Considerations for privatizing.

CO Private/Equivalent Plan

The Hartford began offering Family & Medical Leave Insurance (FAMLI) in January 2024. Some employers may now be considering switching from the state-run program to The Hartford's plan.

As a leader in Paid Family and Medical Leave, Statutory Disability and Absence Management, The Hartford has the experience to work with employers considering a private plan and recommends that employers carefully consider the following factors when deciding between the state and private plans.

Choosing a Private Plan - Employer Considerations

The Colorado Family and Medical Leave Insurance (FAMLI) law allows for an equivalent private plan (whether fully insured or self-funded).

- Employers intending to meet their FAMLI obligations through a private plan must apply for and obtain a private plan exemption from the Colorado FAMLI Division
- Application fee of $500 will be required per business entity
- Employers may provide richer benefits than required by the state if private
- Paid Family Leave and Medical Leave must be offered together
- An approval remains valid for eight (8) years. Employers are required to meet all ongoing state compliance obligations in order to maintain their approved status.
- After eight (8) years, new applications/fees would be required for renewal (per business entity)
- Each plan will be subject to a maintenance fee calculated for each employer plan annually (per business entity) based on costs to the FAMLI Division arising out of each employer's administration from the year prior including costs to audit the plan, to review material changes to the plan, and to administer any appeals related to the plan
- Benefit payments are weekly by default (but can be bi-weekly if requested)
- An employee's intermittent leave may be less than eight (8) cumulative hours to be payable
- Once an employer has been private and either voluntarily or involuntarily terminates their private plan, the employer is then required to remit combined premium to the state fund for three (3) years

Choosing a State Plan - Employer Considerations

Employers who prefer to use the state plan:

- Will always be subject to the state program's premium rate for FAMLI
- Will get bi-weekly benefit payments only
- An employee must have eight cumulative hours before intermittent benefits are payable

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Fully Insured Private Plan Considerations

A fully insured private plan gives employers the opportunity to leverage the expertise of a private carrier for a streamlined, integrated approach to administration and claims. Employers can consider these potential advantages of a fully insured option:

- The ability to be more flexible with the benefits that they provide their employees.
- Administrative ease for both the employer and employee.
- Leverage expertise in compliance and statutory coverage.
- End-to-end claim experience for leaves that includes return-to-work support for employees.
- Seamless integration with STD and LTD.

Self-insured Private Plan Considerations

For some employers, the best fit for their benefit program may be to self-insure. There are a variety of factors for employers to consider when thinking about self-insuring including:

- The ability to be more flexible with the benefits that they provide their employees.
- Depending on the size of the group and claim experience, the cost of claims and administration may be less than paying monthly premium on every covered employee.
- Partnering with a knowledgeable, experienced claim administrator, such as The Hartford, may offer a superior employee leave experience.
- Self-insured plans must be bonded in an amount equal to one year of total premiums.

Process for Filing an Exemption from the State Plan

When filing for a private plan approval, employers must:

- Register with the FAMLI Division and will be required to pay premiums until they receive approval from the Division.
- Apply for a fully approved plan within My FAMLI+ Employer in order to receive formal approval from the FAMLI Division.
- For self-insured private plans, file a plan document with the FAMLI Division.

Partnering with The Hartford

The Hartford is a market leader for Statutory Disability and Absence Management, providing statutory coverage since 1950.

We can help employers:

- Simplify administration for employers and employees.
- Enhance the employee experience with compassionate support and additional resources.
- Design compliant plans and provide educational resources for employers and employees.

For more information about The Hartford's Colorado private plan offerings, call your local rep from The Hartford or visit **Colorado Family & Medical Leave Insurance | The Hartford**

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Statutory Paid Family and Medical Leave Form Series includes GBD-1857 PFML (CO).

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