



# APEX INSURANCE SOLUTIONS

Insurance at the Peak of Trust

Email completed application to:  
cliff@apexinsurancesolutions.net

Call/Text: 601-212-2424

ApexInsuranceSolutions.net

## Cannabis, CBD and Hemp Program Package Application

### SECTION 1 - ACCOUNT INFORMATION

Legal Business Name: \_\_\_\_\_

DBA: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Enterprise Type: \_\_\_\_\_ If other: \_\_\_\_\_ Number of Employees: \_\_\_\_\_

Years in Business: \_\_\_\_\_ Website: \_\_\_\_\_

If new venture, do any of the principals have a minimum of 1 year in the cannabis, CBD, or hemp industry?  Yes  No

Operations Type: (Check all that apply)  Cultivation  Processor  Retail – Cannabis  Retail – CBD  Manufacturer  Wholesale  Distribution  
 Transportation  Delivery Operations  Smoke Shop  Retail – Hydroponics  Lab  Other: \_\_\_\_\_

What is the Operation with the Highest Projected Sales? \_\_\_\_\_

Is the applicant a member of any cannabis, CBD, or hemp trade associations?  Yes  No

If yes, which association?  NCIA  CCIA  CCSE  NORML-NBN  Other: \_\_\_\_\_

### SECTION 2 - ACCOUNT & LOSS / INSURANCE HISTORY

YEAR	TOTAL SALES	STATE:	STATE:	STATE:	STATE:	STATE:
Next 12 months Gross Sales (Projected)						
Historical Year 1 Gross Sales						

\*\*For additional states please see Additional State schedule Form: [Additional State Gross Sales Schedule Form](#)

- Yes  No Has any application for similar insurance made on behalf of the applicant and / or any principal, partner, owner, officer, director, employee, manager, or managing member thereof or any predecessor, subsidiary or affiliated organization thereof been declined, canceled, or non-renewed?
- Yes  No Does the applicant currently have commercial insurance coverage? If yes, please provide detailed information below:

YEAR	CARRIER	POLICY NUMBER	COVERAGE	LIMITS	EXP. DATE	PREMIUM

- Yes  No Has the applicant had any prior liability and / or property claims or losses in the past 5 years?  
If yes, attach currently valued loss runs (within the past 30 days) including losses that were denied. Please include details for any claims over \$10,000 with your submission.
- Complete the following for any applicant or principal, partner, owner, officer, director, manager, or managing member of the applicant or any person(s) or organization(s) proposed for this insurance or any predecessor, subsidiary, or affiliated organization.
  - Yes  No Have any of the above been convicted of a felony, or DUI in the last 10 years?  
If yes, give details (date / jail time served / felony / misdemeanor): \_\_\_\_\_
  - Yes  No Is the applicant in compliance with all local and state laws regarding the manufacturing, control, and dispensing of cannabis, CBD, or hemp?
  - Yes  No Does the applicant currently hold a cannabis, CBD, or hemp license / permit?  
If no, when does the applicant expect to be permitted/licensed (MM/DD/YYYY): \_\_\_\_\_
- Yes  No Has the applicant had a foreclosure, repossession, lien, or filed for bankruptcy during the last five years?  
If yes, give details (occurrence date / explanation / resolution / resolution date).  
\_\_\_\_\_

## SECTION 3 - GENERAL LIABILITY COVERAGE

 SELECT BOX TO DECLINE COVERAGE

General Liability Limits: \_\_\_\_\_

## SECTION 3a - GENERAL LIABILITY ENDORSEMENTS

(Deliveries to consumer and Transportation / Distribution operations are ineligible for HNOA)

