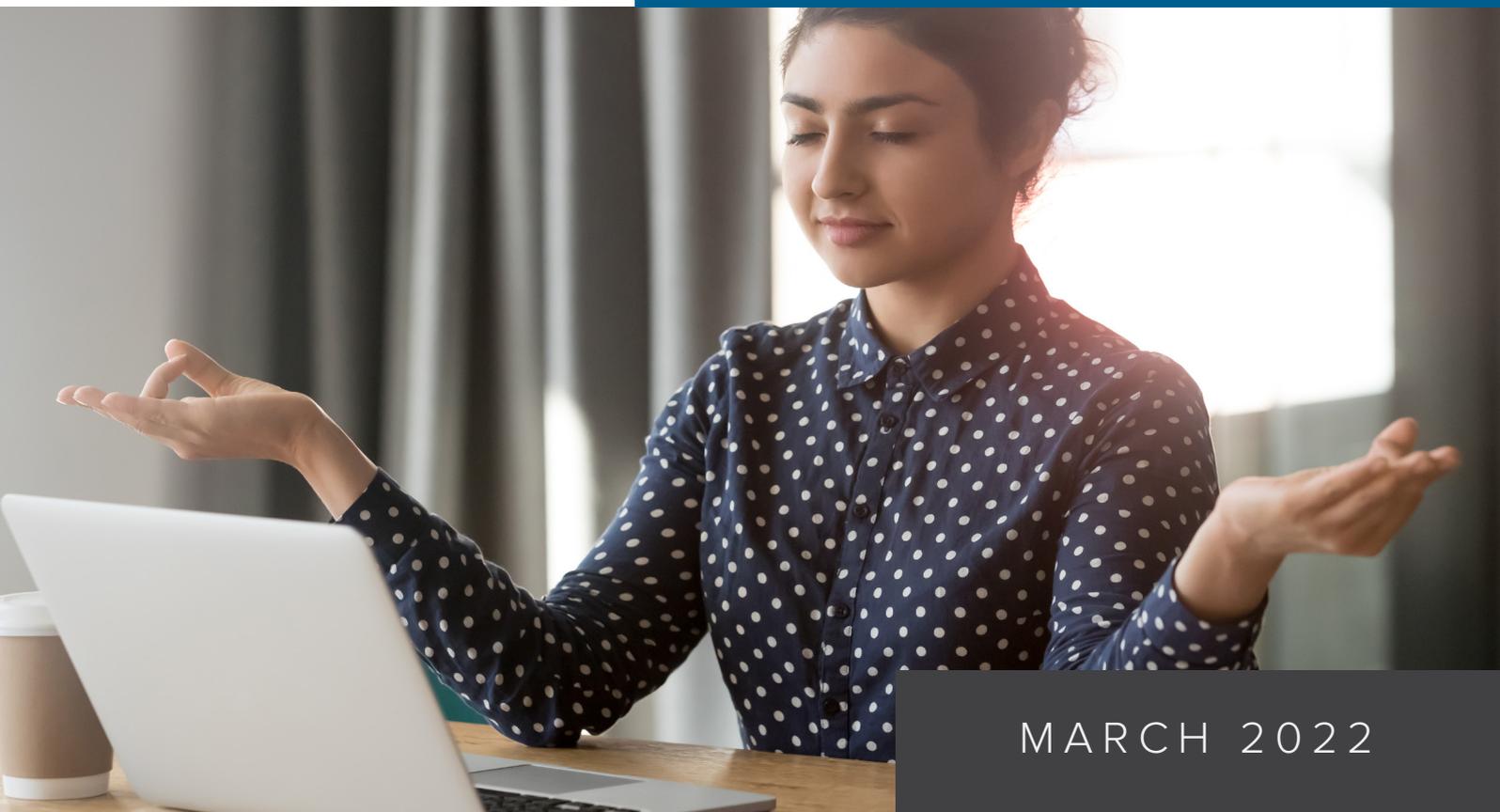




PLADS

LEGISLATIVE ADVISORY

REGULATORY UPDATES FROM
AFLAC'S PREMIER LIFE, ABSENCE AND
DISABILITY SOLUTIONS DIVISION



MARCH 2022

We are pleased to share the March 2022 **PLADS Legislative Advisory**, information related to paid and unpaid leave legislation as well as other regulatory updates.

This month's edition highlights Aflac's partnership with NeuroFlow to enhance our Group long-term disability offering, Oregon's and Colorado's paid leave webinar and the latest on Delaware's and Washington state's paid family and medical leave legislation.

