

LVA and VFI slam insurers as they refuse to honour 'business interruption' cover for pubs

The Licensed Vintners Association (LVA) and the Vintners Federation of Ireland (VFI) have slammed insurers who are refusing to honour the 'Business Interruption' cover for pubs who have been forced to close due to the COVID-19 crisis.

The representative bodies have received confirmation from Allianz and FBD, two of the largest providers of business interruption cover to pubs, that they will not be providing this cover.

Many publicans had indicated they would have used these payments to provide payment to their staff during the closure period, thereby reducing the burden on the social welfare system and the Exchequer.

Following confirmation from the two insurers that they will not be honouring these policies, the LVA and the VFI are calling on the Government to immediately engage with the Irish insurance industry on this matter.

"This is a disgraceful decision by the two insurance providers," said Donall O'Keeffe, Chief Executive of the LVA. "At a time of national crisis, with the pub sector on its knees, these insurers have spurned us in our time of need and are refusing to play their part in this emergency situation.

"Many of our members had hoped to use the payments they would receive under their business interruption cover to continue to pay some or all of their staff. During this critical time that would not only help thousands of pub employees and their families, but it would also be in the national interest as it will reduce the demand for social welfare payments.

"Given the tremendous strain that the Exchequer finances will be coming under this seems like the insurers are turning their backs on not just the pub sector, but the entire State," Mr. O'Keeffe said.

Padraig Cribben, VFI Chief Executive, stated: "This situation surely must constitute the very definition of 'business interruption'. Yet the insurers seem to be hiding between two arguments at present. Firstly that the decision taken by the pubs to close was not mandated by law and secondly that this crisis represents a 'force majeure' event.

"Taking all these factors into consideration, we have now asked the Government to take immediate action. We would like the Government to engage with the insurance providers on this matter and to publicly outline their perspective on the role of insurers in supporting businesses and their staff. We will also be seeking the Government request to close the pubs to be officially mandated in law.

"We will take all necessary actions to push the insurance providers on this matter and will not rest until they do right by the pub sector and indeed the whole country on this issue," Mr. Cribben concluded.