

Pub Insurance



When running a pub, you face a variety of risks that can endanger the viability of your business. Due to the nature of your clientele and manner of operation—long hours, late closing times, crowded premises and drunken customers—a number of risks you’re exposed to are unique to the pub industry.

Purchasing appropriate cover for your pub can help mitigate risk and ensure your safety and also the safety of your employees and customers. Because not all pubs operate the same way or serve the same people, covers can widely vary. Pub insurance should be tailored for each individual business, so make sure you assess the specific risks of your pub and purchase the appropriate covers or extensions. The following are some common covers included in pub insurance.

Liability

As a publican, you are liable for your employees and customers on a daily basis. You should therefore be prepared to offset any damages caused by accidents or acts of negligence. There are three main types of liability cover to consider:

- **Public Liability (PI)** insures third-party injury, loss and damage resulting from business activities. ‘Third party’ includes any customers or visitors. If a customer were to slip and fall as a result of a messy floor, your pub would be covered with PI. You need to take extra care to ensure your establishment is never over capacity, which increases liability, and ensure that you purchase a suitable amount of liability cover to defend against your specific risks.
- **Products Liability (PL)** protects against accidental injury or damage resulting from a product sold by the insured. If a customer gets sick from a drink or

meal your employee serves, PL cover helps mitigate the financial damages.

- **Employers’ Liability (EL)** is compulsory in the United Kingdom if a business has an employee other than the owner. EL covers employers in the event of an employee’s work-related injury or disease.

Building and Contents

If you own your business premises or are responsible for the building in the lease, you must ensure that you have adequate building cover. ‘Adequate’ means that the sum insured of your cover is enough to rebuild the building. Otherwise, your insurance cover may not fully account for rebuilding costs and you will have to pay out-of-pocket.

Contents cover can be more complex. Avoid redundant cover by purchasing a policy that mitigates your pub’s specific risks. Contents cover provides protection in a number of areas.

- **Equipment Breakdown** covers broken machinery/equipment such as point-of-sale computer systems, taps, refrigerators, and ovens or fryers.
- **Stock** covers beer, wine, spirits, cigars and cigarettes. It can also include damage to stock resulting from storms or product leakage if the stock is stored more than 15 centimetres above the floor.
- **Employee Personal Effects** covers the theft of employee personal property while working at the pub.

Provided by Sirelark Risk Services

The content of this Cover Overview is of general interest and is not intended to apply to specific circumstances. It does not purport to be a comprehensive analysis of all matters relevant to its subject matter. The content should not, therefore, be regarded as constituting legal advice and not be relied upon as such. In relation to any particular problem which they may have, readers are advised to seek specific advice. Further, the law may have changed since first publication and the reader is cautioned accordingly. © 2013 Zywave, Inc. All rights reserved.

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Business Interruption

Although the pub industry is resilient and has been a vital part of the United Kingdom's culture for centuries, it is still difficult for pubs to resume business after a loss. Even if the loss was insured, without business interruption (BI) cover, publicans can lose hard-earned profits and income they would have gained had the loss not happened. This can cause a pub great hardship or even force it to shut down. BI can cover loss of income and profits in the event that insured damage prevents your pub from operating. It can help you keep your business afloat, even if the pub has to temporarily close.

Loss of Licence

A spirits licence is essential to your business—without it, you cannot legally serve alcohol. For reasons beyond your control, such as a policy or legislation change, you could potentially lose your licence with no back-up plan to keep your business running. Loss of licence (LL) cover can help mitigate this risk by offering a safety net should you lose your licence. LL does not cover a loss due to negligence or unsanitary conditions.

Other Common Covers

Publicans can also opt for the following additional common covers.

- **Legal Expenses** covers contract and employment disputes, criminal offences, legal actions from third parties, etc.
- **Theft by Employees and Third Parties** covers employee or third-party theft.
- **Glass** covers sanitary ware, broken fixed glass, signs and reasonable boarding-up costs.

Common Exclusions

There are several common exclusions, including:

- War and Nuclear Risks

- Terrorism
- E-risks

Again, this is not an exhaustive list. Make sure that you speak to your broker and know exactly what is covered or excluded in your specific policy.

We Are Here to Help

Securing appropriate cover for your pub can be a tough task. You need to assess the individual needs of your business and construct a bespoke policy that protects against your specific risks. Contact Sirelark Risk Services today at 01603 343 053 to learn more about insuring your pub for the future.