



JOSEPH KRAR & ASSOCIATES, INC.

## LIQUOR LIABILITY APPLICATION

### SECTION I.

1. Effective Date: \_\_\_\_\_ To \_\_\_\_\_
2. Applicant's Name: \_\_\_\_\_
3. Applicant's mailing address: \_\_\_\_\_
4. City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_
5. E-mail address of primary contact: \_\_\_\_\_ Phone: \_\_\_\_\_
6. Inspection Contact Name: \_\_\_\_\_ Telephone Number: \_\_\_\_\_
7. Number of locations to be insured: \_\_\_\_\_ (complete one application per location)
8. Location Address: \_\_\_\_\_
9. City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**10. Type Of Business (Check all that apply)**

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Bar/Tavern                      | <input type="checkbox"/> Nightclub/Dance Bar/Discotheque                 | <input type="checkbox"/> Adult Entertainment Club |
| <input type="checkbox"/> Restaurant (1-25% liquor sales) | <input type="checkbox"/> Restaurant (26-49% liquor sales)                | <input type="checkbox"/> Banquet Halls/Caterer    |
| <input type="checkbox"/> Fraternal/Private/Social clubs  | <input type="checkbox"/> Liquor/Convenience/Grocery Store                | <input type="checkbox"/> Wholesale Distributor    |
| <input type="checkbox"/> Comedy Club                     | <input type="checkbox"/> Pool/Billiard Hall; Bowling Alley; Sports Venue | <input type="checkbox"/> Other                    |

11. What year did the applicant start business at this location? \_\_\_\_\_

12. How many years' experience does applicant have owning or managing this type of operation? \_\_\_\_\_

13. Estimated Receipts:

Annual Food Receipts On-Premises	\$ _____
Annual Food Receipts Off-Premises	\$ _____
Annual Food Receipts On-Premises Banquet/Rental Hall	\$ _____
Annual Liquor Receipts On-Premises (including beer & wine)	\$ _____
Annual Liquor Receipts Off-Premises Package Sales (including beer & wine)	\$ _____
Annual Liquor Receipts On-Premises Banquet/Rental Hall (Including beer & wine)	\$ _____
Annual Liquor Receipts Off-Premises Catering (including beer & wine)	\$ _____
Annual Liquor Receipts Off-Premises Distribution Sales (including beer & wine)	\$ _____

14. & 15.

**Question 14 - Coverage Limits and Question 15 - Assault & Battery Buy-back limits section:**

**All States except (AL, CO, MI, MN, & IA). In Illinois Assault & Battery coverage is included:**

Liquor Limits:  \$100,000/\$200,000  \$300,000/\$600,000  \$500,000/\$1,000,000  
 \$1,000,000/\$1,000,000  \$1,000,000/\$2,000,000

Assault & Battery Buy-Back Limits:  \$50,000/\$50,000  \$100,000/\$100,000  \$300,000/\$300,000  
 \$500,000/\$500,000  \$1,000,000/\$1,000,000

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**Alabama Only – All Classes EXCEPT stores and wholesale distributors (Assault & Battery Buy-Back limits not available):**

Liquor Limits:  \$100,000/\$200,000

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**Colorado Only (No Assault & Battery Buy-Back limits available for coverage limits \$25,000/\$50,000):**

Liquor Limits:  \$25,000/\$50,000  \$100,000/\$200,000  \$300,000/\$600,000  
 \$500,000/\$1,000,000  \$1,000,000/\$1,000,000  \$1,000,000/\$2,000,000

Assault & Battery Buy-Back Limits:  \$50,000/\$50,000  \$100,000/\$100,000  \$300,000/\$300,000  
 \$500,000/\$500,000  \$1,000,000/\$1,000,000

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**Michigan Only (Assault & Battery Buy-back must be included at minimum limit of \$50,000/\$50,000):**

Liquor Limits:  \$50,000/\$100,000  \$100,000/\$200,000  \$300,000/\$600,000  
 \$500,000/\$1,000,000  \$1,000,000/\$1,000,000  \$1,000,000/\$2,000,000

