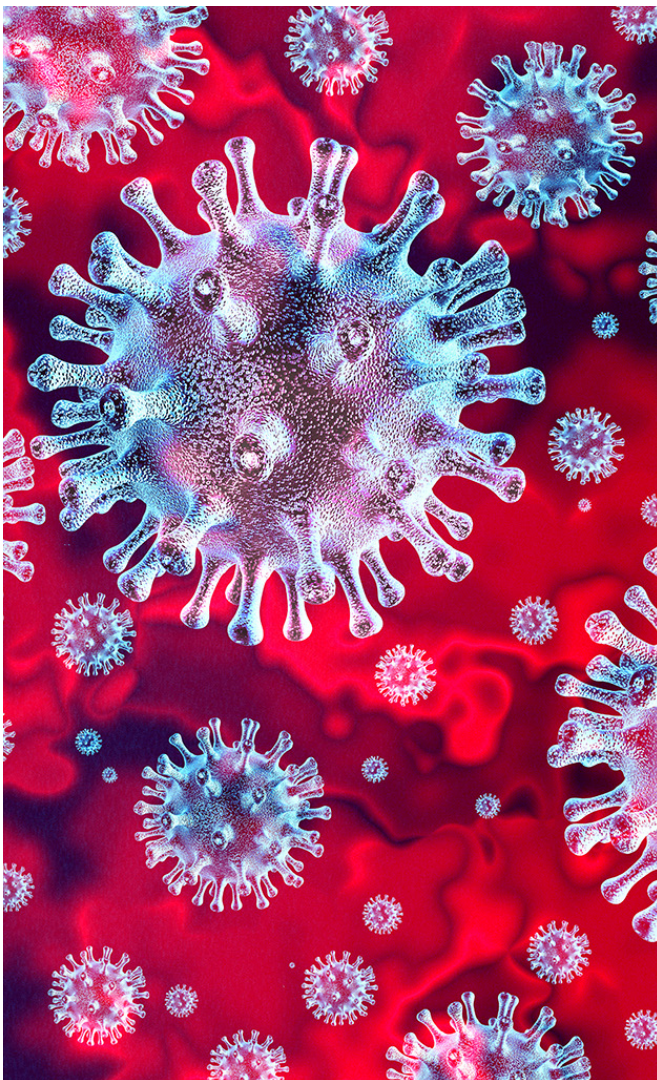


### Novel Coronavirus (2019-nCoV): Health Claims Update

By now, you have most likely read and heard reports about the novel coronavirus that recently emerged from China. RGA has been monitoring the situation closely, leveraging both internal specialty resources from medical and pandemic teams as well as external experts in the field. We are still early in the virus's anticipated trajectory, and as the situation remains early and fluid, we wanted to provide focused claims-related information to our clients, based on our learnings to date. As always, we welcome dialogue and feedback, and will continue to update you as the situation progresses.



Sincerely,  
Dr. Steve Woh  
Chief Medical Officer – Claims Manager  
RGA



As you are most likely aware, in the less than two months since the first case was detected, the 2019-nCoV outbreak has already reached epidemic proportions in Wuhan, China.

Although the impact is still largely contained in China, cases have been recorded in several countries around the world. In countries that have hosted travelers from China in recent weeks, health departments have issued guidance for handling suspected cases. You can access live locational updates on the status of the epidemic from this [website](#).

### Claims Considerations

1. Customers infected with 2019-nCoV should be assessed in the same manner as if they were experiencing any other infections – they are eligible to claim relevant benefits from a health insurance product.
2. Treatment of 2019-nCoV currently revolves around symptom relief. Trials of different antiviral drugs are expected, as the virus is a novel strain of coronavirus. However, as of now no single medication has been identified as an effective treatment or cure. Thus, as long as the treatment received by a claimant is within these expectations, the exclusion for “experimental treatment” should not normally apply. Any novel treatments or treatment outside of these guidelines should be reviewed on a case-by-case basis.
3. Since this is a novel strain of coronavirus, even if a treatment modality is completely new and its efficacy has not been proven (hence “experimental”), there is no existing effective treatment from which it would deviate. Thus, it would be counterintuitive for an insurer to invoke the “experimental” exclusion clause, especially for an illness that is affecting a large group of people. We would

suggest reviewing any new treatment modality with your medical advisors. If the treatment provided follows good clinical practice, cover reasonable costs of treatment if there is no element of abuse. The use of unlicensed or unproven drugs would remain excluded.

4. Fees for symptomatic testing may be claimable depending on policy benefits, but asymptomatic screening or testing would not normally be a covered expense.
5. Costs of treatment for relief from this virus's symptoms have so far not been expensive. However, severely affected individuals may require ICU treatment, thus incurring higher costs.

There may also be costs related to infection control, which can be unpredictable. Insurers will need to consider whether such costs meet policy terms and conditions around being "treatment" of the claimant. At the moment, we are seeing government and statutory bodies implementing quarantine precautions. Currently, the standard length of quarantine is 14 days, with the longest reported incubation period of the virus being 11 days.

6. For policies that have an exclusion related to "outbreak"/ "epidemic" / "pandemic" / "quarantine" or equivalent, depending on policy wordings, insurers may or may not be able to invoke such a clause to decline claims. From a technical viewpoint, if the epidemic is localized to a foreign country with only sporadic cases, a claim from an insured who has been infected locally may not meet the relevant policy definition of "outbreak" / "epidemic" / "pandemic" / "quarantine." Such claims should be assessed under the benefits of the relevant health product(s).
7. Approximately 20% of 2019-nCoV cases are defined as serious, while overall mortality is around 2% at time of writing. So far the more serious complications and mortality are centered in elderly or immunocompromised individuals.
8. Usually, health authorities of an affected country would implement various infection control mechanisms, which include requiring all suspected cases to be treated in designated government-controlled facilities. Therefore, exposure for customers in commercial hospitals leading to claims would be limited to initial treatment (usually inexpensive) when the insureds first present.
9. RGA recommends that clients track all claims relating to the virus using an appropriate disease classification code such as the International Classification of Disease issued by the World Health Organization.



## Conclusion

Since this disease is being widely reported in the media, it is likely that insurance customers and distribution channels would be very concerned about claims coverage. Declining such cases by invoking an "epidemic" or "experimental treatment" exclusion would undoubtedly pose varying degrees of reputational risk. Under such circumstances, an insurer would do well to deliberate on the subject and decide beforehand what the business decision would be when claims for this disease start to come in.

RGA understands the pressures that this type of event can cause and would like to show our commitment to you regarding the novel coronavirus situation. We encourage you to discuss with us any questions or concerns you might have about covering 2019-nCoV-related claims. ■

**For further information or advice, please contact either your RGA representative or:**

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