

## **Guidance on COVID-19 Effect on Short-Term Disability (STD) from Norbert Kugele, Warner Norcross & Judd**

With a short-term disability plan, it really comes down to the definition of disability. Typically, the person must be sick to qualify for benefits. Thus, if an employee is staying home because he or she has symptoms of COVID-19, then the employee will likely qualify for benefits (perhaps subject to a short elimination period, often 3 to 5 days).

On the other hand, if the employee is not showing symptoms, but is self-quarantining because of exposure to someone with the illness, that may not meet the definition of “disability” and may not result in benefits. The policy’s definition of disability might say that sickness includes a period of time during which a person is ordered not to work by written order of a state or local health official. But even then, most people will probably not have a written order, but will be staying at home because they are ordered to do so by the employer.

If the employer has a self-insured STD program (which many employers have), they can modify their program to include self-quarantine periods that are mandated by the employer. They can also waive the exclusionary period, and any medical documentation requirements to apply to a COVID-19 diagnosis. If the employer works with an STD administrator, the employer should discuss these options with the administrator.

If the employer has an insured STD program, that employer will likely be stuck with the policy provisions as is (and in all fairness to the insurer, those policies cannot be changed without going through an approval process with state insurance regulators).