

Chubb Insurance Australia Limited

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CHBo4QW(a)

To what extent do your insurance policies for small business not cover notifiable diseases under:

(a) The *Biosecurity Act 2015* (Cth)? And if not, why not?

The reason our insurance policies (apart from the two limited circumstances which we have identified) are not intended to provide cover for diseases under the *Biosecurity Act 2015* is because Chubb does not underwrite the risks associated with diseases to which the *Biosecurity Act 2015* would apply. As the *Biosecurity Act 2015* is a Commonwealth Act, it deals with diseases which are serious and widespread and warrant Federal Government intervention, as opposed to being dealt with by local health authorities. Widespread human infectious and human contagious diseases involve unknown risks and impacts to a large number of businesses, and from an actuarial perspective are incapable of being properly dimensioned and underwritten. Therefore, the underwriting of such risks could render our insurance policies unaffordable to small businesses.

CHBo4QW (b)

To what extent do your insurance policies for small business not cover notifiable diseases under:

(b) The *Quarantine Act 1908* (Cth)? And if not, why not?

Similar to our answer to question CHBo4QW(a), apart from two of our policies, our policy extensions for human infectious or human contagious diseases are also expressly intended to exclude diseases which would have been covered under the *Quarantine Act 1908*.

The *Quarantine Act 1908* was a Commonwealth Act, which was replaced by the *Biosecurity Act 2015*. As stated above, diseases which warrant Federal intervention are widespread and have an impact on a large number of businesses, which Chubb does not underwrite.

CHBo4QW (c)

What differences are there between what is covered under the *Biosecurity Act 2015* (Cth) and the *Quarantine Act 1908* (Cth).

Assuming that this question is directed at any differences to Chubb's insurance cover for loss arising from a disease covered under the *Biosecurity Act 2015* and a disease covered under the *Quarantine Act 1908*, our position is that there is no difference.

CHBo4QW (d)

Are there any differences that apply based on policies related to disease covered under either?

With respect, the reference to "differences" between policies related to disease is unclear.

We proceed on the basis that the intention and effect of the *Quarantine Act 1908* and *Biosecurity Act 2015* are generally the same, and the overriding purpose for a disease to be covered by either Act is to empower the Federal Government to take actions and measures to mitigate harm from serious and widespread diseases.

In assessing claims under policies which refer to either the Quarantine Act 1908 or the Biosecurity Act 2015, Chubb will assess each of the claims on their own circumstances, but does not envisage that there will be a difference in the approach taken in applying a policy irrespective of whether the wording expressly cites the Quarantine Act 1908 or the Biosecurity Act 2015.

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