

# Frequently Asked Questions

*Your policy and the coronavirus*

## Covid-19 Update | March 23, 2020

*In consideration of the COVID-19 (coronavirus) outbreak here in the US and around the world, we want to assure every member of the Reliance Standard and Matrix families that your health and safety, and that of your families, remain of paramount importance to us.*

Question	Answer
<p><b>How long can an employee remain covered by STD, LTD or Group Life in the event they are subjected to a temporary reduction in hours, or sent home as a result of a temporary layoff, furlough or facility closure?</b></p>	<p><b>For policies without a continuation of coverage provision</b>, including our standard disability policies, we will allow an employee to maintain insurance coverage for 60 consecutive calendar days if an employer <b>temporarily</b></p> <ul style="list-style-type: none"><li>▪ Reduces an employee's hours; or,</li><li>▪ Sends the employee home as part of a lay-off, furlough or facility closure.</li></ul> <p><b>For policies with a continuation of coverage provision</b>, including our standard life policies, we will follow the applicable contract provision. In instances where the provision allows coverage to continue for less than 60 consecutive calendar days, we will administratively extend the timeframe to 60 consecutive calendar days.</p> <p>In all instances:</p> <ul style="list-style-type: none"><li>▪ The employer must maintain the employee's same employment status and continue all premium payments.</li><li>▪ The 60 calendar days will be counted from the effective date of the change.</li><li>▪ On the 61<sup>st</sup> consecutive calendar day from the effective date of the change, we will consider the change permanent if the employee's hours continue to be reduced, or the employee continues to be part of a lay off or furlough, or the facility does not reopen. The employee will then need to meet the requirements in the applicable policy to maintain coverage.</li></ul> <p>As the pandemic situation develops, we will evaluate the 60 calendar day time frame to determine if modification is warranted.</p>

<p><b>My policy determines benefit payment amounts based on an employee's salary. If we have to temporarily reduce salaries because of coronavirus, are my employees still insured at the higher level?</b></p>	<p>We will allow an employee to maintain the benefits associated with the employee's salary prior to the temporary reduction for 60 consecutive calendar days following the effective date of the change.</p> <p>In all instances:</p> <ul style="list-style-type: none"> <li>▪ The employer must maintain the employee's same employment status and continue all premium payments based on the employee's earnings prior to the temporary reduction.</li> <li>▪ The 60 calendar days will be counted from the effective date of the change.</li> <li>▪ On the 61<sup>st</sup> consecutive calendar day from the effective date of the change, we will consider the change permanent if the employee's salary continues to be reduced. The employee's benefits will then be based on the reduced salary.</li> <li>▪ All other policy provisions will continue to be followed.</li> </ul> <p>As the pandemic situation develops, we will evaluate the 60 calendar day time frame to determine if modification is warranted.</p>
<p><b>Are you offering premium grace period extensions to avoid unintentional lapse/cancelation of coverage?</b></p>	<p>We follow all applicable regulations related to billing grace periods in all states that have released specific guidelines tied to the COVID-19 pandemic. Additionally, each policy contains a grace period which allows for continued insurance coverage for a defined period of time. We are adhering to grace periods outlined in each client-specific policy at this time and will continue to monitor market changes as appropriate. After a grace period ends, Reliance Standard will communicate and work with clients before coverage might lapse to better understand ability to remit premium prior to termination.</p>