1.  Yes  No Does the applicant have a commercial auto policy in place?
2.  Yes  No Include Hired and Non-Owned Auto Coverage? *If yes, please complete 1a-1d. If the insured has a separate Business Auto Policy, the Hired and Non-owned coverage should be included under that policy.*
  - a.  Yes  No Do all drivers maintain a personal auto policy that is kept in force at all times?
  - b.  Yes  No Is any driver allowed to drive with any DUI, DWI, or reckless driving violations?
  - c.  Yes  No Are Motor Vehicle Reports collected for all drivers employed by the applicant?
  - d.  Yes  No Does applicant / employees make any deliveries directly to patients / customers from the retail location?
3.  Yes  No Include Stop Gap Coverage? **(OH, WA, WY and ND only)**
4.  Yes  No Include Pesticide / Herbicide Applicator's Endorsement? **(WA and MA only)** \_\_\_\_\_
5.  Yes  No Include Employee Benefits Liability Coverage?  
If yes, Requested Retroactive Date (MM/DD/YYYY) \_\_\_\_\_
6.  Yes  No If you have armed/unarmed security personnel (1st or 3rd party), would you like to include Assault and Battery coverage?  
*Coverage is only available by sublimit up to \$100,000.*

## SECTION 4 - EXCESS LIABILITY COVERAGE

 SELECT BOX TO DECLINE COVERAGE

\*\* Excess Liability cannot be applied if \$2,000,000 occurrence has been requested under the General Liability limits section. Each excess layer added will apply to both the occurrence and aggregate limits. *This Excess Liability applies to General Liability only and does not apply to Product Liability or Commercial Auto*

Excess Liability Limit: \_\_\_\_\_ \*\*Higher limits are available upon request

## SECTION 5 - PRODUCT LIABILITY COVERAGE

 SELECT BOX TO DECLINE COVERAGE

Product Liability Limit - Each Claim: \_\_\_\_\_ Aggregate: \_\_\_\_\_ \*\*Higher limits are available upon request

Product Liability Deductible: \_\_\_\_\_

1.  Yes  No Does the applicant maintain daily written records of all cannabis, CBD, hemp, and inventory of non – cannabis products, including purchase date, type of product, purchase price, and who it was purchased from?
2.  Yes  No Does the applicant have a quality assurance / product recall plan in place?
3.  Yes  No Does the applicant test 100% of the cannabis, CBD, and hemp products prior to distribution?  
**\*\* If the applicant is retail only this question does not apply.**
  - a. If yes, is the testing performed by the applicant or laboratory? \_\_\_\_\_
  - b. If Laboratory Tested, provide laboratory name: \_\_\_\_\_
4.  Yes  No Does the applicant test 100% of all products for levels of gas / solvent residue?
  - a.  Yes  No If yes, will the applicant destroy 100% of the products found with unsafe levels of residue?
5.  Yes  No Does the applicant use software to track sales and pertinent transaction data such as who, when, and what was purchased?
6.  Yes  No Will the applicant follow to the best of their abilities all Consumer Product Safety Commission regulations as it would pertain to the withdrawal and / or recall of defective products?
7.  Yes  No Does the applicant have a communication and complaint handling procedure?
8.  Yes  No Does the applicant know of any products that were either voluntary or mandatory recalled / withdrawn in the past 5 years?  
If yes, please provide the total number of recalls / withdrawals the applicant has had in the past 5 years?  
#\_\_\_\_\_ Voluntary #\_\_\_\_\_ Mandatory
9.  Yes  No Does the applicant have retail operations? If yes, please complete 9a-9b
  - a.  Yes  No Does the applicant require each supplier to have their products tested?
  - b.  Yes  No Does the applicant maintain each supplier contracts, records, and invoices for 5 years or more?
10.  Yes  No Does the applicant have cultivation operations? If yes, please complete 10a-10d
  - a. What form of pest prevention is the applicant using? \_\_\_\_\_ If other: \_\_\_\_\_
  - b.  Yes  No Does the applicant apply their own pesticides?
  - c.  Yes  No Does the applicant follow all state and federal laws with regards to the use, storage, and disposal of pesticides?
  - d.  Yes  No Is the applicant aware of any past or current pesticide issues that would result in a loss or claim?
11.  Yes  No Include Retro Coverage? Date Selection: \_\_\_\_\_  
**\*\* If adding retro coverage, please provide loss runs and premiums for each prior year \*\***
12.  Yes  No Include Product Withdrawal Coverage? \_\_\_\_\_
13.  Yes  No Include Defense Outside the Limits Coverage? **\*\* Includes \$1,000,000 coverage limit, if approved.**

