

Chubb Insurance Australia Limited

CHBo3QW(a)

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?

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With limited exceptions, Chubb's policies for small business exclude cover for diseases under the *Biosecurity Act 2015*.

One of its business policies, which is being retired, does provide cover to an insured for loss resulting from interruption of, or interference with, the business carried on by the insured at their premises, as a result of an outbreak of infectious or contagious disease manifested by any person whilst at the premises, provided that this necessitates the closure of the whole or part of the premises by order of a competent public authority. The extent of cover available under this clause is \$100,000, which is an annual aggregate limit.

A second policy, applicable only to commercial strata, makes cover available to the owner of a strata property if loss is suffered as a result of the intervention of a public body authorised to restrict or deny access to the Insured Location, arising from the discovery of an organism likely to cause a Notifiable Disease, leading to the restriction or denial of use of the location on the order or advice of the local health authority or other competent authority. A Notifiable Disease is relevantly defined to mean an illness resulting from any human infectious or human contagious disease, an outbreak of which the competent local authority has stipulated must be notified to them. The extent of cover available does not include the costs incurred in cleaning, repair, replacement and recall or check of property.

The reason our insurance policies (apart from the two listed above) are not intended to provide cover for diseases under the *Biosecurity Act 2015* is because Chubb does not intend to 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.

CHBo3QW (b)

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

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

As stated in answer to CHBo3QW(a), Chubb does not underwrite widespread human infectious and human contagious diseases which involve unknown risks and which impact a large number of businesses. From an actuarial perspective, those risks are incapable of being properly dimensioned and underwritten. As also stated in answer to CHBo3QW(a), there are some business and commercial strata policies which provide limited cover for these risks.

CHBo3QW (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.



CHBo3QW (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.
