

Liquor Liability and Your Home Insurance Policy

by [Thomas Zuo](#) - [01/17/13](#)



Throwing a party or simply having a friend over and serving a few drinks may expose you to some serious [liability issues](#). Liquor liability can be imposed on individuals just as it is on businesses that sell or serve alcohol regardless of where you live – [Fresno](#), [Fort Worth](#), [Detroit](#), [Denver](#), [Dallas](#). Have you ever given any thought to what happens if one of your [guests causes damage](#) or injury after consuming alcohol at your home? While you may have some protection under your home insurance policy, it's also a good idea to always be mindful of the risks surrounding alcohol and take the necessary steps to prevent potential problems.

In many jurisdictions, the idea of host liquor liability means that you may be held responsible for any damage or injury caused by a guest in your home where alcohol was served and consumed. The concept is different than traditional liquor legal liability in that the latter generally applies to business establishments that serve or sell alcohol. This is an important distinction in that your home insurance policy's personal liability coverage will provide you with some basic host liquor liability coverage. However, as with most issues in the home insurance policy, anything that is connected with a business venture will be excluded. Therefore, it's important to understand that your coverage is very limited and in no way can you be perceived as charging for the alcohol you serve to your guests.

Another situation in which you may be serving liquor to guests without charging for it is at an off-site event, such as a wedding. In these situations, the coverage may be a little murkier as it's no longer in your home. The venue where you are hosting your event may also be concerned about liquor liability and will likely ask you to provide evidence of insurance coverage. In certain situations, you may be able to purchase a one-time policy with coverage for such events instead of relying on your home insurance policy.

Even if you have coverage on your home insurance policy, you should consider the ramifications of serving alcohol to guests in your home. The potential liability that comes from an alcohol-related injury or death is significant and can greatly exceed the amount of insurance you have. Instead of relying on your insurance to take care of any potential liability claims, it's better to be prudent in how you manage the alcohol in your home.

The simplest way to avoid any problems is to avoid serving alcohol to guests. If that is not practical and you feel that you want to serve alcohol, take some precautions that can lessen the risk. For example, you might wish to hire a caterer or bartending service that is insured, thereby transferring the risk to another party. These are also professionals trained in monitoring consumption who will also know when and how to stop serving guests over the limit. If you are serving directly, consider regulating the flow during your event, instead of allowing guests to continually pour for themselves.

You should never allow any of your guests to drive away from your party if they are not in a condition to be behind the wheel. Always plan your party in such a way that you have room for guests to stay overnight or be prepared to call taxis for those in need.