



County of San Mateo

Inter-Departmental Correspondence

Department: HUMAN RESOURCES

File #: 18-828

Board Meeting Date: 9/4/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Rocio Kiryczun, Human Resources Director
Lisa Okada, Benefits Manager

Subject: Agreement with AlliantCHOICE Plus for Voluntary Benefits

RECOMMENDATION:

Adopt a resolution:

- A) Accepting the recommendation to select AlliantCHOICE Plus as the platform from which the County can offer voluntary benefits to its employees; and
- B) Authorizing the Human Resources Director or the Director's designee to negotiate and execute a service agreement with Alliant Insurance Services, Inc. for up to a five-year period; and
- C) Authorizing the Human Resources Director or the Director's designee to negotiate policies with Unum, AFLAC, and other insurance providers whose products have been selected for offering through AlliantCHOICE Plus.

BACKGROUND:

The County of San Mateo offers a competitive employee benefits program as part of its efforts to attract and retain talented employees who will best serve County residents. The program includes a number of "core" benefits-the most common benefits to which both the County and the employees make contributions. Core benefits include medical insurance, dental insurance, life insurance, and the employee assistance program.

A best-practice strategy for enhancing the attractiveness of the benefits program at no cost to the County is to offer a suite of voluntary benefits. Voluntary benefits are employee-paid benefits that supplement the core benefits to minimize financial risk in other parts of employees' lives. Examples of voluntary benefits include Accident Insurance; Critical Illness Insurance; Hospital Indemnity Insurance; Supplemental Life Insurance; Identification Theft Insurance; Pet Insurance; Legal Insurance; and Group Auto/Home Insurance.

The County's labor-management Benefits Committee designated a selection committee and partnered with the Human Resources Department and the County's employee benefits broker, Alliant Insurance Consulting, to conduct a request for proposals (RFP) for a voluntary benefits provider.

DISCUSSION:

The RFP selection committee directed the County's benefits broker to solicit proposals from insurance carriers that could meet the County's needs. The broker presented proposals from Unum, Met Life, Colonial, and AlliantCHOICE Plus (AC+). In the end, the selection committee chose AC+, which offered favorable pricing plus the significantly greater capacity to expand future voluntary benefit options. Within the AC+ platform, the selection committee identified the following products that will be offered to County employees during the 2019 Open Enrollment period:

- Unum Accident Insurance: provides a benefit for triggers commonly associated with an accident such as ER visits, X-rays, fractures, ambulance rides, and doctor visits
- AFLAC Critical Illness Insurance: pays a lump sum benefit upon diagnosis of a critical illness to use the money however you need it
- AFLAC Hospital Indemnity Insurance: plans typically pay a benefit for hospital admissions, daily hospital stays, daily ICU stays, and rehabilitation unit stays

It is recommended that the Board delegate authority to negotiate and execute the agreements to the Human Resources Director due to the complexity of options in the product designs of the voluntary benefits and platform through AC+. In 2019, Human Resources will roll out the first three products from Unum and AFLAC and will continue to launch additional voluntary benefit products over the next three to five years. Not all the products will be provided from Unum and AFLAC so it is important to designate Alliant as the County's broker of record for these services and allow the Benefits Committee to add additional products and designate the Human Resources Director to sign the policies for each product.

Upon approval by the Board of Supervisors, the Human Resources Department will negotiate and finalize the Unum and AFLAC product designs, the Unum and AFLAC policies, and then the service agreement with AC+. Announcements, education, and enrollments related to voluntary benefits will be incorporated into the County's annual Open Enrollment period, October 9, 2018 through November 9, 2018.

County Counsel has reviewed and approved the resolution as to form, and will approve all other agreements before execution.

Approval for this amendment contributes to Shared Vision 2025 outcome of Collaborative Community by developing and fostering partnerships that promote regional solutions to enhance organizational efficiencies and effectiveness.

PERFORMANCE MEASURE:

	2019 Estimate	2020 Estimate	2021 Estimate
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Percentage of eligible employees who complete the enrollment process for the AC+ Portal and Offering Package, regardless of whether the employees elect or waive all offered coverages.	80%	80%	80%
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FISCAL IMPACT:

Voluntary benefits will be fully paid by participating employees. There will be no cost to the County.