TOP NEWS INSIDE

- [Mental wellness and resilience.](#)
- [Oregon and Colorado paid leave webinar replay.](#)
- [State paid leave legislation: Delaware and Washington.](#)

MENTAL WELLNESS AND RESILIENCE

To help address the rise of mental health and emotional well-being challenges, Aflac has entered a strategic relationship with NeuroFlow to enhance our group long-term disability offering with an innovative mental health solution. Designed to help individuals screen and monitor existing and undetected behavioral health conditions, NeuroFlow empowers employees through self-service resources that provide insight into the “what” and “why” of their wellness plans to help reduce the impact of behavioral health conditions.

“According to the American Psychological Association, 67% of Americans reported increased stress over the course of the pandemic, creating a tremendous need to proactively address mental and emotional health challenges, particularly in the workplace,” said Aflac Senior Vice President, Premier Life, Absence and Disability Solutions, Scott A. Beeman. “We are excited to partner with NeuroFlow to offer a solution that increases value to our customers before they have ever filed a claim. This program will undoubtedly help people navigate daily stresses, especially as the pandemic continues to shine a spotlight on the need for greater mental and emotional well-being.”

The NeuroFlow solution is designed to help fill gaps that may exist in an employer’s behavioral health program by proactively detecting potential conditions like depression, anxiety and sleep disorders, while also offering digital educational content for general wellness. NeuroFlow creates a digital experience that offers tailored activities and assessments to help individuals improve their health and track their progress. To get ahead of preventable adverse events before an individual’s condition worsens, NeuroFlow’s Response Services provide high-touch telephonic outreach to AI-identified, high-risk individuals to route them to the appropriate level of care.

“Organizations like Aflac are setting a new standard of care for their customers by supporting the overall mental wellness of employees,” said NeuroFlow CEO Chris Molaro. “We’re thrilled to work with innovative organizations, like Aflac, as they embrace behavioral health, help close the gaps in care, challenge the stigma around mental health and support customers in a holistic way.” Through its initial offering beginning in the third quarter of 2022, NeuroFlow will be available to new and existing clients that have fully insured Group long-term disability policies with more than 1,000 covered lives. Aflac’s goal is to be a market leader by providing NeuroFlow to clients meeting these criteria. By offering NeuroFlow widely to qualified accounts, Aflac aims to support and improve employee health. These services are not a substitute for treatment, or psychological or physician advice. NeuroFlow may not be available in some states in connection with this partnership.

“Often people can be suffering a mental or emotional challenge and not even realize it. Earlier detection means earlier intervention, which can significantly influence the outcome for both employees and employers,” Beeman said.



OREGON AND COLORADO PAID LEAVE WEBINAR REPLAY

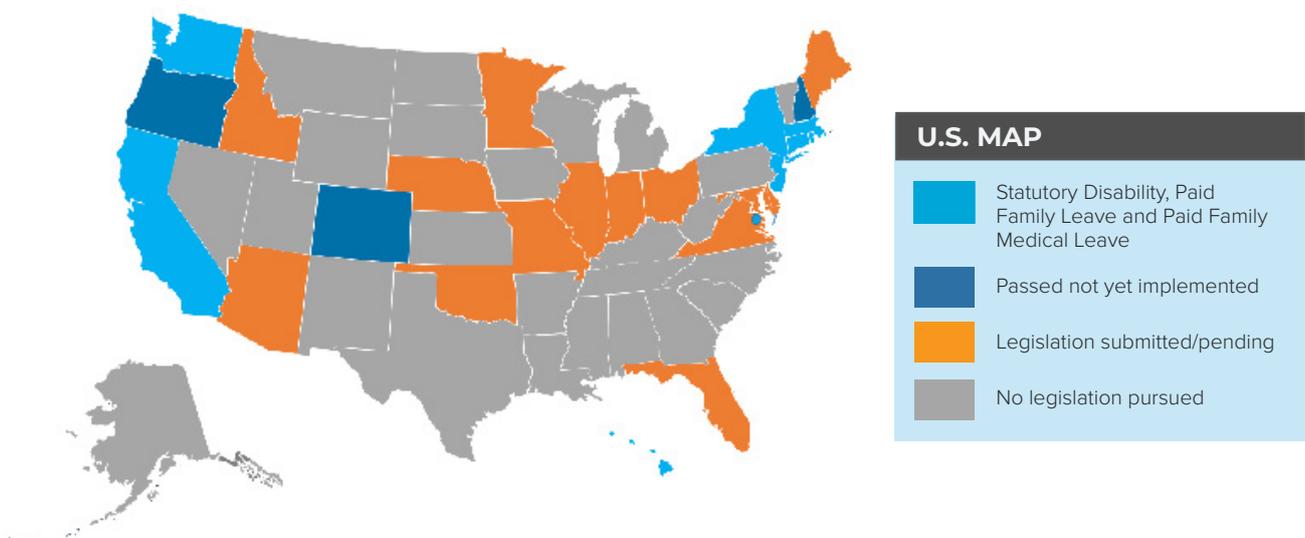
We were excited to host our first webinar on March 3, 2022, which focused on Oregon Paid Family Medical Leave and the Colorado Family and Medical Leave Insurance Program. During the webinar, we highlighted the ever-changing paid leave landscape, an overview of the Oregon and Colorado paid family and medical leave programs and private plan options, and provided some considerations on whether employers will still need their short-term disability plans. We answered questions and subsequently published an Oregon and Colorado Frequently Asked Questions document that we will continue to update. Please reach out to your account executive or sales executive for the Frequently Asked Questions document.