Assault & Battery Buy-Back Limits:  \$50,000/\$50,000  \$100,000/\$100,000  \$300,000/\$300,000  
 \$500,000/\$500,000  \$1,000,000/\$1,000,000

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**Minnesota Only (Assault & Battery is included at occurrence limits):**

Liquor Limits:  \$300,000/\$310,000  \$300,000/\$600,000;  \$500,000/\$1,000,000  
 \$1,000,000/\$1,000,000  \$1,000,000/\$2,000,000

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**Iowa Only (Assault & Battery coverage is included):**

**Combined Single Limits:**

\$150,000/\$300,000  \$200,000/\$400,000  \$300,000/\$600,000  \$400,000/\$800,000  
 \$500,000/\$1,000,000  \$750,000/\$1,500,000  \$1,000,000/\$2,000,000

**Split Limits:**

\$50,000/\$100,000/\$200,000 (PD=\$5,000)  \$50,000/\$100,000/\$200,000 (PD=\$50,000)  \$75,000/\$150,000/\$300,000  
 \$100,000/\$200,000/\$400,000  \$125,000/\$250,000/\$500,000  \$250,000/\$500,000/\$1,000,000

16. Assault & Battery Buy-back limit provided under General Liability Coverage?  Yes  No

Assault & Battery Buy-back limit provided under General Liability Coverage \$ \_\_\_\_\_

17. List all claims & suits related to liquor liability including claims related to assault & battery brought against applicant within past (5) years. (5 years loss runs preferred, minimum 3 years currently valued loss runs required to bind)

Date of Loss	Type of Loss	Description of Loss	Amount Paid	Amount Reserved	Status of claim O = Open C = Closed

18. What is the latest hour of Operation? \_\_\_\_\_  am  pm  24 Hours

19. Number of days applicant is open for business per week \_\_\_\_\_

20. Maximum legal capacity of the premises: \_\_\_\_\_

21. Does the applicant feature entertainment?  Yes  No

If yes, check all of the following types that apply & number of times entertainment provided:

Entertainment Type		Number of times per Week	Number of times per Month	Number of times per Year
DJ	<input type="checkbox"/>			
Bands	<input type="checkbox"/>			
Adult entertainment with exotic dancing	<input type="checkbox"/>			
Karaoke	<input type="checkbox"/>			
Solo Vocalist/Piano Player/Guitarist	<input type="checkbox"/>			
Stage/Floor Shows	<input type="checkbox"/>			
Outdoor Concerts	<input type="checkbox"/>			
Other Live Performers	<input type="checkbox"/>			

22. Sports Venue?  Yes  No

Type of athletic event \_\_\_\_\_

Number of times per week: \_\_\_\_\_ Number of times per month: \_\_\_\_\_

Number of times per year: \_\_\_\_\_

23. Number of pool tables: \_\_\_\_\_ Number of Bowling Lanes: \_\_\_\_\_

24. Dancing Permitted:  Yes  No If yes, provide Dance floor area: \_\_\_\_\_ Square feet

25. Are there comedy, dinner theater, or other interactive/spectator acts?  Yes  No

26. Are there beer & wine sales only?  Yes  No

27. Are all alcohol-serving employees certified in a Formal Alcohol Training Course?  Yes  No

28. Are employees permitted to consume alcohol during their working hours/after their shift/after closing time?  Yes  No

29. Are non-employees permitted to serve alcohol?  Yes  No

30. Is BYOB (Bring your own bottle) permitted at any time including banquet operations?  Yes  No
- a. Are patrons allowed to self-serve/pour/mix alcoholic drinks?  Yes  No
- b. Where is BYOB alcohol kept on premises? \_\_\_\_\_
- c. Who pours/serves/mixes alcoholic drinks? \_\_\_\_\_
31. Within past 3 years, has applicant's liquor coverage been cancelled or non-renewed?  Yes  No
- If yes, explain: \_\_\_\_\_

