

BUSINESS INSURANCE[®]

CANNABIS & HEMP CONFERENCE

OCTOBER 24-25, 2019 | MARRIOTT MARQUIS | NEW YORK CITY

**Operations and Supply
Chain Management**



Here's the Dirt on **Protecting** a Successful Cannabis Business.



We Have Insurance
Available For:
Cultivators, Distribution
Operations, Delivery
Operations, Manufacturers,
Buildings (Lessor's Risks),
Short-Term Events, Retail
Dispensaries, and Testing
Labs. Affordable Coverage
Options for property,
product, general liability, and
professional liability risks.



Golden Bear
INSURANCE COMPANY

1550 W. Fremont St. Second Floor
Stockton, CA 95203 | (209) 948-8191
CannabisInfo@goldenbear.com

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PRESENTING SPEAKERS

Lewis Koski, Chief Operating Officer of **METRC**
&

Brian Jensen, Chief Operating Officer
Mary's Medicinals and Mary's Nutritionals

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Lewis Koski, Chief Operating Officer

METRC

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Brian Jansen, Chief Operating Officer

MARY'S BRANDS



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Types of Licenses

Each state is completely different

1. Grow / cultivation
2. Extraction
3. Manufacturing
4. Distribution
5. Retail / Delivery

Very common for multiple royalty agreements on a license

1. You need to know who these agreements are with as they are on the license you are insuring
2. All activities tied to the license
 - Inventory
 - Liability
 - Reputation

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Seed to Shelf Tracking

- Allows for full transparency of cannabis throughout the supply chain (METRC and BioTrack)
- States with systems are more stable
 - Greater auditing capability
 - Increased financial transparency
 - Product recall
 - Shrinkage tracking
 - Tax liability

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Supply Chain Best Practices

- Written SOPs for the production of each SKU to ensure consistency and repeatability...potency of cannabis will fluctuate
- GMP certification of the production facility
- A Compliance Manager that reports outside of operations
- Consumer comment tracking
 - Pattern of defects
 - Adverse events

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Legal Review

- Legal review of new and revised packaging for state / federal compliance
- Marketing material review for claims
- Contracts and agreements

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Testing

- Ability to test product for potency in house (HPLC)
- Outside lab testing results vary greatly
- Incoming raw material testing (cannabis and non-cannabis)
 - Potency
 - Pesticides
 - Heavy metals
 - Microbiological contaminants
 - Residual solvents
- 3rd party finished product testing
 - Potency
 - Contaminants
- Testing results should be kept for the shelf life of the product at a minimum
- Test results should be readily accessible for consumers and regulators

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