



Circular to:

1. SPD Officers, Administrators, Service Managers and Departmental Directors
2. SPD Entity Administrators and Managers
3. All Union Officers and Administrators in the Division territories.
4. WHS Officers

Please distribute to: Local Conference & Mission Officers and Administrators (for sharing with local churches), Dept. Directors, HR Directors, School Principals and Business, Aged Care and Campground Managers.

Date: Thursday, 12th March 2020

RE: **General Liability cover, Workers' Compensation and COVID-19 Pandemic**

Dear Colleagues,

With the outbreak of COVID-19 now declared a global pandemic it is prudent that we share further information that we hope provides clarity on the Church's insurance position under the General Liability policy and the Workers Compensation policy.

General Liability

Our General Liability broker has provided the following which summarises the **potential** General Liability coverage/exposure:

If the coronavirus continues to spread worldwide, insurers are likely to confront liability claims that span the spectrum of their insurance product lines.

Businesses, particularly those that open their doors to the general public, may find themselves targets of claims that their negligence led to the exposure and infection of clients:

- Exposure resulting in bodily injury or property damage
- Negligence related to visitors to businesses or locations such as offices, day-care centres, retail shops, hotels and places of worship
- Product liability related to air filtration and recirculation, particularly in situations involving airplanes and hospitals
- Personal injury involving occurrences such as wrongful eviction or imprisonment
- Constitutional claims involving the quarantine or restriction of infected or exposed persons
- Negligence or other liability suits against a company or organisation that fails to implement a pandemic contingency plan.

Of course, the target of such claims will be not only the business but also the business's general liability insurance and its coverage for "bodily injury."

Common Liability Questions re: COVID-19

We acknowledge and thank our counterparts in the USA, Adventist Risk Management, Inc. for their assistance with the following answers:

Q. What is the potential liability to my organisation, if a government authority mandates shutting down operations to minimise the spread of the virus, and a university or school, church or other does not cancel classes and continues operations?

A. If it is mandated your organisation must comply, any and all fines and penalties arising from not following the mandate **would not be insurable** and would be the responsibility of the organisation.

Q. What is the potential liability to my organisation by keeping my schools, and churches open.

A. The answer to this question cannot be fully answered. A good test is to ask, "What would a prudent person/organisation do?"

It would be recommended to plan in advance for prevention and safety, watch what public schools in the area are doing, follow advice from your country's health authority, World Health Organisation, and resources from Risk Management Service or Adventist Risk Management, Inc. (USA).

In most cases your organisation's general liability coverages would respond to defend your organisation against accusations of negligence.

Q. If someone claims that the nature of an event or the way it was run contributed unnecessarily to increased risk of COVID-19 and they either contracted it, or it resulted in excess stress or anxiety resulting in a claim against the General Liability Policy, will the Policy respond?

There is currently no specific exclusion in the General Liability Policy related to 'Virus'.

There is potentially coverage for defense of a claim of negligence, depending upon the claim that is asserted, although this position may change at our next policy renewal date 30 June 2020.

The General Liability cover is intended to protect church entities against third-party claims for bodily injury resulting from exposure to harmful conditions.

For more information and guidance please visit the ARM website:
<https://adventistrisk.org/covid19>

Considerations and Actions to take now.

Failing to exercise reasonable care in guarding against, or warning of, the risk of exposure to COVID-19 could expose the Policy. Taking proactive steps now to provide a safe environment will be important to the defense of such claims, should they occur.

The proactive steps include the advice in our earlier communication dated 9 March under the title 'Events & Conferences'. We would now add to that advice the following:

- Communicate to attendees that they should not attend if they:
 - have symptoms, or
 - have been in contact with a confirmed case of COVID-19, or
 - have travelled to any of the high-risk countries (China, Iran, Italy, South Korea).
- Display signs at entrances that advise visitors and attendees that if they have any of the symptoms that they should not enter or attend the event.
- Advise attendees via email, announcements and signage that they need to be aware of the risks of attending an event or activity where it cannot be established that COVID-19 is not present.

Information for Employers of Australian workers.

This is a summary of the **potential** Workers Compensation coverage/exposure:

Workers Compensation Insurance

Workers compensation coverage can be broad and the advice we've received from our brokers is that courts would endeavor to find coverage where an employee, through no fault of their own, was exposed to COVID-19 at work in a demonstrable way.

For viruses, questions may arise as to the exact time and place of contraction. As a result, it may be difficult to determine that employment was the main contributing factor.

The exposure would have to take place in an employment setting (as per local regulation definitions) and in the case of an employee contracting the virus elsewhere they may not be afforded cover under the policy.

Documentation of any infectious event, or exposure at work, would be necessary to ensure that the employee receives medical care and compensation through your workers compensation policy.

Each claim would need to be considered on its individual merits, having regard to the individual circumstances and evidence in relation to the claim.

Employer support

Where employees are potentially exposed to the virus as part of their employment, employers should provide guidance and assistance to the employee to make a claim for workers' compensation.

Employers should also support the health and recovery of their workers through early intervention while the claim process is pending.

Other Covers

Personal Accident

Our insurance brokers have confirmed that Personal Accident insurance policy will not respond to COVID-19.

Business Interruption

This is an opt-in cover, cover is not automatic and only a handful of SDA organisations participate in this program. Please discuss with RMS directly if you've got questions about your site's business interruption cover.

Travel Cover

Please see information provided in previous circular dated 9 March, or contact us if you have not received that circular.

We have been encouraged by our observation of many Adventist sites taking reasonable and proactive steps to protect their people and their sites from exposure to the virus. We also acknowledge the leadership of those sites that have made thoughtful and prayerful decisions to cancel or postpone events and activities that could have the potential to expose the vulnerable to the risk of infection – these decisions are difficult and not always popular but you can be assured of the support of RMS every time you show value in the health and safety of people.

As always, our small yet dedicated team is ready to help and support you in managing the risks associated with the current global pandemic. Please call us on + 61 2 9847 3375 or email info@rms.org.au for assistance or if you have any questions about this circular.

Thank you again for your willingness, commitment and effort in protecting our people and safeguarding the Church's mission into the future.

Sincerely,



Jonathan Hale
Manager