



COVID-19:

Dealing with the impact

19 March 2020

Webinar

Speakers



**Rupert
Watson**
Head of Asset
Allocation,
Investment
Solutions,
Mercer



**Niall
O'Sullivan**
European CIO of
Investment
Solutions,
Mercer



**Jim
Doran**
UK Governance
Leader, DC &
Individual
Wealth, Mercer



**Jo
Berriman**
Principal,
Workplace
Health
Consulting,
Mercer Marsh
Benefits



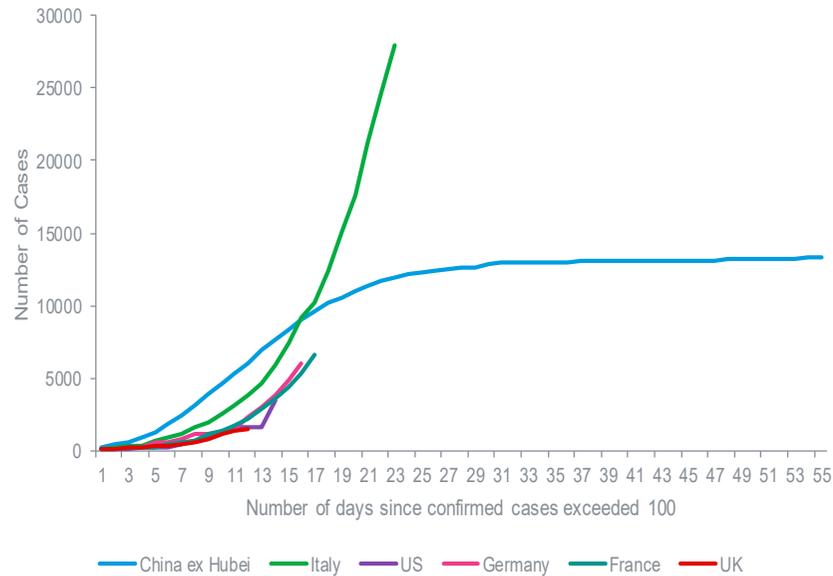
**Kate
Fitzpatrick**
Senior Principal,
Career, Mercer

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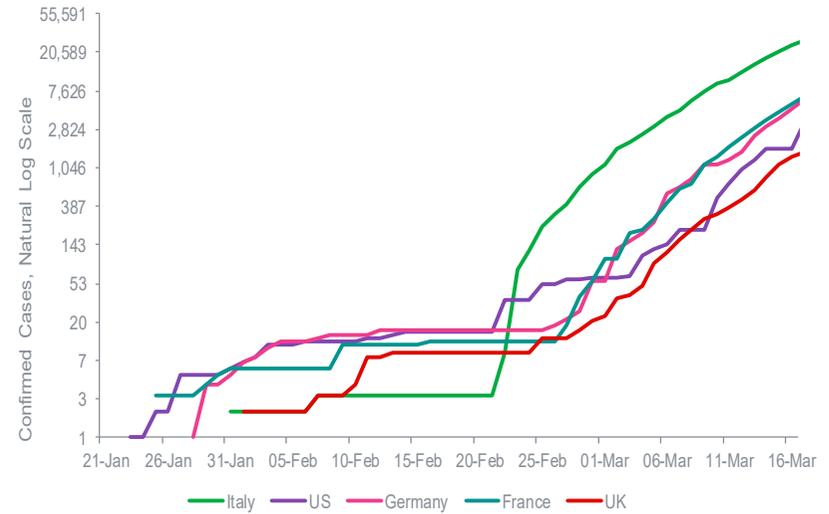
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China contained. Others not.

Confirmed Cases by Number of Days Since 100th Case



COVID-19 Confirmed Cases in Selected Countries



**Countries may be able to contain COVID 19.
Question is: are they willing and able to suffer the economic hit to do so?**

The economic impact of the Coronavirus



Direct Impact

as activity curtailed



Indirect Impact

via weaker business & consumer confidence & supply chain disruption



Policy Response

by governments & central banks

Update — 19 March 2020

- China returning to normal
- Italy in lockdown
- Others moving that way

- Big confidence hit likely
- Supply chain risks outside of China broaden as more places shutdown

- Fed & others cut rates
- Widespread tax cuts and increased spending
- Measures to support small businesses and flow of credit

