



# COVID-19 Outbreak

## FAQs For Employee Benefit Arrangements in APAC

**Version 3: Released on 18 March 2020**



The information contained in this document is intended to assist Aon clients to understand the issues related to addressing the COVID-19 outbreak. These are general responses to questions raised by our clients with operations in the APAC region and are not intended to address the specifics of every client situation or to be a substitute for any health advisories from relevant health authorities. You should review the information in the context of your own organisation's circumstances and develop an appropriate response. Please reach out to your Aon consultant or broker with specific questions related to your own organisation's circumstances.

## The FAQs are organised into five categories:

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## Assessing Risk Exposure

### 1. How serious is the risk? *[Updated 17 March]*

The situation continues to develop fast and presents a material health and business disruption risk to enterprise. Since February, the outbreak has become global in nature with 163 countries affected with significant infection now in Europe, the Middle East and the United States. While infection rates are rising in Europe, the Middle East and the United States, there are encouraging signs of significantly reduced infection rates in China and South Korea, though the risk level remains high. Further details can be found on Aon's Infectious Disease Response site<sup>1</sup>. To put the outbreak into context, at the time of publishing, there are more than 183,000 diagnosed cases with a fatality rate of 3.9%<sup>2</sup> (though the fatality rate is focused on older cohorts). This compares with the SARS outbreak of 2003 which over a nine-month period had 8,300 diagnosed cases with a fatality rate of 9.7% (though the fatality rate in older age groups was much higher).

### 2. What is our risk exposure? *[Added 16 March]*

This will depend on the particular circumstances of your organisation, and you should undertake a thorough assessment of the specific risks posed by COVID-19 for your industry, locations and business activities.

Unless the situation changes materially, most of our clients' group insurance exposure for employee benefits is limited, and the effects of COVID-19 are more likely to be acutely felt in falling demand, supply-chain disruption and general business activity disruption.

<sup>1</sup> <https://www.aon.com/InfectiousDiseaseResponse/default.jsp>

<sup>2</sup> Source: <https://thewuhanvirus.com/>



- Group medical claims will likely be low because if an individual contracts (or is suspected of) the virus, they will generally be required to be treated at a government facility in nearly all countries. During SARS, many of the medical insurers had profitable years because people were unwilling to go to Emergency Rooms and deferred elective treatments to reduce their risk of infection.
- The virus has a reasonably short recovery period for most who are not in older and vulnerable cohorts, so group disability claims exposure is low.
- Of the deaths to date, most are in older and vulnerable cohorts so for most companies group life claims will also be low.

Perhaps the most significant insurance exposure for organisations is on business travel which is covered in Questions 19, 21 & 26.



## Understanding Transmission

**3. If it is believed that transmission of the virus is possible through people who are infected yet asymptomatic, isn't recording body temperatures at offices ineffective and misleading?** *[Added 16 March 2020]*

Fever is not the definitive factor for diagnosis of COVID-19. However, as a symptom it is convenient and helps screen individuals because temperature recording can be done by anyone with a thermometer and can also be a sustained activity. After an individual with a high temperature is detected, the downstream action is to direct them to a General Practitioner for first line clinical evaluation which will determine if a fever exists and review travel and/or contact history and other clinical symptoms. Further actions will then depend on the outcome of this first line evaluation.

**4. Are there any milestones to assess the effectiveness of the containment measures being implemented?** *[Added 16 March 2020]*

There are various indicators (R0, Growth Factor etc.) that public health authorities use to gauge the status of the disease in their own country. These indicators are designed to provide the authorities and public health experts with data to steer their policy decisions and assess the effectiveness of implemented actions. At an organisational level, the success of containment measures lies in meticulous application and resultant behavioral change of employees in the workplace.



**5. Is it advised and encouraged to get the flu vaccination?  
Can the flu vaccination produce symptoms of flu?  
Am I protected against COVID-19 if I have taken the  
influenza vaccine this year? [Added 16 March 2020]**

Although the flu vaccine does not cover Coronaviruses (it protects against the common seasonal flu which changes frequently), it is still advisable to have this vaccine to protect against Influenza – which in some locations occurs throughout the year. A flu vaccine cannot give you the flu. Minor side effects may be seen (e.g. some tenderness/swelling, or other mild symptoms). Severe side effects are rare.

The flu vaccine does not protect against COVID-19. It prevents added infection in the form of flu in case one is inflicted by COVID-19, or prevents vulnerability to infectious disease due to lower immunity caused by flu.