## SECTION II.

32. Does applicant have a valid liquor license?  Yes  No
- If Yes, Liquor license number: \_\_\_\_\_
- If no, reason for not having a valid liquor license: \_\_\_\_\_
- Liquor License Status: \_\_\_\_\_
- Michigan Business ID#: \_\_\_\_\_
33. Has license been suspended or revoked in the past 3 years?  Yes  No
34. Has applicant had any fines and/or citation for violation of laws or ordinances related to illegal activities or the sales of alcohol at this location within the past 3 years?  Yes  No

Fine/Citation Date	License Revoked or Suspended?	Description of Citation	Action take to prevent future occurrences
	<input type="checkbox"/> Yes <input type="checkbox"/> No		
	<input type="checkbox"/> Yes <input type="checkbox"/> No		
	<input type="checkbox"/> Yes <input type="checkbox"/> No		

35. Are facilities available for banquets, receptions or private affairs?  Yes  No

If yes, how many functions are handled annually? \_\_\_\_\_

Describe Types: \_\_\_\_\_

Are only the applicant & its authorized employees or members permitted to serve alcohol at all events where alcohol is present?  Yes  No

36. Offer Bottle service or set-ups?  Yes  No

Are patrons allowed to self-serve/pour/mix alcoholic drinks?  Yes  No

Who pours/serves/mixes alcoholic drinks? \_\_\_\_\_

Is wine only offered?  Yes  No

Minimum number of patrons required in a group to have bottle service? \_\_\_\_\_

37. Does or will applicant ever offer:

- a. Drink specials/happy hours past 11 pm?  Yes  No
- b. Beer Pong or other drinking games?  Yes  No
- c. Complimentary drinks?  Yes  No
- If yes, provide details: \_\_\_\_\_
- d. All you can drink specials or other offers involving unlimited alcoholic beverages?  Yes  No

38. Is beer offered for less than \$1.00, including during happy hours and specials?  Yes  No

39. Is wine or liquor offered for less than \$1.50, including during happy hours and specials?  Yes  No
40. What is the average age of patrons? \_\_\_\_\_
41. Are patrons under legal drinking age permitted on premises?  Yes  No
42. Are patrons under the age of 21 allowed on premises after 10 pm?  Yes  No
43. Is this a fraternal club or social organization for members only?  Yes  No
44. Is the same day membership available?  Yes  No
45. Are members designated to serve alcohol, permitted to consume?  Yes  No
46. Is self-service of alcohol by members permitted?  Yes  No
47. Are there drive-through facilities?  Yes  No
- If yes, do drive through facilities sell open containers or mixed drinks?  Yes  No
48. Are guns/weapons kept or permitted on premises?  Yes  No
- If yes, where are they kept? \_\_\_\_\_
49. Does Applicant employ bouncers or other security personnel?  Yes  No
- If response is "Yes" to above question, answer questions below:
- Do they carry weapons?  Yes  No
- Are they?  Employee  Independent contractors  Both
- Does the applicant have a written agreement with these contractors?  Yes  No
- Are they required to provide a certificate of insurance evidencing General Liability and Assault & Battery coverage with limits equal to or greater than our policy?  Yes  No
50. Number of times law enforcement have been called to establishment in last 3 years: \_\_\_\_\_
- If response above is greater than "0", provide details: \_\_\_\_\_

### SECTION III.

51. Additional Insureds:

Name	Relationship/Interest	Address	City, State, Zip	AI/CH

52. Expiring Liquor Liability Carrier: \_\_\_\_\_
- Effective Date: \_\_\_\_\_ Expiration Date: \_\_\_\_\_ Expiring Premium: \$ \_\_\_\_\_
- Expiring Policy Limits: \$ \_\_\_\_\_ Deductible: \$ \_\_\_\_\_

## **FRAUD WARNINGS**

### **FOR APPLICANTS IN THE FOLLOWING STATES:**

**COLORADO** – It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**DISTRICT OF COLUMBIA** – WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**FLORIDA** – Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

**KANSAS** – Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer or insurance agent or broker, any written electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for insurance, or the rating of an insurance policy, or a claim for payment or other benefit under an insurance policy, which such person knows to contain materially false information concerning any material fact thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

**MARYLAND** – Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NEW YORK** – Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**OHIO** – Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**OKLAHOMA** – Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**OREGON** – Any person who knowingly and with intent to defraud any insurance company or other person: (1) files an application for insurance or statement of claim containing any materially false information; or (2) conceals for the purpose of misleading, information, information concerning any material fact, may have committed a fraudulent insurance act, which may be a crime and may subject the person to penalties.

