeks) Limit income replacement rate (e.g., 60%) 	<ul style="list-style-type: none"> Providing an incentive to return to work helps control costs and limit abuse of the program.
Avoid vague provisions	<ul style="list-style-type: none"> Be very specific about who can be cared for under family leave (e.g., clarify specifically who counts as "related by blood") 	<ul style="list-style-type: none"> Vague provisions are easily abused. They can also be very difficult to administer and result in customer complaints and lawsuits.
Limit complexity of tracking	<ul style="list-style-type: none"> Limit payments and use of time to full-day increments 	Tracking and suppressing payroll for small amounts of time is very burdensome for both employers and the administrator

Benchmark against existing programs	<ul style="list-style-type: none"> • Test cost projections for reasonability through comparisons to programs in other states 	Ensure financial stability of program
Make language consistent with existing law	<ul style="list-style-type: none"> • Use "eligible employee" definition from Federal FMLA rather than creating a new one 	Makes administration significantly easier, especially for employers who must deal with dozens of different laws

For the Voluntary portion of the proposed plan, rates are highly dependent on participation levels. The Hartford has some guiding principles and guidelines and we would work with the State on developing the appropriate rate structure.

Principles	Examples	Why?
Rates based on participation	<ul style="list-style-type: none"> • 50% or more participation – stepped rates strongly preferred. Example of age banded rates structure below. • Less than 50% participation – stepped rates. Example of age banded rates structure. 	<ul style="list-style-type: none"> • Allows to properly price a group based on demographics. Ensures financial stability of program & keeps overall rate levels lower.
	<p style="text-align: center;">Age Bands</p> <p style="text-align: center;"><25</p> <p style="text-align: center;">25-29</p> <p style="text-align: center;">30-34</p> <p style="text-align: center;">35-39</p> <p style="text-align: center;">40-44</p> <p style="text-align: center;">45-49</p> <p style="text-align: center;">50-54</p> <p style="text-align: center;">55-59</p> <p style="text-align: center;">60-64</p> <p style="text-align: center;">>64</p>	
Minimum Participation Requirement	<ul style="list-style-type: none"> • Ex. 15% minimum participation 	<ul style="list-style-type: none"> • Large enough pool of a group to limit risk
Separate the durations for Paid Family Leave and Paid Medical Leave	<ul style="list-style-type: none"> • i.e. 6 weeks for Paid Family and 6 week for Paid Medical, no shared duration 	<ul style="list-style-type: none"> • Easier to underwrite, administer and track when durations are separate
Pre-existing Limitation	<ul style="list-style-type: none"> • Pre-existing condition is an illness or injury for which you received treatment within the 3-6 months prior to your effective date of coverage. Disabilities that occur during the first 12 months of 	<ul style="list-style-type: none"> • Ensures financial stability of the program • Ensures that not just employees that need coverage immediately are purchasing coverage
Strong Enrollment/Marketing Plan	<ul style="list-style-type: none"> • Use of personalized paper or online HIG forms • Marketing strategy that includes 2-3 touch points with EEs such as: <ul style="list-style-type: none"> • Email communications • Meetings – benefit fair or optional group meetings • Posters • Intranet communications 	<ul style="list-style-type: none"> • When there is a strong communication plan in place, we see higher participation levels



The Standard Response to RFI# 2019-224 Family and Medical Leave Insurance

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Vendor Information

Taking care of people and helping our customers achieve their business goals has always been a top priority for Standard Insurance Company (The Standard). We've created responses and recommendations for the Twin State Voluntary Family and Medical Leave Insurance Plan ("The Plan") that will demonstrate how our people go the extra mile to deliver world-class service through our group disability and absence management product offerings.