**6. How do we protect ourselves from people who have been reintroduced to the community after recovering from COVID19, as there have been cases of relapse? [Added 16 March 2020]**

Whilst there are reports that some cases are re-tested positive after being deemed to have recovered, these numbers are not high. Current data is however at its infancy and is insufficient to determine the extent of reoccurrence. In view of this, the public is advised to continually practice social responsibility and adhere to the current hygiene and infectious control guidelines.

**7. Is there a definition of ‘group size’ for mass events?  
What is a good/safe size for companies organising small  
group activities? [Added 16 March 2020]**

There is no specific definition. This number may vary across different countries, and we recommend checking with your local authorities. The fundamental idea is to limit any form of prolonged gatherings such as meetings, dinners, function etc., and wherever possible to reschedule to a later date or to explore other possibilities leveraging technology for tele-conferencing, webinars etc.



## Preparedness Measures

### 8. What preventative measures are companies adopting to mitigate the risk of contagion? *[Updated 16 March]*

This year, the Lunar New Year break in Mainland China was extended until 2nd February though many cities and provinces announced further measures to close businesses, schools and other public gatherings for a longer period, some even indefinitely. Similar restrictions are also in place in Hong Kong and Macau. These areas are slowly returning to a normal state though are not likely to get back to full normality until at least mid-April at the earliest. Many companies in Asia have temporarily closed their offices and/or are implementing Business Continuity Plans with additional travel restrictions in and out of severely affected areas. Governments have also issued a number of travel restrictions in severely affected areas.

#### **Examples of client advisories observed so far include:**

- a. No colleague should travel to or from severely affected areas effective immediately, unless this travel has been approved.
- b. Any colleague that returns from severely affected areas should not attend the company offices and will be required to work from home for 14 days from the date of their return (this policy also applies for any colleague who has already returned since 14th January).
- c. All colleagues are required to take their temperature on a daily basis, prior to coming into the office. If there is a fever or symptoms of the virus, the colleague is required to seek medical attention and notify their line manager. They must not return to the office until they are cleared by a medical professional.
- d. If anyone residing with a colleague (for example, family of a colleague or roommates they are living with) has a confirmed or suspected case of the virus, they are required to notify their line manager immediately. They will also be required to work from home for the next 14 days (and must not attend the office or meet with colleagues).



- e. When the office re-opens, colleagues may continue to work from home, subject to agreement from their line manager.
- f. Outside partner meetings that would ordinarily be held in the office are discouraged.
- g. Cleaning vendors to increase the cleaning schedule in all areas, particularly reception, pantry areas and meeting rooms.
- h. Ongoing procurement of additional stocks of hand sanitiser, N-95 and surgical masks and will make these available when the office re-opens.

**9. How can we get access to an inventory of leave arrangements (i.e., school closures), country quarantine orders, travel restrictions etc?** *[Added 6 February]*

Aon is helping clients with questions related to their employee benefit programmes and insurance coverages and does not track this information on behalf of clients. Most companies will likely utilise their medical and travel security services vendor for this information. There are many publicly available resources and newswires listing updates to travel advisories, entry and flight restrictions. Organisations should take steps to ensure that they have monitoring systems in place for government and other public organisation announcements in their countries of operation and advise their employees to plan accordingly.

**10. What advice should we be providing employees on the steps they should take to reduce their risk of infection including how they and their families should interact?** *[Added 16 March]*

Social distancing should be considered to minimize the risk of exposure. In particular, individuals should consider avoiding crowds and meal gatherings. Should such gathering be unavoidable, personal hygiene precautions such as proper hand washing remains as the most important preventative measure.





**11. Is it necessary to advise employees with symptoms of COVID-19 to quarantine? Do employers need to prepare for actions such as contact tracing while an employee is undergoing diagnostic tests?**  
*[Added 16 March 2020]*

Unwell employees should be advised to seek medical attention at the earliest opportunity. The attending doctor will determine if the case fits the definition of a suspect case and if needed act in accordance with protocols set by the local authorities. In general, the quarantined period is 14 days. Some governments also have a 'stay-at-home' policy for 5 days, depending on the level of contact.

Employers are not expected to do contact tracing but are expected to assist health authorities with details of the employee movement.

