
Insurance Considerations

Insurance Coverage Issues

Provided that such coverage is available, a grower or distributor should obtain **general and umbrella liability insurance coverage** to protect against bodily injury and property damage claims by third parties relating to the use of marijuana. The policies should include completed operations and products liability coverage. Claims covered by such policies would include allegations of injury by consumers as well as third parties who claim that their health has been impaired by being in proximity to consumers. In addition, coverage should be obtained to protect against negligence claims brought by third parties who claim that they have been injured in accidents caused by purchasers of the insured's products. Similar to dram shop actions filed against tavern owners, third parties may bring claims alleging that they were injured because a marijuana seller negligently sold to an already intoxicated buyer. **Workers compensation coverage** should also be obtained to cover against claims of injury by employees.

Growers and distributors should also make sure that they have adequate coverage for **property damage liability claims** brought by third parties caused by such events as fires, and should also have adequate first party property coverage to protect his or her own property from fire and similar events. Growers should also obtain **crop insurance** to protect their investments in the event that disasters afflict their crops.

Cannabis Law Disclaimer

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