



## **ZUR03QW**

To what extent do your insurance policies for small business **cover** notifiable diseases under:

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

Zurich provides Business Interruption coverage under a number of policy wordings to various segments of the market including Zurich developed wordings and market standard forms. To the extent possible in answering these questions, we refer to common features applicable to all policy wordings noting that individual propositions may vary slightly.

In the Business Interruption coverage, under an Extension of Cover generally headed “Infectious disease” (if included within the policy wording), cover is provided for loss of income resulting from an interruption caused by any legal authority closing or evacuating all or part of the premises as a result of the outbreak of an infectious or contagious human disease with a stated radius, subject to quarantinable or listed human diseases being excluded from coverage.

A standard clause reads as follows:

We will pay for loss of income that results from an interruption of your business that is caused by:

- (a) any legal authority closing or evacuating all or part of the premises as a result of:
  - (i) the outbreak of an infectious or contagious human disease occurring within a 20-kilometre radius of your premises, however there is no cover for highly pathogenic Avian Influenza or any disease declared to be a quarantinable disease under the *Biosecurity Act 2015* (Cth) (as amended) irrespective of whether discovered at the location of your premises, or out-breaking elsewhere;

It should be noted the original intention of this clause prior to SARS-CoV-2 occurring, was to provide cover if the business was closed as a result of legionnaires disease or an outbreak of human infectious disease (e.g. golden staph, mumps or measles). This remains fully covered, noting that they are not quarantinable or listed human diseases under the *Biosecurity Act 2015* (Cth).

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

We note that the *Quarantine Act 1908* (Cth) was repealed and replaced by the *Biosecurity Act 2015* (Cth) with effect from 16 June 2015.

Whilst the *Quarantine Act 1908* (Cth) was in force, relevantly the same position as that described in our answer to paragraph (a) above applied. That is, in the Business Interruption coverage, under an Extension of Cover generally headed “Infectious disease” (if included within the policy wording), cover was provided for loss of income resulting from an interruption caused by any legal authority closing or evacuating all or part of the premises as a

result of the outbreak of an infectious or contagious human disease within a stated radius, subject to quarantinable diseases being excluded from coverage.

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

As a matter of coverage intent there is no difference between the Business Interruption coverage which was provided under relevant Extensions of Cover whilst the *Quarantine Act 1908* (Cth) and that which is now provided by reference to the *Biosecurity Act 2015* (Cth).

There is scope for differentiation between the list of quarantinable diseases which was proclaimed under the *Quarantine Act 1908* (Cth) and the diseases determined to be listed human diseases under the *Biosecurity Act 2015* (Cth). For example, we understand that cholera and rabies were proclaimed under the *Quarantine Act 1908* (Cth) but they are not listed human diseases under the *Biosecurity Act 2015* (Cth). As such, coverage would now be provided under relevant Extensions of Cover for cholera and rabies.

**(d) Are there any differences that apply based on the policies related to diseases covered under either?**

As noted in our answer to paragraph (c) above, differences can arise between the list of quarantinable diseases which was proclaimed under the *Quarantine Act 1908* (Cth) and the diseases determined to be listed human diseases under the *Biosecurity Act 2015* (Cth). For example, we understand that cholera and rabies were proclaimed under the *Quarantine Act 1908* (Cth) but they are not listed human diseases under the *Biosecurity Act 2015* (Cth). As such, coverage would now be provided under relevant Extensions of Cover for cholera and rabies.