

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

Hollard Australia

HOL03QW: 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?

Answer: The Business Insurance policies issued by The Hollard Insurance Company Pty Ltd (**Hollard**) contain an extension of cover for "*an outbreak of a notifiable human infectious or contagious disease occurring within a 20 kilometre radius of the location*" (**Disease Extension**). The Disease Extension will only be available to an insured where it is listed in the relevant Policy Schedule.

The Disease Extension specifically excludes cover for human diseases which are listed under the relevant Commonwealth quarantine legislation, currently the *Biosecurity Act 2015 (Cth)* (**Biosecurity Act**). Hollard has priced and rated the risk of its Business Insurance policies on the basis that highly contagious/communicable diseases which present such a serious risk of harm to public health that they may require serious quarantine measures, are excluded from cover.

Any notifiable human infectious or contagious disease which has not been listed under relevant Commonwealth quarantine legislation would be covered, subject to the other elements of the Disease Extension being satisfied and the application of the terms and conditions of the policy.

The Disease Extension will not respond to losses arising as a result of COVID-19 given that 'Human corona virus with pandemic potential' was determined to be a 'listed human disease' under the Biosecurity Act on 21 January 2020.

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HOL03QW: 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?

Answer: As set out above, although Hollard's Business Insurance policies do contain a Disease Extension, cover under this extension specifically excludes cover for human diseases which are listed under the relevant Commonwealth quarantine legislation.

Prior to the introduction of the Biosecurity Act, the relevant legislation was the *Quarantine Act 1908 (Cth)* (**Quarantine Act**) and any disease declared to be a 'quarantinable disease' would also fall within this exclusion.

Again, any notifiable human infectious or contagious disease which has not been listed under relevant Commonwealth quarantine legislation would be covered, subject to the other elements of the Disease Extension being satisfied and the application of the terms and conditions of the policy.

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HOL03QW: To what extent do your insurance policies for small business cover notifiable diseases under:

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

Answer: The Quarantine Act and the Biosecurity Act both regulate the management of diseases and pests that may cause harm to human, animal or plant health or the environment. The Quarantine Act was amended (by repeal and replace) with the introduction of the Biosecurity Act.

Previously the Quarantine Act permitted the Governor-General to declare a 'quarantinable disease'. Under the Biosecurity Act a human disease can be determined to be a 'listed human disease' by the Director of Human Biosecurity.

Many of the diseases which were listed under the Quarantine Act are now also listed as a 'listed human disease' under the Biosecurity Act (i.e. Plague, Smallpox, Yellow fever, Severe Acute Respiratory Syndrome (**SARS**), Middle East Respiratory Syndrome (**MERS**) and Viral haemorrhagic fevers of humans).

COVID-19 emerged in 2019, several years after the Quarantine Act was repealed. It is therefore not listed as a 'quarantinable disease' under the Quarantine Act but 'Human corona virus with pandemic potential' was listed as a 'listed human disease' under the Biosecurity Act on 21 January 2020.

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HOL03QW: To what extent do your insurance policies for small business cover notifiable diseases under:

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

Answer: The exclusion in the Disease Extension in the Hollard Business Insurance policies applies in the same manner to a 'quarantinable disease' declared under the Quarantine Act and a 'listed human disease' determined under the Biosecurity Act.