



# LIQUOR LIABILITY LOSS PREVENTION PROGRAM

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What Bartenders and Servers  
Need to Know  
About Serving Liquor

# PLEASE



**DON'T  
DRINK  
AND  
DRIVE!**

**A GOOD  
VETERAN  
KNOWS  
WHEN  
TO SAY  
WHEN.**

- Sample of Poster -



# LIQUOR LIABILITY LOSS PREVENTION PROGRAM

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### Attachments:

- Post Employee Completion Form
- Post Incident Daily Log
- Incident Report Form

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## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

### POST OBJECTIVES

In order to reduce the risk of claims arising from Liquor Law Liability losses, your Post should have four clear objectives:

1. To serve Post guests in a manner that mandates proper alcohol consumption and discourages over-indulgence.
2. Establish a highly organized **Post Action Plan** designed to help Post employees recognize, stabilize and document any and all liquor related incidents.
3. Establish techniques to detect false or altered identification to assure legally acceptable proof of age and prevent service to minors.
4. Provide safe transportation alternatives.



**DON'T PROCEED ANY FURTHER UNTIL  
YOU MAKE THESE OBJECTIVES YOUR  
POST'S #1 PRIORITY !**



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## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

### POST & SERVER'S LIABILITY

Liability extends over many different areas. Three specific areas include:

 *Serving an intoxicated person.*



 *Letting an intoxicated member or guest get behind the wheel.*

 *Serving minors.*

Depending on your state licensing laws, violations may result in arrests, fines, or suspension and even loss of your Post's liquor license.

In addition, many states have passed specific legislation establishing third-party liability for accidents involving intoxicated drivers. Such laws, called Dram Shop Acts, often hold that **bartenders, servers, and owners** may be held liable if they sell alcoholic beverages to a minor or an intoxicated person who then causes injury to others.

Each time an alcoholic beverage is ordered, your Post bartender or server must decide whether that person should receive another drink. If a drink is served to a guest who shows signs of intoxication, the consequences can be serious for the server as well as your Post.

### POST CONTROLS

Many Posts may never have an incident. However, those that do sustain a loss could suffer huge costs in the form of marred reputations and time and money spent in defense of negligence allegations. The alcohol-related financial exposures to a Post are potentially catastrophic. Any Post could be perceived as having "deep pockets" and as such, named as a defendant in a lawsuit.



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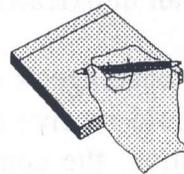
## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

Therefore, each Post must establish **controls** relative to each alcohol-related exposure to help prevent an accident or injury from occurring and help prove **Not-At-Fault/Not-Negligent**. These specific controls will help to demonstrate that the Post did act as a prudent and responsible entity.

### ESTABLISHING POST CONTROLS

Post management controls should be based on the degree of each Post's exposure and the nature of their Post bar operation. All Posts should establish management controls that consist of specific directives and management monitoring. The first element includes clearly written directives and procedures. The second element consists of Post managerial and supervisory actions necessary to enforce the written words. By establishing these controls/directives the Post creates its own "risk management policy." This policy should:

- ➔ *Specify the Posts objectives in reducing liquor liability losses.*
- ➔ *Be distinguished separately from a Post Action Plan (see page 10).*
- ➔ **BE CONSISTENT.**
- ➔ **BE IN WRITING.**
- ➔ *Be taught to all persons who are governed by it.*



## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

### LARGE LOSSES/MAJOR INJURIES

The following is a list of actual liquor liability claims that have occurred at various military Posts across the country and submitted to our insurance Program.