**PUERTO RICO** – Any person who knowingly and with intent to defraud, presents false information in an insurance request form, or who presents, helps or has presented a fraudulent claim for the payment of a loss or other benefit, or presents more than one claim for the same damage or loss, will incur a felony, and upon conviction will be penalized for each violation with a fine of no less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000); or imprisonment for a fixed term of three (3) years or both penalties. If aggravated circumstances prevail, the fixed established imprisonment may be increased to a maximum of five (5) years; if attenuating circumstances prevail, it may be reduced to a minimum of two (2) years.

### **FOR APPLICANTS IN ALABAMA, ARKANSAS, ARIZONA, LOUISIANA, NEW MEXICO AND WEST VIRGINIA:**

Any person who knowingly presents a false claim or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines or confinement in prison.

### **FOR APPLICANTS IN MAINE, TENNESSEE, VIRGINIA AND WASHINGTON:**

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or denial of insurance benefits.

### **FOR APPLICANTS IN ALL OTHER STATES:**

Any person who knowingly and with intent to defraud any insurance company or other person file an application for insurance containing any materially false information or conceals, for the purposes of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects that person to criminal and civil penalties.

# WARRANTIES & REPRESENTATIONS

In submitting this Application, the undersigned warrants and represents that:

- a) The information in this Application and all attachments are true and complete as of the date submitted;
- b) Founders Insurance Company may, and is intended to rely upon such information in determining whether to issue insurance coverage and, if so, what premium and upon what terms;
- c) Upon any change in circumstances which bear upon the accuracy or completeness of the undersigned's representations herein, he/she shall notify Founders Insurance Company immediately in writing and such notice shall become a part of this Application;
- d) Founders Insurance Company may change the quoted premium and/or the terms of any coverage if, subsequent to the submission of this Application, it becomes aware of any such circumstances, whether by notice from the undersigned or otherwise;
- e) Neither the insured nor any principal with a control interest in the insured, has filed for bankruptcy within 12 months prior to the date the application is signed;
- f) General Liability insurance is carried by the insured at limits equal to or greater than Liquor Liability on our policy;
- g) The insured has and will maintain a valid liquor license prior to the insured selling, serving or distributing alcohol.
- h) The undersigned authorizes all former liability insurers and all accounting firms to disclose to Founders Insurance Company and/or its agents all available information concerning the undersigned's prior underwriting or claims history and liquor purchases and receipts, and releases all such former liability insurers and accounting firms, Founders Insurance Company and its agents from any liability resulting from such disclosures and use, even if such information is incomplete or erroneous;
- i) Upon submission of this application and at any time thereafter the undersigned shall make available to Founders Insurance Company and its agents access to the premises and operations to be insured for an inspection and copies of the last four (4) calendar quarters of sales tax returns;
- j) The submission of this Application shall not bind Founders Insurance Company or its agents to the issuance of insurance coverage, nor shall it bind the undersigned to accept insurance coverage; and
- k) Should Founders Insurance Company issue insurance coverage which is accepted by the undersigned:
  - 1) The undersigned shall allow Founders Insurance Company to audit its books, records, and operations, including an audit of the estimated liquor receipts to ensure their accuracy and/or actual liquor receipts for any relevant time period;
  - 2) The undersigned shall maintain accurate books and records of its liquor receipts for three (3) years following policy expiration and shall send to Founders Insurance Company copies of any documents requested;
  - 3) The premium payable for the insurance coverage is a deposit premium only and may be adjusted by Founders Insurance Company at any time during the policy period and up to three years after its expiration based upon the rates in effect at policy inception; and
  - 4) The undersigned shall pay any additional premium due to Founders Insurance Company within fifteen (15) days of receipt of an invoice.

Applicant's Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_  
(Required) (Required) (Required)

Agent's Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(Required) (Required)