

Vermont Department of Banking, Insurance, Securities
and Health Care Administration

Insurance Bulletin 135

Social Host Endorsement for Homeowner Policies

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Effective July 1, 2000, Act 116 of the 1999 Adjourned Session of the Vermont General Assembly passed legislation by and through which a social host who knowingly furnishes alcohol to a minor is held liable for the damages subsequently caused by such minor as a result of his or her consumption of alcohol. Some insurers have requested, and the department has approved, the use of an exclusion that specifically addresses social host liability. Below is a sample of language that has been approved by the department for use with homeowner coverage.

SOCIAL HOST LIABILITY EXCLUSION FOR HOMEOWNER POLICIES

This insurance does not apply to an insured who, as a “social host,” knowingly furnishes intoxicating liquor to a minor if the “social host” knew, or a reasonable person in the same circumstances would have known, that the person who received the intoxicating liquor was a minor. This exclusion does not otherwise limit coverage for which an insured is legally liable, including losses caused by the negligence of an insured.

A “social host” is a person who is not the holder of a liquor license and is not required to hold a liquor license under Vermont law.

Any such exclusion of coverage, however, shall not be construed to bar coverage for a social host based on negligence. For purposes of this exclusion, the term “knowingly” also means furnish alcohol to a minor intentionally. Thus acts, which do not constitute knowing and intentional furnishing of alcohol to a minor, are not subject to this exclusion. So for example, a minor who obtains alcohol from a social host’s refrigerator or liquor cabinet, without the knowledge of the social host, is not a case of a social host knowingly furnishing alcohol and would not fall under the social host liability exclusion.

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