

Coronavirus (COVID-19) Group Protection Update April 2021

We want to reassure our customers that existing group protection cover and service will not generally be impacted by Coronavirus (COVID-19). To help, we've answered some common questions employers have asked us about our planning and our policy cover.

Legal & General Planning

Who is leading Legal & General's response to COVID-19?

Legal & General has in place a Staff Availability (Pandemic) Framework and as part of this we have a Response Planning Team chaired by our Employee Experience Director, and managed by our UK Group Business Continuity Manager. The framework sets out how to respond to an outbreak type virus and is being reviewed and updated to take into account the COVID-19 situation. We invoked our Response Planning Team on 28 January 2020 and have been meeting frequently to monitor the ongoing situation and manage our response.

Our Divisional Chief Operating Officers or equivalent and our Major Incident Team led by the CEO for LG Insurance are also meeting regularly to review planning preparations to ensure we can continue running our business and serving our customers.

How can Legal & General ensure it continues to meet customers' needs in the event of an outbreak?

We have a robust Business Continuity Plan (BCP), both at a group and divisional level. This is regularly reviewed and tested against a variety of scenarios. We continue to monitor the situation with regard to the COVID-19 pandemic and our BCP is updated and new tests conducted as appropriate. Our agile approach to home working has ensured that our service levels remain robust.

In the event that a large proportion of our staff are unable to work due to ill health, our BCP includes a prioritisation structure to ensure core processes continue.

How are Legal & General protecting their colleagues?

We want to do all we can to keep colleagues safe. The majority of our colleagues can work remotely, limiting the number of people in our buildings. This is important so we can continue to deliver services for our customers.

We're regularly communicating with our colleagues to ensure they have the latest advice on how to stay safe and healthy during this pandemic.

What are Legal & General doing to keep their offices clean for essential workers?

The majority of our colleagues are now working from home. For those few who are still required in business-critical roles, we are providing sanitisation equipment. This includes hand gel dispensers and wipes in all our office environments. Colleagues and visitors are encouraged to use these facilities. Reception areas have also been supplied with these products and appropriate signage.

Legal & General has also stepped up the number of cleans taking place in each office. Our cleaning teams are focussing on 'high touch' areas in the offices – door handles, lift buttons and kitchen areas, for example – where transmission of viruses is most likely to take place.

How are Legal & General ensuring our suppliers have plans in place?

We already ask our suppliers to ensure that they have business continuity plans in place and we have reached out to key suppliers to ensure they are able to respond appropriately to COVID-19 and continue to provide their services to us.

Group Protection Policy Terms

Is an employee considered to be actively at work (AAW) if self-isolating?

Our 'actively at work' definition requires the employee must be in full active employment, physically and mentally able to perform all the duties associated with their normal job as an employee on the day the cover is due to start.

Our AAW definition doesn't require someone to be physically at their workplace. We will consider an employee who is physically and mentally capable of performing all the duties of their normal job to be AAW while they follow Government advice and self-isolate as a precautionary measure. However if the isolated employee is ill, then they don't meet the AAW definition, and we won't start their new cover until they recover and meet the AAW definition.

Our policy terms will confirm when we need an employee to be AAW before we start or increase their cover. We normally require an employee to be AAW before we start or increase Group Income Protection cover, occasionally for new Group Life Assurance cover and very rarely for Critical Illness Cover.

Will Legal & General restrict COVID-19 claims for employees who have travelled against Foreign & Commonwealth Office (FCO) advice?

As a company we do not make any recommendations about travelling against FCO advice. However, our Group Life Assurance, Dependants' Pensions, Group Income Protection and Group Critical Illness contracts are usually free of generic travel restrictions or exclusions, meaning a claim will still be paid. In very occasional instances, specific policies may have a restriction applied. If you are unsure, please check the overriding provisions in your policy schedule.

Are Group Life Assurance and Dependants' Pensions claims on the basis of COVID-19 subject to catastrophe limits?

