



## Company Holiday Parties – Limiting Liability Risks

Holiday parties are a great chance for employees and other guests to come together, reflect on the year's accomplishments and bond as a team. The primary goal of any party is for guests to enjoy themselves, but careful planning is required to create an environment that ensures safety as well as fun.

Due to their infrequent nature, the liability risks of company-sponsored parties are often overlooked. 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 over-indulgence, injuries or even harassment. Not only could the pleasant atmosphere be ruined in a hurry, your bank could find itself liable.

To ensure the well-being of all who attend, it's important to be aware of any potential liability concerns your bank may face if the event doesn't go exactly as planned.

### Guest Safety

As with any event, the safety of everyone attending should be the number one priority. At a company sponsored party, it's important to note that any accidents or injuries may be considered work-related and could be subject to workers compensation. Taking precautions related to venue selection, weather, security, and guest disabilities may help avoid mishaps.

- If you select a venue other than the bank, inspect it to ensure it meets your safety standards. Pay attention to the venue's exits, emergency lighting, and flooring that might prevent slips and falls, particularly if bad weather is possible.
- Beware of inclement weather that can affect safe travel to and from the party. If the event is outside of normal business hours, special considerations may have to be made to keep sidewalks and parking lots clear.
- Consider potential security needs at the venue, especially if the event is in an unfamiliar neighborhood or a venue that is closed to the public.
- Prepare an emergency plan in case a guest needs medical assistance. Identify the closest hospital and if a partygoer knows how to use a defibrillator or perform CPR.

- Emergency situations should also be reviewed for those with disabilities who require special attention.
- Keep an eye on party-goers to ensure no one wanders off or goes to their car alone after dark.

Another factor in ensuring the safety of your guests is preventing harassment and discrimination.

### Harassment and Discrimination

No matter where your party is held, it may be considered an extension of the workplace. To help prevent issues, policies that guide behavior in the workplace (e.g. violence, harassment, the general code of conduct) should guide behavior at the party.

- Employees should not feel pressured to attend the party. All invitations and announcements should stress that the event is optional and is not required for continued employment or advancement.
- Prior to the event, brief employees who are attending of proper party behavior and the standards to which they will be held.
- Avoid activities that promote physical contact, unwanted social pressure or inappropriate conversation, such as mistletoe or a game of Twister.



- Management should monitor employees' behavior throughout the event to ensure it conforms to company policies. If activities stray beyond acceptable bounds for a workplace environment, such as inappropriate dancing, prompt action should be taken.
- If a complaint is made as a result of a holiday party, it should be taken seriously. Treat the complaint like a workplace incident, documenting, investigating and addressing the issue and parties involved.

You may also prevent poor behavior and impaired decision-making by limiting alcohol consumption.

### Alcohol Service

One of the most important issues that should be addressed at a 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 events free of beer, wine or liquor. If it will be served, there are considerations that can help to limit potential problems.

- Develop guidelines for management and relay the importance of management to act as responsible role models.
- Offer plenty of food and of non-alcoholic beverage options. Starchy and high-protein snacks help slow the absorption of alcohol into the bloodstream, while salty foods encourage more drinking.
- Instead of an open bar, consider passing out drink tickets to control the amount of consumption and enlisting the help of a professional to monitor tolerance. Designate a trained individual to "cut off" anyone who is intoxicated.
- Hire a professional bartender who has their own insurance and is certified for alcohol service. Determine with the vendor what protocols it employs for keeping minors from being served and preventing people from being served while intoxicated.

- To help prevent drinking and driving, stop serving alcohol well before the end of the event and provide an alternative form of transportation such as free cab rides.

### Insurance

In addition to these safety precautions, it's also important to use vendors that carry their own insurance coverage in order to help manage the company's liability. All catering firms, bartending firms, facilities or entertainers should be required to produce Certificates of Insurance (COI) with limits that protect your company from damages. When reviewing rental contracts, 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.

### Conclusion

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 provide a safe party environment can help ensure a healthy, happy holiday season.

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