

# FAQ's and Information relating to Insurance and the COVID-19 virus

## Business Interruption Insurance

**Will my business interruption insurance cover me for any loss of revenue suffered as a result of the COVID-19 virus and the resulting restrictions that have been enacted?** This may include reduced sales, additional expense relating to conducting business, cleaning of premises and losses due to the cancellation of events.

For the vast majority of policies on the World market the answer is NO. This being due to policies having a specific exclusion which excludes any cover relating to losses associated with diseases declared to be a quarantinable disease under the Biosecurity Act 2015 (Cth) and subsequent amendments. COVID-19 qualifies under this Act.

Some policies continue to make reference to the superseded Act, that being the Quarantine Act 1908 (as amended), however, to date we have not seen any evidence where this reference will nullify the effect of the exclusion.

## Workers' Compensation Insurance

**Will your Workers Compensation policy provide cover for employees who have contracted the COVID-19 virus whilst at work?**

A virus (like COVID-19) may be considered under the disease provisions of the Workers Compensation Act 1987. Relevantly for COVID-19, injury is defined in the Act to include disease injury, which means a disease that is contracted in the course of employment, but only if the employment was the main contributing factor to contracting the disease

Compared to work-related injuries, it is more difficult to prove that a disease was contracted in, or caused by, particular employment. In the case of a virus such as COVID-19, establishing the time and place of contraction may become increasingly hard. Whilst the spread of COVID-19 is contained, it may be easier to establish whether contraction is work-related, for example, if in the course of their employment a worker travels to a high-risk area with a known viral outbreak or interacts with people who have contracted the virus. However, once the virus becomes more wide-spread in the local community, establishing the degree of contribution of a worker's employment to their contraction of the virus will inevitably be more difficult.

Whether a claim for workers' compensation for contracting COVID-19 is accepted will be a matter for the relevant workers' compensation authority, applying their jurisdictions' workers' compensation laws. Workers' compensation authorities will consider each claim on its merits, with regard to the individual circumstances and evidence.

**Will your Workers Compensation policy provide cover for employees whilst working from home?**

While your employee may not be working on your premises, it is still your responsibility to provide a safe work environment. Therefore, if an employee sustains an injury in the course of their work while

at home, it is likely the injury will be covered by your Workers Compensation policy. Bear in mind that psychological injury is also claimable under workers compensation.

These considerations only add to the importance of carrying out a safety assessment and continuing to check in with employees about their mental health and satisfaction, as well as ensuring that you have appropriate workers compensation insurance in place.

It can at times be very difficult and complicated to prove the injury sustained by the employee was suffered whilst undertaking work related activities. We recommend you advise employees work from home arrangements are “temporary” (if this is the case) and normal work practices will resume when possible. Ensure you have a work from home policy in place and employees are made aware of it’s content before commencing work from home.

## Public Liability Insurance

**If a third party suffers loss and alleges negligence on your part regarding your management or handling of your COVID-19 response and decides to claim against you, would a Public Liability policy respond?**

Subject to terms, conditions and exclusions of the policy, there is a strong position that the policy would respond.

Unfortunately, we are now seeing some new & renewed Liability policies having a Coronavirus Exclusion.

## Property Insurance

**Will your Business Insurance cover your property whilst temporarily removed to an employee’s home?**

This will depend on the conditions of your property policy, however, generally there is a clause included in most common business package policies where cover is extended to property while it is temporarily removed from any Premises shown in the policy schedule to some other premises in Australia for any period up to 90 days.

This extension of cover is not provided to property in transit. Generally, the most an insurer will pay under this extension of cover is 20% of the declared value that applies to this property at the premises at which the property is normally located.

**Will your property be covered whilst the employee is moving it from the business premises to their home – for example, whilst located in their vehicle?**

Some policies will automatically cover this risk and in other cases you will need a “General Property” or “Business Special Risks” extension. Often these extensions have monetary limits – usually, if an item is worth more than \$2,500, it must be specified on the policy in order for it to be insured.

The property of the employee will not usually be covered by your business insurance, and any home and contents insurance the employee has in place will be unlikely to cover your business equipment

# Corporate Travel Insurance

Corporate Travel Insurance covers a vast array of risks including:

- Cancellations due to unexpected factors outside your control i.e. factors that are not a “known event” or are “unforeseen” before you travel, medical expenses for illnesses contracted while visiting destinations not subject to certain government travel advice.
- Cancellation if government advice is subsequently issued advising DFAT advice level 4 - "do not travel".
- Medical costs if government advice is subsequently issued.
- Additional travel expenses if an outbreak occurs, government advice is issued, and you are compelled to leave immediately or put into quarantine, are likely to be covered.

The corporate travel policy is likely not to cover:

- travelling to a destination which is the subject of government ‘do not travel’ advice before departure
- deciding not to travel when no relevant government warning about the destination is in place
- cancellations by the tour operator due to insufficient bookings
- cancellation and additional expenses where the cause of the loss is as a result of a known event
- Medical expenses where you have travelled to a destination which is subject of government ‘do not travel’ advice
- losses due to the insolvency of a tour operator/airline

It is important to note that insurers have deemed the COVID-19 outbreak as a “known event” or no longer “unforeseen”. This means any travel booked after the event was deemed to have been a “known event” will not be covered for COVID-19 related losses. This date can vary depending on insurer.

Having dealt with the majority of Corporate Travel insurers over the past weeks, we have seen many and varied stances on a number of real circumstances. If you have a query relating to your travel and how your policy will respond, we recommend contacting your Broker to discuss.

It would be helpful to have the following relevant information available when you contact us.

- When was the policy taken out?
- When did you purchase your trip?
- When is your trip scheduled for?
- Where are you going?
- Are you already overseas and when did you leave Australia and other Countries?
- Details of any out of pocket expenses.
- Details on any cancellation costs you may be able to recover from your travel/tour provider.

If a travel cancellation or disruption loss does occur, you should first please contact your travel agent or the airline (before submitting a claim) to seek a refund or make alternate travel

arrangements based on existing tickets. After this, if the you still have a loss, you may wish to submit a claim along with the original and amended itineraries and relevant documents to substantiate the remaining loss.

## Life Insurance and Income Protection policies

### **Would your Life or Income Protection policy respond should you suffer death or illness due to COVID-19?**

We have reviewed this with a number of our insurance partners and to date have NOT found any “pandemic” related exclusion in the policies. We stress this may not be the case for all policies. Please keep in mind, however, that trustees of superannuation companies have the ability to alter terms at their own discretion