



Cannabis Business Risks



Admitted Insurers Approved in CA today

- Admitted Insurers:

- Golden Bear Insurance Company - Standardized ISO based forms**

- Multi-line: GL, Products, Property Policy

- Testing Labs, Attorney E&O, Excess, Crime

- California Mutual Insurance**

- Lessor's Risk

- Continental Heritage Insurance Company**

- Surety Bond

- AAIS Forms pending department approval**

The presence of admitted insurers and standardized forms is a sign of a stabilizing market place.

Surplus Lines Availability

24 non-admitted surplus lines carriers now provide multi-line coverage, including work comp and transportation to cannabis businesses, in addition to the coverage provided by the growing admitted market.

While the surplus lines market has historically been volatile, as evidenced by Lloyds' withdrawal from the market in May 2015 coverage, surplus lines coverages have expanded to improve coverage grants over the last few years.

Key Brokers and Carriers Offering Coverage

- Berkshire Hathaway
- **California Mutual (Admitted in CA)**
- Conifer
- **Golden Bear (Admitted in CA)**
- Hallmark
- Hannover Re
- Hudson
- James River
- Kinsale
- Protective Insurance Co.
- State National
- Topa – Dorchester

Cannabis Brokerage
M.J. Hall & Company, Inc.
cannabis@mjhollandcompany.com

Supply Chain Overview

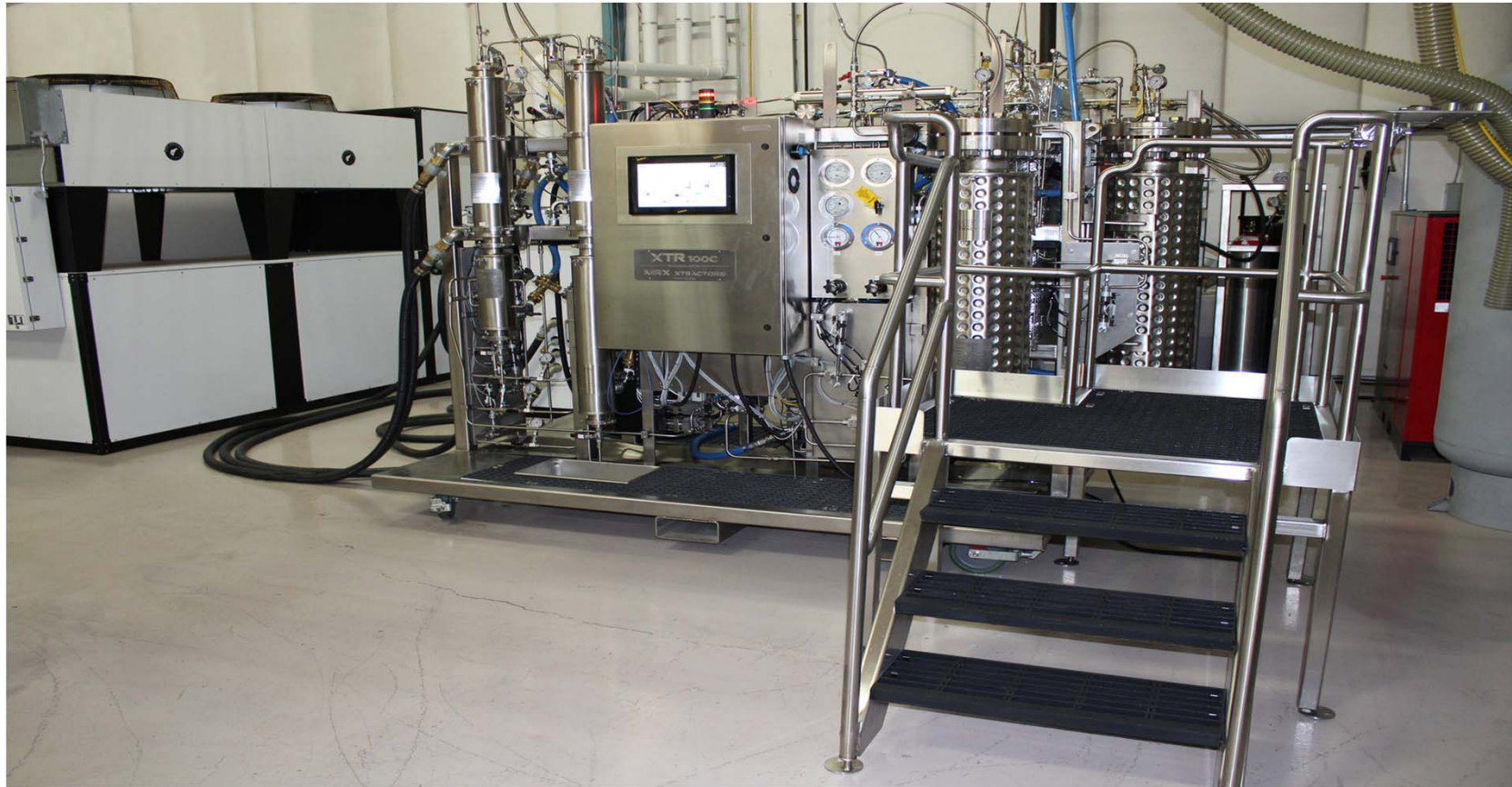
1. Cultivators



2. Processors



3. Manufacturers



