

ENFORCEMENT OF THE CONTROLLED SUBSTANCE ACT

Section 1 B.

Please note: All questions should be answered.
N/A is not an acceptable answer for the carrier to approve.

Information provided on this form will become part of the policy of insurance if issued.

Applicant Name: _____

Applicant Address: _____

1. How does the applicant prevent the distribution of marijuana to minors? Please describe:

2. How does the applicant prevent revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels? Please describe:

3. How does the applicant prevent possible diversion of marijuana 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? Please describe:

4. How does the applicant prevent the use of state-authorized marijuana activity as a cover or pretext for the trafficking of other illegal drugs or other illegal activity?

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5. 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? Yes No

Please describe:

6. How does the applicant prevent drugged driving or other possibly adverse public health consequences associated with marijuana use? Please describe:

7. Does the applicant either grow or purchase marijuana grown on public lands?

Yes No

8. How does the applicant prevent the possession or use of their product on federal property?

Applicant's Signature

Date

Section 2 - History:

All questions must be answered. Failure to disclose proper history could invalidate any and all coverage.

1. 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 ever been declined, cancelled or non-renewed? Yes No
2. Do you currently have commercial insurance coverage? Yes No

General Liability: Check box if No prior

Insurer/carrier _____ Expiration Date _____

Policy Number _____ Premium \$ _____

Coverage Limits: Aggregate \$ _____ Occurrence \$ _____

Property: Check box if No prior

Insurer/carrier _____ Expiration Date _____

Policy Number _____ Premium \$ _____

Coverage Limits: \$ _____

Crop: Check box if No prior

Insurer/carrier _____ Expiration Date _____

Policy Number _____ Premium \$ _____

Coverage Limits: \$ _____

Excess: Check box if No prior

Insurer/carrier _____ Expiration Date _____

Policy Number _____ Premium \$ _____

Coverage Limits: Aggregate \$ _____ Occurrence \$ _____

Product Liability: Check box if No prior

Insurer/carrier _____ Expiration Date _____

Policy Number _____ Premium \$ _____

Coverage Limits: Aggregate \$ _____ Occurrence \$ _____

3. Has the applicant had any prior liability and or property claims **or losses** in the past 5 years: (If yes, attach currently-valued (within past 90 days) loss runs including details) Yes No
4. Complete the following for any applicant or any 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:
 - A. Have any of the above been convicted of a felony or DUI in the last 10 years? Yes No
If yes, give details (date/jail time served/felony/misdemeanor):
 - B. Is the applicant in compliance with all local & state laws regarding the manufacture, control, dispensing of cannabis? Yes No
 - C. Does the insured currently hold a cannabis license/permit? Yes No
If no, when do they expect to be licensed/permitted:

Section 3 – General Liability and Excess

Complete Sections 3 thru 7 for each building and or outdoor grow

DBA: _____

Location/BLDG # ____/____ Physical address: _____

What are the operations in this building only! Cultivation Processor Manufacturer Cannabis Retail
 Hydroponics Retail/Wholesale Smoke Shop Delivery Operations Doctor Laboratory Testing
 Cannabis Wholesale/Broker Office only - no cannabis sales Retail – No cannabis sales
 Transportation Other: _____

General Building Questions - ___ if outdoor operations, check the box and skip general building questions.

Year building built: _____ **if the building is older than 20 years the applicant will need to provide the year the**

following were last worked on or inspected: Roof _____ Plumbing _____ Electrical _____ HVAC _____

Construction type _____ Number of stories: _____ Square footage _____

Roof Construction _____ Roof Covering _____

Are there Fire Sprinklers? Yes No What percentage of the insured's building is sprinklered _____%

Is there a central station fire/burglar alarm that is connected to all doors/windows: Yes No

General Liability Questions:

- | | | |
|---|-----|----|
| 1. Does the premise have a pool, pond or other water exposure? | Yes | No |
| 2. Does <u>anyone</u> live in the above scheduled building or on premises?* | Yes | No |
| 3. Are there <u>any</u> dogs on the premises?* | Yes | No |
| 4. Are there <u>any</u> firearms located in the scheduled building listed above?* | Yes | No |
| 5. Does the insured sub-contract their security guard services?* | Yes | No |

If yes: the sub-contracted security company must list you as an additional insured

***If any answer above is yes, please provide details on a separate Word doc.**

- | | | |
|--|-----|----|
| 6. Does the applicant maintain daily written records of all Cannabis, Hemp and CBD containing products, including the purchase date, type of product and purchase price? | Yes | No |
|--|-----|----|

General Liability Coverage:

\$1,000,000 each occurrence/\$1,000,000 aggregate
 \$1,000,000 each occurrence/\$2,000,000 aggregate

\$2,000,000 each occurrence/\$2,000,000 aggregate

Pesticide and Herbicide Applicators Endorsement (WA & MA Only)

↘ \$50,000 occurrence/aggregate limit
 \$250,000 occurrence/aggregate limit

Hired and Non-Owned Auto Endorsement:

Include Hired and Non-Owned Auto: Yes No

NOTE: Delivery operations are not eligible for HNOA endorsement. Transport for the purposes of business to business is approved. Any delivery to the consumer will be excluded.

