

# Coronavirus (COVID-19) UPDATE

Information for Matrix-Administered Clients and Brokers

March 12, 2020

## I want to change my plan to “help” employees...

**Question: How do I modify the provisions of my Disability plan in order to streamline the experience for my employees during the COVID-19 outbreak?**

**Answer:** It may sound like a good idea at first, but there are many reasons to pause before trying to modify how your plan is administered.

The first thing to remember is that each disability plan will be administered according to specific policy/plan language. As you know, insurance is strictly regulated to protect the insured, and modifying plans based on an unforeseen circumstance bears risks. Here are some general guidelines and considerations.

1. Technically, under most plans, an administrator cannot loosen coverage requirements and/or extend benefits to individuals not technically covered by the plan or policy without an amendment. This is especially true for a plan that pays out of funds held in a trust (e.g., funded by employee contributions or a specific fund set up by the employer to provide assets with which to pay benefits).
2. A plan can be amended to change your benefits, but only with explicit written direction from an authorized party. Short-cutting the amendment process is ultimately risky for the plan sponsor; consult your corporate counsel first.
3. Waiver of medical documentation or other requirements could have a future impact on other types of claims (e.g., denials of other claims for lack of objective medical information).
4. It may be possible to amend your plan to specifically include coronavirus and/or quarantine as a “disability.” However, there may be risks with extending special provisions (informally or by amendment) only to coronavirus/quarantine cases.

### What we can do

Matrix is committed to maintaining our legacy high levels of client service and satisfaction. Please understand in a rapidly escalating claims environment, plan changes – if allowed – will take longer to review and execute.

#### Matrix-Administered Self-Insured (ASO) STD Plans

The standard plan offered by Matrix to clients with self-funded STD includes the following definition of disability:

*“Disability” means any physical or mental condition arising from a non-occupational illness, pregnancy or injury which renders a Participant incapable of performing the material duties of his or her regular job. A Participant will also be considered to have sustained a Disability if:*

1. *he or she is ordered not to work by written order from a state or local health officer because he or she is infected with, or suspected of being infected with, a communicable disease; . . .*

Self-Insured STD clients using the Matrix provided standard STD plan may modify their plan designs to incorporate the following provisions, contingent on a) using plan provision language supplied by Matrix; b) executing explicit written approval of said action and language by an authorized party; and c) agreeing to any commensurate charges. Expanded COVID-19 provisions are as follows:

- **Waiver of the disability policy elimination period for COVID-19 quarantine/diagnosis only**
- **Waiver of the burden of medical documentation for COVID-19 diagnosis only**
- **Expansion of quarantine provision to include both written government health agency order and quarantine imposed or authorized by the employer**

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*Information is accurate as of the date shown above, and is not intended as claims adjudication or legal advice.*

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### Other Self-Insured STD Plans administered by Matrix

Other STD plans may have similar quarantine provisions, which Matrix will apply. Our examiners are familiar with the specific terms of the STD plans they administer and are being reminded to consider this as a possible basis for coverage.

If it is our client's wish to amend their plan document as described above (e.g. the three COVID-19 provisions referenced under Matrix ASO Plans) they may follow the same amendment process described. Consult your Account Manager to discuss these changes, if desired.

### Reliance Standard Insured STD Plans (administered by RSL or Matrix)

STD policies underwritten by Reliance Standard do not have a quarantine provisions, so benefits will be paid only for a health condition that meets the definition of disability under the applicable policy. For further information regarding the interpretation, application, and administration of STD plans insured by Reliance Standard, please see our prior communication [here](#).

### What we cannot do

- **Fully insured disability plans** are subject to the terms of the policy; we will not process amendments to incorporate coronavirus or broaden the definition of disability to include quarantine.
- **Federal and state leave programs** do not recognize quarantine as an acceptable leave reason. In addition, a coronavirus diagnosis does not itself represent a serious health issue. In the presence of a confirmed diagnosis and medical authorization we will manage leaves as the law permits; we cannot opportunistically expand government leave program definitions to align with private disability plan designs.
- While we are striving to maintain quality and service levels, we **will not implement NEW products (services)** to track employee absence based on COVID-19. Modification to existing services is addressed above.

### What you can do

- Consider supplemental **PTO, paid sick leave and/or attendance rules and policies** rather than trying to fit these new absences and situations into legacy structures governed by statute or policy.
- Ensure your employees know how to **initiate a disability or leave claim securely online**, using [matrixabsence.com](https://matrixabsence.com). We have a [helpful video](#) to assist them, and your employees will appreciate the convenience and speed with which they receive attention.
- **Consult with your Account Manager** to review your plan design and address any questions you may have; review and consider expansion of your self-insured disability plan design; or discuss any other aspects of your program.

*Important: This is not legal advice for any specific employer or plan. Each employer needs to consult its own legal counsel and consider the terms of its specific STD plan.*

*For questions related to your disability plan, contact your Account Manager.*

*For questions related to a claim, contact your Claims Examiner.*



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