



COVID-19

Coronavirus & Insurance

While New Zealand has been relatively protected from the spread of Coronavirus (COVID-19) many travellers have been disrupted due to travel restrictions, while others are reluctant to travel due to the increase risk that the disease poses.

The purpose of this paper is to look at the cover available under two types of travel insurance. A similar paper is available that look at Business Interruption Insurance.

Travel Insurance

There are several types of travel insurance policies in the New Zealand market and like many classes of insurance they vary considerably. There are two broad categories of travel insurance and cover and each are covered below.

Leisure Travel

These policies are designed to cover you for a particular trip. Some policies have a blanket exclusion for pandemics others do provide coverage where the travel warning issued by the New Zealand government reaches a certain level eg. **Do Not Travel**.

If you elect not to travel due to a fear of the consequences, but the Travel Warning has not reached **Do Not Travel**, then your insurer is unlikely

to provide coverage for any lost fares, accommodation etc, nor are the travel providers.

Even if you do not have cover in place to cover a cancellation or postponement of the trip, we do urge you to exercise caution and do not put yourself outside your comfort zone. You can always save up the money again that you may lose in cancelling the trip. Massive uninsured medical bills or being caught up in a quarantine situation as we have seen happen to some travellers may not be so easy to get over.

Another important point is since Coronavirus has become a listed disease by the New Zealand Government any requests for leisure travel insurance

since the end of January are likely to have a blanket exclusion for any losses arising from the disease.

Corporate Travel

Unlike leisure travel these policies are designed to cover all travel during the period of insurance.

Quality corporate travel insurance policies that were taken out or renewed before Coronavirus became a listed disease under the *Biosecurity Act 1993* are likely to provide coverage for cancellation of trips to countries that are at **Do Not Travel**.

Health and Safety tips

How to avoid infection:

Here is a short list of ways to minimise the spread of Coronavirus

- Practice good personal hygiene.
- Avoid contact with anyone with or suspected of having Coronavirus.
- Boost your immune system by eating well, exercising, having enough sleep, and keeping your stress levels under control.
- Cancel or delay any travel to affected areas until the crisis is over.

Disclaimer

The advice in this paper is general in nature. While the utmost care has been taken in the preparation of this preliminary advice or opinion, you use it at your own risk. LMI Group specifically disclaims any liability, whether based in contract, tort, negligence or otherwise, for any direct, indirect, incidental, punitive, consequential or other damage arising out of or in any way connected with the use of or reliance on the content of the preliminary advice or opinion.

If you have difficulty reading and/or understanding the cover provided in the policy(ies) that you have please do not hesitate to contact your insurance adviser.

Again, a decision not to travel, where the travel warning level is not at the trigger level stated in your corporate travel policy, will not under normal circumstances activate the insurance coverage.

Now that Coronavirus has reached the listed disease level, most insurers are placing a specific exclusion for losses occasioned by or happening through Coronavirus. This may be lifted once the disease is brought under control but only time will tell

Keep Informed:

Everyone should remain alert for updates and advice from the relevant authorities on additional steps to manage the spread of the disease.

The health department in each state is providing excellent resources and advice and regular updates.

Before travelling, check for and take the advice of any travel warnings on <https://www.safetravel.govt.nz/>.

LMI GROUP PTY LTD

86Q Bush Road, Albany Auckland, New Zealand 0752

www.LMIGroup.com

NZ@LMIGroup.com

+64 9 414 6330