

CHECKLIST

Liquor Laws and Liability: A Guide to Managing Risk

Serving alcohol responsibly is both a legal requirement and a reflection of operational excellence. For restaurants, bars, hotels and event venues, understanding liquor liability exposures and implementing consistent mitigation strategies is essential to protecting staff, guests and reputation.

Here's what your organization needs to know to build a responsible alcohol service program that reduces risk and promotes a safe, respectful environment.

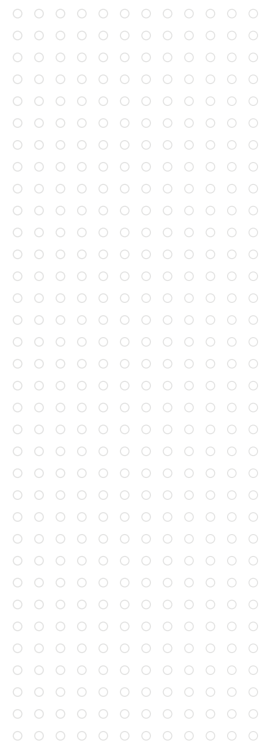
Understand Liquor Liability and Build a Defensible Liquor Liability Program

Dram shop, or liquor liability, laws vary by jurisdiction, but the principles are consistent: businesses and individual servers may be held responsible if an over-served or underage guest causes injury or property damage. Establishments that fail to monitor guest behavior and stop service if intoxication is evident can face penalties including fines, license suspension or civil litigation.

Strong liquor liability programs rely on clear policies, consistent training and documentation.

The program should include:

- Formal training and certification for anyone involved in alcohol service.
- Written alcohol service policies with staff sign-offs confirming completion of training.
- Review policies annually or when regulations change.
- Document all incidents involving intoxicated or disruptive guests, including:
 - Time intoxication was first observed
 - Time service was stopped
 - Staff actions taken and witnesses present
- Encourage open communication and employee debriefs following incidents.



Training and Operational Best Practices

Staff training is a cornerstone of liquor liability prevention. Well-trained employees protect both themselves and their employers.

Core Training Areas:

1. Checking Identification

- Verify all customer IDs for age and authenticity.
- Train staff to recognize fake IDs (inconsistencies in photos, fonts, expiration dates, holograms).
- Use ID scanners where available.

2. Recognizing Signs of Intoxication

- Monitor for slurred speech, poor coordination or bloodshot eyes.
- Note aggressive or erratic behavior toward staff or guests.
- Offer non-alcoholic alternatives or food to help slow consumption.

3. How to Refuse Service Responsibly

- Deny service respectfully and discreetly, ideally with management support.
- Never physically restrain or remove guests — contact management, security or local authorities.

4. Required Ongoing Training and Certification

- Maintain active certifications in alcohol awareness programs such as:
 - TIPS (Training for Intervention Procedures)
 - ServSafe Alcohol
 - RAST (Responsible Alcohol Sales and Service Training)
 - Rerving Alcohol Seller/Server Training

Operational Controls

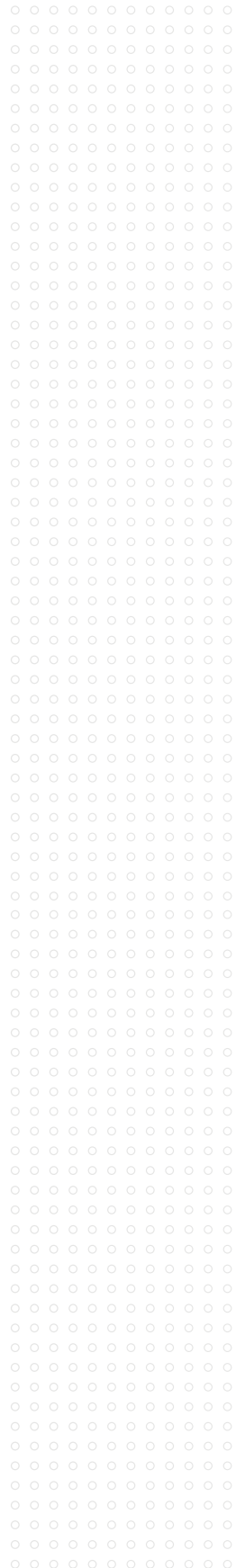
Physical and procedural controls can reduce the likelihood of over-service and improve monitoring.

- Ensure visibility across guest areas through thoughtful layout, lighting and surveillance.
- Employ standard pour tools or metered systems for consistent portion control.
- Validate IDs electronically when possible.
- Conduct periodic audits of staff compliance and alcohol service behavior.

Vendor and Event Oversight

If your establishment partners with vendors, caterers or temporary staff for events, confirm that their risk management standards meet your own.

- Require vendors to carry liquor liability insurance and list your business as an additional insured.
- Ensure vendor staff receive certified alcohol service training.
- Include clauses for compliance with local liquor regulations in contracts.
- Verify insurance certificates and training credentials before each event.



Insurance and Documentation

Liquor liability insurance is essential to managing the financial impact of alcohol-related incidents.

- Review liquor liability insurance annually with your broker.
- Securely store incident logs and training documentation and keep them accessible.
- Maintain insurance coverage that reflects current operations and exposure.

Compliance Metrics

Tracking internal performance helps demonstrate diligence and identify areas for improvement.

- Track guest cut-offs monthly or quarterly.
- Regularly measure the percentage of staff trained and certified.
- Review alcohol-related incidents for trends.
- Verify and record vendor compliance.

We're HUB

HUB's hospitality and risk specialists will help identify and reduce liquor liability exposures so you can stay focused on your people, your property and your profitability.

Contact a HUB advisor today at hubinternational.com/hospitality.

