



Blitz Cannabis and Hemp Commercial Package Program Broker Desk Reference Guide

Features

- General Liability occurrence and claims made forms available, with product coverage available on claims made
- Products can be included or excluded
- Flexible coverage options
- 25% minimum earned premium applies

Coverages Available

- General Liability w/w-out Products Liability
- Hired and Non-Owned Auto
- Property coverages include:
 - Building
 - Tenant Improvements
 - Business Personal Property
 - Manufacturing Equipment
 - Indoor Grow Equipment
 - Business Income/Extra Expense, plus property enhancement options available by coverage type that can be chosen individually or in a package for tailoring to your client's needs
 - Building Ordinance
 - Cannabis Inventory / Finished Stock
 - Cannabis Living Plant Material and Harvest

Industry Segments

- Dispensary (medical) and adult-use (recreational) stores
- Non-Storefront Delivery
- Cultivators/Growers Indoor/Outdoor
- Distribution/Transport Manufacturers/Processors

Account Size

- Maximum Gross Revenues of \$15 million
- Maximum facility capacity of 35,000 of square feet

Additional Insureds

- Blanket additional insured with primary/noncontributory wording and waiver of transfer of rights is included for no additional charge
- Mortgagees/loss payees/lienholders are no charge thirty-day notice of cancellation provision can be added and included at no charge

Coverage Limits – General Liability (Including or Excluding Products)

- General Liability limit options:
 - \$1 million / \$1 million
 - \$1 million / \$2 million
- Product & Completed limit options:
 - \$100k / \$300k
 - \$1 million / \$1 million
 - \$1 million / \$2 million
- Personal & Advertising Injury: \$1 million
- Hired and Non-Owned: \$1 million
- Gap coverage available: \$1 million

Optional Enhancements

- Equipment Breakdown
- Employee Benefits Liability
- Accounts Receivable
- Employee Dishonesty
- Outdoor Property – Fences, Signs, Antennas, Satellite Dishes
- Outdoor Property – Trees, Shrubs, Plants, and other than Cannabis
- Money & Securities
- Personal Effects and Property of Others
- Property in Transit
- Robbery and Safe Burglary
- Spoilage
- Sewer backup
- Tenant Glass Fixtures and Permanently Installed Machinery and Equipment
- Valuable Papers (other than electronic data)
- Outdoor Cannabis or Hemp Plants
- Wind / Hail Deductible options
- Hired & Non-owned Auto Coverage

States

- Available in all states where cannabis and hemp are legal, excluding, Hawaii and Louisiana. Cannabis is fully illegal in Idaho, Kansas, Nebraska, North Carolina, South Carolina, and Wyoming.

Risk Criteria

- All buildings must have active monitored central station burglar/fire alarm 24/7 (all doors and windows must be connected to the central station alarm)
- Insured must adhere to all State & local laws
- Certificates of insurance in favor of the insured must be collected from all vendors and contractors with a \$1million minimum limit
- Vendor contracts must include hold harmless wording.
- All cannabis products manufactured and distributed by the applicant must be in child-proof packaging or containers
- All vendors must meet or exceed product testing and labeling requirements. Testing of products must be done by a licensed 3rd party laboratory
- If security guards are directly employed by the insured, Assault and Battery Exclusion applies

Submit – General Liability

- Insureds that are a subsidiary of another entity
- Business ventures where coverage is not being requested
- Any criminal conviction of the applicant. Cannabis crimes are the only acceptable conviction
- Residential/mixed-use exposures

Excluded Operations – General Liability

- Unlicensed operations
- Risks with a bankruptcy within the past 7 years (any bankruptcy must be discharged)
- Risks open to the public 24 hours/day are prohibited (unless allowed by State Law)
- Operations that travel or operate/distribute any cannabis products (not applicable to CBD) outside of the state they are licensed to operate in
- Operations that travel/operate/distribute CBD products outside of the state they are licensed in, to a state that prohibits CBD sales/distribution
- Risks with no central station fire/burglar alarm
- Operations with 3rd party security guards that do not have a certificate of insurance naming applicant as additional insured that includes assault and battery coverage
- High crime areas