**12. What arrangements can we put in place to have employees cleared by a medical professional before they go back to the office?** *[Added 6 February]*

In general, group medical insurers will not cover special arrangements for the clearance testing of employees before their return to work. Organisations are recommended to refer to government advice/circulars on requirements (for example, self-quarantine for 14 days and only return to work if no symptoms). A number of organisations that have closed offices are requiring their employees to take their temperature on a daily basis, prior to coming into the office. Additional required checks may be put in place by building landlords or tenants before entry.

**13. What steps are organisations taking to repatriate employees who have been stranded away from their home city because of quarantine restrictions?** *[Added 16 March]*

Aon is running a COVID-19 Workplace Practices Pulse Survey<sup>3</sup> which aims to capture market practice on repatriation, and we will be sharing the results of that survey with clients by the end of March/early April.

<sup>3</sup> <http://bit.ly/covid-19workplacepracticespulsesurveyapac>



**14. Are medical tests available (and covered by our group medical insurer) when employees return to their home country after they have travelled to an infected area?** *[Added 16 March]*

Please refer to Question 22.

**15. Are face mask supplies running low? Will our insurance company provide facemasks to our employees?** *[Updated 16 March]*

In severely affected areas, the supply of facemasks and hand sanitiser are running low. Some governments (for example in Singapore) have distributed face masks directly to citizens. It is unlikely that your insurance company will have supplies of these products for policyholders, and you should take steps for your organisation to procure appropriate levels of supplies.

**16. How effective are facemasks at preventing contagion?** *[Added 31 January 2020]*

Given that the virus spreads primarily through close contact with other individuals, in particular through coughing and sneezing, face masks are recommended. Face masks are generally not needed for people who are well but should be used if an individual has:

- a.** a fever, cough or runny nose; or
- b.** is recovering from an illness.

Most national health organisations have issued guidance on the correct usage of face masks and other hygiene measures and organisations should heed that guidance. Practicing good hand hygiene by regularly cleaning/sanitising your hands has also been established as an effective intervention in preventing the transmission of the virus.



**17. Is airborne sanitisation required in offices as a preventative measure against COVID-19?** *[Added 16 March 2020]*

Multiple research articles and reports point to a respiratory droplet transmission, with some possibility of a faeco-oral route. Any virus released in the air by a patient who coughed will eventually be found on surfaces of common items in the environment – as opposed to floating in the air as per an airborne pathogen.

The disinfectant strategy for such microorganisms will logically then be to ensure proper and thorough wipe-down of such surface with a suitable disinfectant frequently. Any cleaning actions involving “misting” or “fumigating” is not encouraged, as it is thought that such actions will cause the virus to aerosolise and travel further in the air.

**18. Is quarantine (where the employee may not be sick) treated as sick leave?** *[Added 16 March 2020]*

Aon is conducting a COVID-19 Workplace Practices Pulse Survey<sup>4</sup> which will capture market practice on repatriation, and we will be sharing the results of that survey with clients by the end of March/early April.

<sup>4</sup> <http://bit.ly/covid-19workplacepracticespulsesurveyapac>



## The Role of Government

### **19. Are COVID-19 conditions covered under government provided healthcare?** *[Updated 16 March]*

In most countries, specified government hospitals will treat COVID-19 related conditions, and it will likely be necessary to attend a specified government facility if an individual is suspected to have or is diagnosed with COVID-19. In Mainland China, the government has confirmed that social health insurance will fully cover all COVID-19 related treatment.

Care needs to be taken in understanding the liability for treatment cost in government facilities if you are not a resident of that country. On Monday 9th March, the Singapore government reversed an earlier decision and will now require non-residents to meet the cost of COVID-19 related treatment. Other countries could follow suit particularly if the government healthcare system faces capacity constraints. This draws attention to the scope and sufficiency of business travel insurance coverage that organisations have in place (please refer to Questions 21 & 26).

### **20. Will government healthcare systems have capacity to manage demand?** *[Updated 16 March]*

Actual and suspected cases of the COVID-19 are putting additional strain on public healthcare resources. This was most acutely felt in Wuhan, China where temporary hospitals were established to deal with the demand. Outside of China, the case load at the time of publishing this document appears to be within the capacity of public healthcare systems though it is placing a strain in South Korea, Iran, and Italy. Organisations should monitor public health announcements in their countries of operation and advise their employees to plan accordingly.



