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## EMPLOYEE HEALTH BENEFITS AND COVID-19

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Yesterday can be compared to today but today cannot be compared to tomorrow. Merely because we do not know what tomorrow holds for us. Who in November 2019 knew that later that same year and beyond, the world would be grappling with a virus that now has hit the world economy like a meteorite dropping from the sky? No one, not even the greatest fortune tellers, managed to predict this crisis. The health of millions is at stake, and millions of people have had their daily routines disrupted by the COVID-19

pandemic.

This article aims to demonstrate how health insurance can assist corporations and their employees through the difficult times of COVID-19. We will first present the impact of COVID 19 on business operations and shall then address the roles that health insurance can play and the behaviors that organizations can adopt to mitigate the risks.

### IMPACT OF COVID-19 ON CORPORATIONS

Covid-19 has impacted not only the lives of those employees who have contracted the virus, but also fellow workmates who have not, as well as the way businesses are run. A few of the most frequent impacts of Covid-19 on business operations are highlighted below:

- Companies with limited physical space are forced to create an adequate IT infrastructure for employees to enable them to work from home;
- When an employee is tested positive, the company must close for 2 or 3 days and sanitize, thus resulting in lost business;
- Employees who have contracted the virus are required to quarantine for a specific number of days; considering the high rate of infections, this translates into a considerable loss of man-hours;
- If an employee is hospitalized, he/she will look to the employer for assistance or for a loan to cover the important medical costs; and
- many organizations have downsized or closed their business due to the reduced demand for goods or services during the pandemic period.

Covid-19 can have a serious impact on employees' lives and on how a business operates. Organizations which do not have their employees insured may experience devastating impacts on



their business continuity.

## **BENEFITS OF HEALTH INSURANCE**

Health Insurance protects you and your family from unexpected high medical costs without putting a strain on your personal finances. In order to secure health uncertainties and have peace of mind, many organizations and individuals are becoming aware of the importance of having their health secured by acquiring a Health Insurance package that suits their needs. Some of the benefits of a Health Insurance Package for businesses in the era of Covid-19 are:

- The expensive Covid-19 test, when positive, is paid for by the insurer, which can represent an important burden for the employee and his/her family;
- Hospitalization costs which tend to be unbearable especially for severe cases of COVID-19, are paid for by the insurer;
- Outpatient cost are paid for by the insurer;
- Considering the highly contagious nature of the virus, it is recommended that patients be taken to hospital by a specialized medical team; such evacuation services are paid for by the insurer;
- Health insurance providers can offer programs for chronic diseases, such programs reduce the probability of hospitalization when the disease is well monitored and treated;
- Employees will have peace of mind and will be better to concentrate on work, knowing that hospitalization costs for them and their family members will be taken care of by the Insurer;

As many companies are struggling to keep up with the new norm, most are worried about having a quality medical treatment should their employees contract the virus. Even though there are designated hospitals appointed to treat the infectious disease, high ranking professionals usually prefer treatment in highly accredited private clinics and hospitals. What would happen should they contract Covid-19 in their workplace, would their employer offer them coverage?

Companies offering Employee Benefits such as health insurance will be more proficient in attracting more qualified personnel compared to companies that do not offer the same benefits. A Glassdoor Economic Research study found that health insurance is one of the most used ways to attract and retain employees.

Having your workforce included in a group health insurance plan is a thumbs up for businesses as the company can get better premium deals than individuals. Working with professional brokers like Minseg adds value in negotiating the terms for the health plan of your business. Organizations would benefit from economies of scale where brokers negotiate terms on their behalf. It is therefore more valuable for a business owner to include employees in the insurance coverage to benefit from lower insurance premiums as there is a spread of risk to the whole group.

Several studies have shown that healthy employees are self-confident and three times more productive than those in poor health. Furthermore, employees with health insurance are less often absent from work because they can do routine check-ups, as a preventive measure.

## **BEHAVIORAL ISSUES TO MITIGATE THE IMPACT OF COVID-19**

Promotion of healthy behavior is one way to complement what one has available in terms of insurance coverage. Depending on the insurance package chosen, members tend to be more conscious of their benefit limits and will utilize them prudently complemented by the healthy wellbeing tools as shown on the diagram.

It is also important to highlight that companies must be prepared for an increase in absenteeism in the days to come, due to restrictions on movements of certain risk groups and due to prolonged



quarantine periods declared by governments should one present symptoms for COVID-19. More than ever before, companies are urged to design and implement succession planning for their human resources as part of its business continuity in order to ensure that for each employee there is an alternative employee who can assume his or her functions.



## CONCLUSION

Currently, some opinion circles prophesy that better days for business in the post pandemic period are coming. Having knowledge about past pandemics that hit the world economy in a similar fashion does help us to avoid being over-optimistic.

Individuals and companies that are well-prepared and have the right strategies in place to face the COVID-19 pandemic and its consequences will be better positioned in the market. It is therefore important to note that companies offering Employee Benefits such as health insurance, would be better armed to face the uncertainties that the current pandemic may bring with it. Furthermore, it surely increases the company's competitiveness by attracting and retaining more qualified employees than companies that do not offer the same benefits.

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