

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

**Insurance Bulletin 135**

**Social Host Endorsement for Homeowner Policies**

**Dec. 13, 2001**

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.

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**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.

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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.

Elizabeth R. Costle  
Commissioner of Banking, Insurance, Securities and Health Care Administration