Winery & Vineyard Insurance

100 Frequently Asked Questions — Straight Answers for Owners and Managers

After more than 46 years helping Kansas City–area business owners with their insurance, I hear the same questions from winery and vineyard owners again and again. Here are straight answers to the 100 I hear most, grouped by topic. Every policy is worded differently, so treat this as a starting point for a good conversation about your own coverage — not a substitute for reading your policy. **— Jay**

Stoetzer

GETTING STARTED & COVERAGE BASICS

1. What insurance does a winery need?

A typical winery program includes commercial property (buildings, equipment and wine inventory), general and products liability, liquor liability for the tasting room, business income, workers' compensation, commercial auto and an umbrella. Many also need crop coverage for the vineyard, transit coverage and product recall.

2. Is a winery a farm or a commercial business for insurance purposes?

Usually both. The vineyard often fits a farm policy, while production, the tasting room, retail and events need commercial coverage. Specialty winery programs combine both in one package designed for the industry.

3. Why should I consider a winery-specific insurance program?

Standard policies weren't written for barrels, tanks and wine in process. Winery programs typically include coverages like wine spoilage, tank collapse, contamination and selling-price valuation that generic policies leave out.

4. How do carriers rate a winery?

Property on building construction, equipment and inventory values; liability on tasting room sales, total gross receipts and annual visitors; and liquor liability on alcohol sales for on-site consumption. Events and food service add their own rating factors.

5. What will an underwriter want to know?

Cases produced, inventory values by stage, building and equipment details, fire protection, tasting room hours and visitor counts, food and event operations, distribution methods, direct-to-consumer shipping, employee count and loss history.

6. What liability limits should a winery carry?

$1 million per occurrence with a $2 million aggregate is standard for general and liquor liability, plus an umbrella of $2–5 million or more. Distributors, event clients and landlords may require higher limits.

7. Does the umbrella cover liquor liability?

Only if the umbrella lists your liquor liability policy as underlying coverage. Some umbrellas exclude liquor entirely — for a winery, that's a serious gap to check.

8. How often should I review coverage?

Before harvest each year — when inventory values climb — and whenever you add production capacity, a new tasting room, events, food service or new distribution channels.

BUILDINGS, EQUIPMENT, TANKS & WINE INVENTORY

9. What does property insurance cover at a winery?

Buildings, crush pad and production equipment, tanks, barrels, bottling lines, tasting room furnishings, and wine inventory against covered causes like fire, wind, hail, theft and vandalism.

10. How should wine inventory be valued?

Standard policies value stock at cost, which may badly understate finished wine. Winery programs often offer selling-price or market-value valuation for finished and bottled wine. Choose valuation carefully — it drives your claim payment.

11. How is wine in barrels or tanks valued?

Wine in process is often valued at the cost of grapes, materials and labor to that stage, or by an agreed formula. Discuss how your carrier values bulk wine before a loss, not after.

12. How do I handle inventory that grows through the year?

Inventory peaks after harvest and drops as you sell. A reporting form or peak season endorsement keeps you fully covered without paying for peak values all year.

13. What is tank collapse coverage?

It covers the loss of a tank and the wine inside when a tank or its supports fail. Standard property policies may exclude collapse or the resulting product loss.

14. Is wine lost from a leaking tank or valve covered?

Many policies exclude leakage or loss of contents unless specifically endorsed. Winery forms often include wine leakage coverage — confirm limits.

15. Are barrels covered?

Yes, as business personal property, and the wine inside as stock. Barrel rack collapse is a common loss — seismic or bolted racks and proper stacking help.

16. Is bottling equipment covered?

Yes, as business personal property. Equipment breakdown covers mechanical and electrical failures that property policies exclude.

17. What about equipment breakdown for refrigeration and glycol systems?

Glycol chillers and refrigeration control fermentation temperatures. Equipment breakdown covers failures, and spoilage coverage protects wine that's damaged as a result.

