

REQUIREMENTS FOR LIABILITY INSURANCE FOR
ON-PREMISE BIENNIAL LICENSEES AND PERMITTEES
(CODE SECTION 61-2-145)

Requirements of Applicants for Biennial Licenses or Permits – Effective for Initial Applications and Renewal Applications Filed on or after July 1, 2017:

Every person licensed or permitted to sell beer, wine, or alcoholic liquors (“alcoholic beverages”) for on-premises consumption must maintain at least \$1 million of liquor liability insurance or general liability insurance with a liquor liability endorsement, if both of the following requirements are met:

- The person is operating under any type of biennial license or permit for the on-premises consumption of alcoholic beverages; and
- The location remains open after 5 p.m. to sell alcoholic beverages for on-premises consumption.

The liquor liability insurance, or the general insurance with a liquor liability endorsement, must be maintained during the entire period of the biennial license or permit.

If a person fails to maintain this coverage, the Department may suspend or revoke the person’s biennial permit or license. The requirement for this insurance applies to all new applications, and all renewals, for locations that remain open after 5 p.m. to sell alcoholic beverages for on-premises consumption.

Note: This guidance does not apply to breweries offering samples or selling alcoholic beverages for on-premises consumption. The insurance requirements for these breweries are provided in another code section. For information on the requirements and restrictions for breweries offering samples or selling alcoholic beverages for on-premises consumption (including insurance requirements), see Code Section 61-4-1515.

Insurance and Related Information Required with New Applications and Renewals:

Upon submission of an application (initial or renewal application) on or after July 1, 2017 for a biennial license or permit for the on-premises consumption of alcoholic beverages, all persons required to maintain liquor liability insurance or general liability insurance with a liquor liability endorsement must, at the time of application, provide the following:

- Name and address of the insurance company
- Name and address of the licensed or permitted location
- Contact information for the insurance company
- Certificate of Liability Insurance, or other documentation from the insurance company, indicating:
 - The applicant has liquor liability insurance, or general liability insurance with a liquor liability endorsement, for at least \$1,000,000; and
 - The insurance is effective by the start date of the biennial license or permit.

Failure by an applicant of a location that will remain open after 5 p.m. to sell alcoholic beverages for on-premises consumption to provide this information at the time of the initial application or the renewal application will result in a denial of the license or permit.

Note: If a location for the on-premises sale and consumption of alcoholic beverages will not remain open after 5 p.m. to sell alcoholic beverages for on-premises consumption, then the applicant must provide to the Department as part of the application process (initial or renewal application) a notarized statement that it will not remain open after 5 p.m. to sell alcoholic beverages for on-premises consumption.

Requirements for Insurance Companies:

Insurers writing liquor liability insurance policies, or general liability policies with a liquor liability endorsement, for a person licensed or permitted to sell alcoholic beverages for on-premises consumption, where the location will remain open after 5:00 pm to sell alcoholic beverages for on-premises consumption, must notify the Department immediately in writing of the lapse or termination of any such policy.

The notification of a lapse or termination of the insurance policy must be sent to the following address:

SC Department of Revenue
ABL Section – Insurance Notification
Columbia, SC 29214-0907

The notification should include:

- Name and address of the insured
- Address of the licensed or permitted location
- Date the insurance policy lapsed or was terminated
- Contact information for the insurance company

Questions:

If you have questions concerning the requirement to maintain liquor liability insurance, or a general liability policy with a liquor liability endorsement, please contact the ABL Section at (803) 898-5864.