Market reaction

FTSE 100



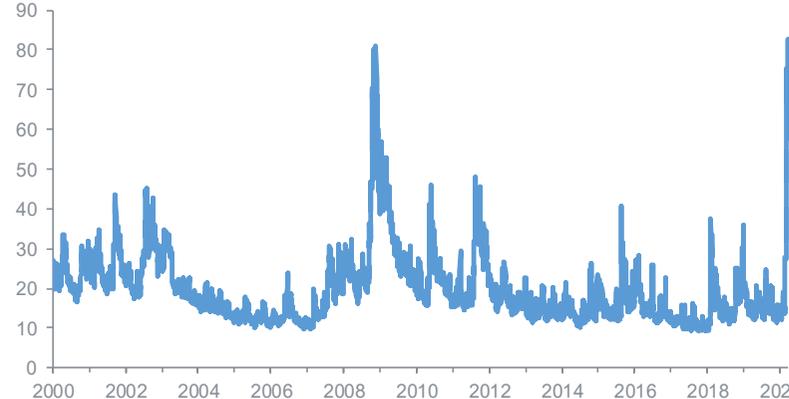
Oil



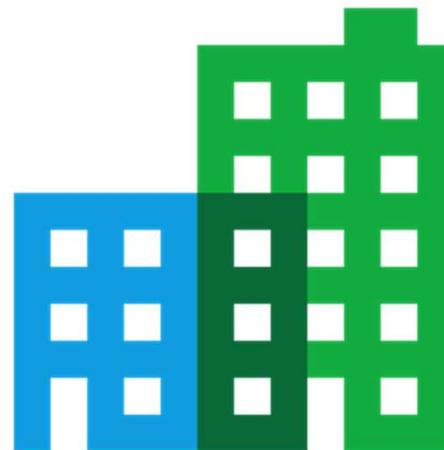
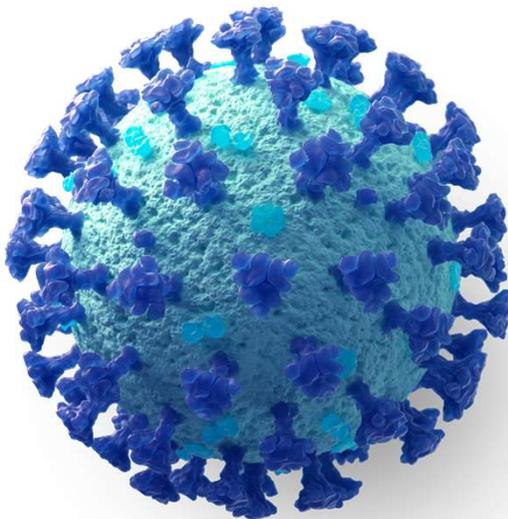
UK 10 Year Gilts



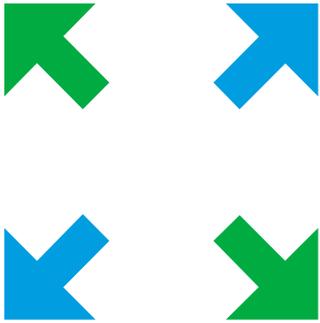
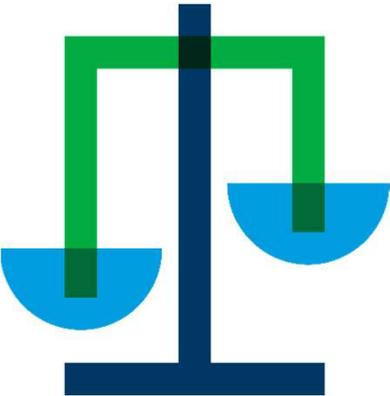
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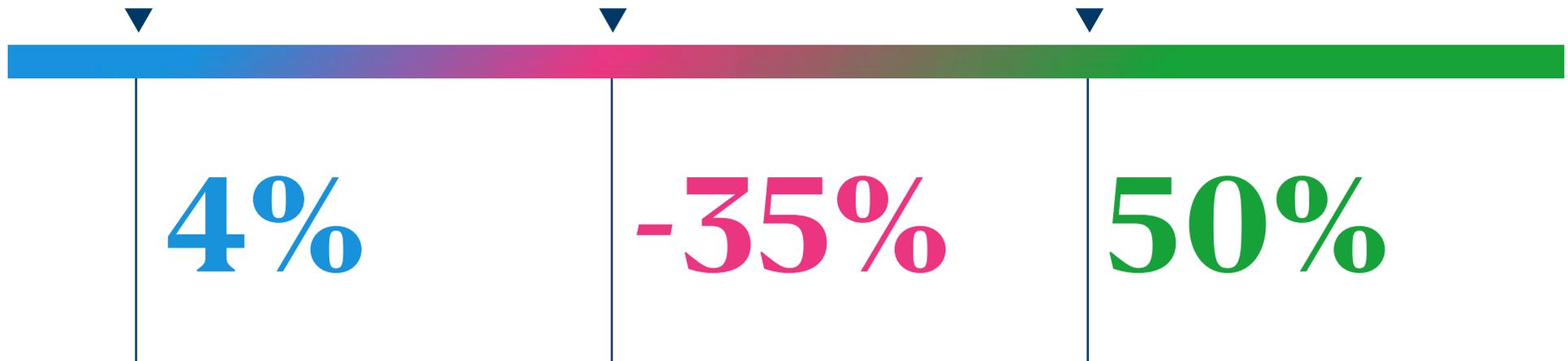
Investment implications from the ongoing Covid-19 outbreak



