

Return-to-Work in the Context of COVID-19: A Guidance Note

Introduction

At the end of 2019, the World Health Organization (WHO) was informed of a pneumonia-type illness similar to SARS and MERS detected in the city of Wuhan, China. Within a month, the virus spread throughout China and Southeast Asia, with WHO declaring the outbreak a Public Health Emergency of International Concern. By March 2020, the virus had spread to more than 100 countries globally and, on 11 March 2020, WHO characterized COVID-19 as a global pandemic, the first of its kind caused by a coronavirus.

Living through such an extraordinary time not only challenges us personally, but it also creates unprecedented challenges for effective claims management and industry efforts towards ensuring the sustainability of life cover.

This RGA document aims to provide practical claims guidance in relation to managing return to work (RTW) in the context of COVID-19, highlighting the importance of obtaining a comprehensive understanding of a customer's occupational circumstances at the time of initial contact. Supporting customers extends beyond making timely payments to those eligible. It now also requires claims adjudicators to prioritize efforts to keep individuals at work and their businesses operating.

The Impact of COVID-19 on the Labor Market

As COVID-19 impacts nations around the world and lockdowns are a part of everyday life, economies are being hit hard and the labor market is rapidly changing. The economic fallout of this virus has resulted in higher unemployment rates overnight. Because of these uncertainties, supporting RTW in a contracting labor market will be more challenging than ever from a claims management perspective.

Preliminary estimates released by the International Labour Organization (ILO) on 18 March 2020 suggest "a rise in global unemployment of between 5.3 million ('low' scenario) and 24.7 million ('high' scenario) and an almost certain global recession." It is possible that individuals who cannot continue to work as a result of illness or injury will be increasingly at risk of losing their jobs as businesses try to survive in an unforgiving economic climate. Consequently, those assessing claims must take the time to ask the right occupational questions of their customers up front to understand what, if any, levers are at their disposal to support them in retaining their employment or business, in the hope of avoiding further financial and psychological distress.



Practical Application of RTW Assistance Through COVID-19

Insurers have many rehabilitative tools available to support customers' recovery at work, where suitable, or return to work after a period of absence. Research clearly shows that those who remain employer-attached are more successful in returning to work in a more sustainable and timely manner. It stands to reason, then, that those who have separated from their employer or lost their business either need to find new employment or rebuild their business, both of which are heavily reliant on the health and vitality of the labor market at the time.

In the context of COVID-19 and an anticipated recession, experts who have studied the impact of previous recessions have predicted the following trends in the labor market over the coming 12 or so months:

- The job market will be significantly depressed and largely non-existent throughout lockdown periods (with the exception of work in those industries that are considered 'essential' services).
- Once we emerge from the pandemic and enter the recovery phase, we will be faced with a depressed yet highly competitive labor market because the number of job seekers will far outstrip the amount of vacancies.

These factors will severely hinder claims adjudicators' ability to support individuals into new jobs, with labor market conditions expected to be more adverse than most could have ever thought possible. The importance of retaining an individual's job and livelihood has never been so critical.

Accordingly, RGA recommends insurers and claims adjudicators consider adopting the proactive claims measures described below.

New Claims

1. Where appropriate, claims adjudicators should seek a detailed and comprehensive understanding of the customer's occupational and employment status (as well as other factors, such as the extent of their social support) in the initial discussion with the customer to determine:
 - The customer's eligibility to claim (i.e., whether the individual is incapacitated from working as a result of illness and/or injury and covered under the policy or is no longer working due to factors solely related to COVID-19 and job availability); and
 - What (if any) resources are available to keep eligible claimants employed or their business afloat.

It is important to recognize that these questions are now considered 'time critical' and to delay asking them until the customer has recovered their health is no longer appropriate. Adjudicators must apply all efforts to keep customers job-attached from day one, as their ability to support claimants with finding new employment if job loss occurs will be significantly hampered.

Furthermore, it is important for claims adjudicators to clearly communicate with customers as to why such a comprehensive understanding of their work situation is necessary and the intent behind these questions given the deteriorating labor market.

RGA has provided a list of appropriate questions that claims adjudicators should ask (including the impact COVID-19 has had on the claimant's ability to perform their occupational duties, above and beyond that of their illness/injury) in order to determine whether additional support can be provided. This can be found in the Appendix.

2. Once the adjudicator understands the individual's occupational and employment circumstances, RGA suggests immediate engagement of the insurer's own internal rehabilitation or recovery specialists or a dedicated case manager to determine what (if any) rehabilitative services are potentially suitable. This may include the provision of the following services, to name a few:

- Assistive devices and equipment (including working from home devices/equipment and personal protective equipment)
- Identification of duties able to be performed
- Negotiation of hours/duties/location with an employer
- Business coaching

Current Claim (Partial Disability)

COVID-19, while having the potential to significantly affect the health of anyone, presents a higher risk to those who are immuno-suppressed or immuno-compromised. As a result, it may be that individuals who have returned to work in a partial capacity may, in this situation, revert back to being certified totally disabled for their own safety.

