

A horrific car crash in 2010 and the resulting lawsuit that followed in Charlotte, NC, highlights some of the issues and risks for restaurant and bar owners in North Carolina. This tragic accident should be a wake up call for any establishment that serves alcohol and has no liquor liability insurance, or perhaps has insurance in place but doesn't realize that they don't have enough protection.

On Oct 29, 2010, Matt Eastridge and his wife Meredith were just pulling away from an ATM and driving home. Meredith was 6 months pregnant at the time. Before they could react, their Toyota Rav 4 was hit by a drunken driver traveling more than 100 miles per hour. Both of the Mr. and Mrs. Eastridge were hospitalized for a month following the accident and their unborn child was killed. The driver of the other vehicle, David Huffman, had a blood alcohol limit of more than three times the legal limit at the time of the crash.

Mr. Huffman, just prior to the accident had been drinking at Eddie's Place, a restaurant and bar in South Charlotte. It was later revealed that Mr. Huffman had been served at least 10 drinks. Despite this, an investigation by the Mecklenburg County Alcohol Beverage Control Commission found that Eddie's Place had not served alcohol to Huffman after he was visibly intoxicated. It was also determined that this restaurant has worked hard to comply with the laws on not serving alcohol to people who are drunk or underage. In fact, in this case the restaurant employees found Mr. Huffman a ride home with another patron that lived in his apartment complex and were unaware that when he left their establishment he chose to drive himself home.

Despite these facts, the jury found in favor of the Eastridge family when they sued Eddie's Place for liability associated with this accident. The jury returned a \$1.7 million verdict against Eddie's Place. They found that the restaurant was negligent in serving alcohol to a person it knew or should have known was intoxicated. There are different standards for civil and criminal liability in these cases but the Eastridges sued under the North Carolina law that establishes the liability of establishments that serve alcohol to clearly intoxicated patrons or to underage patrons who subsequently cause death or injury to others in alcohol related crashes.

The problem for restaurant and bar owners here in North Carolina is that there are a number of gray areas in the law. The law states that you can't serve someone who is visibly intoxicated when you have reason to believe that they are going to drive. But that is a tall order for a wait staff or a bartender. How can they know who is riding and who is driving? It is not their duty to make sure that no one drives home who might have more than the legal limit of alcohol in their

system. But in essence, that is what this court case has decided. This establishes the critical moment as the time when the bartender serves the client. That is the moment of truth, should they serve them another drink or not?

For those that own a bar or restaurant that serves alcohol, there are a few hard lessons in this story. First of all, make sure that you understand all of the applicable laws in your state and that you know exactly what is required of you to protect your business from liability. Be sure that your wait staff and bartenders also know the laws and that they have good judgment in terms of how to apply those rules to their actions with patrons. Secondly, review your liquor liability protection and be sure that you have the right protection and also that you have enough protection. If you were satisfied with your \$1 million policy limit before, how does that amount feel in terms of adequacy in light of this \$1.7 million verdict?

Clinard Insurance Group is a niche player in the restaurant insurance market in North Carolina, South Carolina, Tennessee and Georgia. We insure hundreds of restaurants across this 4 state region. If you have questions about your restaurant insurance or your liquor liability protection and your establishment is located in one of these states, I hope you will call us for help at 877-687-7557.