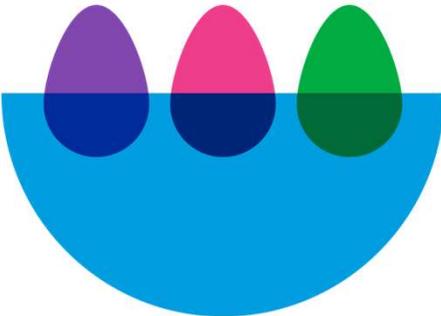
Portfolio implementation



What should you be asking?



Blending & monitoring – how do we create robust portfolios?



Four key areas

- Most pension plan operations are outsourced to third parties.
- For this reason, business continuity planning often comprises two segments: .

Third Party's Business Continuity Arrangements

Trustees' own business continuity arrangements

LEGAL POWERS

Do trustees have the necessary legal powers to maintain the Plan in the event that the sponsor can no longer support it?

PEOPLE

Can trustees access the right people and professional support to execute disaster recovery arrangements?



FINANCE

Does the Trustee have access to adequate finance to operate the Plan in a disaster recovery scenario?

POLICIES

Do trustees have policies for dealing with additional demands on the plan?

Key business continuity powers and policies

Common areas that need to be addressed

- Trustees' discretionary powers- what policies do they operate in relation to these?
- Wind up powers need clarified e.g. bulk non-consent transfers, Winding Up Lump Sums
- Trustees' powers to enter into agreements with third parties
- Trustees' ability to fund operating costs from member savings unclear (DC)
- Decision-making rights e.g. rules on quora, delegations etc.
- Trustees liability and protections unclear

Trustees should check that they have the powers to operate their plans in times of distress

Role of Occupational Health

Protect, promote, advise

The role of Occupational Health (OH) in managing Covid-19?

Moving from crisis management, to managed continuity, what should you expect OH providers to be doing now?



#Providing evidence based advice and reasonable support

Expert source of information e.g. combatting mental health issues arising from isolated working, reducing 'corona fatigue' for key personnel, healthy homeworking, strategic advice about testing for Covid-19.



#Sickness absence management

triaging referrals in light of Covid-19, focus on telemedicine assessments, obtaining medical evidence, provision of interim advice and potentially one support call.



#Health surveillance undertaking testing for respiratory health surveillance now stopped – employees given recall date. Essential surveillance now prioritised where job role dependent e.g. HGV licenses. Awaiting official stance on this.



#Display Screen Equipment assessment

advice for those working remotely from home who need support and assessments as appropriate.



#Signposting to other sources of specialist advice e.g. to NHS for individual and urgent clinical questions. But integrated approach with other providers e.g. to physiotherapy providers for MSK (self – help and on line guidance) and Employee Assistance Programme (EAP) for psychological support.

Helping employees during a global health crisis



Education ...

... on preventative health measures, the flexibility to telework and practical advice on how to do so.



Clarification ...

... of any HR, compensation or benefits-related policy positions which may not be clear.



Planning ...

... for business continuity or transformation with a reduced or expanded workforce.



Engaging ...

... with your workforce to stay connected, motivated, and able to balance work, health, financial and family commitments.

Q&A

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For further information and materials, please visit:
<https://www.mercer.com/our-thinking/managing-novel-coronavirus.html>

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