



Presentation to the National Transportation Safety Board

Insurance Implications of Impaired Driving

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I. Impaired Driving and Insurance

- Impaired Driving – by either alcohol or drugs – is an issue of great concern to the insurance industry.
- Historically, the insurance industry has been a major supporter and partner of programs and organizations that help prevent injuries and deaths caused by impaired driving. It also sponsors the insurance funded Insurance Institute for Highway Safety which does cutting edge research and analysis on many aspects of auto and highway safety.
- Impaired driving has implications for auto, home and commercial insurance.
- Insurance provides very important financial reimbursement for the victims of impaired drivers. This includes damage to vehicles, property, medical bills and even funeral expenses.

II. Auto Insurance

Drivers are Legally Required to Purchase Auto Insurance

- If a person is legally allowed to drive, virtually all states require drivers to have auto liability coverage. This pays for the other driver's (and their passengers) medical, car repair and other costs.
- Liability insurance is compulsory in 49 states and the District of Columbia. Only New Hampshire does not have a compulsory auto insurance liability law. However, drivers in that state must show proof of financial security in the event the driver causes harm to others if there is an auto crash.
- The public generally supports mandatory liability insurance coverage.

Insurance Implications for Individuals Arrested for Impaired Driving

- Private insurance companies – subject to state laws – may charge more in insurance premiums for driver arrested for being intoxicated or under the influence of drugs. In most states, insurers are allowed to non-renew an existing policyholder or deny coverage to a person applying for insurance.
- Drivers will find they have less choice of insurance carriers and may need to purchase their auto liability insurance from an insurance carrier who specializes in high risk drivers or in state administered insurance plan.

Insurance Implications for Individuals Arrested for Impaired Driving

- Those who can't find coverage with a private insurance carrier will have to purchase their insurance liability protection from what is known as the residual, shared or involuntary market. It makes basic insurance available to those legally allowed to drive but are considered to be too much of a high risk by the private insurance market. They have been set up by state regulators working with the insurance industry.
- Nationally, the residual market's share of total cars insured was less than 1.0 percent in 2009, the latest annual data available.

II. Auto Insurance

The Insurance Mechanism Provides an Economic Deterrent

- Auto insurance is a highly competitive business and good drivers have a wide variety of insurance companies and policies to choose from. In fact, comparison shopping is one of the most effective ways to save money on auto insurance while getting an excellent policy.
- Those with a history of impaired driving will quite simply have much less choice of insurance carriers and will pay a lot more for insurance. In order to regain the opportunity to purchase auto insurance at a more competitive price they will need to have several years of accident-free driving.
- By charging more to impaired drivers, good drivers are not subsidizing dangerous drivers and hopefully providing an economic deterrent to impaired driving.

III. Social Host Liability

- Social host liability, the legal term for the criminal and civil responsibility of a person who furnishes liquor to a guest, can have a serious impact on party throwers.
- While a social host is not liable for injuries sustained by a drunken guest (as they are also negligent), the host *can* be held liable for third parties, and may even be liable for passengers of the guest who have been injured in their car.
- In fact, thirty-seven states have enacted laws or have case law that permit social hosts who serve liquor to people who subsequently are involved in crashes to be held liable for any injury or death. Some laws, however, may specify that the drinker must be obviously intoxicated. In some cases, the laws are only targeted at minors.

III. Social Host Liability

- Social host liability is a home insurance issue because many policies provide liability protection. This provides important financial help to the victim while providing an economic deterrent to being an irresponsible host. If a homeowner has been held liable for allowing a guest to drive home drunk, they will likely be charged more for home insurance
- A key message of the insurance industry is to be a responsible host. Individual insurance companies proactively provide information and tips on how to throw a fun party while preventing guests from driving home intoxicated.
- The I.I.I., as an industry funded organization, distributes information about being a responsible host before major holidays such as New Year's Eve and major events such the Super Bowl to the news media and via its social media network.

