

## Commercial Cannabis Business Insurance Requirements – Page 1 of 2

### A. Policy Requirements.

Each cannabis business permittee shall submit duly executed certificates of insurance for the following:

1. An occurrence based Commercial General Liability ("CGL") policy, at least as broad as ISO Form CG 0001, in the minimum amount of Three Million Dollars (\$3,000,000) each occurrence, with not less than Six Million Dollars (\$6,000,000) in annual aggregate coverage.

The CGL Policy shall have the following requirements:

a. The policy shall provide coverage for personal injury, products liability, bodily injury, death, accident and property damage and advertising injury, as those terms are understood in the context of a CGL policy. The coverage shall not be excess or contributing with respect to City's self-insurance or any pooled risk arrangements. If the coverage for products liability is written on a claims made form, a minimum three year tail is required.

b. The policy shall provide \$3,000,000 combined single limit coverage for owned, hired and non-owned automobile liability. If the permittee does not have coverage for owned vehicles, it must provide a signed statement that the company does not own any vehicles;

c. The policy shall include coverage for liability undertaken by contract covering, to the maximum extent permitted by law, the permittee's obligation to indemnify the City; and

d. **The City of Culver City, members of its City Council, its boards and commissions, officers, agents, and employees will be named as an additional insured** in an endorsement to the policy, which shall be provided to the City and approved by the City Attorney.

e. The CGL limits may be satisfied by a primary policy with \$3,000,000 occurrence/\$6,000,000 annual aggregate, OR, by a primary policy with lower limits of coverage plus an Excessor Umbrella policy which will satisfy the occurrence and aggregate limit requirement. If permittee's insurance coverage provides coverage in excess of these required limits, but is eroded by payment or claim reserves, then the permittee or its insurance carrier shall notify the City of Culver City within ten (10) days when the contractual coverage limits provided are below the required coverage limits.

2. Professional liability insurance in the minimum amount of One Million Dollars (\$1,000,000) per claim is required by any permittee who may recommend product or dosing requirements, and shall include coverage for separate "personal injury" alleged to have been committed, unless such coverage is provided by the CGL policy listed in subparagraph (a), above. If written on a claims made form, a minimum three year tail is

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required. The City considers any cannabis retailer (storefront or non-storefront) a provider of professional services. Testing Laboratory permit applicants must also have Professional Liability Insurance.

3. Workers' Compensation limits as required by the Labor Code of the State of California with Employers' Liability limits of One Million Dollars (\$1,000,000.00) per accident, if the permittee will have employees working within the City limits.

### **B. Waiver by City.**

City may waive one or more of the coverages listed in Section A, above. This waiver must be express and in writing, and will only be made upon a showing by the permittee that its operations in and with respect to City are not such as to impose liability within the scope of that particular coverage.

### **C. Additional Insurance Requirements.**

1. All insurance listed in Paragraph A shall be issued by companies licensed to do business in the State of California, with a claims paying ability rating of "BBB" or better by S&P (and the equivalent by any other Rating Agency) and a rating of A:VII or better (for California admitted carriers) or A:VIII or better (for [California approved, non-admitted carriers](#)) in the current Best's Insurance Reports;
2. The California State Compensation Insurance Fund an acceptable provider for workers compensation insurance, even though it does not participate in S&P or Best's ratings.
3. Permittees shall provide City with at least thirty (30) days prior written notice of any modification, reduction or cancellation of any of the Policies required in Paragraph A, or a minimum of ten (10) days' notice for cancellation due to non-payment.
4. The City may increase the scope or dollar amount of required coverage under any of the policies described above, or may require different or additional coverages, upon prior written notice to the permittee.