When a customer who was 'partially disabled' becomes 'totally disabled,' RGA recommends contacting the customer and asking questions to determine the cause of the certification change. It is important to refrain from making assumptions until the cause is known as it may be that the reduction is the result of being at 'higher risk' or it may just be a consequence of the deteriorating labor market. Either way, it is important to know the cause and, where possible, to seek medical verification that any reduction was medically indicated, as some occupations and occupational duties may allow an individual to remain productive and 'at work' by changing the environment in which they work and the manner in which they undertake their work.

Once the claims adjudicator understands the cause, RGA encourages use of the insurer's internal rehabilitation specialists, where appropriate, to determine if there are any solutions to keep the insured at work while maintaining their safety. In the event this is not possible, all efforts should be focused on retaining the insured's employment during this hiatus (if the customer is an employee) or solutions to keep the business operating (if self-employed), while at the same time seeking to minimize potential physical or psychological deconditioning. RGA believes that these steps are an important protective mechanism for the customer.

It is important to note that the above scenario does not apply to customers that are able to work and were at work at the start of the pandemic and not receiving partial benefits, irrespective of an underlying health condition or status.

Current Claim (Total Disability)

As previously mentioned, the best mechanism to support customers through this pandemic is to keep their recovery on track and, where possible, keep them employed and/or their business afloat. In the absence of employment, supporting individuals to return to work with a new employer or commencing a new business will be extremely challenging. That said, it should not deter claims adjudicators from their usual claims management practices of assessing a customer's eligibility to claim disability benefits per the policy terms and conditions.

With many health and treatment providers adopting telehealth in an attempt to provide a continuum of care and while treatment for some individuals may be delayed, it is hoped that for the most part customers will receive necessary and timely treatment to aid their recovery. In the event treatment has stalled, claims adjudicators should explore the reasons for this in more detail as there may be a workaround which has been overlooked. Where telehealth consultations are taking place, insurers can use them as an opportunity to engage with the providers and customers about treatment.

Where customers are medically prohibited on a permanent basis from returning to work in their pre-disability occupation and require redeployment, RGA encourages claims adjudicators to work closely with rehabilitation counterparts to determine services that can be implemented and commenced with immediate effect. With the majority of external rehabilitation professionals having moved towards a telehealth/video conferencing service model, while not ideal, it does mean that customers' support services can continue with minimal disruption. The goal of engaging services at the current time would be to ensure customers in this cohort are ready to look for jobs immediately once the workforce is being rebuilt. Services that can effectively be done via video conferencing include:

- Vocational and career counseling and assessment
- Resume development
- Social media profile development (LinkedIn)
- Effective job-seeking strategies
- Effective networking
- Explaining absence from the workforce
- Development of an individualized job-seeking plan for the customer

Conclusion

While it is clear that COVID-19 will bring with it new challenges to claims management, the fundamentals remain the same. Claim eligibility needs to be assessed per the policy terms and conditions, and where possible, claims adjudicators should aim to support the insured in their recovery and return to work. While it is clear we are in for a tough road ahead, we must remember that while many things are out of our control, the way in which we manage claims and how we choose to communicate with customers during these uncertain times is within our control. Customers need more support than ever at this time, especially when it comes to efforts to understand their occupational circumstances and minimize the impact their illness or injury may have on their ongoing employment or business. Adjudicators must ask the right questions and ask them with urgency.

If you would like further information regarding supportive ways to assist your customers and identify appropriate rehabilitative services, please contact your local RGA representative.

References

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Appendix

In this current economic environment, the number of Income Protection/Disability Income claims may increase due to the impact that COVID-19 is having on an individual's employment and/or business rather than any medical incapacity. While this is a challenging situation for everyone, claims adjudicators need to be more prudent than ever in determining whether customers are eligible to claim under the policy terms and conditions, that is, they are unable to perform their pre-disability duties as a result of illness or injury.

Accordingly, RGA offers the following guidance to claims adjudicators on how best to understand the insured's current circumstances.

At a minimum, ensure a comprehensive understanding of whether an illness or injury exists and the extent to which it impacts on the insured's ability to perform their occupational duties by:

- Confirming details of the condition: diagnosis; commencement of symptoms; the date it started impacting work; the date a medical professional was consulted; treatment; etc.
- Confirming their current functional abilities and limitations caused by the illness or injury.
- Understanding all their occupational duties and the function required to perform them, and identifying those duties (important/income-producing) that are specified under the policy terms.
- Querying where each of the duties is performed (office, warehouse, home, on-site).
- Critically analyzing whether the illness/injury does affect the insured's ability to perform their duties, taking specific note of those they are impaired from doing.

In addition to the fundamental claims questions above, RGA also recommends that claims adjudicators seek a more comprehensive understanding of the insured's occupational circumstances, where appropriate, by using the following questions as a guide.

Questions for Employees

These questions are designed to help the claims adjudicator determine whether the insured's inability to work is a result of illness or injury, COVID-19, or a combination of the two.

