

## **MEMORANDUM**

To: Roni Harper, Manager of Optional Plans, ETF

From: Fringe Benefit Advisory Committee

Re: Recommendation Regarding AFLAC Proposal

Date: April 12, 2013

The Fringe Benefit Committee (FBC) met on April 4, 2013 to discuss the March 26, 2013 AFLAC presentation. AFLAC has submitted proposals to the Group Insurance Board to offer two plans in 2014: an Accident Only Plan and a Critical Illness Plan. We appreciate the opportunity to meet with the AFLAC representatives and provide feedback to ETF from an employer perspective.

The level of interest in the plans varied significantly between agencies. One agency, Department of Corrections, is very enthusiastic about the Accident plan and feels that many of its employees would like enroll in this plan. Other agencies expressed concerns that generally focused on the payroll and benefits staffs' role in the administration of the plan and the significant challenges in educating employees about the plans.

The FBC concluded that it does support the offering of the AFLAC plans provided the following can be achieved. Ideally, these issues should be resolved by mid-May so that the FBC can provide ETF with a final recommendation for the GIB's May 21<sup>st</sup> meeting.

1. Enrollment into the plan will be handled via AFLAC's enrollment system.
2. AFLAC will bill the appropriate payroll offices with the monthly premium due and provide the invoices and census requested by each payroll system (DOA, UWS, UWHC, Legislature, Courts).
3. AFLAC will meet with the appropriate staff of each payroll office by mid-May to determine the ability to interface and ensure the ability to resolve any issues.
4. Limit the Critical Illness coverage levels to \$5,000, \$10,000, and \$20,000. This will eliminate the need for evidence of insurability for employees enrolling when initially eligible.
5. Limit the Accident Only coverage to the 24-hour low option.
6. AFLAC presents the plans to the State Payroll Council on May 14, 2013 so that we can gauge the interest of all agencies in offering these plans, not just the agencies represented on the FBC.
7. AFLAC will provide employer training on the products. For example, they could do presentations at State Payroll Council and the ETF Kick-Off meeting. Perhaps video training is a viable option.

8. AFLAC will provide on-site education annually at each agency (can coincide with open enrollment) and provide educational materials, including videos, for small offices that they cannot visit personally and for new employees.
9. The AFLAC plans will use the same definitions as are in Uniform Benefits, such as the definitions of eligible employee, dependent, and domestic partner.
10. There will be one set of rates for all participating agencies (including UWS and UWHC), both now and in the future.
11. Details are worked out for billing of employees on leaves of absence.
12. If an employee has a break in service of less than 30 days, they are allowed to re-enroll at the same premium level.

Thank you for including the FBC in this process. If you have any questions, please contact Beth Ritchie or Linda Hagberg.