<u>INSURED</u>	<u>DESCRIPTION OF INJURY AND/OR LOSS</u>
Post # _____	Liquor Liability. Individual struck vehicle taking pregnant woman to hospital to deliver. Newborn baby lived 1-1/2 hours after birth. Died of injuries sustained in accident.
Post # _____	Liquor Liability. Individual passed driver on shoulder & struck parked vehicle injuring another individual (multiple fractures, left knee tear) - \$32,000 medical, \$40,000 wages.
Post # _____	Liquor Liability. Female member struck & killed 73-year-old pedestrian. Member had .18-blood alcohol. Suit filed by estate.
Post # _____	Liquor Liability. Plaintiff in one car accident. He & passenger died.
Post # _____	Liquor Liability. Individual struck pedestrian who died.
Post # _____	Liquor Liability. Individual in auto accident causing death of member.
Post # _____	Liquor Liability. 61-year-old woman killed in auto accident with intoxicated driver. Driver ran red light and struck victim.



**CAUTION: THIS IS A LIST YOU DO NOT WANT TO BE A PART OF. YOU CAN MAKE A DIFFERENCE!**



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## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

### RECOGNIZING INTOXICATION

In almost every state it is illegal to serve alcohol to an intoxicated person. Most laws define an intoxicated person in terms of a specific blood-alcohol concentration, or by the level of physical and mental impairment caused by alcohol consumption. The trick is to be a responsible server of alcohol, as you will obviously not know the precise blood alcohol content of your guests.



When serving alcoholic beverages, the following behavioral signs could indicate alcohol is affecting your member or guest's behavior:

- \* **LOSS OF INHIBITIONS** - As inhibitions are lowered, the person becomes talkative and more relaxed. In the next stage, the person becomes overly friendly and possibly loud.
- \* **IMPAIRMENT OF JUDGMENTS AND REACTIONS** - When drinking impairs judgment, people tend to overrate themselves, for example tell a tasteless joke.

As judgment becomes impaired, you will notice inappropriate behavior such as ordering doubles or shots, drinking faster, etc. Finally, the behavior becomes more inappropriate for example, foul language and sudden flashes of anger. The member or guest may also have difficulty assessing their ability to drive.

- \* **POOR COORDINATION** - As reactions slow down, coordination becomes more difficult, for example, lighting a cigarette. Finally the member or guest may lose their balance, sway or stumble.

When you look for behavioral signs, keep in mind the number of drinks the guest has been served and over what time frame.

## VFW POST INSURANCE PROGRAM

### LIQUOR LIABILITY LOSS PREVENTION PROGRAM

You must exercise careful observation and good judgment whenever you interpret the **change in behavior** of guests.

Carefully observe the behavior of your guests at the very beginning of your contact with them, and then you will be able to tell if their subsequent behavior is really a **change of behavior** that may signal a certain level of alcohol consumption.

As an example, the casual talk that passes between you and your guests can often be a source of important signs to a guest's level of alcohol consumption.

#### **REMEMBER: BE ALERT - THE POST IS DEPENDING ON YOU!**

The following are a few examples that you could possibly pick up in any casual table talk that you might have with your guests:

-  Do any of your guests seem to be overly excited or extremely anxious?
-  Are any of your guests becoming loud, or making comments about others in the operation?
-  Are any of your guests making irrational or nonsensical statements?
-  Do any of your guests seem to be using slurred speech, or talking differently than they did when they first arrived?



**LOOK & LISTEN!**

**SOMEONE'S LIFE MAY DEPEND ON IT!**



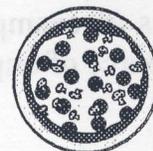
## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

### INTERVENTION

If guests appear to be consuming too much alcohol you can use the following intervention techniques:



**SLOW DOWN SERVICE.** If business is slow, be polite and make conversation with the member or guest. When it's busy, let them know you'll be right with them. The passage of time allows the blood alcohol level to drop, therefore lessening the intoxication level.



**OFFER FOOD.** Food slows down a person's absorption rate. If the member or guest is **not** intoxicated, foods with some fat are recommended. If the member or guest is intoxicated, food high in protein and carbohydrates (e.g., pasta, bread, meat) are best for diminishing alcohol effects.



**OFFER ALTERNATIVE NON-ALCOHOLIC DRINKS SUCH AS BOTTLED WATER OR COFFEE.**



Although most non-alcoholic beverages do not in themselves slow down the absorption of alcohol, they allow for a period to pass when no alcohol enters the bloodstream.