## Group Insurance Coverage

### **21. Do COVID-19 related claims fall under medical, life and travel policy exclusions (epidemics/pandemics clause)?** *[Updated 16 March]*

The wording of exclusion clauses in group life, medical and travel insurance policies is generally customised to each client's requirements. We have observed that most medical and life policies will not exclude treatment or claims under a pandemic, including COVID-19. Some insurers outside of mainland China have written to their policyholders to confirm a waiver of potential exclusions.

Some global medical policies also exclude coverage if the condition is contacted in an area where there has been an official warning issued against travel. Hence, coverage should be checked with global medical and travel insurers before booking travel to a potentially excluded area.

Aon has contacted relevant insurers to understand their specific position on exclusions. If you are concerned that COVID-19 may be excluded from your insurance coverage, please contact your Aon consultant or broker who will coordinate enquiries on your behalf.

### **22. Is COVID-19 related screening and testing (e.g., blood tests) covered in our medical policies?** *[Updated 6 February]*

The design of group medical policies is generally customised, and we have observed some policies that clearly cover screening and testing and others that do not. In some countries, such as India, outpatient is generally not insured and so screening is not covered. If you are concerned that COVID-19 screening and testing is required and want to check whether it is covered under your group medical insurance coverage, please contact your Aon consultant or broker who will coordinate enquiries on your behalf.



**23. Could employees be excluded from life or medical coverage under an actively-at-work clause if they are required to not work under mandatory quarantine or are on COVID-19 related medical leave?** *[Updated 6 February]*

An actively- at-work clause is typical within life insurance policies and usually requires that an employee is actively at work to be eligible to benefit from life insurance. This can cause a problem if the employee is away from work due to illness or unpaid leave. Some insurers may waive this condition for COVID-19 and some clients have designed life insurance policies that do not contain such a clause. Aon has contacted relevant insurers to understand their specific position on this query and the practice is varied. If you are concerned that your employee could be excluded, please contact your Aon consultant or broker who will coordinate enquiries on your behalf.

**24. News reports suggest that some insurers have increased hospitalisation benefit amounts if the member is hospitalised due to COVID-19. Do our medical policies benefit from this?** *[Updated 16 March 2020]*

We are aware that some insurers have contacted their policyholders with assurance and clarification of coverage. Aon has contacted relevant insurers to understand their specific position on this query and practice is varied. If you are concerned your employee could be excluded, please contact your Aon consultant or broker who will coordinate enquiries on your behalf.

**25. What innovations are insurance companies bringing to market to respond to COVID-19?** *[Added 16 March 2020]*

We are seeing an increase in telemedicine and e-prescription usage and this may have delivered a step-change in utilisation of these services as people have become familiar with them.



**26. If an employee is infected by the COVID-19 virus during a business trip, either domestic or international, do related claims fall under business travel insurance?** *[Updated 16 March]*

This will depend on the wording of your business travel and group medical eligibility and exclusion clauses, and also the interaction between them. Generally domestic business travel (provided it is not against a travel advisory) will be covered under domestic medical insurance or workmen’s compensation while international travel will be covered under a Business Travel Accident policy. For many companies, business travel exposure is mitigated by the imposition of travel restrictions.

Aon has contacted relevant insurers to understand their specific position on this query. If you are concerned an employee may be in this position, please contact your Aon consultant or broker.

**27. Are there individual or small group travel insurance products available that will cover COVID-19 related claims in a foreign country?** *[Added 16 March]*

At this stage, Aon does not place individual insurance coverage. We are aware that some travel insurance companies are providing coverage for COVID-19 related treatment. There are several platforms available to compare individual travel insurance products, and we advise any policyholder to check their coverage with their insurance provider prior to making travel plans.



## **28. Would COVID-19 related sequela fall under serious pre-condition exclusions in later life or medical claims?**

*[Updated 16 March 2020]*

This is likely in cases where an insurance policy has exclusions around any form of pre-existing condition and the claim being submitted was in relation to this specific COVID-19 sequela. If you are concerned your employee could be excluded, please contact your Aon consultant or broker who will coordinate enquiries on your behalf.

## **Aon Support**

### **How can Aon support if staff contract COVID-19?**

*[Added 31 January 2020]*

The purpose of our risk advisory communication is to help our clients understand and assess the risk exposure from the COVID-19 outbreak. Your Aon consultant or broker is on hand to help you understand your risk exposure, insurance policy coverage and clarify questions with insurance carriers. Where claims are admissible we also assist some clients with the management of these claims. Finally, we have a dedicated Wellbeing Solutions team that can help clients develop preventive measures, provide advice for how best to support employee health, and address business continuity plans.