



**Pubs Code
Adjudicator**

What Tied Pub Tenants Need To Know

Insurance



How to use this fact sheet:

This factsheet is for tied pub tenants who want to know more about the duties of pub-owning businesses in relation to Insurance.

It provides information to support tenant understanding. It is not a substitute for the Pubs Code legal framework.

Our website contains other useful information about accessing your Pubs Code rights and the PCA's role as regulator in enforcing those rights: www.pubscodeadjudicator.org.uk

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At a glance... insurance:

Where the pub-owning business (POB) intends to charge you for an insurance policy for the pub premises, it must give you certain information about that policy at least 21 days before the policy is entered into.

You have the right to look for suitable and comparable insurance quotes. If you find one that is cheaper, the POB must either buy your alternative policy or agree that you will not have to pay the difference between its own policy and the cost of the policy you found.

Terms and abbreviations

Term/abbreviation	What it means
Code	The Pubs Code etc. Regulations 2016
PCA	Pubs Code Adjudicator
POB	Pub-owning Business (often referred to as pub companies)
TPT	Tied Pub Tenant (this includes a tied pub licensee and lessee)
MRO	Market Rent Only
MRO Option	The option for you to occupy the tied pub under a MRO-compliant tenancy and to pay a rent you have agreed with the POB in line with the MRO procedure or, failing such agreement, the market rent.
Pubs Code Framework	The legal framework that regulates the relationship between the large pub-owning businesses and their tied pub tenants. It is made up of the Small Business, Enterprise and Employment Act 2015 (Part 4), The Pubs Code etc Regulations 2016 (as amended), and The Pubs Code (Fees, Costs and Financial Penalties) Regulations 2016.



Pub Premises Insurance

See Pubs Code – **Regulation 46**

When does the Pubs Code apply to premises insurance?

The Pubs Code sets out the POBs obligations which apply:

- each time it buys or renews premises insurance and plans to charge you for that insurance; and
- each time the POB enters into a new agreement with you (or where you assign the tenancy)

What information must the POB give me about premises insurance it is charging me for?

The POB must provide you with the following information about the premises insurance where it intends to charge you for it:

- how much it intends to charge you
- whether it intends to charge you more than it is paying for the insurance, and if so, how much extra it intends to charge
- whether the POB (or any group undertaking they belong to) receives or expects to receive any commission or rebate on that policy

Is there any other information the POB must give me before it buys or renews an insurance policy for the premises?

The POB must give you:

- Full details of the policy including:
 - details of the cover provided
 - what you will have to pay; and
 - any excess you would pay if you made a claim
- Any further information you would need to compare the POBs policy with other suitable comparable policies available.



When must the POB give me the premises insurance information?

FACT

The POB must give you the information **at least 21 days before** the day the insurance comes into effect (or at least 21 days before the day the POB enters into the insurance if this is earlier).

This will allow you time to look for suitable comparable quotes and provide it to the POB.

What if I find a suitable and cheaper quote?

If you find a **cheaper suitable comparable** quote the POB must consider it and either:

- buy your alternative policy; or
- buy its own policy but agree in writing that you will not have to pay the difference between this and the cost of your alternative policy.

You must notify the POB before it purchases or renews the premises insurance if you have found a cheaper suitable comparable alternative policy.

The Code does not define what a suitable comparable alternative quote for premises insurance is and it may depend on the particular circumstances. You are recommended to seek professional advice.



I am a new TPT or I am assigning my tenancy - what must the POB tell me about insurance?

See Pubs Code – **Regulation 11, 12 and Schedule 1**

Before you take professional advice on your business plan and sign a new tenancy, the POB must tell you:

- Who is responsible for insuring the premises under the tenancy; and
- If the POB is responsible, whether the cost of the insurance policy will be recharged to you
- If you are responsible for insuring the premises, any minimum requirements for the insurance policy
- If you will be obliged to buy insurance as a service tie, the POB must provide you with details of those obligations.

A service tie is where a TPT is required to receive a service from the POB or a provider chosen by the POB.

This information must also be provided to you if you intend to assign your tenancy. Where the POB must consent to the assignment it will need to know that you have provided this information to the potential assignee.

What about insurance under an MRO tenancy?

Any service tie for insurance included in a proposed MRO tenancy is regarded as unreasonable and non-compliant **unless** it is a service tie for **buildings insurance only** for the relevant premises. For details about MRO Option please see factsheet [“Market Rent Only \(MRO\) Rights.](#)



The POB has not done what the Code requires in relation to insurance. What can I do?

If you think the POB has not complied with the Code, you may be able to resolve matters without the need for arbitration. You can raise any Code matter with the Code Compliance Officer, whose role it is to verify the POBs compliance with the Pubs Code. [See our factsheet on Business Development Managers and Code Compliance Officers.](#)

TO MAKE AN ARBITRATION REFERRAL YOU MUST:

1. **Notify the POB** of the alleged non-compliance.
2. Allow **21 days** to pass beginning with the date you notified the POB.
3. Make an arbitration referral within **4 months** beginning with the date you could have first made the referral.

For more information about

- **Making a Pubs Code arbitration referral** [visit our website](#)
- **Getting help and support** with the Pubs Code and arbitration, see our helpful [factsheet](#)



The POB must not subject you to any detriment for using the Pubs Code

See Pubs Code – **Regulation 50**

Your POB must not subject you to any detriment because you exercise, or try to exercise, any right under the Code. You can report this to the POB's CCO or make an arbitration referral if appropriate.

Unenforceable terms

See Pubs Code – **Regulation 57**

Any term in your tied agreement that penalises you for requiring the POB to act, or not act, in accordance with your Code rights cannot be enforced.



Questions about this factsheet

For **general queries** about the information in this factsheet, you may contact our enquiry service.

Please note, we can provide information about your rights, the Code and our processes. We cannot advise you about your case.



Complete our [online enquiry form](#)



Email: office@pubscodeadjudicator.gov.uk



Call 0800 528 8080 to request a call back

This factsheet provides information to support tenant understanding. It is not a substitute for the Pubs Code framework.

You may find it helpful to take independent professional advice before making any decisions that may affect you and your business.

Find out more

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[Access all PCA factsheets here](#)

Last updated: November 2023