The designation of COVID-19 as a pandemic would not directly be considered a 'catastrophe' and trigger event limit restrictions. Our standard terms don't have pandemic restrictions. However, these could be included as non-standard terms. If these apply they will be shown in the overriding provisions section of your policy schedule.

What happens if the employer can't provide renewal data in a timely manner?

Mid-term renewals – To help employers who are struggling to provide accurate data, we'll produce the renewal account based on the data provided at the previous annual renewal date (or on more recent data if we have it). We'll apply a 3% uplift to reflect movements in cover. We'll automatically do this 60 days after the annual renewal date or sooner if you ask us.

Please note that we will pay claims by reference to the most recent accurate data we have. If there's a claim for a member who isn't on this data then you'll need to provide us with updated data or information to support the claim. When you're able to, you can supply us with the data as at the annual renewal date and we can revise the account.

Rate reviews – So we can discuss potential solutions with you, please contact us if you don't think you can provide us with timely data where a rate review is due.

Can you automatically renew policies on the same terms in the absence of any instruction from the employer/intermediary?

Although in practice we generally receive confirmation of acceptance of new premium rates, our terms already allow renewals to roll over if membership data isn't received when it is due. If necessary we can backdate rate changes and membership updates.

Will you backdate acceptance of a new business quotation where the intermediary can evidence date of receipt of the instruction from the client? Similarly, if cover is switching away from you, will you permit similar rules to allow backdating the off-risk instruction?

We will agree to both scenarios. However for new business this will only apply where the scheme is currently insured elsewhere.

Are you implementing any changes to how overseas employees and secondees are covered?

We have no plans to change these. If we did want to make changes in the future, our terms require us to give 30 days' notice prior to the next rate review.

For a flexible benefits scheme, will you allow employers to postpone their employees' yearly flex choices to a later date?

In most cases we will allow this as long as you let us know what the revised dates are. We will confirm our acceptance of this in writing.

Updated question

Can you maintain cover for employees who are temporarily asked to work part-time hours, temporarily asked to accept reduced pay or temporarily placed on unpaid leave?

Our terms already allow for those on unpaid leave to be covered under the policy's temporary absence provisions, this includes furloughed employees. We're happy for this to be extended to also cover those temporarily being asked to work part-time or temporarily asked to accept reduced pay as a result of COVID-19. This includes employees working part-time under the Government Coronavirus Job Retention Scheme (CJRS).

For LAB, DOPS and CIC, cover is normally fixed at the day before the date of absence and can continue for one or three years as shown in the policy schedule.

For GIP, cover is normally fixed at the day of first absence and can continue for one year provided we are told about the absence beforehand. For furloughed employees we have agreed to extend the continuation of cover under temporary absence until the furlough scheme ends. See your policy for full terms and conditions.

Are furloughed employees still covered under your policies?

Yes, furloughed means to take a leave of temporary absence; as such we would consider these members in line with our 'temporary absence for any other reason' provisions. Please see your policy for full terms and conditions.

Will employees working under the Government Coronavirus Job Retention Scheme (CJRS) be covered by your policies?

Yes these employees would be covered. If you would like the level of cover under the policy to remain the same despite a temporary drop in salary please see our answer to 'Can you maintain cover for employees who are temporarily asked to work part-time hours, temporarily asked to accept reduced pay or temporarily placed on unpaid leave?'

If employees volunteer for the NHS but still remain an employee of their company, will they be covered under the insurance?

Yes, for all policies cover will be unaffected.

Previously our Group Income Protection (GIP) policies included a term for employees on temporary absence which stated, if an employee was undertaking work or activity which in our opinion put them at greater risk than that associated with their job with the employer immediately before the period of absence they wouldn't be covered. While we didn't expect this to apply to NHS volunteers, it caused some concerns for our customers. Therefore, with immediate effect from 9 April 2020, this term has been removed from all policies. We've updated the GIP and GIP Flex policy documents as well as the GIP technical guide, to reflect this improvement to the terms. Please keep a copy of the updated policy document for your records – there is no need to update your policy schedule.

