

# RISK COMMUNIQUÉ

## *Liquor Liability*

*Liquor liability represents a significant exposure to the Emergency Service Organization (ESO). In recent years, both the frequency of claims involving this coverage, as well as the severity of the awards, have increased dramatically.*

If the insured is involved in any of the following activities, a full evaluation of the operation and controls should be made.

1. Private Club
2. Bar
3. Social hall where alcoholic beverages are sold, distributed, or managed by the insured, (whether licensed or not).
4. Social hall where alcoholic beverages are provided by lessee and distributed or managed by the insured.
5. Continuing or ongoing special events, such as summer softball leagues, where alcoholic beverages are sold.
6. Individual special events with beer or liquor sales.

### **Examples of Past Claims**

Social member of VFC left the bar with a blood-alcohol level of .08 percent. Claimant involved in auto accident with severe injuries. Reserve of \$300,000.

After leaving a picnic/party sponsored by the insured fire company, claimants were involved in an automobile accident. One of the injuries resulted in death. Beer, liquor, and wine were served on a cash basis. The driver of the vehicle was under twenty-one. Claimants brought suit under liquor liability; current reserve at \$265,000.

The following areas/topics should be discussed with ESO and evaluated with comments made pertaining to the evaluation.

### **Full Service Bar/Club or Social Hall**

1. Does the ESO operate with or without a license?
2. Is a license required?
3. Does the ESO have a written Alcoholic Beverage Management Policy? (If yes, review it for adequacy—use VFIS standard recommendation for comparison.)
4. Estimate of receipt for beverage sales?
5. Hours of operation?
6. Have the bartenders received any server awareness training (i.e., TIPS or TAM)? How many? Copies of certificates obtained?
7. If associated with social hall rentals only, who purchases, manages, and distributes the beverages?

### **Special Events**

1. When is the event held? For how long?
2. Is a license or permit required?

*This is a sample guideline furnished to you by VFIS. Your organization should review this guideline and make the necessary modifications to meet your organization's needs. The intent of this guideline is to assist you in reducing exposure to the risk of injury, harm, or damage to personnel, property, and the general public. For additional information on this topic, contact your VFIS Risk Control Representative at (800) 233-1957.*

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3. Does the ESO have written procedures for controlling the alcoholic beverage exposure?
4. How are beverages purchased? (Cash by the drink? Tickets or coupons? Free with purchase of mug or glass?)
5. Is there a controlled area for consumption?
6. Estimate of liquor receipts?

## **Host Exposure**

1. How many times per year is there an alcohol exposure associated with a rental operation?
2. Is there a person from the ESO responsible for serving the alcoholic beverages?
3. Have members who are serving alcoholic beverages received any server awareness training (i.e., TIPS or TAM)?
4. Does the ESO verify the age of all youthful guests prior to serving any alcoholic beverages?
5. Does the ESO discourage guests who exhibit signs of intoxication from driving, by offering alternate means of transportation (i.e., taxi or designated drivers)?
6. Does the ESO utilize a rental agreement containing a hold harmless or release of liability clause in conjunction with these rentals?



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## **LIQUOR POLICY RULES AND REGULATIONS**

The purpose of this policy is to set forth the position of

\_\_\_\_\_ with regard to alcohol consumption. Our position is that if one chooses to drink alcohol at social events one should be guided by maturity, restraint and regard for the well being of others.

1. No individual under the age of 21 is permitted to purchase or consume alcoholic beverages on this premises.

Any individual under the age of 21 seen purchasing or consuming alcoholic beverages will be removed from the premises with the proper authorities notified.

2. Proof of age will be required of any guest utilizing our \_\_\_\_\_.

3. It is the policy of the \_\_\_\_\_ to discontinue an event if we believe individuals are becoming intoxicated or unruly. Law enforcement will be contacted if necessary.

4. Any individual who chooses to consume alcohol is strongly encouraged to refrain from driving and to designate a driver who has not been drinking as his or her only source of transportation.

The above mentioned rules and regulations have been formulated for the safety of our guests utilizing our \_\_\_\_\_.