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ALCOHOLIC BEVERAGES CONTROL COMMISSION ADVISORY MANDATORY LIQUOR LIABILITY INSURANCE

On May 28, 2010 the legislature amended M.G.L. c. 138, §12 by requiring existing licensees and applicants for alcoholic beverages licenses issued under M.G.L. c. 138, §12, to have a **MINIMUM AMOUNT OF MANDATORY LIQUOR LIABILITY INSURANCE COVERAGE**. Effective August 26, 2010, no license under M.G.L. c. 138, §12 shall be issued or renewed until the applicant or licensee provides proof of mandatory insurance coverage by filing a certificate of insurance in a form acceptable to the local licensing authority ("LLA"). As a result, **applicants** for §12 licenses must provide proof of insurance coverage under a liquor legal liability insurance policy for bodily injury or death for a minimum amount of \$250,000 on account of injury to or death of 1 person, and \$500,000 on account of any 1 accident resulting in injury to or death of more than 1 person **as a condition to receive a license**. **Existing §12 licensees**, which include any entities wishing to transfer a license, must provide proof of insurance coverage under a liquor legal liability insurance policy for bodily injury or death for a minimum amount of \$250,000 on account of injury to or death of 1 person, and \$500,000 on account of any 1 accident resulting in injury to or death of more than 1 person **as a condition to renew a license**.

Although LLA's retain the discretion to set the amount of insurance coverage required pursuant to M.G.L. c. 138, §64A for §12 licensees that are repeat offenders in selling or serving alcoholic beverages to under-age or intoxicated individuals, they **DO NOT** have the discretion to increase the minimum amount of insurance coverage required by this new law. Moreover, LLA's should be aware that licensees have the ability to appeal an action of the LLA in requiring insurance pursuant to M.G.L. c. 138, §64A and that after hearing, the ABCC, retains the discretion to modify this amount pursuant to M.G.L. c. 138, § 67.

As a result of this amendment, the ABCC will be revising the renewal applications for calendar year 2011 to ensure compliance with this new LIQUOR LIABILITY INSURANCE law. Individuals with questions concerning this Advisory may contact the ABCC at 617-727-3040 x 31.

(Issued July 27, 2010)