

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Dram shop insurance  
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### Overview

This bill involves dram shop liability insurance. This is insurance that insures sellers of intoxicating beverages against liability claims, typically made by victims of accidents allegedly caused by persons who were sold intoxicating beverages when already obviously intoxicated. State law requires sellers of intoxicating beverages to carry dram shop insurance, with some exceptions. This bill would increase the required limits on liability insurance coverage. It would also require charitable and other organizations that obtain temporary on-sale licenses to have dram shop liability insurance; these temporary licensees are currently exempt from the insurance requirement. This bill does not affect the liability of sellers of intoxicating beverages; it affects the liability insurance they are required to have.

- 1 Temporary on-sale licenses.** Requires holders of temporary on-sale licenses to have dram shop liability insurance. Under current law, they are exempt from that requirement.
- 2 Insurance required.** Increases required minimum limits on dram shop insurance from \$50,000 to \$100,000 for an injury to one person; from \$100,000 to \$200,000 for injury to two or more persons in the same incident; and from \$10,000 to \$25,000 for damage to property in any one incident. Also increases the required liability coverage for loss of means of support from \$50,000 to \$100,000 for one person, and from \$100,000 to \$200,000 for two or more persons in the same incident. Makes the corresponding changes in the requirements for those who post cash or securities instead of buying insurance.