

Rental Information

As a follow up to our email of yesterday, regarding events whereby GMWC allows BYOB, the Host Liquor Liability provides liability insurance coverage for GMWC in these instances if the event is strictly that of a GMWC hosted/managed event. The Host Liquor Liability is for GMWC as the Named Insured on the insurance policy and is not extended to any other organization or person.

As was previously advised, if GMWC provides alcoholic beverages (not a BYOB event) without charging for same; the Host Liquor will also provide coverage UNLESS there is any exchange of money; such as the sale of tickets to attend the event, the sale of dinner tickets, collection of donations, etc. which would void out the Host Liquor Liability. As an example, if GMWC hosts a fund raising event and sells tickets to attend the event or sells tickets to the dinner served at the event, but does not charge for alcoholic beverages served at the event, GMWC will still need a Special Event Liquor Liability Policy. Another example is if the GMWC hosts the Past Presidents Luncheon and serves champagne, Host Liquor Liability would be applicable in this instance as long as no one has to pay to attend the luncheon or donations are not accepted to offset the cost of the luncheon. This is a Michigan Liquor Control Commission enforcement/licensing rule.

For renters hosting BYOB events, or providing alcoholic beverage without charging for same, the renter needs to confirm with their insurance agent if Host Liquor Liability is included in their Homeowners Policy and if coverage is applicable to the type of event they are hosting and what exclusions, if any, may apply. Otherwise, they need to discuss how to insure the event with their insurance agent.

Renters may hire professional bartenders (a professional bartender service should have their own Liquor Liability for off premises service) so the renter can request a Certificate of Insurance from the service to provide to GMWC. Michigan Liquor Control Commission is very restrictive on who can sell alcohol; outside of non-profit organizations and those in the business to sell alcohol it is very limited. Regardless if renters are allowing BYOB, providing alcohol free of charge or charging for same, it is their responsibility to contact their insurance agent to confirm or arrange the proper insurance is in place and provide the GMWC with proof of same. I don't recall the percentage of renters having alcoholic beverages at their events, but I believe it is minimal so this shouldn't create an issue.

The insurance carrier for GMWC requires any person or organization utilizing the GMWC to provide insurance Certificates of Personal/General Liability with limits that match those of GMWC (\$1,000,000). Any organization or person is required to complete a rental agreement and Hold Harmless Agreement; when this was discussed in the past the Hold Harmless was going to be incorporated into the Rental Agreement. This would also apply to organizations or persons allowed to use the GMWC without paying a fee to use the Club. If you would be so kind, please email me a copy of your current Rental Agreement. It is the responsibility of the GMWC to collect Certificates of Insurance and see that the required General Liability and, if applicable Liquor Liability, are identified on the Certificate for the correct dates and limits of liability.

Regarding the insurance requirements, I know it has been asked in the past why other facilities, such as Watermark or Holiday Inn, don't require Liability Certificates from their renters. The reason being is these facilities are in the business of renting out conference rooms, banquet halls, hotel reception areas etc. Their insurance rates take into consideration the exposures and necessary coverage for being in the business of a rental facility that may provide catering, bar service with bartenders, dance floors,

and a management team to handle such events. GMWC is rated as a club and is not in the business of being a rental facility; however, the insurance carrier agreed to insure the exposure of small rentals on a limited basis whereby the Club is not responsible for providing any service other than the rented room.

As mentioned before, I suggest that GMWC put together some sort of procedure/reference guideline to pass on to the President and new Board members each year. As with my other business accounts, I request insurance matters be handled by one or two contact persons. This is helpful when working with organizations that have Boards, Committees, etc. that all need to be made aware of communications regarding insurance. As I was previously directed to remove Karen Andrie and Loribeth Clark from my email chains (the insurance committee members) and to add Nancy Bierenga and Paula Martin, unless I am advised otherwise, all future insurance questions or concerns from the GMWC should be directed to Nancy or Paula so they may contact me. I will gladly respond to them so they can inform the Board, committee members and general membership, so all parties are updated and informed of insurance matters related to the GMWC.

Regarding your question as it relates to insurance, Host Liquor Liability is the coverage provided in GMWC's insurance policy that will respond to a claim involving alcohol provided free of charge or at a BYOB event, subject to the coverage provided in the policy.

Ruth, I understand your question and don't disagree that the responsibility should fall back on the person bringing their own alcohol to a BYOB event. I, too, would like to think that the renter would not be held responsible for a person's action that brings their own alcohol to a BYOB event; however, I also know from experience when an attorney files a lawsuit they may name every party, no matter how remotely involved with the incident, in the lawsuit. Even if the renter or GMWC are named in a suit and found to have no negligence whatsoever, there is still the cost for attorneys to defend the case, which is another reason your insurance carrier requires GMWC's renters to have General Liability and, if applicable, Host Liquor Liability or Liquor Liability with the same limits as GMWC.

Keep in mind, as stated in my email below, Host Liquor Liability only provides coverage to events where BYOB is allowed or Alcohol is provided free of charge; if there are any FUNDS generated at the event (fee to enter the event, sales of tickets for dinner, raffles, donations, etc.) the event sponsor/host is required to purchase a Special Event Liquor License and liquor liability insurance.

The above relates to the GMWC as my insured. Any renters should contact their insurance agent to see that they comply with the requirements of the GMWC Rental Agreement, as well as discuss the need for possible Special Event Insurance and a Special Event Liquor license.

On the matter of MLCC enforcement, as stated in my below email, other than Non-Profit Organizations and those in the business of selling alcohol (taverns, restaurants, etc.), it is my understanding the MLCC is very restrictive. Again, it is up to the renter to contact his insurance agent to discuss the event and what may be required from the MLCC if alcohol is being served.

However, regarding your concerns, I contacted the MLCC today to see what is permissible regarding an "individual" hosting a BYOB fund raising event. I was told that it is allowed as long as NO money is exchanged, but a fund raising event does not qualify to be a BYOB event as it involves the sales of raffle tickets and raising funds, so MLCC requires such an event to have a Special Event Liquor License. Unfortunately, individuals are not granted Special Event Liquor Licenses by the MLCC. I was also advised by MLCC that an individual hosting a BYOB event without funds should also contact the

local police to see if there are any restrictions they impose in addition to the MLCC. She said she has heard that some local governments throughout MI are now frowning on BYOB events, or not allowing them whatsoever. She said it is wise for any person or organization holding an event involving alcohol, which does not require a Special Event license, to check with the local police department to see if their event meets local authority too.

If Art still wishes to have alcohol at the fund raiser, he may wish to hire a professional bartending/catering service that meets the requirements of the MLCC (alcohol awareness classes, serving classes, etc.) so attendees can purchase their drinks from a business that holds a liquor license. In lieu of that option, per the MLCC he cannot host a BYOB event, nor can he provide alcohol free of charge. Remember, he cannot purchase a Special event Liquor License without being a non-profit organization.