Group Protection Premiums

Will you allow additional time for clients to pay their premium invoices if delays are caused by reduced staff or closed offices?

We ask that premiums are paid in accordance to the time-scales set out in our policy terms and stated on invoices. Please contact us if you think it's not possible to pay premiums by the due date.

Can you offer a payment holiday for employers who are struggling with cash flow?

We ask that premiums are paid in accordance to the time-scales set out in our policy terms and stated on invoices. Please contact us if you think it's not possible to pay premiums by the due date because of temporary financial difficulties caused by Covid-19. As every employer's circumstances will be different, we'll listen to your concerns with the aim of finding a solution that works for everyone.

With respect to flex and voluntary schemes, can an employer offer their employees the option of a payment holiday' for three to six months, during which time no premiums would be collected, and no claims would be valid?

We cannot stress the importance of having adequate protection cover, especially in the current environment.

However, should they wish to do so, we will allow employees to temporarily suspend or reduce their cover for up to six months. We will not pay any claims if cover is suspended during this period. Similarly, we will only pay the reduced amount if they choose to reduce their cover. The employee can reinstate their cover on any monthly accounting date during the six-month period as long as they're 'actively at work'. They can only reduce cover and be reinstated once. Please contact us to confirm the start date for the six-month window.

Group Protection Claims

New question

If a member volunteers to be part of a COVID-19 vaccine trial will this impact their cover?

Our policy terms are generally free of any vaccine exclusions and we have no plans to add one for COVID-19. If the member is currently undergoing or about to undergo medical underwriting, they may need to declare they're part of a vaccine trial. Any temporary or accident cover offered during the medical underwriting process will include some exclusions, and full details of these are detailed in the policy. Most members don't need medical underwriting as we offer high free limits.

New question

If a member declines to have a vaccine for COVID-19 and becomes ill, or alternatively has a vaccine and has an adverse reaction, will this impact their cover?

Our policy terms are generally free of any vaccine exclusions and we have no plans to add one for COVID-19. If the member is currently undergoing medical underwriting, we do have some exclusions. Most members don't need medical underwriting as we offer high free limits.

If, following a Group Income Protection claim or a notification of absence, a member is well enough to return to work, how will you treat the situation if the member is advised to self-isolate because they are in a high risk group?

Our policy terms require us to pay claims in respect of employees who meet the policy's incapacity definition. Unfortunately, we're unable to extend payments to those who are self-isolating but otherwise are fit to return to work.

Would receiving payment under the Government Coronavirus Job Retention Scheme (CJRS) affect Group Income Protection?

In order for an employer to claim CJRS in respect of an employee, they have to change that member's employment status to a 'furloughed worker'. As such they would be considered as Temporarily Absent for other reasons and covered by the temporary absence terms on the policy. Our temporary absence provisions for cover normally fix the salary at the day before the date of absence.

For the avoidance of doubt in respect of Group Income Protection, we will account for all CJRS payments as income when we apply our policy maximum benefit limits on claims. We'll reasonably adjust the ongoing benefit payments if you as an employer have to start contributing to the CJRS payments, or if CJRS payments stop.

How can Legal & General ensure it will continue to be able to pay claims in the event of a pandemic?

Legal & General Group Protection conducts regular research and modelling of extreme events which feed into Legal & General's Solvency Capital Requirement (SCR). This work has a direct impact on the amount of capital Legal & General holds to protect itself from various risks, including the risk of extra mortality being caused by a disease such as COVID-19. The research involves us looking at various disease outbreaks from around the world and assessing how likely they are to impact Legal & General customers in the UK and USA (the two regions where the majority of our customers are based). We look at how likely each disease is to spread, what drugs are available (or in the pipeline) to treat it and we use historical data to estimate additional mortality experience we can expect to emerge as a result of an outbreak.

