

# What Cannabis Products Are Covered by Cargo Insurance?

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In the cannabis industry, moving products from one point to another comes with a unique set of risks. Whether your business ships raw materials for processing or finished goods to retail outlets, safeguarding these shipments is essential. Cargo insurance offers that protection, helping cannabis operators mitigate losses in the event of theft, damage, or other transport-related incidents.

But many business owners have one big question: **What cannabis products are actually covered under cargo insurance policies?** The answer is broader than most expect. This article will explore the scope of coverage, the nuances that affect protection, and best practices to ensure you're fully safeguarded.

## Understanding Cannabis Cargo Insurance

Cargo insurance is a policy designed to cover goods in transit. For cannabis businesses, this means insuring the safe delivery of their products whether transported by company-owned vehicles, contracted couriers, or third-party logistics providers.

Cannabis cargo insurance differs from standard cargo insurance because it accounts for the high-value nature of the products and the legal compliance requirements that vary from state to state and in international markets.

Coverage can apply to:

- Domestic shipments within one state or across state lines (where legally permitted)
- International shipments (in countries where cannabis trade is lawful)
- Third-party transportation arrangements

## Coverage for Dried Cannabis Flowers

**Dried flowers remain the most common and widely shipped cannabis product.** Cargo insurance for dried cannabis covers:

- **Raw flowers for processing:** Often sent from cultivators to manufacturers for extraction or packaging.
- **Finished flowers for retail sale:** Packaged and ready for dispensary distribution.

Because dried flowers are lightweight yet high-value, they are particularly vulnerable to theft during transit. Cargo insurance can reimburse businesses for losses due to theft, spoilage (caused by delays or improper storage), or damage from accidents.

## Oils, Concentrates, and Extracts

Cannabis oils and concentrates—such as distillates, shatter, wax, and resin—are also covered under many cargo insurance policies.

These products are:

- **High value per unit** — making them prime targets for theft.
- **Temperature sensitive** — requiring controlled environments to maintain quality.

Cargo insurance can extend protection for losses from temperature fluctuations, equipment malfunctions during transport, and contamination. For businesses that ship bulk quantities of oil to be processed into vape cartridges or edibles, this coverage is essential.

## Edibles and Infused Products

**Edibles represent a growing share of the cannabis market from chocolates and gummies to beverages and baked goods. Cargo insurance can cover these products in several forms:**

- **Retail-ready packages:** Shipped directly to dispensaries.
- **Bulk batches:** Sent to be repackaged or infused into other products.

Edibles require careful handling during transit due to their sensitivity to temperature, humidity, and contamination. Cargo insurance may include spoilage coverage, protecting businesses against losses from delays or improper storage.

## Pre-Rolls and Packaged Products

Pre-rolls are among the most frequently transported cannabis products because they are often sold in high volumes to retailers. Cargo insurance typically covers:

- **Individually packaged pre-rolls** for retail.
- **Bulk pre-roll shipments** for further processing or repackaging.

These shipments benefit from coverage against theft, crushing, or other physical damage during transit.

## Seeds and Clones

For cultivators and breeding operations, the transportation of seeds and live plants (clones) is a critical business activity. While not all cargo insurance policies automatically include live plants, many can be tailored to offer:

- **Coverage for high-value genetic material** like specialty seeds.
- **Protection for clones** during short-haul deliveries between cultivation facilities.

Because live plants are fragile, insurance often includes special handling requirements and temperature-control clauses.

## Cannabis Accessories and Non-THC Products

Some policies also extend to cannabis-related accessories or products containing only CBD (cannabidiol) derived from hemp. Examples include:

- Vaporizers, rolling papers, and grinders.
- Hemp-based CBD oils and edibles.

These items, while not as heavily regulated as THC-containing products, still benefit from cargo insurance to protect against loss or damage.

## Factors That Influence Coverage

Not every policy covers every cannabis product automatically. Coverage can depend on:

- **Regulatory compliance:** The shipment must meet all legal requirements in the origin and destination locations.
- **Value declarations:** Businesses need to provide accurate shipment values for proper reimbursement.
- **Transport method:** Coverage terms may differ for company vehicles versus third-party carriers.

Some insurers may require special endorsements for high-value or perishable cannabis products.

## Why This Coverage Matters for All Cannabis Operators

Cargo insurance is not just for large-scale cannabis companies—it's essential for:

- **Small dispensaries** sending products to other retail locations.
- **Medium-sized manufacturers** distributing to multiple states (where legal).
- **Cultivators** delivering raw materials to processors.

Without it, a single incident like a theft, vehicle accident, or temperature control failure could result in significant financial losses.

## Best Practices to Maximize Your Protection

1. **Work with a cannabis-specialized insurer** — They understand product types, regulations, and risk factors.
2. **Document shipments thoroughly** — Keep accurate inventory lists, condition reports, and transport details.
3. **Invest in secure transport methods** — GPS tracking, sealed containers, and vetted carriers reduce loss risks.
4. **Review your policy regularly** — Update it when adding new product types or changing routes.
5. **Bundle coverages** — Pair cargo insurance with commercial auto and property insurance for broader protection.

Cargo insurance for cannabis is far more comprehensive than many operators realize. From dried flowers and oils to edibles, pre-rolls, and even seeds, a wide range of products can be protected during transit. The key is

understanding your policy, ensuring compliance, and working with an insurer who knows the cannabis industry inside out.

With the right coverage in place, cannabis businesses can ship confidently, knowing their valuable products are safeguarded every step of the way.

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