

MDM Insurance Services Inc.

COVID-19 – Broker Communication

At MDM we continue to monitor developments related to coronavirus/COVID-19 very closely. We are taking precautionary measures with our own employees in order to protect their health safety, while doing everything we can to minimize/mitigate any business or operational disruptions for our Clients during this unprecedented time.

We also understand many of our policyholders have been severely impacted by the events surrounding the novel coronavirus. We are committed to working with our clients to accommodate wherever possible based on their unique situations.

Employers are facing tough decisions - we understand. There are concerns with regards to sustainability of employee group benefit plans. Below represents comments to the most commonly asked questions to date:

- Plan members who are absent due to a COVID-19 temporary lay-off can have most coverages extended for a period of 90 days provided premiums are paid. The statement, “most coverages”, is intentional to provide caution regarding disability coverage. Assuming that the premiums continue to be paid, the benefit can be maintained, however an employee is not able to make a claim until returning to work, thus satisfying the requirement for “earned income”. The positive is that should a disability occur during layoff, the elimination period can now be satisfied whether working or on layoff. Therefore if the entire elimination period were satisfied during the layoff, an employee recalled from layoff, could be eligible right away for long-term disability payments (assuming all other requirements were satisfied).
- They can choose to cancel a coverage at the group or class level for a line of benefit, however they cannot cancel a sub-type of coverage. For example, within Extended Health Care, they cannot request to cancel Paramedical coverage, or Out-of-Country Travel if they currently have that coverage in place.
- Our policy includes a reinstatement clause which allows a terminated plan member’s coverage to be reinstated within six months of their termination.
- Our policy provides a 31-day grace period for payment of premiums. Our current process allows grace up to 45 days before notice is sent and 60 days before we consider claims suspension. At the 60 days the plan sponsors could elect to request suspension of coverage.
- Although not encouraged, plan sponsors have the option to suspend coverage, that is an option available to them. On a case by case basis we will consider plan sponsor requests to suspend coverage with subsequent reinstate within six months.



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