



## Drunk Driving Lawsuit against Bars Highlights Liquor Liability Exposures

A tragic accident highlights why liquor liability is such a high-priority concern for alcohol-selling establishments. According to a [report by WYFF News 4](#), in South Carolina, a drunk-driving crash killed three people. The mother whose 17-year-old daughter died in the collision is suing...

- The driver, Riley McDermott.
- Hooters.
- The Bench Sports Bar and its owner.

The report states that Vera Beth Perkins, the mother, is seeking **\$10 million** in punitive damages and **\$10 million** for medical expenses, mental anguish, loss of companionship, and funeral expenses.

What do the bars have to do with the accident? The lawsuit alleges that because these establishments served the driver, they played a role in the misfortune that followed. In other words, these businesses should have reasonably known that the patron was drunk and taken measures to keep him from harming the general public (e.g., calling him a cab).

Let this case be a lesson for your food services business: when it comes to liquor liability, lives are on the line.

## Liquor Liability: Facts for Small Food Businesses

Most states have liquor liability laws (aka "[dram shop laws](#)") that hold alcohol-selling establishments accountable for fights, drunk-driving accidents, and other physical harm that happens to innocent bystanders when someone has had too much to drink. These laws attempt to keep those who sell alcohol from profiting off of putting drunken maniacs out into the world at the general public's expense.

When someone is injured because of an intoxicated patron's actions, dram shop laws allow the injured party (or their family) to sue the establishment that served the alcohol. See another example of a liquor liability lawsuit in the post "[Liquor Liability Lawsuit Seeks Damages from 5 Bars and Restaurants in Norwalk, CT.](#)"

Having said that, each state has its own spin on dram shop laws. Most states allow lawsuits against a liquor-licensed business if it should have reasonably known that a person was intoxicated but didn't take steps to mitigate harm (e.g., cutting off service).

But how does a business assess drunkenness? Again, it depends on your state's definition. For example...

- In Missouri, uncoordinated physical action may be enough to prove intoxication.
- In Massachusetts, "drunk, loud, and vulgar" behavior fits the bill for visible intoxication.
- In New York, toxicologists weigh in on whether a person would appear visibly intoxicated based on blood alcohol levels.

Brush up on your state's laws and criteria for visible intoxication, and train your employees accordingly. Make sure they don't serve guests to the point of drunkenness or serve minors (which is illegal in every state).

## How to Avoid Owing Millions in Liquor Liability Damages

Though almost every alcohol-selling business has some liquor liability, there are steps that can reduce the extent of the exposure. If you don't want to end up being sued over tens of millions of dollars, be sure to...

- **Do your homework.** To combat liquor liability, you have to understand it. Good thing we've put together a resource that makes this dangerous exposure easy to understand and gives you a full overview of ways to mitigate the risks that come with serving alcohol. Check out the free guide here: [Liquor Liability Insurance? I'll Drink to That: A Complete Guide to Serving and Hosting Responsibly.](#)
- **Train your employees on alcohol service.** Employees should know the warning signs of intoxication and understand how to respectfully cut off guests who have had too much. An alcohol training course can teach servers and bartenders how to detect signs of drunkenness, what to offer to slow the rate of alcohol absorption, and ways to keep drunk guests from driving.

- **Invest in [Liquor Liability Insurance](#).** As the Perkins lawsuit illustrated, the price of liquor liability could be enough to tank your business. After all, how many small bars and restaurants have \$10 million to spare? Liquor Liability coverage can pay for legal defense expenses as well as damages. However, the policy can't help you if you serve minors, so be sure guests are carded before serving them alcohol.

For your insurance related questions, please contact Preferred Insurance.