

COVID-19: IMPACT ON INTERNATIONAL OPERATIONS

and Employee Benefits Considerations

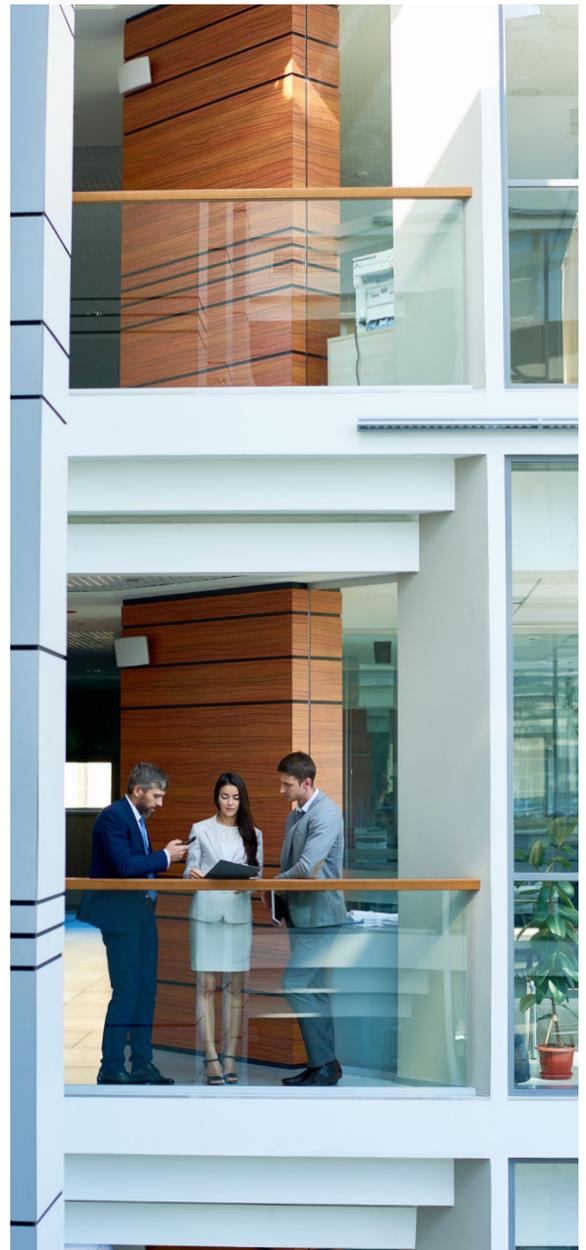
Employers with operations outside the U.S. have been responding to outbreaks of COVID-19 for some time. The following summarizes how they have been responding to the crisis to protect the health and wellbeing of their employees, plus how employer-sponsored private employee benefit plans would cover medical expenses relating to COVID-19 or a life/disability claim.

IMPACT ON INTERNATIONAL OPERATIONS & EMPLOYER RESPONSES

A relatively small percentage of employers have had to close operations and/or relocate employees from affected areas, principally in China. In addition, very few employers have decided to recall their expatriate populations either from affected areas or as a general policy. To keep international operations running and protect the health of their employees, most multinationals have in place or are developing a COVID-19 / Pandemic action plan.

Some of the policies and procedures put in place include:

- Work from home as much as possible
- Minimize all business travel
- Self-quarantine of travelers from affected areas
- Workplace entry screening in affected areas
- Staggering work hours to reduce concentrations of people
- Social distancing rules when at work
- Distribution of hand sanitizer
- Ongoing communication & education
- Promote EAP and support for stressful experiences



INTERNATIONAL EMPLOYEE BENEFIT PLAN IMPLICATIONS

Whether COVID-19 testing and treatments are conducted in public or private medical facilities varies from country to country. Whether the costs involved are absorbed by the government also varies from country to country, plus may depend on whether the employee is a local citizen/resident, expatriate, or international business traveler. However, it is inevitable that at some point, a claim will need to be covered by one of an employer's international benefit policies.

All policies vary but below are general comments on coverage through the main types of international benefit policy:

Expatriate and International Travel Medical Policies

- These policies will typically cover testing and treatment for COVID-19
- Some expat carriers have agreed to waive any employee cost-sharing for testing
- One carrier has agreed to waive all employee cost-sharing on all outpatient costs
- Global telehealth services are available in nearly all locations

Evacuation Coverage for Expatriates and International Travelers

- Keep in mind that most COVID-19 patients in the working population will recover on their own, or can be adequately treated at local facilities
- If medically necessary, the medical evacuation of a critically ill COVID-19 patient could be conducted and covered, subject to:
 - approval by the relevant governmental authorities
 - agreement of all involved parties (hospitals, airports, etc.)
 - availability of a full isolation transportation unit (there is a limited supply)
- Non-COVID-19 evacuations could require additional documentation and experience delays due to travel restrictions
- Insured security evacuation services are unlikely to cover an employer wanting to relocate staff proactively

Expatriate Life & LTD coverage

- Life or disability resulting from a COVID-19 infection would most likely be covered
- Multiple COVID-19 related claims are unlikely to trigger a single event/catastrophic limit

Local National Plans in Different Countries

- With the large number and variety of private medical insurance policies worldwide, each one needs to be checked with local management, brokers, and carriers
- Keep in mind that in many countries testing and treatment may be covered by the government in public-funded facilities or via social insurance
- Where needed private medical in many countries will usually cover COVID-19 expenses
- Carriers are relaxing rules around coverage of certain drugs or use of top tier private facilities
- Local policies can have an exclusion clause around pandemics, so monitor reaction to the WHO announcement

Please be advised that any and all information, comments, analysis, and/or recommendations set forth above relative to the possible impact of COVID-19 on potential insurance coverage or other policy implications are intended solely for informational purposes and should not be relied upon as legal advice. As an insurance broker, we have no authority to make coverage decisions as that ability rests solely with the issuing carrier. Therefore, all claims should be submitted to the carrier for evaluation. The positions expressed herein are opinions only and are not to be construed as any form of guarantee or warranty. Finally, given the extremely dynamic and rapidly evolving COVID-19 situation, comments above do not take into account any applicable pending or future legislation introduced with the intent to override, alter or amend current policy language.