



Life, Health and Benefits



Aon Employee Benefit Update | 25 March 2020

The New Zealand Government has announced that the COVID-19 Alert Level will be upgraded to Level 4 from midnight Wednesday.

The COVID-19 outbreak continues to cause business disruption risk, with many employers now making significant changes to their business and employee practices to respond to the virus.

In this complex time we want to provide assurance regarding continued service from your Aon team. We remain open for business and are here to help our clients, colleagues and communities alike.

Please find below some general guidance as it may relate to your employee benefit programme, as well as additional resources available to support your business. We encourage you to make contact with Aon to discuss your policy should you have any questions.

Policy Coverage Questions

- **Pandemic exclusions** - there are no blanket exclusions for COVID-19 or any other pandemic in group employee benefit policies (Life, Income Protection, Trauma, Total & Permanent Disability, Medical).
- **Working remotely** – NZDF Members and Employees working from home are covered under their group risk programme provided they meet the policy eligibility criteria.
- **Reduced hours** - If employees begin to reduce their working hours please let us know so we can manage the impact on both minimum hour working requirements, and income definition should the employee claim under the policy.
- **Unpaid leave** – subject to prior written approval by the insurer, coverage may be extended for those on unpaid leave as long as premiums continue to be paid. The insurer may apply additional terms or conditions to the applicant depending upon their circumstances. Please contact Aon to ascertain the requirements in respect of your insurer.
 - MIBP Tier 1 members/employees can apply for up to 24 months unpaid leave. NZDF pay for the first 12 months; members must contact Aon to make arrangements to pay for any unpaid leave beyond 12 months
 - MIBP Tier 2 - anybody insured under Tier 2 & 3 does not need to apply for unpaid leave as MIBP Tier 2 is treated as a personal policy

- **Members deployed or posted overseas** - Group insurance policies may require that your insurer is notified prior to an employee working/residing overseas. Prior approval must be obtained by the insurer in these circumstances and high risk geographies may be excluded from coverage. It is important that you notify us in advance.
 - MIBP Tier 1 members deployed overseas are covered under a blanket approval
 - MIBP Tier 2 members deployed overseas are covered under a blanket approval
 - MIBP Tier 2 ex NZDF members and Tier 3 members should obtain insurer approval before residing overseas
- **Medical insurance coverage** - From a medical insurance perspective, COVID-19 is treated within the public health system and is classified as Acute Care. Acute Care is excluded under group medical insurance policies, however there may be limited benefits in the form of GP consultations and public hospital allowances dependent on the policy type and insurer. COVID-19 screening would not typically be covered under a group medical policy, as most insurers provide coverage for diagnostic testing only. As there are various policy variations in the market, we are happy to assist you on a case by case basis with any coverage queries you may have.
- **Changes to your policy** - The insurers we place cover with cannot insert a retrospective clause in existing contracts for the current situation nor can they cancel covers without client consent (unless you haven't paid your premiums).
- **Cessations, Redundancies, Termination** – If your members are leaving NZDF or another employer for any reason, please notify Aon so that we can provide support in continuing insurance cover. This will ensure employees have the opportunity to continue their cover on the same terms as their current policy. For many, this will mean continued coverage for pre-existing conditions.
- **Claims** - The insurer will treat any claim arising from coronavirus as they would any other illness.
- **Extending coverage** - We have had a number of queries from clients wanting to extend coverage under their current programme and we are available to discuss these options with you. In some circumstances, reinsurers have been asking additional questions relating to planned/intended employee travel overseas, however we have not yet seen an impact on policies subsequently issued.

Further Resources

We have created an Aon Coronavirus Response resource on our website to help you with supporting your organisation during this time. The site includes insurer updates, guidance around business continuity, insurance coverage, industry-specific insights and links to global Aon resource pages. The site can be found [here](#).

The latest Government updates related to COVID-19 can be found of the [Ministry of Health Website](#) and www.covid19.govt.nz

For Further Support

Your Aon adviser and support team will continue to support you with any queries you may have. If you need any additional support, please contact:

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