

UNDERSTANDING LIQUOR LIABILITY EXPOSURE

LIQUOR LIABILITY LAWS

States have differing laws that determine whether a nonprofit can be held responsible for harm caused by an intoxicated customer or event attendee.

Dram shop laws apply when alcohol is sold to customers or event attendees.
Social host liability laws apply when alcohol is served for free

LIQUOR LICENSES

Unless your nonprofit regularly hosts events where alcoholic beverages are served and you already have a liquor license, you probably need a temporary special use license to serve alcohol at any event. Contact your state's liquor control board to learn about required licenses for alcohol service.

Don't serve alcohol without the proper license(s)!

SERVING SAFELY

Hire an event catering or bar tending company that carries its own liquor liability insurance and can take responsibility for serving safely. Ask for a Certificate of Insurance showing your organization as an additional insured for the event.

Use licensed, trained servers (not staff or volunteers) who know how to recognize the signs of alcohol impairment.

Never serve alcohol to minors and require a photo ID to verify if each guest is of legal drinking age.

Have a plan for handling visibly intoxicated guests.

Limit alcohol consumption using drink tickets.

Never offer a self-serve bar at an event hosted or sponsored by your nonprofit.

Close the bar prior to the end of your event.

INSURANCE

General Liability insurance often includes host liquor liability for events where alcohol is served for free to guests.

You might need **Liquor Liability Insurance** for other situations, for example, if your nonprofit sells alcohol directly to event attendees.

Check with your insurance agent regarding the specific coverage your policy provides as it relates to alcohol at fundraising or other functions.



MINIMIZE RISK
when selling or serving alcohol at fundraisers and other events.