You can access the replay by [clicking here](#).

We will keep you informed about upcoming webinars in our quarterly series of topics that enable employers and our broker partners to stay on top of the ever-changing paid and unpaid leave landscape. These webinars are hosted by industry experts who will highlight crucial legislative information, important timelines and provide employers with what they need to know in order to make key decisions for their organizations.

STATE/OTHER PAID LEAVE LEGISLATION

The Paid Leave Landscape



DELAWARE

Proposed Delaware Paid Family and Medical Leave

Delaware is the next state to propose paid family and medical leave (PFML) legislation. While a previous version of the bill stalled last May, the current plan would create a benefit to care for a family member with a serious health condition, bonding with a new child and military exigency. It would also include a paid leave for an employee to care for their own serious health condition.

The program would be funded by less than 1% of an employee's weekly wages, divided evenly between the employer and the employee. Employers would begin deducting contributions to fund the program starting on Jan. 1, 2025, unless the employer has an approved private plan. Businesses with fewer than 10 employees would not be

automatically eligible for the parental leave, and businesses with fewer than 25 employees wouldn't be automatically covered for the family caregiving and employee medical leave piece. However, those businesses could choose to be covered.

Like the Federal Medical Leave Act (FMLA), an employee in Delaware will need to work for their employer for 12 months and 1,250 hours prior to the first date of their leave in order to be eligible for the Delaware PFML and could receive up to 80% of their average weekly wage as a paid benefit with a maximum benefit of \$900 for 2026 and 2027.

Leave duration will depend upon the reason for the leave. According to the bill, a covered employee would be allowed a maximum of 12 weeks for parental leave, 6 weeks in any 24-month period for medical leave and except for parental leave, a covered individual is eligible for benefits under the proposed legislation once in a 24-month period.

While some states have expanded the definition of family member under their PFML plans, the Delaware PFML proposal defines a family member only as a parent, child or a spouse as defined under the FMLA.

It is possible that changes could still be made, but Delaware Governor John Carney indicated during his state of the state address that he supports the passing of a paid family and medical leave insurance program. <https://governor.delaware.gov/state-of-the-state/>.

Aflac will keep you updated with any changes.

WASHINGTON

Washington Paid Family and Medical Leave

Passed by the Washington State Legislature in 2017, the Washington Employment Security Department has been administering Paid Family Medical Leave (PFML) claims since Jan. 1, 2020. As part of the legislation, the Washington PFML program submits an annual report covering topics such as program participation, operating and implementation costs, leave demographic and updates on the trust fund along with other areas of the running of the program.

The variable premium rate went into effect at the beginning of 2021. The first premium calculation occurred in October 2020, based on the Family and Medical Leave Insurance Trust Fund account balance ratio as of September 30. The premium rate remained at 0.4% for 2021. The premium rate for 2022 will be 0.6%.

Two bills were passed during the 2021 legislative session that made changes to Washington State's PFML program. The definition of family member was expanded to include "any individual who regularly resides in the employee's home or with whom the relationship creates an expectation that the employee cares for the person and that individual depends on the employee for care." The amended definition went into effect on July 25, 2021.

The second update to the Washington State PFML program was in response to grants of leave to employees who did not meet the 820 hours worked eligibility threshold due to a reduction in hours in 2020 and the first quarter of 2021 due to the pandemic. The alternative qualifying period covers leaves taken from 2021 through March 31, 2022.

