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**Illinois Liquor Control Commission  
COVID-19 Related Action  
Guidance on Maintaining Dram Shop Liability Insurance Coverage**

**Updated: June 2, 2020**

The Illinois Liquor Control Act requires a person licensed to conduct retail sales to maintain liquor liability/dramshop insurance coverage if the business “intends to sell alcoholic liquors for use or consumption on his or her licensed retail premises...” 235 ILCS 5/6-2(18).

Because of the Governor’s Disaster Proclamation due to the COVID-19 outbreak, license holders are not legally permitted to offer food and beverages for consumption on the licensed retail premises. Therefore, if the Illinois Liquor Control Commission receives a notice from an insurance carrier that the insurance carrier has cancelled liquor liability/dramshop insurance coverage of the license holder, the Commission will not issue a citation against the licensee for the cancellation of insurance.

**IMPORTANT:** Please consult your local liquor control commissioner and/or local ordinances to determine liquor liability/dramshop insurance requirements necessary to maintain your local liquor license, which may be different from or in addition to state license requirements.

The Liquor Control Act requires all license holders offering the sale of alcoholic beverages for the consumption on the licensed premises to obtain and maintain liquor liability/dramshop insurance coverage in the minimum amount required by law. (\$231,021.02 for 2020).

**Therefore, all license holders are reminded they are prohibited from offering alcoholic beverages for consumption on premises without maintaining the required liquor liability/dramshop coverage. This applies to all licensed businesses offering alcoholic liquor for on-premises consumption in outdoor areas pursuant to Phase 3 of the Governor’s Restore Illinois Plan.**

Please contact your insurance carrier prior to the resumption of on-premises beverage service to ensure that you are in compliance.

License holders that sell or serve alcoholic beverages for on-premises consumption without the required liquor liability/dramshop coverage will be subjected to enforcement action taken against their liquor license.