Special events hosted by the insured are ineligible and excluded; however off-site trade shows and exhibits are eligible

Hired and Non-Owned Auto (HNOA)

- The applicant must require all drivers to provide proof of auto insurance or compliance with State financial responsibility law
- The applicant must collect MVRs for all drivers.
- The applicant cannot make any deliveries directly to patients or customers
- Drivers cannot have any major violations (below):
 - a) Illegal possession of controlled (non-cannabis) substances within 5 years
 - b) Leaving the scene of an accident or “hit and run”
 - c) Vehicle Theft
 - d) Fleeing from or eluding police
 - e) Illegal speed exhibitions, sideshows, or drag race
 - f) Drivers with convictions for illegal possession of controlled (non-cannabis) substances within 5 years

Ineligible Operations – Hired and Non-Owned Liability

- Any kind of delivery operations (storefront or non-store front)
- Distributors/Transportation companies

Commercial Property

- Coverage is written on Special Form
- The maximum total insured value (TIV) per location is \$ 5 million
- Inventory on display is limited to a max sublimit of \$100K
- Tenant Improvements and Business Personal Property written on a Replacement Cost Basis
- Business Income written in monthly indemnity up to a maximum of 12 months
- Cannabis Inventory/Finished stock written on Actual Cash Value (ACV) or market value available
- Ordinance or Law A – Limit is equal to the building limit (i.e., limit sync to building limit)
- Ordinance or Law B – Set starting limit at 10% of the building value
- Ordinance or Law C – Set starting limit at 50% of the building value

Cannabis Inventory/Stock Rules/Cannabis BPP

- All risks must have interior & exterior CCTV/security cameras.
- It is warranted that all Finished Stock will be kept in a safe or a vault room during business and non-business hours (cannabis only)
- All safe/vaults must be wired to central station burglar/fire alarm and motion detector
- Any safe used to house Finished Stock must weigh at least 550 lbs. Safes that weigh less than 2,000 lbs. must be bolted to the floor
- All safes are required to have a one-hour, or greater, fire rating.
- If there is a vault used in place of a safe, it must be built-in, and the doors and walls must have a one-hour or greater fire rating
- A metal shipping container is safe if the container doors and walls have a fire rating of one hour or greater
- Drywall vaults must have metal doors and wire Barrier Mesh (heavy-gauge steel mesh installed typically onto stud framing) installed
- DEA Cages that meet the following criteria will be accepted:
 - a) Self-closing, self-locking doors
 - b) Wall & ceiling panels constructed of 10-gauge wire.
 - c) Steel support posts 2” square
 - d) Posts have welded on base plates for lagging to the floor.
 - e) Posts are set no more than ten feet apart
 - f) Walls have minimum 1-1/2” horizontal reinforcement at least every 60 inches

If these requirements are not met, theft coverage for Cannabis Inventory/Finished Stock is excluded in its entirety (built into the form).

Cannabis Business Personal Property Considerations and Rules

- Cannabis Business Personal Property is market value of finished stock (wholesale value actual cash value)

All indoor cultivations must have central station burglar alarms, motion detectors and cameras with no blind spots to qualify for coverage

Ineligible for Property Coverage

- Hoop house operations are not eligible for property coverage (indoor tools/equipment is available if stored in a locked barn/shed or building)
- Risk located in protection classes (PC) 9-10 are generally ineligible and will be declined
- High crime areas
- High wind score areas are available subject to underwriter review. 1, 2,3, or 5% deductible option will apply
- Buildings over 25 years with no updates
- Properties with boilers that are not insured elsewhere
- Any location without a central station burglar alarm is ineligible (all doors and windows must be connected to the central station alarm)
- Stock/Inventory without safe or vault
- Indoor equipment that is not locked and stored during non-business hours
- Manufacturing equipment located outside of locked secured

Claim notices: claims@blairandco.net
Servicing & endorsement requests: servicing@blitzinsurance.com
Requests to become a producer partner: marketing@blitzinsurance.com

