

Alcohol Awareness for Golf, Country Clubs & Resorts

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Welcome to this edition of the Golf, Country Club and Resorts newsletter.

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Serving alcoholic beverages is a significant source of revenue for hospitality locations.”

Mr. Smith, a long standing member of the club, has finished his fifth double at the club’s lounge and appears to be slurring his words. The recently hired bartender was trained to treat members with a great deal of respect. As the General Manager put it, “They own the place.” Mr. Smith orders another double...



Discussion

Serving alcoholic beverages is a significant source of revenue for hospitality locations. Sales include typical restaurant/lounge within the club and/or resort, as well as alcohol sold on the golf course, poolside bars, etc. Special events often lead to an increase in alcoholic beverage sales such as social events, golf tournaments, etc.

The sale of alcoholic beverages certainly comes with a liability exposure for the club or resort. Liability losses may not only include financial losses, but loss of reputation due to an incident with catastrophic outcomes. Country clubs and resorts with alcohol exposure must have solid controls in place to minimize the risk.

State governments impose liquor liability on persons or organizations engaged in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. These laws provide protection

to innocent third parties. Three types of laws establish and determine liquor liability:

1. Dram shop laws create civil liability for selling or serving alcohol to a minor, intoxicated person or a habitual drunkard. These laws establish statutory liability for over-service and illegal service of alcohol. From state to state, laws determining the minimum drinking age vary between 18 and 21 years.
2. Alcohol beverage control (ABC) Acts are similar to the dram shop laws, except that violation of these statutes creates criminal liability. Courts have often allowed the assessment of civil liability based on the violation of these laws. ABC Acts usually prohibit a person or a firm with a liquor sales license from selling liquor to a minor, visibly intoxicated persons or habitual drunkards. These laws also cover the violation of state liquor license requirements.



Positioning

Develop a written management statement endorsing your patrons' responsible consumption of alcohol and describing the specific measures you will take to ensure responsible consumption. The statement should clearly express concern for the well-being of your patrons and the general public. It is a good practice to clearly post these measures for your patrons' benefit.

Measures that help ensure responsible drinking include:

- Refusing service to anyone management feels may be impaired
- Serving complimentary nonalcoholic drinks to designated drivers
- Requiring at least two pieces of identification, preferably with photo, to ensure the patron is of legal drinking age
- Ensuring intoxicated patrons accept alternate transportation home
- Promoting designated driver programs

3. Common law or tort law is based on established precedents. These laws vary widely from state to state and change with new precedent-setting case law. Generally, a business selling or serving alcohol is liable if:
 - the business had an obligation to withhold liquor from the person because of the age or intoxication;
 - they still served that person knowing their obligation, and;
 - the intoxicated person caused or contributed to the injuries or damages, which could have been anticipated by the server.

Social Host Liability - Traditionally, dram shop laws and ABC acts impose liability on the sellers of alcohol. In response to increased societal awareness of the impact of drunk driving, many courts and states have expanded liquor liability to include social hosts. A person hosting a party in their home or an employer serving alcoholic beverages in a social setting, such as a Christmas party or company picnic, can be held liable for injuries to third parties caused by an intoxicated guest. Many states have passed statutes that limit recovery from social hosts depending on several factors such as the size of the party and the host's actual involvement in serving alcohol.

The trend is definitely toward stricter interpretation of existing statutory laws by the courts and stronger legislation by state assemblies. It is important that your business establishes a thorough liquor liability control program. Many formal programs are available to train servers in responsible alcohol service and how to handle problem customers in a nonthreatening manner. The training may include videotapes, classroom instruction and role-playing with feedback and discussion. All servers, bartenders and valet parking staff in your establishments should complete one of these formal training programs. Some states may require it. Many states maintain an approved list of such training programs. This training should be ongoing.

The Zurich Services Corporation recommends you start with a review of your state and local liquor laws and also a review of your clientele. It will help you in developing and implementing a comprehensive liquor liability control program that covers three distinct areas: positioning, proactive controls and reactive controls.