If a guest appears to be intoxicated, service of alcoholic beverages to the guest should be cut off and safe transportation should be suggested. Your goal is to protect the guest's safety not to cause embarrassment.

Here are some suggestions for talking with the guest:



**Be non-judgmental.** Don't use words like "drunk" or "had too much". Don't scold the guest. Don't appear as if you are blaming the guest. Be courteous.



**Be firm.** Once you've decided to cut a guest off, he or she should be cut off! Don't bargain. After the initial "I'm sorry..." remark, don't get drawn into explanations, defenses, or arguments. It's best to make the statement and then walk away.

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## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

- ☞ Minimize the confrontation. Try to tell the guest privately, if possible. This could keep the guest from feeling that he or she is being backed into a corner. If the guest is part of a group, try to use peer pressure. See if you can get someone in the group to handle the situation for you.
- ☞ Alert a backup. Even if you feel completely comfortable about cutting someone off, be sure that another person knows what's happening and keeps an eye on you and the situation.
- ☞ Communicate with other bartenders and servers that the person has been cut off.
- ☞ Suggest an alternate form of transportation. Offer to call a family member, friend of the guest, a local volunteer "safe ride" group or a cab.
- ☞ If the person insists on driving while intoxicated, call the police. It is better to risk the guest's immediate displeasure than to risk the guest's life or the lives of others.
- ☞ **COMPLETE AN INCIDENT REPORT.** (See Attachments). If one of your guests does become intoxicated and injures a third party, your documented record of past good practices of serving alcohol with care may help in your defense.

### OTHER SUGGESTIONS

#### Designated Driver Program

Your Post might want to establish a "Designated Driver" program. A designated driver is a person in a group who agrees not to imbibe because they will be providing transportation to members of the group for the trip home.

When welcoming a group, the server may ask, "What's the occasion?" and congratulate the guest being honored. As a matter of routine, ask who is the designated driver. Give the designated driver a button or lapel sticker to identify them for the evening. Provide free or reduced cost non-alcoholic beverages to the designated driver.

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## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

Post notices advertising your "Designated Driver" program throughout the restaurant and bar area. Put a notice on each table.

### Taxicab Service

Your Post might want to establish a "Free Taxi Home" service or at a minimum clearly post taxicab telephone numbers by the pay phone and at all Post exits.

Some community groups provide transportation services as public service projects. These programs are generally conducted during holidays. Contact your local Chamber of Commerce for information about these services in your community.



**REMEMBER: DON'T BE AFRAID TO INTERVENE WHEN APPROPRIATE. DOING SOMETHING IS POSITIVE. DOING NOTHING COULD BE NEGLIGENT!**



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## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

### DEVELOPING AN ACTION PLAN

Your Post needs to design a "Loss Control Action Plan". This "Action Plan" at a minimum should include:

- ✍ Knowledge of the specific alcohol-related laws and license codes for your Post bar;
- ✍ Set specific actions to be taken when someone enters the Post intoxicated or when you suspect someone has become intoxicated at the Post;
- ✍ Make sure all Post bar employees are properly trained in the selling and control of alcoholic beverages;
- ✍ Have in place a specific schedule for future training needs of your bartenders and servers;
- ✍ Make sure all bar incidents are recorded regarding who was involved, exactly what happened and where it occurred. Record this information *immediately!*  
**NO EXCEPTIONS!**
- ✍ Strict adherence to Post hours open for business; and
- ✍ Creation and continuance of relationships with local law enforcement and public transportation organizations.

**DON'T DELAY . . . THE TIME TO  
DEVELOP YOUR POST ACTION PLAN IN WRITING  
IS TODAY!**



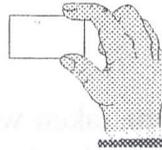
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## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

### GUEST IDENTIFICATION POLICY

Since it is illegal to serve minors, your Post needs to establish a Guest Identification Policy. If you have any doubts about a guest's age, you should check his or her ID carefully for the following:

- ☞ Date of birth
- ☞ Picture
- ☞ Expiration Date
- ☞ Physical description
- ☞ Alterations



All Post's need to watch for fake, altered, or borrowed ID's. National studies show of all sales to minors, almost 95% of the charges brought against licensees are due to their failure to check I.D.'s at all.

