



NW Insurance Council

## *Consumer Alert*

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# Planning a holiday party? Before you host, know your (insurance) limits

## What to Know

- *Social host liability, or Dram Shop Liability, is an active law in 43 states, and exposes party hosts (or homeowners) to liability risks.*
- *Homeowners (or renters) insurance may provide protection, including defense costs – but there may be limits, restrictions or exclusions, so ask your insurance agent or company about liquor liability.*
- *At your party, restrict or exclude alcohol, or encourage guests to designate a non-imbibing driver or use taxis, Uber/Lyft or other transportation to arrive home safely.*

SEATTLE, December 13, 2019 – Are you hosting a holiday party this season? If so, it's important to know the risks, the laws and what your insurance covers.

For example, did you know that you can be held responsible if one of your guests leaves inebriated and injures someone in a car accident on their trip home from your party?

At last count, 43 states have social liability, or “[Dram Shop Liability](#)” statutes on the books. Most of those laws provide an injured person – such as the victim of a drunk driver – the right to sue the person responsible for serving the alcohol, whether that person is a bartender/owner or a private citizen hosting a party in his or her own home. It is even possible that a homeowner could be exposed to liability if others in the household were to throw a party and a guest or third-party victim was injured in an auto accident.

Social host liability laws often hold the party host responsible for the safety of party guests, as well as anyone injured by a party guest after they leave the event. As a homeowner, this could expose you to liability, even if someone – like a teenage child in your home – hosts a party without your consent and someone is injured or causes injury to someone else on their way home.

“Protecting yourself, your family and guests starts with making sure you have Homeowners or Renters insurance with sufficient [limits of liability](#) to protect your financial assets,” said Kenton Brine, NW Insurance Council president. “Homeowners should also take steps to ensure that their homes are safe for residents and visitors.”

Speak with your insurance agent or company about your Homeowners or Renters coverage so you understand what is covered along with any exclusions, conditions and limitations in your policy. If liquor liability (coverage for bodily injury or property damage caused by an intoxicated person) is covered by your Homeowners Insurance policy, it’s limit can range from \$100,000 to \$300,000 but that may not be enough, according to the [Insurance Information Institute](#) (I.I.I.).

“Remember, if liability limits are not sufficient to pay for the injuries and/or damage sustained by an accident victim, your personal assets could be at risk in a lawsuit,” Brine said.

Injuries to guests on your property (not caused by an intoxicated person) are covered under the Liability portion of your standard [Homeowners Insurance policy](#). Most

homeowners' policies start with liability limits of \$100,000. But regardless of the season, you may want to consider purchasing at least \$300,000 worth of Personal Liability protection and adding an [Umbrella Policy](#) to protect your family's assets.

Your policy also provides "no-fault" Medical Payments to Others coverage. In the event a visitor is injured in or around your home, he or she can submit medical bills to your insurance company up to the limit you've chosen – generally from \$1,000 to \$5,000. This allows payment of smaller medical expenses without needing to file a liability claim.

(Note: both Medical and Liability coverage only apply to guests and do not pay medical bills for you, your family or your pets.)

[NW Insurance Council](#) and the [Insurance Information Institute](#) offer these common-sense tips:

- Familiarize yourself with [your state's social host liability laws](#), which vary from state to state.
- Encourage guests to pick a designated driver so that he or she can drive other guests home. If you're attending a party and plan to drink alcohol, make arrangements in advance for a sober driver to take you home.
- Be a responsible host or hostess and limit your own alcohol intake so you can judge your guests' sobriety.
- Consider hiring a professional bartender, since most are trained to recognize signs of intoxication and may be better able to limit consumption by your guests.
- Offer non-alcoholic drinks and always serve food during the party. Stop serving alcohol toward the end of the evening and switch to coffee, tea and soft drinks.
- If guests drink too much or seem too tired to drive home, arrange a ride with a sober guest, have them sleep at your home or call them a cab.

- Consider installing an app on your smartphone to summon ride sharing services like [Uber](#) or [Lyft](#), so you can have a car come to retrieve any guests you believe should not be driving on their own.
- Talk to the young adults in your home – set rules and make sure you know what is happening in your home while you're away.
- Ensure safe walkways by shoveling snow to make a path or raking or sweeping leaves and other debris away from porches, decks, sidewalks and driveways. Also, keep walkways well lit.

For more information about your Homeowners or Renters insurance policy or your liability limits, contact your insurance company or agent. For more information about insurance and how to protect your family and home, call [NW Insurance Council](#) at (800) 664-4942.

*NW Insurance Council is a nonprofit, insurer-supported organization providing information about home, auto and business insurance to consumers, media and public policymakers in Washington, Oregon and Idaho.*

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