



Coronavirus (COVID-19) – Risk & Healthcare FAQ

Overview

The coronavirus pandemic is affecting us all as we face new challenges in these unprecedented times.

Broadstone Risk & Healthcare have put together a **Frequently Asked Questions** guide to help cover any queries or concerns you may have regarding your current Health and Protection policies.

This guide will hopefully help you to navigate the wealth of information available at present and give you the guidance and reassurance that you need to enable you to communicate clearly with your employees.

These are uncertain times, but please be assured that the team at Broadstone are here to help. Your Risk & Healthcare Consultant is now working from home but remains available to support you through this challenging period. You can contact them via telephone or email, and they can conduct meetings with you remotely via video or call-conferencing.

Please note that this guide is intended to give a broad summary of the queries you may be facing as an employer. Should you wish to make any changes to your contracts or alter the policies in place, whether this be a reduction of salary or changes due to furlough, please contact your Broadstone Consultant, as each insurer may have specific requirements.

1. Will Group Life Assurance pay claims if the cause of death is COVID-19?

Yes, your policy would pay in these circumstances as there are generally no exclusions for cause of death.

Some insurers could impose a restriction if death occurred after a member has undergone business travel to a country against Foreign Office Advice. This will depend on what terms were agreed when we placed cover and also when the country was declared “a red zone” by the Foreign Office. To be clear, such an exclusion would only relate to business and not personal travel.

2. What if, as a result of the crisis, we need to reduce salaries but our employees continue to work full hours and undertake full duties? Will this have an impact on the benefits for which our staff are insured?

If you do you have to reduce employee salaries, insurers are largely being flexible to ensure this does not impact on the original benefits in place. The general response is that as long as the insurance in place reflects membership data with the pre-reduction salaries and premiums have been paid, then they are happy to insure at those pre-reduction salaries.

It is important that you advise us if you need to take this step as insurers need an instruction to amend the policy basis. It should be noted that most insurers are stipulating that the change would need to be on a temporary basis.



3. What if we need to reduce hours, duties and salary, including no work or suspending salary including furlough?

Generally, as long as your employees retain a contract of employment with you (and remain on the books), the insurer will continue to insure the benefits under their temporary absence terms. Again, when you submit data and pay premiums this would have to reflect the full membership and insured benefits, and full premiums would need to be met. Whilst we would hope this would be short term, temporary absence terms often last up to 3 years for Life Cover and 12 months for Group Income Protection and Critical Illness.

Some insurers have advised that they would review this in 3 months' time, when the government gives a further update on how long they are prepared to pay due to furlough.

4. Following the government's news that they will pay 80% of an employee's salary in the event of furlough, will this have an impact on the sum payable to our employees?

The same terms as above would apply. It is important that you retain your employees on their contracts of employment to retain their cover.

5. Many of our staff are now working from home or are self-isolating, how does that impact on our ability to declare they are "Actively at Work" when you ask us the question?

As you can appreciate, insurers have different definitions of what is deemed to be "Actively at Work" (AAW). Generally this means that your staff are physically and mentally able to perform the duties of their own job. Some insurers will state that this is at their normal place of work, however, this would not normally in itself fail the requirements and as you can appreciate they are showing some flexibility in the current climate.

If your employees are following standard government guidance to work from home, where possible, and self-isolating as a precautionary measure, then they would still be deemed to be actively at work. However, if the isolated employee is ill, or has been told by a medical professional not to work then they would not meet the AAW definition.

6. What impact would not being "Actively at Work" have on a member of staff and their benefits?

An insurer will normally require an employee to be AAW before they start or increase Group Income Protection cover, occasionally when we place smaller Group Life Assurance cover and very rarely for Critical Illness Cover. Some providers also require AAW when the unit rate is tested. The member would not be covered for new cover, or would not benefit from an increase applied to existing cover until they have recovered and can satisfy the requirements. This would include being unable to flex up their benefit if they are not actively at work.



7. Will my insurer be able to cope with the number of potential claims as a result of COVID-19?

At this stage, none of us know how widespread fatalities from this disease will be. However, insurers regularly research and model the risk of extreme events, which has an impact on how much capital each insurer holds to protect itself from various risks, including the risk of extra mortality caused by a new disease.

So far, the vast majority of people who have died from COVID-19 or complications associated with it have been older, vulnerable people with pre-existing medical conditions. Whilst this is having a devastating impact across the globe, it is not currently having the same impact on younger people of working age - i.e. the bulk of lives whom insurers cover under their policies. It should be stressed that we are in the early days of this crisis and the number and age of victims could change. As things stand, insurers are indicating that they do not feel the current circumstances would threaten their ability to pay claims.

8. Will COVID-19 force insurers to exercise Catastrophic Event Limits that could impact on how much they insure for each policy?

Insurers have limits in place to manage their total exposure in certain circumstances and in certain areas for death claims.

Whilst insurers will have slightly different definitions of what constitutes a catastrophe, this often means *one originating cause, event or occurrence or a series of originating causes, events or occurrences, resulting in the death of more than one Member, irrespective of the period of time or area over which such originating causes, events or occurrences take place and irrespective of the period of time over which such deaths occur.*

COVID-19 could trigger a catastrophic event but the insurance market is stating that the levels of cover in place are high and likely to be sufficient. When we put your policy in force, the insurer takes into account the location of your business and the total sum of your benefits, analyse this data, and set an event limit accordingly.

The limits in place are calculated per policy and not across the insurer's total book of business.