Positioning are those activities and actions that establishes your club and/or resort's efforts to:

- prevent patrons from being served if already intoxicated
- ensure no minors are served alcohol
- prevent patrons from becoming intoxicated
- ensure, if intoxication does occur, those patrons will arrive home safely

Actions taken to ensure proper positioning should clearly identify your establishment as being both cautious and prudent. Adequate measures must prevent any violation of your state's liquor laws. They must also ensure the public is in no danger from any patron who has consumed alcoholic beverages on your premises.

Proactive controls are those activities undertaken by management and employees to ensure alcoholic beverages are served only to sober patrons who will drink in moderation. In other words, these controls help prevent overindulgence and intoxication.

Reactive controls are those actions taken to ensure the safety of the public from any patron who is or has become intoxicated. These controls pertain to "after-the-fact" response to patron intoxication.

Specific Loss Control Measures

The following controls should be standard in most liquor liability control programs. This is not a complete list and a club/resort should be encouraged to build their program around these measures.

Proactive controls

Employee alcohol awareness training is an important element of an effective liquor liability control program. All servers of alcoholic beverages, bartenders and valet parking staff should undergo approved training prior to beginning their employment.

All parties distributing or selling alcohol should provide and document reinforcement training on at least an annual basis.

Management presence is another necessary element in an effective program. A member of management should always be present to oversee alcohol consumption by patrons. Audits of the current liquor liability policy and underlying programs should be conducted by members of the management team on a periodic basis.

Servers should monitor guests' alcohol consumption, look for signs of intoxication and be prepared to cut off service to the patron if necessary. They should never drink with patrons.



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Control “happy hour” activities and avoid “mug clubs” and other promotions. Because the consumption of food helps in controlling rapid intoxication, it is a good idea to provide a free buffet during happy hour. Promote nonalcoholic beverages and a designated driver program for responsible drinking.

Reactive controls

By law, you must provide alternate means of transportation for intoxicated patrons. The Zurich Services Corporation strongly recommends using a taxi service rather than having an employee do the driving. This can reduce the chance of accusations of abuse or assault. If a patron becomes belligerent when approached, don’t hesitate to call the local authorities. An ongoing relationship with local law enforcement officials is also recommended.

One should also consider designated driver programs (DDP) and support community-wide ride service programs (RSP). In a DDP, one member of the group agrees not to drink and to be the designated driver. This individual is responsible for driving the other members of the group home safely. A community-wide RSP provides an alternative to a DDP. Rides may be provided by taxicabs, vans or other vehicles.

If your club/resort offers valet parking and maintains possession of the keys, refuse to turn them over to intoxicated patrons. Again, your valet parking staff should complete alcohol awareness training and learn what to do when they encounter a visibly intoxicated guest. Suggest the patron wait or take a taxicab instead of risking their own well-being and general public safety by driving while intoxicated. Valet staff should know when to call local law enforcement. Agreements should be in place assuring contracted valet service has employees who have undergone alcohol awareness training and understands the club’s position on this issue.

Legal Intoxication

Currently, all states plus Washington, D.C. have minimum drinking age laws and enforce blood alcohol concentration (BAC) limits for legal intoxication. BAC is the amount (in parts alcohol per thousand parts blood) of alcohol in the bloodstream. Many states consider a person to be legally intoxicated when they have a BAC of 0.10, but more are moving to a lower limit of 0.08. Many factors come into play when determining BAC, including a person’s age, gender, weight, food intake, food in the stomach and rapidity of drinking. Although not exact, the liver of a typical person can process about one drink per hour. Drinking of alcoholic beverages at a greater rate than this will lead to an increase in BAC.

Actual alcohol absorption rate also depends on the strength of the drinks.

Carbonated drinks speed up alcohol absorption in blood. Although this is not a comprehensive guide to the effects of intoxication, it is commonly known that increasing BAC results in progressive impairment of physical and mental faculties. Effects can range from relaxation of inhibitions at about 0.03 to increasingly progressive stages of talkativeness, clumsy behavior and slurring of speech, finally leading to a coma and serious life-threatening situation with a BAC over 0.30. At the legal level of intoxication, a person’s driving abilities are seriously impaired and the risk of an accident is significantly higher than that of a non-intoxicated person.