18. Is fermentation spoilage covered?

Wine spoilage from temperature control failure, power outage or contamination is often excluded unless added. Specialty winery forms include it — confirm the causes covered.

19. Is wine stored at a warehouse or custom crush facility covered?

Property away from your premises may be limited. Schedule off-site storage locations or use a blanket limit that applies to them.

20. Is wine owned by clients covered?

If you make wine for others, their wine is property of others in your care. You need enough limit — and contracts that define responsibility.

21. Are glass and labels in storage covered?

Yes, as business personal property — include their value in your limits, especially before bottling season.

22. Is my tasting room covered?

Yes, if it's listed on your property policy — including fixtures, furniture, POS equipment and retail inventory. If you lease the space, include the tenant improvements you've paid for, since the landlord's policy usually won't cover them.

23. Is flood or sewer backup covered?

Flood is excluded; water backup requires an endorsement. Production areas with floor drains are especially exposed.

24. What fire protection matters to underwriters?

Sprinklers, alarms, hydrant access, and safe storage of combustible materials. Barrel rooms and stored packaging can fuel serious fires.

VINEYARDS & GRAPE CROPS

25. Are my grapevines covered under my property policy?

Generally not. Growing crops, vines and plants are excluded from most property policies or covered only for a few named perils at small limits. Plan on crop insurance for the crop and accept that vine replacement is largely self-insured.

26. What crop insurance is available for grapes?

USDA's Risk Management Agency offers grape crop insurance in many counties, and Whole-Farm Revenue Protection suits diversified wineries that also sell wine and agritourism. Availability, varieties and coverage levels vary by county.

27. Does crop insurance cover the vines themselves?

Usually not — grape policies insure the crop, not the plants. After a major freeze or storm, USDA disaster programs such as the Tree Assistance Program may help with replanting costs for eligible growers.

28. Is herbicide drift damage to my vines covered?

Grapes are extremely sensitive to herbicides like 2,4-D and dicamba. Drift from a neighbor's application is generally pursued against the applicator's liability insurance. Document damage immediately and report suspected drift to your state agriculture department.

29. Is hail damage to grapes covered?

Yes, under federal grape crop insurance as a natural cause of loss, or under a private crop-hail policy, which can be purchased during the season and paid on a percentage-of-damage basis.

30. What about winter freeze damage?

Freeze damage to the crop is typically a covered cause under grape crop insurance. Damage to trunks and vines generally isn't, so cold-hardy varieties and site selection remain your best protection.

31. Are trellises, posts and vineyard equipment covered?

Tractors, sprayers and harvesters are covered as farm or business personal property. Trellis systems are sometimes excluded or limited as "outdoor property" — ask how yours is treated and schedule it if needed.

32. What if I buy grapes or juice from other growers?

Purchase contracts should address quality standards, delivery, and who bears risk of loss until delivery. Contingent business income can help if a key grower suffers covered damage, though crop failures from weather generally aren't covered.

BUSINESS INCOME & SPOILAGE

33. What does business income cover for a winery?

Lost net income and continuing expenses — payroll, loan payments, utilities — while you're shut down or slowed by a covered property loss. For a winery, that includes sales lost because inventory was destroyed.

34. How long should my business income period be?

Wine can't be replaced quickly — a destroyed vintage may affect sales for two or three years. Consider an extended period of restoration and extended period of indemnity, and talk with your agent about how lost aging inventory is measured.

35. How is the loss of an aging vintage handled?

That depends on your property valuation and business income terms. Selling-price valuation on finished wine and well-designed business income limits are what protect the value of wine that took years to make. Settle the method before a loss.

36. What is extra expense coverage?

It pays the added costs of keeping operations going after a loss — renting tanks, custom crush at another facility, temporary tasting space and expedited equipment. For harvest-time losses, it can save the vintage.

37. Does business income cover a power outage during fermentation?

Only with utility service interruption coverage. Pair it with spoilage coverage, and consider a backup generator for critical temperature-control equipment during harvest and fermentation.

