

Insuring Craft Breweries



In the past 30 years, the number of brewers in the United States has grown from under 100 to more than 2,400. Of these breweries currently in operation, almost 98 percent are considered regional craft brewers, microbreweries or brewpubs. With this continued trend, insurers have begun to offer more effective policies to address the unique exposures faced by this ever expanding section of the industry.

Given their size and average output, the needs of craft brewers vary greatly from the larger, more traditional breweries. While larger breweries can primarily be described as manufacturing outfits, it is not uncommon for craft breweries to be run in conjunction with restaurants or pubs, often operating in the same location.

Selecting the Right Coverage

In addition to the general and property liability coverages that every business should carry, the following policies help protect against common exposures faced by craft brewers:

- **Boiler and machinery coverage:** Many smaller breweries are not able to handle the production interruption caused by the loss of a key piece of equipment. This coverage can help with repair or replacement costs for damaged equipment as well as cover losses resulting from production interruption and downtime.

- **Supply chain insurance:** Many craft breweries do not keep large stocks of ingredients on hand, making regular shipments from suppliers essential. Supply chain insurance will cover losses resulting from decreased production or increased production costs in the event that one or more of your suppliers is unable to provide the materials you need.
- **Spoilage and product recall:** If a batch of beer is contaminated during the brewing or packaging process or spoils before distribution, a provision for spoilage can cover the initial production cost as well as lost revenue. If a contaminated batch isn't caught before shipping and the beer makes it to store shelves, coverage for product recall can help offset the costs of removing the tainted product and replacing it.
- **Liquor liability:** Regardless of whether you have a full service bar or offer beer tastings after tours, liquor liability is essential to cover damages to persons and property caused by patrons who were over-served at your establishment.

By mixing and matching these policies based on the unique needs of your operation, you can obtain maximum coverage at an affordable price. Some insurers offer these coverages in packages specifically for craft brewers that can be further tailored to address the needs of your individual operation. If your operation involves a



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restaurant or other type of food service you will need to consider additional coverage for related exposures.

Work With an Expert

The world of craft brewing is rapidly expanding, and as it does insurers are becoming increasingly effective at identifying and addressing its diverse risks. New combinations and specially structured coverages are constantly being made available to brewers. By working with the experts at Bankers Insurance, LLC, you can be sure that you are being provided with the latest options in brewing coverage. Let us help you build a comprehensive package that will cover all of your exposures, no matter how unique.