



LIQUOR LIABILITY



With the holidays fast approaching, one of the most common questions we get is whether it is okay to serve liquor at a community association party, and what coverage does the association have in the event of an incident that gives rise to a potential liability claim against the association.

Generally, community associations are protected by host liquor liability insurance coverage. Subject to the terms of the policy, this coverage will indemnify and defend the association against third party liability claims arising out of the serving of alcoholic beverages. This would also cover claims of causing intoxication to another person, serving a minor, or continuing to serve someone already under the influence of alcohol.

However, host liquor liability insurance coverage will not protect the association if the alcoholic beverages are sold. If alcoholic beverages are to be sold by the association either directly or indirectly, which we strongly discourage from an insurance risk management standpoint, liquor liability insurance coverage will need to be purchased.

In the state of Virginia, an ABC banquet license is no longer required for private meetings or private parties at community associations, as long as alcoholic beverages are not sold or charged for in any way.

If you have any questions or need further information, please contact—

- Steve Dickerson (703-205-8788 or Steve.Dickerson@usi.biz) or
- Theresa Melson (703-205-8753 or Theresa.Melson@usi.biz).

USI wishes you a happy holiday season and a very safe and healthy new year.



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**WHAT DO I NEED
TO BE AWARE OF
IF MY COMMUNITY
SERVES LIQUOR
AT A COMMUNITY-
SPONSORED
PARTY?**