

What you can do to help avoid alcohol-related lawsuits.



Liquor liability insurance generally provides businesses coverage for bodily injury and property damage as a result of an accident caused by someone under the influence of an alcoholic beverage. Potential risk isn't limited to just liquor stores, bars or restaurants. Public events, office parties and even a company picnic where alcohol is served all present possible hazards. That's because, in many cases, people who drink get in their vehicles to drive home and a serious accident — sometimes followed by a damaging lawsuit — can occur.

Dramshop laws and other statutes and how they affect your business.

Many states have statutes known as dramshop laws that impose various degrees of liability against a liquor seller or server when damage, death or injury is caused by an intoxicated person. The laws differ in each state regarding the degree of liability, but generally hold the server liable if he or she:

- Knew or should have known the drinker was underage
- Was aware the drinker was intoxicated
- Was aware the drinker was a habitual drunkard
- Knew the drinker was prohibited by law from drinking

Some states without a dramshop law have ordinances or regulations that are specific to beverage control. Businesses that violate these laws may be subject to criminal penalties and fines. All owners of businesses serving alcohol should know their state's liquor laws, regulations and ordinances — dramshop or otherwise.

The conditions under these laws can hold your establishment responsible for an incident that occurs even after a patron has left your property or at an event you might be catering. This can be a costly loss not just to your business's bottom line, but also its reputation.

If your business serves alcohol, you need to know your state's liquor laws.

Some practical advice for sellers and servers of alcohol.

Some tips for a well-trained staff and consistently enforced alcohol service policy include:

- Create clearly defined management responsibilities for policy enforcement and training
- Develop a comprehensive employee training program for responsible alcohol service; training can be conducted internally or through a respected independent contractor.
- Establish procedures for handling intoxicated patrons. The procedures need to provide specific guidance on:
 - Situations where alcohol service can and should be refused
 - Arranging transportation for a patron
 - Handling confrontation
 - Determining when to involve local law enforcement
 - How to log incidents of alcohol refusal
- Regularly evaluate policies and procedures, and in doing so look at incidents, complaints and current employee training methods
- Follow all state laws and regulations; post signs listing the state's drinking age and the establishment's policies for the right to refuse service
- Review employee hiring procedures and background checks to help choose responsible employees capable of enforcing your alcohol service policies
- Implement strict alcohol dispensing and inventory control methods
- In cases where customers are obtaining your services for private events, such as a catered party, inform them of your business's alcohol service rules in advance



Train your employees in responsible alcohol service.

Providing solutions
to help our members
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For your risk management and safety needs, contact Nationwide Loss Control Services: 1-866-808-2101 or LCS@nationwide.com.