

Visit our website to learn how Sun Life is helping Clients during the COVID-19 pandemic: www.sunlife.com/coronavirus

APRIL 1, 2020

Special measures to keep employees covered

We are actively monitoring the changing situation related to COVID-19 (Coronavirus) and are focused on how we can best serve our Clients. As a result, we'd like to share a few frequently asked questions as they relate to Continuation, Rehire and Reinstatement, Portability and Conversion.

For existing Clients, please explain your continuation, portability and conversion options for employees impacted by COVID-19. Please explain any reinstatement provisions.



We recognize that changes in the workplace are impacting the ability of employees to work, work full-time hours, or work from their usual work location. In a very short timeframe, many employers have had to make painful decisions to reduce employee hours and some have had to temporarily close their businesses. In response, we are providing you with options based on whether you anticipate the change to be **temporary** (and the employee's status and your policy remain active) or **longer term** (e.g., the employee isn't reinstated within 90 days).

EXISTING CLIENTS – CONTINUE COVERAGE UNDER GROUP CONTRACT (Temporary)

We have modified our continuation provision such that employees who can't work as a result of COVID-19 can *continue* or keep the benefits they had as of March 13, 2020. Employers who choose this option are likely open for business, but need to reduce hours or temporarily furlough or layoff some of their workers.

This is the easiest way to ensure that employees keep important coverage.

- **No forms, no applications, no questions.**
- Employees remain covered for up to 90 days at the Client's discretion.
- Premiums are **calculated as if the employees were actively at work**, and **coverage remains in force**.

Here's how this will work: Employees who were actively-at-work with the employer on March 13, 2020, but have subsequently experienced:

- Reduction of work hours resulting in an eligible and insured individual becoming ineligible for coverage;
- Temporary furlough or leave of absence;
- Temporary layoff;
- Inability to work regularly scheduled hours due to Quarantine without medical necessity.

Will be considered actively-at-work under the Sun Life policy as of the effective date, provided premiums are paid at pre-COVID-19 levels and the Policy stays in force, until the earlier of:

- 90 days or
- the end of the period when a person is unable to work, is working reduced hours, or is not working from their usual work location

This administrative extension of the continuation timeframe is available for the period of March 13, 2020 until September 1, 2020 and should be applied uniformly at the employer level and not by individual selection. Note: The longest period of continuation is 90 days. The 90 days could start now or it could start later, but it cannot go beyond September 1, 2020.

IMPORTANT: Do not remove terminated employees on your bill or any file feed sent to us. Employee status, hours and salary, etc. should remain at their pre-COVID-19 levels.

Applicable coverages: Life, AD&D, Short-Term Disability, Long-Term Disability, Critical Illness, Cancer, Accident, Dental, Vision. Includes coverage for employees and covered dependents. Does not include statutory plans or other coverages not listed here.

What happens after the extension? Employees who return to their pre-COVID-19 status prior to the end of the extension do not have to do anything. They will continue their active status on the existing group policy. Employees who have not been reinstated by the end of the 90-day extension (or Sept. 1, 2020, if earlier) may have the option to port or convert coverage.

EXISTING CLIENTS – REINSTATEMENT UNDER GROUP CONTRACT WITH BENEFITS RESTORED

Sun Life has modified its rehire and reinstatement provisions to help employees impacted by COVID-19 return to their prior coverage levels more easily.

These guidelines apply **even if your group's contract did not have a rehire provision.**

Employees who were impacted by COVID-19 and who return to active status and reinstate coverage:

- **Prior to 6 months**, may return to their prior level of coverage without being subject to Evidence of Insurability (EOI). The employee's original effective date would be used to determine if a pre-existing condition review was warranted, if eligibility waiting periods apply or if benefit waiting periods apply.
- **Between 6 to 12 months**, may return to their prior level of coverage without being subject to Evidence of Insurability (EOI); however, they will be subject to a pre-existing condition review for new conditions they sought treatment for during the period between their active status ending and their return to active status with the employer. The employee's original effective date would be used to determine if eligibility waiting periods apply or if benefit waiting periods apply.
- **After 12 months**, employees who reactivate coverage beyond 12 months will be treated as a newly hired employees.

Reinstatement for voluntary terminations.

Employees who voluntarily terminate their coverage, but remain employed, will be treated similarly. A return within 6 months would not require a review, and a return within 12 months would require a review only for new conditions the employee sought treatment for during the period between their active status ending and their return to active status with the employer. No eligibility waiting period would be required.

EXISTING CLIENTS – PORT OR CONVERSION COVERAGE (Longer term)

Once the 90-day extension (or Sept. 1, 2020, if earlier) has passed, employees who continue to work reduced hours or who have not otherwise returned to active status due to COVID-19, may have the option to port or convert coverage.

