

**ZUR04QW**

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?**

As described in our answer to ZUR03QW(a), under the Extension of Cover for Business Interruption for “Infectious disease” (if included within the policy wording), quarantinable or listed human diseases under the *Biosecurity Act 2015* (Cth) are excluded.

Zurich does not provide cover for loss of income caused by a legal authority closing the business premises as a result of an outbreak of such diseases due to the uncertainty and systemic risks involved. We are not able to adequately understand, predict, model or price for such risks. Reinsurers face the same predicament and, as a result, apply exclusions for losses caused by such diseases on reinsurance treaties.

**(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We note that the *Quarantine Act 1908* (Cth) was repealed and replaced by the *Biosecurity Act 2015* (Cth) with effect from 16 June 2015.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, under the Extension of Cover for Business Interruption for “Infectious disease” (if included within the policy wording), quarantinable human diseases were excluded. This was for the same reasons as set out in our answer to paragraph (a).

**(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.