

Item Title: Selection of Aflac to Administer Additional Voluntary Benefits

Specific Action Requested:

That the Board of Commissioners authorizes the County Manager to enter into a three-year agreement with Aflac for the administration of voluntary County benefits to include Critical Illness Insurance, Hospital Indemnity Insurance and Accident Coverage Insurance, subject to terms and conditions acceptable to the County Attorney.

Item Summary:

The County recently issued Request for Proposals (RFPs) for vendors to administer certain voluntary benefit programs, specifically Critical Illness, Hospital Indemnity and Accident Coverage. A summary of the process and related recommendation is summarized below.

Wake County has not offered previously Critical Illness, Hospital Indemnity or Accident Coverage. The majority of our peers have offered these programs for some time. In order to keep our benefit packages competitive, the County issues a Request for Proposal (RFP) for such benefits to determine how these programs might enhance our benefit offerings and if they were a value add to employees.

The County received nine proposals for the administration of the requested voluntary benefits: Aflac, Allstate, Cigna, Colonial, Guardian, MetLife, Transamerica, Unum and Voya. Responses were evaluated as to: client support to include employee and employer support along with online access for employees; communications and Enrollment Support to include customizable and ongoing communication, enrollment involvement and flexibility in enrollment methods; plan provisions to include plan offerings, rates, plan design flexibility and wellness payments; and vendor credentials based on experience and marketplace reputation. Four vendors, Aflac, Allstate, Colonial and Unum were selected for on-site interviews and further discussion of the benefit offerings.

Recommendation:

Based upon the RFP analysis, the County realized that the integration of the voluntary benefits with our existing plans would be beneficial for employees. More specifically, those who may suffer from a critical illness or may be genetically prone to a specific critical illness may benefit from the Critical Illness Plan. Those who may be hospitalized for any reason may benefit from Hospital Indemnity Coverage. And those employees, or their family members, that experience accidents may benefit from accident coverage, if admitted for an accident.

Aflac is the recommended as the vendor. Aflac was selected due to the organization's strong service model and the company's commitment to providing excellent customer service for employees and the administrators. Aflac will provide Benefit Counselors to our organization for one-on-one employee meetings to help employees understand the County's full complement of benefit offerings and how these voluntary benefits may or

may not be beneficial for them with regards to their deductible and out-of-pocket expenses. These Benefit Counselors will be available annually for Open Enrollment and monthly as a resource for new hires. Aflac will also customize marketing materials to assist the County in communicating the various options available to employees.

Furthermore, Aflac provides a rich coverage where each product was supplemented by a comprehensive plan design; a waived 12 month waiting period; few limits/restrictions on recurring conditions or accidents, guaranteed rates for three years and a wellness payment, ranging from \$50 - \$100 per adult per plan. Because the plans are voluntary, there is no cost to the County for providing such benefit options.

Plan Rates:

The recommended rates for each of the plans are below:

Critical Illness Proposed Semi-Monthly Rates

Employee					
	NONTOBACCO			TOBACCO	
	Low - \$10k	High - \$20K		Low - \$10k	High - \$20K
18-29	\$4.65	\$7.77		\$5.95	\$10.35
30-39	\$6.17	\$10.80		\$9.12	\$16.66
40-49	\$11.06	\$20.41		\$17.54	\$33.16
50-59	\$19.14	\$36.00		\$31.83	\$60.58
60+	\$33.89	\$64.67		\$57.08	\$109.46
Spouse					
	NONTOBACCO			TOBACCO	
	Low - \$5k	High - \$10k		Low - \$5k	High - \$10k
18-29	\$2.94	\$4.35		\$3.60	\$5.65
30-39	\$3.70	\$5.87		\$5.20	\$8.82
40-49	\$6.24	\$10.76		\$9.59	\$17.24
50-59	\$10.57	\$18.84		\$17.30	\$31.52
60+	\$18.35	\$33.59		\$30.74	\$56.78

Hospital Indemnity Proposed Semi-Monthly Rates

	Rate
Employee	\$8.63
Employee Spouse	\$17.36
Employee Child(ren)	\$13.74
Employee Family	\$22.47

Accident Proposed Semi-Monthly Rates

	Rate
Employee	\$5.70
Employee Spouse	\$10.42
Employee Child(ren)	\$12.89
Employee Family	\$17.61

The plan design for each benefit plan is provided in Attachments 2, 3 and 4.

Attachments:

1. Summary – Voluntary Benefits Scorecards
2. Summary – Recommended Critical Illness Plan & Rates
3. Summary – Recommended Hospital Indemnity Plan & Rates
4. Summary – Recommended Accident Coverage Plan & Rates