## SECTION 5a - PRODUCT LIABILITY COVERAGE: PRODUCTS LIST (Cannabis and Non-Cannabis)

Cannabis Products - Select all that apply:  Cannabis Flower  Pre-Rolls  Edibles  Topical  Other \_\_\_\_\_

Non - Cannabis Product Type or Accessories - Select all that apply:

- Ash Trays  Blunt Wraps  Bong Wash  Cones  Dab Rings  Dab Tools  Glassware  Grinders  Joint Paper  Joint Rollers  Kratom  
 Roach Clips  Screens  Torch Lighters  Vape Battery Chargers  Vape Equipment  Batteries  Hemp Derived Intoxicants (D8 / D9)  Other

\*Vape cartridges / pens (equipment and accessories) is manufactured or distributed by which kind of vendor? \_\_\_\_\_

- Yes  No Does the insured offer any consumable products made outside of the United States?



**SECTION 7 - GENERAL POLICY QUESTIONS**

**\*\*COMPLETE SECTIONS 7-10.C FOR EVERY BUILDING OR OUTDOOR GROW\*\***

- Use Type: \_\_\_\_\_ If other: \_\_\_\_\_
- Please list operation(s): (in this building only)  Cultivation  Processor  Retail - Cannabis  Retail - CBD  Manufacturer  Wholesale  Distribution  Transportation  Delivery Operations  Smoke Shop  Retail - Hydroponics  Lab  Other: \_\_\_\_\_
- a.  Yes  No Does the applicant allow for on-site consumption?
  1.  Yes  No Does the premises have a pool, pond, or other water exposure?
  2.  Yes  No Does anyone live in the above scheduled building or on the premises?
  3.  Yes  No Are there any dogs on the premises?
  4.  Yes  No Does the applicant utilize security guards? If yes, what type: \_\_\_\_\_
    - a. If yes, are the security guards armed? \_\_\_\_\_
  5. What is the distance to the nearest building? Please provide distance in feet: North: \_\_\_\_\_ South: \_\_\_\_\_ West: \_\_\_\_\_ East: \_\_\_\_\_
  6. Please provide details for this building below:  **If Outdoor Operations, check the box and skip general building questions.**
    - 6.a Year of Construction: \_\_\_\_\_ 6.d Construction Type: \_\_\_\_\_ If other: \_\_\_\_\_
    - 6.b Number of Stories: \_\_\_\_\_ 6.e Roof Type: \_\_\_\_\_ If other: \_\_\_\_\_
    - 6.c Square Footage: \_\_\_\_\_ 6.f Roof Construction: \_\_\_\_\_ If other: \_\_\_\_\_
  7. If the building is older than 20 years, please provide the year each utility was updated:
 

Roof Age: \_\_\_\_\_ Plumbing: \_\_\_\_\_ Electrical: \_\_\_\_\_ HVAC: \_\_\_\_\_

**SECTION 8 - GENERAL LIABILITY QUESTIONS**

**\*\*If General Liability Coverage was declined (Section 3) skip to section 9\*\***

1.  Yes  No Are there any firearms located in the scheduled building listed above?
2.  Yes  No Does the applicant maintain daily written records of all cannabis, CBD, and hemp containing products, including the purchase date, type of product, and purchase price?

