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Mr. Bolger

Insurance

## Liquor Liability: How to Reduce Your Risk

By [Christopher Bolger](#), Senior Risk Manager, Venture Insurance Programs

Serving liquor is risky business. According to the [Centers for Disease Control and Prevention](#) (CDC), there were 88,000 alcohol-related deaths each year from 2006 to 2010, and [MADD](#) reports 28 people die each day as a result of drunk driving accidents. Like all businesses that serve alcohol, the hospitality industry must be concerned about these trends and their liquor liability exposure.

So, what does a hotel do in the face of such alarming statistics? As individuals, we weigh the risks and benefits of alcohol use, and businesses must do the same for alcohol-related amenities. Guests are unlikely to do without the hotel bar, the in-room mini bar or open bars at wedding receptions. But with training for your staff, clear protocols and a few key business decisions, you can reduce the potential for alcohol-related incidents and claims, in turn protecting guests, staff and your business.

### How Hotels Are Liable for Alcohol Consumption

Hotel liquor liability claims stem from the kind of incidents and accidents one would expect after a night of indulging. After one too many, an intoxicated person falls from their chair at the bar, or a wedding reveler trips on the dance floor. Perhaps a guest drinks at the hotel bar, picks up his car from the valet, drives under the influence, gets in a car accident and injures or kills himself or other people. As an insurance professional, I have even seen workers' compensation claims due to hotel employees' drinking at a staff holiday party.

In instances such as these, hotels are held responsible even if they were not at fault. A guest need only claim they saw a wet spot on the floor, or that the bartender knowingly over-served them. Liability can be computed on the hotel, which is held responsible for the injured party's medical bills, lost time from work and other associated costs. In the case of older adults, medical costs can be quite high due to complications.



It may seem unfair that hotels are held responsible in cases such as these, but it is the law. "Dram shop" is a term for laws which govern the liability of businesses that serve alcohol to intoxicated or underage people who harm themselves or others. Depending on the state in which it is located, a hotel may be held responsible for serving liquor to minors, visibly intoxicated adults and those who later drive drunk, as well as any third parties injured through alcohol-induced accidents. Keeping current with the state statutory dram shop requirements and exposures is crucial, allowing hotel owners to

incorporate them into internal policies and procedures.

### The Importance of Policies and Procedures

If dram laws are the foundation of liquor liability management, policies and procedures are the pillars that support the operation. Hotel leadership must develop clear, documented alcohol service policies and procedures for hotel staff, particularly bar, restaurant and food

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## Feature Focus

Discussions on Emerging Growth Markets

### JANUARY: Mobile Technology: The Relentless Pace of Change Continues



## Beyond the Concierge: Mobile Technology That Extends Hospitality Off-Property

By [Gerry Samuels](#), Founder & Executive Director, Mobile Travel Technologies, Ltd.

The digital customer is not yet fully served by the hotel industry and the opportunity for a hotel to fully leverage mobile to capture this customer has now arrived. In order for a hotel to become truly customer-centric they need to explore how off-property hospitality can address the customer's pain points and enhance the customer's experience by developing engaging mobile apps. In this article we explore how leveraging "Big Data" in a mobile strategy is beneficial but limiting, and why hotels must also leverage the "Small Data" and digital interactions to provide "delight" to customers.

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## The Foundation of Mobile Engagement in a Hotel

By [Tom Moore](#), Director, Retail & Hospitality Industry, Zebra Technologies

In today's fast-paced world of the hotel industry, guests are demanding that they have the ability to engage on property with their smartphones. What if you knew when a particular guest was arriving as he or she walked in? What if guests had the option to skip the check-in line and go right to their rooms? And what if you could send personalized messages to guests based on their loyalty program data and previous behavior? Beacon technology can now make all of this possible, and it will enable the next generation of guest engagement and a much deeper level of personalized interaction with guests than ever before. With a blend of Bluetooth® Smart and Wi-Fi indoor locating technologies,

service managers. In developing these, the company should enlist the assistance of human resources and legal counsel.