4. Retail Dispensaries



Testing Labs



Lessor's Risk



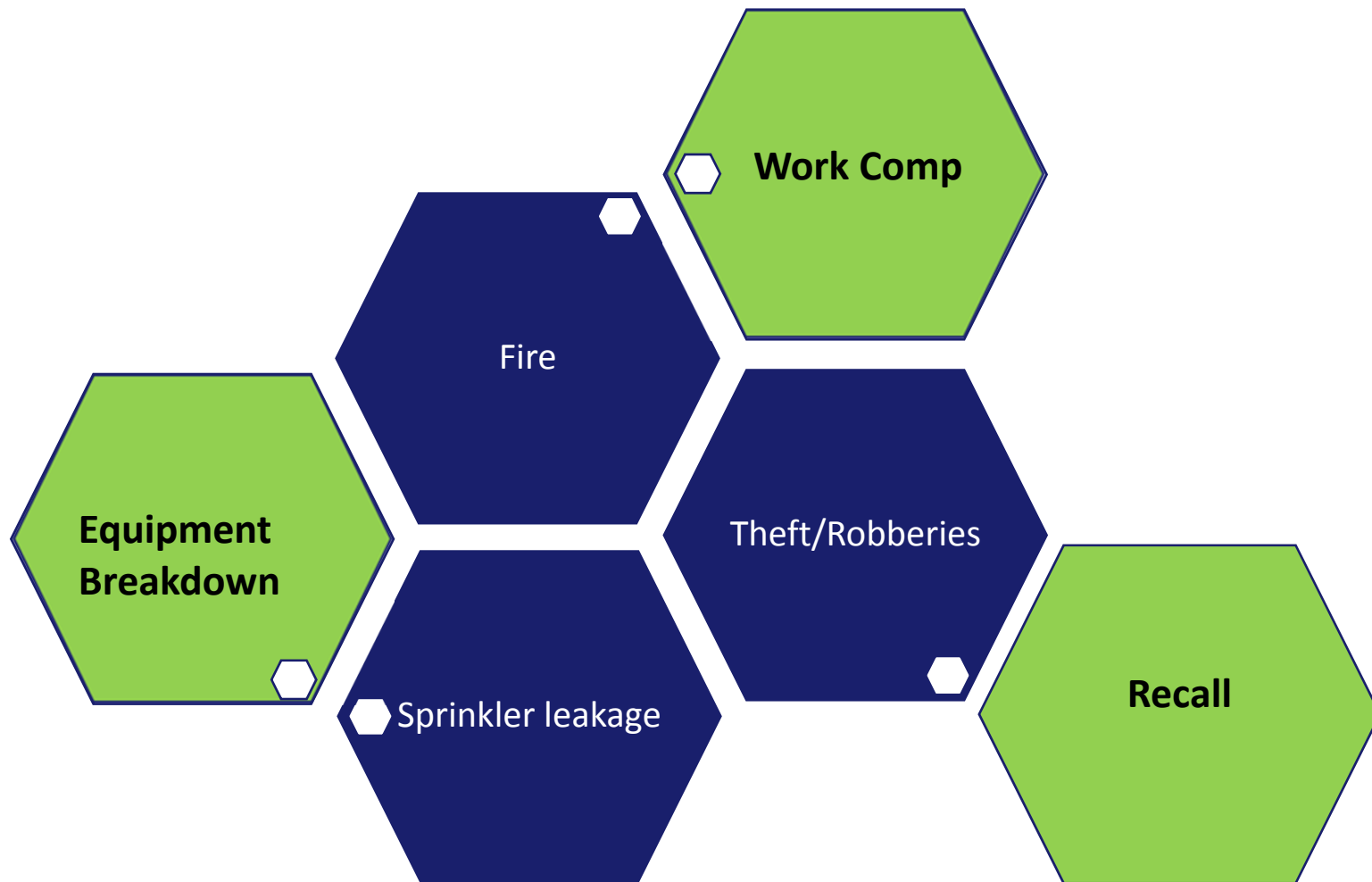
Transportation



Delivery



First Party Cannabis Risks



Third Party Business Risks



Agents Should Understand Cannabis Business Risk Exposures and Limits Needed

- **Commercial General Liability & Products Liability Coverages**
\$1 million/\$2million – Excess
- **Property Protection**
\$10 million in Property Coverage
- **Business Income/Extra Expense Insurance**
\$2 million on Business Interruption
- **Marijuana Stock**
\$1 million on Cannabis Stock
- **Marijuana Crop – Live Plants**
Golden Bear Valuation endorsement developed with industry experts on plant development cycle

Additional Coverage Considerations

- **Workers Compensation – consider security risks and pesticide exposure**
- **Commercial Auto – transportation of product and money**
- **Inland Marine – Cargo loss, equipment failure, Builder’s Risk (tenant improvement)**
- **Money and Securities – Crime coverage for burglary or employee dishonesty**
- **Government Actions – Civil Authority/Recall Coverage**
- **Vendors – Additional Insured needs**
- **Special Events – Coverage enhancement or stand alone – on or off premise?**
- **Warehousing/Distribution – packaging, cross contamination**
- **Security guard and contractor warranties**



Golden Bear Insurance Company

Proudly Serving Californians Since 1978
cannabis@goldenbear.com

