



Beyond the Policy: Specialization in Cannabis Risk Management

While the cannabis industry is undergoing remarkable growth - shifting from fringe to mainstream in just a decade -it continues to operate in a highly regulated, often volatile environment. For the cultivators, manufacturers, distributors, and retailers navigating the cannabis space, risk management is central to their success.

Amid this complexity, many businesses are under protected. Why? Because the insurance industry has not kept up. “Generalist” brokers and insurers who tacked cannabis onto their portfolios without truly understanding the sector are now being forced to confront a hard truth: a one-size-fits-all approach simply does not work.

At Symphony Grow, Symphony Risk Solutions’ specialty division focused solely on the cannabis industry, we believe now is the time to take a harder look at what meaningful insurance protection really requires – and why specialization is no longer optional.

The Problem with a Generalist Approach

When cannabis first became insurable, many brokers and insurers rushed in to capture market share. Cannabis was treated like any other line of business. Unfortunately, the consequences of that decision are now coming to light.

Too often, we see cannabis businesses experiencing:

- Coverage gaps they did not know existed
- Exclusions buried in the fine print that gutted their claims
- Policies that seemed comprehensive but failed when it mattered most

These are not small oversights. They can mean the difference between survival – and bankruptcy. For example, a cannabis company might assume its general liability policy covers product recalls, only to find that cannabis-derived products are explicitly excluded. Or a grow operation may discover after a fire that their insurer does not cover crop loss due to cannabis’ classification as a Schedule I substance.

These painful lessons often come at the worst possible time, and they are a direct result of insurance providers not fully understanding the space.

Why Cannabis Risk is Unique

Cannabis is not like other industries. It is not just “agriculture.” It is not just “retail.” It is not just “biotech.” It is all the above – and more. The risks it faces reflect that complexity:

- **Regulatory Uncertainty:** The “federal-state” divide creates ongoing challenges for compliance and insurability
- **Financial Constraints:** Limited banking access complicates premium payments and claim reimbursements
- **Rapid Growth:** New entrants, mergers, and acquisitions are frequent, altering risk profiles overnight
- **Diverse Operations:** From seed-to-sale, each stage brings unique liabilities – from environmental risks in cultivation to consumer safety at retail

And, there’s the public perception... Negative headlines can have outsized reputational impact, affecting not only consumer trust but also insurability and legal exposure.

The Case for Specialization

At Symphony Grow, we’ve seen firsthand how impactful it is when businesses work with specialists. Our entire model is built around serving cannabis businesses – nothing else. That focus allows us to:

- Develop custom coverage for each vertical within the cannabis supply chain
- Partner with underwriters who truly understand the nuances of the industry
- Help clients navigate regulations across multiple jurisdictions
- Offer risk mitigation strategies that go beyond paperwork

Specialization does not just mean offering a policy with “cannabis” in the title. It means understanding the day-to-day risks operators face – and tailoring protection accordingly.

Opportunity Amidst Challenge

The insurance industry is in a “hard” market. Rates are increasing. Insurer’s appetite for risk is down. Some insurers are pulling out of cannabis entirely. But this difficult moment also offers an opportunity to reset.

Operators have a chance to rethink their approach to risk – not just to insure, but to protect and plan for long-term sustainability. Insurers and brokers, meanwhile, can recommit to deeper collaboration and greater transparency. If we treat this moment not as a crisis, but as a turning point, we can build a stronger foundation for everyone.

Conclusion

The cannabis industry has outgrown generic solutions. What it needs now are real partners – specialists who understand its risks, believe in its future, and are committed to helping it grow safely and sustainably.

At Symphony Grow, we are here for exactly that reason.

Let us move beyond the policy. Let us build protection that is made for cannabis. And – Let Us Play For You!