38. Is a shutdown for contamination covered?

Standard business income requires physical damage. A contamination event that forces a recall or closure generally requires product contamination or recall coverage that includes lost profits.

39. Does business income cover cancelled events?

Usually not unless a covered property loss caused the cancellation. Event cancellation insurance covers weather and other interruptions for large events and weddings.

40. What records support a business income claim?

Monthly sales by channel, production and inventory records, wine club and event revenue, prior tax returns and profit and loss statements. Keep backups off-site or in the cloud.

TASTING ROOM & LIQUOR LIABILITY

41. Do I need liquor liability for my tasting room?

Yes. General liability excludes liquor liability for businesses in the business of selling or serving alcohol. A winery serving tastings or glasses needs a liquor liability policy or endorsement.

42. What does liquor liability cover?

Claims that alcohol you served or sold contributed to injury or damage — most commonly an intoxicated guest who causes a car accident after leaving. It pays defense, settlements and judgments.

43. What's my legal exposure for overserving?

Missouri law allows claims against sellers who serve a visibly intoxicated person or a minor; Kansas has historically been more limited on seller liability. Either way, defense costs alone can be substantial, and license consequences are real.

44. How can I reduce liquor liability claims?

Use measured pours, limit tasting flights, offer food and water, check IDs, train staff to recognize intoxication and refuse service, offer ride-share information, and document refusals. Many carriers give credit for responsible-service training.

45. Does liquor liability cover fights or assaults?

Some liquor and general liability policies exclude or sublimit assault and battery. Wineries with crowds, live music and late events should make sure this coverage isn't excluded.

46. Are slips and falls in the tasting room covered?

Yes, under general liability. Spills on hard floors, steps on outdoor patios and uneven terrain are the usual trouble spots — inspect regularly and light walkways.

47. Are guests picnicking or walking the vineyard covered?

Yes, under premises liability, but rough terrain, ponds and equipment create hazards. Mark guest areas, post rules and keep guests out of active vineyard blocks and production areas.

48. How should I handle children and pets at the winery?

Children and pets increase injury and bite exposure. Post clear rules, keep production areas strictly off-limits, and confirm whether your policy has an animal exclusion if you allow dogs.

49. Are production tours covered?

Yes, but production areas hold real hazards — wet floors, hoses, forklifts, tanks and CO2. Use guided tours only, keep guests on marked paths, and require closed-toe shoes.

50. Do tasting room staff need certification?

Requirements vary by state and locality, but responsible-beverage-service training is a best practice everywhere and may earn premium credits. Keep training records for every server.

51. Are large groups, party buses and limos a concern?

Yes. Large groups arriving after visiting other wineries raise overserving risk. Require reservations for groups, set size limits and train staff to slow service when needed.

52. Do wine club pickup parties need liquor liability?

Yes — any event where you serve wine falls under liquor liability. Make sure your policy covers events and the expected attendance.

53. Does liquor liability cover off-site festivals and tastings?

Not always. Some policies cover only your listed premises. If you pour at festivals, retailers or private events, confirm off-premises coverage and provide certificates to organizers.

54. Are satellite tasting rooms covered?

Each additional location must be added to your property, general liability and liquor liability policies. Don't assume coverage follows you to a new storefront.

55. Does liquor liability cover employees who drink on the job?

Employee drinking during or after shifts creates both liquor and workers' comp complications. Set a written policy on employee consumption and enforce it.

56. What if a guest drives impaired after leaving?

That's the core liquor liability scenario. Report any incident promptly, preserve receipts and video, and let your carrier handle communication. Don't discuss fault with anyone else.

PRODUCTS, CONTAMINATION & RECALL

57. What is products liability for a winery?

The part of general liability that covers injuries or property damage caused by your wine after it leaves your control — glass fragments, contamination, or an undisclosed allergen or additive.

58. How do wine products liability claims arise?

Broken or defective bottles, foreign material, bottles bursting from refermentation, contamination, and labeling that fails to disclose sulfites or allergens. Quality control and good records are the best defense.

