

Lisa Hartman reminds property owners/managers: Alcohol and common areas - A dangerous cocktail

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As the season of prom and graduation celebrations approaches, it is a good time to be reminded of the penalties for furnishing or serving alcohol to underage guests. In Massachusetts, today's "social host liability" laws extend to individuals who serve alcoholic beverages at home, or at social functions they host. If you are a property owner or manager and are planning to allow the use of a common area for a party that will likely be serving alcohol, you should be aware that the responsibility for ensuring the guests are not over-served may rest or be shared with you. Although you may not be the one "hosting" the party, you may still be considered a social host.

The definition of social host extends to anyone who serves alcohol or condones the consumption of alcohol on property that the host controls. Further, the property is not just confined to the home or individual apartment; it is any property over which the host has control. This can be a residence owned, leased or otherwise controlled by the social host including common areas in an apartment complex such as club houses or recreation rooms. It can also be outdoor property owned, leased or otherwise controlled by the social host, including picnic or barbeques areas.

The amendment of the Massachusetts Social Host Law in 2000 provided that anyone who "allows" a person less than 21 years of age to possess alcohol on property owned or controlled by the host has committed a crime punishable by a fine and/or imprisonment. If an under aged guest causes injury to a third party after consuming alcohol on property under your control, the third party is likely to pursue you, as the "deeper pocket," for the full amount of the judgment. Judgments in social host cases are often in the millions of dollars.

Some suggestions for reducing the risk of social host liability:

- * Have reasonable rules to prevent alcoholic beverage consumption in common areas such as recreation rooms, pools, picnic areas, playgrounds and the like.
- * Determine the scope or existence of liquor liability coverage in your master policy and follow your insurer's guidelines, especially when permitting parties within common areas.
- * Include indemnity clauses in rental permits for events when liquor may be served. Also include in these agreements a statement that the sponsor/host will comply with all governing liquor laws including drinking age requirements.

The warmer weather can bring with it a thirst for a nice cold drink. As property owners and managers you need to consider the potential liabilities associated with parties held on your property for which you are in control.

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