

COVID-19 GROUP LIFE AND DISABILITY

A REVIEW OF GROUP LIFE AND DISABILITY INSURANCE AND COVID-19

This material covers several common questions about the impact of COVID-19 on Group Life and Disability insurance policies available through an employer.

The general scope of research of this information is current as of **June 2, 2020**. As we all know, things are changing quickly and here at TRICOR we continue to monitor and educate our clients along the way.

The following information is designed to review “most case scenarios.” We ask everyone to evaluate their own specific Group Life & Disability insurance summary plan descriptions and contracts to be sure how they would apply to particular situations.

QUESTIONS AND ANSWERS RELATED TO IF YOU OR YOUR EMPLOYEES ARE QUARANTINED OR ILL DUE TO COVID-19

Q: Do Group Life or Disability policies have “pandemic-specific” exclusions in the policies?

A: No, we have not seen where COVID-19 is not covered. It would be covered like any other medical condition.

Q: Are employees considered disabled if they are quarantined due to COVID-19?

A: If someone is under quarantine for COVID-19, they don't automatically have a disabling medical condition to satisfy the definition of disability under most group disability policies. Only official isolation or quarantine ordered by the CDC, state, or federal government public health agency will be considered for coverage. Self-quarantines will not be covered. For employees with no symptoms who are isolated or quarantined, each case will be reviewed on its own merit. As with all claim submissions, the definition of disability and all other provisions outlined in the policy must be met.

Q: Do employees qualify as disabled if they are ill with COVID-19?

A: Claims for COVID-19 would be evaluated the same as any other illness. As with all claims, the individual must meet the definition of disability and all other provisions outlined in the policy.

Q: Do employees qualify for critical illness insurance benefits if they are quarantined or ill with COVID-19?

A: No. Critical illness policies pay benefits when the insured person is diagnosed with illnesses specified in his or her policy. COVID-19 is not a specified illness under any of the policies researched for this review.

Q: Will Group Life and Disability Insurance carriers pay the death benefit under an employee's life insurance policy if they die from COVID-19?

A: Yes, as long as the policy is in good standing with the premiums being paid and current.

QUESTIONS AND ANSWERS RELATED TO IF YOUR JOB OR BUSINESS SITUATION HAS CHANGED DUE TO COVID-19

Q: If employees are required to work a reduced schedule or are furloughed/laid off, how long can they be covered?

A: The standard practice with a majority of Group Life and Disability carriers is to continue coverage until the end of the month. We also have seen with many insurance carriers during this period of time that as an administrative exception due to impacts from COVID-19, employees who are no longer eligible due to reduced hours or a furlough/layoff that begins on or after March 1, 2020 through June 30, 2020, may continue coverage for 90 days, provided premiums continue to be paid. The 90-day continuation period begins on the start date of the furlough, layoff, or reduction in hours. *(**It is essential to work with your Insurance Agent/Consultant and carrier to be sure of any relaxed regulations for the continuation of coverage.)*

Q: When employees are rehired, are they subject to a new hire waiting period?

A: The standard practice with a majority of Group Life and Disability carriers is when employees with terminated coverage are rehired within six months of the termination date the benefits are reinstated without a new hire waiting period.

OTHER QUESTIONS AND ANSWERS RELATED TO GROUP LIFE AND DISABILITY COVERAGE AND COVID-19

Q: How have Group Life and Disability insurance carriers responded to the newer Department of Labor (DOL) rule extending election periods for newly unemployed individuals?

A: All of the core carriers that we have seen have adjusted applicable processes and are in full compliance. As of March 1, 2020, the [DOL's final rule](#), an extension of certain timeframes for employee benefit plans, participants, and beneficiaries affected by the COVID-19 Outbreak, extends:

- the election period for newly unemployed individuals to enroll in a COBRA plan,
- the election period for individuals who've had a qualifying event, and
- claim filing deadlines

Important Disclaimer: We strongly recommend connecting with a licensed professional for an assessment and a complete understanding of your current and future employee benefits coverages and offerings.

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