

STRATEGIES FOR SERVING RESPONSIBLY



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If you operate an on-premise establishment, responsible serving should be a key element of the business philosophy. The phrase “responsible serving” is generally defined as an employee’s ability to recognize signs of a patron’s excessive drinking while serving alcohol in a professional and reasonable manner and providing utmost customer service.

Most states prohibit practices and promotions that encourage the excessive consumption of alcohol. Some states, cities and counties prohibit or limit Happy Hours and promotions such as hotel packages, all-you-can-drink offers and two-for-one beverage deals.

Further, most states have dram shop laws that impose liability on licensed establishments that knowingly sell and serve alcohol beverages to underage persons, habitual drunkards or visually intoxicated persons who subsequently cause injury to third parties or property as a result of alcohol-related incidents. To reduce liquor liability risk, consider implementing these strategies.

Document and regularly update alcohol-related operating policies

Most on-premises operators have alcohol-related policies, but not all put these policies in writing. It’s important to document alcohol-related operating policies to ensure awareness and consistent application.

Written alcohol-related operating policies should include the following topics and procedures: incident reporting systems; screening minors; identifying fake identification; recognizing and preventing service to intoxicated persons and habitual drunkards; understanding how and when to refuse service; and consumption of alcohol by employees.

Once you create a printed alcohol-related operating policy document, update it periodically. Enlist the help of legal counsel practicing alcohol beverage law, to ensure compliance with state and local alcohol laws and policies.

For example, state and local laws vary with regard to the age minimum for bartenders and service staff, drink-promotion restrictions and the dram shop liability standard.

Routinely review best practices and policies with all employees

Restaurants should review written policies, best practices and expectations with employees on a scheduled basis, including before large events. These training sessions should inform employees of the importance of responsible alcohol service, both as it relates to the business' philosophy and as it pertains to governing state and local laws.

You should also conduct a thorough review of state and local laws, including dram shop and Happy Hour laws, highlighting the consequences of not complying with laws or business policies. Employees should know how to handle and communicate to management situations or issues involving the service and sale of alcohol, such as the identification of and refusal to serve drinks to minors or intoxicated persons.

All new employees should participate in a mandatory internal training to review written alcohol service policies and expectations. After they complete this mandatory training, new employees should be required to sign an acknowledgment form that they understand state and local beverage laws and the establishment's responsible-serving policies and procedures.

Require bartenders and service staff to complete a responsible service certification program

Several states mandate certified server training. Even if a licensed business is not located in a state that requires certified server training, you should require its employees to complete a responsible service certification program.

Operators that can demonstrate that its staff holds the appropriate certification may benefit from a substantial discount on liquor liability insurance policies. They can also potentially reduce or eliminate liability or penalties related to alcohol-related lawsuits.

Obtain appropriate liquor liability insurance

While some on-premise businesses prioritize and successfully implement strategies of risk management, such companies are not completely immune to alcohol-related lawsuits. Most on-premise operators have purchased a general liability insurance policy. But these policies do not cover alcohol-related incidents, such as dram shop lawsuits.

So you might consider obtaining a liquor liability insurance policy. These are usually sold as a separate policy; costs vary by state and by insurance carrier.

It's also important to understand the types of claims that are covered and expressly excluded from a liquor liability insurance policy.

Make sure that it includes—rather than excludes—certain features, including but not limited to: assault and battery claims, mental injury damages, defense costs outside the policy limit, and coverage of employees as patrons.

The sale and service of alcohol beverages brings great profits along with great risk. Serving responsibly is the best policy for all on-premises businesses. Implementing a formal plan and training program helps ensure that everyone on the team is on board with it.