

Berkley Accident and Health Bulletin

Important Updates Regarding COVID-19 and Stop Loss Insurance

April 2021

To our Valued Policyholders, Administrators, Brokers, and Agents,

As we face the challenges of the ongoing COVID-19 pandemic, Berkley Accident and Health wants you to know that we continue to serve you and your business needs as new developments occur. To provide answers to some frequently asked questions, we have put together this new update for you.

Q: How do the new COBRA premium subsidy results impact coverage under Stop Loss policies provided by Berkley Accident and Health?

As part of ARPA, the federal government stimulus bill signed on March 11, 2021, a plan participant who lost their job or coverage due to a reduction in hours can elect COBRA for a 6-month period beginning April 1, 2021. The employer must pay for the Stop Loss coverage for the 6-month period and will receive a federal tax credit for the 6 months of coverage. This COBRA subsidiary only applies to employees and their dependents who have lost health coverage due to:

- involuntary termination of employment; or
- reduction in hours

Coverage will end prior to the end of the 6-month period if the original COBRA timeframe would have ended before the end of the 6-month period. Additionally, if a person “becomes eligible” elsewhere (this is different than the rule of “becomes covered” elsewhere), COBRA will end prior to the end of the 6-month subsidy period. For COBRA coverage prior to the 6-month subsidy period, coverage must be elected from the original qualifying event date and the employer must pay the Stop Loss premium, however an employee or dependent may elect COBRA just for the 6-month subsidy period.

Q: How are health plans being affected by recent workers’ compensation changes?

Many states are taking action to extend workers’ compensation coverage to include “essential workers” impacted by COVID-19, including first responders and health care workers. In some instance, industries that would not be considered “essential” are being defined as such during COVID-19 under state workers’ compensation laws. For example: retail stores that remained open during government shutdowns, restaurant workers, pharmacies, and businesses that provide materials or supplies to hospitals. A common approach is to amend state policy so that COVID-19 infections in certain workers are presumed to be work-related and therefore covered by workers’ compensation. This presumption places the burden on the employer, insurer, and claims administrator to prove that the infection was not work-related, making it easier for those workers to file workers’ comp claims and receive benefits.

Many states have taken action to extend workers’ comp coverage to include COVID-19 as a work-related illness. Here is a summary of state actions from the American Property Casualty Insurance Association (APCIA):

- [2020 State Workers’ Compensation Presumption Summary \(July 24, 2020\)](#)

Some questions for you to consider as COVID-19 claims are received and reviewed for benefits are:

- Is the employer an essential employer?
- What is the employee’s job function? Where did she/he perform this function?
- Does the state have a presumptive workers’ comp requirement?
- Has this claim been filed with the workers’ comp carrier for a determination?

It is important that any potential workers’ comp claim be ruled out, as there are potential ramifications if a benefit is paid that is later determined to be due to a work-related illness.

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Q: Will Berkley Accident and Health accept employer plan document amendments in light of changing eligibility definitions?

If an active, enrolled employee working 30 hours or more per week as of March 1, 2020 is temporarily furloughed or is reduced below 30 hours per week due to COVID-19, we can, at the request of the employer, accept a plan amendment that allows an employee to remain on the plan as long as premium payments are made. Plan document amendments with temporary changes in eligibility may be granted through August 31, 2020.

Policyholders must confirm that the employees who remain on the plan, as a result of the accepted plan amendment, were active and covered by the plan as of March 1, 2020. Berkley Accident and Health reserves the right to audit any such eligibility change.

To request this change, please follow these steps:

1. Continue to pay premium for those individuals

Employees whose plan eligibility is temporarily affected by COVID-19-related actions, can still be considered covered by the Stop Loss policy as long as we receive premium for them.

2. Send us documentation that you have amended your plan

In the event a claim is submitted on a laid off or furloughed employee (or covered dependent), we need documentation of your plan change in our files. Please send a clear description of the change you are making to plan eligibility to your Sales or Account Management representative.

Q: Will claims related to COVID-19 be covered under Stop Loss policies provided by Berkley Accident and Health?

Yes, Berkley Accident and Health will honor the following actions that our Stop Loss policyholders may take in light of the COVID-19 crisis without any prior notification, effective immediately:

- **Deductibles, Copays, and Cost-Sharing:** Policyholders who decide to waive the cost of deductibles, copays, and cost-sharing for COVID-19 testing for covered participants will be allowed to apply these costs as eligible expenses under their Stop Loss policy.
- **Telemedicine and Virtual Visits:** Policyholders who decide to waive cost-sharing for telemedicine and virtual healthcare visits for covered participants will be allowed to apply these costs as eligible expenses under their Stop Loss policy.
- **Early Rx Refills:** Policyholders who decide to allow covered participants to receive early prescription refills to ensure they have a 30-day supply will be allowed to apply these costs as eligible expenses under their Stop Loss policy.

Q: Do Stop Loss policies provided by Berkley Accident and Health cover treatment for COVID-19?

Our Stop Loss policy does not contain an exclusion for pandemic outbreaks. Therefore, medical treatment for COVID-19 would be subject to the terms of the employer's plan document and the terms of the Stop Loss policy, as with any loss.

Q: Can we receive claim reimbursements electronically, even if our office is closed?

Yes, through our Automated Clearing House (ACH) service, we can transfer funds electronically into your account without any manual intervention. This means you can receive Stop Loss reimbursements even if your business is closed or employees are working from home. We encourage policyholders to enroll in this service, offering timely and secure payments.

To get started, complete the [ACH Request Form](#), scan a voided check, and submit them both to the email at the bottom of the form.

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Q: Is Berkley Accident and Health continuing to operate as usual?

Yes, we are. Our business remains ready and able to provide the level of service that you've come to expect from us. Berkley Accident and Health has had an effective business continuity plan in place for many years. That plan has been activated, we're fully functional in all of our operational areas, and our focus remains on helping our employees and clients navigate their way through this very challenging time.

Our claims staff is working as usual, and we continue to process reimbursement requests with no changes to our procedures. All of our employees are limiting business travel and face-to-face meetings. Fortunately, there are many technology solutions available that allow us to remain in contact virtually with our clients, producers, and administrators.

Berkley Accident and Health is a member company of W. R. Berkley Corporation, a Fortune 500 company and one of the nation's largest property/casualty insurance providers. Berkley Life and Health Insurance Company, which underwrites and issues the Stop Loss policies provided by Berkley Accident and Health, is rated A+ (Superior) by A.M. Best, their second-highest rating level, based on the company's balance sheet strength, conservative investments, and favorable liquidity metrics.¹ Read more about [Berkley Accident and Health](#).

Q: Where can we go for additional information?

We recommend the [World Health Organization](#) and [Centers for Disease Control](#) as reliable sources for COVID-19 updates.

For more information

If you have any questions that were not answered here, please contact your Berkley Accident and Health Regional Sales Manager or Account Manager.

Thank you for your trust in us, and we look forward to serving you now and in the future.

¹ AM Best Press Release, *AM Best Affirms Credit Ratings of W. R. Berkley Corporation and Its Subsidiaries*, May 19, 2020, www.ambest.com.

Stop Loss policies are underwritten and issued by Berkley Life and Health Insurance Company, a member company of W. R. Berkley Corporation and rated A+ (Superior) by A.M. Best. Not all products and services may be available in all jurisdictions, and the coverage provided is subject to the actual terms and conditions of the policies issued. Payment of claims under any insurance policy issued shall only be made in full compliance with all United States economic or trade and sanction laws or regulation, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

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