

Disability Management in the Age of a Pandemic

Munich Re, Canada (Life)

COVID-19: Addressing and preparing for the new “normal” in disability claims management

Over the last few months the industry has been extremely focused on the COVID-19 pandemic and its effects on our clients and the industry. The disability management community has shared ideas for appropriate guidelines to assist their policy holders as well as protect the integrity of their products, particularly Short Term Disability (STD). But what about Long Term Disability (LTD) and Individual Disability? How will COVID-19 impact these lines of business? The vast majority of people infected by the disease to date are experiencing temporary illness and recovery in a short period. As of today, there is little information about the potential long-term effects of having suffered from COVID-19. Not to mention, the economic effects of the pandemic and what it may mean for disability claims incidence and elongated durations, impacted by mental health and financial factors.

In this document we provide some guidance on how to manage a few of these key elements as well as additional resources and initiatives Munich Re is preparing to assist with disability claims management now and in the future.

Munich Re’s business continuity and employee safety

Early in the outbreak, Munich Re instituted policies supporting the health and safety of our employees while also keeping our clients’ needs front and center. Our ability to quickly move to a work-from-home operation means no interruption in service to our clients. Our teams in Toronto and Montreal continue to safely and effectively work remotely as the federal and provincial governments establish measures and timelines that ensure a safe return to the office. Please continue to connect with your usual Munich Re claims contacts via email or telephone.

Advice for current and future challenges in disability claims management

Review your data and business needs

In a time where LTD incidence was already on the rise, the industry is now anticipating an even bigger increase and also extended durations as the effects of COVID-19 continue to unfold. Impacts to employee mental health and to the economy are key factors related to future challenges in disability management. How can your disability claims operations prepare for this?

Our advice? Assess current and future claim volume and complexity. Plan staffing and technology needs accordingly.

Changes in headcount and case-loads, availability of medical consultants, dashboard metrics, and claims management platforms may all be considerations for your operations now to be prepared for the future. Are claimants being directed to Employee Assistance Programs (EAP) or internet-based cognitive behavioural therapy (iCBT) programs to support their financial health, mental health, and overall wellness? And don’t forget your own employees’ mental health. Being a case manager can be a tough job when dealing with real people with real problems. It is important not to underestimate the burnout factor that can be prevalent in this occupation.

Closure or limited access to healthcare practitioners and documentation

Claimants are certainly being impacted by the office closures of healthcare providers during this unprecedented time. Many non-urgent surgeries or procedures have been postponed indefinitely. From a disability management perspective, we are seeing delays in interventions such as physiotherapy and the ability for claimants to be cleared to return to work.

However, we are also seeing new efforts in virtual care by the provinces and independent healthcare providers, as well as a surprising availability of timely medical documentation. Many physicians are now communicating via email and having video consultations with their patients. We are also seeing rehab firms quickly mobilize to offer remote intervention to support the claimant's recovery and return-to-work preparedness. As provinces evaluate their containment of the risk, it will be important to monitor what healthcare services will begin to reopen and become accessible again to claimants.

Our advice? Ask questions. Get information. Facilitate treatment.

Contact with the claimant and employer continue to be the case manager's best resource. Telephone interviews with claimants are a primary disability management tool. It is always important for case managers to validate information, find out more about the claimant's access to care, and do what we do best – find solutions that meet the claimant's needs and the best outcome for the claim. Have you considered having your case managers use video-conferencing to better connect with claimants?

While there were some initial delays or closures, provinces now appear to be fulfilling requests for provincial health records. Be sure to make your request for claim forms and medical information per your customary procedures. You might be surprised at what you will get.

Employer shut downs, layoffs, and returning to the workplace

Options for return to work are challenging at the best of times and this is exacerbated during the pandemic and the associated economic environment. Sometimes the claimant's position is no longer available, or their work is delayed – possibly indefinitely. In some cases the work itself may look drastically differently compared to when the claimant stopped working. All of these variations are still emerging. In the face of these difficult times, there needs to be a fair and balanced approach to disability management and, above all else, in keeping with the contract.

Our advice? Assess disability in the absence of job availability. Look for alternate work or retraining wherever appropriate. Contact employers for details of when the workplace is reopening, under what parameters, and how they are handling the return to the workplace and pay for all employees.

Be clear in your communication of the decision and assist the claimant by directing them to available government benefits. Does the claimant's education, training, and experience provide them with alternate forms of employment? Have any government subsidies or retraining programs become available that would suit the claimant's needs and facilitate their re-entering the workforce? Some investigation into available, free-of-charge programs to the claimant and insurer would be an effective reference tool for your case managers and vocational rehab consultants. A discussion with the employer where businesses are eligible for reopening under governmental guidelines will also help to understand if the claimant will be called back to work or if they should be directed to an emergency response benefit.

