

Novel Coronavirus Outbreak FAQs

Released at 10:00AM, 31 January 2020

The information contained in this document is intended to assist Aon clients to understand the issues related to addressing the Novel Coronavirus outbreak. These are general responses to questions raised by our clients with operations in the APAC region and are not intended to address the specifics of every client situation or to be a substitute for any health advisories from relevant health authorities. You should review the information in the context of your own organisation's circumstances and develop an appropriate response. Please reach out to your Aon consultant or broker with specific questions related to your own organisation's circumstances.

1. How serious is the risk?

The situation is developing fast and presents a potentially material health and business disruption risk to enterprise. Further details are contained in the Aon Risk Advisory issued on Thursday 23 January 2020¹. To put the outbreak into context, at the time of publishing over 9,800 cases have been diagnosed (the vast majority in Mainland China) with a fatality rate of 2%². This compares with the SARS outbreak of 2003 which over a nine-month period had 8,300 diagnosed cases with a fatality rate of 9% (though the fatality rate in older age groups was much higher). With significant travel related to the Lunar New Year celebrations and a 10-14 day incubation period the next few weeks are critical.

2. What preventative measures are companies adopting to mitigate the risk of contagion?

The Lunar New Year break has been extended in Mainland China until 2 February and Shanghai has just announced that all enterprises will remain closed until 9 February. In Hong Kong, Macau and Mainland China schools and other public facilities are closed, some for an indefinite period of time. Other cities and provinces may follow with similar restrictions in the coming days. Many companies in northern Asia have temporarily closed their offices and are implementing Business Continuity Plans with additional travel restrictions in and out of Mainland China, Hong Kong and Macau.

Examples of client advisories observed so far include:

1. No colleague should travel to or from Mainland China, Hong Kong or Macau effective immediately, unless this travel has been approved.
2. Any colleague that returns from Mainland China, Hong Kong or Macau should not attend the company offices and will be required to work from home for 14 days from the date or their return (this policy also applies for any colleague who has already returned since 14 Jan).
3. All colleagues are required to take their temperature on a daily basis, prior to attending the office. If there is a fever or symptoms of the virus, the colleague is required to seek medical attention and notify their line manager. They must not return to the office until cleared by a medical professional.
4. If anyone residing with a colleague (for example, family of a colleague or roommates) (one they are living with) has a confirmed or suspected case of the virus, they are

¹ <https://www.aon.com/apac/risk-alerts/2020/coronavirus-risk-advisory-alert-latest-updates.jsp>

² Source: South China Morning Post (<https://www.scmp.com/news/china/society/article/3048314/china-coronavirus-world-health-organisation-declares-outbreak>)

required to notify their line manager immediately. They will also be required to work from home for the next 14 days (and must not attend the office or meet with colleagues).

5. When the office re-opens, colleagues may continue to work from home, subject to agreement from their line manager.
6. Outside partner meetings that would ordinarily be held in the office are discouraged.
7. Cleaning vendors to increase the cleaning schedule in all areas, particularly reception, pantry areas and meeting rooms.
8. Ongoing procurement of additional stocks of hand sanitiser, N-95 and surgical masks and will make these available when the office re-opens.

3. Do Coronavirus related claims fall under medical, life and travel policy exclusions (epidemics/pandemics clause)?

The wording of exclusion clauses in group life, medical and travel insurance policies is generally customised to each client's requirements. As such is it not possible to provide a general response to this question. We have observed that some client's medical policies exclude certain Coronavirus treatments while others have confirmed treatment is fully covered. Aon is currently contacting all relevant insurers to understand their specific position on exclusions.

At the time of release of these FAQs the World Health Organisation has declared the outbreak as a Public Health Emergency of International Concern but has stopped short of declaring it as a pandemic. Many group medical and life insurance policies have pandemic exclusions which could be triggered if the World Health Organisation changes its stance. Some global medical policies also exclude coverage if the condition is contacted in an area where there has been an official warning issued against travel.

If you are concerned that Coronavirus may be excluded from your insurance coverage please contact your Aon consultant or broker who will coordinate enquiries on your behalf.

4. Are Coronavirus conditions covered under government provided healthcare?

In most countries government hospitals will treat Coronavirus related conditions and in some it may be necessary to attend a dedicated government facility if an individual is suspect or diagnosed with the Coronavirus. In Mainland China the government has confirmed that social health insurance will fully cover all Coronavirus related treatment.

5. Is Coronavirus related screening and testing (e.g., blood tests) covered in our medical policies?

The design of group medical policies is generally customised, and we have observed some policies that clearly cover screening and testing and others that do not. If you are concerned that Coronavirus screening and testing is required and want to check whether it is covered under your group medical insurance coverage please contact your Aon consultant or broker who will coordinate enquiries on your behalf.

6. Could employees be excluded from life or medical coverage under an actively at work clause if they are required to not work under mandatory quarantine or are on Coronavirus related medical leave.

An actively at work clause is typical within life insurance policies and usually requires that an employee is actively at work to be eligible to benefit from life insurance. This can cause a problem if the employee is away from work due to illness. Some insurers may waive this condition for

Coronavirus and some clients have designed life insurance policies that do not contain such a clause. Aon is currently contacting all relevant insurers to understand their specific position on this query.

7. News reports suggest that some Hong Kong insurers have increased hospitalization benefit amounts if the member is hospitalized due to Coronavirus. Do our medical policies benefit from this?

We are aware that some insurers have contacted their policyholders with assurance and clarification of coverage. Aon is currently contacting all relevant insurers to understand their position.

8. If an employee is infected by the Coronavirus during business trip, either domestic or international, do related claims fall under business travel insurance?

This will depend on the wording of your business travel and group medical eligibility and exclusion clauses and the interaction between them. Aon is currently contacting all relevant insurers to understand their specific position on this query. If you are concerned an employee may be in this position please contact your Aon consultant or broker.

9. Would Coronavirus related sequela fall under serious pre-condition exclusions in later life or medical claims?

Aon is currently contacting all relevant insurers to understand their specific position on this query.

10. Are face mask supplies running low? Will our insurance company provide facemasks to our employees?

In Mainland China, Hong Kong and Macau the supply of facemasks and hand sanitiser are running low in some areas. It is unlikely that your insurance company will have supplies of these products to supply to policyholders and you should take steps for your organisation to procure appropriate levels of supplies.

11. How effective are facemasks at preventing contagion?

Given that the virus spreads primarily through close contact with other individuals, in particular through coughing and sneezing, face masks are recommended. Face masks are generally not needed for people who are well but should be used if an individual has:

- a. a fever, cough or runny nose; or
- b. is recovering from illness.

Most national health organisations have issued guidance on the correct usage of face masks and other hygiene measures and organisations should heed that guidance. Practicing good hand hygiene by regularly cleaning sanitising your hands has also been established as an effective intervention in preventing the transmission of the virus.

12. How can Aon support if any of your staff contract the Coronavirus?

The purpose of our risk advisory communication is to help our clients understand and assess the risk exposure from the Coronavirus outbreak. Your Aon consultant or broker is on hand to help you understand your insurance policy coverage and clarify questions with insurance carriers. Where claims are admissible we also assist some clients with the management of these claims. Finally, we

have a dedicated wellbeing solutions team that can help clients develop preventative measures and address business continuity issues should the outbreak in your organisation become significant.