

TSI Brokers & Consultants

Insurance impacts of Covid-19
Coronavirus and your insurance



With over 100,000 confirmed cases of novel coronavirus (2019-nCoV) reported in 105 countries, the outbreak continues to challenge international markets as supply chain disruptions, trade delays and travel restrictions take their toll.

We know many of you have concerns about insurance and how your policies will respond as the impacts of coronavirus reverberate worldwide and closer to home, with five confirmed cases now in New Zealand.

Insurers are regularly reviewing and updating their position as the situation unfolds, but it's fair to say that there are some challenges and grey areas when it comes to how various policies will respond.

It's our job to help you understand the cover you have with regard to coronavirus, and to ensure you receive what you're entitled to when it comes to any claims. We are in constant communication with all of the insurers and underwriters operating in New Zealand, so if you have any doubts or concerns about your position, please get in touch with us.

Insurance policies will vary but as a guide, here's a summary of how the insurance covers you're most concerned about are likely to respond to coronavirus.

Travel Insurance

For new travel insurance policies purchased after 2 March 2020

If you purchase travel insurance after this date, you will not be covered for cancellation/delay or loss of deposits associated with coronavirus.

If you have an Annual Business Travel policy, these restrictions will apply to any travel bookings from 3 March 2020.

For travel insurance policies purchased before 2 March 2020

Most insurers placed restrictions on travel insurance cover for Hubei Province, China from 23 January 2020, extending to mainland China from 2 February. If you have incurred travel related loss or additional expenses because of the coronavirus outbreak on or around those dates, please get in touch so we can provide advice specific to your situation.

In either case, it's also important to note, there is no cover for 'disinclination to travel' (i.e. you postpone travel due to concerns about coming into contact with potentially infected travellers), irrespective of when the travel and travel insurance was arranged.

If you are currently planning international travel and you're concerned about cancellation or disruption, your travel agent or airline may be able to make alternative arrangements. Just be aware that with insurers now declaring coronavirus a 'known event', there could be direct implications for your travel insurance, as above.

Material Damage and Business Interruption Insurance

As a general rule, material damage and business interruption policies require a physical loss or physical damage to trigger a policy response. These policies also specifically exclude cover for notifiable infectious disease under the Health Act 1956.

So, because coronavirus does not cause any physical loss or damage to property and infectious diseases are expressly excluded, any losses related to coronavirus will not generally be covered under material damage and business interruption policies.

Marine Cargo Insurance

We know shipments to and from New Zealand have incurred delays and are likely to do so for some months. Marine policies generally exclude financial loss resulting from delays, irrespective of the cause, and so it is unlikely any coronavirus related claims would be accepted by marine insurers.

Stay in touch

Please contact us if you have any concerns around your insurances and coronavirus.