**SECTION 9 - PROPERTY COVERAGE**

**SELECT BOX TO DECLINE COVERAGE**

1.  Yes  No Are there fire sprinklers? If yes, what percentage of the building is sprinklered? \_\_\_\_\_ %
2.  Yes  No Is there an active central station fire alarm?
3.  Yes  No Is there an active central burglar alarm system connected to all windows and doors?
4.  Yes  No Does the applicant have an approved safe? If yes, answer the below questions (4a-4c):
  - a. How many safes does the applicant have: \_\_\_\_\_
  - b. What is the weight of the safe?: \_\_\_\_\_ pounds.
  - c. What is the fire rating time of the safe?(HH:MM): \_\_\_\_\_ : \_\_\_\_\_

*For specific details please read the Safe Warranty information included with this application.*
5.  Yes  No Does the applicant have an approved vault room? If yes, what type? \_\_\_\_\_
6.  Yes  No Does the applicant have a buzz – in system or security personnel at the door?
7.  Yes  No Does the applicant have interior and exterior cameras?

**SECTION 9a - BUILDING OWNERSHIP & LEASE INFORMATION**

**\*\*If outdoor grow only - skip to section 10\*\***

1.  Yes  No Sole tenant and no other buildings attached?
2.  Yes  No Is this a triple net lease?
3.  Yes  No Does the named applicant own the building?

**SECTION 9b - PROPERTY DEDUCTIBLE & COVERAGE LIMITS**

Property Deductible: \_\_\_\_\_

<b>BUILDING COVERAGE:</b>	\$	<b>3<sup>RD</sup> PARTY CARE / CUSTODY / CONTROL:</b>	\$
<b>TENANTS IMPROVEMENTS/BETTERMENTS:</b>	\$	<b>**The default 3rd Party Care / Custody / Control deductible is \$10,000</b>	
<b>BUSINESS INCOME:</b>	\$	<b>MANUFACTURING EQUIPMENT:</b>	\$
<b>BUSINESS PERSONAL PROPERTY:</b>	\$	<b>INDOOR GROW EQUIPMENT &amp; TOOLS:</b>	\$
<b>MARIJUANA INVENTORY:</b>	\$	<b>OUTDOOR GROW EQUIPMENT &amp; TOOLS:</b>	\$
<b>___ % OF MARIJUANA INVENTORY REQUIRING REFRIGERATION</b>		<b>OUTDOOR SIGNS:</b>	\$

**SECTION 9c - PROPERTY EXTENSION ENDORSEMENT OPTIONS**

1.  Yes  No Property Extension Endorsement Options: \_\_\_\_\_ [Property Extension Form Descriptions](#)  
 If yes, please complete the following questions 1a-1j:
  - a.  Yes  No Will the applicant transport marijuana / cannabis living plants to other businesses?
  - b.  Yes  No Will the applicant transport harvested, processed, or finished marijuana / cannabis to other business?
  - c.  Yes  No Will the applicant deliver any marijuana / cannabis products directly to the consumer?
  - d.  Yes  No Will the vehicles that transport the applicants' property and / or money and securities from the scheduled premises have an active alarm system?
    - i.  Yes  No If yes, does it include LoJack or some other tracking service?
  - e.  Yes  No Are drivers allowed to make personal stops when transporting goods?
  - f.  Yes  No Does the applicant screen / collect DMV records from all drivers?
  - g.  Yes  No Does the applicant allow any firearms or weapons in the vehicles?
  - h.  Yes  No Does the applicant have a lock box that is bolted to all vehicles?
  - i.  Yes  No Are drivers allowed to take any cannabis inventory and / or money home?
  - j.  Yes  No Does the applicant provide lifts, ride share or other livery type operations?

