

COVID-19 & Employee Benefits Impact

March 2020



On March 11th the World Health Organization (WHO) declared the novel Coronavirus (COVID-19) a pandemic. Since January 30th, when the WHO declared a “public health emergency of international concern,”¹ the virus has rapidly spread around the world. This update is meant to help companies respond.

From a global benefits perspective, many employers are concerned with proper coverage for their employees. While many of the medical expenses are provided through medical coverage and there is not an extended disease recovery period, employers should consider multiple facets in caring for their employees. This document provides general guidance on private insurance coverage impact in each country as well as other actions for employers to consider.

The **COVID-19** impact is organized by the following country classifications²:

- Level 3: 3,000+ cases
- Level 2: 400+ cases
- Level 1: 1+ cases



The coronavirus outbreak is still changing rapidly, and in many cases, plans for returning to normal work activities are still under constant evaluation. We recommend companies continue to develop and amend their approach with the latest central and local government requirements, while also recognizing that these official policies are always subject to change as this situation continues to unfold.

Need More Info?

Access our COVID-19 Response Site at:



www.aon.com/coronavirus

























¹ WHO Publication 30 January 2020

² Impact on Employee Benefits from Iran and North Korea are not included in this note

Level 3: 3,000+ Cases

Typical Insurance Coverage

 Yes, typically included¹  Only if not epidemic

Country	Medical	Life	Disability	Additional Notes
China				If coronavirus is confirmed the government will fully cover the cost of the treatment. Insurer is charged only in the event if diagnostic tests were done but coronavirus was excluded.
France				
Germany				Accident policies typically exclude infections; life insurance plans interpretation may depend on company; exclusions for travel despite a travel warning may exist
Italy				
Japan				In an effort to increase testing and improve reporting of cases, its national health insurance (NHI) system is now covering coronavirus screenings from 6 March onwards according to a report from The Japan Times.
South Korea				Coronavirus is fully covered by the National Health Insurance (NHI)
Spain				
United States of America				Approach to payment for medical testing varies by state and fully insured vs. self-insured plans

The above summary represents general market conditions. Companies should continue to review their specific contracts and terms, as needed.

¹ Coverage exclusions for testing and treatment generally do not apply

When emergencies happen, organizations can effectively maintain business continuity by taking the following actions.

Assess Current HR Policies

Assess human resource policies relating to absenteeism, payroll, healthcare and disability. Make necessary changes in light of the outbreak, being mindful of changing local and central laws.

Establish Emergency Response Group

Appoint an emergency response group that can spring into action during situations like the current epidemic. The team should assist different departments, including human resources, ensuring that internal communication is effective and timely.

Manage Daily Business Operations

Coronavirus is highly contagious and has a long latent period. Companies should consider establishing a health reporting system that takes employees' temperatures and keeps records in order to know and report employees' health condition.

Implement a Comprehensive Communication Strategy




































Communicate with employees in a timely and transparent manner, including guidance to employees with suspected symptoms and information on how the epidemic is impacting operations and revenue. An external communication policy is equally important. Inform stakeholders about how business operations are affected by coronavirus.

Source: Aon China survey on responding to Coronavirus – February 2020

Level 2: 400+ Cases

Typical Insurance Coverage

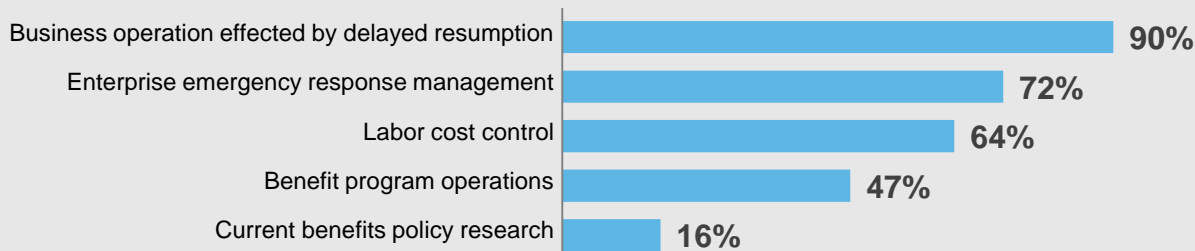
 Yes, typically included¹
 Likely Excluded
  Epidemic coverage exception
  Varies by Insurer