You must be committed to check every customer who you suspect may be under thirty years of age.

#### REMEMBER:

When considering whether or not to sell an alcoholic beverage to someone, it is very important to thoroughly check for proper identification. If the person has no ID, or it is apparent that the ID is false, you must not serve alcohol to that person.

Be firm but courteous when informing the minor that no alcohol will be served.



**IN SUMMARY: IF YOU ARE UNSURE ABOUT YOUR GUESTS IDENTIFICATION, ASK QUESTIONS UNTIL YOU GET THE RIGHT ANSWERS. OTHERWISE, DO NOT SERVE THEM!**

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## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

### AFFECTS OF ALCOHOL

#### How alcohol can affect the body:

The following illustrates how a 150 lb. man, drinking continuously for one hour, on an empty stomach, would react to varying amounts of alcohol:

- ⌚ **2 Drinks** - relaxed and talkative.
- ⌚ **4 Drinks** - judgment and coordination begin to lapse. He may become louder and perhaps clumsy.
- ⌚ **8 Drinks** - coordination severely impaired.
- ⌚ **12 Drinks** - unable to walk, stand, button his coat, or perform other motor functions without assistance.

#### DON'T BE FOOLED

All of these contain approximately the same amount of alcohol:

- ⊙ 12 oz. beer.
- ⊙ 3-4 ounce glass of wine.
- ⊙ 1 ounce shot of 86 proof whiskey.



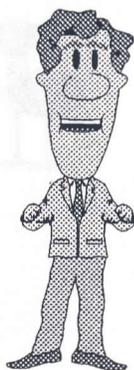
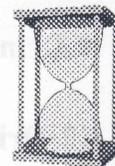
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## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

### ABSORPTION RATE FACTORS

**IMPORTANT:** It is not just the number of drinks, but how alcohol is absorbed into the bloodstream that determine how quickly a person can become intoxicated. These variables are called Absorption Rate Factors (ARF). Ask yourself the following questions when evaluating each individual:

- Is the drink diluted with water? A straight up drink gets into the bloodstream faster than alcohol diluted with water.
- Is the drink mixed with soda? Soda and carbonated beverages speed the absorption of alcohol faster than a drink mixed with water.
- How fast is the member or guest drinking? Are they drinking faster than others at the table? A signal of increased absorption rate.
- Are they male or female? Gender and size (height & weight) create variations in absorption rates.
- Is the person eating while drinking? Eating slows down the alcohol absorption rate.



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## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

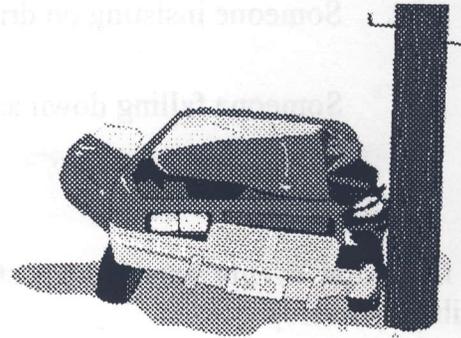
### INFORMATION TO INCLUDE IN INCIDENT REPORT

#### IMPORTANT: READ CAREFULLY!

It is important that you fill out an Incident Report immediately after an incident has occurred. If you wait too long, your memory will be hazy and witnesses may no longer be available. It is also important that you record the facts as they happened. Do not add your feelings about the incident, or other subjective comments.

An Incident Report should include the following information:

-  Time and date of incident.
-  A description of the incident.
  -  What happened.
  -  When it happened.
  -  Where it happened.
-  The names and addresses of each person involved, including any witnesses.
-  A description of the action taken; including the time police were notified, if necessary.