**SECTION 9d - EQUIPMENT BREAKDOWN (FOR ABOVE LISTED LOCATION / BUILDING)**

1.  Yes  No Equipment Breakdown Coverage? **\*\* Subject to approval \*\***
3.  Yes  No Does the applicant have any pressure vessels

**SECTION 10a - OPERATIONS: PROCESSING (FOR ABOVE LISTED LOCATION / BUILDING)**

CHECK BOX IF NOT APPLICABLE

**Processing Operations:** (Select all that apply)  Drying / Curing  Quarantine  Trimming  Storage of finished stock  Bagging / Tagging  Rolling  None

**SECTION 10b - OPERATIONS: CULTIVATION / CROP (FOR ABOVE LISTED LOCATION / BUILDING)**

CHECK BOX IF NOT APPLICABLE

**Location Zoning:** (Select all that apply)  Commercial  Residential  Industrial  Agricultural  Mixed Use

1.  Yes  No If cultivating, is there a back-up system for the electrical supply?
2.  Yes  No Does the applicant test 100% of the cannabis products grown?
3.  Yes  No Does the applicant use or plan to implement sulfur burning in the cultivation process?
4. Please select type of lighting used in building: \_\_\_\_\_ If other: \_\_\_\_\_

**The following questions (a-b) are only necessary if not 100% LED**

- a. Type of ballast(s) used in your operation: \_\_\_\_\_
- b.  Yes  No Does Applicant ever use Metal Halide and High Pressure Sodium Bulbs interchangeably in ballasts.
5.  Yes  No Applicant has used, or will use, a licensed, insured contractor for all electrical work at this grow facility.
6. Estimated number of harvests per year \_\_\_\_\_
7. Average yield of harvested cannabis per plant (per oz) \_\_\_\_\_
8. Average wholesale value per pound of finished cannabis stock (per pound) \_\_\_\_\_
9. Maximum per plant value based on questions 7 and 8 \_\_\_\_\_

STAGE	NUMBER OF PLANTS	PER PLANT VALUE	TOTAL PLANT VALUES (WHOLESALE)
SEEDS			
IMMATURE SEEDLINGS			
VEGETATIVE PLANTS			
FLOWERING PLANTS			
HARVESTED PLANTS			
FINISHED STOCK (LBS)			
<b>TOTAL CROP VALUE</b>			

**SECTION 10c - OPERATIONS: OUTDOOR CULTIVATION / GREENHOUSE (FOR ABOVE LISTED LOCATION / BUILDING)**

CHECK BOX IF NOT APPLICABLE

**Construction Materials** (Select all that apply):  Polycarbonate  Polyurethane  Polyethylene  Glass  Canvas  Other: \_\_\_\_\_

**Or check box if Outdoor Grow** \*\* Please provide photos of greenhouse(s) at time of submission\*\*

1.  Yes  No Does the property listed above have fencing surrounding the cultivation / greenhouse area?
  - a.  Yes  No If yes, is the fenced area locked at all times?
2.  Yes  No Is there any barbed wire, razor wire, or electrified fencing used for security on property?
3.  Yes  No Are there warning signs at the property?
4.  Yes  No Are there gates at all entrances of the property?
5.  Yes  No Are there any traps used for security on the property? If so, please provide details: \_\_\_\_\_
6.  Yes  No Is electricity running to this structure?
7. What is the total property size in acres? \_\_\_\_\_
8. What is the size of the total cultivation area where cannabis and or hemp operations take place in acres? \_\_\_\_\_

