

Minimizing Risks and Seeking Coverage as a Bar or Nightclub Owner



Due to the nature of the business, bar and nightclub owners need to be prepared for more liability and assault and battery claims than most other businesses. With risks specific to the bar and nightclub business, such as patrons getting in fights with security personnel or serving a minor, insurance coverage needs to be adequate and extensive. Because of this, bar and nightclub owners need to protect themselves from:

- Property damage
- Liability for bodily injury that occurs in or on the premises of the establishment
- Liability for bodily injury to patron or others that occurs after leaving the establishment
- Personal injury suits
- Crime, such as theft
- Assault and battery

As the risks are high, consider taking the following risk management steps to better protect yourself, your employees and your establishment against claims for liquor liability or assault and battery:

- Keep an incident activity log where bartenders and other employees can note the date, time and nature

of every incident. Include a description and the condition of those involved. For example, when a bartender stops serving a patron because he or she is intoxicated, it can be documented in the incident activity log. This can be an especially helpful risk control tool to be used as a defense in a liquor liability claim.

- Require beverage service training for bartenders and wait staff, as this will serve as an additional barrier against a liquor liability claim.
- Require a certificate of insurance for any outside agency used to provide security at the establishment. The outside agency needs to provide proof of insurance naming the establishment where they provide security as an additional insured.
- Use hand stamps and wrist bands to identify those eligible to drink at the establishment. Consider requiring patrons to show proof of age every time they order a drink and limit the quantity of drinks that can be ordered at one time.
- Use surveillance cameras both inside and outside the establishment to monitor activity of patrons and employees. Tapes can be reviewed when a patron claims that a security guard employed excessive force. Surveillance cameras will also help determine who or what prompted an altercation. Having

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cameras to record incidents can be one of the most effective ways to protect against both liquor and assault and battery claims.

Ultimately a number of variables, such as the size of the bar, gross receipts and percentage of gross receipts attributed to alcohol sales, will help dictate the type and amount of insurance necessary. Contact the insurance specialists at Atlantic Pacific Insurance for information specific to your needs.