

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
INSURANCE SECTOR

AIG Australia

- AIG04QW:** 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?
 - (b) The *Quarantine Act 1908* (Cth)? And if not, why not?
 - (c) What differences are there between what is covered under the *Biosecurity Act 2015* (Cth) and the *Quarantine Act 1908* (Cth)?
 - (d) Are there any differences that apply based on the policies related to diseases covered under either?

Answer: General

Please refer to answer for question 3.

Question (a)

Please refer to answer 3(a).

AIG Australia's view is that there is no cover under our business interruption insurance products for small business for listed human diseases under the *Biosecurity Act 2015*.

An outbreak of a listed human disease does not constitute physical loss or damage.

Some business interruption insurance products have an extension for interruptions which are not contingent on physical loss, and the extension may provide cover for an outbreak of infectious or contagious diseases. However, the extended cover excludes cover for specified diseases, by name of the disease or by reference to legislation, including the *Biosecurity Act 2015*.

Question (b)

Please refer to answer 3(b).

Question (c)

Please refer to answer 3(c).

Question (d)

Please refer to answer 3(d). AIG Australia's view is that there are no differences. The intention is that there is no cover for listed human diseases or quarantinable diseases.

For completeness, we also note that coverage for any particular claim depends on the product(s) and the circumstances of the policy holder's claim.