Urgent Risk Advisory: Rise in Liquor Liability Claims

The alcoholic beverage industry as a whole has seen a notable increase in Liquor Liability Claims. As a part of our commitment to your safety and success, we are pleased to provide these Risk Management tips and claim scenarios to help you understand and prevent these risks. Protecting your business and ensuring the well-being of your patrons is extremely important practice.

Claims Scenario Examples

1.) OVER-SERVING LEADS TO ACCIDENTS

SCENARIO: During a busy Friday night, a bartender at a popular city brewery serves multiple rounds of the brewery's latest Triple IPA release to a group of customers. One patron, visibly intoxicated, continues to be served despite slurring their speech and struggling to maintain balance. After leaving the bar, this patron decides to drive home. On the way, they run a red light and crash into another vehicle, causing severe injuries to a family of four. The subsequent investigation reveals that the bar's staff ignored clear signs of intoxication, leading to a lawsuit against the establishment for negligence.

INITIAL DEMAND: $1,250,000

RISK MITIGATION TIPS:

- Policy Enforcement: Establish and enforce a strict policy against serving visibly intoxicated patrons, making it clear that refusal of service is mandatory when necessary.
- Staff Training: Provide regular, mandatory training for all staff members on how to recognize the signs of intoxication, including slurred speech, impaired motor functions, and erratic behavior.
- Monitoring and Tools: Utilize tools like breathalyzers for guests who may be borderline, and encourage or mandate the use of designated drivers or rideshare services.

2.) FIGHT ON PREMISES

SCENARIO: A taproom hosts a watch party for a local sports match, tensions rise between two groups of patrons supporting rival teams. One customer begins verbally harassing another. Despite clear signs of aggression, the bartenders continue serving both parties. Eventually, a physical altercation breaks out, resulting in one patron being knocked unconscious after hitting their head on a table. The injured patron files a lawsuit against the brewery, claiming that the establishment's failure to intervene or stop serving alcohol contributed to the incident.

INITIAL DEMAND: $100,000

RISK MITIGATION TIPS:

- Aggression Management: Train staff to recognize early signs of aggression, such as loud arguments or confrontational behavior. Staff should know how to de-escalate situations before they become violent.
- Security Presence: Ensure that there is adequate security on hand, especially during peak hours or events where tempers may flare, such as sports games.
- Proactive Intervention: Establish clear protocols for staff to follow when a situation begins to escalate, including ceasing alcohol service and, if necessary, removing individuals from the premises.

Claims Scenario Examples (Cont.)

3.) SERVICE TO INTOXICATED GUEST

SCENARIO: A downtown brewery in a popular craft beer city hosts a group of guests celebrating a bachelor party. The group had been brewery hopping and this brewery was the final stop. The group is served multiple rounds of beer despite already being visibly intoxicated. One of the group becomes increasingly belligerent, eventually attacking another customer with a glass, causing severe lacerations. The injured patron sues the brewery, alleging that the staff's failure to stop serving the intoxicated individual directly led to the assault.

INITIAL DEMAND: $200,000

RISK MITIGATION TIPS:

- Refusal of Service: Establish a firm policy that empowers staff to refuse service to any patron showing signs of intoxication. Make it clear that the safety of all guests is the top priority.
- Alternative Options: Offer patrons non-alcoholic beverages or food options as an alternative when they appear to be at their limit, helping to slow down their alcohol consumption.
- Incident Reporting: Implement an incident reporting system where staff can document situations involving intoxicated patrons, providing a record that can be valuable in defending against potential claims.

Overview

By implementing these strategies, Brewery PAK helps reduce risk of liability claims. A proactive approach to risk management not only protects your business but also promotes a safer environment for your patrons. Remember, a well-trained staff and a responsible serving policy are your first lines of defense.

BREWERY BP PAK® INSURANCE PROGRAMS

Insurance on Tap

Phone: 888-386-5701 **Email:** info@pakprograms.com
Web: www.brewerypak.com
Underwriting Office: Three Wing Drive | Cedar Knolls, NJ 07927

PAK INSURANCE PROGRAMS
pakprograms.com