The Standard focuses on helping clients balance the needs of their covered population and their bottom line. Our holistic approach to benefits helps employees be more productive and engaged at work. We also deliver positive claims experiences without creating an administrative burden to your program. Founded in Portland, Oregon in 1906, The Standard is a nationally recognized provider of Group Disability, Statutory Disability, Life, Dental, Vision, Critical Illness, Accident, Hospital Indemnity and Absence Management. We provide insurance to more than 25,800 groups covering over 7 million employees nationwide. We always strive to do what's right – for our policyholders and their employees. This dedication has resulted in a national reputation for quality products, superior service and industry expertise.

Our Public Administration Expertise

The Standard has more than 60 years of experience in meeting the needs of public employer groups. Our first group policy, written in 1951 and still in force today, stands as a testament to our commitment to building long-term relationships.

At The Standard, we recognize that public employers have unique requirements for their employee benefits plans. **We currently provide 342 disability policies to cover workers in New Hampshire and Vermont.** Our current book of public business and our expertise with providing disability insurance coverage is shown in the call-out box. To develop the best solutions for our public clients, we ask the right questions about factors involved in understanding these needs:

- Contractual provisions
- Administrative requirements
- Reporting needs
- Integration with other benefits and programs
- Funding requirements
- Budget concerns

We provide consultative guidance through our process. This ensures we develop the right solutions to meet or exceed the expectations and needs of each client.

Group Disability Income and Absence Management Expertise

We understand that New Hampshire and Vermont are trying to find a wage replacement solution for their employees out for leave reasons covered under the Federal and Medical Leave Act (FMLA). We also

Our Public Expertise

42% of our overall business

- 4,863 public customers
- 2,658 public Disability Customers
- \$992 million overall premium
- \$490 million Disability premium

*As of June 30, 2018, based on internal data developed by Standard Insurance Company.

recognize that over 90% of the businesses in these states employ less than 50 employees and may not be subject to the FMLA or be able to support a wage replacement program for these leave reasons. The Standard's expertise and approach to Absence Management can be leveraged to provide a uniquely tailored solution for the Twin State Voluntary Leave Plan.

At The Standard, Group Disability insurance isn't an add-on – it's our primary business. Our knowledge and experience encompass the full spectrum of disability – from underwriting, plan design and claims handling to worksite and job analysis and rehabilitation. That means you will have distinct advantages that work harder to support your employees and your goals.

The Standard has been providing Absence Management services since 2009 to help our clients manage the day-to-day administration of planned and unplanned employee absences and ensure compliance with Federal and State leave regulations. Our Absence Management solution utilizes an in-house platform on which we can integrate the intake, management and reporting of disability, family and medical leave and other types of leave.

We continually evolve our products to take advantage of technology advances and offer new capabilities. We migrated to a state-of-the-art, cloud-based, integrated Absence Management platform. This allows us to further enhance client services. Our services include but are not limited to:

- Leave administration services which integrate management of employer-specific leaves as well as federal and state-specific leaves in all 50 states and Puerto Rico
- A single point of intake for all types of leave, including reporting time out for one's own condition
- Communication capabilities to both employees and employer contacts
- Customized phone numbers, intake scripts and correspondence
- Customized reporting
- Established workflow process for employee and physician correspondence

Our platform makes it even easier for employees to work with our integrated absence case managers. Employees will be able to:

- View claim and leave status in real time via our online portal
- View updated leave balances and forecast leave entitlement for future dates
- View notifications about missing or incomplete information

While several states have previously passed Paid Family Leave or Paid Family and Medical Leave programs, only two that are currently in effect allow for private carrier coverage to be provided – New York and California. New Jersey historically has allowed private carrier involvement for their statutory disability offering, but the Paid Family Leave has been run through the state plan. Rhode Island's program remains fully state administered only, for both disability and paid family leave programs. Washington D.C. appears to be following the Rhode Island model which will not allow for private carrier involvement. While Washington and Massachusetts are both working on implementation of combined Paid Family and Medical Leave programs allowing for private carrier involvement, which provide paid time off for the same reasons proposed under The Plan, these programs are not yet in effect and carriers will not have experience with the rollouts to provide guidance from this style program.