III. Social Host Liability

Recent News Releases

Content Type	Result	Ranking
Article	Social Host Liability If you serve alcohol at a party take steps to limit liquor liability and have the proper insurance.	★★★★★
Press Release	Holiday Party Etiquette: A Good Host Is a Responsible Host When It Comes to Serving Alcohol Tips for serving alcohol at your holiday party responsibly. POSTED: NOVEMBER 21, 2011	★★★★★
Press Release	Scary Thought: You Could Be Liable if Guests Drink Too Much At Your Halloween Party Social host liability can have a serious impact. POSTED: OCTOBER 18, 2010	★★★★★
Presentation	Social Media And Insurance: How Insurers Use It And What They Want You To Know About Your Liability PRESENTED: MARCH 28, 2012	★★★★★
Press Release	Tips for Planning a Super Bowl Party: Serve Alcohol Responsibly: Review Your Insurance Roads are more dangerous on Super Bowl Sunday as impaired drivers return home from parties. POSTED: JANUARY 31, 2012	★★★★★
Press Release	Hosting a Holiday Party? Make Sure You Have the Proper Insurance Party hosts can be held liable for serving alcohol under liquor liability laws. POSTED: DECEMBER 17, 2009	★★★★
White Paper	Social Media, Liability and Insurance Insurance has a key role to play as companies and individuals look to better manage and reduce their potential financial losses from social media and cyber risks.	★★★★

Thanksgiving as a News Hook

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[FACTS & STATISTICS](#)

[Recreation](#)
In 2010, near million people treated for

[All Facts & Statistics](#)

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Holiday Party Etiquette: A Good Host Is a Responsible Host When It Comes to Serving Alcohol

HOMEOWNERS CAN BE SUBJECT TO SOCIAL HOST LIABILITY LAWS WHEN SERVING LIQUOR
 NOVEMBER 21, 2011

INSURANCE INFORMATION INSTITUTE
 New York Press Office: (212) 346-5500; media@iim.org

NEW YORK, November 22, 2011 — Thanksgiving marks the beginning of holiday season and for many that means party time. But hosts who serve alcohol should take steps to limit their liquor liability and make sure they have the proper insurance, according to the insurance information institute (I.I.I.).

Social host liability, the legal term for the criminal and civil responsibility of a person who furnishes liquor to a guest, can have a serious impact on party throwers. Social host liability, also known as "Dram Shop Liability" laws vary widely from state to state, but 43 states have them on the books. Most of these laws also offer an injured person, such as the victim of a drunk driver, a method to sue the person who served the alcohol. There are circumstances under these laws where criminal charges may also apply.

"Because you can be held legally responsible for your guests' actions after they leave your party, hosts need to be particularly careful," said Loretta Waters, vice president of the I.I.I. "While a social host is not liable for injuries sustained by the drunken guest (as they are also negligent), the host can be held liable for third parties, and may even be liable for

IV. Commercial Servers of Alcohol

- Forty-three states and the District of Columbia have laws on the books or case law (law that comes about through a court ruling rather than an act of the legislature) that hold commercial servers of alcohol liable for the harm caused by their intoxicated patrons.
- Insurance companies who write insurance coverage for restaurants, bars and other places that sell alcohol offer a variety of educational programs and will sometimes provide insurance discounts to establishments that have implemented programs to prevent patrons from drunk driving.

