

# Covid-19 related coverage claims

## Do Colonial Life's products and services cover coronavirus-related claims?

Several Colonial Life products cover COVID-19 related claims. We will follow the provisions in our policies to determine what benefits are payable. Below is additional information on how our products cover COVID-19 related claims:

- **Short Term Disability:** If a person is diagnosed with COVID-19, Short Term Disability would likely cover the policyholder after his/her elimination period is met. Individuals who are quarantined without a diagnosis and not sick generally would not have payable claims under Short Term Disability.
- **Hospital Indemnity:** Hospital admission and confinement benefits can be considered for eligible benefits provided all provisions of the policy are met.
- **Life Insurance:** COVID-19 is not an excluded illness for our life insurance products. Benefits would be paid according to policy provisions.

**Critical Illness:** COVID-19 is not considered a covered condition under our Critical Illness products.

- **Accident:** Accident products do not provide benefits for the diagnosis or treatment of COVID-19, except where the product includes a Sickness Hospital Confinement or Admission Rider, which provides benefits due to the confinement of a covered sickness.
- **Wellness benefits:** Currently, COVID-19 tests are not covered under the wellness benefit, as the intention of these benefits is to be leveraged as a preventative measure. We continue to closely monitor the legislative actions being taken to support testing efforts, which may diminish any out of pocket costs associated with these types of tests. Additionally, test kits are limited, and we do not want to unintentionally put strain on our medical system for those who may not be showing symptoms

# Impact of benefits on quarantined coverage

## Is an individual who is quarantined but not sick or diagnosed with COVID-19 considered disabled?

Generally, we do not consider quarantined workers to be disabled unless they have a medical condition that results in restrictions and limitations that satisfy a policy's definition of disability. This includes the requirement that the individual be under the regular care of a licensed physician or doctor as a result of the medical condition.

## Are quarantined individuals "in active employment"? Does coverage continue during a quarantine?

Generally speaking, yes. The quarantine must be the result of a governmental or medical order; if someone self-quarantines, and is unable to work, they are likely not in active employment. However, coverage may continue if they are taking paid time off, on a leave under the policy and premiums are paid.

If the claimant's employer mandates a quarantine period for an employee, we would likely not pay disability benefits; however, coverage would potentially continue under leave provisions in the policy so long as premiums are paid.

## Are employees who were actively at work prior to a furlough and enrolled for coverage eligible to continue coverage once on furlough?

We understand that the COVID-19 pandemic may require employers to unexpectedly furlough employees. We're here to address your needs:

### For individually owned products

- Employees are eligible to continue coverage and pay premiums regardless of employment or furlough status. If payroll deduction is not available, employees can continue coverage and pay premiums directly to Colonial Life.

### For group-based products:

- If the policy does not include furloughs as an approved leave of absence, then furloughed employees will be treated as if they are on an approved leave of absence; and

## Plan Administrator

- Furloughed employees will remain eligible for coverage up to the greater leave of absence term that is in the policy, or 60 days.

Colonial Life will continue to review this evolving situation and provide additional guidance as it becomes available.

Temporary layoff, furlough or leave of absence means you are temporarily absent from active employment for a period of time that has been agreed to in advance by your employer. Your normal vacation time or any period of disability is not considered a temporary layoff or leave of absence.

Additionally, in the event of layoff or reduced hours, we recommend that you explore additional benefits through your employer, or available state, local or federal benefits as well.

## Impact of business interruptions and closures on benefits

### **If our company needs to close temporarily due to COVID-19 and we are unable to pay our employees and/or take employee benefit deductions, what impact will it have on their coverage?**

We understand how important our benefits are to your employees and want to help you maintain those protections. Our contracts contain a premium grace period which allows for continued employee coverage for a period of time.

Prior to termination, we will communicate with your employees regarding how they can continue their coverage.

If any policies do terminate, we will work closely with those employees through the reinstatement process. If their coverage does have to lapse due to their inability to pay the premiums due to a COVID-19 related event, we will work with your employees, as appropriate.

If your company would like to discuss a specific issue or request, please contact us at [service@coloniallife.com](mailto:service@coloniallife.com) or connect with your Billing Coordinator.

## Adding coverage to address COVID-19 concerns

### **Can my company add coverage now even if we're not in an enrollment period?**

Yes. We're making several of our policies available for immediate open enrollment to address this emergency. Please contact your local agent for information on adding to your offerings.

### **Are benefits counselors available to assist remotely?**

Yes. We offer a range of flexible enrollment and counseling options to reach your employees, wherever they're working. Our benefits counselors are also able to assist you in sharing all types of messaging to your employees – not just benefits information – including updates on your operations and emergency preparedness.

We offer in-person, telephonic, virtual (including video conferencing and co-browsing) and online self-enroll.

## Legislative impact

### **My business has under 500 employees. How can the Paycheck Protection Program help me and my employees during this pandemic?**

The Paycheck Protection Program (PPP), part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, authorizes the Small Business Administration (SBA) to make up to \$349 billion in loans to help small businesses pay their employees during the COVID-19 crisis. The loans can be used to pay for payroll costs, including benefits, and certain other costs of protecting business operations. If the funds borrowed are used for payroll costs, including benefits, the loans will be forgiven. Other provisions also apply. The application period for these loans begins April 3, 2020. Employers should apply promptly through an SBA-approved lender, as the funding is limited. For more information, see this [guidance](#) from the U.S. Department of the Treasury.

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