

PUB & CLUB INSURANCE

Pub & Club insurance explained

Towergate Insurance for Pubs, Clubs and Bars is tailored to take care of the risks that publicans and licensees face. Licensed trade venues are often allocated into one of the categories below. Given the requirement for increased footfall, most venues provide entertainment, food, events etc. which is why the majority of licensed trade venues are classed as 'non-standard'. Correctly insuring a licensed trade venue requires an understanding of the specifics of the risk which is why we ask brokers to complete the Quote Questionnaire.

Types of insured venues

- Pubs and public houses
- Gastro pubs and 'wet and dry' pubs
- Wine bars
- Pubs and bars with late licences/entertainment
- Late night venues
- Nightclubs
- Function and event venues
- Any other type of licensed venue

Standard

Wet led with limited food provision, no entertainment and standard opening hours – usually 11am – 11.30pm.

Non Standard

Wet and food led, various entertainments to include Karaoke, Singers, Bands, DJ, any form of dancing, later opening hours usually 11am up to and including 1am.

Bespoke

Wet, food and entertainment led with heavy entertainment and late licences with door staff and door charges. Heavy entertainment would include Discos/Bands with dancing facilities on a regular (weekly) basis with opening hours usually past 1am.

Material damage cover explained

Contents cover

Contents insurance covers the business including fixtures and fittings, equipment and stock against a range of perils including explosion, fire, storm damage, malicious damage and theft involving forcible and violent entry or exit from the premises. It also covers against the leakage of beer & beverages from pumped containers and subsequent damage to contents as well as a range of other perils specific to your client's trade.

Building insurance

Insuring the building is the responsibility of the property owner. These days most pubs are tenanted so building insurance is an optional cover. If your client owns the building we will ask for information e.g. the age and structure that will help us understand the best way to insure your client's property.

Tenant's contents

Long-serving tenants/landlords and other residents of the buildings may also want to insure their personal belongings on the same policy for ease. If your client has personal contents insurance we can provide terms so you can advise your client whether it is better to include their personal contents on the licensed trade policy.

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LIABILITY & OTHER COVER EXPLAINED

Slips, trips and spilt drinks – This is one of the most common causes of accident in licensed trade premises and is exactly the reason why liability insurance is so important.

Public Liability – This provides cover of up to £5,000,000 for sums your client may become legally liable to pay in respect of accidental injury to any person, or accidental loss or damage to their property happening in the course of the business or caused by the nature or condition of anything sold or supplied by your client's business.

Employers Liability – This cover can provide up to £10,000,000 for sums your client may become legally liable to pay as damages, together with their legal costs and expenses relating to an injury to an employee for which the business is legally liable. Employer's liability insurance is a legal requirement if the business has any staff working in any capacity.

Entertainment – Events and entertainment are activities that can just be noted on the policy. We will advise if extra cover is required. To whatever capacity your client holds events, it is vital that plans are disclosed to us. Even if the insurance doesn't cost any extra the event cover requirements must be noted on the policy schedule. There are very few licensed trade businesses that could afford a liability compensation claim that is why we transfer the financial risk to the insurer through arranging the correct level of Public liability insurance.

Loss of money – Cash on the premises is usually covered up to £3000. If a higher sum is required we will advise you of the security requirements e.g. having a suitable safe on the premises. Licensed trades generally handle a lot of cash, so make sure that your client purchases adequate money cover during trading, when in transit and/or in a night safe when the property is unoccupied.

Business Interruption (Loss of profits) - This helps your client stay in business by covering loss of gross profit and reasonable expenditure incurred as a result of an event such as a fire or theft. The indemnity period is the amount of time this cover can be claimed for. A 'gross profit sum insured' of £500,000 to £750,000 with an indemnity period of 24 months is standard for a pub. It is possible to insure for only 12 months but insurers are not as keen on this as it is unlikely a pub could return to the same levels of trading after a full rebuild or refurbishment of a property all within 12 months.

Damage to fixed glass and sanitary ware - This optional cover that the landlord often may insist on (possibly in joint names as an interest noted on the policy).

Risk management service – This service is usually an online platform for training staff and help with assessing the business risks. There are also business resources such as information on employment law. Ongoing risk management like this is often included as standard. Towergate will advise you if it is included or if it is optional.

Legal cover – This is to help with legal fees if legal action is taken out against your client, or if legal action is required against other people in certain circumstances e.g. employment disputes or clinical negligence. Legal cover is not usually a standard policy feature but can be requested as an optional add on to the policy. As with all optional extras you need to discuss the cover and cost with your client.

Loss of licence – This is optional cover against the loss of income resulting from the licensee losing their licence. This could have a catastrophic impact because a pub or club that would not be able to serve alcohol would lose its value. This cover can compensate for some of that loss and the devaluing of a business should the premises have the licence to serve alcohol revoked.

Reduce risk and cut costs

CCTV - Having CCTV can attract a discount with some insurers.

Audible and central station alarms – Insurers often offer discounts provided that **the alarm is serviced annually**.

Experience is key – If your client has more than 1 years' experience they may be eligible for a discount depending on their claims experience.

Industry accreditation - is unlikely to directly relate to a discount but it can help us when picking an insurer that is offering cover terms.

Package policies - often include cover for items such as your client's frozen food or goods in transit cover that may or may not be applicable to your client's needs. If the package policy is the right price and offers all the cover you need it may be the most affordable option.

Refurbs and changing business model - As your client's needs change they may be better placed with a new policy. This could involve reviewing and possibly changing insurer to make sure they have adequate cover at a reasonable price.

Frequently asked facts

Entertainment and events – This is the biggest misconception when insuring a licensed venue. Get it wrong and it could even void the policy. Extra equipment and customers, later opening and other variables increase the risk. This is why insurers expect to know what they are covering. Always discuss your client's plans with us to be sure they're not un-protected against the risks.

Dance floors – Insurance for a dance floor can be difficult to find for certain venues. Talk to Towergate as we have experience of finding quality cover that remains affordable. Never assume your client is covered if their venue has any kind of designated dance floor.

Door staff – Having door staff is never a legal requirement although there may be a licensing requirement set by the local council. All door staff should be SIA registered and even if they are supplied by a firm you must make us aware your client has them.