59. Is a product recall covered?

Not under general liability, which excludes recall and withdrawal costs. Product recall or contamination insurance covers those costs, and is worth considering if you distribute through wholesalers or retailers.

60. What does product contamination coverage include?

Typically recall expenses, replacement of contaminated product, lost gross profit, crisis consultant fees and brand rehabilitation. Many policies also cover malicious tampering and government-ordered recalls.

61. Is cork taint or a flawed batch covered?

Generally not. Quality problems that don't cause injury or physical damage are a business risk, not an insured loss. Supplier contracts with cork and closure vendors are your main recourse.

62. Are labeling errors covered?

Not by themselves. If mislabeling causes an injury — such as an undisclosed allergen — products liability responds. Regulatory fines and relabeling costs are not insured.

63. Is wine shipped direct to consumers covered for products liability?

Yes, generally — products liability follows your product. Damage to the shipment itself is a transit or shipping insurance matter.

64. Do distributors and retailers require insurance from me?

Usually. Distribution agreements commonly require products liability limits, additional insured status for the distributor and sometimes recall coverage. Review requirements before signing.

65. Does producing private-label wine change my exposure?

Yes. When you produce wine sold under another label, contracts should address who's responsible for product claims and recalls. Make sure your carrier knows about custom crush and private-label work.

66. Are canned wines treated differently?

Cans bring their own risks — seam failures, refermentation and corrosion. Disclose canning operations to your carrier and keep quality-control records.

EVENTS, WEDDINGS & FOOD SERVICE

67. Are weddings and private events covered?

Not automatically. Weddings and private events usually require general liability that includes event operations, liquor liability, and often host liquor coverage for outside caterers. Disclose the number and size of events.

68. Is live music covered?

Liability for live music is generally covered, but larger crowds raise slip, assault and overserving exposures. Musicians should have their own liability, and music licensing fees are a separate business requirement.

69. Should event vendors carry their own insurance?

Yes. Require caterers, bartending services, rental companies and entertainers to carry general liability — and liquor liability where applicable — naming the winery as additional insured.

70. Is food I serve covered?

Food you prepare is covered under products liability, but tell your carrier — a full kitchen can change your classification and adds foodborne illness exposure.

71. Do kitchens require fire protection?

Commercial cooking typically requires a UL 300 hood suppression system, regular hood cleaning and Class K extinguishers. Missing protection can affect coverage or eligibility.

72. Should I buy event cancellation insurance?

For high-revenue events or festivals, event cancellation coverage can protect deposits and revenue from weather or other covered disruptions. Coverage must be bought well before the event.

73. Are food trucks at my winery covered?

The truck operator should carry its own liability and auto coverage. Require a certificate naming you as additional insured before they set up.

74. Are vineyard tours by tractor or wagon covered?

Usually only by specific endorsement. Disclose passenger counts, routes and drivers, and use proper wagons with rails and steps.

75. Are overnight guests covered?

Lodging — a guest cottage or short-term rental — requires specific coverage. Don't assume your winery policy covers overnight stays.

76. What about fireworks or bonfires at events?

Use only licensed pyrotechnic operators with their own insurance naming you as additional insured. Many carriers exclude fireworks displays you run yourself.

DISTRIBUTION, SHIPPING & BONDS

77. Is wine in transit covered?

Property coverage usually doesn't follow wine on the road. Transit or inland marine coverage protects shipments to distributors, retailers, festivals and customers.

78. Is heat damage during shipping covered?

Often excluded or difficult to prove. Ship in temperature-controlled freight or insulated packaging and avoid shipping during extreme heat.

79. What are the risks of direct-to-consumer shipping?

Shipping to minors or to states where you're not permitted creates regulatory exposure. Use compliance software, require adult signature at delivery, and follow carrier wine-shipping agreements.

