



NW Insurance Council

Consumer Alert

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

What to Know

- *Those hosting gatherings of any size should know that social host liability, or Dram Shop Liability, is current law in 43 states, and exposes party-hosting homeowners to liability risks.*
- *Homeowners (or renters) insurance may provide protection, including defense costs – but there may be limits, restrictions or exclusions.*
- *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.*

BOISE, ID, December 20, 2022 – Are you hosting a Christmas or New Year’s party? If so, keep in mind that as hosts of a party where alcohol is served or guests become impaired, homeowners and renters could be liable for the safety of their guests – even after they leave the party.

At last count, 43 states have social host 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 not only the at-fault driver, but also 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.

Social host liability laws can 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, president of NW Insurance Council. “Homeowners should also take steps to ensure that their homes are safe for residents and visitors.”

Your insurance agent or company can help you understand what is covered under a Homeowners or Renters policy, 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, the limits can range from \$100,000 to \$300,000 - but that may not be enough, according to the [Insurance Information Institute](#) (I.I.I.). In those circumstances, it may be wise to consider adding a Personal Liability Umbrella Policy, which increases the coverage available in the event a liability claim is filed against you.

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

[NW Insurance Council](#) and the [Insurance Information Institute](#) offer these common-sense tips for your holiday party or other party gatherings:

- 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, arrange 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.
- 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, water and soft drinks.
- If guests drink too much or seem too tired to drive home, arrange a ride with a sober guest, a cab or a ride share, or have them sleep over at your home.
- 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.
- 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.

WTSC's [Target Zero](#) program and NW Insurance Council encourages everyone to “make a plan before you party” and to help prevent someone else from driving impaired.

If you witness an impaired driver on the road, it's appropriate to call 911. When talking to 911 dispatchers, they will ask for the make and model of the vehicle, license plate number, route and direction being traveled and a description of the driver. If you find yourself witnessing dangerous driving behavior, law enforcement officials say make sure

you keep a safe distance and don't do anything to put yourself in danger while reporting the vehicle to law enforcement.

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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