



Your Business and COVID- 19



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How COVID-19 has Changed Your Group Benefits and Group Retirement Plans

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Benefits

Let's Talk Benefits

Coverage updates

- Short-term disability clarifications
- Out-of-country updates

Let's talk financials

- Premium flexibility
- Renewal deferrals

Supporting employee mental health

- Available resources and useful links



Short-Term Disability Coverage Updates

Purpose of disability insurance:

To replace a plan member's income when they are too ill to work

Carriers are conscious that these are extraordinary times. Most have implemented special measures such as:

- Waiving the requirement for an Attending Physician's Statement by creating a Confirmation of Illness form (CLHIA* approved)
- Ensuring consistency in the approach that all carriers take in processing claims related to COVID-19

*The Canadian Life and Health Insurance Association



Short-Term Disability Coverage Updates

Positive COVID-19 test and cannot perform job duties :

- Carriers will pay STD benefits for at least 14 days
- Waiting period for STD plans with waiting period of 7 days or less will also be waived

No positive COVID-19 test but experiencing flu-like symptoms:

- Carriers continue to adjudicate each claim based on definition of total disability in contract
- Waiting period will be applied

No positive COVID-19 test, no symptoms of illness, but placed under quarantine by a doctor or public health office:

- This is not a STD claim situation

Note: Employment Insurance (EI) may cover those who are not ill but cannot perform their work at home during self-isolation; EI has waived the one-week waiting period for benefit to begin



Out of Country Coverage Updates

What has not changed:

- Contract definitions for **emergency** and **emergency services**

Emergency:

- An acute illness or accidental injury that requires immediate, medically-necessary treatment prescribed by a doctor*

Emergency services:

- Any reasonable medical services or supplies (advice, treatment, medical procedures, surgery) required as a result of an emergency
- In most cases, emergency services do not include treatment provided as part of an established treatment program for chronic conditions that existed prior to leaving the home province*

*Please check with your respective insurance carrier as some exceptions may apply and range of dates may vary



Out of Country Coverage Updates

What has changed and been communicated:

Trip Duration Limits: most insurers waiving out-of-country trip limit duration until April 30, 2020

- For plan members stranded outside Canada and trying to return home
- Extension applies if they are about to reach, or have reached, their trip duration limit
- Does not apply if they left country on or after March 13, 2020 (*or March 19, 2020 depending on insurance carrier*)
- Coverage during quarantine period ordered by a medical doctor or public health official due to COVID-19 while out of the country between Feb.1 and Mar. 13* or Mar. 18*
- Certain additional unplanned expenses may be covered: accommodations/meals/replacement of lost return ticket back to home province

*Please check with your respective insurance carrier as some exceptions may apply and range of dates may vary

Out of Country Coverage Updates

Exceptions:

Commercial truckers and airlines employees

- Continue to cross borders for **essential reasons** and continue to have out-of-country coverage
- Definitions in contract for **emergency** and **emergency services** remain the same

Recommendations:

Consult Canada Travel Advisory site prior to leaving Canada <https://travel.gc.ca/travelling/advisories>

- International borders are closing; travelling outside Canada is becoming complicated and may compromise the level of accessible health care in emergency situations
- Current Global Travel Advisory is to avoid non-essential travel outside of Canada until further notice



Financial Impact Coverage Update

Flexibility on premium payments:

- Most insurance carriers have communicated flexibility and willingness to discuss extended payment terms ranging from 30 to 60 days
- If unsure about your ability to pay premiums on time, contact your benefits advisor to discuss
- Make sure to discuss repayment terms

Renewal Flexibility

- Insurance carriers are offering renewal deferral of up to two months:
 - April renewals deferred to June 1; May renewals deferred to July 1
- Terms may differ between benefit providers
- Contact your benefit advisor as soon as possible to discuss alternatives

Group Retirement

Group Retirement

Frequently Asked Questions by Plan Sponsors:

We sponsor a Group RRSP to which we also contribute. Can we temporarily stop contributions?

- Contributions made by employees via payroll deduction and any contribution the employer decides to make is part of the employment contract are part of the employee's overall compensation
 - Any changes to the terms of that contract would need to be decided between the employee and employer
 - If the reduction or suspension of contributions is a temporary measure, no amendment to the Group RRSP contract is required

Can we waive the suspension period for an employee who needs to withdraw a portion of their funds?

- The employer establishes the rules regarding suspension of contributions; if the employer agrees, the rule can be waived
- No amendment to the Group RRSP contract is required at this time

Group Retirement

Can we temporarily waive the “no withdrawal while employed” rule for our Group RRSP?

- Employers establish rules regarding withdrawals while an individual is employed; rule can be waived if the employer agrees
- If you decide to temporarily waive the rule, advise your carrier of your decision by email; no amendment to the Group RRSP contract is required at this time

Our DPSP plan rules provide that we must make a contribution if the employee contributes to the RRSP. Can we stop contributions even if the employee continues to contribute to the RRSP?

- No, company contributions must continue in accordance with the plan text
- The employer can amend the DPSP to remove the required contribution

Group Retirement | Market Fluctuation



Do:

Consider that your goals are primarily long-term. If your time frame has not changed, your strategy shouldn't either.

Don't:

Take a short-term view. Staying focused on your long-term plan is key so you don't waver under uncertain circumstances.

Normalcy in the Face of Panic

- Despite how it feels, price fluctuations are normal occurrences in the stock market.
- Before COVID-19, there was 9/11, SARS, the dotcom bubble, the Great Recession...the list goes on.
- Through past crises, the downward market has lasted days, months, or even years; however, in the long-term, the markets have always rebounded.



Group Retirement

Supporting your members in these turbulent times

- **When was the last plan review conducted for the retirement plan I offer my employees?**
 - Is it time to review your current plan structure, contribution and rules?
 - Perhaps the list of available funds hasn't been reviewed or monitored in quite sometime
 - When was the last time you provided your employees with an education session in regards of their retirement plan?
- **Most carriers offer an extensive list of resources and tools**
 - Are you making good use of them?
 - Do you need help understanding what they all mean and which ones to share with your employees?
 - Do your employees know how to access these resources and tools?
- **Contact your group retirement consultants or group retirement insurance carrier, they can help and provide you with valuable advice and information.**

Today's presenters

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