



EIA ENDERS
INSURANCE
ASSOCIATES

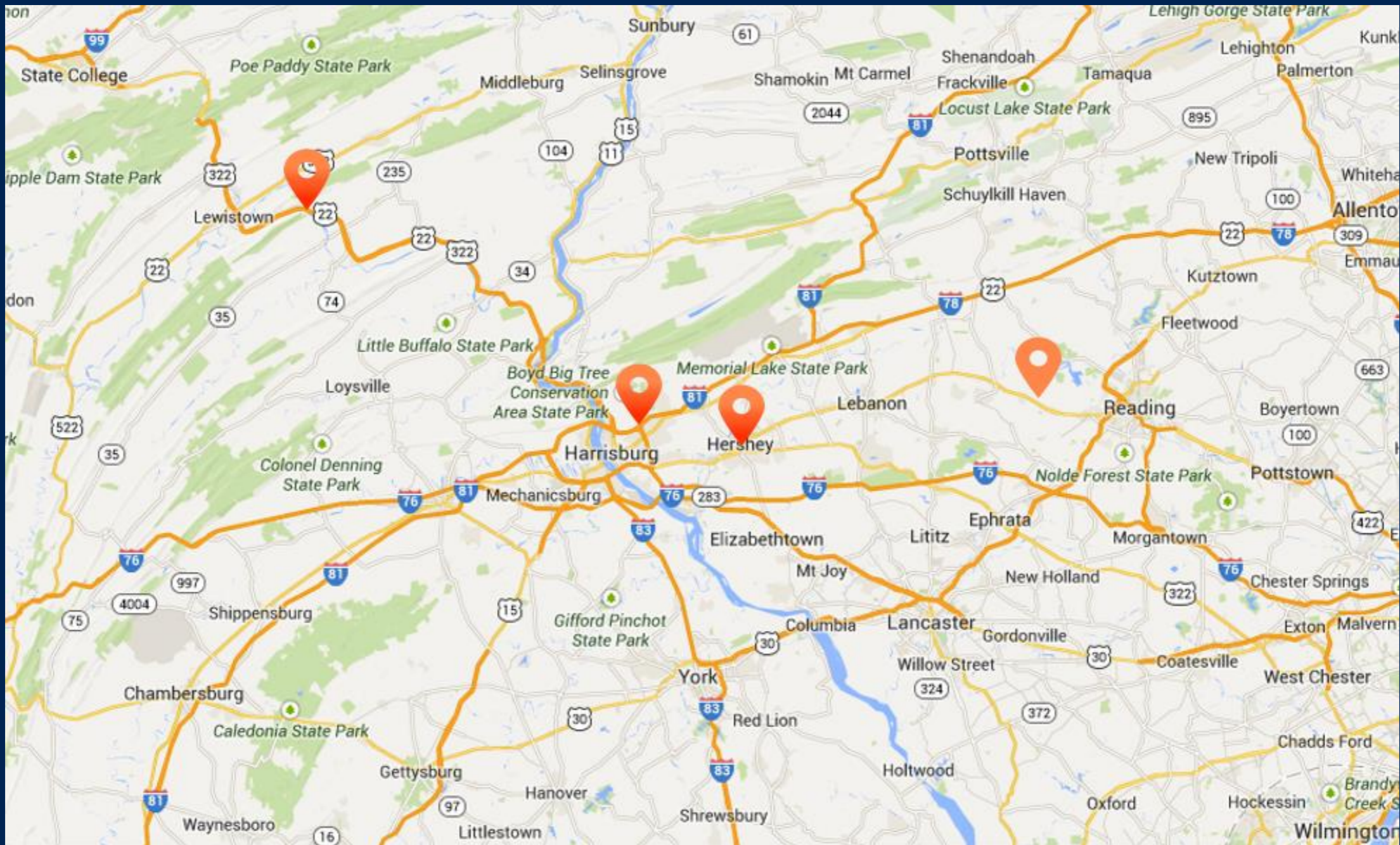
Brewing the Right Coverage

Andrew M. Enders, Esq.

Who is Andrew Enders?

- Pennsylvania Native
- Education:
 - Penn State University & Widener University School of Law
- Dauphin County District Attorney's Office
 - *Deputy District Attorney*
- Enders Insurance Associates
 - *Licensed at age 18*





Where is Enders Insurance Associates?

Harrisburg

Hershey

Mifflintown

Robesonia

Old Insurance for the Modern Brewery?

- Insurance Industry lagging behind the craft beverage industry (Breweries, Wineries, & Distilleries)
- Adapting old policy forms to current industry needs creates issues
- Carriers finally developing market-specific coverage forms

Two Issues

- Liquor Liability
- Business Personal Property valuation

Liquor Liability

- Does your brewery:
 - Conduct tastings?
 - Operate a Tasting Room?
 - Operate a Brewpub/Restaurant?
- What are your current Liquor Liability limits?
 - Does Liquor Liability match General Liability?
 - Does your Commercial Umbrella/Excess Liability extend over Liquor Liability?

Liquor Liability beyond the Brewery

- Do you attend Festivals and Tasting events?
- Host will require *proof of insurance* coverage (Certificate of Insurance)
- Confirm that the Host has insurance, including Liquor Liability
- Do not rely on the Host's coverage - you are sharing their limits with everyone else

Business Personal Property

- Contents valuation on your Commercial Property forms
- Replacement Cost vs. Actual Cash Value (ACV)
- Even Replacement Cost has limitations:
 - *“The cost to replace the damaged property with materials of like kind and quality without any deduction for depreciation.”*
 - Covered Loss = Carrier pays you the cost it takes to replace the property
- What if you have a big difference between production costs and sales price?

Selling (Sale) Price Endorsement

Added to the VALUATION
Loss Condition

- A. The selling price, as if no loss or damage occurred;
- B. Less discounts and expense you otherwise would have had

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUFACTURER'S SELLING PRICE (FINISHED "STOCK" ONLY)

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY**

The following is added to the VALUATION Loss Condition:

We will determine the value of finished "stock" you manufacture, in the event of loss or damage, at:

- A.** The selling price, as if no loss or damage occurred;
- B.** Less discounts and expenses you otherwise would have had.



The Selling Price Details

- With this endorsement, your policy is enhanced:
 - After a covered loss, the carrier will pay the full amount of what the finished product would have sold for (minus the time and cost of material for bottling/canning/kegging)
 - Carrier will pay the sale price used for distributors, the sale price in the tasting room (direct sales), or a blended average

Operating strictly on old manufacturing-based insurance forms only is like trying to brew beer on a system built for wine production.

Audit your Insurance Portfolio

- On site visit to your brewery
- Expert team of experienced agency personnel and Carrier Loss Control
- Full review of current coverage
- For your consideration:
 - Business Interruption & Extra Expense
 - Workers Compensation/Dividend Plans
 - State Certified Safety Committees
 - Bonds

Let's have a beer:

aenders@endersinsurance

office 717.652.4902

www.EndersInsurance.com

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[@AndyEnders](#)