

**Item Title:** Multi-Year Contract for Employee Life, Disability, and Voluntary Benefits and Leave Administration Services

**Specific Action Requested:**

**That the Board of Commissioners authorizes the County Manager to negotiate and execute a multi-year contract with Unum to provide: (1) group term life, accidental death and dismemberment, disability, accident, critical illness, and hospital indemnity insurance offerings to employees, and (2) employee leave and disability administration services, subject to the terms and conditions acceptable to the County Attorney.**

**Item Summary:**

**Purpose:** In Accordance with North Carolina State Statute, the Board of Commissioners shall approve all County multi-year contracts.

**Background:** Wake County currently offers a comprehensive benefits package designed to support our employees' health, wellbeing, and financial security. The benefit package includes basic life, supplemental life, basic accidental death and dismemberment (AD&D), supplemental AD&D, long-term disability (LTD), short-term disability (STD), and accident, critical illness, and hospital indemnity insurance to employees through Aflac. Aflac also currently administers federally required Family Medical (FMLA) and Military leaves, as well as County-paid parental and family illness leaves, on behalf of the County.

Staff conducted a request for proposal process to review options for these benefits and services. After review of proposals, staff recommend Unum to provide group life, accidental death and dismemberment (AD&D), long-term disability (LTD), short-term disability (STD), accident, critical illness, and hospital indemnity insurance, and leave and disability administration services. The contract term begins on January 1, 2026. The initial term will be for three years.

**Strategic Plan:** This action supports Foundations of Service Goal 2: Increase overall employee satisfaction to 90% by 2029.

**Fiscal Impact:** Estimated total County costs for the three-year term for basic life AD&D insurances, long-term disability, and leave and disability administration is \$1,250,000. Administrative and County-paid service costs for the first year of the contract are included in the FY2026 budget. Future costs will be included in subsequent budgets.

### **Additional Information:**

Wake County is committed to providing a comprehensive benefits package that supports the health, financial security, and overall well-being of its employees. These programs include both employer-paid and voluntary coverage options designed to offer protection in the event of illness, injury, or other life events. In addition, the County utilizes administrative support to help navigate employee medical leave and disability accommodation in accordance with applicable laws and internal County policies. Key components of these offerings include:

- **Life and Disability**

Wake County provides, at no cost to the employee, basic life and AD&D insurance for all benefit-eligible employees and long-term disability insurance coverage for all benefit-eligible employees who have between one and five years of service with Wake County. Employees may elect to purchase additional life and AD&D insurance coverage and short-term disability.

- **Accident, Critical Illness, Hospital Indemnity**

Accident, Critical Illness, and Hospital Indemnity insurance are voluntary benefits that employees may purchase that provide a lump sum payment upon experiencing a qualifying accident, illness, or hospital admission.

- **Leave and Disability Administration Services**

Leave and Disability Administration Services support employees and employers by managing and coordinating job-protected leave, County-paid leave benefits, disability benefits, and workplace accommodations in compliance with Wake County policies and applicable regulations including the Family and Medical Leave Act (FMLA), Americans with Disabilities Act, Pregnancy Discrimination Act, Pregnant Workers Fairness Act, and state-specific leave laws.

### **Request for Proposal Process**

Staff issued a request for proposals for leave and disability administration services and group life, disability, accident, critical illness, and hospital indemnity insurance benefits. Vendors had the opportunity to propose any combination of these benefits and services. Proposals were received from the following vendors:

<b>Vendor Name</b>	<b>Life &amp; Disability</b>	<b>Accident, Critical Illness, Hospital Indemnity</b>	<b>Leave &amp; Disability Administration</b>
Aetna		X	
American Fidelity		X	
Colonial	X	X	
Equitable	X	X	
MetLife	X	X	X
Securian	X	X	
The Standard	X	X	X
Unum	X	X	X

Human Resources staff and members of the Employee Benefits Committee reviewed the proposals. Proposals were evaluated on a multitude of factors, including background, strength and experience, customer service and communications, employer services and support, technology, cost proposal, and rate guarantee.

After review, it was determined that using one vendor to administer leave and disability programs and these group insurance benefits creates a more efficient, coordinated, and employee-friendly process. When these services are managed separately, employees and managers often face overlapping paperwork, conflicting timelines, and inconsistent communication.

MetLife and Unum were selected as finalists for further discussion of the proposed benefits and services. Each provided a demonstration of their online leave and disability platform followed by Human Resources staff checking their respective client references.

Unum is recommended to provide life and disability insurance and leave administration services. Unum offers fully integrated leave and disability management services, enhanced claims administration technology with real-time reporting and analytics, a proactive customer service model with customizable communications, and an online leave and disability platform for employees and managers who are navigating a leave of absence. Unum also offers an enhanced short-term disability plan providing a weekly benefit of 60 percent of weekly wage. Unum offers a three-year rate guarantee and will provide a one-time credit of \$173,000 to assist with implementation costs. Additionally, client references provided positive feedback regarding their experience with Unum.

The contract term begins on January 1, 2026. The term will be for three years.

**Attachments:**

None.