**SECTION 10d - OPERATIONS: MANUFACTURING / EXTRACTION (FOR ABOVE LISTED LOCATION / BUILDING)**

CHECK BOX IF NOT APPLICABLE

1.  Yes  No Is this an extraction facility? If no, please describe operations: \_\_\_\_\_
  - a. If yes to extraction, what method is being used: \_\_\_\_\_ If other: \_\_\_\_\_
  - b. If CO2 extraction, how many CO2 detectors are in the building? \_\_\_\_\_
  - c. If solvents or gases are used, what type of loop system is used: \_\_\_\_\_
2.  Yes  No Will the applicant's equipment be used and or rented to others who are not the named applicant?
  - a.  Yes  No If yes, will the applicant require them to carry their own insurance and name you on their policy?
3.  Yes  No Is the address listed above the only location where operations are performed?
4.  Yes  No Is the applicant doing any traditional cooking at this location? If yes, please complete question 4a.
  - a.  Yes  No Will there be open flame cooking and or fryer operations at the property listed above? If yes, please complete questions 4b-4h.
  - b. Description of products that require open flame / frying: \_\_\_\_\_
  - c.  Yes  No Are the open flame cooking / frying operations conducted under a non-combustible power ventilation hood?
  - d.  Yes  No Does the applicant's establishment have an UL-300 compliant automatic fire suppression system with nozzles extended over all cooking surfaces? If yes, what type of fire suppression system is it? \_\_\_\_\_
  - e.  Yes  No Is there an automatic gas / propane supply cutoff?
  - f.  Yes  No If you have a deep fat fryer, does it have a high limit temperature switch?
  - g.  Yes  No Are hoods and flues inspected / cleaned by an outside service and tagged for verification at least every 6 months?
  - h.  Yes  No Has the applicant had any past health or liquor violations which have resulted in the closing of their business or suspension of their license?

**SECTION 11 - ENFORCEMENT OF THE CONTROLLED SUBSTANCE ACT (CANNABIS RISKS ONLY)**

- 1.  Yes  No Does the applicant prevent the distribution of marijuana / cannabis to minors?
- 2.  Yes  No Does the applicant prevent the revenue from sale of marijuana / cannabis from going to criminal enterprises?
- 3.  Yes  No Does the applicant prevent possible diversion of marijuana / cannabis from states where medicinal and / or recreational use of cannabis products is legal under state law to states where medicinal and / or recreational use of cannabis products is not legal under state law?
- 4.  Yes  No Does the applicant prevent the use of state-authorized marijuana / cannabis activity as a cover or pretext for the trafficking of other illegal drugs or other illegal activity?
- 5.  Yes  No Does the applicant have a program or safeguards in place to prevent violence and the use of firearms in the cultivation and distribution of marijuana / cannabis?
- 6.  Yes  No Does the applicant prevent drugged driving or other possibly adverse public health consequences associated with marijuana / cannabis use?
- 7.  Yes  No Does the applicant either grow or purchase marijuana / cannabis grown on public lands?
- 8.  Yes  No Does the applicant prevent the possession or use of their product on federal property?

**SECTION 12 - ADDITIONAL INTERESTS**

CHECK BOX IF THERE ARE NO ADDITIONAL INTERESTS

General Liability  Property  Product Liability

Additional Insured (Check One):  Landlord  Governmental Agency  Single Vendor (Products)  Mortgagee  Lessor of Leased Equipment

Blanket Vendor (Products)  Loss Payee  Blanket AI (GL)  Other: \_\_\_\_\_

*If Loss Payee please answer the two below questions*

Loss Payee Type: \_\_\_\_\_ Loss Payee Description of Property: \_\_\_\_\_

Name: \_\_\_\_\_

Yes  No Waiver of Subrogation (must be required by contract)

Yes  No Primary / Non Contributory Wording (must be required by contract)

**LOC# / BLDG#** \_\_\_/\_\_\_ **Address:** \_\_\_\_\_ **City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

General Liability  Property  Product Liability

Additional Insured (Check One):  Landlord  Governmental Agency  Single Vendor (Products)  Mortgagee  Lessor of Leased Equipment

Blanket Vendor (Products)  Loss Payee  Blanket AI (GL)  Other: \_\_\_\_\_

*If Loss Payee please answer the two below questions*

Loss Payee Type: \_\_\_\_\_ Loss Payee Description of Property: \_\_\_\_\_

Name: \_\_\_\_\_

Yes  No Waiver of Subrogation (must be required by contract)

Yes  No Primary / Non Contributory Wording (must be required by contract)

**LOC# / BLDG#** \_\_\_/\_\_\_ **Address:** \_\_\_\_\_ **City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

General Liability  Property  Product Liability

Additional Insured (Check One):  Landlord  Governmental Agency  Single Vendor (Products)  Mortgagee  Lessor of Leased Equipment