Country	Medical	Life	Disability	Additional Notes
Australia	n/a			Employees are not covered typically by corporate plans
Austria				
Bahrain			n/a	
Belgium				Exclusions for coverage for an individual who traveled despite a travel warning may exist; travel exclusions is defined as start of trip if included.
Denmark				
Hong Kong				
Malaysia			n/a	Exclusions typically present, and may be changed to global pandemic announcement, in policy wordings, but testing may not be covered if negative
Netherlands				Accident policies typically exclude infections; life insurance typically part of retirement plan
Norway				
Singapore				Singapore Government has announced that all COVID-19 hospitalizations in Government Hospitals would be without charge as part of containment policy; possible exclusions for treatment at private hospitals
Sweden				The public health system that would treat epidemic / pandemic screenings.
Switzerland	n/a			Employees are covered typically by the health funds they participate in rather than corporate plans
United Kingdom				Exclusions may be changed now that the event has been declared a global pandemic

The above summary represents general market conditions. Companies should continue to review their specific contracts and terms, as needed.

¹ Coverage exclusions for testing and treatment generally do not apply

What are the challenges for human resources under the pandemic?



Source: Aon China survey on responding to Coronavirus – February 2020

Level 1: 1+ Cases

Typical Insurance Coverage

 Yes, typically included¹
 Likely Excluded
  Epidemic coverage exception
  Varies by Insurer

Country	Medical	Life	Disability	Country	Medical	Life	Disability
Argentina			n/a	New Zealand			
Brazil			n/a	Nigeria			n/a
Bulgaria			n/a	Pakistan			n/a
Canada				Paraguay			n/a
Chile			n/a	Philippines			
Colombia			n/a	Poland			
Ecuador			n/a	Portugal			
Egypt			n/a	Romania			
Estonia			n/a	Russia			
Finland				Saudi Arabia			n/a
Greece				Serbia			n/a
Hungary				Slovakia			
India				Slovenia			n/a
Indonesia				South Africa			
Ireland				Taiwan			
Israel				Thailand			
Jordan			n/a	Tunisia			n/a
Lithuania			n/a	Turkey			
Luxembourg				Ukraine			n/a
Macau			n/a	United Arab Emirates			
Mexico			n/a	Vietnam			
Morocco			n/a				

The above summary represents general market conditions. Companies should continue to review their specific contracts and terms, as needed.

¹ Coverage exclusions for testing and treatment generally do not apply

The following countries with 10+ cases are excluded above:

Albania, Algeria, Azerbaijan, Brunei, Costa Rica, Croatia, Czech Republic, Georgia, Iceland, Iran, Iraq, Kuwait, Kosovo, Latvia, Lebanon, Oman, Palestine, Peru, Qatar, San Marino, and Venezuela

Other Considerations



Managing & Tracking a Mobile Workforce

- Communicate to reinforce continued use of corporate travel tools when business travel is required and allowed
- Coordinate with providers to help business travelers navigate out of country medical requirements
- Consider potential mobility and visa implications should the individual come under extended quarantine



Virtual Workforce & Adapting To Social Distancing

- Consider flexible work times to accommodate personal day-time activities, including physical wellness opportunities
- Communicate available resources to assist in coping with social distancing, including Employee Assistance Program (EAP)



Review Sick Leave & Short-term Disability Programs

- Understand potential gaps or limitations of coverage in sick leave and short-term disability
- Assess if temporary bridges should be established to mitigate inappropriate incentives to work through illness



Monitor Legislative Updates

- Review Aon's Global Benefits Bulletin for legislative changes impacting corporate requirements such as special leaves and paid time-off programs



Companies with effective preparedness for a pandemic situation have identified gaps and implemented changes on their global benefits policies:

- Address waivers on insured benefit policies
- Understand the coverages available through the national health and social security systems
- Review paid sick leave entitlements
- Confirm short-term disability programs
- Offer health screening to employees
- Identify global EAP program with local assistance/ service in case of a pandemic situation
- Implement an effective global "Working from Home" and "Return to Work" policies

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