1. Do all drivers maintain a personal auto policy and keep it in force at all times?
2. Is any driver allowed to drive with any DUI, DWI, or reckless driving violations?
3. Are MVRs collected by all drivers employed by the applicant?
4. Does applicant or employees of applicant make any deliveries directly to patients or customers from the retail location?

Excess Liability Coverage:

Excess Liability Coverage: ___ Check box if you want to decline excess coverage at this time

\$1,000,000 \$2,000,000 \$3,000,000 \$4,000,000

(each excess layer added will apply to both the occurrence and aggregate limits)

NOTE: Excess can not be applied if \$2,000,000 occurrence was requested under the General Liability.

Section 4 A. – Property

Complete Section 4 for each building

Check box if you want to decline property coverage at this time

Location/BLDG #_____/_____/_____ Physical address: _____

1. Does the insured have an active central station burglar and fire alarm system? Yes No


Monitoring Company _____

2. Are all windows and doors connected to an Active Central Station Alarm? Yes No

3. Does the applicant have an approved safe: Yes No _____ Weight _____ Fire Rating _____

Minimum safe and vault requirements: 800lb with a 1 hour fire rating; under 2000lb must be bolted to the ground

4. Does the applicant have an approved vault room? Yes No

What is an approved Vault? Double click here 

5. Do you have a buzz in system or security personnel at the door? Yes No

6. Does the applicant have interior and exterior cameras? Yes No

Property Coverage and Endorsements for the location listed above:


Optional Property Deductibles \$10,000 or \$50,000
(the deductible will default to \$2,500 if none are chosen)

Building Coverage: \$_____ Triple net lease Named insured owns the building

Loss of Income \$_____ Sole tenant & no other buildings attached
 Outdoor Signs \$_____ **Equipment Breakdown requested?** Yes No
 (excludes plants/cannabis inventory or finished stock)

Cannabis Inventory \$_____ % of the cannabis inventory requires refrigeration

Indoor Grow Equipment & Tools \$_____

Outdoor Grow Equipment & Tools \$_____ \$_____ 3rd Party Care/Custody/Control
 (\$1mm max limit) 

Business Personal Property \$_____ Deductible for CCC:

Tenants Improvements \$_____ \$_____ Manufacturing Equipment

Property Endorsement Yes No

Form A - \$10,000

Form B - \$25,000

Form C - \$50,000

If "Yes", please complete next section 4B.

** See next page for detailed form information*

Section 4 B. - Property Endorsement FORM A, B, OR C

Complete this section (4 B.) for each building where off premises coverage is wanted

Check box if there is **NO** coverage for off premises at this location and skip Section 4.B.

Location/BLDG # ___/___ Physical Address: _____

Coverages:

1. Will the insured transport cannabis living plants to other business? Yes No
2. Will the insured transport harvested, processed or finished cannabis to other business? Yes No
3. Will the insured deliver any cannabis products directly to the consumer? Yes No
4. Will the vehicles that transport the insured's property and or money and securities from the scheduled premises have an active alarm system? Yes No
5. If yes to question 4: does it include Low Jack or some other tracking service? Yes No
6. Are drivers allowed to make personal stops when transporting goods? Yes No
7. Are drivers allowed to take any cannabis inventory and/or money home? Yes No
8. Does the insured collect DMV records from all drivers prior to employment? Yes No
9. Does the insured allow any firearms or weapons in the vehicles? Yes No
10. Does the insured have a lock box that is bolted to the vehicles? Yes No
11. Does the insured provide lifts, ride share or other livery type operations? Yes No

- **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 cannabis 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.

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 _____ 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, DATE MUST BE WITHIN 10 DAYS OF INCEPTION DATE. SIGNING THIS FORM DOES NOT BIND THE COMPANY TO COMPLETE THE INSURANCE. COVERAGE BECOMES EFFECTIVE WHEN ACCEPTED BY THE INSURANCE COMPANY

Authorized applicant signature

Date signed

Title

Main contact: _____ Phone number: _____

Requested effective date

Name of licensed insurance broker

Name of appointed insurance brokerage

Signature of licensed Insurance broker