Providing coffee to an intoxicated person does not change the BAC level. After an intoxicated person drinks coffee, he or she may be wide awake but still have the same impaired physical and mental faculties.

Visible Signs of Intoxication

Many server training programs recommend using the “traffic light system” for tracking and monitoring customer drinking and behavioral and mood changes. Servers need to understand the alcohol content of different drinks and remain aware of the amount of alcohol consumed by their customers. A person drinking in moderation and showing no signs of intoxication may be regarded as a “green light” situation. At the first visible signs of intoxication (yellow alert), servers should slow alcohol service. One way to do this is to offer the patron food.

Consumption of food decreases the rate of alcohol absorption into the bloodstream. The server should be ready to cut off service before a customer becomes intoxicated (red alert). Management should be promptly informed in accordance with the establishment’s policy when and why someone is refused liquor service.

Because individuals react differently to intoxication, it is not possible to have a foolproof way of identifying an intoxicated guest or a patron. We have developed a list of some of the most common signs of intoxication. Although this list is not all-inclusive, it does provide a good checklist for training employees in identifying an intoxicated person.

- relaxing of inhibitions
- staggering, stumbling or unsteady steps
- impaired judgment
- impaired physical faculties, uncoordinated actions
- alcohol odors on clothing, body or breath
- altered or slurred speech



- glassy eyes, dilated pupils
- inability to focus
- loud and boisterous behavior
- argumentative and complaining
- difficulty handling money, change
- difficulty lighting a cigarette, knocking over objects
- overly animated
- detached and brooding, changing moods
- overly friendly
- drowsy, slouched posture
- not able to maintain a conversation, losing a train of thought

In addition to making this checklist available, it is extremely important to provide training to employees/associates on actions to take once they have identified an intoxicated employee, guest or visitor.

Incident Reports

Complete incident reports each time an event occurs involving liquor liability. Incident reports are important for defense. They should be reviewed periodically as part of the management audit. Each report should include (but is not limited to) the following information:

1. the date and time of the incident
2. names of the servers and manager on duty
3. a statement of the facts surrounding the incident, including the actions taken
4. identification of the intoxicated patron, if known, as well as the names, addresses and phone numbers of any witnesses
5. any alternative transportation offered
6. any witnesses to the incident

The manager on duty needs to complete, sign and date the report. Once completed, he/she must retain it indefinitely.

The above measures comprise a model for the minimum efforts you should take. To adequately address the more subtle exposures specific to your operations, additional steps can be taken.

Conclusion:

At the beginning of this newsletter, the General Manager was about to address the drink ordered by a visually intoxicated member. Fortunately, the GM understands the liability exposure presented from this situation and takes immediate actions to assure Mr. Smith receives a comfortable ride home.

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Risk Engineering

Note: information for this newsletter was copied from our Liquor Liability Control Guide (A1-13425-A)

The information in this publication was compiled from sources believed to be reliable for informational purposes only. All sample policies and procedures herein should serve as a guideline, which you can use to create your own policies and procedures. We trust that you will customize these samples to reflect your own operations and believe that these samples may serve as a helpful platform for this endeavor. Any and all information contained herein is not intended to constitute advice (particularly not legal advice). Accordingly, persons requiring advice should consult independent advisors when developing programs and policies. We do not guarantee the accuracy of this information or any results and further assume no liability in connection with this publication and sample policies and procedures, including any information, methods or safety suggestions contained herein. We undertake no obligation to publicly update or revise any of this information, whether to reflect new information, future developments, events or circumstances or otherwise. Moreover, The Zurich Services Corporation reminds you that this cannot be assumed to contain every acceptable safety and compliance procedure or that additional procedures might not be appropriate under the circumstances. The subject matter of this publication is not tied to any specific insurance product nor will adopting these policies and procedures ensure coverage under any insurance policy.

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