If they are lacking, hotels must develop and supplement policies around how alcohol is served and refused

- Bartenders must know the appropriate amount to pour for each pint of beer or glass of wine, and they must strictly measure the amount of alcohol in mixed drinks.
- Bartenders should follow procedures for securing proof of age and responding to someone who cannot produce identification.
- Establish guidelines for cutting off guests and visitors from further drinks, and train employees and management in proper enforcement of these rules.
- Management intervention is crucial in refusing service to customers. If a guest has too much to drink, the manager on duty should be the one to inform them. This prevents the servers or staff from being distracted from duties, keeps them out of harm's way and elevates the issue to someone of higher authority.
- Develop a call-a-cab program, with clear policies about when to give a hotel restaurant and bar customer this alternative to get home safely. There are many ways to establish such a program, and it is a business decision; some hotels have an arrangement with a local cab company.
- Valets also need training in how to respond when an intoxicated individual seeks to retrieve his or her car.

An employee with a drinking problem is another liability that requires clear policies. Human resources should have established procedures for reporting and writing up employees for drinking on the job, just as they do for any other disciplinary issue. Hotel management and human resources can handle this effectively with a progressive discipline policy. Providing assistance to an employee with an addiction issue is a great way to help. Adhering to and documenting procedures can protect hotels against both liquor liability and wrongful termination claims.

In some cases, events such as wedding receptions, wedding anniversaries, retirement parties and holiday parties on hotel property require slightly different procedures. For example:

- If you have an open bar, you need to make sure the bartenders and servers are trained to identify individuals who are visibly intoxicated or at risk.
- Establish drink ordering limits for customers (one drink at a time per customer).
- When selling an event, consider providing special room rates for guests.

Throughout the organization, the importance of "no temporary blindness" should be emphasized. Temporary blindness is when an employee notices a potential issue, but ignores it and acts like they did not see it. This is often a cultural issue within an organization. When a guest appears to be impaired, steps should be taken to mitigate the exposure and alert management.

The application of this philosophy is not limited to liquor liability and should be incorporated into daily job responsibilities. For example, an employee may walk through the hotel kitchen, notice a pad of butter or wet spot on the floor and continue on without taking a brief moment to clean up the area. However, by addressing the area and cleaning it up, it makes the area safer for employees, as well as guests. The same applies to liquor liability. By addressing an impaired guest, the exposure to you, your employee and third parties can be mitigated.

If there is an alcohol-related incident on a hotel's property, managers should be able to promptly investigate the incident or accident and make recommendations for improvement based on their investigation. This requires existing accident investigation procedures with which managers are familiar. Documentation of an accident investigation is helpful to identify the unexpected event that caused, or could have caused, injury or damages. The hazards or proximate cause of loss must be corrected to avoid similar instances in the future.

### Training for an Alcohol-Savvy Staff

As part of accident follow-up, affected staff should attend relevant training. But liquor liability training must also be proactive and ongoing; this helps hotel staff members protect guests, the hotel's reputation and themselves. All bar and restaurant employees and any other staff members who serve alcohol to guests or the general public must receive training in serving alcohol safely.

There are several proven and reliable training programs available to the food service and hospitality industries. I often recommend Training for Intervention Procedures (TIPS), which is thoughtfully designed to teach staff to prevent intoxication, underage drinking and drunk driving. Keep in mind that each state has its own requirements, including certification programs.

Formal training programs teach skills that are difficult to learn on the job. For example, if a staff member must escort someone out of the restaurant or bar, the result could be an assault and battery charge—against the hotel staff. This is not the type of on-the-job experience you or your staff wants. Instead, in the TIPS program, they teach staff how to avoid escalating conflicts with unruly customers.

hoteliers can provide every guest with the ultimate in personalized service from the moment they walk into the hotel to the moment they walk out. [READ MORE](#)



### Living in the Native App Age

By Nur Hassan, Director of Information Technology, Four Seasons Hotel Los Angeles at Beverly Hills

We are living in a native app age. The apps downloaded have become native to our productivity [native apps] leading to have the same impact in today's businesses as websites did in 90's. Surveys have shown that users prefer native apps over mobile apps or websites; according to a survey by Flurry in 2014, "Time spent on a mobile device by the average US consumer has risen to 2 hrs and 42 minutes per day". As the trends continue, every business is trying to leverage native app technology to their organization's success. [READ MORE](#)



### How Mobile Strategies Are Slowing Down Hospitality

By Marcus Robinson, Chief Experience Officer, Monscierge

I recently overheard my team prioritize "mobile" hospitality over every other guest communication method. I realized that through our association to a physical phone, we had limited our reach and would eventually become irrelevant in the industry. Using the term "mobile" is comparable to using the word "laptop" when attributing benefits of wireless capabilities. The real value lies in what "mobile" can do - the empowerment and choices the technology behind the device offers. Hotels should whole-heartedly actualize mobile technology, but stop picturing the concept as simply investing in a mobile application. What you should be thinking about is, "How do I truly communicate and connect with my guest?"

