

The Dynamic between COVID-19 and Insurance Policies

Yves Guélat, the Group CEO of Charles Monat, one of the world's most prominent international life insurance brokers, shares his insights on the correlation between the increasing impact of the Coronavirus pandemic, and the amount of attention being paid to life insurance solutions by individuals in these challenging and unusual times.

BY:

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It was in December when the first news reports of a virus outbreak caught my fleeting attention. I was in Switzerland celebrating the end of a successful 2019 with my family and looking forward to an exciting 2020. There were many plans for 2020 on both the business and personal fronts, for which I was optimistic that the new decade would bring us to new heights. As such, along with the rest of the world that was enjoying the typical festive season, news reports about the virus outbreak was quickly forgotten.

Fast forward to April 2020, the mood in the world has completely changed to a sombre one. The global pandemic COVID -19 has resulted in an alarming number of infections & deaths around the world. All of our daily lives have been paused or caught in the conundrum.

I am a businessman, a keen philanthropist, a son to my elderly mother who lives in Switzerland alone, a father to my children, and a father once again to my soon-to-arrive child in middle of 2020. On many fronts, you could say I have a myriad of concerns to worry about during this pandemic. What impact would COVID-19 have on my business, my employees and their loved ones, my children and my mother? What are the worst-case scenarios that could severely affect the people around me if I were to be an infected victim of the virus?

This sudden outbreak has wreaked havoc across the world, and it is without doubt now that we are facing an unprecedented crisis of our generation. It has caused financial markets to tumble, resulting in panic around the world and above all, reminding us that life is uncertain. The worst combination of a sudden death in a financial meltdown is now a very real possibility.

There was a Forbes article printed on 12 Mar 2020 "Consumers Panic Shopping For Life Insurance In The Face Of Coronavirus". It reported that some Americans were frantically looking to secure additional life insurance. On the frontline perspective of insurance, I thought it would be apt to address some of the more pressing questions relating to life insurance.

Life insurance policies are designed to provide peace of mind and ensure the financial security of our loved ones and beneficiaries. In general, current life insurance policies do not contain an exclusion for

pandemics but do contain clauses for suicide and misstatement of age. As such, life insurance can still achieve the objective of providing financial security for loved ones.

Global insurance carrier partners that are highly rated and well-regulated in various jurisdictions by the local governing authorities will ensure sufficient capital to meet their obligations. These carriers are also well supported by reinsurers to pay claims even in a pandemic. At Charles Monat, we work closely with our carrier partners with the aim of serving our clients for a long time.

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If you are interested in securing yourself and your loved ones with a life insurance in this current situation, you would be comforted to know that this is still possible. The only possible setback is that it requires more effort and logistical coordination due to the travel and movement restrictions. With that said, as the current pandemic is still evolving and far from over, there could be situations where insurers will impose additional conditions at various stages of the application process.

It has barely been 3 months of lock down and yet the days of normalcy seems like a distant past. My heart goes out sincerely to the families and victims of this unfortunate pandemic. If there are any learnings for us all, it is that life is short, and time is indeed fleeting. My hope is that the legacy we leave behind for our families and children will create a new generation of responsible living and above all, kindness in helping our fellow people because only when we truly work together can adversity be overcome. ■

About Yves Guélat and Charles Monat

Yves Guélat is the Group CEO of Charles Monat.

Charles Monat is one of the world’s most trusted international life insurance brokers. Charles Monat offer bespoke advisory and brokerage services for preserving wealth and creating liquidity. The firm is the partner of choice for high net worth clients, according to their biography, affluent families and executives of multinational companies.

As a global premium consultant, Charles Monat is a pioneer in the development of customised insurance-based solutions. Over 8,000 private clients in Asia, Switzerland and across the world are our testimony to this.

Founded in Hong Kong in 1971, the company has grown to an international presence with offices operating in Dubai, Hong Kong, Liechtenstein, Kuala Lumpur, Miami, Singapore and Zürich. We have global knowledge and cross-jurisdiction experience in serving clients in over 50 countries. Charles Monat’s team of professionals are specialists in providing world-class wealth transfer and liquidity solutions.

