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Company Holiday Parties – Limiting Liability Risks

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### A Guide to Minimizing Risk at Company Holiday Parties

Holiday parties are a great chance for employees to come together, reflect on the year's accomplishments and bond as a team. The primary goal of any party is for everyone to enjoy themselves and get home safely, but it takes a lot of careful planning to create an environment that ensures safety as well as a good time. Concerns such as liquor consumption, premises safety and security, discrimination and food borne illness are a few of the many issues that need to be addressed to help prevent overindulgence, injuries or even harassment. Not only could the pleasant atmosphere be ruined in a hurry, your company could find itself liable.

Due to their infrequent nature, the liability risks of company-sponsored holiday events are often overlooked. To ensure the health and well-being of all who attend, it is important to be aware of any potential liability concerns that your company may face if the event doesn't go exactly as planned.

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### Participant's Safety

As with any event, the safety of everyone attending should always be the number one concern. At a company sponsored holiday party, it's important to also note that any accidents or injuries may be considered work-related and could possibly be subject to workers compensation. The following tips may help avoid safety mishaps.

- If using a venue away from the office, inspect it to ensure it meets your standards for safety. Pay attention to things like exits, emergency lighting, and flooring that might prevent slips and falls, particularly if there is a chance of bad weather.
- Be alert to potential storms. Consider the effects that weather may have on safe travel to and from the party. Special considerations may have to be made to keep sidewalks and parking lots clear if the event is outside of normal business hours.
- Think about potential security needs, especially if the event is in an unfamiliar neighborhood or a venue that is closed to the general public.
- Keep an eye on party-goers to ensure that no one wanders off or goes to his or her car alone after dark.
- Have an emergency plan in place in case someone is injured or needs medical assistance. Know where the closest hospital is and if anyone knows how to use a defibrillator or can perform CPR.
- Review situations for employees with disabilities who may require special attention. For example, if a disabled employee must use a wheelchair, check that there is a safe way for him or her to enter and navigate the event, and know how to deal with an emergency.

### Harassment and Discrimination

No matter where your party is held, it may be considered an extension of the workplace. Policies that guide behavior in the workplace should apply to a holiday party as well, including violence, harassment, discrimination and the general code of conduct. Prior to the event, let employees know the standards to which they will be held.

- Ensure everyone knows the event is optional and is not required for continued employment, advancement or any other benefit. All invitations and announcements should emphasize this point.
- Make sure that the party is not tied to any specific religious tradition and is referred to as a "holiday party."
- Management should help monitor employee's behavior to ensure that it conforms to company policies. Prompt action should be taken when activities stray beyond acceptable bounds. For instance, if someone engages in dancing that is inappropriate for a workplace environment, the person should be pulled aside quickly and discreetly to manage the incident before it becomes a bigger issue.
- Limiting alcohol consumption will help avoid impaired decision making and lowered inhibitions which can lead to poor behaviors.
- Avoid activities or items such as mistletoe, a game of Twister, or inappropriate music that could lead to physical contact, unwanted social pressure or inappropriate conversation.
- Any complaints made as a result of a holiday party should be taken seriously. Document, investigate and treat the complaint like a workplace incident.

### Alcohol Service

One of the most important issues that should be addressed at a holiday party is whether alcohol is going to be served, and if so, which controls will be instituted. Some companies have recognized the liability exposure that alcohol represents and have chosen to hold holiday events free of beer, wine, or liquor. If it will be served, there are some important considerations that can help to limit potential problems.

- Hold the event at an off-site location and hire professional bartenders who have their own insurance and are certified for alcohol service. Speak with the vendor to determine what protocols it employs for keeping minors from being served and preventing people from being served while intoxicated.
- Make sure there are plenty of non-alcoholic beverage options available.
- Instead of an open bar, consider passing out drink tickets to control the amount of consumption.
- Stop serving alcohol well before the end of the event to help prevent drinking and driving.
- Ensure that plenty of food is available. Starchy and high-protein snacks will help slow the absorption of alcohol into the bloodstream, while salty foods should be avoided as they encourage more drinking.
- Someone should have the training and authority to “cut off” anyone who is intoxicated.
- Provide alternative transportation that may include free cab rides.
- Develop guidelines ahead of time for the management group and meet with them so they understand their responsibility to be role models.

### Insurance

In addition to the aforementioned safety tips, it's also important to use vendors that carry their own insurance coverage. All catering firms, bartending firms, facilities or entertainers should be required to produce Certificates of Insurance (COI) with sufficient coverage and limits of liability. Firms or individuals that cannot produce a valid COI should not be considered for the event. When reviewing rental contracts, be sure to note any hold harmless or indemnity agreements that could release the vendor from liability and instead hold your company responsible for losses from situations over which you have no control.

Holiday parties are a time for celebration and appreciation, and everyone wants them to be memorable—but for the right reasons. Making smart decisions to ensure a safe party environment can help ensure a healthy happy holiday season.

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