SOUTH DAKOTA CANNABIS EXCLUSION WITH  
DESIGNATED PRODUCT OR WORK EXCEPTION  
SUBJECT TO CANNABIS PRODUCTS/COMPLETED  
OPERATIONS AGGREGATE LIMIT

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This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

|  |  |  |
| --- | --- | --- |
| **Description Of Your Product(s)** | | |
|  | | |
| **Description Of Your Work** | | |
|  | | |
| **Limit Of Insurance** | | |
| **Cannabis Products/Completed Operations Aggregate Limit:** | **$** |  |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. | | |

A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

This insurance does not apply to:

1. "Bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of:

a. "Cannabis activity"; or

b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis"; or

2. "Property damage" to "cannabis".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved that which is described in Paragraph **A.1.** or **A.2.** above.

However, Paragraph **A.1.b.** does not apply to "bodily injury" or "property damage" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

(1) An insured; or

(2) Any other person for whom you are legally responsible;

but only if the "bodily injury" or "property damage" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

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B. The exclusion in Paragraph A. does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of any of "your products" or "your work" as shown in the Schedule of this endorsement.

However, this Paragraph **B.** does not apply to "bodily injury" or "property damage" arising out of any "cannabis activity":

1. That occurs while any required license for such "cannabis activity" is not in effect; or

2. That is not permitted under an applicable state or local statute, regulation or ordinance in the state wherein such "cannabis activity" occurred.

However, Paragraphs **B.1.** and **B.2.** above do not apply to "bodily injury" or "property damage" for which the insured may be held liable by reason of an applicable state or local statute, regulation or ordinance imposing such liability for:

a. Causing or contributing to the intoxication of any person; or

b. The selling, serving or furnishing of "cannabis" to a person who is under:

(1) The legal age for "cannabis" consumption; or

(2) The influence of "cannabis".

C. The following provisions are added to Section III – Limits Of Insurance:

1. Subject to Paragraph 3. of Section III – Limits Of Insurance, the Cannabis Products/Completed Operations Aggregate Limit shown in the Schedule of this endorsement is the most we will pay under Coverage A for damages because of all "bodily injury" and "property damage" arising out of "your product(s)" or "your work" shown in the Schedule of this endorsement and included in the "products-completed operations hazard".

2. Paragraph 5., the Each Occurrence Limit, of Section III – Limits Of Insurance continues to apply to "bodily injury" and "property damage" arising out of "your product(s)" or "your work" shown in the Schedule of this endorsement and included in the "products-completed operations hazard", but only if, and to the extent that, a limit of insurance is available under the Cannabis Products/Completed Operations Aggregate Limit.

D. The following definition is added to the Definitions section:

1. "Cannabis activity" means the design, cultivation, manufacture, processing, packaging, handling, testing, storage, distribution, sale, serving, furnishing, use, possession or disposal of "cannabis".

2. "Cannabis":

a. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

b. Paragraph D.2.a. above includes, but is not limited to, any of the following containing such THC or cannabinoid:

(1) Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

(2) Any compound, by-product, extract, derivative, mixture or combination, such as:

(a) Resin, oil or wax;

(b) Hash or hemp; or

(c) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph **D.2.b.(1).**