

Homeowners Found Underinsured For Parties

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Many Americans who plan to throw a party between now and the Super Bowl lack adequate insurance if the gathering leads to an injury claim by one of their guests, according to a new survey.

The research, sponsored by Trusted Choice, the independent agent's branding campaign launched by the Alexandria, Va.-based Independent Insurance Agents & Brokers of America, found that of 28.5 million Americans who plan to have parties in their home, 21 million do not have a personal umbrella insurance policy, leaving them open to lawsuits and facing financial ruin.

The remaining seven million, said Trusted Choice, do not know what coverage they have, leaving them vulnerable, too.

In 30 states, hosts can be held responsible for guests who drink, drive and cause an accident. A majority of party hosts—53 percent of those surveyed—said the host should be held responsible, but, the association points out, most have not taken steps to protect themselves.

The study, done by TRC, an independent research company in Fort Washington, Penn., asked 1,009 adults in a telephone survey about plans for a social gathering. The results were said to have a margin of error of plus or minus 3.1 percent.

“People don't buy umbrella policies because they think they have enough coverage from their homeowner and auto policies—but they don't,” said Madelyn Flannagan, vice president with IIABA and a spokeswoman for Trusted Choice, in a statement.

“The high dollar value of jury awards coupled with skyrocketing health care costs means one lawsuit can easily exceed the liability limits on the average policy,” added Ms. Flannagan.

Among some recommendations to prevent holiday party accidents and protect yourself or your business:

- Policyholders should discuss insurance coverage with their agent before hosting a party to familiarize themselves with their state's host liability laws, and to make sure they are properly insured.
- Guest lists should be limited to those the host knows.
- Host the party at a restaurant or bar that has a liquor license, rather than in a home or office.
- Provide filling food for guests and alternative nonalcoholic beverages.
- Schedule entertainment or activities that do not involve alcohol.
- Arrange transportation or overnight accommodations for those who should not drive.
- Stop serving alcohol at least one hour before the party is scheduled to end.
- Do not serve guests who are visibly intoxicated.
- Consider hiring an off-duty police officer to discreetly monitor guests' sobriety or handle any alcohol-related problems as guests leave.