Blanket Vendor (Products)  Loss Payee  Blanket AI (GL)  Other: \_\_\_\_\_

*If Loss Payee please answer the two below questions*

Loss Payee Type: \_\_\_\_\_ Loss Payee Description of Property: \_\_\_\_\_

Name: \_\_\_\_\_

Yes  No Waiver of Subrogation (must be required by contract)

Yes  No Primary / Non Contributory Wording (must be required by contract)

**LOC# / BLDG#** \_\_\_/\_\_\_ **Address:** \_\_\_\_\_ **City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

General Liability  Property  Product Liability

Additional Insured (Check One):  Landlord  Governmental Agency  Single Vendor (Products)  Mortgagee  Lessor of Leased Equipment

Blanket Vendor (Products)  Loss Payee  Blanket AI (GL)  Other: \_\_\_\_\_

*If Loss Payee please answer the two below questions*

Loss Payee Type: \_\_\_\_\_ Loss Payee Description of Property: \_\_\_\_\_

Name: \_\_\_\_\_

Yes  No Waiver of Subrogation (must be required by contract)

Yes  No Primary / Non Contributory Wording (must be required by contract)

**LOC# / BLDG#** \_\_\_/\_\_\_ **Address:** \_\_\_\_\_ **City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**THANK YOU FOR YOUR SUBMISSION!** We have many other products available to meet the needs of your customer. Please check any of the following lines of coverage we can also provide you:

- Workers Compensation**  **Management Liability (D&O/EPL/E&O)**  **Commercial Auto**

### **Important Property and Crop Warranties, Safeguards, and Definitions**

#### **LOCKED SAFE WARRANTY - "MARIJUANA INVENTORY"**

All "Marijuana Inventory" items are to be kept locked in a safe or a vault room at all times during business and non-business hours except for "Marijuana Inventory" on display during business hours.

It is further warranted that any safe used to house "Marijuana Inventory" will meet the following requirements:

1. All safes must have a 1-hour fire rating
2. The safe complies with all state, county and, or municipal level requirements
3. For safes 400 pounds and under:
  - a. If the "Marijuana Inventory" limit is greater than \$100,000 the safe must be bolted to the floor
4. For safes greater than 500 pounds:
  - a. If the "Marijuana Inventory" limit is greater than \$250,000 the safe must be bolted to the floor.

#### **VAULT WARRANTY - "MARIJUANA INVENTORY"**

It is warranted that if a vault room or steel container is located within the building it will meet the requirements as indicated in MMD 00 00 01 19 Definition of a Vault.

#### **CENTRAL STATION FIRE ALARM – SAFEGUARD REQUIREMENT**

Protecting the entire building and that is connected to a central station reporting to a public or private fire alarm station.

#### **CENTRAL STATION BURGLAR ALARM – SAFEGUARD REQUIREMENT**

1. To cover all openings in the insured's premises
2. Motion detectors in all areas with the exception of living plant areas
3. Alarm must be in the "on" position during all non-working hours and / or whenever the insured's premises are unoccupied.

#### **SECURITY CAMERA'S – SAFEGUARD REQUIREMENT**

1. All security cameras must be recording and all records must be backed up and retained for a minimum of 14 days
2. Interior Cameras monitoring the following:
  - a. All doors and windows providing a means of egress into the building
  - b. Display counters
  - c. Exterior and interior of safe rooms, if on the premises
  - d. Exterior and interior of all vault rooms, if on the premises
  - e. Harvesting and trimming rooms, if on the premises
3. Exterior Cameras monitoring all means of egress to the building and the parking lot unless City Ordinances or laws prohibit monitoring of this area

#### **CROP, MARIJUANA INVENTORY, AND STOCK DEFINITIONS**

1. "Crop" means living plants grown for food, drugs, fibers, rubber, wood, or other purpose at any stage of life cycle and includes the following:
  - a. Live cannabaceae plant materials at any stage of life cycle, including but not limited to seeds, immature seedlings, plants in the vegetative growth state, unharvested buds and mature flowing plants rooted in growing medium; and
  - b. Cannabaceae plants, including any part or component of the plant, no longer in the growing medium which are in the process of being dried; or
  - c. Mature cannabaceae plant material, including any part or component of the plant, no longer in the growing medium which has been completed the drying process and is ready for sale.