Approach to financials and expenses for claimants

Determination of disability, benefit reductions, and residual calculations

Is your Individual Disability claimant submitting a claim after their business has already shut down? Has their reported monthly loss of income for their residual claim suddenly increased significantly from previous months without any change in reported work hours or duties? Are there also changes to hours or duties that do not appear connected to disability? Or is the claimant receiving a government emergency benefit in addition to their disability benefit? It is important to look at the circumstances of the claim to determine what factors are related specifically to disability or where circumstances impacting the claim are related to employment changes or business slowdowns due to COVID-19.

Our advice? Revisit the contract for the impact on disability if the insured's business is not active. Investigate loss of income further and consider alternate means to calculate true income loss based on previous months and eliminate the pandemic's market impact.

It may be appropriate under your policy wording to consider paying 50% of the partial or residual benefit if the insured is capable of working 50% of pre-disability hours or required duties but is working less due to COVID-19 related business slowdowns as opposed to their disability. If the claimant is eligible for other benefits, the government emergency benefits may also be an offset source or All-Source Maximum according to the applicable contract wording.

Business overhead expenses

Is your claimant's business receiving the Canada Emergency Wage Subsidy (CEWS) benefit? Do they also hold business interruption coverage? A business owner claiming for overhead expenses may be receiving similar benefits from other sources given the current state of affairs.

Our advice? Refresh your understanding of the contract. Review any wording related to exclusions or offsets.

Contact claimants to ask about the impact of COVID-19 on their business and any new benefits they may be receiving. If they are receiving the CEWS benefit, it may provide further validation of the state of their business prior to the onset of disability.

Tax returns

Financial documentation is a key element to assessing disability for Individual Disability claims. Given the announcement of extended personal tax filing deadlines, insurers can expect delays in availability of assessed tax returns. However, note that there does not appear to be an extension of corporate tax filings at the moment.

Our advice? Connect with claimants about how they are handling tax returns.

Often the self-employed claimant will provide the insurer with access to their accountant for discussion of available documentation while awaiting final returns.

Vendors to support your business

Along with assessing staffing and technology needs, look into vendors to support your claims management and successful resolutions. Opportunities for the earliest of interventions will be even more essential in the future of disability management.

Here are just a few organizations offering solutions to common disability management challenges:

<p>The Claim Lab</p>	<p>How do you assess what is motivating – or not motivating – the claimant to return to work? The Claim Lab uses innovative analytical and predictive modeling techniques within a claimant questionnaire to break through and manage barriers to return to work.</p> <p>claimlab.org</p>
<p>ManagingLife</p>	<p>Pain is a difficult symptom to measure by traditional medical means. Often, only the claimant can explain the physical pain they are experiencing. ManagingLife is a digital solution to help patients, doctors and case managers measure, monitor, and manage pain as well as open the door to discussions about new pathways to functionality.</p> <p>managinglife.com</p>
<p>Medical Confidence</p>	<p>Delays in accessing physician specialist care often impacts disability claim durations and waits to access care and treatment have been further impacted by COVID-19. In partnership with the claimant and their primary care practitioner, Medical Confidence's healthcare navigators identify physician specialists with the shortest wait times who are best suited to treat the claimant's condition – helping them access the care they need, sooner.</p> <p>medicalconfidence.com</p>
<p>Haleo</p>	<p>Fatigue and poor sleep are often significant contributors to a claimant's lack of recovery. Haleo offers clinically proven programs to improve sleep, to in turn improve claimant recovery.</p> <p>haleoclinic.com</p>
<p>Pillcheck</p>	<p>How often is a claimant's recovery delayed by trial and error of medication? Consider Pillcheck to uncover how effectively medications work with a person's body and help to limit adverse side effects, ultimately promoting faster recovery and return to work.</p> <p>pillcheck.ca</p>

Coming soon from Munich Re

Short Term Disability Claims Trends Report

Munich Re launched the LTD Benchmark Index during the 2008 economic recession to provide insurers with timely monitoring of emerging claim trends and to track changes to incidence and termination rates relative to pre-recession levels. The report continues to update the market to this day.

To bring the industry leading insights into the impact of COVID-19 on incidence, Munich Re will be providing similar reporting on STD business in Canada which will provide leading indicators for anticipated adverse LTD claims experience. Participating insurers will hear more soon about our June launch date!

COVID-19 Impact on Disability Management Survey

Watch out for our request in the Fall for your organization to complete a short survey on the effects your claims operations is experiencing as a result of the COVID-19 pandemic. Munich Re will compile the findings and provide insights to assist you with tackling these ongoing and emerging challenges.

Contact us



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