

Social Host Liability

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Spring is the season for weddings, graduation parties, retirement parties, tax refund parties, barbeques, and company picnics. Many of these celebrations will include alcoholic beverages and guests who over imbibe. Some of those inebriated guests will drive home. What is the legal liability of the social host who serves alcoholic beverages to a guest who later causes an accident?

North Carolina first addressed this issue in 1992 when it became the eleventh state to recognize liability of a social host who serves liquor to a guest who later drives drunk and causes injury to a third person. A social host may be liable for resulting property damage and personal injury if the following requirements are met.

- The social host served alcohol to a person
- when he knew or should have known the person was intoxicated, and
- when he knew the person would be driving afterwards.

The term "social host" means anyone who hosts a social gathering, including private individuals, employers, and organizations. An intimate dinner party for two can result in social host liability if the guest leaves and causes a drunk driving accident. A wedding reception for 500 where the champagne is flowing freely can expose the bride's family to unlimited liability if 500 drunken guests climb behind the wheel when it's over. Likewise, the company picnic or retirement party can expose the employer to staggering potential liability.

Social host liability is not automatic if a guest drives drunk and injures someone. Each of the three elements must be proven. [1](#) The first and third elements are the easiest to prove. The second element, however, may be more difficult. The fact that the guest was drunk at the time of the accident is irrelevant for social host liability. There must be evidence relevant to the time the guest is served the alcohol and evidence of any outward manifestations which would reasonably

lead the host to know that the guest is under the influence. If all other guests testify that the guest in question did not appear drunk at the party, then there is no social host liability.

Social host liability is limited to injuries suffered by third parties. A social host is not liable for injuries sustained by the drunken guest. The guest is barred from suing the person who served him alcohol because the guest is also negligent. The social host may be liable, however, for injuries sustained by passengers of the guest, unless the jury finds that the passengers were negligent in riding with the guest.

What can a social host do to avoid the potential liability in serving guests alcohol? The foolproof option is not to serve alcohol at all. Another option is to limit the amount of alcohol served to guests to ensure that none leave intoxicated. Or, designating drivers and limiting them to nonalcoholic beverages is another simple precaution. These precautions are easy for small parties where the host is pouring the drinks, but they are not feasible for larger parties where guests are helping themselves or where others are bartending. Hiring bartenders does not insulate the host from liability because the bartenders are agents of the host. Having adequate insurance coverage is essential. Potential social hosts should check to see if their homeowner's or business insurance covers this type of liability. If not, it may be possible to purchase insurance coverage for special events, such as a wedding reception.

When the North Carolina Supreme Court recognized social host liability in 1992, they clarified that this was not a new cause of action in North Carolina. Social host liability is grounded in simple negligence standards. If the three elements of the test are met, the social host is liable because he *negligently* served an intoxicated person alcohol, knowing that this person would be driving an automobile. A social host is under a duty to the people who travel on the public highways not to serve alcohol to an intoxicated individual who is known to be driving.

Footnote

1. Factual issues in these cases are usually decided by juries, which are unpredictable. Even if the social host ultimately wins, defense costs can be very high.

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References

Hart v. Ivey, 332 N.C. 299, 420 S.E.2d 174 (1992)

Camalier v. Jeffries, 340 N.C. 699, 460 S.E.2d 133 (1995)

Sorrells v. M.Y.B. Hospitality Ventures of Asheville, 332 N.C. 645, 423 S.E.2d 72 (1992)

Peal v. Smith, 115 N.C. App. 225, 444 S.E.2d 673 (1994)

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