

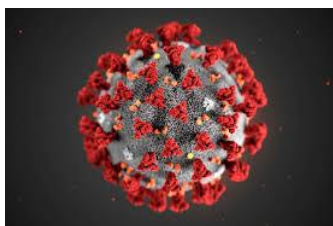


Dear readers,

The 2019 novel coronavirus (officially named Covid-19 later) is a very highly contagious virus which causes respiratory infection of 2019-nCoV acute respiratory disease. Covid-19 is believed to have first started in early December 2019 in Wuhan, Hubei province, China.

Prof Leo Yee Sin, executive director of the National Centre for Infectious Diseases, commented that it is a "smart" virus which manages to find way to remain in human population and thus, it is not easy to get it out of the community.

The incubation period (time from exposure to onset of symptoms) ranges from 2 to 14 days (and in several occasions up to 24 days). Symptoms include fever, coughing and breathing difficulties. There are also recent cases where patients diagnosed with Covid-19 did not display any symptoms. An estimate of the death rate in April 2020 was 2% of confirmed cases.



source: www.npr.org

The important dates/ information relating to Covid-19 chronology in Singapore

23 January: China imposed a lockdown in Wuhan and other cities in Hubei province. First confirmed case in Singapore.

30 January: World Health Organization (WHO) declared public health emergency of international concern (PHEIC).

7 February: Singapore Authorities raised the nation's Disease Outbreak Response System Condition (DORSCON) level from Yellow to Orange.

15 March: Singapore announced that all people who enter Singapore with recent travel history to ASEAN countries, USA, Japan, Switzerland and the United Kingdom would be issued with a 14-day stay-home notice and short term visitors should have to be approved by MOH first. Travelers are also advised to defer all non-essential travel.

24 March: It was announced that from 26 March 2020, returnees from any Covid-19 affected countries would be charged full hospital rates if they left Singapore from 27 March and were admitted for treatment of COVID-19 within 14 days of their return.

3 April: Singapore announced a much stricter set of measures that would be implemented for about a month, collectively called a "circuit breaker". During this one-month period, all non-essential workplaces will be closed from 7 April onwards. Essential workplaces must implement safe distancing and those in administrative roles should work from home wherever possible.

21 April: Singapore announced the extension of "circuit breaker" to 1 June 2020.

Government footing the bill

It is noted that all Covid-19 related medical expenses (except for outpatient costs) would be covered by the Government. This was reported by Straits Times on 12 Feb 2020 and the link to the article is available at <https://www.straitstimes.com/singapore/health/coronavirus-government-to-foot-bills-of-infected-patients-at-public-hospitals>.



source: www.straitstimes.com

However, anyone who leave Singapore from 27 March 2020 will have to foot their own medical bill, if they are admitted for suspected Covid-19 and have symptoms within 14 days of returning to Singapore. These claims will not be entertained by Insurers as well.

The comments on how the respective policies may respond to the Covid-19 related claims



source: www.moneycontrol.com

Material Policy

Material Policies are insurance policies providing coverage for tangible items. If any of these tangible items/properties were damaged/ affected due to any insured circumstances/ events, the respective Policies would pay for the loss. Some examples of these policies are Fire, Machinery All Risks, Industrial All Risks, Electronic Equipment, Marine Cargo, Marine Pleasure Craft Insurance, Commercial & Private Motor policies, etc.



It is highly unlikely that there will be any Covid-19 related losses/ claims arising from the coverage of these material policies. These properties cannot be directly damaged or affected by Covid-19 virus.

Travel Insurance

Most of the Travel Policy is not an All Risks Policy. These Policies only provide coverage to certain event/ circumstances, which is called “insured event”. Some of the common insured events are travel/ flight delay, loss of luggage, natural disasters, etc.

Covid-19 is considered as epidemic/ pandemic and this is not an insured event under most of the Travel Policy. However, there are some Travel Policies in Singapore that extends to provide coverage for epidemic and pandemic.

Covid-19 related claims could be arising from medical expenses, cancellation of trip and postponement of trips. Any cancellation of trips and postponement of trips due to epidemic/ pandemic (i.e. Covid-19) will not be covered if epidemic/ pandemic is not an insured event as defined in the Travel Policy.

As for medical expenses, if the insured person was infected by Covid-19 when he/ she was travelling (in overseas), the medical expenses related to Covid-19 treatment would be covered. However, any Covid-19 related claim arising from travel after 15 March 2020 (after Government advised against non-essential travel) will not be admissible.