Statutes or Court Cases Holding Alcohol Beverage Servers Liable

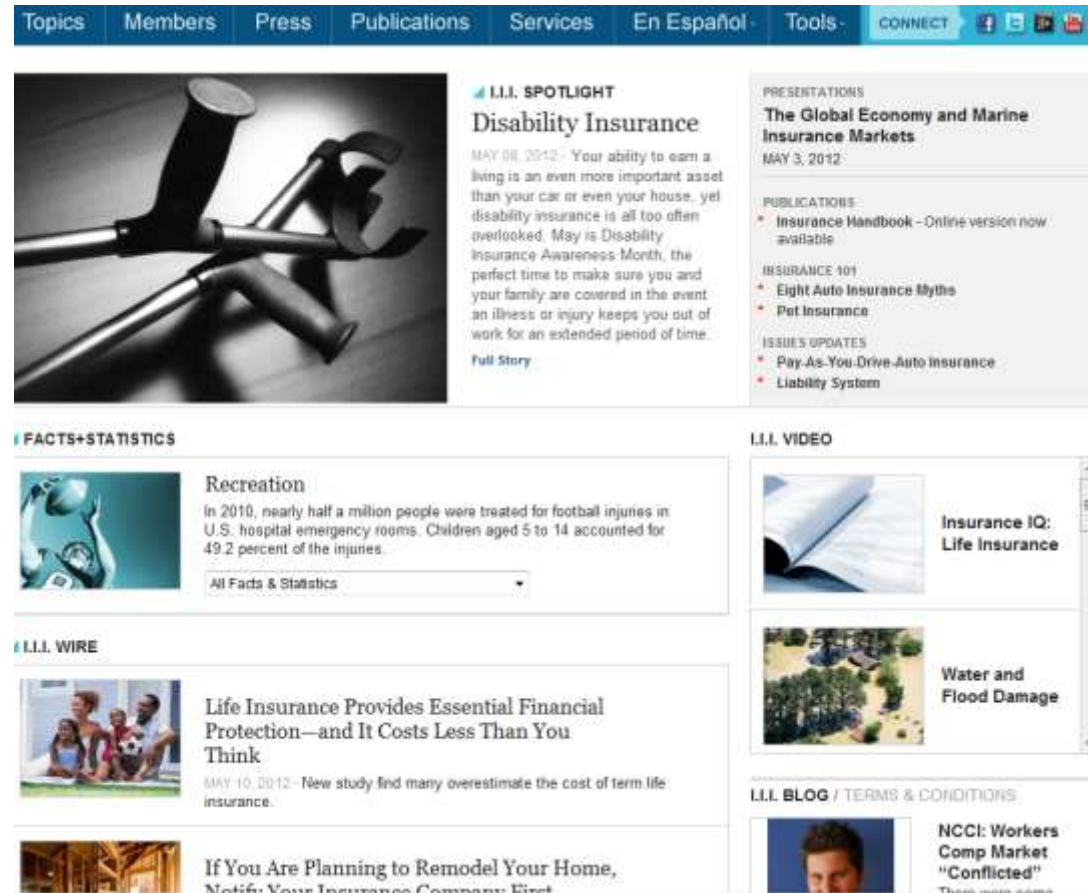
STATUTES OR COURT CASES HOLDING ALCOHOLIC BEVERAGE SERVERS LIABLE

State	Commercial servers		Social hosts		State	Commercial servers		Social hosts	
	Statute (1)	Court (2)	Statute (3)	Court		Statute (1)	Court (2)	Statute (3)	Court
Alabama	X		X	X	Montana	X	X	X	
Alaska	X		X		Nebraska				
Arizona	X	X	X	X	Nevada			X (4)	
Arkansas	X	X			New Hampshire	X		X	X
California	X		X		New Jersey	X		X	X
Colorado	X	X	X		New Mexico	X		X	X
Connecticut	X	X		X	New York	X		X	
Delaware					North Carolina	X	X	X	X (4)
D.C.		X (4)			North Dakota	X		X	
Florida	X		X	X	Ohio	X	X	X	X (4)
Georgia	X		X		Oklahoma	X	X		
Hawaii		X			Oregon	X		X	
Idaho	X	X	X		Pennsylvania	X	X		X (4)
Illinois	X			X	Rhode Island	X			
Indiana	X	X	X	X	South Carolina	X	X	X	X (4)
Iowa	X	X	X	X (4)	South Dakota				
Kansas					Tennessee	X			
Kentucky	X	X		X (4)	Texas	X	X	X	X
Louisiana	X	X	X	X	Utah	X		X	X
Maine	X		X		Vermont	X		X	X
Maryland					Virginia				
Massachusetts	X	X	X	X	Washington	X	X	X	X
Michigan	X		X	X (4)	West Virginia	X	X (4)		
Minnesota	X		X	X	Wisconsin	X	X	X	X
Mississippi	X	X	X	X	Wyoming	X		X	X
Missouri	X								

V. I.I.I. Resources – www.iii.org

Public Information on I.I.I. Website

- ❖ Auto Safety Insurance - Issues Update
- ❖ Compulsory Auto Insurance – Issues Update
- ❖ Drunk Driving – Issues Update & Facts and Statistics
- ❖ Residual Markets – Issues Update
- ❖ Social Host Liability – Consumer Article



The screenshot shows the I.I.I. website homepage with a navigation bar at the top containing links for Topics, Members, Press, Publications, Services, En Español, Tools, and a CONNECT button with social media icons. The main content area features a large 'I.I.I. SPOTLIGHT' section on Disability Insurance, which includes a photo of crutches and text about May being Disability Insurance Awareness Month. To the right of this is a 'PRESENTATIONS' section for 'The Global Economy and Marine Insurance Markets' and a 'PUBLICATIONS' section listing an 'Insurance Handbook' and 'Insurance 101'. Below the spotlight is a 'FACTS+STATISTICS' section with a 'Recreation' article about football injuries. Further down is an 'I.I.I. WIRE' section with articles on life insurance costs and home remodeling. On the right side, there is an 'I.I.I. VIDEO' section with thumbnails for 'Insurance IQ: Life Insurance' and 'Water and Flood Damage', and an 'I.I.I. BLOG / TERMS & CONDITIONS' section with a thumbnail for 'NCCI: Workers Comp Market "Conflicted"'. A 'Full Story' link is visible under the spotlight article.

Questions?

Insurance Information Institute Online:

www.iii.org

***Thank you for your time
and your attention!***



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