Some of the disease types we look at are those similar to the COVID-19 and we have assessed similar historical outbreaks such as SARS and MERS. Legal & General therefore holds additional capital to protect our ability to honour our obligations to our policyholders when outbreaks such as this one occur.

Our latest Solvency and Financial Condition Report (SFCR) is available at: <https://www.legalandgeneralgroup.com/investors/library>

Group Protection General Information

If employees of our Group Protection customers are concerned about their health, who should they contact?

Our Employee Assistance Programme (EAP) provider, Health Assured Ltd, is following Government and World Health Organisation guidance. They ask employers to signpost staff to the NHS website and if necessary NHS 111 specifically for COVID-19 rather than the EAP. This helps them ensure that they uphold the highest levels of support for those calling our EAP in crisis.

If your or the employer's offices are closed, can you relax any requirement for documents to contain an original signature?

Claim forms – Employee claim forms can be completed electronically where we are provided with email addresses. In the absence of an email address, we will try and contact the employee/employer to obtain an email address in order to prevent delays. The employer claim forms can be submitted to us via email and this is an accepted method. If individuals are working from home and unable to physically sign the claim form, we will accept the completed claim form via email provided it is coming from a known address.

Contact us

0345 072 0751

We may record and monitor calls. Call charges will vary.

group.protection@landg.com

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Death certificates – Where possible we will continue to verify fact of death online.

Original or electronic copies of death, marriage and birth certificates – To avoid any delay, we ask that the family of the deceased send us the original certificates. Where this is not possible we can accept electronic copies emailed to us; in this case we may need to call you to certify the information.

Confirmation of bank details for refunds – Where we normally need original signatures on company headed paper we can accept emailed scanned copies of the documents, or photographs if the whole page is clearly visible and sent from a known email address. If it is not possible to sign the document we can accept e-mailed confirmation of the bank details provided by the policyholder. However in both case we will complete a check by independently validating the contact details and proactively contacting the signatory by phone to verbally confirm the bank details.

Direct debit mandates – We can accept completion electronically with a follow up call to the policyholder to verify the details. Alternatively we can take the details over the telephone directly from the policyholder.

Letter of Authority – If no signature is present but details are provided on letter headed paper sent to us by email we will complete a follow up call to the policyholder to verify the information. If the letter cannot be provided we can accept an email from the policyholder containing all the relevant information, again this will be followed by a call to verify the details. In both instances the signed letter of authority will still be required as soon as possible.

Mastertrust – We have changed to an application-based process. We'll be able to accept any of the following:- a scanned copy or photograph of this form sent to us by email; or- as the form is an editable PDF, they can complete all editable fields and return to us alongside a confirmation email from the 'signatory'. Only one signature is required and this should be by someone with delegated authority from their company. Please note; we can't backdate joining the Mastertrust so please make sure this arrives by the date cover is due to start. Please don't send us a scanned copy of the Deed of Participation as being a legal document; we can only accept originals.

Medical Declarations – We've implemented a digital solution for our medical forms. Please contact us if you would like to complete a form electronically. We already provide 90 days' temporary cover while medical underwriting is taking place.

Proposal Forms – If the signatory is unable to print and sign the document we will require them to send a confirmation email alongside the digitally completed form confirming their authority in place of a signature. A scanned copy or acceptable photograph of the signed Proposal Form is still required as soon as possible. For photographs to be acceptable they must show each page of the document in full and be legible.

Can you relax the time notification rules with respect to your Group Income Protection Early Notification Bonus?

Unfortunately, we're unable to reduce these.

Early Notification is an essential part of effectively managing an employee's absence. It increases the likelihood of a successful return to work and at a quicker rate than would otherwise be the case. This is why we provide a bonus, as we can pass on to the employer the savings made on the cost of absence.

The Early Notification Bonus scheme already has flexibility in only requiring 80% of absences to be advised within the time limits, even though 100% would be ideal. Absences can be notified electronically which helps to avoid delays.

What if I have further questions?

If you have any specific concerns not covered by this document, please contact your Legal & General Account Manager.