“Crop” does not include Cannabaceae plants that have completed the drying process but are retained by you for further processing, extracting, refining, or manufacturing operations.

“Crop” also does not include plant material, including any part or component of the plant, no longer in the growing medium which is purchased by you for the purpose of manufacturing.

2. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping. "Stock" does not include "crop" or "marijuana inventory".
3. "Marijuana Inventory" means finished marijuana stock and products containing marijuana and / or its derivatives defined as any component of the cannabaceae family containing a tetrahydrocannabinol (THC) level of more than 0.3 percent on a dry weight basis. "Marijuana inventory" does not include "crop".

## **Disclosures / Warranties / Acknowledgments**

### **Fire and Theft losses of property may be excluded if:**

- a. The Central Station Alarm System is not active during non-business hours. (All doors and windows must be connected to the central station alarm system).
- b. The Video Surveillance System is not recording and backing up for 14 days prior to the loss.
- c. The seeds, finished marijuana stock / inventory, money and securities are outside the safe during non-business hours.
- d. The minimum safe and or vault requirements have not been met at the time of the loss.
- e. The building is over 20 years old and no updates have been done in the last 20 years.
- f. The safe or vault does not have a 1-hour fire rating, fire will be excluded unless 100% covered by fire sprinklers.
- g. All Vaults must be approved in writing by the underwriter.

FRAUD WARNING: Applicable in CO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies. Applicable in AL, AR, DC, LA, MD, NM, RI and WV: Any person who knowingly (or willfully)\* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)\* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. \*Applies in MD Only. Applicable in FL and OK: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree) \*. \*Applies in FL Only. Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act Applicable in KY, NY, OH and PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)\*. \*Applies in NY Only. Applicable in ME, TN, VA and WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)\* include imprisonment, fines and denial of insurance benefits. \*Applies in ME Only. Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil Penalties Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law. Applicable in PR: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**Other Conditions:** Questions and information provided in this application will become part of the policy of insurance if issued. Other Terms, Conditions and Coverages will be included as part of any insurance policy issued by the insurance company. Those Terms, Conditions and Coverages may differ from what is requested in this application.

I \_\_\_\_\_ am an authorized representative of \_\_\_\_\_ understand and agree this application and any supplements attached hereto will be relied upon for issuance of any policy. I further understand and agree that failure to provide a true and accurate response to the foregoing questions may, at the option of the company, result in the voiding of the insurance issued in reliance on this application and / or denial of claims under any policy issued.

I authorize and consent to investigations of information bearing upon moral character, professional reputation and fitness to engage in the activities of my business and I agree to release to the Carrier any documents, records or other information bearing upon the foregoing. I understand and agree these investigations shall not be confined to information submitted in this application, but shall include any other sources of information deemed relevant by the Company as may be authorized by law.

I understand this insurance is being provided through a surplus lines company and the insurer may not be subject to all the insurance laws and rules in my state and the risk is not protected by the State Insurance Insolvency Fund.

THIS APPLICATION MUST BE SIGNED BY APPLICANT AT BINDING AND DATED WITHIN 10 DAYS OF INCEPTION DATE. SIGNING THIS FORM DOES NOT BIND THE COMPANY TO COMPLETE THE INSURANCE AS COVERAGE BECOMES EFFECTIVE ONLY WHEN ACCEPTED BY THE INSURANCE COMPANY

**Applicant Section:**

\_\_\_\_\_  
Authorized Applicant Signature

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Requested Effective Date

**Broker Section:**

\_\_\_\_\_  
Signature of Broker

\_\_\_\_\_  
Name of Broker

\_\_\_\_\_  
Name of Agency

**APEX INSURANCE SOLUTIONS**

*Insurance at the Peak of Trust*