

Coronavirus insurance quick reference guide



This guide provides general tips and prompts for you to consider when embarking on new business activities which may impact your risk exposure or existing insurance arrangements.

If your organisation intends to deliver new activities as part of the whole-of-government response to coronavirus (COVID-19), please contact us as soon as possible so we can assess your existing coverage and support you with any new requirements.

Undertaking new activities in response to coronavirus?



REVIEW your current insurance policy to see if the new activities are included.



CHECK the sub-limits in your insurance policy schedule to see if there's adequate cover for the new activity.



CONTACT us if you are performing activities that may change your organisation's insurable risk profile. We can help to identify any insurance gaps.

Insurance questions



Your existing policy may be impacted if your organisation's activities extend to new services outside your normal risk profile and scope of business.

We'll need the following information to help tailor advice and solutions to your specific needs.

Is there a requirement for your organisation to participate in a new program, partnership or initiative?

What services or activities will be provided?

Will any of the activities or services be provided in partnership with other public or private entities?

How will the service or activity be funded?

Is there a formal agreement or funding arrangement?

Is there any assignment of liability?

Are the services provided by you within the scope of your usual business activities declared to VMIA?

Are additional staff, contractors or volunteers required for the service or activities? If yes, what is the estimated number of additional staff contractors or volunteers?

Will you provide any health care or medical services?

If medical services are provided, a specific policy for medical indemnity exposures may be required, as these services are excluded under the VMIA Combined Liability Insurance.

Does the new activity give rise to the risk of personal liabilities on the part of Directors and Officers for example funding and administration decisions or potential employment practices liabilities?

If yes, a specific Directors & Officers Insurance Policy may be required.

Have you acquired or assumed responsibility for additional property which may need to be declared to VMIA?

VMIA is the Victorian Government's insurer and risk adviser

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Agreements, indemnities and third-party insurance



It's important to seek your own legal advice to fully understand the legal implications of contractual arrangements including any third-party indemnities, and insurance requirements entered into for the purpose of your organisation's coronavirus response.

Contractual agreements and indemnities

For insurance clauses in contracts, you should consider:

- Are the insurance clauses reasonable?
- Does your VMIA insurance meet the agreement's insurance requirements?



An indemnity clause is a contractual allocation and transfer of risk between two (or more) parties. It records the rights and duties of the parties. Indemnity clauses are broad in nature, comprising both insurable and uninsurable risks.

Indemnity and insurance clauses are not required if our insured clients are entering into agreements with each other, or with Local Government members insured through the Municipal Association of Victoria (MAV) Scheme.

Consider the following indemnity factors:

- What do the contractual terms say about each party's liabilities for the services provided?
- Have you checked that your VMIA insurance extends to the services in the contract?
- Are any hold harmless or other indemnities in relation to claims being sought by third parties?
- Is there any increase to your normal risk profile arising from the any indemnity or hold harmless clause sought?
- Does the indemnity meet the standard government approved contractual indemnity?
- Does the indemnity affect your current VMIA insurance cover?

For non-standard government approved indemnities, contact us – as there may be coverage and premium implications based on the type of indemnity and hold harmless clause.

- Does the agreement require you to assume liabilities related to the other party's employees?

If yes, contact us as there is an exclusion for any assumed employment liabilities



If you're unsure, speak with your legal adviser and contact us about your insurance.

Third party insurance

For agreements with organisations not insured with VMIA or MAV, each party to the agreement should have adequate insurance and level of cover. This ensures there is adequate financial capacity of the third party to meet any liabilities that arise from an indemnity clause or common law exposure.

Although we're unable to advise on the appropriate level of insurance cover for a third party specifically, we can help you assess risks associated with the contract, service or activities from your organisation's perspective.

The risk assessment would involve considerations of probable financial consequences pertaining to potential loss scenarios. This will help inform an appropriate level of insurance to cover the risk.

We recommend that third parties independently consult with an insurance adviser for their respective risks.

The following are the most common insurance policies that third parties may be advised to purchase by their advisers:

- Public and products liability insurance
- Property insurance
- Professional indemnity insurance

Contact us

To notify us of your new activities, call us on **03 9270 6900** or contact@vmia.vic.gov.au and your risk adviser will be in touch.

Lodging a claim

Please notify us as soon as possible if your organisation becomes aware of any events or circumstances that may give rise to a claim.

If you intend to lodge a business interruption under your property policy related to infectious disease, you'll need to document financial impacts and track them separately to normal operational costs.

Follow us to stay up to date with the latest information

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