



As of July 1, 2017, SC Liquor License Rules have changed.

If you serve alcoholic beverages for consumption on premises after 5 pm, then you must provide proof of liquor liability insurance with a minimum coverage limit of \$1,000,000 when you renew your alcoholic beverages permit or license or your license will not be renewed. You must then keep this coverage in place for the entire 2 year term of your liquor license and failure to do so will constitute grounds for suspension or revocation of your permit or license.

Unfortunately for restaurant and bar owners, this represents a new problem and a new distraction to keep you from your other work. Don't fret, we can help you make this problem go away with minimal effort on your part.

**Give us a call at 877-687-7557 and let us solve this problem for you quickly.** In most cases we can have a quote ready for you in 10 minutes or less.

We can also help you with strategies for dealing with the nasty [one way audits](#) often found in liquor liability insurance policies so that you don't get tricked into paying a higher rate than is shown on your policy.

### Frequently Asked Questions:

#### How much insurance do I have to buy and what will it cost?

You will need to purchase insurance limits of no less than \$1,000,000 in order to satisfy the S.C. ABL permit requirements. You may purchase higher limits and that may be appropriate for your situation.

Liquor Liability Insurance is priced based on the annual gross sales from alcohol that you estimate. At the end of the policy year the insurance company will audit your gross sales and if you have under reported your sales, then you will owe the insurance company an additional premium.

If you have over reported your sales, then you will be due a refund.

Give us a call and we can get you a quote in under 10 minutes.

Rates vary widely for liquor liability insurance, we have seen rates as low as \$2 per \$1000 or alcohol sales and as high as \$25 per \$1000 of alcohol sales.

### **What determines the rates that I will pay for liquor liability insurance?**

Generally the % of your gross sales that is attributable to alcohol sales is the biggest driver in the rates that you will pay. For those establishments where alcohol sales are less than 25% of the annual gross sales each year, the rates will be much lower. As this % goes up from there towards 100%, the rates will increase.

Other factors that can drive higher rates can be the hours that you are open (later hours means higher rates), whether you serve only beer and wine or if you serve the full spectrum of alcoholic drinks.

Other factors such as live entertainment in your bar and the type of entertainment provided can also impact the rate.

We understand all the nuances of these differences very well and can help you find a cost effective rate for your establishment no matter where you fall on this spectrum.

Just give us a call and we will happily help you solve this issue.

### **This sounds expensive, how do they expect me to afford this new insurance requirement?**

We sympathize and we agree, this new expense will hit some establishments very hard. Some may even choose to go out of business rather than meet this new, additional expense.

But if you are determined to stay open, you should know that our system of packaging liquor liability with your other insurance policies, like building insurance, contents insurance, workers compensation and business auto insurance can often save you enough money on those existing policies that you may not have to shell out any additional funds each year in order to meet this new requirement.

Give us a call at 877-687-7557 and let us help you jump this hurdle with minimal expense to

your company.

### **Why is South Carolina requiring liquor liability insurance now?**

This new legislation stems from an incident where a Dillon police officer was paralyzed and brain damaged after being hit by a drunk driver leaving a club. The club had no liquor liability insurance in place and the liability for this officer's injuries was eventually passed to the town of Dillon. The costs of this claim were crippling to the city and so the state has created legislation to make sure that the businesses that sell alcohol for consumption on premises have some protection of their own to prevent these claims from finding their way back to the municipalities.

### **When must I have this new policy in force?**

We suggest that you not go a single day without this important coverage as one bad claim without insurance could run your company out of business. But if you are going to put it off until the last minute, know that you will not be able to renew your current alcohol permit without showing proof of this coverage.

### **Doesn't my business insurance policy cover liquor liability already?**

Your business insurance policy may or may not have this option available. We can help you figure that out when you call.

### **Do I need to get the insurance in place before I start the permit renewal process?**

We suggest that you purchase the insurance policy first, and then start your online permit renewal process once you have a carrier name and policy number. Otherwise you will have to halt your permit renewal process mid-stream to get your insurance in place so you can move forward.

### **I'm adding a new location – when should I purchase the Liquor Liability Insurance?**

You will need to have the liquor liability insurance in place before you can obtain the new permit for this new location. When the inspector visits your new location you will need to show him/her proof of liquor liability insurance or your permit will not be issued.

### **I have general liability insurance already, won't that be all that I need?**

No, unfortunately your general liability insurance policy will exclude liability resulting from alcohol sales. You will need to purchase liquor liability insurance as either a separate policy or as an add on to your general liability policy if available.

### **\$1,000,000 seems like a lot of insurance, do I really need this much?**

The law requires the \$1,000,000 limit as the minimum level of insurance. With a liability claim it is impossible to know exactly how much insurance is enough.

Our advice is that you purchase as high of a limit as you can afford but \$1,000,000 is the absolute minimum that the state of South Carolina will allow to meet you permit requirements.

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