



Insurance Brokers &
Consultants

WINERY & VINEYARD

RISK MANAGEMENT PROGRAM



EPIC WINERY PRACTICE

WINERY PRACTICE

The wine industry has come a long way since Monks initiated the modern art of wine making during the Middle Ages.

As the business of wine making has evolved, Risk Management-part art and part science-has become increasingly important. In contrast to the early years of viticulture and enology, today's modern winery must contend with a complex variety of human, economic and natural threats to its economic survival and continuity.

As wine sales in the United States continue to grow, investment in 'enterprise-wide' risk management has become a focal point for Winery owners and operators.

Wineries have unique risk characteristics, including:

- Agriculture
- Manufacturing
- Retail
- Wholesale
- Hospitality

DIFFERENTIATORS

- At EPIC, we are a people-first company.
- As a private company, we are run by our clients, not shareholders.
- Our experts understand the distinct needs and culture that exist within the wine Industry.
- We identify exposures, recommend solutions and focus on loss prevention.
- EPIC maintains a dedicated in-house claims consulting & risk control team.
- EPIC's access to both retail and specialty wholesale markets globally will ensure your program is tailor-made.

WINERIES & VINEYARDS

EPIC's Risk Advisory approach includes methods and processes used by organizations to manage risks and seize opportunities related to the achievement of their objectives.

To understand and manage all the risks an organization faces, our approach uses an integrated approach viewing the complete organization, its vision and goals. Its primary purpose is to improve the quality of decision-making throughout an organization.

RISK ADVISORY PROCESS

- Perform comprehensive needs assessment and risk analysis
- We support you and your business as you grow and change
- Deliver a customized and cost effective program
- Integrate all aspects of your insurance program
- Leverage our involvement with CAWG, UW&GS, AgSafe, Wine Financial Symposium, SSU Wine Business Program, AVA Affiliations, and the Wine Institute.

WHERE WE CAN HELP



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A Written Comprehensive Safety Plan



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Supply Chain Program



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Overall Hazard Assessment and Analysis



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Recall Action Plan



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Preventative Controls & Review



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Associated Records/Retention



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Monitoring & Verification



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Business Continuity Planning



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Corrective Actions & Sustainability

WINERIES & VINEYARDS

INTRODUCTION OF THE RISK PROFILE CYCLE

The overall process lowers costs and premiums, and increases the financial benefits and carrier options

Managed Risks open up new financial vehicles to address risks via informed decisions

The result is better premium rates and terms, as well as an expanded carrier pool

6

5

4

1

2

3

**INCREMENTAL
CHANGES IN
BEHAVIORS LEAD
TO SIGNIFICANT
CHANGES IN
OUTCOMES**

The Advisory Process Focuses on the Client's Risk Profile, and the Means to Enhance it

Identifying, Assessing and Addressing a Client's Risk Profile lowers their soft costs

Improving our Client's Risk Profile Makes them more attractive to underwriters

WINERIES & VINEYARDS

EPIC HAS DEVELOPED EXCLUSIVE PROGRAMS TO PROVIDE SPECIALIZED COVERAGE AND SERVICES TO OUR WINE INDUSTRY CLIENTS:

- Food & Beverage Safety Compliance
- Leakage
- Supply Chain Protection
- Product Contamination-Recall expense
- Earthquake & Flood on buildings and equipment
- Worldwide protection for stock, inc EQ/Flood
- Management Protection
- Employment Practices, D&O, Fiduciary Liability
- Trademark Protection
- Mergers & Acquisitions
- Cyber Risk
- Advertising Liability
- Captives

RECOMMENDED COVERAGES:



..... Equipment Breakdown



..... Global Stock Throughput & Transit/Cargo Coverage



..... Earthquake and Flood



..... Winery and ERISA Bonds



..... General Liability, Liquor and Events Liability



..... Confined Space, Ergonomic and Heat Illness Consulting



..... Business Continuity Planning



..... Fine Arts



..... Financial Services Expertise (Directors and Officers Liability, Employment Practices Liability and Internet Liability)



..... Employee and Executive Benefits



WINE INDUSTRY RISKS & CHALLENGES

WINE INDUSTRY RISKS

- **Exposure:** Grapes are at risk the moment they are picked from the vine
- **Valuation:** Wine inventory values change and increase at each step of the wine making process
- **Wine Inventories:** Create significant exposure to loss: 65% of a wineries total insurable values
- **Wine Leakage:** A key processing exposure from hoses, tanks, barrels, bottling
- **Contamination:** Contaminants spoiling wine in tanks and barrels during processing

WINE INSURANCE CHALLENGES

- **Values:** Wine valuations are difficult to accurately predict
- **Underinsurance:** Insurance sub-limits don't address seasonality of risk in winery operations
- **Coverage Restrictions:** Traditional wine making methods can give rise to coverage issues within some insurance policies
- **Stock Valuations:** Bulk wine stock values can be limited due to valuation clauses