

FOCUS on Restaurants

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Training to Control Liquor Liability

Alcohol sales often serve as a large source of profits and revenue. Recent trends with craft beers and wine have also allowed many restaurants to increase sales and profits.

However, as a business operator those increased sales expose you to the risk of liability from individuals injured by an intoxicated person.

Failing to act responsibly may result in fines, imprisonment, losing your liquor license, increased insurance costs, or losing your business. These claims are often expensive and may exceed limits on policies. There are many examples of businesses closing due to one liability loss. Because of this, liquor liability coverage is one of the most important coverages for a restaurant.

Liquor Liability can be a complicated topic and the laws vary widely by state. For this reason, it is important to discuss your particular needs with your insurance agent and an attorney familiar with liquor liability.

As a restaurant operator, you have a responsibility to ensure your employees are selling alcohol in a responsible manner. At a minimum, you should have a written policy that clearly outlines your expectations and processes to control the liability. All employees should be provided a copy of the policy at hire, with a signed acknowledgement that will be kept in the employee's file.

Training must be provided to all employees who may serve alcoholic beverages. Before beginning a training program, check with individual state and local jurisdictional requirements. Some states require specific training programs or supplements. Local jurisdictions (i.e., county, city, town, or borough) may have additional requirements. Please note that not all states or local jurisdictions approve of certain training programs, or they may require using a specific state training certification program. Some states have specific time period requirements for refresher training.



Several well-respected training programs are available from third parties including TIPS and ServSafe Alcohol. There are also state or region-specific training programs such as RAMP (Responsible Alcohol Management Program) in Pennsylvania, and Techniques of Alcohol Management in Las Vegas, among others. The training may be completed in-person or on-line (varies by State) and includes a testing component. Participants are scored and must receive a passing score or a re-test is necessary.

Regardless of the training program and method used, employees should be expected to complete it shortly after hire.

At a minimum the training should cover:

- Proper method to check identification.
- Overview of alcohol laws and responsibilities. This may include a discussion about individual civil liability.

- How to evaluate impairment or intoxication levels, including preventing intoxication.
- Refusing service and dealing with difficult situations.
- Documenting incidents.
- Measuring method for alcoholic drinks.

New hires will not be permitted to serve alcoholic beverages until they have completed the training program.

Employee training is just one part of the overall program and controls. Proper management oversight is key. Managers should be expected to support their employees when refusing to sell to intoxicated individuals or minors. Management can also set the expectations within the workplace, such as prohibiting consumption by employees and management when working. Many establishments also prohibit their employees from sitting at the bar even during off-hours. This helps to control the societal pressures of the bartender to continue serving a co-worker or friend.

Other program controls can help limit your exposure. Promotions such as “Happy Hour” and drink specials often encourage consumption in a short period of time. Limiting such promotions or pairing them with food can help to reduce the effects of alcohol.

Additional References

Liquor Liability for Retailers, Restaurants and Servers, RC 5374
Model Safety Plan: Liquor Liability, RC 6255

For More Information

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