

Insurance Basics for the Brewery

by Matt Hughes, Moody Insurance

When you are planning your brewery, most of the excitement comes from planning out plant operations, designing logos and recipes, and looking for that perfect space.

It is only when you start diving into the deep cuts of your business plan that most people realize that they don't know anything about commercial insurance. Or they make the mistake of reaching out to their personal lines agent.

The commercial property and casualty insurance market is a huge place. Quotes can vary drastically from one market to the next, and the cost of the premium isn't necessarily a good indication as to the quality of the coverage.

Some important things to consider as you are in the first phase of planning your brewery:

Speak with a Broker

Preferably, the broker has experience in the brewing world. Experience with restaurants will work if you can't find someone who understands what a zwickel is.

Speak with brewery owners in your area. As soon as you find a broker that works with more than one, call that person. They should be able to give you a very rough estimation as to what your costs will be and answer any other questions you have.

Understand What Lines of Coverage you Need

- General Liability – pays for injuries or property damage caused by you or your employees
- Property – protects your equipment, your stock, your building, and the brewery's income if a loss shuts down your operations. Probably the most important coverage that needs to be specifically tailored to a brewery.
- Liquor Liability – provides protections if someone is overserved (or simply alleged to have been overserved) at your brewery and a loss occurs.
- Auto – pretty much what you think it is. If you are moving large quantities on your own vehicles, a cargo policy may be in order.

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- Workers Compensation – pays for medical expenses from workplace injuries and a portion of pay if the worker is out of work for an extended period. Laws for work comp vary from state to state, and deductibles are very important in keeping this cost down in the long-run.
- Builders Risk – a coverage that you will only need during the buildout phase, but one to be aware of. Your contractor or landlord may place this coverage as well.

Depending on how big your start-up operation is, your needs could be broader than this. But these coverages are universal across all breweries, no matter the size.

The most important thing to keep in mind is to contact a broker well before you need the insurance. The longer that underwriters have to consider your account, the better position you will be in to make a good business decision.



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