



## Hemp/THC-Infused Beverages & Liquor Liability: What Liquor Store Owners Need to Know

With the growing popularity of THC-infused beverages, liquor stores now face new liability exposures that didn't exist before. Unlike alcohol, THC-based drinks are not covered under standard liquor liability insurance, and failing to address this coverage gap could leave your business exposed to lawsuits.

### 1. Does Liquor Liability Insurance Cover THC-Infused Beverages?

No. Liquor liability insurance (CG 00 33 0413) only covers claims related to alcoholic beverages—not THC. Even though THC causes intoxication, the policy specifically refers to alcohol, meaning claims related to THC drinks will likely be denied under standard liquor liability policies.

### 2. Does General Liability (CGL) Cover THC-Infused Drinks?

Maybe. The Commercial General Liability (CGL) policy (CG 00 01 0413) does not exclude THC-infused drinks unless there is a specific cannabis exclusion. However, if your liquor store also sells alcohol, the policy's liquor liability exclusion could eliminate coverage for any claims related to intoxication—even if caused by THC.

### 3. Are There Coverage Gaps?

Yes. Standard insurance policies were designed for alcohol, not THC. Without the right coverage, your liquor store may face denied claims for incidents involving THC drinks, leaving you financially responsible.

### 4. How Can Liquor Stores Get Proper Coverage?

Work with insurers who specialize in cannabis coverage to ensure THC impairment-related risks are covered.

Disclose all THC product sales to your insurer to avoid coverage disputes.  
Consider specialty liability policies that explicitly cover hemp and cannabis products.

### 5. Why This Matters

THC drinks are becoming more common in liquor stores, bars, and golf courses, creating new impairment risks. Insurers are adjusting their policies, and failing to secure the right coverage could put your business at serious financial risk. Honesty on insurance applications is crucial; undisclosed THC sales could lead to policy cancellations or non-renewals.

### Next Steps: Protect Your Business

If your liquor store sells or plans to sell THC-infused beverages, consult with an insurance expert to ensure you have the right coverage. Don't assume liquor liability or general liability insurance will protect you—specialty cannabis coverage may be required.

Would you like help reviewing your policy to ensure you're covered? Call Us Today!



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