9. Would insurers pay a Group Income Protection claim if someone was unable to work due to Coronavirus?

A successful claim could be made if an employee was unable to work due to illness caused by coronavirus. The test remains the same for any illness and this must be at such a severity that at the end of the policy deferred period a member is unable to follow their occupation (under the policy definition). Of course, for this benefit the policy deferred period would normally mean a claim would not be made for 13 or 26 weeks. In addition, the member must not be in receipt of pay at this time, so if a member was receiving payment from the government (for example under furlough) there would be no insurable loss until the payment ceased.

You should follow the standard guidelines of when to tell us about an absence.

In addition, it is important that you continue to manage absence notifications as far as possible. This may be more challenging, given the current circumstances, with so many people working from home, but it remains important that you continue to record sickness. For an Income Protection claim for any illness or incapacity day one of the absence is normally when we start to record the start of the deferred period so you will need to be able to identify when this starts.



10. Would our Group Critical Illness plan pay a claim in the event of our members contracting COVID-19?

Critical illness contracts cover defined illnesses that are set out when the policy is put in place. As this is a new disease, your policy will not cover this as it would not have been included in the list of named conditions. Some plans have additional cover should a member become totally and permanently disabled and a claim could arise if a member suffered from the disease and suffered life-changing injuries.

11. What shall we do if we have a Flex window that is open or due to be opened for our staff to select benefits?

Your Broadstone Consultant will be able to assist you should you wish to make any changes to any of the benefits that members can select.

We appreciate that at this time you may not wish employees to be able to select expensive benefits, that could put an immediate pressure on company cash flow, but you may also wish to allow them the opportunity to increase levels of Life cover or Critical Illness, as they may feel this is important at a time of such uncertainty. If you are considering salary reductions for some staff we will be able to advise you of “lifestyle events“, which will allow them to potentially reduce any benefits.

12. Can my Private Medical Insurance provider treat me if I am diagnosed with COVID-19?

The virus would be classed as treatable via the NHS and therefore your PMI plan would not provide treatment in such circumstances.

In these exceptional circumstances the independent health sector has reached agreement with NHS England to re-allocate its national hospital capacity to cope with the unprecedented levels of demand. They have agreed to work with the NHS and have provided use of their independent hospitals to increase capacity to treat patients that require hospital care.

Whilst your PMI plan cannot give you direct treatment, your provider will be able to offer you and your employees support via their added value services. Whilst these will vary between providers, these often include the following and will be invaluable given the current climate:

- Physiotherapy services
- Mental health support
- NHS cash benefit - this existing benefit will be available for any customers hospitalised as a result of COVID-19
- Stress counselling helpline
- Dental & optical
- Remote GP services - where members can contact a GP via phone or video
- Health & wellbeing hubs – offering advice on a wide range of health topics

13. What shall I do if my renewal is due now or in the near future?

Your Consultant and the team will be contacting you as normal to renew your policies. We are aware that some clients have asked if providers are able to give premium holidays for Private Medical Insurance premiums.



At this stage, we are not aware of a provider that has offered this as an additional option, however, if you do pay your premium annually you may be able to amend this to a monthly premium. Albeit, some providers do charge an additional loading.

14. What if a member is receiving treatment via our PMI scheme?

We expect that urgent private surgical treatments will continue at some private hospitals, although these may effectively be put together with urgent NHS patients and treated on a needs first basis.

Some private oncology and radiotherapy services will continue on an in-patient, day-patient or out-patient basis but is likely to vary from region to region. Private mental health services will continue on an in-patient basis, although day-patient or out-patient treatment is likely to take place remotely wherever possible.

We understand that all non-life threatening surgical treatment is in the process of being postponed.

15. What do we do if one of our employees wants to make a claim?

For PMI claims contact your provider in the usual way. You can find the different contact methods in your policy/scheme guide

For cash plan claims (dental or optical) please log into the secure area of your providers website and go to the 'make a cash/dental claim' section.

16. Employee Assistance Programme (EAP)

As a nation, we find ourselves in uncharted territory, which will, for many, cause distress and anxiety.

Many of our clients have access to an EAP, which can be utilised to help and support employees through the difficult weeks ahead. This may be provided on a stand-alone basis or by virtue of having other risk products in place, for example Group Life, Group Income Protection or Critical Illness.

An EAP will provide members with unlimited access to a confidential telephone helpline, available 24/7, 365 and is answered by qualified counsellors.

Many EAP plans will also offer face to face counselling sessions in addition to telephone support and insurers are looking at ways that they can provide video support to accommodate this.

It offers emotional support, practical information and legal guidance in a safe, secure and confidential environment. Members and their immediate family can call for support on a variety of issues, including;

- Stress & anxiety
- Work issues
- Family issues
- Bereavement
- Trauma
- Financial wellbeing
- Debt
- Relationships
- Tax information
- Medical information
- Wills & Grant of Probate information



An EAP is often supported with a hub or app for employees to access, offering a full range of self-help tools, webinars, factsheets and health checks, to support your employee's health and wellbeing. These services offer invaluable support for employees during the difficult days ahead.

Most providers are now following government and World Health Organisation guidance. They ask employers to signpost staff to the NHS website and if necessary to the NHS 111 service specifically for COVID-19 rather than the EAP. This helps them ensure that they uphold the highest levels of support for those calling our EAP in crisis.

17. How are insurers coping with these unique circumstances?

We have found that insurers are doing their best to be as flexible as possible to accommodate the changing needs of our clients. For example, they are accepting scanned copies of applications where possible and are providing us with updates and summaries of how they are building business continuity within their own organisations. Whilst we are experiencing a little more delay in dealing with insurers, we are fully engaged with all of our contacts and it has very much been business as usual.

If you have any queries about what services you and your employees can access, please get in touch with your Broadstone contact. They will be able to direct you to the relevant insurer website, portals and apps that will be able to provide the much needed support your employees need over the coming weeks.

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