Cost Estimates

The Standard considers our actuarial assumptions, rating process and specific pricing details to be proprietary information which we are unable to provide at this time through the public RFI process. We would appreciate the opportunity to further consult with the appropriate parties of the proposed plan to form an appropriate rate for the agreed upon risk if we move forward in the process. We agree conceptually that leveraging the economies of scale of the state employment base may allow for a more competitively priced plan for New Hampshire and Vermont Markets.

Business and Technical Requirements

Plan Design Comments and Recommendations

The Standard applauds New Hampshire and Vermont on the approach to utilize the expertise of private insurance carriers for guidance and implementation of their plan. Additionally, it appears there is a desire to provide workers with valuable benefits that promote a healthy work-life balance while also keeping the plan design simple and competitively priced.

Existing Short Term Disability Offerings

The Standard recommends that whenever possible, the states should allow for existing approved Short Term Disability policies to satisfy the employee medical leave requirement of the program. Many employers are offering short term disability programs to their employees, and there is a well-established process for private insurance plans provide to this protection. Plans are reviewed and approved by both state departments of insurance and conform to the appropriate statutory regulations. It may make sense for New Hampshire and Vermont to mandate that employers situated in the two states provide an offering to their employees if they do not already in order to ensure the healthy work-life balance options for all workers.

Qualified Leave Reasons

The Standard supports the program's approach to align the qualifying leave reasons to those already outlined under the FMLA as this will allow for the best alignment between both programs. We also recommend the state honors the same covered family relationships as provided under the FMLA for the same reason. Allowing for additional leave reasons or expanding the family relationships one may take leave for will have pricing implications due to increased leave incidence. The Standard agrees with the requirement that paid leaves for an employee's own medical condition include a requirement of inability to work. This is an important step in balancing a meaningful benefit with an appropriate cost control mechanism.

Eligibility

It makes sense to The Standard to align to the FMLA in requiring 12 months of tenure to be eligible for the program. We also suggest considering an hours worked requirement for benefit eligibility as the FMLA provides (1,250 hours over previous 12 months). This again allows for the most direct alignment between the states and federal program and keeps things simple for the employers already well-versed in FMLA requirements. If the FMLA threshold is deemed excessive, in order to address adverse selection issues, we recommend that eligibility include an hours-worked requirement (average of at least 15-20 hours per week over the 12-month period) to qualify.

It appears the program would require portability of coverage when an employee changes employment from one covered employer to another. To address undue employer reporting burdens, The Standard recommends partnership with the states to ensure reporting of hours worked aligns correctly with any other state programs which may require a similar report (for other states, unemployment departments may house this information). If possible, additional hours reporting should not be instituted if employers are already reporting this information for other programs. The Standard could work with The Plan to determine the best way to access and update this data with the states as appropriate.

Benefit Amount and Duration

The Standard agrees that the proposed six-week annual paid leave duration maximum provides a meaningful level of coverage for qualifying leave reasons and promotes the healthy work-life balance both states are trying to achieve for their workers. This duration also leaves space for interested employers to enrich their employee benefit offerings through the private market.

The proposed 60% wage replacement is a reasonable and simple approach for the payment of this program. Keeping the benefit calculation simple and easy-to-understand will help the workers and employers of the states. If there is a desire to provide a higher income replacement for lower paid workers, The Standard recommends simple tiered approach. For example, workers receiving under \$50,752 per

year would receive 80% wage replacement while workers receiving over \$50,752 per year would receive 60% wage replacement (\$50,752 is simply a representative number based on combined state average weekly wage numbers for VT and NH per the bureau of labor statistics). If wage replacement numbers rise too high, this will have a more significant impact to the overall cost of the program, and will may encourage employees to stay out of work for a longer period.

The Standard recommends that there be a low threshold of minimum duration of leave required. Issuing benefit payments for an hour or two on a partial day worked is significantly more administratively cumbersome. The Standard recommends a minimum increment of one day. A “day of leave” may be defined as whatever a typical number of hours worked for an individual may be.