- What is the nature of the business/industry they work in?
- Did their duties involve face-to-face contact with customers?
- How long have they worked for their employer?
- When did their illness/injury start to affect their ability to perform duties?
- Which duties can't they perform currently, and where did they usually perform these duties?
- What duties can they still do, and where do they usually perform these duties?
- Did they or their employer make changes to their duties (social distancing, remote work, reduced customer contact, etc.) to allow the business to still operate during the current COVID-19 crisis before they ceased work, and, if so, what changes were made?
- Had there been any changes to work hours, days, and/or location before ceasing/reducing work?
- How did they feel about the changes to their duties/workplace?
- Have they ceased work completely?
- If they have ceased work completely, did they cease work because the business closed due to the government restrictions put in place due to COVID-19?
- Has anyone explored the viability of doing some duties from a different location or using different equipment?

- Do they think they could continue to perform some duties from home (where viable)? Alternatively: What duties do they think they could perform from home, and what would they need to be able to do so?
- Would they allow us (the insurer) to talk to their employer to see if we could negotiate different hours/duties/ location to allow them to keep working if possible?
- Do they remain employed at the current time, or, if not, what has occurred (terminated, redundancy, resigned) and when did it occur?
- If not employed, was this due to COVID-19 government restrictions being placed on the business?
- Were other employees also affected by these restrictions? How?
- If still employed, will their employer keep their job available, or are they at risk of losing it? Why?
- How has COVID-19 impacted the business they are employed by?
- Does their employer continue to operate as normal? If not, what has changed (decrease in business, restricted from normal trading, temporarily closed)?
- Has their employer reduced the nature of employee's work (reduced hours/days/location)?
- Do they think their ongoing employment could be at risk as a result of COVID-19?
- Would they like to be able to work at the moment if they could?
- When do they anticipate being able to return back to their previous work?

Questions for Self-Employed Customers

These questions are designed to help the claims adjudicator determine whether the insured's inability to work and operate their business results from illness or injury or the impact COVID-19 on their business operations.

- Confirm the nature of the business they are in, including the industry type and the business structure (sole trader, partnership, company, trust, small/medium business with employees).
- Confirm the current status of the business (still operating at full/reduced capacity, temporarily/permanently closed) and the details around this.
- Confirm current landscape of the business (how they generate work and obtain contracts, current work availability).
- Confirm the number of current employees, the role of each employee, and whether they are full time or part time.
- Confirm whether they are able to undertake any duties, and, if not, who is now responsible for these.
- Confirm how COVID-19 has affected their business operations.
- Confirm what duties they were performing under 'normal' circumstances compared to 'COVID-19' circumstances. Have these altered?
- If COVID-19 has had an impact, confirm the following:
 - Have any restrictions imposed by the government affected their ability to trade (or operate)? If so, what are these?
 - Are they able to adapt the business in some way to continue working, or have they had to cease trading?
 - What duties are they still undertaking and which aren't they undertaking, and why?
 - If the business remains open, how has the virus impacted their business, and what measures have they put in place to work through this time (reduction of staff, hours, etc.)?
 - Do they have any family support they can call on to help the business continue to operate through this period?
 - What impact on their business are they anticipating in the coming months?
 - What have they done with their current contracts, employees, etc.?
 - Have they registered for or accessed government assistance schemes for their employees?

- What is their strategy for rebuilding their business in the future, and what complications do they anticipate, if any?

Support Questions for Business Owners impacted by COVID-19

These questions have been designed for claims adjudicators to support customers who are eligible to claim and whose businesses are at risk because of COVID-19.

- Have they sought professional advice from business, human resources and accountancy professionals regarding how to keep their business afloat?
- Have they completed a financial assessment on the business to consider how it can continue to operate, even if only on a partial basis?
- Are there administrative tasks they could attend to that would enable them to still draw an income from the business that would qualify as work (completion of tax statements, lodgments of insurance, etc.)?
- Have they considered diversifying their business (e.g., providing their services in a different mode, seeking contracts from different portions of the market, renting out equipment or warehouse space to generate temporary income)? If not, what could they do in relation to this?
- If the business remains operational, do they have access to a family support network that may be able to assist with tasks, reducing payroll expenses?
- Have they sought information on eligibility for government assistance payments, support from their financial institutions in the way of 'financial hardship' and loans? If so, what are they eligible for and have they applied for these? Why or why not?
- What measures have they put in place to stay connected with their pipeline of customers/contacts specifically as a way to preserve their relationships for recommencement once restrictions have been lifted? If not, what can they do in relation to this?
- What measures have been put in place to remain connected with staff that may have been made redundant so that scaling up will be more efficient when the time is right? If not, what can they do in relation to this?
- Once restrictions have been lifted, what will the business require to become fully operational again? Have they created a plan for this? If not, what would they need to develop and implement a plan?
- Would they benefit from discussing their situation with a business coach to work through various scenarios?
- Is there any upskilling via e-learning they could be undertaking while shut down that may help them rebuild and diversify for the future?