

Client Advisory

Removal of electronic devices from schools as a result of COVID-19

As the COVID-19 situation continues to evolve and many schools are preparing for the possibility of closures we want to update you on what this means for your contents cover should students take portable electronic devices, such as laptops and Chromebooks, home for any closure period.

These items owned by the school, or for which the school is legally responsible, will be covered under your contents policy however there are a number of terms and conditions to be aware of.

Terms and conditions:

- The contents material damage policy covers property owned by the Insured while temporarily removed. *Note:* there is a limit of 20% of the contents sum insured to a maximum of \$100,000 under the location definition for property away from the school premises. Should your school have portable devices being removed from the school premises exceeding these limits then the value should be declared to us so we can note and confirm cover under the policy.
- The policy contains an exclusion for unexplained disappearance. Your school should ensure they have systems in place to track the locations and students responsible for each device to ensure they are recovered.
- As there is a 'due precautions' policy condition it would be prudent for your school to issue in writing to each student or their parents, guardian or caregiver their responsibility for the safe keeping of the schools property to avoid loss or damage.
- Existing policy Excesses will apply to the property temporarily removed. As the burglary, theft and malicious damage Excesses will be higher than the value of many devices, this does pose a financial risk to some schools and it is recommended proactive steps, such as providing advice as above, are implemented.
- The greatest exposure is likely to be for accidental damage losses where the policy Excess is \$100, except for schools where that excess has been increased at previous renewals due to a high frequency of losses. We expect to have a higher incidence of these losses with devices out of the classroom environment. An excessive amount of claims could affect renewal terms, but with reasonable care and appropriate systems to recover all devices any adjustment of terms can be avoided.
- Security and burglary/arson risks are other factors to manage when/if schools close, though this is probably no different to when managing those risks during school holiday periods, depending on the length of interruption.

Client Advisory

Should you have any queries or wish to discuss any other impacts that could affect your material damage/ business interruption risks please do not hesitate to contact us.

References

Please see below copies of the policy clauses mentioned above for your reference:

MD39 Temporary Removal

This policy covers any Insured Property (except Stock) while temporarily removed to any place in New Zealand and while in transit.

The amount recoverable under this clause shall not exceed the amount which would have been recoverable had the Loss or Damage occurred at the Location from which the Insured Property is temporarily removed providing that the property is not otherwise insured.

Policy exclusion 19 does not apply to this clause.

Temporary Removal

Means removal from the Location for a particular purpose, with the intention that the property be returned to the place from which it has been removed once that purpose has been served.

The location definition includes the following limit:

- g) Any premises anywhere else in New Zealand where any Insured Property is located, limited to 20% of the sums insured to a maximum of \$100,000.

20. Unexplained shortage

This policy does not cover unexplained disappearance or inventory shortages revealed only at stocktaking or shortages due to accounting or clerical errors except where covered under the Money clause.

GC05 Due Precautions

The Insured shall take all ordinary and reasonable precautions for the safety of the Insured Property.