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Host Liquor Liability

Liability resulting from serving alcohol can and does apply to you!

Liquor Legal Liability is a term used to describe the responsibilities that may fall upon anyone who serves alcohol, which in turn causes property damage or physical injury. This term is most often used to describe lawsuits brought against individuals who are actually engaged in the business of selling alcohol: hoteliers, bar and tavern owners as well as restaurant operators.

What many people are unaware of is the fact that liability resulting from serving alcohol can and does apply to those who serve alcohol even when these individuals are not in the business of serving alcoholic beverages professionally. The liability that results from serving alcohol at social and business functions is most usually described as "Host Liability". Whether it's a meeting of the union, a reception to host business associates, a full blown office party or just a pleasant seasonal get together for the staff, you need to take note. If there is alcohol on the menu, you need to take precautions against the possibility that someone will drive while intoxicated, injure someone and ultimately face a lawsuit.

In short, the law requires alcohol be served responsibly and refrain from allowing patrons to become intoxicated to the point of potentially harming themselves or others. If an individual chooses to drive impaired and is involved in an accident, the individual(s) serving the alcohol may be held liable. The impaired driver can sue those who served the alcohol for injuries to themselves. Likewise other parties that may have been injured in the accident (pedestrians and occupants of other vehicles) can also sue.

Loss Control Advice for Commercial Businesses
You can do a great deal to reduce the likelihood of liquor related accidents and minimize your liability in the event there is an

accident. If it can be demonstrated that all reasonable steps were taken to prevent an accident or to prevent excess drinking, the lawsuit can be defended or at least the Insured's liability may be minimized.

Attitude

First and foremost, common sense should prevail. General corporate attitude should not suggest or imply at functions that people are expected to drink to fit in socially. Corporations should encourage moderation. Lead by example. Owners and managers should be mindful to keep consumption to a minimum to properly provide an example of conduct.

It is crucial to note that just because an event has been catered and the job of dispensing drinks turned over to professional bartenders, the onus has not been removed from the host. It is still the host's responsibility to ensure the safety of their guests wherever possible.

Provide Alternate Transportation

- You can organize car pools. There will always be a percentage of non-drinkers who can be recruited to drive staff members home. Reward these people for their contribution to safety. Provide a selection of non-alcoholic drinks for the designated drivers. Help them to enjoy their evening, and make sure they feel appreciated.



Knowing your business matters.

- Make arrangements with nearby hotels to provide special room rates for the attendees that do not want to drive. Don't put anyone in a situation where they are obliged to drive after drinking.
- Offer to provide taxi service to your staff to get them home safely.

Monitoring

Arrange for some of your middle and senior staff to be "ushers". Do not use junior staff, as they may be intimidated if they are required to deal with senior colleagues. If someone is clearly in a questionable state to drive, take away their keys and arrange for their transportation home. Make sure they are escorted to a cab.

Brief your caterer's waiters and bartenders in advance. Let them know your stance on excess drinking and have them bring problems to the attention of your ushers.

Don't view these added costs as expenses. View them as investments in your staff and business partners. It is too easy to discuss these issues in terms of claim costs, premiums and their impact upon the corporate ledger, but the real cost is in the toll it takes in human terms. Weigh these costs against the costs of recovering from the death or serious injury of valued friends and staff members. Insurance can cover the cost of the defense and the lawsuit, but it cannot help the staff recover from the often devastating effect on morale, the loss of key employees' knowledge and business contacts, the re-organizing of duties, lost time and profits in re-hiring and re-training or worse, the loss of life.

Partners In Prevention

At Federated Insurance, we believe Loss Prevention is a critical component of your Risk Management Program. Your Risk Services Coordinator, together with our Loss Prevention Team, is available to assist you in developing security measures appropriate for your business. Working together to reduce your loss exposures protects your bottom line!

For more information, contact your Risk Services Coordinator, our Loss Prevention Department at 1-800-665-1934, or visit our website at www.federated.ca

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