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Training is not only for new hires. An ongoing training program should provide refreshers for even seasoned staff once a year. Managers may need additional training in recognizing signs of intoxication and de-escalating difficult situations with intoxicated guests.

### Is Your Hotel Covered?

As you consider your business's liquor liability exposure, also take a close look at your insurance policies. Do you have a stand-alone liquor liability policy, or is it part of your general liability coverage? If the answer is the latter, you may want to consider a stand-alone policy to get the best coverage, but this depends on your business.

Also make sure your policy covers defense costs. In a liquor liability claim, your hotel could be held responsible for costs such as an individual's lost time from work or even wrongful death. If liquor liability claims do arise, you can best protect your hotel with sufficient liquor liability insurance limits. Check with your insurance agent or broker to ensure that you are adequately covered.

Be proactive in preventing liquor liability claims. Though serving alcohol to customers is a daily reality in the hospitality and food service industries, one large claim can cost your business enormous amounts of money and damage your reputation for years to come. Begin planning and training before you have a claim—it is an investment in your business you won't regret.

Senior Risk Manager for Venture Insurance Programs. Mr. Bolger has specialized in hospitality risk management since 2007 and is responsible for improving the risk performance of Venture's hospitality clients by reducing the frequency and severity of claims, analyzing loss reports to identify trends by industry or location, and improving loss ratios in order to improve pricing for the hotel and profitability for the insurer. Overseeing all risk management operations, including the claims adjusting teams, Mr. Bolger ensures proper proactive claim management and loss control procedures are in place with the overall goal of minimizing the overall cost of risk. Mr. Bolger can be contacted at 800-282-6247 ext. 242 or [Cbolger@ventureprograms.com](mailto:Cbolger@ventureprograms.com) [Extended Bio...](#)

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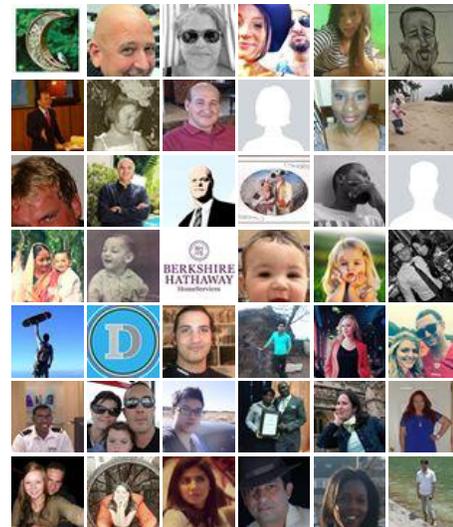
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## Coming Up In The February Online Hotel Business Review

### FEATURE FOCUS

### Hotel Social Media: Engage, Promote, Personalize and Reward



The evolution of social media continues its rapid advance and integration into hotel operations. No longer condemned by some traditionalists as a "passing fad" or a "nice-to-have" by skeptical accountants, it is now a fully accepted customer engagement touchpoint that must be appropriately funded and professionally managed. And companies can no longer assume that merely having a "social presence" is enough. In order to capture the attention they seek and to achieve the returns on investment they desire, companies have to prove their value to social media users who are educated, empowered, vocal and selective. And the strategies for accomplishing this are diverse and distinct. Reputations need to be monitored and maintained on travel review sites, which are quickly evolving into "real-time" networks. Customer service issues and complaints are more frequently identified and resolved in public social forums. Hotels are obliged to choose which social networks best serve their needs (Facebook, Instagram, Pinterest, Google Plus or Twitter) and to utilize them to engage, promote, personalize and reward their existing and prospective customers. Video is becoming increasingly popular as a communication tool and therefore must be professionally rendered, and blogging is now an accepted means to promote brand identity and thought leadership. And finally, effective paid advertising and marketing campaigns need to be devised to target potential customers on social media sites. The February Hotel Business Review will examine all these critical issues and explore how some hotels are successfully utilizing social media strategies in their operations.