

## Risks Facing Wineries

Owning a winery can present a variety of often overlooked risks that present serious threats to the business if they remain unaddressed. By purchasing proper coverage and implementing good risk management programs, wineries can successfully reduce their exposures.

### What's Right for You?

When identifying the risks your winery faces, it is important to consider everything your winery does—your exposures are not limited to the harvest. Every step of the wine producing process presents unique risks. Producing wine is a delicate and intricate process, and thus it includes distinct threats to your business, including both property and liability exposures.

### Crop Risks

Vineyards face a multitude of risks. Issues could arise from weather, vine infections, insects, fire, flood or many other events, leading to lost income or other financial problems. Proper risk transfer can protect your business from loss of income.

Spraying pesticides on adjacent areas or hosting events during corking and bottling can affect a large quantity of products, presenting a significant financial risk. For example, wine that could do harm to consumers could be subject to a product recall, another exposure to consider.

### Liability

If your winery is involved in tourism, hosting events, giving tours or renting your space for others to use, liquor liability can be a serious issue. All of these activities can present significant liability exposures. It is

important to have practices in place to prevent incidents and purchase proper coverage to protect the business in the event of a claim.

### Workers' Compensation

Coverage for on-the-job injuries sustained by workers during the harvest is an essential exposure to consider. Good loss control programs, including the promotion of a safety culture, are fundamental to keeping claims at a minimum.

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### Intellectual Property

Your product is the result of a careful study of variety and process. Both techniques used in the production of wine and concepts of the bottle's label are intellectual property. A problem with the origins of the root stock could easily become a vicarious intellectual property claim. Furthermore, wineries could be sued for using labeling concepts from another winery. Litigation can be lengthy and costly, so it is important to plan ahead for this type of risk.

### Cyber Liability

Using the Internet to promote and sell your product can be extremely lucrative, but performing business

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transactions on your website and storing credit card information online presents cyber liability exposures. This could result in costly claims, so it is important to take steps to prevent breaches in security and transfer your risk when possible.

### Your Risk Transfer Resource

Contact the insurance professionals at TPG Insurance Services for more information about developing loss control programs tailored to your unique needs and purchasing appropriate coverage.

**RISK  
INSIGHTS**