- **Portability and conversion are only available if the contract includes these provisions, and may vary by line of coverage. Your employees rely on you to advise them of their conversion and portability rights** which gives them options for staying covered.
- Portability at March 13, 2020 levels is available to employees who have reduced hours due to COVID-19, provided that premiums were continued at the pre-reduction amount.
- Typically our contract does not allow for portability or conversion due to a reduction in hours. **We are temporarily and administratively removing this limitation.**
- If your employee is interested in porting or converting, you can print and fill out [this form](#) and share it with your employee.
- We predict technology will be an issue for many benefits administrators. As such, we will accept forms via email **without wet signatures**. Use this [email template](#) to inform employees of their portability and conversion options and benefit levels. **(Note: Email template is forthcoming.)**
- **Initial payment is required** in order to port or convert, but the 30-day premium grace period will apply thereafter.
- If the policy is terminated, portability or conversion may be available. Please check your contract.

What occurs for new hires who are in the eligibility waiting period when impacted by COVID-19?



If you have a new hire who is in the eligibility waiting period and has their employment impacted by COVID-19 (e.g., reduced hours, temporary furlough or temporary layoff), Sun Life will allow all days that the employee would have otherwise been working full-time to count towards completion of the eligibility waiting period. When the eligibility waiting period has been satisfied, Sun Life will allow for the coverage to be added and continued per Sun Life's modified continuation provision.

Dental Benefit Waiting Periods will be handled in the same fashion.

For employee-paid coverages, Sun Life is offering an extended enrollment period allowance where the employee has 90 days from the eligibility effective date to enroll.

For new clients considering moving coverage to Sun Life, please explain how you will handle continuity of coverage?



We recognize employers moving their coverage to Sun Life may have taken job action resulting in employees not being actively at work on the Sun Life effective date due to COVID-19. In response, we have modified our continuity of insurance provisions so that coverage under the Sun Life policy considers these employees' coverage as *continuous*, subject to the following guidelines.

- **The employee was actively at work on March 13, 2020**
- **Premiums continued to be paid for this employee for the period of layoff, furlough, or reduction in hours**
- **The employee returns to active work within 90 days from the policy effective date, or by September 1, 2020, whichever is earlier**

Please note that all other provisions of the policy apply, including pre-ex, waiting period, and other requirements for new hires.

Here's an example of how this works:

- An employee is placed on furlough on March 31, 2020 due to COVID19 business changes
- You continue to pay premium for that employee and continue their coverage
- You change carriers to Sun Life, effective May 1, 2020
- You begin to pay premiums for this employee
- The employee is covered under the Sun Life plan as of May 1, 2020
- The employee returns to active work on June 1, 2020, and coverage continues as normal

This temporary and administrative extension of the continuity of coverage timeframe is available for the period of March 13, 2020 until September 1, 2020 and should be applied uniformly at the employer

level and not by individual selection. **Note:** The longest period of continuation is 90 days. The 90 days could start now or it could start later, but it cannot go beyond September 1, 2020.

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What happens after the extension? Employees who return to their pre-COVID-19 status prior to the end of the extension do not have to do anything. They continue their active status on the existing group policy. Employees who have not been reinstated by the end of the 90-day extension (or Sept. 1, 2020, if earlier) may have the option to port or convert their coverage.

Notice: This decision to keep the actively at work status of employees affected by COVID-19 allows coverage to become effective on the Sun Life effective date; coverage under the Sun Life policy is not in effect prior to that date.

How will claims examiners recognize when an employee has special COVID-19-related insurance continuation?



To be sure we are administering claims in accordance with our special measures, our claims staff is adding an additional step to our normal claims process.

When we determine that a claimant is not currently actively at work, or is not working the required minimum hours to qualify for benefits, we will reach out directly to the employer to verify whether they intend for the employee to use the special continuation option.

With three simple questions we will determine actively at work status:

- 1. Is the change in your employee's status temporary?**
- 2. Are you continuing benefits and premium payments for our claimant?**
- 3. Can you provide earnings documentation before furlough or reduction in hours?**

Once these questions have been resolved, we will verify premium payments and resume routine claims administration.



This content is not to be considered legal advice. We recommend Clients speak with legal counsel specializing in labor and employment law to ensure your organization meets requirements. Group insurance policies are underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) in all states except New York. In New York, group insurance policies are underwritten by Sun Life and Health Insurance Company (U.S.) (Lansing, MI). Product offerings may not be available in all states and may vary depending on state laws and regulations.

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