We also recommend that the program consider instituting a short waiting period before someone receives payment for being out due to their own medical condition – our recommendation is 7 calendar days. Other leave types may not require a waiting period, but it is common practice in the marketplace that someone have a number of days they are unable to work before receiving benefit payments. This also aligns to other state paid family and medical leave programs.

Other Plan Details for State Employees

Premium Collection and Payment

The Standard recommends that premium collection for state employees be managed by a small group run by each state. This would ensure consistency across all state agencies for both New Hampshire and Vermont and would allow for a more streamlined billing process. This would not require significant staffing but would ensure all appropriate individuals are paid for by the states and simplify billing. We also recommend a single point of contact for billing administration for the program.

Proposed Timeline

The Standard believes that 7/1/2020 is too aggressive a date for implementation of this program even with limited plan design complexity. We recommend 1/1/2021 or 7/1/2021 implementation instead. There is significant coordination required for both states to participate and defining the program regulations and obtaining approval of regulations will take a significant amount of time. Even though there are existing software options for insurance carriers to leverage, there may still be significant development work needed depending on the final program details. If benefits were only provided to state employees of one state (no private employers and no joint state) this timeline may be more reasonable – however, still may be too aggressive with RFP requirements and full bidding process.

Private Employers Opting-In to Program

Contracting

We recommend that each employer should be allowed to purchase their own contract and that purchasing employers would perform their own billing administration for their individual contract. This structure would allow for employers with already existing short term disability contracts which meet or exceed statutory requirements to only purchase the additional paid family leave coverage. In addition, it would allow each employer to manage the payment for the offering they purchase – instead of the state or a more general fund approach.

The program may consider implementing the practice of only allowing policies to take effect on a specific anniversary date (for example 1/1 or 7/1 of any given year). This would allow for alignment to what is offered to state employees and minimize complexity of updates to contracts if any program details change in the future.

Contributory Plans

It is The Standard’s opinion that employers offering contributory plans should have 50% minimum

participation. It is our experience that if an employer does not sufficiently communicate the value of a program like this, participation will be low. In addition, if the employees are required to take steps to enroll, this may impact participation. Another approach may be to require an auto-enrollment of the Family Medical Leave Insurance and allow for employees to opt-out of coverage. In our experience this will keep the bulk of employees still in The Plan and accomplish the appropriate spread of risk.

Out of State Employees of New Hampshire and Vermont employers

The Standard recommends that the work state would dictate an employee's eligibility for Family Medical Leave Insurance and that this coverage would not be extended when an employee is working remotely for an employer that operates in New Hampshire or Vermont.

Recommended Timeline

We recommend that the program consider delaying for private employer options to begin at least one year after the state employee program becomes effective. This will allow for the joint program to be operational for a period of time before adding additional workers into the program. For example, if the state employee program is effective 7/1/2021, private employers could elect to participate effective 7/1/2022.

Individuals Opting-In

The Standard recommends mandating that employers provide a Family Medical Leave Insurance offering as of a certain date – allowing for a reasonable amount of time before this is required and allowing existing short term disability plans to satisfy the employee medical leave requirement. This would best allow for the “group insurance” approach to be maintained and remove many of the obstacles required to provide service to individuals – such as direct individual billing. Direct individual billing is a significant hurdle for The Standard, and we believe it would be for many others when the rest of this program would likely be built and operated on a group chassis.

If this broad private employer mandate is unacceptable, a single insurer formed trust which can be experience rated may be an alternative. This option allows individuals to access coverage at group insurance rates.

Sole Proprietors

The Standard supports inclusion of sole proprietors in The Plan. We recommend that they be considered private employers allowed to opt-in.

Our Commitment to the Twin State Voluntary Family and Medical Leave Insurance Plan

The Standard hopes to be considered in the formal request for proposal process for The Plan. We are committed to continually raising the bar — going above and beyond to help both New Hampshire and Vermont achieve their goals.

Thank you for considering The Standard to provide insurance benefits to your employees. We appreciate the opportunity to provide a response to this request for information and look forward to speaking with you further.