Financial Policy

Financial Policy are Business Interruption Policy, Money Policy, Fidelity Guarantee Policy and Trade Credit Policy. These policies provide coverage to financial related loss which is mostly intangible item (except for money/ cash).

Besides the Business Interruption policy, it is highly unlikely that there will be any Covid-19 related losses/ claims arising from the coverage of these material policies.

In general, Business Interruption Policy only provides coverage to loss of income when a business suffers after a disaster/ event damaging/ affecting the properties of the business i.e buildings, stocks, machines, etc. Any loss of income arising from event such as epidemic/ pandemic, which would not cause any physical damage or affect any properties, would not be admitted under the Policy.

Loss of income arising from closure of business due to Covid-19 can only be covered by the Business Interruption Policy which extends to cover for Infectious or Contagious Disease (usually comes with a limit). However, this extension is only extended for loss of income arising from closure order by Authority due to infectious disease (Covid-19) manifested by any person at the insured premises. In other words, if any person diagnosed of Covid-19 at your premises; and your premises were instructed by Authority to close down for isolation and sanitizing purpose, loss of income during this closure period would be covered by the Policy.

This extension does not, in any way, extend to provide coverage for loss of income arising from closure order by authorities due to pandemic/ epidemic (infectious disease). Any business interruption loss consequent of the Circuit Breaker period for non-essential industries as announced by Singapore Government will not be covered by this extension.

Work Injury Compensation Policy

Work related illness due to Covid-19 will be covered. In other words, if Minister of Manpower concluded that the employees were infected by Covid-19 during works, this would be covered by Work Injury Compensation Policy.

However, please take note that some Work Injury Compensation Policies may exclude communicable diseases requiring isolation or quarantine by law. And Covid-19 related claim will not be admissible under this type of Work Injury Compensation policy.

Liability Policy

Liability types of Policies are Public Liability, Professional Indemnity, Comprehensive General Liability, Product Liability, Directors’ & Officers’ Liability, etc.

It is unlikely that there will be any Covid-19 related claim under Product Liability and Professional Indemnity Policies.

As for Public Liability and Comprehensive General Liability policies, there remains the possibility that a third party could have been infected by Covid-19 whilst at Insured’s premises due to Insured’s negligence. If this was the case, these policies may respond to the claim.



It is also important that all businesses practice reasonable precaution as recommended by Government i.e. safe distancing, sanitizing frequently, etc to prevent Covid-19 manifestation. Failure to do so may result in claim being repudiated for failure to take reasonable precautions.

However, please take note that some Liability Policies may exclude communicable and infectious diseases. And Covid-19 related claim will not be admissible under this type of policy.

Directors' and Officers' Liability Policy may also respond to Covid-19 related claim when these personnel were sued over the ways they have handled the crisis.

Cyber Policy

It is unlikely that there will be any Covid-19 related claim/ loss under Cyber Policy.

Health/ Medical Insurance

The most common policies under this category are Foreign Workers Medical Insurance, Group Hospitalization & Surgical Insurance, and various types of Life Policy.

In general, illness due to Covid-19 will be covered (as long as there is admission to hospital) by Group Hospitalization & Surgical Insurance and Life Policy.

For Foreign Workers Medical Insurance, most policies offered by Insurers in Singapore exclude "communicable diseases requiring isolation or quarantine by law" i.e. Covid-19. There are only a few Insurers that extends coverage on communicable disease.

However, any Covid-19 related claim arising from travel after 15 March 2020 (after Government advised against non-essential travel) may not be admissible under these Health Policies.

Group Personal Accident Insurance

There remains a possibility that an accident could have been resulted in a Covid-19 related claim.

If the insured employee was infected by Covid-19 due to an accident as defined under the Policy, the claim may be considered. As it is very difficult to define what circumstances can be considered as an accident, it is strongly suggested that a specific circumstance is provided for a review.

Similarly, any Covid-19 related claim arising from travel after 15 March 2020 (after Government advised against non-essential travel) may not be admissible under the Policy, as you will be deemed as failure to take adhere to Government's advice.

Important Note: Please take note that the views given above are based on the general circumstances under the respective common policies. It is impossible to list out all possible scenarios as each circumstance and policy are different.

Each potential claim can only be assessed case by case basis based on its own merit. Hence, it is necessary that a specific question/ scenario and policy are provided for review to confirm coverage under respective policies.



SOURCE: www.blog.rescuetime.com

Conditions and exclusions vary from policy to policy and thus, it is important to have a clear understanding of your policy.

Do not hesitate to contact us for a free review of your insurance program.

Yours Sincerely,
Saw, Seng Cheng
Chartered Loss Adjuster
Risk Advisory Department