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## LIQUOR LIABILITY LOSS PREVENTION PROGRAM

Below are a few examples of incidents where an Incident Report should be completed. Please note that some of the examples may not be liquor related incidents however, each can cause a liability exposure to your Post. While this list is not complete, it should give you an idea of what needs to be recorded:

-  Refusing to serve someone.
-  Taking the keys from someone who you suspect may be intoxicated.
-  Getting a ride for someone that is intoxicated.
-  Someone insisting on driving when you suspect they may be intoxicated.
-  Someone falling down and medical attention is required.
-  Physical altercation.

The following events would suggest a liquor claim may be developing or will in all likelihood develop:

-  Knowledge by the Post of a serious single or multiple car accident involving anyone known to have been in the Post drinking during the twenty-four hour period preceding the accident;
-  Knowledge that someone has been hurt on the premises or in the parking lot. (Examples include falling down, physical altercation, etc.)
-  A phone call or in-person inquiry from an investigator, attorney, insurance adjuster or anyone else asking questions about a patron, a member, your insurance coverage or bar operations. (Get as much information as you can from such a person, but do not volunteer any information or give a statement.)

AN inquiry from a police department, County attorney  
or prosecuting Attorney's office concerning an alcohol  
related incident or accident.

**POST INCIDENT DAILY LOG**

**FOR MONTH OF \_\_\_\_\_**

<u>DAY</u>	<u>ANY INCIDENTS YES / NO</u>	<u>EMPLOYEE SIGNATURE / TITLE</u>
1	_____	_____
2	_____	_____
3	_____	_____
4	_____	_____
5	_____	_____
6	_____	_____
7	_____	_____
8	_____	_____
9	_____	_____
10	_____	_____
11	_____	_____
12	_____	_____
13	_____	_____
14	_____	_____
15	_____	_____
16	_____	_____
17	_____	_____

**POST INCIDENT DAILY LOG (Continued)**

**FOR MONTH OF \_\_\_\_\_**

<u>DAY</u>	<u>ANY INCIDENTS YES / NO</u>	<u>EMPLOYEE SIGNATURE / TITLE</u>
18	_____	_____
19	_____	_____
20	_____	_____
21	_____	_____
22	_____	_____
23	_____	_____
24	_____	_____
25	_____	_____
26	_____	_____
27	_____	_____
28	_____	_____
29	_____	_____
30	_____	_____
31	_____	_____

**NOTE:** Complete Incident Report whenever answer is yes to "Any Incidents".

# INCIDENT REPORT

- 1) Post Name & Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 2) Your Name: \_\_\_\_\_  
Position with Post: \_\_\_\_\_  
Where can we call you? # (work) \_\_\_\_\_ (home) \_\_\_\_\_
- 3) Date and Time of Incident: \_\_\_\_\_
- 4) Where did Incident occur? \_\_\_\_\_  
\_\_\_\_\_
- 5) Summary of Incident (attach additional page if necessary, please be specific)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 6) Individuals involved in Incident:
  - a) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, ST Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_
  - b) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, ST Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_
- 7) Witnesses who saw Incident:
  - a) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, ST Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_
  - b) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, ST Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_

INCIDENT REPORT

- 8) a) Is this an alcoholic beverage related Incident?  Yes  No
- b) In your opinion was/were the individual(s) involved in the Incident intoxicated?  Yes  No
- c) How many drinks were served to the individual(s)? \_\_\_\_\_
- 9) Do you know where individual(s) were before arriving at your Post?  
\_\_\_\_\_
- 10) a) Was anyone involved in Incident injured?  Yes  No
- b) If yes, please describe injury (please be specific) \_\_\_\_\_  
\_\_\_\_\_
- c) Was medical attention given at time of Incident?  Yes  No  
If yes, please describe: \_\_\_\_\_  
\_\_\_\_\_
- d) Was hospitalization required?  Yes  No  
If yes, what hospital? \_\_\_\_\_
- 11) Were police notified?  Yes  No  
If yes, who? \_\_\_\_\_
- 12) If you did not witness Incident, how was it brought to your attention?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_