

# Eruption, Disruption...!



## Introduction

It is estimated that the volcanic eruption of the Eyjafjallajökull volcano in Iceland and the subsequent flight ban has already cost the British economy at least £920 million. The cost may now escalate further, as businesses debate how to manage the pay of returning employees.

Employers need to adopt a pragmatic and understanding approach to this problem, as the volcanic eruption is an act of God and out of both the employers' and the employees' control. Some practical options for employers may include considering:

- Employees to take the additional time off as part of their existing annual holiday allowance
- Employees to take the time off as unpaid leave
- Allowing employees to make up the time
- Considering whether this may fall under the premise of any compassionate leave policy.

Obviously, if an employee is abroad on business, they should be paid for the time unless they have agreed to take a short holiday during the period of the flight ban. All employees who have been on holiday and not been able to return to work should be treated in the same way.

Beware too of setting a precedent! If an employee is awarded pay in this situation, it may open the way for them to claim payments from you in the future if their return flight from a holiday is cancelled and their return to work is delayed.

### HR Insight Ltd.

Orbital House 20  
 Eastern Road  
 Romford  
 Essex RM1 3PJ

T 01708 758958

[www.hrinsight.co.uk](http://www.hrinsight.co.uk)

### General enquiries:

[enquiries@hrinsight.co.uk](mailto:enquiries@hrinsight.co.uk)

### Legal Department:

[legal@hrinsight.co.uk](mailto:legal@hrinsight.co.uk)

### Heather Matheson:

[HMatheson@hrinsight.co.uk](mailto:HMatheson@hrinsight.co.uk)

## Cost Incurred

The Association of British Insurers advises customers who may be affected that volcanic eruptions are not always covered by travel insurance for cancellation and delay although some policies will cover this so employees should contact their travel insurance company to check what their policy covers. The following options however are generally provided:

- If flights are cancelled, most airlines will offer either a full refund or an alternative flight and, if the individual decides not to fly, the insurer will also refund the premium
- If a single trip policy is taken out and the individual accepts an alternative flight at a later date, most travel insurers will amend the policy to cover the new travel arrangements and dates
- If an individual decided that they no longer wish to travel, it will generally not be covered by the travel insurance policy.

Customers should check their travel insurance policy and speak to their travel insurer to understand what their individual policy covers them for in this situation.

## Further Support

If you want to discuss any element of this Fact Sheet or want to talk through the options with a Consultant here in HR Insight, please contact us on 01708 758958. We are happy to help in any way that we can!