

## Claims Adjudication in the Age of COVID-19

### Three 'Evolutions' Gaining Momentum amid Global Pandemic

To many, it may seem that we are living in revolutionary times. COVID-19 is reshaping economies and societies, abruptly forcing many of us to rethink the way we live and work. This includes life and health insurers, who must continue to adjudicate medical, disability, and mortality claims in a fair and consistent manner amid a global pandemic.

Yet despite this historic disruption, the fundamentals of claims management remain the same. Claim eligibility needs to be assessed per the policy terms and conditions, and where possible, claims adjudicators should continue to support the policyholder in his or her recovery and return to work journey, when applicable.

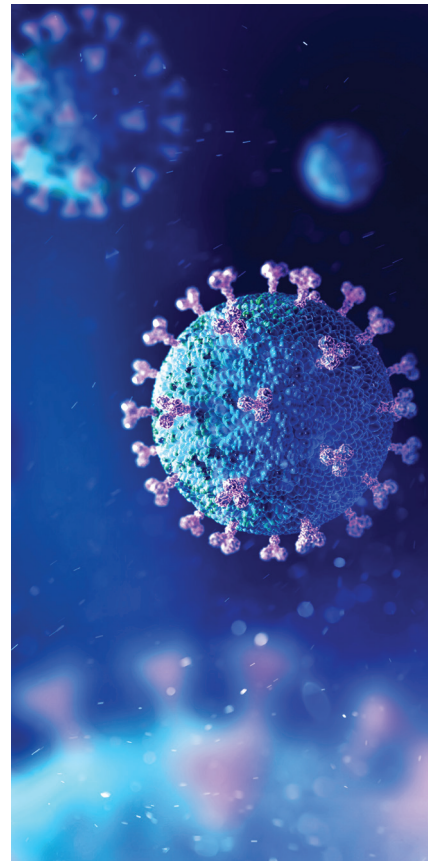
In other words, the right response to revolution may be evolution – a more incremental series of practical interventions to better understand a customer's medical and occupational circumstances. At RGA, we have identified three simultaneous evolutions – across regulation, evidence gathering, and client engagement – that insurers should watch.

### Evolving Regulation

How are regulators responding to COVID-19? The short answer: It depends.

Regulators have answered the challenge of COVID-19 by reaffirming their roots around regulatory philosophies. In South Africa, Australia, and the U.K., regulation has been principle-based for some time, and this has only strengthened in the wake of the virus. The emphasis remains on maintaining an overall philosophy of fair treatment with open and timely communication. Supporting clients extends beyond making timely payments to those eligible; it now also requires claims adjudicators to adapt their claims evidence requirements and limit any potential strain on health care systems with evidence requests.

On the other end of the spectrum, regulators in some countries – most noticeably in the United States – have traditionally been more prescriptive, and the pandemic has not changed that approach. For example, multiple U.S. states have issued very specific and evolving regulatory guidance as the virus has spread. Most of these directives are aimed at ensuring policies are kept in force by requiring insurers to extend grace periods around premium payments to 90 days (versus the previous standard of 30 days). In California, insurers must allow 90 days to execute any contractual requirements once the emergency, as defined by the government, comes to an end. This includes claims evidence for new and existing claims. In the context of Disability Income claims, this may extend the duration of a claim beyond recovery to allow evidence to be submitted and return to work support to be executed.



In some Asian countries, like Japan and South Korea, we have seen a repeat of practices and regulation in keeping with previous epidemics, like SARS, where coverage under Accidental Death benefits is extended to include COVID-19 deaths. In Singapore, smaller incremental changes in regulation have been issued, such as the extension of Hospital Cash benefits for stays up to a maximum of 14 days in a Community Care Facility / Community Recovery Facility once someone is discharged from hospital.

