



COVID-19: A Health and Benefits EMEA Perspective

March 2020

At the time of writing this paper, March 5, 2020, the risks associated with the COVID-19 infection for people across the EU/EEA is considered moderate to high by the European Centre for Disease Prevention and Control, an Agency of the European Union¹. Across the region more than 30 countries have now reported COVID-19 cases with Italy by far the most significantly impacted². The expectation is that the virus will continue to be transmitted in clusters via importation as people with mild symptoms move around and do not seek medical attention, thus increasing the probability of widespread infection.

Standard advice from Governments and Health Agencies to try and prevent the spread of the virus includes:

- Covering your mouth and nose with a tissue or your sleeve when coughing or sneezing
- Placing tissues in the bin immediately
- Regularly washing your hands with soap and water or hand sanitiser gel
- Avoiding close contact with people who are not well
- Not touching your eyes, nose or mouth if your hands are not clean³

It is unclear as to how this epidemic will play out, for example, whether it will be eradicated, contained, or become a pandemic - and how well prepared local country health systems really are to deal with a worst-case scenario lethal pandemic. However, as COVID-19 spreads, from an employer perspective it becomes imperative to have a robust people risk strategy in place around health, wellbeing, business interruption and insurance. The purpose of this paper is to outline some of the key issues employers should focus on.

Communications and engagement

COVID-19 is still currently classed as a Public Health Emergency of International Concern by The World Health Organization and it is inevitable that employees will have concerns about the spread of the virus, particularly as countries across the region report cases for the first time, and the impact on them and their families. Legislation across Europe, means that employers have a duty of care to protect the health and safety of their employees. Making a concerted effort to communicate with employees around good health, safety and corporate policies associated with this issue is increasingly important. Focus should be on:

- Promoting good hygiene behaviours – see left
- The corporate Sick Pay, absence management and return to work policy as well as the procedures for employees who are at work but are unwell
- The policy for employees who have travelled to infected areas regarding notifying their line manager if they have flu-like symptoms
- What actions employees may need to take if the Business Continuity Plan is triggered
- The expectations the employer has regarding how visitors, contractors and clients should behave when attending your office
- The support services and health related benefits available to employees
- The corporate policy around supporting employees who may need to take on care responsibilities if an older or younger member of the family is diagnosed with the coronavirus
- The corporate containment policy, for example, promoting flexible working, working from home, and large-scale self-quarantining potentially leading to decreases in the transmission of the virus and other infectious diseases

¹ <https://www.ecdc.europa.eu/en/current-risk-assessment-novel-coronavirus-situation>

² <https://www.ecdc.europa.eu/en/cases-2019-ncov-eueea>

³ <https://www.nhs.uk/conditions/coronavirus-covid-19/>

Business travel

Several employers have already imposed restrictions as to where employees can travel on business, particularly to the most badly affected countries, as well as mandating self-quarantine if employees have returned from these countries or regions. We are also aware that other employers have imposed a temporary restriction on all cross-border work-related travel.

The guidance for employers is to monitor and adhere to the travel advisories issued by their respective Government or Health Agency. If an employer considers it necessary to ask an employee to travel on business to an infected area they should take advice first and ensure that they have taken the necessary actions to protect the health of the employee, that the travel does not contravene any business travel stipulations laid down in their employee benefit policies (such as life, disability or critical illness) which could jeopardise a claim and that they are acting in line with their duty of care obligations.

Duty of care requirements will also apply to employers who have employees based overseas. There should be ongoing monitoring of the situation in infected areas and the appropriate action taken to support and protect employees based in those areas, which could range from simply providing regular communications and information to ensuring that the appropriate healthcare support is available locally.

Insurance programmes

Many employers will have bespoke risk and insurance programmes in place. In a rapidly developing situation such as this it is important that employers understand whether any coronavirus related claims will be covered by the key health related insurances, such as medical (domestic and expat), life, disability, critical illness and business travel policies. This might vary around the world, for example, in Asia our research suggests that most medical and life policies will not exclude treatment or claims for pandemic or coronavirus conditions. However, some global medical and travel policies may exclude coverage if the condition is contracted in an area where there has been official guidance against travel.

In the UK we believe that some insurers in the group life market would apply their event limit restrictions, particularly if the COVID-19 virus is classed as a pandemic by the World Health Organization. This needs to be put into some context because whilst it is still too early to calculate what the fatality rates associated with this condition might be, current estimates range between 2% and 3%⁴. If this proves to be correct, then the likelihood of a group life insurer's event limit being breached appears low. Furthermore, based on research from Aon's Reinsurance Solutions team, it appears that most reinsurers do not believe that the severity of death, disability, critical illness or medical cost claims outside of China will be large. This is still uncertain, and employers may wish to consider what exposures they may have relating to pandemic cover and what action they might wish to take to mitigate this risk if appropriate. Employers should speak to their broker or risk professional for specialist advice relating to their specific needs.

Summary

The scope and the unique risks of an infectious disease such as COVID-19 will challenge an employer's ability to respond accordingly. However, by having robust policies, procedures, business continuity planning, crisis management, operational and duty of care plans in place, and by being clear around roles, responsibilities and actions, this should ensure that the potential negative impact on business is minimised.

We encourage clients to contact their usual Aon representative to discuss any questions they may have.

We also encourage employers to seek guidance from health agencies, including the Center for Disease Control and the World Health Organization, as well as local Government bodies.

<https://www.cdc.gov/>

<https://www.who.int/>

For more detailed information on the characteristics of COVID-19 [please click here](#).

⁴<https://www.worldometers.info/coronavirus/coronavirus-death-rate/#who>

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