

Common coverage questions

As the Covid-19 pandemic continues to evolve rapidly, MDA Insurance is receiving many questions from concerned insureds regarding their business and health insurance coverages. We want to reassure you that although MDA Insurance staff will be working from home as much as possible, we are available to continue to support your needs and answer your questions; simply call our toll-free number 800-860-2272 and enter the extension of the person you wish to speak to, or access the company directory.

In general, property and casualty insurance policies may not treat pandemics as covered perils, while life, health and disability policies may provide some coverage depending on policy provisions and normal claims procedures. However, we would be happy to submit a potential claim to any insurance company on any line of business so that we can get an official response from the carrier on your potential claim. Below are guidelines regarding each line of insurance:

Business overhead insurance: Business overhead coverage serves to provide the practice with cash flow if a doctor becomes sick or is injured and unable to work. Each claim will be evaluated in accordance with the terms of the policy and use claim processes already in place for disability claims.

Business interruption insurance: Business interruption coverage replaces lost income at a covered location due to “direct physical loss or damage” caused by a covered peril, such as a fire or tornado. Because of the absence of direct physical loss or damage, business interruption would not likely apply to office closures due to COVID-19. The only way to make a coverage determination is to file a claim with your carrier so they can review the incident and decide if it is payable under your policy.

Workers’ compensation insurance: Workers’ compensation covers an employee who is injured at work. Determining how the employee was infected would be extremely difficult. The only way to be certain is to file a claim and let the insurance company decide if it is payable under the terms of the contract.

Professional liability insurance: Professional liability provides coverage to the insured for dental treatment-related incidents, subject to the policy terms and conditions. However, it is likely there may not be coverage. Determining how a patient was infected would be extremely difficult. The only way to make a coverage determination is to file a claim with your carrier so they can review the incident and decide if it is payable under your policy.

General liability insurance: General liability provides coverage to the insured for business-related incidents that do not involve the delivery of dental treatment, subject to the policy terms and conditions. Determining how a patient or individual was infected would be extremely difficult. The only way to make a coverage determination is to file a claim with your carrier so they can review the incident and decide if it is payable under your policy.

Life Insurance: For group life insurance (Basic, Optional, Dependent, GUL and GVUL), there are no policy limitations that would limit a claim payment resulting from a COVID-19 death, provided the individual met all other certificate requirements.

Accidental Death and Dismemberment (AD&D): AD&D policies provide coverage for accidents and dismemberment only; they do not cover diseases. Therefore, death due to COVID-19 is excluded, as are all deaths caused by disease.

Hospital Indemnity: Because COVID-19 is a viral infection it would be considered a sickness and the Sickness Hospital benefits (admission and confinement) would be payable provided the individual met all other certificate requirements.

Accident Insurance: The definition of an “accident” omits sickness and therefore COVID-19 is not covered under a standard accident plan. However, it would be covered if the accident plan included Sickness Hospital benefits (admission and confinement) and would be payable provided the individual met all other certificate requirements.

Critical Illness/Cancer Insurance: Because COVID-19 is not a listed “covered condition” it would not be covered under any of our Critical Illness product versions.

Disability Insurance: Disability insurance serves to provide the insured with cash flow in the event of a sick or injured following the waiting period elected by the insured. Each claim will be evaluated in accordance with the terms of the policy and use claim processes already in place for disability claims.

Health Insurance: Medically necessary diagnostic testing for Covid-19 is provided at 100% of allowable charges with no member cost sharing applied for the MDA Health Plan, Blue Cross Blue Shield of Michigan group and individual plans and Medicare plans. To be eligible for no-cost testing, either of the following codes must be used for laboratory testing: U0001 or U0002.