### Evolving Evidence Gathering

Beyond determining regulatory compliance changes, the work of any claims adjudicator begins by collecting evidence and ends with sound adjudication following well-established processes. At RGA, our claims philosophy has always emphasized best practices and accepted business standards as the starting point of any claim assessment. In other words, a claims analyst should review and judge each case by its merits.

Some of these best practices may be difficult to execute during a pandemic and may require insurers to adjust some requirements. For example, in the U.K., the U.S., and Singapore, the original death certificate is normally required to support a death claim. The insurer verifies this document and returns it to the family. However, due to lockdown scenarios many insurers' mail rooms are not operating and other supply chain disruptions associated with social distancing make it difficult for this practice to continue. Laws and practices have been adapted to allow electronic copies of death certificates to be made and insurers can now accept these as sufficient evidence.

Insurers should also consider accepting alternate evidence sources, if only to avoid overburdening healthcare systems. Some parts of the health care system may be overburdened while others are not. Where there is a reliance on hospital medical records insurers can consider accepting evidence supplied directly from customers and use alternate approaches, such as telephone validation, to confirm the authenticity of evidence submitted. Customer Supplied Evidence (CSE) may already be widely accepted in South Africa, but that is not the case in all geographies. In markets where this is not standard practice, insurers may agree on certain parameters in which CSE is acceptable.

The guiding principle for changing evidence standards is to critically reevaluate each requirement and whether it is truly essential to validate a claim. Treating customers fairly is still essential, and so is sound risk management. This does not necessarily mean relying on less evidence, but rather accepting evidence in a different format or from a new source. Electronic and digital formats like photos and telephone discussions can be alternatives to original documents and certified hard copies.

Not all of the change will be permanent. An evolution can quickly become a revolution – a permanent shift with unintended consequences. For that reason, we record any exceptions to our existing practices at RGA, documenting the reason for each change and offering a potential timeframe for this new practice to end or be reassessed. Such clear documentation is essential so that, once this crisis has passed, we can critically evaluate the risk of a changing practice and decide whether to continue on a new path or retrace our steps.



### Evolving Client Engagement

Perhaps most important, the way we engage with each other has changed. As the world has embraced remote work to help prevent the spread of the virus, insurers have embraced technology to connect with the claimant, his or her family, brokers, agents, and other stakeholders.

But perhaps an old tool can also serve that new purpose: The telephone is the first and best starting point to increase connection with clients and customers. And the tele-interview remains key, not only to obtain more information, but also to validate information already received.



It may also be time to expand our use of telehealth or telemedicine. At a time when many claimants don't want to go to doctors or hospitals for consultations or investigations, healthcare providers are turning to telehealth to maintain a continuum of care. Although a clinical, in person assessment is preferable whenever possible, Insurers can utilize similar technologies to conduct a test to determine functional capacity or connect the claimant with vocational and career counselling and assessment, among other services. These technologies are supplementary and not a replacement for all conditions and circumstances, but they can help insurers better assess a claimant's health status, occupational, financial and personal circumstances to obtain better evidence and manage recovery.

While many factors are out of insurers' control, the way in which they manage claims and communicate with policyholders during these uncertain times is not. People need more support than ever at this time, especially as insurers work to better understand each claimant's circumstances.

### Summary

COVID-19 has disrupted so much of our daily lives and many have speculated that as lockdown restrictions are lifted, we will emerge into a "new normal," a changed reality in work and in our home lives – at least for the short-to-medium term. We all are learning something new every day, and as with any crisis, we must constantly and critically evaluate our processes and adapt to new circumstances. Yet, even amid sweeping change, some principles remain fixed – and immovable. In difficult times, it is even more essential to operate ethically and for the benefit of all those we serve. Insurers must demonstrate consistent, efficient, and fair claims practices – not only regarding claims by those directly affected by the COVID-19 – but by all clients.

At RGA, we are eager to speak with clients about any support needed as we confront this challenge together. [Contact us](#) to learn more about the resources, solutions, and services available.