



A VL real life claim example

# Statutory Liability

## Sale of Liquor Act

The Insured operated a tavern. It was prosecuted after a local authority inspector, acting under the Council's powers as the District Licensing Authority, discovered it was selling liquor on Good Friday in contravention of the Act. The Act permitted sale of liquor on Good Friday only to patrons who were dining on the premises.

The VL appointed lawyer assisted the Insured in preparing for an appearance to answer the charge in the District Court. The Insured argued that by buying hot pies and/or sandwiches patrons were 'dining'.

The court was unimpressed and the Insured was convicted and fined \$3,000, which the policy paid along with lawyers' fees.

Note: since this claim, the Hospitality Organisation has issued guidelines to its members which spell out parameters for, inter alia, Good Friday trading. Breaches such as in this claim are unlikely to be covered because they would be deemed to be 'deliberate' actions.

CEG 055-102019/000