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with Dedication,
Service and Integrity,
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giving back to the
Community.



MONTAGE™
INSURANCE SOLUTIONS

Employer Solutions to FMLA Management

FMLA claims are on the rise and its costing employers up to millions of dollars.

- Employer cost is 2-fold; 1) denial and mishandling of legitimate leaves result in costly legal affairs, 2) quality control issues can lead to approval of illegitimate leaves
- There are FMLA technology and resources to mitigate these losses
- At Montage Insurance Solutions, we regularly meet with subject experts to ensure we are up to-date on these technology and resources. Just yesterday, we met with a leading provider of FMLA insurance to educate us on the latest policies and resources available in this space

The issues that arise from not having the right resources for FMLA review impact employers and employees on both sides: the denial of legitimate leaves **and** the approval of illegitimate leaves. When the employer mishandles legitimate leaves, it can result in costly legal negotiations and/or settlements. According to a recent article by Godfrey and Kahn S.C. in the National Law Review pertaining to FMLA, the number of lawsuits claiming employer violations has more than tripled since 2012. While most employers have EPLI coverage to protect from this type of catastrophic risk, those policies have retention limits (deductibles) and policy maximum limits leaving employers subject to out of pocket cost. On the other hand, when employers approve illegitimate leaves, they lose the valuable labor of that employee. This issue commonly arises when employers don't have a formal FMLA solution and rely on makeshift Excel spreadsheets.

Given that the average cost of employee absences in the US is over 6% of payroll and that DOL fines can range into the hundreds of thousands, it's imperative that employers utilize FMLA technology that can mitigate fines, legal fees and the often time hard to see cost of lost productivity. Formal FMLA programs usually only cost employers \$1.50 up to \$5.00 per employee per month. Startup fees can range from free up to \$10,000. Although the cost is relative to the ROI, FMLA technology will almost certainly improve HR's efficiency and give peace of mind to employers and employees that leaves are being handled appropriately.

Recently at Montage Insurance Solutions, we had one of our trusted and valued carrier partners who is a leading provider of disability insurance and FMLA solutions at our office. They provided an update on FMLA and the resources available to employer groups of 100 or more employees. It's important to Montage that we stay current on important topics like FMLA so that we can educate our employers on best practices and resources available to mitigate their risk of mishandling FMLA claims. As controlling the cost of absence management and increasing productivity become more complex, Montage is able to deliver solutions and technology that make absence management and FMLA a more polished process for both employers and employees.

Please feel free to contact myself or any other Account Executives at Montage Insurance Solutions to understand in more detail what FMLA solutions are available to you.