



COVID-19

Supporting employees with
reimbursement coverage



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Introduction



The COVID-19 pandemic continues to develop and impact a growing number of people globally. This occurs both directly through infection and sickness, and indirectly through interruptions to travel, everyday life, and business operations

While one can't predict an event, organisations can prepare for the impact. Nowhere is this so clearly illustrated as in Aon's 2019 Global Risk Management Survey, where respondents rated Business Interruption as #4 risk, Supply Chain Failure at #20, Employee Absenteeism at #32 and Pandemic Risks/Health Crises as #60

Solving COVID-19 is a humanitarian challenge but also has significant implications for the wider economy, businesses and their workforce

Aon, as trusted risk advisors, has an important role to play in helping our clients manage and mitigate COVID-19 risks and helping them be more resilient in the future

The purpose of this document is to outline the terms of the COVID-19 insurance product developed by Zurich and the initial roll out plan

COVID-19 Allowances



If an employee at or below the age limit is diagnosed with COVID-19 during the operative time and this results in hospitalisation in excess of **five days**, the allowances are as follows:

Category A Benefits

- ✓ A daily Hospitalisation Benefit of **€100** for each additional complete day of hospitalization up to a maximum of ten additional days; and
- ✓ A post Hospitalisation Benefit of **€3,000** following discharge from hospitalization

Category B Benefits

- ✓ A daily Hospitalization Benefit of **€30** for each additional complete day of hospitalization up to a maximum of ten additional days; and
- ✓ A post Hospitalization Benefit of **€1,000** following discharge from hospitalization

To try and ensure the pricing and benefit levels are commensurate with the general income level of the territory in question and help avoid fraudulent behavior the benefit structure can be split. Using the World Bank categories we have split out higher income countries and lower income countries, although there will be some dispensation to include a country in the higher income coverage if it is a low wage economy, but the policyholder has high earners. China could be a good example of this.

COVID-19 Allowances



Working Example - Category A Benefit

Individual is hospitalized (not necessarily ICU) for 7 days

Hospitalization benefit payable: €200

Post hospitalization charge payable: €3,000 **Discharged Recovered**

All benefits are paid to the policyholder (usually corporate HQ)

- **Category A Coverage** -the per person premium for this coverage is **18** (€, \$, £ or any other selected currency) excluding insurance tax
- **Category B Coverage** -the per person premium for this coverage is **6** (€, \$, £ or any other selected currency) excluding insurance tax
- Benefits are paid in the same currency as the premium

Note: Romania is in category A

COVID-19 Eligibility



- Multinational employers whose Head Office is in one of the in scope countries/territories AND has more than 5,000 employees
- A domestic employer in one of the in scope countries/territories AND has more than 5,000 employees

All employees must be covered

COVID-19 Key Terms and Conditions



- The cover provides cash indemnity to employer, due to financial loss incurred by employer in supporting employees (dependents cannot receive product) who are hospitalized due to COVID-19 diagnosis
- The multinational solution will be written via a global policy issued to the parent company on a Financial Interest Cover basis
- The minimum number of employees is 5,000
- A capacity limit currently applies to the overall program of €15M GWP, after this point Zurich reserve the right to review their position
- Cover is only valid for an infection diagnosed after the inception date of the plan and for hospitalisations after the effective date of the policy
- The age limit 70 years old
- The policy term is until midnight between 31 March 2020 and 1 April 2021
- Coverage will not be provided for doctors, nursing staff, health professionals and members of the Civil Protection. Zurich will reserve the right to decline to quote other risks based on their risk appetite/portfolio mix at the point of quote
- The global insurance program is 'currency agnostic' –benefits will be paid in the same currency as the premium
- Commission is included at 10% of the premium, where applicable
- Tax treatments to vary by country. All competitor COVID-19 coverages written this way will require similar tax treatment

COVID-19 Exclusions



As standard Zurich will not cover:

- Hospitalization for any dependents of the employee
- Any medical expenses resulting from the diagnosis, treatment or rehabilitation due to COVID-19
- Stays or discharges from nursing homes, long-term care facilities, residences or wellness centers unless falling under the definition of a hospital ward
- Doctors, nursing staff and health professionals
- Hospitalization due to the transmission of COVID-19 arising from war, terrorism or large scale nuclear, biological or chemical disasters

COVID-19 Claims



Claims

- Each covered customer's subsidiary to conduct internal validation in order to determine length of time in hospital of its own employees
- Each customer's subsidiary will reimburse its employees directly for any monies due (daily allowance and post-hospitalization benefit)
- Customer Headquarter / parent company to consolidate its subsidiaries' claims and submit claims for payments to Zurich producing country on a monthly basis in a bordereau
- Zurich having rights to a retroactive "right to audit" and request claims evidences and recoup any mis-notified claim payments further to audit investigations
- Claims and payments to be processed by Zurich Producing claims teams or other TPAs as agreed
- Claims payout to proceed from Zurich Producing entity to contracting party (customer Headquarter / parent company)

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