

Memorandum to Municipal Clients

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Liquor Liability Insurance

The General Court enacted Chapter 116 of the Acts of 2010, which became effective on August 27, 2010. The act made amendments to G.L. c.138, §12 (on-premises licenses) to require proof of liquor liability insurance coverage in the minimum amount of \$250,000 for bodily injury or death of one person and \$500,000 for any one accident resulting in injury or death to more than one person. The statute provides that this is a condition of issuance or renewal, so current license holders are not required to provide such proof prior to filing their renewal applications. A valid certificate of insurance is required as proof. Licensing authorities should note that where proof of insurance is now an express condition of renewing an on-premises license, the certificate must accompany the renewal application and be received prior to December 1 each year. If a renewal application is incomplete (now including the lack of an insurance certificate) as of December 1, Chapter 138, §16A provides that it "shall be treated as an application for a new license and all the procedures set forth under [§15A] shall be applicable thereto."

This act also amended Chapter 138, §64A, which concerns certain disciplinary actions the authority may take against an on-premises licensee. Section 64A provides that if a licensing authority determines that the licensee is a repeat offender by serving or selling alcohol to (1) a minor or (2) an intoxicated person within two years of a first offense, the licensing authority may (but is not required to) direct that the licensee, as a condition of retaining the license, provide a certificate of insurance showing liquor liability coverage for not less than \$100,000 per person and \$200,000 for all persons, which would be in addition to the minimum coverage required under §12. For example, an on-premises licensee with no violations cannot be required to have more than the \$250,000/\$500,000 liability insurance coverage imposed by c.138, §12. For a repeat offender, however, the licensing authority may impose a requirement for additional coverage in the amount of \$100,000/\$200,000 or more. A licensee has the right to appeal to the ABCC from any additional insurance coverage requirements imposed under c.138, §64A.

Restrictions on Multiple License Holding

Another recent act (effective November 3, 2010) provides that no person, corporation or other business may hold both a §15 license (off-premises, or "package store" license) and a §18 (wholesale) or §19 (manufacturer) license concurrently. If there are any such dual license holders in your municipality, be advised that as of January 1, 2011, they will need to give up one of the licenses.

Very truly yours,



Brian W. Riley