



Post Insurance Times

December 2010

Festive times call for extra consideration when serving alcohol

The holiday season may bring additional patrons to your Post's bar, whether from members bringing out-of-town family and friends to the Post or the Post's own holiday parties and events. Whatever the reason, you could be serving more alcohol this time of year. And that means your serving staff needs to be well-trained in alcohol serving and your patron's alcohol consumption.

The following excerpt from the September 2010 *TIPS Trainers* newsletter illustrates just the kind of risk businesses who serve alcohol face.

“It happened to me! One slow Sunday night when I was the manager on duty at a small hotel with a restaurant and bar, the bartender served a customer to intoxication. I was not informed of the situation. The customer left the property and got into a car accident, hurting two elderly people. Two years and several hospitality management positions later, I, still unaware of the accident, earned a position at a medium size hotel. While in this new position, papers were served informing me about a lawsuit in which I was named as co-defendant! After meetings and a deposition, much to my relief, the case was settled out of court by the insurance company of my former employer. What a wake-up call! I had been the manager on duty with all the responsibility, but had no real control over the situation. If only my staff then had known some TIPS techniques, they might have stalled the patron from leaving the bar and gained time to sober him up and avoid the accident.” [read the full article at <http://www.gettips.com/newsletters.shtml>]

While this story happened to a manager of a small hotel, the type of business is irrelevant. Any business that serves alcohol, small or large, is at risk for this type of scenario happening.

Being proactive in your Post's efforts to preventing alcohol-related claims is a very important part of your management plan. Here are few basic strategies and procedures that should always be followed:

1. Never allow a visibly intoxicated person to leave the premises behind the wheel.

- Make sure there is either a sober designated driver, a ride has been arranged for the person, or call a cab. A cab fare is a lot cheaper than a lawsuit.
- Have a reasonable expectation the person will get home safely. There have been several claims involving intoxicated persons either injuring or killing themselves doing such things as falling asleep on train tracks, stumbling off piers and drowning, or walking into traffic.

2. Know your patrons.

- It's a fact... many people consume enough alcohol to make themselves legally intoxicated while they still appear to be functioning normally. If you are serving a person who is later involved in an accident you could be liable.
- Monitor your patrons' consumption. Explain to them the risk they are taking for themselves and the potential liability you create for you.

- Don't be afraid to cut them off. An upset patron today may very well thank you when they're sober.

3. Use common sense in allowing the premises to be used for social events or special activities.

- Never sanction any event that would encourage or facilitate excessive drinking, uncontrolled alcohol service or service to minors.
- Make sure there are always non-drinkers who are responsible for the serving and monitoring of alcohol consumption.
- Make sure there is adequate security both inside and outside.

4. Request your copy of the Liquor Liability Loss Prevention Program.

Our prevention program is designed to educate your Post and its employees on how to deal with intoxicated patrons. Request a copy today if you don't already have one.

Workers' Compensation for Volunteers

While most Posts have at least a few employees and thus, an understanding of Workers' Compensation insurance, a majority of Posts have an additional exposure not always addressed on standard workers' compensation policies – **volunteer workers**.

Volunteers are active at Posts in a variety of positions, both on a regular and occasional basis. In many Posts there are more volunteer workers than paid employees over the course of a year. This can be a sizable workers' compensation exposure for the Posts.

It's important for you to know that volunteers are NOT automatically covered under your workers' compensation policy.

In our program, we add coverage for volunteer workers *in addition* to the coverage for paid employees. Workers' compensation premium is based on payroll. To calculate a "payroll" for volunteers we ask for an estimated number of volunteer hours that are worked over the course of a year and multiply that number by the minimum-wage that would be paid if they were paid employee hours. That is then used as the premium for the volunteer hours.

It is in your Post's best interest to be sure your current workers' compensation policy includes coverage for volunteers. Accidents waiting to happen aren't selective – they can happen to anyone working at your Post.

If you would like additional information about workers' compensation insurance as it applies to volunteers, contact us at (800) 829-8390.

Replacement Cost vs. Actual Cash Value

Policyholders do have a choice to insure property at Actual Cash Value (ACV) or Replacement Cost value (RC). To make the best decision, it is important to have a clear understanding of the difference between the two policy options, and how each one would pay out on a property claim.

Actual Cash Value is the cost to replace with new property of like kind and quality, minus depreciation. Depreciation is the decrease in property value since the time it was built or purchased because of wear and tear. ACV considers that the property has most likely depreciated over time and takes this depreciation into the equation when determining the amount that should be paid for the property in the event of a loss.

Replacement Cost Value is simply the cost of replacing or rebuilding the lost property with property of comparable material and quality used for the same purpose, without a deduction for depreciation.

To illustrate the difference between actual cash value and replacement cost coverage, consider the following example:

A business buys a TV for \$2,000 in 2005. If the business owner tried to sell the television today, in 2010, he would probably receive about \$100 for it. If the business owner carried **Actual Cash Value** coverage and the TV were stolen, the insurance company would only reimburse the business owner for the TV's present-day value of \$100. On the other hand, if the business owner carried **Replacement Cost** coverage at time of the theft, the insurance company would reimburse for the amount it would cost to buy the same TV brand new today. It's likely the price of a comparable TV has gone down since 2005, say \$1,000. But as you can see, the business owner would receive an additional \$900 in benefits in this case by carrying Replacement Cost coverage instead of Actual Cash Value coverage.

TIPS Training

TIPS (Training for Intervention ProcedureS) is the global leader in education and training for the responsible service, sale, and consumption of alcohol. Proven effective by third-party studies, TIPS is a skills-based training program that is designed to prevent intoxication, underage drinking, and drunk driving. To become TIPS certified, you can attend a training session or take a course online! Visit www.gettips.com, and select Get Training from the menu. You'll be able to view a list of TIPS training sessions scheduled in your area.

New eTIPS online training!

eTIPS training is a self-paced, innovative approach to alcohol server training. The course costs \$40 per person and allows participants to obtain the training anywhere, anytime.