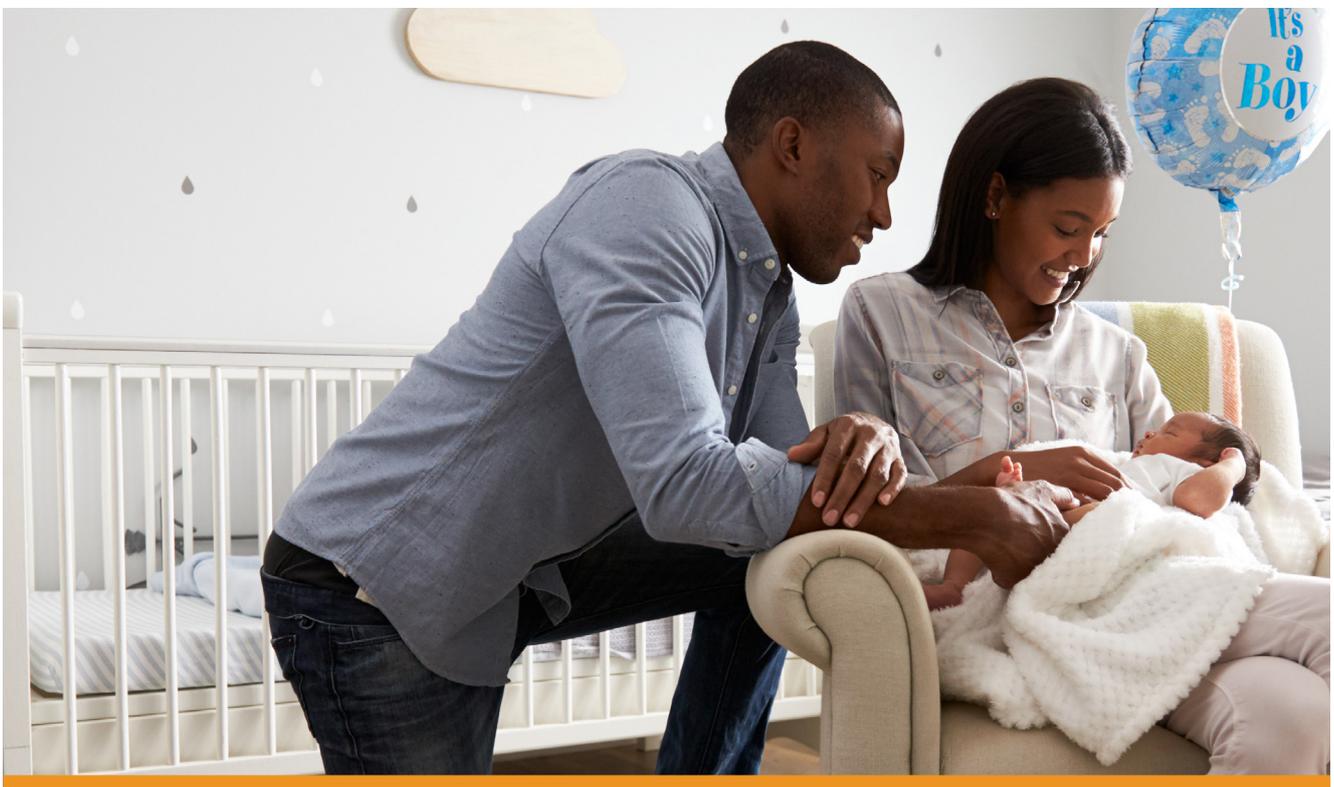
The report also notes that projected claims paid with the first payment occurring in fiscal year 2020 (July 2019 – June 2020) were projected to be 36,033, but instead came in at 47,960. In projections revised at the beginning of Fiscal Year 2021, Washington ESD expected claims first paid to reach 131,150, however the actual number came in a little higher, at 133,014.

Washington allows employers to choose not to offer the public program and instead offer their employees a private plan for Washington State PFML. The private plan must meet or exceed state plan requirements. At the end of fiscal year 2021, there were 277 active employers with approved private plans. Most employers (88%) choosing to use a private plan include both family and medical leave, with only 11% offering only a medical plan and 1% offering only a family plan.

The report also speaks to the operating and implementation, as well as premium rates of the trust fund. As benefits payments were higher than expected in 2020 and continue to trend upward in addition to the pandemic-affected statewide employment and impact on collection of premiums, the trust fund balance has trended consistently downward. While Washington increased the contribution rate for 2022, there are concerns regarding the solvency of the fund given the corresponding increase in demand for the PFML benefit.

For additional information please see:

<https://media.esd.wa.gov/esdwa/Default/ESDWAGOV/newsroom/Legislative-resources/2021-paid-family-and-medical-leave-annual-report-to-legislature.pdf>



These are educational materials only. Employers should consult their own counsel for obligations for state-mandated leave and disability programs. Products and services are provided by Continental American Insurance Company. In New York, products and services are provided by American Family Life Assurance Company of New York. Products may not be available in all states and may vary depending on state law.

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