80. Do I need a TTB bond?

Wineries that expect $50,000 or less in federal excise tax liability for the year (and had $50,000 or less the prior year) are generally exempt from the federal bond requirement; others need a bond. Check the current TTB rules for your situation.

81. Are state license bonds required?

Some states and localities require bonds for alcohol licenses or tax obligations. Your agent can place license and permit bonds quickly once you know the requirement.

82. Should I collect certificates from distributors and haulers?

Yes. Haulers should carry auto liability and cargo coverage; distributors should carry liability with you named where appropriate. Keep certificates current.

83. Is wine at trade shows or festivals covered?

Property away from your premises may be limited. Add off-premises or inland marine coverage for wine, displays and equipment you take on the road.

84. Are exports covered for products liability?

Check your policy's coverage territory — many limit suits to the U.S. and Canada. Exporters may need worldwide products coverage.

EMPLOYEES & WORKERS' COMPENSATION

85. Is workers' compensation required?

In Missouri, most employers with five or more employees must carry it; in Kansas, most employers with more than $20,000 in annual gross payroll must. Vineyard labor may qualify for agricultural exemptions, but production and tasting room staff generally don't.

86. What injuries are common at wineries?

Lifting injuries moving cases and barrels, slips on wet production floors, forklift incidents, chemical exposure from cleaning agents, cuts and confined-space incidents.

87. Why is confined space such a serious risk?

Fermentation produces carbon dioxide that collects in tanks, pits and enclosed rooms — it has killed winery workers. Use CO_2 monitors, ventilation, entry permits and a written confined-space program.

88. Should vineyard workers be covered?

Even where agricultural labor is exempt, voluntary coverage protects workers and includes employer's liability that defends lawsuits. It's strongly recommended.

89. Do I need employment practices liability?

Yes. Seasonal hiring, tasting room staff and tipped employees create discrimination, harassment and wrongful termination exposures. EPLI covers defense and settlements.

90. How are winery employees classified for workers' comp?

Production, vineyard, tasting room and clerical employees generally fall into different class codes with different rates. Splitting payroll correctly keeps premium accurate.

91. What safety training matters most?

Confined space and CO_2 awareness, chemical handling, forklift certification, safe lifting and ladder use. Document every training session.

92. Are seasonal harvest workers covered?

Yes, if you carry workers' comp — include their payroll. Underreporting harvest labor creates audit surprises.

CRIME, CYBER & CLAIMS

93. Do I need crime coverage?

Yes. Employee theft of cash, wine and merchandise, along with funds transfer and social engineering fraud, are real exposures. Crime coverage protects money and securities, inventory and electronic funds.

94. Do I need cyber insurance?

Yes. Wine clubs store customer names, addresses, birthdates and payment information, and e-commerce sites are frequent targets. Cyber covers breach response, notification, card industry fines and ransomware.

95. What happens if my wine club data is breached?

You may face notification costs, credit monitoring, forensic investigation, legal defense and lost sales. A cyber policy pays these; general liability does not.

96. How can I lower my premium?

Install sprinklers and alarms, secure barrel racks, maintain refrigeration equipment, train tasting staff, keep confined-space procedures in place and report accurate values.

97. What should I do after a loss?

Protect remaining wine and equipment, document everything with photos, keep damaged product until the adjuster inspects it, and report to your carrier promptly.

98. Why did my premium go up?

Rising inventory and building values, weather losses, larger liability verdicts and changing liquor liability markets all affect price. Accurate values and strong safety practices help.

99. Should I report every incident?

Report any incident that could become a claim — late notice can jeopardize coverage, especially under liquor liability. Your agent can help decide how to handle minor property losses.

100. Why use an independent agent for a winery?

Wineries combine farming, manufacturing, retail, hospitality and alcohol exposures. An independent agent can access specialty winery programs and coordinate coverage across multiple carriers.

Have a question that isn't on this list?

Every operation is different, and the right answer depends on your building, your people and your contracts. I'm glad to review your current policies and give you a straight opinion — no pressure.

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