



## Liquor Liability at Chapter Events

We have received a number of inquiries from Chapters regarding the serving of liquor at Chapter Meetings and sponsored events, and whether a Chapter could be liable for injuries that may arise as a result of alcohol consumption. In recent years, tort liability for the service of liquor has been expanded either by statute or case law. Under "dram shop" or "third-party" laws, liability is imposed on those who serve liquor for injuries and damages caused by intoxicated persons.

The NKBA maintains "host liquor liability" coverage that covers the service of liquor to members and guests. Specifically, our policy provides for liability coverage for bodily injury or property damage by reason of:

- a) causing or contributing to the intoxication of any person; or
- b) the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c) any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages provided that the insured is not in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. Obviously, neither NKBA nor its Chapters are in this business, so the coverage would apply to events that you host.

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Under this coverage, a Chapter or region may include the cost of liquor in the price it sets for an event, or it may provide a cash bar at the meeting that is run by hotel personnel (in which case the hotel's insurance policy would be triggered in the event of liability).

This does not mean, however, that you are completely free from all liability as a result of the consumption of alcohol at a Chapter event. Our insurance policy - and the law - requires that a host act "reasonably" given all the circumstances in serving liquor to persons attending a NKBA function, including the use of a hospitality suite during a national or regional conference. To ensure that the reasonableness standard is met, Chapters should optimally hire a bartender (preferably a hotel employee) to dispense liquor during a Chapter program. At a minimum, a responsible person should be designated to oversee the bar. Guests should generally not be permitted to serve themselves, and intoxicated persons or minors should never be served. In addition, the Chapter should consider adopting a policy of providing cab fare home or alternative transportation for any visibly intoxicated person.

Failure to act reasonably may subject the responsible parties (including members of the Chapter's Board and possibly the Chapter members themselves) to personal liability for damages caused by or to intoxicated persons.